



MEMORANDUM

To: Mayor and City Council

From: Mike Land, City Manager

Date: February 12, 2019

Reference: Sales Tax Street Maintenance Authorization Resolution

Introduction:

The State of Texas created Chapter 327 Municipal Sales and Use Tax for Street Maintenance and outlined the procedures for communities to follow to authorize and re-authorize the sales and use tax. The initial authorization vote occurred in 2007, with 63% of the citizens of Coppel voting in favor of the adoption of the Sales and Use Tax for Street Maintenance. Subsequent to the initial authorization, two re-authorization elections have been held, one in 2011 and another in 2015. In 2011, 72% of the citizens of Coppel re-authorized the continued collection of the Sales and Use Tax for Street Maintenance and in 2015, 83% of the citizens of Coppel voted in support of the continued collection of the Sales and Use Tax for Street Maintenance.

Currently the existing language in Chapter 327 limits the ability of the voters in Coppel to only consider a 4-year renewal, as opposed to a longer duration of either 8 or 10 years. The language proposing the modification of Chapter 327 will expand the choices for the citizens of Coppel in addressing critical infrastructure needs.

The Coppel City Council supports language that modifies Chapter 327 Municipal Sales and Use Tax for Street Maintenance that will allow the citizens of Coppel greater choice in re-authorizing the Sales and Use Tax for periods of up to 8 or 10 years.

Background:

Since initial authorization, the City of Coppel has utilized these funds to design and construct a variety of on-going street maintenance projects, such as street and sidewalk repairs, pavement/parking lot markings and improvements, and ADA improvements; replacement of traffic signal controllers; and construction of roadway projects such as Parkway, Airline, and Oak Grove street projects.

Given the 4-year authorization window, it is very difficult to wrap long-range capital plans around this revenue source. A longer planning window would allow the City to project the use and prioritization of projects in a more effective manner to maximize this fund.

Analysis: Representative Julie Johnson and Senator Nathan Johnson have been informed of Coppell's position regarding the extension of the authorization window. Both are willing to submit a bill on the City's behalf in their respective chambers. This resolution of support from the City Council will be included as part of that submittal.

Legal: N/A

Fiscal Impact: Amendment of Chapter 327 would provide the City with greater flexibility when considering of major capital projects for street maintenance and construction.

Recommendation: Staff recommends approval of the Resolution supporting an amendment to provide for a ten-year renewal election for authorization of sales and use tax for street maintenance.