



City of Grand Island

Tuesday, July 26, 2016

Council Session

Item F-3

#9593 - Consideration of Amending Chapter 23-21 of the Grand Island City Code Relative to the Telephone Occupation Tax

Staff Contact: Jon Rosenlund

Council Agenda Memo

From: Jon Rosenlund, Emergency Management Director
Meeting: July 26, 2016
Subject: Emergency Management/911 Facility
Presenter(s): Jon Rosenlund, Emergency Management Director

Background

The City Council requested the Emergency Management Interlocal Committee to reconvene and make a recommendation for a new facility and a method of payment for that facility. It is recommended to increase the telephone occupation tax by Ordinance from 3% to 5% in order to finance this construction in a 20 year bond for the construction of that facility.

Discussion

In May, the Emergency Management Department was instructed to reconvene the Emergency Management Interlocal Committee and obtain a single recommendation for the type of emergency management/911 communications facility and propose a method of paying for that facility.

At that meeting, the Interlocal Committee recommended that a full-scale center for both the 911 Center and the Emergency Operations Center be constructed at Fire Station #1. It was also the consensus of the Committee that the City should be the sole owner of that facility.

The proposed full-scale facility located at the Fire Station #1 is estimated to cost approximately \$3.1 million. City Finance estimates that a 20 year bond would cost approximately \$210,000 per year. It is recommended to increase the City occupational tax on telephones by an additional 2%, which is estimated to generate an additional \$330,000 in revenue. This 2% increase would be designated for the expressed purpose of payment of the construction bond as well as other Public Safety capital expenditures in the future. The 2% increase is scheduled to sunset at the end of the 20 year bond term.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council adopt this proposed ordinance to amend Chapter 23, Article III, Section 23-21 of the Grand Island City Code.

Sample Motion

Move to approve the ordinance.

ORDINANCE NO. 9593

An ordinance to amend Chapter 23, Article III, Section 23-21, of the Grand Island City Code pertaining to an occupation tax for telephone and telecommunications companies; to provide for an effective date; to repeal any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance, said effective date is September 1, 2016.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. That Chapter 23, Article III, Section 23-21, of the Grand Island City Code shall be amended to read as follows:

Article III. Telecommunication Tax

§23-21. Occupation Tax; Exemption

(A) All telephone companies and mobile telecommunications services doing business in the City are required to pay an occupation tax to the City in an amount equal to three (3) percent of the gross receipts from the legally established basic monthly charges collected for local exchange telephone service to subscribers within the City, intrastate message toll telephone service and mobile telecommunications services for revenue in the City. ~~There shall be exempted from the provisions of this article all receipts for telephone service to the United States government or any of its departments, and all receipts from the state or any of its departments, and no part or portion of the tax provided for in this article shall be levied upon or assessed against or taken from the United States government, the government of the state, or any of either of their departments.~~

(B) Effective September 1, 2016, in addition to the three (3) percent occupation tax provided by §23-21 (A) above, all telephone companies and mobile telecommunications services doing business in the City are required to pay a supplemental occupation tax to the City in an amount equal to two (2) percent, resulting in a total occupational tax of five (5) percent of the gross receipts from the legally established basic monthly charges collected for local exchange telephone service to subscribers within the City, intrastate message toll telephone service and mobile telecommunications services for revenue in the City. The revenue received from the two (2) percent supplemental occupation tax shall be placed in a segregated account and shall be appropriated solely for payment of bonds for construction of a new primary 911 Emergency Operating facility and for other public safety purposes.

Approved as to Form	☐ _____
July 21, 2016	☐ City Attorney

ORDINANCE NO. 9593 (Cont.)

(C) The supplemental occupation tax imposed pursuant to § 23-21(B) shall terminate on August 31, 2036, at which time the occupational tax rate imposed by this Article shall be three (3) percent as provided by §23-21(A), above.

(BD) As used in this section, mobile telecommunications services shall mean a wireless communication service carried on between mobile stations or receivers and land stations, and by mobile stations communicating among themselves, and includes:

- (i) Both one-way and two-way wireless communications services;
- (ii) A mobile service which provides a regularly interacting group of base, mobile, portable and associated control and relay stations, whether on an individual, cooperative, or multiple basis for private one-way or two-way land mobile radio communications by eligible users over designated areas of operation; and
- (iii) Any personal communications service.

(E) There shall be excepted from the provisions of this Article all receipts for telephone service to the United States government or any of its departments, and all receipts from the state or any of its departments, and no part or portion of the tax provided for in this Article shall be levied upon or assessed against or taken from the United States government, the government of the state, or any of either of their departments.

Amended by Ordinance No. 9106, effective 3-1-07

SECTION 2. Any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. This ordinance shall be in force and take effect from and after its passage and publication, on September 1, 2016.

Enacted: July 26, 2016.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk