



CITY COUNCIL CONSIDERATION ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a second reading of an ordinance calling the Special Election reauthorizing the levying of local sales and use tax for the maintenance and repair of municipal streets to be held on May 4, 2024

DATE: February 15, 2024

DEPARTMENT: City Secretary

PRESENTED BY: Christina Picioccio, TRMC, City Secretary

INTRODUCTION/BACKGROUND:

In 2008, pursuant to the Texas Tax Code Chapter 327, the citizens of Fair Oaks Ranch elected to impose a local sales and use tax rate of $\frac{1}{4}$ of one percent for funds dedicated to street maintenance and repair. This tax expires four years after enactment but can be readopted upon a successful election prior to the expiration of the tax. In 2012, 2016 and 2020 citizens reauthorized, by election, the re-adoption of the street maintenance and repair tax.

Texas Tax Code Section 327.006 (a) states “An election to adopt the tax authorized by this chapter is called by the adoption of an ordinance by the governing body of the municipality. Section 327.007 (b) provides that “An election to reauthorize the tax is *called and held in the same manner* as an election to adopt the tax.” In 2008, the election was called under Ordinance 176. This agenda item is to order an election reauthorizing the sales and use tax for the maintenance and repair of municipal streets.

As presented at the February 1, 2024 workshop, staff will contract with Kendall County Elections to conduct this special election.

The first reading of this ordinance was approved at the February 8, 2024 Special Council Meeting.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. Re-adopting the quarter cent tax ensures the continuance of the City’s annual street maintenance and repair program.
2. Affords the opportunity for citizenry voice.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

\$32,000 budgeted for the May election, inclusive of:

- a general election for filling of Mayor and Council Place 1
- a special election reauthorizing the levying of local sales and use tax for the maintenance and repair of municipal streets, as noted above
- a special election for the issuance of general obligation bonds for road projects

LEGAL ANALYSIS:

Reviewed and approved as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the first reading of an ordinance calling a Special Election reauthorizing the levying of local sales and use tax for the maintenance and repair of municipal streets.