

## HOW WILL WE PAY FOR THIS?

A <u>No</u> vote means the new Utility Improvement Fee will be charged starting March 1, 2023

**Paid By Every Utility Customer** Effective 3/1/23: \$5.00 per month Effective 3/1/24: \$9.75 per month Effective 3/1/25: \$14.50 per month Effective 3/1/26: \$19.25 per month Effective 3/1/27: \$24.00 per month

#### OR

A <u>Yes</u> vote means the extra 0.5% sales tax will be charged starting April 1, 2023 Paid by Residents & Visitors

\$10 of fast food = \$0.05
\$80 pair of shoes = \$0.40
\$200 of groceries = \$1.00
\$1,250 of rent/mortgage = not taxable

# Your Vote! Your Choice!

Shawnee needs a new Wastewater Treatment Plant. You will decide whether the project is paid for by **fee** or by **sales tax**.

The fee would have a maximum rate of \$24 per month for every utility customer.

The 0.5% Sales Tax increase would replace the new Utility Improvement Fee, which has been approved to begin on March 1, 2023.

Either the fee or the tax is needed to fund the replacement of the City's 40- and 70-year-old wastewater treatment plants.

## Decide <u>how</u> to pay and <u>who</u> pays for this critical project!

A Shawnee household would have to spend \$4,800 in taxable purchases each month to pay the equivalent of the \$24 Utility Improvement Fee.

YOU CHOOSE ON JANUARY 10, 2023

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## **Frequently Asked Questions**

#### Why vote? Each voter has a choice to make.

In order to secure financing for the project that replaces the City of Shawnee's 40- and 70-year old wastewater treatment plants, a new Utility Improvement Fee was approved on August 15, 2022 and will take effect on March 1, 2023. Understanding the significance of a new fee, the City Commission asked that the voters be given the opportunity to decide whether they prefer a fee or sales tax option.

#### Why are we not using ARPA funding? And how can I learn more about this project?

The American Rescue Plan Act funding the City received was not enough to complete the project. For more information scan the QR Code on the right or call 405-878-1601.

#### How much will the 0.5% sales tax cost a Shawnee family every month?

This will depend on how much the household spends on taxable goods and products each month. If a family spends \$2,400 per month on taxable purchases, the additional sales tax would equal \$12.00, which is half of the final monthly Utility Improvement Fee.

#### What will happen to the Utility Improvement Fee that is set to begin in March of 2023?

Based on the choice of the voters, if the 0.5% sales tax is approved, it would enable the City of Shawnee to remove the Utility Improvement Fee prior to its start date.

#### How much would the Utility Improvement Fee be if the new sales tax is not approved?

The Utility Improvement Fee's monthly rate is set to increase according to the following schedule:

Starting March 1, 2023: \$5.00 per month / \$60 per year per account March 1, 2024: \$9.75 per month / \$117 per year March 1, 2025: \$14.50 per month / \$174 per year March 1, 2026: \$19.25 per month / \$231 per year March 1, 2027: \$24.00 per month / \$288 per year

Once the maximum of \$24 per month / \$288 per year is reached, the Utility Improvement Fee would stay in place until rescinded by the City Commission. At this time, an end date to the fee has not been set.

#### When would the 0.5% sales tax end?

Similar to the fee option, the proposed 0.5% sales tax does not have an end date. The 0.5% sales tax would continue and also provide permanent funding for critical needs, including water, wastewater, and street infrastructure. These investments will support schools, businesses, and residents, alike.

#### Who pays sales tax?

Everyone who makes taxable purchases will contribute. This includes visitors who come to Shawnee.

#### Will this change the municipal sales tax rate?

Yes, the municipal sales tax rate would increase from 3.5% to 4.0%. This increase is equivalent to one half of one penny per dollar in taxable purchases.

#### I thought the current sales tax rate was 9.495%. Where does the rest of the sales tax go?

The current combined sales tax rate of 9.495% consists of 4.5% for the State of Oklahoma, 1.495% for Pottawatomie County, and 3.5% for the City of Shawnee. With the proposed increase, the new combined sales tax rate would be 9.995%.

#### How does Shawnee's municipal rate compare to nearby communities?

Among neighboring communities, a municipal sales tax rate of 4.0% would tie Shawnee with McLoud and Stillwater and would remain below the sales tax rates of Midwest City, Norman, and Oklahoma City.

#### When is the election and how can people register?

The sales tax election is set for January 10, 2023. To confirm your registration and find your polling place, please visit the Oklahoma State Election Board's <u>Online Voter Tool</u>.



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