

ELECTION TO RE-AUTHORIZE THE EXISTING STREET MAINTENANCE SALES TAX

Following is educational and factual information in question/answer format, relative to the May 4, 2024 election on the reauthorization of the street maintenance sales tax due to expire December 31, 2024.

What is a street maintenance sales tax?

Texas Tax Code, Chapter 327, authorizes cities to establish a local sales tax for the repair and maintenance of existing city streets and sidewalks in increments of one-eighth of one percent up to one-fourth of one percent if the funds are dedicated to street and maintenance repair. A city election is required to approve the additional sales tax. The street maintenance tax expires four years after it takes effect unless the city's voters authorize it to continue in an election held for that purpose.

How long has Fair Oaks Ranch been collecting a sales tax for street maintenance?

Fair Oaks Ranch voters initially approved the street maintenance sales tax in May 2008 at one-fourth of one percent and was reauthorized by the voters in 2012, 2016, and 2020. The assessment of the tax is effective October 1 of each election year it is adopted. The sales tax will expire December 31, 2024 unless the voters reauthorize it on the May 4, 2024 election ballot.

How has the street maintenance sales tax been used?

Texas Tax Code limits the use of the funds collected to the maintenance or repair of municipal streets and sidewalks in existence on the day of the election to adopt or reauthorize the tax. Funds collected may not be used to build new roads. All revenue of the street maintenance sales tax is used annually as a portion of the total cost of the city's Annual Street Maintenance and Repair program.

What is its purpose?

The funds collected are dedicated for rehabilitation and preventive maintenance of public streets and sidewalks within the city limits of Fair Oaks Ranch.

Who pays the special tax?

The street maintenance sales tax is paid by a consumer (*resident and non-resident*) on taxable sales from local businesses (*e.g. CVS, Papa Johns, Fischer's Neighborhood Market*) and on taxable online purchases when a business has a location in Texas. It is a portion of the total 2.00% combined rate of all local sales tax the City can adopt.

When and where do I cast a vote on this Special Election?

The special election for the one-fourth of one percent reauthorization of the street maintenance sales tax will be held May 4, 2024 from 7 AM – 7 PM at the voters county precinct election day poll site. The proposition on the ballot is as follows:

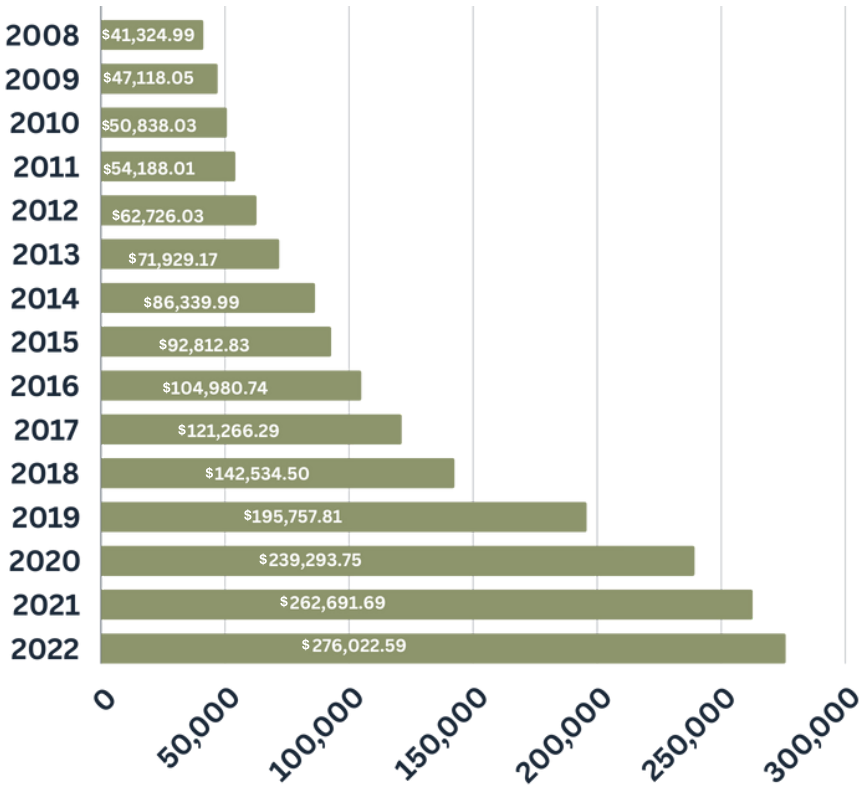
Shall the City Council of the City of Fair Oaks Ranch, Texas, be re-authorized to continue a local sales and use tax in the City of Fair Oaks Ranch at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets?

When will the street maintenance sales tax expire?

Unless reauthorized by voters in a subsequent "reauthorization election", the current tax will expire December 31, 2024. The reauthorization election will be May 4, 2024.

How much has been collected so far?

The following chart shows the street maintenance sales tax revenue since October 2008:



When will the street maintenance sales tax expire?

Unless reauthorized by voters in a subsequent “reauthorization election”, the current tax will expire December 31, 2024. The reauthorization election will be May 4, 2024.

For complete details on the election including additional information on early voting, please visit www.fairoaksranchtx.org/136/Voter-Information.

What happens if the street maintenance sales tax is not reauthorized by the voters in May 2024?

If the City loses the ability to assess and collect this one-fourth of one percent sales tax, it becomes open for other entities to hold an election authorizing the assessment and collection of this or a portion of this sales tax for their purpose.