



MEMORANDUM

Council Agenda
Item No. IX.L.
5/30/2017

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Ordinance No. 25,751 to be introduced, set for public hearing June 13, 2017 and final hearing June 20, 2017, relating to Taxation; amending the Oklahoma City Sales Tax Code, codified as Article II of Chapter 52 of the Oklahoma City Municipal Code, 2010; enacting Section 52-23.5 of said Article II of Chapter 52, which levies an excise tax of 3/4% on the gross proceeds or gross receipts derived from all sales taxable under the sales tax laws of the State of Oklahoma; specifying that the excise tax levied by said Section 52-23.5 may be expended only for the limited purpose of providing City capital improvements; providing a definition of "City Capital Improvement;" stating examples of City real and/or personal properties which may be provided or improved with the excise tax; providing for certain expenditures; creating the Ordinance No. 25,751 Capital Improvements Sales Tax Fund; providing a limited term for the excise tax, commencing at 12:00 a.m. on January 1, 2018, and ending at 12:00 a.m. on April 1, 2020; providing for an Ordinance No. 25,751 Citizens Capital Improvements Sales Tax Advisory Board; providing a definition of "City" for the purposes of Section 52-23.5; providing that the excise tax levied by Section 52-23.5 shall be cumulative to the excise taxes levied by this chapter; providing for codification; and providing an effective date for Sections 1 and 2 of this ordinance.

Background

Oklahoma City has the opportunity to continue to capitalize on the momentum created by prior temporary sales taxes approved by City voters under the successful "MAPS" Program (MAPS 1—3, respectively approved by City voters in 1993, 2001, and 2009), the 2000 City Capital Improvements Sales Tax, and the 2008 Sports Facilities Sales Tax in order to further improve the quality of life in our community and neighborhoods.

Ordinance No. 25,751, as presented today, proposes to levy a temporary special sales tax of 3/4 % for additional City capital improvements. Other items on today's Council agenda would outline the City Council's present administrative intent regarding this new capital improvements program, call a special election for approval of the tax levy, and set the election date for September 12, 2017. The special sales tax, following approval by the voters, will be in effect from January 1, 2018 through March, 2020 (27 months); and it will provide the funds to build the key capital projects needed to continue the momentum of great capital improvement programs in Oklahoma City.

It is anticipated that this temporary sales tax will generate approximately

\$180 million during its 27-month term. The revenues will be deposited in a special sales tax fund called the Ordinance No. 25,751 Capital Improvements Sales Tax Fund. The proceeds will be expended only for the purpose of providing “City capital improvements,” as defined in the Ordinance.

Examples of City capital improvements which may be provided or improved with the excise tax levied by Subsection (a) of this section include without limitation City public buildings, streets, sidewalks, streetscapes, trails, bike lanes, equipment, and/or any other City real or personal properties the City Council determines should be provided or improved with such tax.

The types of capital projects that the Mayor and City Council administratively intend to fund through this capital program are outlined in a Resolution of Intent, also on today’s City Council agenda.

Estimated Revenue	\$180 million over 27 months to be deposited in the Ordinance No. 25,751 Capital Improvements Sales Tax Fund.
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Review	Finance Department
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Recommendation: Ordinance be introduced, set for public hearing June 13, 2017 and final hearing June 20, 2017.

Attachment