

*You're Invited!*

**Town Hall Meeting**  
**April 23, 7:00 p.m.**  
**City Hall Council Chambers**  
**120 S. Chenango • Angleton**

**Proposition "A" the Use of  
One-Cent Sales Tax**

On May 5<sup>th</sup> City of Angleton voters will have an opportunity to vote on Proposition "A" regarding an amendment to the city charter. This amendment is not about creating a new tax or discontinuing street improvements. The amendment is about how a percentage (one-cent) of the existing sales tax revenues collected should be flexible (liquid) rather than restricted when it comes to city expenditures. Removing the 1971 restriction on the one-cent sales tax does not prohibit the city from spending revenues on street improvements. It enhances the city's ability to spend revenues on other city expenditures such as police, fire, ambulance, animal control, etc. and street improvements.

The proposed change is specifically directed towards Section 8.29 of the city charter which restricts the use of one-cent sales tax to only improving streets. When you initially hear this statement, you think it's one-cent, so what? When you look at the totality of the sales tax collected by the city, it represents 67% of the city's sales tax collections while the other 33% is dedicated only to parks & recreation.

In other words, our sales tax collections today are at \$4.5 million annually and approximately \$3.0 million of the sales tax is dedicated strictly to street improvements and \$1.5 million to parks & recreation.

At this point, you're probably still thinking what's wrong with dedicating one-cent to street improvements; we want to continue improving the city streets. The proposed change to the charter isn't about discontinuing street improvements. The city will continue to maintain



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Here are just a few other reasons why restricting the city's sales tax restrains the city's ability to thrive:

**1. It increases the burden on property taxes.**

Angleton is probably the only city in Texas that restricts its' entire sales tax revenue with zero sales tax going directly to the general fund which increases the burden on property taxes.

Typically, a fraction or all of a city's sales tax goes into the general fund to help offset operation and maintenance costs. When a city has zero sales tax going into the general fund, then the property taxes have to be higher to offset the cost of operating your local government.

**2. It restricts the city's ability to attract retail and commercial business.**

One of the greatest tools used today in attracting or retaining retail and commercial business is reimbursing sales tax to a business. For example, if the City of Angleton was competing with the City of Lake Jackson for a new mall, Lake Jackson could offer to reimburse the developer sales tax revenues from the new development to help pay for infrastructure improvements and the City Angleton could not. Which community do you think the developer is more likely to choose to do business with? The City of Angleton cannot use sales tax as an economic development tool due to the restrictions in place today.

**3. The restrictions on the city's entire sales tax revenues has a negative impact on the city's bond rating.**

Sales tax is one of the three largest revenue sources in the city, and we restrict the entire use of our sales tax. When issuing debt, financial analyst/investors will recognize one of the city's largest revenue sources as restricted