



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

Master

File Number: O-1314-33

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| File ID: O-1314-33 | Type: Ordinance | Status: Consent Item |
| Version: 1 | Reference: Item No. 7 | In Control: City Council |
| Department: Legal Department | Cost: | File Created: 01/09/2014 |
| File Name: O-1314-33 PSST Ordinance | Final Action: | |

Title:

CONSIDERATION OF ORDINANCE NO. O-1314-33 UPON FIRST READING BY TITLE:
AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AUTHORIZING THE CALLING AND HOLDING OF A SPECIAL ELECTION IN SAID CITY OF NORMAN, STATE OF OKLAHOMA, (THE CITY), ON THE FIRST DAY OF APRIL, 2014, FOR THE PURPOSE OF SUBMITTING TO THE REGISTERED, QUALIFIED ELECTORS OF SAID CITY THE QUESTION OF APPROVING OR REJECTING ORDINANCE NO. O-1314-33 OF THE CITY OF NORMAN, OKLAHOMA, LEVYING AND ASSESSING A SALES TAX OF ONE HALF OF ONE PERCENT (1/2%) IN ADDITION TO PRESENT CITY AND STATE SALES TAXES UPON THE GROSS PROCEEDS OR GROSS RECEIPTS DERIVED FROM ALL SALES TO ANY PERSON TAXABLE UNDER THE SALES TAX LAW OF OKLAHOMA INCLUDING, BUT NOT LIMITED TO, CERTAIN ENUMERATED SALES LISTED THEREIN; PROVIDING FOR THE PURPOSE OF THE ONE HALF OF ONE PERCENT (1/2%) SALES TAX TO BE USED, TO THE EXTENT FEASIBLE FROM THE REVENUES GENERATED HEREBY, FOR RETENTION OF THE SEVENTY-ONE (71) PUBLIC SAFETY PERSONNEL INITIALLY ADDED WITH REVENUES FROM THE PUBLIC SAFETY SALES TAX OF 2008 COLLECTED PURSUANT TO ORDINANCE NO. O-0708-32; ADDITION OF THIRTEEN (13) POLICE PERSONNEL TO IMPLEMENT A SCHOOL RESOURCE OFFICER PROGRAM, FOUR (4) EMERGENCY COMMUNICATIONS OFFICERS, AND TWO (2) EMERGENCY VEHICLE MECHANICS; REPLACEMENT OF CITY RADIO COMMUNICATIONS SYSTEMS; CONSTRUCTION OF EMERGENCY OPERATIONS AND DISPATCH FACILITY; REPLACEMENT OF FIRE TRUCKS AND APPARATUS; RELOCATION AND RECONSTRUCTION OF FIRE STATION NO. 5; DEBT SERVICE IF INCURRED FOR THE ABOVE PURPOSES; AND THEN FOR SUCH OTHER LAWFUL PURPOSES AS SPECIFIED HEREIN; TO BECOME EFFECTIVE ON THE FIRST DAY OF OCTOBER, 2015, AND TERMINATE ON THIRTIETH DAY OF SEPTEMBER, 2025; PROVIDING EXEMPTIONS EXEMPTED FROM THE SALES TAX LAW OF OKLAHOMA INCLUDING, BUT NOT LIMITED TO, CERTAIN ENUMERATED EXEMPTIONS LISTED THEREIN; PROVIDING FOR THE ADMINISTRATION AND COLLECTION OF TAX; REQUIRING THE FILING OF RETURNS; PROVIDING FOR INTEREST AND PENALTIES FOR FAILURE TO PAY TAX WHEN DUE; PROVIDING FOR TAXPAYER TO KEEP RECORDS; REQUIRING VENDORS TO COLLECT TAX FROM PURCHASER AT TIME OF SALE; ESTABLISHING LIENS; AUTHORIZING THE CITY COUNCIL TO MAKE ADMINISTRATIVE AND TECHNICAL CHANGES AND ADDITIONS EXCEPT TAX RATE; MAKING THE TAX CUMULATIVE; REQUIRING APPROVAL OF ORDINANCE BY MAJORITY OF REGISTERED VOTERS VOTING AT AN ELECTION HELD FOR SUCH PURPOSE AS PROVIDED BY LAW; FIXING EFFECTIVE DATE; AND PROVIDING FOR THE SEVERABILITY THEREOF.

Notes: ACTION NEEDED: Motion to Introduce and adopt Ordinance No. O-1314-33 upon First Reading by title.

ACTION TAKEN: _____

Agenda Date: 01/14/2014

Agenda Number: 7

Attachments: Text File O-1314-33.pdf, PSST Ordinance.pdf

Project Manager: Leah Messner, Assistant City Attorney

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Effective Date:

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
|---------------|--------------|------------|---------|----------|-----------|-----------------|---------|
| 1 | City Council | 01/14/2014 | | | | | |

Text of Legislative File O-1314-33

Body

BACKGROUND: On May 13, 2008, the citizens of the City of Norman approved a half percent tax on retail sales and dedicated the revenues generated thereby for a seven year term primarily for the uses outlined in the Public Safety Sales Tax Ordinance. That tax began on October 1, 2008 and will expire on September 30, 2015 ("PSST I"). Under PSST I, the City will hire forty-one additional police personnel, thirty additional fire personnel, purchase forty-one police sedans; purchased fire trucks to equip two new fire stations; and funded the land acquisition, design, construction, and furnishing of Fire Stations Numbers 8 and 9; all as the primary purposes of the tax. Although the tax was passed as a temporary tax and some of the primary purposes of the PSST I tax provide for one-time capital improvements such as the two fire stations, it has always been contemplated that renewal of the tax at some level would be required to retain the added PSST personnel and for ongoing equipment updates.

In addition, with funds not needed to accomplish the primary purposes of the tax, the "PSST I" has also funded a pro-rata share of the increased burden on Emergency Communications function by the increased Public Safety Sales Tax staffing levels; replaced computer-aided dispatch, records management, and mobile data systems; began renovations of the Smalley Armory into the Fire/Police Investigations Facility; purchased additional and replacement fire apparatus; and will purchase police in-car video recording equipment. The City Council has also directed transfers of Public Safety Sale Tax funds into the City of Norman Rainy Day Fund for the pro-rata portion of Police and Fire Department expenditures to the General Fund.

Beginning in November 2013, City Council began exploring specific options for renewal of that tax (PSST II). City Council has met on this topic at a City Council Retreat on November 25, 2013, at a Study Session on December 3, 2013, and at a Study Session on December 17, 2013.

At the conclusion on this series of meetings, Council directed Staff to place Ordinance O-1314-33 on the January 14, 2014 City Council Agenda for First Reading. Ordinance O-1314-33 calls the election for imposition of a Public Safety Sales Tax ("PSST II") that would begin the day after PSST I is set to expire, and establishes the terms of the Public Safety Sales Tax (PSST II).

In addition, City Council held a Public Meeting on January 6, 2014. Council also has planned a Study Session on Monday, January 13, 2014 to further discuss the topic.

DISCUSSION: The proposed Ordinance follow the same format as the previous Ordinance that established the first Public Safety Sales Tax (PSST I). The proposed Ordinance continues the dedicated half percent tax on retail sales over a ten year term, to be used primarily for public safety purposes. If approved by the voters on April 1, 2014, the proposed Public Safety Sales Tax (PSST II) will begin on October 1, 2016 and expire on September 30, 2026 (ten year term).

The PSST II, if approved, will specifically fund the following items to the extent feasible from revenues generated from the tax:

1. Retention of forty-one police personnel and thirty fire personnel initially added with revenues from the PSST I;
2. Addition of thirteen police personnel to implement a school resource officer program ;
3. Addition of four emergency communications officers;
4. Addition of two emergency vehicle mechanics;
5. Replacement of City radio communications systems;
6. Construction of emergency operations and dispatch facility;
7. Replacement of fire trucks and apparatus;
8. Relocation and reconstruction of Fire Station Number 5.

Similar to the PSST I Ordinance, if any excess funds remain, the excess may be used for other public needs as identified and budgeted for by City Council after evaluation considering at least one of the following criteria:

- Projects or expenditures that enhance public safety services;
- Projects or expenditures that enhance emergency management capabilities;
- Projects or expenditures that enhance animal welfare capabilities;
- Projects or expenditures that provide direct services to the citizens;
- Projects or expenditures that help ensure long term financial stability of the City;
- Projects of expenditures that provide for continuity of City services.

The proposed Ordinance also continues the Citizens Public Safety Sales Tax Oversight Committee as established by the PSST I, Ordinance O-0708-32. The purpose of the Public Safety Sales Tax Oversight Committee shall be to review the expenditure of revenues collected under the PSST II to determine if such funds are expended for the purposes specified in the proposed Ordinance and issuing reports on their findings to the City Council and the public on an annual basis or as requested by Council. The Committee may also review and make recommendations on other such issues related to public safety as may be assigned to it by City Council.

One small additional change has been made to the proposed Ordinance. In a previous Study Sessions on this topic, Council discussed the possibility of issuing revenue bonds to accelerate the capital improvements contemplated under the PSST II. In order to ensure issuing revenue bonds remains an option, Staff spoke with bond counsel who advised adding language referencing debt service to the statement of proposed uses to clearly preserve that as an option should Council wish to exercise that option.

RECOMMENDATION: If City Council wishes to move forward with calling the election for voters to consider the Public Safety Sales Tax (PSST II) under the terms discussed above, then Staff recommends adoption of Ordinance O-1314-33.