



Elgin City Council Meeting Agenda Item Executive Summary

ITEM: Update and discussion of the Bastrop-Travis Counties Emergency Services District No. 1 proposed new local sales and use tax set for the November 5 ballot.

DEPARTMENT: City Manager

PROPOSED ACTION: No Council action proposed or requested at this time; This item is to provide Council with a general update and allow general discussion on the item as described.

BACKGROUND:

Discussed at last meeting; the Bastrop-Travis Counties Emergency Services District No. 1 are asking voters to establish a new tax that will prevent the City of Elgin from collecting much-needed future sales tax from new development

In Texas, Sales & Use Tax cannot exceed a total of 8.25%. Of that amount, the State keeps 6.25% and local entities can share up to the additional 2%. Typical of most areas in Texas, the local 2.0% Sales & Use Tax collected in Elgin is distributed as follows: Bastrop County - 0.50%, City of Elgin - 1.50% (with .50% of that amount being devoted to the City Economic Development Corporation).

However, the proposed ballot issue – *“The adoption of a local sales and use tax in Bastrop-Travis Counties Emergency Services District No. 1 at a rate not to exceed two percent (2.0%) in any location in the District.”* - would prevent the City of Elgin from collecting any new sales tax revenues within developing areas that are not currently located within the city limits (as the District completely surrounds the City).

All future goals for economic development to support an enhanced quality of life for the growing Elgin community, its citizens and businesses, is largely dependent upon robust future sales tax revenues, including areas beyond the current city limits

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION:

Review and discussion as described above; and direction to staff, if any, as appropriate.

ATTACHMENTS: Bastrop-Travis Counties Emergency Services District No. 1 proposed new local sales and use tax information/fact sheet

{ } Staff will be making a detailed presentation on this agenda item at the meeting.

{X} Staff will provide brief comments and answer questions on this item at the meeting.

{ } This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.