



City of Grand Island

Tuesday, September 25, 2018

Council Session

Item I-2

#2018-289 – Consideration of Creating a 2018 Half Cent Sales Tax Oversight Committee

Staff Contact: Marlan Ferguson

Council Agenda Memo

From: Jerry Janulewicz, City Attorney

Meeting: September 25, 2018

Subject: 2018 Half Cent Sales Tax Oversight Committee

Presenter(s): Jerry Janulewicz, City Attorney

Background

In the November 6, 2018 general election, the electorate of Grand Island will be voting upon a ballot question to increase the local sales and use tax rate by an additional one-half of one percent (1/2%) from the current rate of one and one-half percent (1 1/2%) to a rate of two percent (2%). The Mayor and City Administration propose that by this resolution an oversight committee be established, if in fact the electorate passes the proposed ballot question. The committee would be established by ordinance. The function of the committee would be to advise the public and city officials with regard to the city's additional half cent sales tax, confirm that the tax revenues are accounted for in the designated special revenue funds and are being expended on eligible projects as provided by city ordinances.

Discussion

An oversight committee was established for the Food and Beverage Tax and has been very successful and well received by the citizens. The Half Cent Sales Tax Oversight Committee ordinance would be modeled similarly to that committee. The function of the committee would be to advise the public and city officials with regard to the city's additional sales tax, confirm that the additional sales tax revenues are accounted for in the designated special revenue funds, and are being expended on eligible projects as provided by city ordinances.

Alternatives

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

1. Approve the resolution.
2. Disapprove or /Deny the resolution.
3. Modify the resolution to meet the needs of the City Council.
4. Table the issue.

Recommendation

City Administration recommends that the Council approve the resolution.

Sample Motion

Move to approve the Resolution authorizing and approving the establishment of a 2018 Half Cent Sales Tax Oversight Committee.

RESOLUTION 2018-289

WHEREAS, the City of Grand Island local sales and use tax rate is currently one and one-half percent (1 1/2%); and

WHEREAS, pursuant to the authority provided by Neb. Rev. Stat. §77-27,142, upon an affirmative vote of at least seventy percent (70%) of all of the members of its governing body, a city may submit to qualified electors of the city a proposal to increase the city sales and use tax to a rate greater than one and one-half percent (1 1/2%) at a primary or general election held within the city; and

WHEREAS, the City Council desires to propose to qualified electors of the City at the November 6th, 2018 general election the question whether the City's sales and use tax rate should be increased an additional one-half of one percent (1/2%); and

WHEREAS, pursuant to Neb.Rev.Stat. §77-27,142, revenue from a sales and use tax rate in excess of one and one-half percent (1 1/2%) shall be used for public infrastructure projects; and

WHEREAS, it is proposed that the revenue from such increased tax, if approved, be devoted to the following projects or any combination thereof (1) public highways; (2) municipal streets, bridges, and sidewalks; (3) buildings and capital equipment used in the operation of city government; (4) parking facilities; and (5) public safety equipment necessary for the provision of city public safety services; and

WHEREAS, the City Council desires an Oversight Committee be established, if in fact the electorate passes the proposed ballot question. The committee would be established by ordinance. The function of the committee would be to advise the public and city officials with regard to the city's additional half cent sales tax, confirm that the tax revenues are accounted for in the designated special revenue funds, and are being expended on eligible projects as provided by city ordinances.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that: If the additional Half Cent Sales Tax is approved by the electorate, an Oversight Committee will be established by Ordinance with the function to advise the public and city officials with regard to the city's additional half cent sales tax, confirm that the tax revenues are accounted for in the designated special revenue funds, and are being expended on eligible projects as provided by city ordinances.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 25, 2018.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
September 21, 2018	☐ City Attorney