

City of Scottsbluff, Nebraska

Monday, March 16, 2015

Regular Meeting

Item Resolut.1

Council to approve the Ordinance implementing the extension of the City Sales and Use Tax and the Amended Economic Development Plan.

Staff Contact: Rick Kuckkahn, City Manager

ORDINANCE RECORD

ORDINANCE NO. _____

AN ORDINANCE IMPLEMENTING THE EXTENSION OF THE CITY SALES AND USE TAX AND THE AMENDED ECONOMIC DEVELOPMENT PLAN, AS ADOPTED AT THE GENERAL ELECTION HELD ON NOVEMBER 4, 2014.

Be it ordained by the Mayor and City Council of the City of Scottsbluff, Nebraska:

1. On November 4, 2014, at the General Election, a majority of the qualified electors of the City voting at the election passed the following propositions which were submitted on the ballot at the election:

Proposition No. 1:

Shall the City Council of the City of Scottsbluff, Nebraska continue to impose a Sales and Use Tax in the amount of 1.5% upon the same transactions within the City on which the State of Nebraska is authorized to impose a tax, subject to the terms and conditions of the Proposition as set out below?

_____ Yes (For continuing the Sales and Use Tax)

_____ No (Against continuing the Sales and Use Tax)

Terms and Conditions: The terms and conditions of Proposition No. 1 are as follows:

- a. Property Tax Limitation: The property tax that may be levied by the City for General Fund Purposes in each fiscal year that the City Sales and Use Tax is in effect shall not exceed \$175,000.00.
- b. Economic Development Portion: If Proposition No. 2 passes, a portion of the City Sales and Use Tax equal to ¼ of one percent (1/6 of the total City Sales and Use Tax) shall be allocated to the Economic Development Program as provided for in the Plan set out in Proposition No. 2.
- c. Termination of Tax: The City Sales and Use Tax shall automatically terminate on October 1, 2025, unless the tax is extended by a vote of the electorate prior to that date.

Proposition No. 2

Shall the City of Scottsbluff, Nebraska continue and amend its existing Economic Development Program as described below by appropriating annually from local sources of revenue approximately \$1,200,000 per fiscal year during the time period for which the City Sales and Use Tax provided for in Proposition No. 1 is in existence:

_____ Yes (For continuing the Program)

_____ No (Against continuing the Program)

Description of the Economic Development Program: The Economic Development Program, as amended and approved by the City Council, is summarized as follows:

- a. General Description of the Program: The goal of the Economic Development Program is to provide quality jobs to the citizens of Scottsbluff, Nebraska. Activities included in the Economic Development Program are direct loans or grants to qualifying businesses for fixed assets or working capital or both, loan guaranties for qualifying businesses, grants for public works improvements and job training, real estate purchases and options, issuance of bonds, the costs of implementing the program, technical assistance, industrial recruitment activities, expenses for locating qualifying businesses into the area, the equity investment. Qualifying businesses include those which derive their principal source of income from (1) manufacturing, (2) sale of goods or commodities in interstate commerce, (3) processing, storage, transport, or sale of goods or commodities in interstate commerce, (4) the sale of services in interstate commerce, (5) headquarters facilities relating to eligible activities, (6) telecommunications activities, (7) tourism-related activities, or any other business deemed to be qualifying businesses through future amendments to Nebraska law.

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- b. Duration of the Program: The Economic Development Program is currently in existence and shall be extended until October 1, 2040.
 - c. Years of Collection of Funds: Collection of additional fund for the Economic Development Program shall be on all taxable sales beginning on October 1, 2015 and shall end on October 1, 2025.
 - d. Source of Funds: The source for Economic Development Funds shall be a portion of the City Sales and Use Tax provided for in Proposition No. 1. The City may issue bonds pursuant to the Local Option Municipal Economic Development Act.
 - e. Total Amount to be Collected: The total amount to be collected from local sources of revenue shall be the lesser of (1) \$1,200,000 per fiscal year for the next 10 fiscal years, or (2) the amounts allocated to the Economic Development Program pursuant to the City Sales and Use Tax provided for in Proposition No. 1.
 - f. Additional Sources of Funds: Additional funds from other non-city sources will be sought beyond those derived from local sources of revenue.
2. As a result of the above propositions being voted upon favorably, the sales and use tax in the amount of one and one-half per cent (1½%) upon the same transactions within the City on which the State of Nebraska is authorized to impose a tax shall be extended until October 1, 2025. The City Sales and Use Tax will automatically terminate on that date unless the tax is extended by a prior vote of the electorate.
3. The net proceeds of the City Sales and Use Tax shall be appropriated and expended consistently with the provisions of the Terms and Conditions of the Propositions as stated in section 1 of this Ordinance.
4. The sales and use tax imposed by this Ordinance shall be administered as provided in the Nebraska Local Option Revenue Act.
5. The Amended Economic Development Plan as adopted by the City Council in Resolution 14-08-01 and approved at the General Election shall be implemented as of October 1, 2015.
6. The City Clerk shall cause a certified copy of this Ordinance, together with a certified copy of a map showing the corporate limits of the City of Scottsbluff, Nebraska, to the Nebraska State Tax Commissioner not later than 120 days prior to October 1, 2015, according to the rules and regulations of the Commissioner.
7. This Ordinance shall become effective upon its passage, approval and publication as provided by law.

Passed and approved on _____, 2015.

Mayor

Attest:

City Clerk

Approved as to Form:

City Attorney