Notice is hereby given that a City of Lebanon Sales Tax Referendum Election will be held in twelve (12) precincts in Wilson County, Tennessee on Tuesday, September 23, 2014 between the hours of 7:00 a.m. and 7:00 p.m. for the purpose of voting on the following sales tax referendum:

**ORDINANCE NO. 14-4530**

**AN ORDINANCE OF THE CITY COUNCIL OF LEBANON TO INCREASE THE SALES AND USE TAX FROM 2.25% TO 2.75% AND TO REQUEST A REFERENDUM OF THE PEOPLE TO APPROVE THE ORDINANCE**

**WHEREAS,** *Tennessee Code Annotated,* § 67-6-701 *et seq.* authorizes municipalities to set local option sales tax rates up to 2.75% on the first $1,600 of any single article of personal property after submitting the question to the local voters in a referendum; and

**WHEREAS,** the City of Lebanon’s local option sales tax rate is currently set at 2.25%; and

**WHEREAS,** the City of Lebanon held a referendum in 2012 seeking to increase the local option sales tax rate to 2.75% that did not pass; and

**WHEREAS,** because the referendum increasing the local option sales tax failed to pass, the Lebanon City Council had to seek alternative funding sources for the City’s FY 2013 – 2014 budget that included a property tax increase for the citizens of Lebanon; and

**WHEREAS,** it was estimated by the Lebanon Finance Department that had the local option sales tax increase referendum passed, no property tax increase would have been needed to balance the FY 2013 – 2014 budget; and

**WHEREAS,** the Lebanon Finance Department estimates that, based on current sales tax projections, should a referendum to increase the local option sales tax be passed by the citizens of Lebanon, the Lebanon City Council would have the ability to actually decrease property taxes and still be able to balance the FY 2014 – 2015 budget; and

**WHEREAS,** based on this information, the Lebanon City Council pledges to the citizens of Lebanon that should a referendum to increase the local option sales tax be passed by the citizens of Lebanon, and current sales tax projections hold true, the Lebanon City Council will zealously work towards passing a FY 2014 - 2015 budget that contains a significant property tax decrease for the citizens of Lebanon; and

**WHEREAS,** the City of Lebanon will hold a referendum asking the citizens of Lebanon to pass a local options sales tax increase that would provide a new source of revenue for the City and lessen the burden placed upon property owners while securing additional funds from visitors to the City; and

**WHEREAS,** *Tennessee Code Annotated,* § 67-6-706 requires the voters of the City of Lebanon to approve in an election this ordinance and subsequent sales tax increase.
NOW, THEREFORE, BE IT ORDAINED by the City of Lebanon, Tennessee, as follows:

Section 1. This ordinance was published in the Lebanon Democrat, a newspaper of general circulation in Wilson County, on January 21, 2014.

Section 2. Under the authority of Tennessee Code Annotated, § 67-6-701, et seq., the sales tax of the City of Lebanon is hereby increased from 2.25% to 2.75% not to exceed the maximum percentage as provided for in the “1963 Local Option Revenue Act,” Tennessee Code Annotated, § 67-6-702, as amended, except as limited or modified by statute.

Section 3. If a majority of those voting in the election required by Tennessee Code Annotated § 67-6-706 vote for the increase in the tax imposed by this ordinance, collection of the increased tax levied by this ordinance shall begin on the first day of the month occurring 30 or more days after the county election commission makes its official canvass of the election returns.

Section 4. The Department of Revenue of the state of Tennessee shall collect the additional tax imposed by this ordinance concurrent with the collection of the state tax and the local tax being collected for the City of Lebanon, in accordance with rules and regulations promulgated by the Department.

Section 5. The Commissioner of Finance and Revenue shall submit this ordinance to the Wilson County Election Commission with a request that the following question be placed on the ballot in a special election:

Shall Lebanon City Ordinance No. 14-4530, passed by the Lebanon City Council, and as authorized by and to be levied and collected pursuant to the Retailers’ Sales Tax Act under Title, 67, Chapter 6, Tennessee Code Annotated, which will increase the City of Lebanon’s local option sales and use tax rate from 2.25% to 2.75% and create a new revenue stream for the City of Lebanon’s general fund budget, become operative?

FOR the Ordinance

AGAINST the Ordinance
Section 6. Once the tax is collected by the Department of Revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the State of Tennessee Commissioner of Revenue.

Section 7. A certified copy of this ordinance shall be transmitted to the Department of Revenue by the Commissioner of Finance and Revenue forthwith and shall be published one time in a newspaper of general circulation in the City of Lebanon prior to the election called for in Section 4.

Section 8. Should Wilson County fail to pass a resolution within forty (40) days of the passage of this ordinance calling for a county-wide referendum on the issue of increasing the county sales tax, the referendum called for in this ordinance to increase the City of Lebanon sales tax shall be placed on the ballot for, and held on, XXXXXX, xx, 2014, in a city-wide special called referendum.

Section 9. Upon passage of the referendum, the Lebanon City Council pledges to the citizens of Lebanon that it will zealously work towards passing a FY 2014 - 2015 budget that contains a significant property tax decrease for the citizens of Lebanon.

Section 10. This ordinance shall take effect immediately upon its passage, the public welfare requiring the same.

Attest: 

[Signature]
Commissioner of Finance & Revenue

Approved: 

[Signature]
Mayor

Approved as to form:

[Signature]
City Attorney

Passed first reading: 2/18/14

Passed second reading: 3/04/14

Question as it appears on the ballot:

SALES TAX REFERENDUM
Shall Ordinance No. 14-4530, passed by the Lebanon City Council on the 4th day of March, 2014 and published in the Lebanon Democrat, a newspaper of general circulation in Wilson County, which levied an additional tax on the same privileges subject to Retailers’ Sales Tax Act under Chapter 6, Parts 1-6, Title 67, Tennessee Code Annotated, as the same may be amended, which are exercised within the City of Lebanon, to be levied and collected as provided in the Act at an amended rate of 2.75% except as limited or modified by statute, become operative?

FOR or AGAINST