Town of Bartonville Special Election – November 8, 2022
Proposition - Reallocation of Sales & Use Taxes

On August 16, 2022, the Town Council approved an ordinance calling for a special election for the purposes of submitting a proposition for adoption or rejection on the question of reallocating the dedicated sales and use taxes of the Community Development Corporation and the Street Maintenance Sales Tax.

What is Sales and Use Tax?

The State of Texas imposes a state sales tax of 6.25% on all retail sales, leases and rentals of most goods, as well as taxable services. Cities may impose local sales tax at a rate of up to 2% for a combined state and local tax rate not to exceed 8.25%.

What is the Town of Bartonville's Sales and Use Tax Rate?

The Town of Bartonville currently imposes sales and use taxes at the rate of 8.25%, of which 2% is allocated as follows:

- Town of Bartonville General Fund 1.0%
- Community Development Corporation .25%
- Street Maintenance .50%
- Crime Control & Prevention District .25%

Why is the Town Council calling a special election?

The State authorizes a city to hold an election to *reallocate sales tax revenue within the two percent local sales tax cap*. In a nutshell, a city can assess its funding priorities and reallocate the distribution of its general and dedicated sales taxes, so long as the total local tax rate does not exceed 2% in increments of 1/8 of a cent.

What is the Ballot Language?

"The reduction of the sales and use tax authorized under The Development Corporation Act of 1979 and Chapters 501, 502 and 505 of the Local Government Code, in the Town of Bartonville, Texas, from the rate of one-quarter of one percent to the rate of one-eighth of one percent; and the adoption of a local sales and use tax in the Town of Bartonville, Texas, at the rate of five-eighths of one percent to provide revenue for maintenance and repair of municipal streets."

[ ] FOR *[ ] AGAINST*

Why is the ballot language worded this way?

State law allows for a combined ballot proposition which protects the town's interest by eliminating the risk that one tax will be voted out by the citizens without the other tax being voted in. State legislation governs requirements for the wording of the ballot, which has led to some confusion due to reading **"...and the adoption of a local sales and use tax…"**

The proposition does not call for an increase in the overall sales tax rate. If the proposition is adopted by the voters, there will be absolutely no increase in the overall sales tax rate. It will **reduce** the Community Development Corporation Sales and Use Tax from .25% to .125% and **increase** the Street Maintenance Tax from .50% to .625%.

If the proposition is not adopted, there will be no change in the sales tax rates.

What is the Community Development Corporation Sales Tax and how is it used?

This is a Type B Economic Development tax. Section 4B tax can be used to fund projects that are typically considered to be community development initiatives. Funds can only be used for authorized categories under Section 4B of the Development Corporation Act. Expenditures by the Community Development Corporation must be approved by the Town Council prior to expenditure.

Type of projects funded include the construction and installation of the Town's entrance feature, the Town of Bartonville signs and horses located at the corner of McMakin and FM 407 including the annual maintenance, the Businesses Monument Sign; and grants to Town businesses to assist in the promotion of business expansion development. The Community Development Corporation sales and use tax currently generates approximately $192,500 per year.

What is Street Maintenance Sales Tax and how is it used?

This tax provides revenue for maintenance and repair of municipal streets. Funds may be used only to maintain and repair municipal streets and sidewalks that existed on the date of the election to adopt the tax. Funds may not be used to build new streets. The Street Maintenance sales and use tax currently generates approximately $385,000 per year.