



STAFF REPORT

MEETING DATE: December 12, 2023

TITLE:

Consider action to approve the first reading of Ordinance No. R-2023-43 of the City Council of the City of Bastrop, Texas, amending the Bastrop Code of Ordinances Chapter 11 Taxation, Article 11.02 Sales Tax, to amend Section 11.02.003 Economic Development Sales and Use Tax Levy and to enact Section 11.02.004 Street Maintenance and Repair Sales and Use Tax Levy; and providing for findings of fact, repealer, severability, codification, effective date, proper notice and meeting; and move to include on the January 9, 2024, Council agenda for second reading.

AGENDA ITEM SUBMITTED BY:

Submitted by: Laura Allen, Asst Finance Director

BACKGROUND/HISTORY:

The City Council of the City of Bastrop, held a special election on November 7, 2023, for the purpose of voting on Proposition A, which read:

“Without increasing the current combined rate of all local sales and use taxes imposed by the City of Bastrop, the adoption of a local sales and use tax within the City of Bastrop for the promotion and development of new and expanded business enterprises and any other purpose authorized by Texas Local Government Code Chapter 505, as amended, at the rate of one-eighth of one percent (0.125%), which is a reduction from the current local sales and use tax for this purpose at a rate of one-half of one percent (0.50%), and the adoption of an additional local sales and use tax within the City of Bastrop at the rate of three-eighths of one percent (0.375%) to provide revenue for maintenance and repair of municipal streets and any other purpose authorized by Texas Tax Code Chapter 327, as amended.”

The City Council canvassed the results of the November 7, 2023, special election on Proposition A and declared the results of the election that Proposition A was approved by a majority of the votes cast in Resolution No. R-2023-167.

The City has submitted notice to the Texas Comptroller of Public Accounts so that the changes in the local sales and use tax rates pursuant to Proposition A may take effect on April 1, 2024.

The City Council of the City of Bastrop, Texas finds certain amendments to the Bastrop Code of Ordinances necessary to codify the sales and use tax changes approved by the voters in Proposition A.

FISCAL IMPACT:

Creation of a Street Maintenance Fund and future budget amendments to both the future designated revenue fund as well as the Economic Development Fund.

RECOMMENDATION:

Laura Allen, Asst Finance Director, recommends approval of the first reading of Ordinance No. R-2023-43 of the City Council of the City of Bastrop, Texas, amending the Bastrop Code of Ordinances Chapter 11 Taxation, Article 11.02 Sales Tax, to amend Section 11.02.003 Economic Development Sales and Use Tax Levy and to enact Section 11.02.004 Street Maintenance and Repair Sales and Use Tax Levy: and providing for findings of fact, repealer, severability, codification, effective date, proper notice and meeting; and move to include on the January 9, 2024, Council agenda for second reading.

ATTACHMENTS:

- Ordinance No. 2023-43

