



City of Grand Island

Tuesday, May 25, 2004

Council Session

Item F6

**#8910 - Consideration of Imposing an Additional One-Half Percent
Sales Tax**

Staff Contact: Doug Walker

Council Agenda Memo

From: Douglas R. Walker, City Attorney

Meeting: May 25, 2004

Subject: Ordinance Imposing an Additional
One-Half Percent Sales Tax

Item #'s: F-6

Presenter(s): Douglas R. Walker, City Attorney

Background

At the May 11, 2004, primary election, the voters of Grand Island approved a one-half percent sales tax in addition to the current one percent sales tax currently in effect. Part of the process of implementing the sales tax is the passage of an ordinance by the city to impose the tax which has been approved by the voters.

Discussion

The Nebraska statutes require that a municipality which passes a local option sales tax to pass an ordinance imposing the tax. Once the ordinance has passed it is then subsequently forwarded to the tax commissioner for the state of Nebraska for the sales tax to be administered. The Nebraska statutes further require that the tax will not commence until the first day of the next calendar quarter which is at least 120 days following receipt by the tax commissioner of a certified copy of the municipal ordinance imposing the tax. Passing the ordinance is required to implement the sales tax once it has been approved by the voters and is a ministerial duty of the municipality.

Alternatives

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

1. Approve the ordinance as drafted.
2. Disapprove or /Deny the ordinance.
3. Modify the proposed ordinance to meet the wishes of the Council
4. Table the issue.

Recommendation

City Administration recommends that the Council approve the ordinance as drafted.

Sample Motion

Approve the ordinance imposing additional one-half percent sales tax.

ORDINANCE NO. 8910

An ordinance to adopt an additional one-half (1/2) cent sales and use tax in the City of Grand Island, Hall County, Nebraska; to provide for filing with the Nebraska Tax Commissioner a certified copy of this Ordinance, a certified map of the City of Grand Island, a certified copy of the election results and a statement from the Hall County Election Commissioner indicating that this issue has not been voted on during the last six months; and; and to provide for publication and the effective date of this ordinance.

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

SECTION 1. By reason of the approval of the voters of the City of Grand Island at the primary election held in the City on May 11, 2004, Grand Island does hereby impose a sales and use tax of one-half of one percent upon the same transactions within the City on which the State of Nebraska is authorized to impose a tax pursuant to the Nebraska Revenue Act of 1967, as amended from time to time, and such sales and use tax shall be in addition to the one percent sales and use tax imposed by the City in Ordinance No. 7600 and the administration of such sales and use taxes shall be by the Nebraska Tax Commissioner pursuant to Neb. Rev. Stat. §77-27,143.

SECTION 2. The sales and use tax imposed by this Ordinance shall commence on the first day of the next calendar quarter which is at least one hundred twenty days following receipt by the Tax Commissioner of a certified copy of this Ordinance as set forth in Neb. Rev. Stat. §77-27,143.

SECTION 3. One-half of the proceeds of the sales and use taxes imposed by this Ordinance shall be used to reduce the real property taxes imposed by the City and one-half of the

ORDINANCE NO. 8910 (Cont.)

proceeds shall be used to fund capital improvements including but not limited to fire department facilities, police department facilities, library facilities, parks and recreation facilities, senior citizen/Grand Generation Center facilities and infrastructure.

SECTION 4. By reason of the approval of the voters of the City of Grand Island at the primary election held on May 11, 2004, the City of Grand Island shall increase its budgeted restricted funds for fiscal year 2004-2005 and subsequent years by \$4,500,000 over the current year's restricted funds.

SECTION 5. After passage and adoption of this Ordinance, the City Clerk is hereby directed to mail a certified copy of this Ordinance together with a certified map of the City of Grand Island, a certified copy of the election results and a statement from the Hall County Election Commissioner indicating that this issue has not been voted on and failed within the prior twenty-three months preceding the election to the Nebraska Tax Commissioner.

SECTION 6. This Ordinance shall be in full force and take effect, from and after its passage, approval and publication as provided by law.

Enacted: May 25, 2004.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk