

Council Communication

August 16, 2016, Business Meeting

A Resolution to Submit to the Voters at the November 8, 2016, General Election an ordinance amending AMC Chapter 4.34, Food and Beverage Tax

FROM:

Dave Kanner, city administrator, dave.kanner@ashland.or.us

SUMMARY

This is a resolution that submits to the voters a Council-approved ordinance to re-direct a portion of the City's Food & Beverage Tax revenue to a street repair and rehabilitation program.

BACKGROUND AND POLICY IMPLICATIONS:

At its August 16, 2016, meeting, the Council will consider second reading of an ordinance amending AMC 4.34, Food and Beverage Tax. The ordinance increases the share of food and beverage tax for the Ashland Parks and Recreation commission from 20% to 25% and redirects a portion of the tax now dedicated to debt service payments on the wastewater treatment plant to a major street repair and rehabilitation program. The ordinance contains a referral clause so that once approved by the Council it is not enacted unless approved by the voters. This resolution refers the ordinance to the voters in the November 8, 2016, general election. Should the Council decline to adopt the ordinance on second reading, this resolution is moot and need not be acted upon.

COUNCIL GOALS SUPPORTED:

N/A

FISCAL IMPLICATIONS:

Because this is a general election, the cost to the City of referring a measure are de minimis.

STAFF RECOMMENDATION AND REQUESTED ACTION:

Staff recommends approval of this resolution.

SUGGESTED MOTION:

I move approval of a resolution to submit to the voters at the November 8, 2016, general election an ordinance amending AMC 4.34, food and beverage tax.

ATTACHMENTS:

Resolution with proposed ballot title language



RESOLUTION NO. 2016-_____

RESOLUTION OF THE CITY OF ASHLAND TO SUBMIT TO THE VOTERS AT THE NOVEMBER 8, 2016, GENERAL ELECTION AN ORDINANCE AMENDING AMC CHAPTER 4.34, FOOD AND BEVERAGE TAX

THE CITY OF ASHLAND RESOLVES AS FOLLOWS:

SECTION 1. The City Council submits to the qualified voters of the City the Question of approving or rejecting “An Ordinance Amending AMC Chapter 4.34, Food and Beverage Tax,” as approved by the City Council on August 16, 2016, and which shall become effective only upon its passage by the electorate.

SECTION 2. The City Council refers this question to the ballot of the November 8, 2016, general election.

SECTION 3. The City Recorder shall cause to be delivered to the Elections Officer of Jackson County, Oregon, the attached Ballot Measure Notice, not later than 61 days prior to the elections. The Election Officer is requested to give the electorate of the City notice that the election shall be conducted by mail pursuant to Oregon law; and

SECTION 3. The City Recorder shall give notice of the election as provided in the laws of the State of Oregon and the charter and ordinances of the City of Ashland.

SECTION 4. The ballot title for this measure is set forth in Exhibit A, attached.

SECTION 5. The City Attorney is authorized to alter the text of the ballot to comply with any rules, procedures or practices of the Elections Officer of Jackson County to implement the requirement of Oregon law.

The resolution is effective upon signing by the Mayor.

PASSED and ADOPTED this ____ day of _____, 2016:

Barbara Christensen, City Recorder

SIGNED and APPROVED THIS ____ day of _____, 2016:

John Stromberg, Mayor

Reviewed as to form:

David Lohman, City Attorney

EXHIBIT A

City of Ashland, Ballot Measure, November 8, 2016, General Election
Approval of an ordinance amending AMC Chapter 4.34, Food and Beverage Tax, and referring the ordinance to the voters of Ashland in the November 8, 2016 general election

Caption:

Approving use of food and beverage tax for street maintenance

Total 10 words (10 words permitted per ORS 250.035)

Question:

Shall Ashland voters enact a Council-approved ordinance to use food and beverage tax revenue for street repair and rehabilitation?

Total 19 words (20 words permitted per ORS 250.035 20)

Summary:

The Ashland City Council has approved an ordinance increasing the share of Ashland Parks and Recreation Commission food and beverage tax revenue and dedicating a share of food and beverage tax revenue to a street repair and rehabilitation program. The ordinance becomes effective upon approval by the voters of Ashland. The ordinance does not change the current tax rate of 5% and does not change the tax's current sunset date of December 31, 2030.

The City's current food and beverage tax ordinance directs 20% of all tax revenues to park land acquisition and development, and 80% of all tax revenues to debt service on the City's waste water treatment plant. The ordinance for which the City seeks approval would increase the share of tax revenue for parks to 25% and would set aside a fixed amount of revenue for waste water debt, with any revenues not required for that debt directed to the Street Fund for a pavement management program.

Total 160 words (175 words permitted per ORS 250.035)

Explanatory Statement:

The City of Ashland first enacted a food and beverage (F&B) tax – a tax on prepared food and non-alcoholic beverages sold by restaurants and caterers -- in 1993. The tax was created to provide a revenue stream for the acquisition of open space (park land). The City Council subsequently amended the F&B tax to allow its use for debt service on the City's waste water treatment plant. Of the taxes collected, 20% goes to parks and 80% goes to waste water debt. Passage of this ballot measure will enact an ordinance approved by the Ashland City Council that amends the Ashland Municipal Code to redirect a portion of the City's food and beverage (F&B) tax revenue to street maintenance and to increase the portion of F&B tax revenue that is directed to the Ashland Parks and Recreation Commission from 20% to 25%. Enough revenue is generated by the F&B tax to fully fund current waste water treatment debt, a pavement

management program to overlay or reconstruct all arterial and collector streets and to increase the share of F&B revenue for Parks from 20% to 25% of total collections. The ordinance does not change the current tax rate of 5% and it does not change the tax's sunset date of December 31, 2030.

If approved, this ordinance will fix the amount of F&B tax provided for waste water debt at a specific number rather than a percentage, and direct tax revenues over that amount to the City's street fund, where it will be available to pay for street repair, rehabilitation and reconstruction. The street repair program would apply to the City's arterial and collector streets.

Result of a 'No' Vote

If this measure does not pass, the existing food and beverage tax ordinance will remain in place, with all tax revenues directed to parks (20%) and waste water treatment debt (80%).

Total 310 words (500 words permitted per ORS 246.150, 251.305 & 251.325 500)