Article 46 Sales Tax

LOCAL OPTION SALES TAX FOR COUNTIES
Legislative Updates

- 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

• 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

- 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

• 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

• Affordable Housing
• Agriculture (including Land Banking)
• Broadband Access

• Economic Development
• Education
• Parks and Recreation
  • Addition from staff
Next Steps/Timing

• 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?