



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: O-1920-16

File ID: O-1920-16	Type: Ordinance	Status: Non-Consent Items
Version: 1	Reference: Item 27	In Control: City Council
Department: Legal Department	Cost:	File Created: 08/21/2019
File Name: Transit Sales Tax		Final Action:

Title: CONSIDERATION OF ORDINANCE O-1920-16 UPON SECOND AND FINAL READING: 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 TWELFTH DAY OF NOVEMBER, 2019, FOR THE PURPOSE OF SUBMITTING TO THE REGISTERED, QUALIFIED ELECTORS OF SAID CITY THE QUESTION OF APPROVING OR REJECTING ORDINANCE O-1920-16 OF THE CITY OF NORMAN, OKLAHOMA, LEVYING AND ASSESSING A SALES TAX OF ONE-EIGHTH OF ONE PERCENT (1/8%) ACCOUNTED FOR IN THE PUBLIC TRANSPORTATION AND PARKING FUND 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-EIGHTH OF ONE PERCENT (1/8%) SALES TAX TO BE USED, TO THE EXTENT FEASIBLE FROM THE REVENUES GENERATED HEREBY, FOR THE PURPOSES OF SUPPORTING PUBLIC TRANSIT SYSTEMS AND OTHER LAWFUL PURPOSES OF THE CITY RELATED TO PUBLIC TRANSIT; TO BECOME EFFECTIVE ON THE FIRST DAY OF APRIL 2020 AND ENDING UPON THE SUCCESSFUL ADOPTION AND IMPLEMENTATION OF A DEDICATED SALES TAX LEVY TO FUND PUBLIC BUS OPERATIONS IN FURTHERANCE OF THE REGIONAL TRANSPORTATION AUTHORITY OF CENTRAL OKLAHOMA; 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; AMENDING SECTIONS 8-403 AND 8-416 OF CHAPTER 8 OF THE CODE OF ORDINANCES TO ADD A TAX FOR PUBLIC TRANSIT PURPOSES; 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 adopt or reject Ordinance O-1920-16 upon Second

Reading section by section.

ACTION TAKEN: _____

ACTION NEEDED: Motion to adopt or reject Ordinance O-1920-16 upon Final Reading as a whole.

ACTION TAKEN: _____

Agenda Date: 09/10/2019

Agenda Number: 27

Attachments: Staff Report, O-1920-16 Clean, O-1920-16 Annotated, Proclamation

Project Manager: Kathryn Walker, Interim City Attorney

Entered by: kathryn.walker@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	08/27/2019					

Text of Legislative File O-1920-16

Body

BACKGROUND: In 2008, Cleveland County voters approved a countywide quarter-percent (1/4%) sales tax to fund the construction of a new detention facility in Norman ("Jail Tax"). Although the quarter-percent sales tax could have remained in place for up to 20 years, the County has notified the City that it anticipates the sales tax to expire in March 2020 due to the debt related to the construction of the detention facility being completely paid. The County intends to ask the Cleveland County voters to authorize the continued collection of a portion of the Jail Tax that is expiring in March, 1/8%, for other public safety investments. The remaining 1/8% in the City of Norman's current sales tax rate will expire in March without authorization from the citizens for continued collection.

Over the last year, the City has been working with the University of Oklahoma to transfer the public transit system historically operated by the University, i.e. the Cleveland Area Rapid Transit system. The system was officially transferred as of July 1, 2019 and is anticipated to cost around \$5 million annually to operate when fleet maintenance and fleet replacement needs are considered. City Council has been discussing funding options for the system, and has specifically discussed whether the portion of the sales tax expiring in March that is not proposed for renewal by the County could be referred to the voters of Norman to be continued for public transit purposes.

DISCUSSION: Ordinance O-1920-16 authorizes the holding of a special election on November 12, 2019 for the purpose of asking the voters of Norman to authorize the imposition of a 1/8% sales tax beginning April 1, 2020 for the purpose of funding public transit. By beginning the sales tax collection on April 1, 2020, this would ensure the tax rate will stay the same, as the remaining County portion expires. The expenditure of these funds would be restricted to public transit-related purposes only.

Norman, as well as other metro area cities, recently signed the trust indenture creating the Regional Transportation Authority of Central Oklahoma ("RTA"). For a number of years, Norman and other cities in the Oklahoma City area have been working to create such an authority with the goal of providing for commuter rail transit service to/from Oklahoma City and other metro cities, including Norman, as well as potentially providing for bus transportation in the metro area. By statute, the RTA can only be funded via sales tax. Currently, the RTA anticipates bringing forward its own sales tax initiative for a vote of the metro area cities within the next 2 to 5 years. Because of the potential overlap in purpose, and to minimize additional future increases to Norman's sales tax rate, Ordinance O-1920-16 sets a sunset date for the 1/8% sales tax based upon the successful adoption and implementation of a dedicated sales tax levy to fund public bus operations in Norman in furtherance of the purposes of the RTA. Norman will remain an active participant in future discussions leading to proposed RTA rail and bus service proposals.

RECOMMENDATION: Ordinance O-1920-16 is forwarded for Council's consideration upon Second and Final Reading. If adopted, the election will be held on November 12, 2019.