



City of Grand Island

Tuesday, March 09, 2004

Council Session

Item I1

#2004-56 - Approving Ballot Language for 1/2 Cent Sales Tax Vote

Staff Contact: Doug Walker

Council Agenda Memo

From: Doug Walker, City Attorney
Meeting: March 9, 2004
Subject: Approving Ballot Language for ½ Cent Sales Tax Vote
Item #'s: I-1
Presenter(s): Doug Walker

Background

The Mayor, City Council and Administration have been working for several months to ascertain the best way to meet the needs of the community for property tax relief and to obtain the necessary funding for several capital improvement projects. The City Council has asked for and obtained input from the public regarding which capital improvement projects should have priority if the sales tax is approved. City Administration has also determined the priority and affordability of various capital improvement projects, after the City's priority of property tax relief has been accomplished.

It is estimated that an additional ½ cent sales tax levy will result in approximately \$4,000,000 of additional revenue. An estimated \$2,000,000 would go to property tax relief which would result in a 30% reduction of the City's property tax levy and a 5% overall reduction in property taxes if the amount of property taxes levied by other taxing entities does not change and if assessed valuations do not increase. This ballot measure would reduce the City's dependence on property taxes and provide for necessary capital improvement projects. The City would also be able to take advantage of the steady growth in sales tax revenues which is expected to continue with the development of major new retail stores. Additional Sales Tax revenues would also diversify and expand the tax base since all residents of the community as well as individuals and businesses from the trade area outside of Grand Island will pay this additional tax, thus shifting the tax burden for supporting local government from property tax.

The annual proceeds from the additional sales tax that would be designated for capital improvement projects would be approximately \$2,000,000. Administration is recommending that the capital improvement projects that should have initial priority once additional sales tax revenues become available would be as follows:

Financed Projects

1)	Fire Station #1 replacement	\$3,000,000
2)	Fire Training Facility	\$4,000,000
3)	Police/Sheriff Law Enforcement Training Center	\$3,000,000
4)	Library Expansion	\$7,000,000
5)	Aquatics Projects (according to Aquatics Plan)	\$3,000,000
	Total	<u>\$20,000,000</u>

Estimated Annual Cost for amortizing the above referenced projects **\$1,593,449**

Annual Cash Projects

1)	Grand Generation Center Capital Fund	\$100,000
2)	Cornhusker army ammunition Recreation Development	\$125,000
3)	Hike/Bike Trail development	\$125,000
4)	Infrastructure Emergency funds	\$ 56,551
	Total	<u>\$406,551</u>

Annual Total for financed projects and annual cash projects **\$2,000,000**

Discussion

Ballot language has been drafted as set forth in Resolution #2004-56 as shown in conjunction with item I-1 of the agenda. This ballot has been written to designate in advance how the proceeds of an additional ½ cent sales tax will be spent so that the public will have assurance that the proceeds will be used for property tax relief and capital improvements. The ballot language has been revised from earlier versions to accurately reflect current Nebraska Sales Tax Statutes and to reflect the priorities established by the City Council and Administration. If Resolution #2004-56 is approved, the ballot language will be certified on March 10th and delivered to the Hall County Election Commissioner so that it can be placed on the ballot in time for the Election Commissioner to have it certified by the Nebraska Secretary of State and be included on the May 11th Primary Election as well as the absentee ballots for that election.

Alternatives

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

1. Approve Resolution #2004-56 which would place this sales tax measure on the ballot at the May 11th Primary Election.

2. Disapprove or /Deny the resolution which would result in the City not putting a sales tax measure before the voters at the May 11th Primary Election.
3. Modify the resolution to meet the needs of the City Council.
4. Table the issue which would prevent the sales tax measure from being timely certified to the Hall County Election Commissioner for the May 11th Primary Election.

Recommendation

City Administration recommends that the Council approve Resolution #2004-56 authorizing a ½ cent sales tax measure to be placed on the May 11th Primary Election and the ballot language in the resolution designating how the proceeds of the sales tax would be expended.

Sample Motion

Approve Resolution #2004-56 for placing the Sales Tax Measure on the May 11th Primary Ballot.

RESOLUTION 2004-56

WHEREAS, the City Council of the City of Grand Island have expressed their desire to provide property tax relief and to maintain and improve public safety within the community, expand parks and recreational opportunities; and

WHEREAS, an increase in the local option sales tax is the fairest and best means to fund the foregoing programs; and

WHEREAS, the Mayor and City Council wish to place this issue before the voters of the City of Grand Island for their decision at the statewide primary election of May 11, 2004.

WHEREAS, on August 27, 2002, by Resolution 2002-270, the City Council of the City of Grand Island approved official sample ballot language for use at the May 11, 2004 statewide primary election; and

WHEREAS, it is recommended that such resolution be rescinded and the ballot language set forth below be adopted for the sales tax measure to be submitted at the statewide primary election scheduled for May 11, 2004.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

(1) Pursuant to Neb. Rev. Stat. §77-27,142.02, in lieu of a separate special election, the following ballot shall be submitted at the statewide primary election on May 11, 2004:

(OFFICIAL SAMPLE BALLOT)
OFFICIAL MUNICIPAL ELECTION BALLOT
CITY OF GRAND ISLAND, NEBRASKA

Tuesday, May 11, 2004

Sales and Use Tax Proposal:

Shall the Mayor and City Council of the City of Grand Island, Nebraska, impose a sales and use tax in the amount of one-half percent (1/2%) in addition to the one percent (1%) currently in effect, upon the same transactions within the City of Grand Island on which the State of Nebraska is authorized to impose a tax and shall the City of Grand Island increase its budgeted restricted funds for fiscal year 2004-2005 by \$4.5 million over the current year's restricted funds with one-half of the proceeds collected therefrom to be used for property tax relief and one-half of the proceeds used for capital improvements including, but not limited to, fire department facilities, police department facilities, library facilities, parks and recreation facilities, senior/grand generation facilities and infrastructure?

Approved as to Form ☐ _____
March 5, 2004 ☐ City Attorney

Vote for or against the foregoing proposal.

- FOR the proposal
- AGAINST the proposal

(2) The City Clerk is directed to certify the above issue to the Election Commissioner by March 10, 2004 in the manner and form provided in Neb. Rev. Stat. §77-27,142.02.

(3) Resolution 2002-270 approved on August 27, 2002, is hereby rescinded.

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Adopted by the City Council of the City of Grand Island, Nebraska on March 9, 2004.

RaNae Edwards, City Clerk