

## CITY SALES TAX INFORMATIONAL SESSION OCTOBER 29, 2018 - COMMUNITY ROOM

On Nov, 6, 2018 voters in the village of Shelton will find the following question on the ballot:

*“Shall the governing body of the Village of Shelton, Nebraska impose a sales and use tax of one and a half percent (1 ½%) upon the same transactions within the Village of Shelton on which the State of Nebraska is authorized to impose a tax pursuant to the Nebraska Revenue Act of 1967, as amended, the proceeds of which to be used to provide for street improvements; infrastructure development, to include drainage and sidewalks; and economic development?”*

A vote YES on this measure would allow the Village of Shelton to levy a 1½% sales tax that would not sunset. It is estimated that \$100,000 in additional funds could be raised yearly if this tax is imposed. A vote NO would prevent the Village of Shelton from levying a city sales tax.

This question has been put forth to the voters of Shelton three times previously:

2007- Question passed with proceeds being specifically designated for street improvements with a five-year sunset.

2012- Question passed with proceeds being specifically designated for street improvements with a five-year sunset. The eight blocks of paving on 4<sup>th</sup> street demonstrates the use of these sales tax dollars.

2017- Question failed. Proceeds were designated to general fund.

After the question failed in 2017 village patrons indicated that while they were in favor of the tax being levied, they were against the idea that the proceeds would just go into the general fund resulting in patrons having no idea how the proceeds were specifically being spent. Although the village board has addressed that concern by being more specific about how the proceeds will be spent this time around, we cannot handcuff ourselves by being too specific. If, for example, the board would designate on the ballot that the entire 1½% would go solely to economic development, that is all the proceeds could ever be spent on. Therefore, the board placed three specific categories of items on which the proceeds could be spent:

**STREET IMPROVEMENTS.** The village does not have paving districts thus the village pays for any and all street improvements. Your sales tax dollars at work for street improvement can be seen in the eight blocks of paving on 4<sup>th</sup> street.

**INFRASTRUCTURE DEVELOPMENT.** This could range anywhere from sidewalk improvement for the downtown area and leading to the school to fixing drainage issues in various part of town.

**ECONOMIC DEVELOPMENT.** This could encompass everything from improving the appeal of the gateway corridors into town to provide matching funds for land purchase in order to encourage new housing to revitalizing downtown areas which would encourage new businesses and help retain current businesses.

The Board of Trustees have scheduled an informational question and answer session for October 29 (Monday) at 7:00 in the Community Room to try to answer any questions the public might have regarding the ballot questions.

