

S.F. No. 2852 – Modifications to local sales tax requirements (as proposed to be amended by the A-1 amendment)

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This bill modifies, clarifies, and makes technical changes to the statute governing local sales taxes, effective the day following final enactment.

Section 1. Authorization; scope. Strikes language that prohibits political subdivisions from spending funds related to a local sales tax and re-states it in a new paragraph.

Section 2. Local resolution before application for authority. Clarifies that a political subdivision may expend funds to disseminate information relating to the resolution adopted and submitted to the chairs and ranking members of the House and Senate Taxes committees as required under current law. Clarifies that this requirement also applies to a political subdivision seeking to modify a currently authorized local sales tax. Requires that the resolution be adopted no more than 90 days before the date of submission to the chairs and ranking members.

Requires a political subdivision to submit an amended resolution if, after the original resolution submitted by January 31, it seeks to add a project to be funded by the local sales tax, increase the amount used for any project, increase the total revenue raised for all projects, or increase the length of time that the tax will be in effect if all projects are funded.

The A-1 amendment removes requirements under the bill that the resolution include a description of the nexus between nonresident users of a project and the payment of a tax and removes the proposed factors in determining nexus.

Section 3. Legislative authority required before voter approval; requirements for adoption, use, termination. Clarifies that a political subdivision must receive legislative approval to modify a previously authorized local sales tax. Clarifies that voter approval of a new or modified tax is subject to voter approval at an election held on the first Tuesday after the first Monday in November to allow jurisdictions with elections in odd-numbered years to conduct the referendum within the required two-year period after a new or modified local sales tax is authorized.

Provides that a political subdivision is not required to list each project separately for approval on the ballot but must still list the projects proposed to be funded with the tax, the amount for each project, and the estimated length of time the tax will be in effect. Specifies that if a modification to a tax or project is not approved by the voters, the termination date and total amount that may be raised must be reduced proportionately.