

Office of the City Manager

City of Richland Hills, Texas

Memorandum

To: Honorable Mayor Ed Lopez and members of the Richland Hills City Council
From: Eric Strong, City Manager
Date: August 13th, 2018
Subject: ½ Cent Sales Tax Election

Council Action Requested:

Consider Ordinance calling an election to allocate ½ cent of sales tax to Street Maintenance (3/8 cent) and Type B Economic Development (1/8 cent).

Background Information:

Currently ½ cent of sales tax capacity in Richland Hills goes toward paying the Fort Worth Transportation Authority the final obligation that they are legally allowed to collect once residents voted to withdraw from the system in November of 2016. That obligation is estimated to be fulfilled in March of 2019. As such, after discussions with the Comptroller's office, we are eligible to hold an election to reallocate the ½ cent for other purposes. That election may be held as early as this November. If held in November, and approved by residents, we would start collecting the new tax in April of 2019.

The attached ordinance serves to call an election for this November. The election will have two propositions. One is to allocate funds to street maintenance (3/8th of a cent). The other is to add 1/8th of a cent to our existing Type B sales tax (new total would be 1/4th of a cent).

Based on current collections, the 3/8th cent for streets would generate approximately \$1,181,250 per year and the 1/8th cent for Type B would generate an additional \$393,750 (above what is generated currently).

The street tax would be dedicated strictly to repairing and maintaining (including reconstructing) existing streets and sidewalks. The Type B tax would be eligible for any legal purpose allowed by state law, including economic development and park improvements.

If council approves the ordinance, staff will begin educating voters on the issues through a series of mailers to registered voters, as well as information on our website and social media accounts.

Board/Citizen Input: N/A

Financial Impact: Approximately \$1,600,000 in new revenue for streets, economic development and parks.

Staff Contacts

Eric Strong
City Manager
estrong@richlandhills.com

Attachments: Ordinance Calling Election

CITY OF RICHLAND HILLS ORDINANCE NO. 1362-18

AN ORDINANCE CALLING A SPECIAL ELECTION TO BE HELD IN THE CITY OF RICHLAND HILLS, TEXAS ON TUESDAY, NOVEMBER 6, 2018 TO SUBMIT TO THE VOTERS A PROPOSITION TO DETERMINE WHETHER THE VOTERS DESIRE TO IMPOSE A SALES AND USE TAX AT THE RATE OF THREE-EIGHTHS OF ONE PERCENT (3/8%) TO PROVIDE REVENUE FOR THE MAINTENANCE AND REPAIR OF EXISTING MUNICIPAL STREETS AND A PROPOSITION TO INCREASE THE SALES AND USE TAX FOR THE BENEFIT OF THE TYPE B ECONOMIC DEVELOPMENT CORPORATION FROM THE RATE OF ONE-EIGHTH PERCENT (1/8%) TO TWO-EIGHTHS PERCENT (2/8%); MAKING PROVISION FOR THE CONDUCT OF SUCH ELECTION; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO SUCH ELECTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Richland Hills is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, on November 8, 2016 the citizens of Richland Hills voted to terminate membership in the Fort Worth Transportation Authority (The "T"); and

WHEREAS, the one half cent sales tax collected for the benefit of The T within the corporate limits of Richland Hills will terminate by operation of law prior to the date any new tax will be implemented; and

WHEREAS, the City Council of the City of Richland Hills hereby finds and determines that an election should be held under the provisions of Chapter 321 of the Texas Election Code to allocate the available one half percent sales and use tax within the City of Richland Hills to the maintenance and repair of existing municipal streets and to the Type B Economic Development Corporation as set forth in the caption; and

WHEREAS, in accordance with the requirements of Chapter 321, as amended, of the Texas Tax Code, the combined tax rate of all local sales and use taxes imposed by the City and other political subdivisions having territory in the City will not exceed two (2) percent; and

WHEREAS, the City Council hereby finds and determines that it is in the best interest of the citizens of the City to hold this election on the date set forth below pursuant to a contract with Tarrant County for joint election services.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:

Section 1. Special Election Called

An election to be held on the 6th day of November, 2018, a uniform election day, is hereby called for the purpose of submitting the following propositions to the qualified voters of the City:

Proposition A

- FOR
- AGAINST The adoption of a local sale and use tax in the City of Richland Hills at the rate of three-eighths of one percent (3/8%) to provide for maintenance and repair of municipal streets.

Proposition B

- FOR
- AGAINST The adoption of a sales and use tax for the benefit of the Richland Hills Type B Economic Development Corporation for projects previously approved by the qualified voters of the City of Richland Hills and to include public park purposes, community facilities, related maintenance and cost of operation of publically owned projects, and the promotion of new and expanded business enterprises at the rate of two-eighths percent (2/8%).

Section 2. Joint Election Administration Contract

The City Secretary is hereby authorized to execute a contract (the “Contract”) with Tarrant County for joint election services. In the event of a conflict between this Ordinance and the Contract, the Contract shall control.

Section 3. Polling Place.

The polling place for the Special Election shall be as follows:

Richland Hills Library
6724 Rena Dr
Richland Hills, Texas 76118

Other polling places may be established as provided in the Contract. The polls shall be open from 7:00 a.m. to 7:00 p.m. on November 6, 2018, in accordance with and pursuant to the requirements of the Texas Election Code.

The City shall constitute a single election precinct for said election.

Section 4. Ballots and Election Method.

Combined ballots may be utilized containing all of the offices and propositions to be voted on at each polling place, provided that no voter shall be given a ballot or permitted to vote for any office or proposition on which the voter is ineligible to vote. Early voting by personal appearance shall be conducted exclusively on Tarrant County's eSlate electronic voting system. On Election Day, voters shall have a choice between voting on the eSlate electronic voting system or by a paper ballot that is scanned at the polling place using Tarrant County's eScan voting system. All expenditures necessary for the conduct of the election, the purchase of materials therefore, and the employment of all election officials are hereby authorized, and shall be conducted in accordance with the Contract and the Code. The order in which the names of the candidates are to be printed on the ballot shall be determined by a drawing by the City Secretary pursuant to state law. Notice of the time and place for such drawing shall be given in accordance with the Code.

Section 5. Early Voting.

a. Early voting by personal appearance. Hieder Garcia, Tarrant County Chief Elections Administrator, is hereby appointed as the Early Voting Clerk for the election, as so indicated in the Contract. Early voting by personal appearance shall commence Monday, October 22, 2018 and shall continue until Friday, November 2, 2018. The main early voting site shall be at the Richland Hills Public Library, 6724 Rena Drive, Richland Hills, Texas. Specific days, times and locations shall be designated by the Elections Administrator and included in the Contract and shall be in compliance with state law. On at least two weekdays during the early voting period, the location for early voting shall be open for at least twelve (12) hours as mandated by state law.

b. Early voting by mail. Applications for a ballot by mail may be submitted throughout the calendar year, beginning January 1 and must be received by Tarrant County Elections no later than the close of business Friday, October 26, 2018. All voted ballots that are returned on or before Election Day will be counted. Voted ballots mailed from outside the United States may be counted if clearly postmarked on or before Election Day and received by the Elections Administrator not later than the fifth day after Election Day. Completed applications may be submitted by mail, contract or common carrier, fax or by emailing to the Early Voting Clerk a scanned completed application, signed with the voter's original signature:

**Mailing Address: Tarrant County Elections
PO Box 961011
Fort Worth, Texas 76161-0011**

**Express Courier Delivery: Tarrant County Elections
2700 Premier St.
Fort Worth, Texas 76111-3011**

Fax: 817-831-6118

Email: votebymail@tarrantcounty.com

c. Early voting ballot board. Early voting, both by personal appearance and by mail shall be canvassed by an Early Voting Ballot Board which is hereby created. According to the Contract, Tarrant County shall appoint the Early Voting Ballot Board to process early voting results from the election.

Section 6. Notice.

Notice of said election shall be given as required by the Texas Election Code.

Section 7. Election Officials.

The election judge, alternate election judge, and ballot board will be appointed by the Tarrant County Elections Administrator, as permitted by law. The presiding judge shall appoint elections clerks as may be necessary for the proper conduct of the election. The election judge, or the alternate election judge in the absence of the election judge, and the election clerks shall constitute the early voting ballot board. The election judge, and alternate election judge, and election clerks shall be qualified voters of the city.

Section 8. Governing Law.

The election shall be held in accordance with the Constitution of the State of Texas and the Texas Election Code, and all resident qualified voters of the City shall be eligible to vote at the election.

Section 9. Necessary Actions.

The Mayor and the City Secretary, in consultation with the City Attorney, are authorized and directed to take all actions necessary to comply with the provisions of the Texas Election Code, the City Charter, and the City Code in carrying out and conducting the election, whether nor not expressly authorized by this Order.

Section 10. Severability Clause.

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this order are severable and if any phrase, clause, sentence, paragraph, or section shall be declared invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this order, since the same would have been enacted by the City Council without the incorporation in this order of any such invalid or unconstitutional phrase, clause, sentence, paragraph or section.

Section 11. Notice and Publication

This Ordinance shall serve as the Order of Election (as required by Section 3.001 of the Code) and as the Notice of Election (as required by Section 4.001 of the Code) for the Special Election. A copy of the Ordinance shall be posted on the bulletin board used for posting notices of the meetings of the City Council at least twenty-one (21) days before the election. Notice shall be published in the newspaper in accordance with state law.

Section 12. Effective Date.

This order shall be effective upon its adoption.

PASSED AND APPROVED ON THIS 13th DAY OF AUGUST, 2018.

THE HONORABLE EDWARD LOPEZ, MAYOR

ATTEST:

CATHY BOURG, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

BETSY ELAM, CITY ATTORNEY