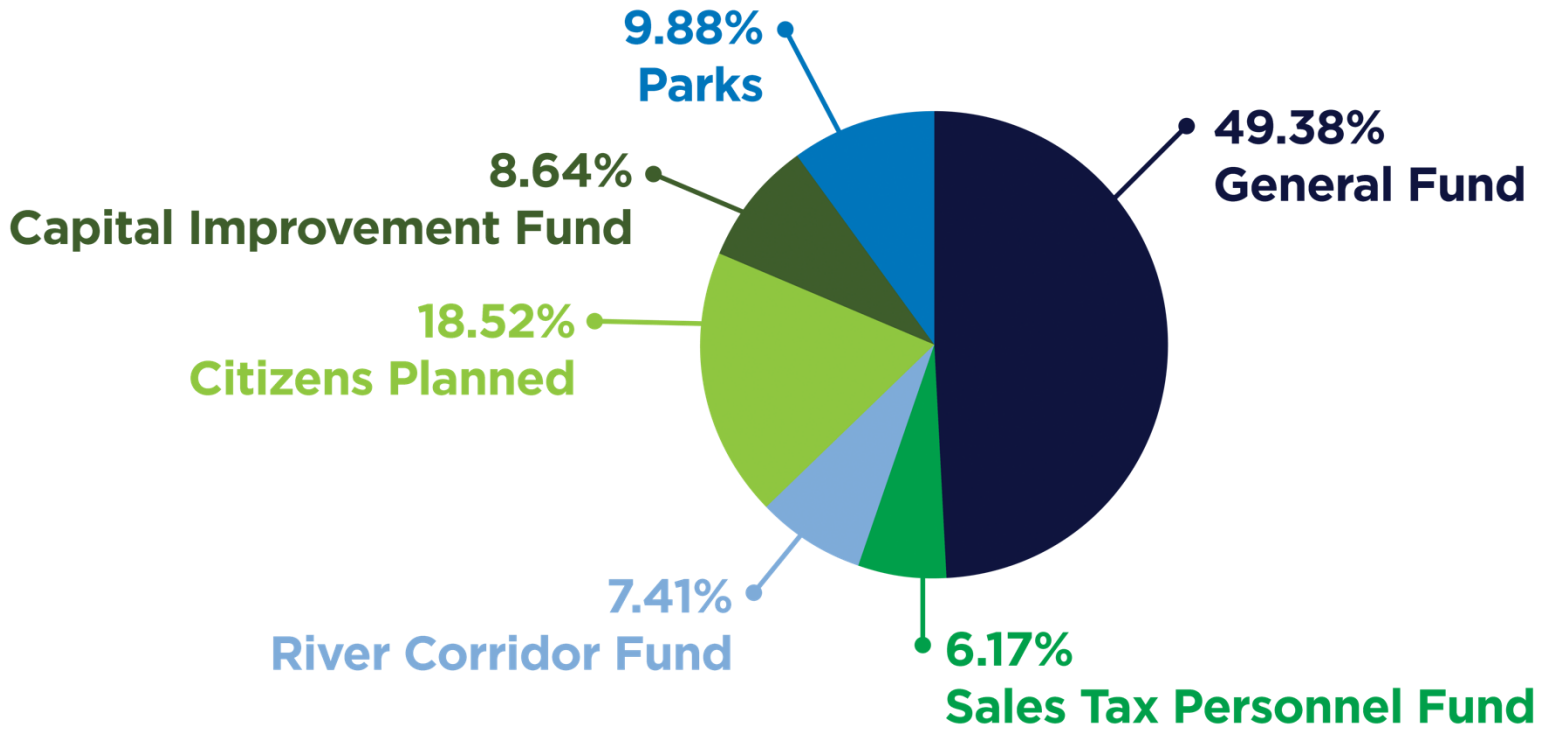
BIXBY'S RENEWAL FOR ROADS ONE-PENNY SALES TAX EXTENSION

October 10, 2024 Public Meeting

HOW DO SALES TAXES AFFECT BIXBY?

- Oklahoma is the only state where the General Fund budgets of cities/towns are funded almost entirely by local sales tax
- General Fund must support the city's operating expenses (including public safety)
- Existing one-penny sales tax represents 25% of all Bixby's sales tax receipts
- Existing one-penny sales tax is the most significant source of revenue dedicated to Capital Improvement Projects



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WHAT IS BIXBY'S CURRENT TAX RATE?

- Sales taxes for in-person sales are charged based on the location of the point of sale, not the county the buyer resides in
- State and city tax rates are the same, no matter where you shop in Bixby
  - State Tax Rate: 4.5%
  - City Tax Rate: 4.05%
- County rate varies depending on where the business you're buying from is located (Tulsa County or Wagoner County)
  - Wagoner County Tax Rate: 1.3%
  - Tulsa County Tax Rate: 0.367 %

CITY	CITY TAX
GLENPOOL	5.10%
COLLINSVILLE	4.80%
SAPULPA	4.50%
SKIATOOK	4.50%
SAND SPRINGS	4.05%
OWASSO	4.05%
BIXBY	4.05%
COWETA	4.00%
TULSA	3.65%
BROKEN ARROW	3.55%
JENKS	3.55%
CATOOSA	3.25%

WHAT ARE CAPITAL IMPROVEMENTS?

- Capital improvements are permanent changes to assets or properties to prolong life, increase value, or enhance capabilities
- For local governments, capital projects can include asset upgrades and or large-scale maintenance projects.
- Example of Public Safety capital expenditures:
  - ✓ Ambulances and equipment
  - ✓ Tanker trucks
  - ✓ Self-Contained Breathing Apparatus
  - ✓ Police cars and equipment
  - ✓ Body armor
  - ✓ Radios and communication systems

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WHY SALES TAX FUNDING?

- Tax burden shared by citizens and visitors shopping in Bixby
- Immediate source of funding available annually to address near term needs (public safety equipment, vehicles, streets)

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BACKGROUND

1989

Capital Improvement Fund created - allocating third penny sales to be used strictly for Capital Improvements

1994

Sewer System Improvement Fund approved by voters - **earmarking 75% of Third Penny Sales Tax for sewer system improvements.** The remaining 25% still dedicated to Capital Improvements

November 2024

Presenting voters the opportunity to **renew and reallocate** the third penny sales tax

Extended tax to 2024

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HOW HAS THE ONE-PENNY SALES TAX IMPACTED BIXBY SO FAR?

- Funded construction for regional gravity sewer system to serve existing and developing drainage basins
  - Minimized the number of lift stations needed in Bixby
  - Eliminated small, decentralized, maintenance-intensive lift stations
- Funded additional lagoon cells and effluent chlorination and de-chlorination
- Funded construction of the current wastewater treatment plant, and the transfer lift station in north Bixby

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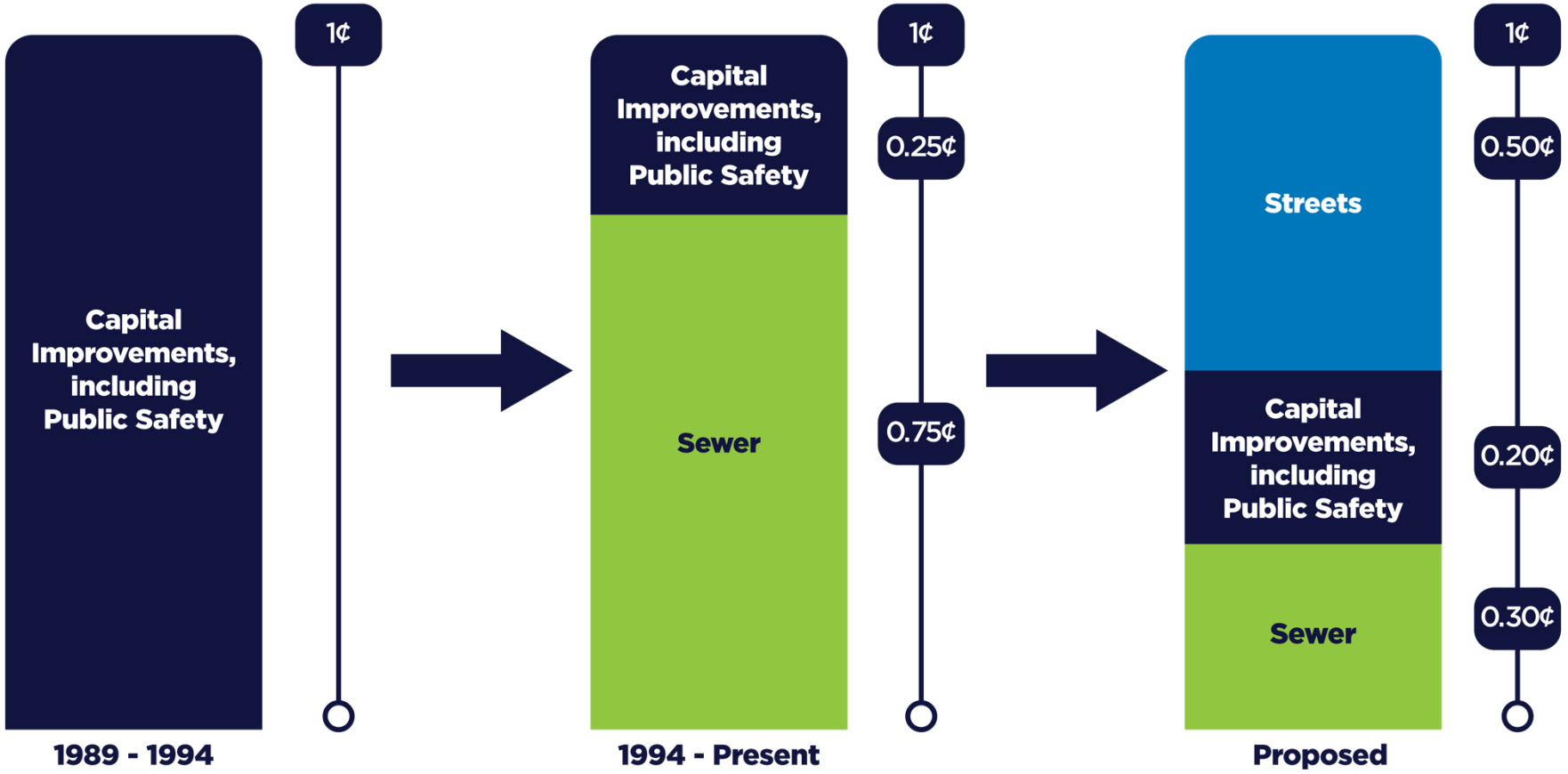
WHAT IS BIXBY'S RENEWAL FOR ROADS?

- Extend the existing tax's sunset date for 30 years (from 2024 to 2054)
- Reallocate funds to prioritize road renewal:
  - 50% for street improvements
  - 20% for capital improvements (such as public safety)
  - 30% for sewer system improvements



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KEY INITIATIVE #1 – STREETS

- Funds prioritized for neighborhood and arterial streets and bridges
- Projects based on results of city-wide pavement assessment
- Potential matching funds for ODOT projects (Memorial, 151st)
- Learn More: [CLICK HERE]

Arterial Street Impact

Current Funding	With Renewal for Roads
Bond Elections	50% Allocation = $2,000,000+

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HOW ARE STREET & BRIDGE PROJECTS CURRENTLY FUNDED?

- Currently funded by State Auto License and Gas Excise taxes
  - These funds are primarily allocated toward paying for streetlights and traffic signals
- Otherwise, funds must be allocated from Capital Improvement Fund surplus or dedicated bond measure approved by voters
  - If funded by bond, funds can only be dedicated to the street or area specified in ballot language

	FY 2021	FY 2022	FY 2023	FY 2024
Auto License	$190,129	$264,168	$210,185	$218,736
Gas Excise	$47,582	$30,905	$68,031	$52,654
Totals	**$237,711**	**$295,073**	**$278,216**	**$271,390**

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KEY INITIATIVE #2 – CAPITAL IMPROVEMENT FUND

- Maintain dedicated funds for capital improvements, including public safety
- Learn More: [CLICK HERE]

Public Safety Impact

Public Safety Expenditures (CIP)	CIP Revenue from Prior Tax
F.Y. 23 = $1,721,997	F.Y. 23 = $1,177,620
F.Y. 22 = $1,762,100	F.Y. 22 = $1,113,332

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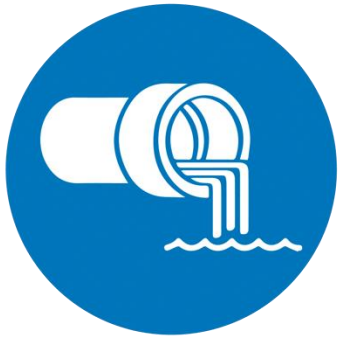
KEY INITIATIVE #3 – SANITARY SEWERS

- Maintains funding source for sanitary sewer, utilized to pay debt service on the new wastewater treatment plant – without rate adjustments
- Also provides funding source for future plant expansions
- Learn More: [CLICK HERE]

Sewer Impact



Current Use

W.W.T.P. Debt Service

Without RfR Extension

Debt Service = $1,497,934
Cost Burden on rate-payers instead of everyone making purchases in Bixby

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WHAT HAPPENS IF THE ONE-PENNY SALES TAX EXPIRES?

- One-penny sales tax is set to expire in November 2024
- City would face an annual loss of $4.7 million
- Impact #1 – Public Safety
  - Public safety departments will have to reallocate their budgets
  - Funds for other initiatives or personnel will be put toward critical capital expenditures (cars, ambulances, computers)
- Impact #2 – Wastewater Treatment Plant
  - Utility customers will have to pay up to a 60% increase to fund debt service

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FREQUENTLY ASKED QUESTIONS

- ***How will my tax rate change if Bixby's Renewal for Roads is passed?***
  $0 – this extension will not change the current tax rate.

- ***How long will this extension last if it is passed by voters?***
  The extension would take effect in 2024 and last until 2054.

- ***Does a one-penny sales tax really have an impact?***
  The existing one-penny sales tax raises approximately $4.7 million per year.

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WANT TO LEARN MORE?

- Campaign Overview: www.renewalforroads.com
- FAQs: www.renewalforroads.com/faq
- Contact: www.renewalforroads.com/contact

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