

# Local Option Sales and Services Tax *Renewal*

G-1



- This resolution calls for a special election on September 13, 2022, on the imposition of a Local Option Sales and Services Tax (LOSST)
- The current LOSST was approved by the citizens on March 1, 2011, with 85% support
- Listed below is a summary of the projects funded with the current LOSST:

LOSST revenue	\$14,600,000
Marion County redistribution	<u>3,600,000</u>
<b>Total revenue</b>	<b><u>\$18,200,000</u></b>
Indoor pool	\$3,700,000
Sports Park	3,450,000
Quality of life projects	2,000,000
Street projects/property tax relief	9,050,000
<b>Total expenditures</b>	<b><u>\$18,200,000</u></b>





- The ballot language allows Council to designate the LOSST collection beginning on January 1, 2024, for 20-years, for the following specified uses:
  - Property tax relief (0%)
  - Indoor recreational facilities
  - Other recreational facilities
  - Community center facilities
  - Infrastructure improvements
  - Other community betterment projects designated by Council
  - Retirement of debt incurred for any such purposes
  - Any other lawful purpose
- All financial plans for the proposed indoor recreational facility and Community Center improvements have included significant allocation from LOSST collection to offset the impact of debt services
- The resolution states that Council reserves the right to rescind the resolution if the redistribution agreement is not agreed to in a manner that continues to reflect the City of Pella’s significant impact on overall county-wide collection

# LOSST *Redistribution Agreement*

G-1



- The City of Pella, City of Knoxville, and Marion County are currently operating under an agreement whereby Marion County redistributes:
  - 8% of the county-wide LOSST collection to the City of Pella
  - 4% of the county-wide LOSST collection to the City of Knoxville
- The purpose of this agreement is to more closely align the payment of LOSST to the communities of collection
- Currently, 60% of the county-wide LOSST originates from Pella
- Based on the state formula for distribution, the City of Pella only receives 28%
- The current redistribution agreement increases the collection to roughly 37%



- State law requires that for the city to hold a public LOSST referendum, the governing bodies, including the city, of 50% of the population of the county must approve supporting resolutions
- On June 14, the Marion County Board of Supervisors approved a resolution of support fulfilling this requirement



## **Summary**

- In summary, staff is recommending approval of this resolution calling a special election on September 13, 2022, on the imposition of a LOSST