



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: August 3, 2022
PREPARED BY: Lluvia T. Almaraz, City Secretary
DEPARTMENT: Administration

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on an ordinance of the City of Manor Texas, ordering a Special Election to be held on November 8, 2022, on a proposition to increase the City's General Revenue Sales and Use Tax Rate pursuant to Chapter 321 of the Texas Tax Code, conditioned on a majority of qualified voters voting "No" on Proposition "A", which is the measure on the question of the continuation of the Capital Metropolitan Transportation Authority in the City of Manor; providing for proposition language; providing for election procedures; providing for an effective date; providing an open meetings clause; and providing for related matters.

BACKGROUND/SUMMARY:

The current general revenue sales and use tax rate within the City of Manor, Texas is one percent (1%). Chapter 321 of the Texas Tax Code authorizes the general revenue sales and use tax to be adopted in increments of one-eighth of one percent (1%). The maximum combined sales tax rate adopted by local taxing authorities may not exceed two percent (2%). The City is located within the Capital Metropolitan Transportation Authority (CapMetro), which collects a one percent (1%) sales tax within the City. The current combined sales tax rate for all local taxing authorities in the City is two percent (2%).

The City Council proposes to call an election on the question of the continuation of CapMetro within the City of Manor ("Proposition A"). If a majority of qualified voters vote "No" to Proposition A, then CapMetro will calculate the net financial obligation of the City, pursuant to Subchapter M, Chapter 451, Texas Transportation Code, and will continue to collect the one percent (1%) sales tax within the City until the net financial obligation is collected.

After the net financial obligation is collected, CapMetro will cease to collect the one percent (1%) sales tax within the City and there will be a one percent (1%) sales tax increment available for adoption by local taxing authorities (upon approval by a majority of qualified voters).

The Ordinance calls a special election on the question of increasing the City's 1% sales tax, which may be used for general revenue purposes, to 2%.

LEGAL REVIEW: Yes
FISCAL IMPACT: No
PRESENTATION: No
ATTACHMENTS: Yes

- Ordinance No. 667

STAFF RECOMMENDATION:

It is the city staff's recommendation that the City Council approve Ordinance No. 667 ordering a Special Election to be held on November 8, 2022, on a proposition to increase the City's General Revenue Sales and Use Tax Rate pursuant to Chapter 321 of the Texas Tax Code, conditioned on a majority of qualified voters voting "No" on Proposition "A", which is the measure on the question of the continuation of the Capital Metropolitan Transportation Authority in the City of Manor; providing for proposition language; providing for election procedures; providing for an effective date; providing an open meetings clause; and providing for related matters.

PLANNING & ZONING COMMISSION: **Recommend Approval** **Disapproval** **None**