



CS/CS HB 5 Discretionary Sales Surtax

- Current law provides counties with limited authority to levy discretionary sales surtaxes for specific purposes on transactions subject to state sales tax. Discretionary sales surtaxes generally are subject to approval by a majority of the qualified electors voting in a referendum. A performance audit is required before any discretionary sales surtax referendum and the results of the audit must be made available on the website of the county or school district for at least 60 days before the referendum is held.
- **CS/CS HB 5** requires any referendum to levy a discretionary sales surtax be held at a general election and requires approval by two-thirds of the electors voting on the ballot measure.
- The bill requires the county or school district holding a referendum to notify the Office of Program Policy Analysis and Government Accountability (OPPAGA) of the proposed referendum and provide a copy of the final ordinance or resolution calling for the referendum at least 180 days before the referendum is held. The bill declares void any discretionary sales surtax referendum if the county or school district fails to provide notice to OPPAGA or fails to publish the results of the performance audit.
- If the proposal to adopt a discretionary sales surtax is by initiative, the bill requires the petition sponsor, at least 180 days before the proposed referendum, to:
 - Provide a copy of the proposed referendum to the governing body of the county for posting on the county's website;
 - Notify OPPAGA of the proposed referendum; and
 - File the initiative petition, including the required signatures, with the supervisor of elections.
- The bill provides that the failure of an initiative sponsor to comply with these requirements renders any referendum held void.