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Session

Transportation Excise Tax Summary Report

October 29, 2013

Subject:

Consideration of extending the current ½ Cent Transportation Excise Tax beyond December 31, 2014.

Background:

On August 8, 1994 the Gila County Board of Supervisors passed a Resolution referring a proposed One Half Cent Transportation Excise Tax to the qualified voters of Gila County in the November, 1994 general election. This was in accordance with ARS §42-1484 and ARS §28-1594.03 which provided for the election and that any revenue generated by the transportation tax may only be used for street and highway purposes for transportation projects included in the transportation plan of Gila County.

The voters approved the tax on November 8, 1994 which became effective on January 1, 1995 and was to be in effect for twenty (20) years expiring December 31, 2014.

Discussion:

Why is the One Half Cent Transportation Excise Tax so vital to Gila County?

1. Transportation needs as outlined in the Gila County Transportation Study by Kimley-Horn and Associates dated November 2013.
2. Maintenance achieved and projects completed during the last 20 years as a result of the One Half Cent Tax.

How do we proceed if the Board of Supervisors agrees to extend the tax?

1. Develop a critical path schedule of events to guide our actions between now and a possible election in November 2014.
2. Contact 2 or more legal firms and financial consultants to solicit proposals to assist and guide Gila County; contract with a legal firm and a financial consultant; and initiate the process to put this on the ballot to have the voters approve extending the tax.

Who will be involved in a successful campaign to extend the tax?

1. A Citizens' Committee of knowledgeable and involved citizens to explore the need and develop a plan to recommend proceeding to the Board.

2. The Cities and Towns in Gila County to discuss a plan to provide their support and share in revenues.

Conclusions:

The current One Half Cent Transportation Excise Tax is vital to maintaining and improving streets and roadways in Gila County.

Not extending the tax would severely cripple all transportation improvements now and would become progressively more critical with each year without the tax in the future.

Gila County will need the assistance of professional legal advice and professional financial guidance to be successful in a campaign to have voters approve extending the tax.

A citizens committee will be key in determining the need and establishing community support for extending the tax.

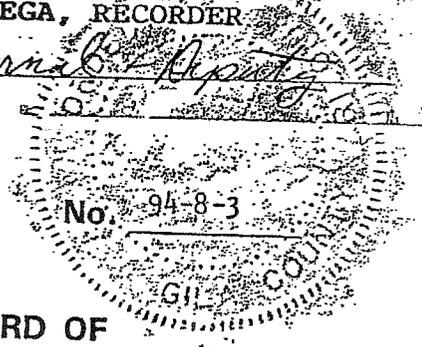
Gila County will need the support of the Cities and Towns within the County to be successful.

Any taxes raised after a successful election must be shared with each of the Cities and Towns in the County.

FEE# 94-653301 SK# NO FEE
#PAGES 2
RECORDED AT THE REQUEST OF
Board of Supervisors
DATE *August 8, 1994* TIME *4:15*
OFFICIAL RECORDS OF GILA COUNTY, AZ
LINDA HAUGHT ORTEGA, RECORDER
BY *Cecilia A. Bernal*

INDEXED
MICROFILMED

RESOLUTION



A RESOLUTION OF THE GILA COUNTY BOARD OF SUPERVISORS TO REFER LEGISLATION TO ESTABLISH A REGIONAL AREA ROAD IMPROVEMENT FUND AND A ½-CENT TRANSPORTATION EXCISE (SALES) TAX TO THE VOTERS OF GILA COUNTY IN THE NOVEMBER, 1994 GENERAL ELECTION.

WHEREAS, The Gila County Board of Supervisors is responsible for the development, operation, and maintenance of streets and roads in the unincorporated areas of Gila County; and,

WHEREAS, the condition of many of the streets and roads in the unincorporated areas of Gila County has deteriorated; and,

WHEREAS, some areas in Gila county may require the development of new streets and roads; and,

WHEREAS, increased traffic in other areas of Gila County will require improvement in the streets and roads; and,

WHEREAS, the Gila County Board of Supervisors desires to improve and properly maintain the transportation network in Gila County; and,

WHEREAS, A.R.S. §42-1484 authorizes the Gila County Board of Supervisors to place a proposition on the November, 1994 general election ballot which, if approved by a majority of the qualified electors, would establish a ½-cent transportation excise (sales) tax to be collected and deposited into a

regional area road fund effective January 1, 1995; and,

WHEREAS, A.R.S. §28-1594.03 provides that any revenue generated by such transportation excise tax may only be used for street and highway purposes or for transportation projects included in the transportation plan of Gila County.

NOW, THEREFORE, the Gila County Board of Supervisors hereby refers the proposed ½-cent transportation excise tax to the qualified voters of Gila County in the November, 1994 general election.

PASSED AND ADOPTED this 8th day of August, 1994.



GILA COUNTY BOARD OF SUPERVISORS

Cruz Salas
CRUZ SALAS, CHAIRMAN

ATTEST

Steven L. Besich
Steven L. Besich, Clerk

APPROVED AS TO FORM:

Jerry B. DeRose
Jerry B. DeRose
Gila County Attorney

QUESTION

A RESOLUTION PROVIDING FUNDING TO BE USED SOLELY AND ONLY FOR HIGHWAY AND STREET PURPOSES INCLUDING COSTS OF RIGHTS OF WAY ACQUISITIONS AND EXPENSES RELATED THERETO, CONSTRUCTION, RECONSTRUCTION, MAINTENANCE, REPAIR, AND ROADSIDE DEVELOPMENT OF COUNTY ROADS, STREETS, AND BRIDGES AND PAYMENT OF PRINCIPAL AND INTEREST ON HIGHWAY AND STREET BONDS; AND LEVYING A TRANSPORTATION EXCISE TAX TO PROVIDE MONIES FOR SAID PURPOSES.

DESCRIPTIVE TITLE - To provide funds for rights of way acquisitions and for the construction, reconstruction, maintenance and repair of county roads and bridges by levying a transportation excise tax.

RATE OF TRANSPORTATION EXCISE TAX - The rate of the transportation excise tax will be ten percent of the State's transaction privilege tax rate. The tax on businesses subject to the State five percent sales tax (transaction privilege tax) will be one-half (1/2) percent of the gross proceeds of sales or gross income of the business activity of said business.

LENGTH OF TIME - The tax will start January 1, 1995 and be in effect for twenty years.

STATUTORY RESTRICTIONS FOR UTILIZING TRANSPORTATION EXCISE TAX -

1. Accumulate funds to be used only and solely for highway and street purposes including costs of rights of way acquisitions and expenses related thereto, construction, reconstruction, maintenance, repair, and roadside development of county streets and bridges.
2. Service bonds issued to design, to finance acquisition of rights of way and to construct or reconstruct highways, roads and streets located in Gila County.

All accumulations to service bonds or finance acquisition of rights of way and construction of highways, roads, streets, and bridges shall be excepted from the definition of local revenues as defined in Article IX, Section 20, of the Arizona Constitution.

QUESTION

A YES (Approval) vote shall have the effect of approving funds solely and only for highway, street, and road purposes, including costs of rights of way acquisitions and expenses related thereto, construction, reconstruction, maintenance, repair and roadside development of county roads, streets, and bridges, to be provided by a transportation excise (sales) tax.

A NO (Disapproval) vote shall have the effect of disapproving funds solely and only for highway, street, and road purposes, including costs of rights of way acquisitions and expenses related thereto, construction, reconstruction, maintenance, repair and roadside of county roads, streets, and bridges, to be provided by a transportation excise (sales) tax.

YES 168 ➡

NO 169 ➡