



Legislation Text

File #: 17-068, **Version:** 2

Agenda Item Title:

City Council Office providing information requested by Council Member McCandless relative to the Payson City local sales and use tax for Parks, Arts, Recreation and Culture (PARC) programs.

Presenter:

Council Member McCandless and Mike Applegarth

Description/Background:

Council Member McCandless has suggested that Sandy City City consider a local sales and use tax and possibly a revenue bond to fund parks and recreation projects in the City based on a similar proposal in Payson City. The purpose of this item is provide the City Council additional information on the Payson PARC proposal.

Under Utah Code 59-12-1401 *et seq.* cities and towns located in counties of the second, third, fourth, fifth, or sixth class have the ability to enact a local option sales tax for botanical, cultural, recreational, and zoological organizations and facilities. State law outlines the specific steps a city must take in order to implement the tax including coordination with the county and placing an opinion question on the local ballot. It is important to note that this section of law does not apply to Sandy City as a city in a county of the first class.

On April 20, 2016 the Payson City Council adopted Resolution No. 2016-04-20 notifying the Utah County Commission of the City of Payson's intent to submit an opinion question to Payson residents regarding whether Payson should impose a citywide tax to fund recreational and zoological facilities and botanical, cultural, and zoological organizations in Payson (Attachment A). Under Utah Code 59-12-1402(c), a city or town may not impose a tax if the county in which the city or town is located has imposed, or intends to impose a countywide tax for the same purpose. On May 17, 2016 the Utah County Commission passed Resolution 2016-38 informing the City of Payson that it did not intend to impose a similar tax (Attachment B).

On August 3, 2016 the Payson City Council adopted Resolution No. 08-03-2016C allowing an opinion question to be presented to Payson City residents to vote on a possibly citywide tax to fund cultural, arts and recreation programs in Payson City (Attachment C). The question became Payson City Proposition #5 on the November 8, 2016 ballot. The question was, "Should the City Council of Payson City, Utah, enact a local sales and use tax of 1/10 of 1% (1 cent for every \$10.00 spent) to help fund recreational amenities and cultural arts facilities and organizations in Payson City, said tax to be levied for 10 years? A list of organizations, programs, and capital improvements was provided to illustrate the amenities receiving funding from the proposed tax. The package of programs became known as PARC, short for "Parks, Arts, Recreation and Culture." A copy of the Payson City November 8, 2016 Voter Information Pamphlet is attached (Attachment D). Payson Proposition #5 passed with 61.98% of the vote (3,871 votes).

Policy Question:

1. Is the City Council interested in pursuing a sales tax for recreational programs and facilities in Sandy City?

If the City Council is interested in pursuing a special tax, more research will be required because it is not clear whether state code authorizes the City to levy such a tax. As mentioned, Utah Code 59-12-1401 applies only to cities in counties of the second through sixth classes.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommended Action and/or Suggested Motion:

No action required.