



**BOARD OF COUNTY
COMMISSIONERS**



TOWN COUNCIL

JOINT INFORMATION MEETING AGENDA DOCUMENTATION

PREPARATION DATE: December 1, 2016
MEETING DATE: December 5, 2016

SUBMITTING DEPARTMENT: Administration
DEPARTMENT DIRECTOR: Bob McLaurin & Alyssa Watkins
PRESENTER: Bob McLaurin & Alyssa Watkins

SUBJECT: Discussion of Specific Purpose Excise Tax (SPET) Process

STATEMENT/PURPOSE

The purpose of this item is for the Board of County Commissioners and the Town Council to begin discussing options for considering funding initiatives through a 6th cent of Specific Purpose Excise Tax (SPET) sales tax.

BACKGROUND/ALTERNATIVES

With the defeat of the General Revenue election last month, the local sales tax rate will decrease to 5% when the West Broadway Landslide initiative is satisfied. Several members of the Commission and Council have expressed a desire to begin discussing how to proceed to fund the community priorities using the SPET.

If the elected officials do choose to proceed with a SPET election, several subsequent foundational issues will need to be decided. These include a determination of which broad types of projects should be on the ballot, the process for determining which specific projects should be on the ballot, and the timing of the election.

As noted previously, this discussion is to begin these conversations and no decisions are expected at this meeting.

Date of the election

The Wyoming Statutes provide that revenue generating elections must occur in May, August or November. For a May election, the authorizing resolution would need to be approved by the Town Council and County Commissioners no later than March 1, 2017. For an August election, the deadline for the resolution approval is May 4, 2017, and for a November election, the resolution deadline is August 29, 2017.

Total dollar amount on the ballot.

As we have discussed previously, a 1% SPET will generate approximately \$10-11 million annually. So if you wanted to tie up the SPET for four years, you could place approximately \$40-44 million in

projects on the ballot. If you wanted to encumber SPET for approximately two years instead, that number would fall to \$20-22 million.

Community Projects vs Town/County Projects Only

This issue involves the broad types of projects to be considered – i.e., whether you wish to open the ballot up to community projects, or restrict it to town and county capital projects only. The electeds have used both approaches in the past. In the past when the ballot was limited to Town/County projects, the elected officials have chosen the specific projects themselves. During elections where community projects were considered as well, a subcommittee of elected and appointed officials was used to screen the projects and to recommend to the JIM which projects should be on the ballot.

Staff compiled a list of possible SPET projects earlier this year based on interest expressed by Town and County staff and also from outside agencies. This list would need to be updated and could be provided at a future JIM if requested by the Town Council and County Commission, but at the time, the requests totaled approximately \$150Million.

Additionally, another issue the elected officials may wish to consider either concurrently with a SPET election or prior to a SPET election is to attempt to enact enabling legislation to create a new category of sales tax. As envisioned, this tax would be similar to a SPET in that the revenues could only be used for the purpose specified on the ballot language but would also be similar to general revenue in that the funds could be used for operations. In other words, the proceeds could be used only for the purposes identified on the ballot. This would enable the use funds to pay START drivers, buy fuel, insurance and other operating costs. As noted this change would need to be made by the Wyoming Legislature at the upcoming session.

If the JIM is interested in this concept, we can discuss it at our meeting with our State Legislators on December 15, 2016

ATTACHMENTS

None.

FISCAL IMPACT

There is no fiscal impact to this initial discussion. The fiscal impact of placing items on the ballot for SPET consideration would depend on the total dollar figure presented to the public and the number of items ultimately approved.

STAFF IMPACT

Minimal at this time. If we proceed with an election, the County Clerk will conduct the election and the County Treasurer will manage and disburse the funds. Depending on the projects placed on the ballot and ultimately approved, there would be significant staff impacts both positive as well as workload impacts.

LEGAL REVIEW

Not applicable at this time.

RECOMMENDATION

None at this time.

SUGGESTED MOTION

None at this time.

Synopsis for PowerPoint (120 words max):

Background:

The purpose of this item is for the Board of County Commissioners and the Town Council to begin discussing options for considering funding initiatives through a 6th cent of Specific Purpose Excise Tax (SPET) sales tax.