

# Article 46 Sales Tax

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LOCAL OPTION SALES TAX FOR COUNTIES

# Legislative Updates

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- House and Senate have negotiated and passed a final bill that addresses the proposed changes to the Article 46 Sales tax process
- Passed Bill is Session Law 2019-169 (Senate Bill 523)
- ONLY one change to the current procedure for Article 46 Sales Tax
- Counties are prohibited from holding more than one referendum on Article 46 Sales Tax in a calendar year
- Given other timing requirements, this essentially prevents a referenda that fails in the primary from then being placed on the following general election ballot.

# Legislative Updates

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- Article 46 change is separate from the ongoing negotiations related to SB 681
  - House and Senate conferees continue to negotiate towards a final bill
  - Further changes to Article 46 possible
  - Large bill, covering many topics – including Article 43 (the other local option sales tax article)
- Still no official changes
- We will continue to provide updates if/when any legislation changes related to local sales tax.

# Referendum Requirements

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- Counties must contact local and state boards of elections in order to have referendum placed on agenda
- Could not be placed on the ballot until 2020 due to statutory regulations
  - May be held only on the same date as a county or statewide general election, the primary election in even-numbered years, or in any other election during which all precincts in a county are open
- If referendum fails, the County CAN hold a subsequent referendum on the same issue
  - ~~Could be on the ballot in both March 2020 AND November 2020 (if necessary)~~
  - Can hold a subsequent referendum but may **NOT** be within the same year
- Specific language on how the referendum item must be placed on the ballot
  - Statutorily required – sample of ballot question is below

FOR  AGAINST

Local sales and use tax at the rate of one-quarter% (0.25%) in addition to all other State and local sales and use taxes.'

# Rules & Requirements

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- There are no restrictions or earmarks on the revenue, can be used for any allowable use by counties
- County Commissioners can NOT stipulate how funds will be used on the ballot
- County Commissioners MAY adopt a resolution that stipulates how the County intends to use the funds
- County CAN spend funds to educate voters about the referendum (but not advocate for/against)
- Individual commissioners CAN advocate for/against passage, but no expenses incurred are reimbursable by County
- Board of Commissioners NOT required to implement even if approved by voters

# Board Areas of Potential Interest

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- Affordable Housing
- Agriculture (including Land Banking)
- Broadband Access
- Economic Development
- Education
- Parks and Recreation
  - Addition from staff

# Next Steps/Timing

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- Determine desire for placing referendum question on ballot
- If interested in placing on ballot:
  - Determine which election date you prefer (March primary or November general election)
  - Determine if you want to pass a resolution stating intended use of funds
    - If so, determine what resolution should state and discuss at regular Commissioner's meeting
- Deadlines
  - All materials must be submitted to State Board of Elections by close of candidate filing period (December 20, 2019 for March primary elections)
  - No official deadline for a resolution
    - Once a decision has been made a resolution, staff can have that prepared for the next scheduled Board of Commissioner's meeting

Questions?

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