



Election Information

SATURDAY, MAY 7, 2016

Polling Place

Adams Street Community Center
511 East Adams
Brownwood, TX 76801

7 AM – 7 PM

Early Voting

Adams Street Community Center
511 East Adams
Brownwood, TX 76801

April 25th – April 29th
8 am – 5 pm

May 2nd & May 3rd
7 am – 7 pm

elections@browncountytexas.org

Proposed
**BROWNWOOD
MUNICIPAL
DEVELOPMENT
DISTRICT**

What is a Municipal
Development District?

FREQUENTLY ASKED QUESTIONS

This brochure provides a brief overview of the proposed Brownwood Municipal Development District by addressing questions most frequently posed by individuals wishing to gain additional information.



FREQUENTLY ASKED QUESTIONS

1. WHAT IS A MUNICIPAL DEVELOPMENT DISTRICT (MDD)?

A Municipal Development District is a special purpose district created for the purpose of generating economic development and growth opportunities within the boundaries of the district. The proposed Brownwood MDD boundaries are the city limits of Brownwood.

2. WHAT ARE THE DIFFERENCES BETWEEN A TYPE A ECONOMIC DEVELOPMENT CORPORATION (EDC) AND A MUNICIPAL DEVELOPMENT DISTRICT (MDD)?

The City currently has a Type A EDC. The Type A EDC is essentially limited to funding economic development projects that create or retain primary jobs associated with manufacturing and industrial companies. The MDD can fund these Type A projects, along with projects that promote or develop new or expanded business enterprises, which include retail businesses; projects that enhance professional and amateur (including children's) sports, athletic, entertainment, tourist, convention and public park purposes and events; projects enhancing housing; and convention center facilities.

3. WILL THERE BE AN INCREASED TAX BURDEN IF THE TYPE A EDC IS DISSOLVED AND THE MDD IS CREATED BY THE VOTERS?

No, there will be no additional taxes imposed on the citizens. Currently, the Type A EDC is funded by a sales tax of one-half of one percent of sales and use tax. That sales tax will be dissolved and the MDD will be funded by the same sales tax of one-half of one percent. The sales tax will not increase over time.

4. HOW DO OTHER CITIES FINANCE THEIR ECONOMIC DEVELOPMENT PROJECTS?

More than 500 small and mid-size Texas cities have authorized the funding of economic development projects with a dedicated portion of sales tax. They chose from a variety of programs based on the needs and goals of their community.

5. HOW IS THE DISTRICT CREATED? To create an MDD, a city must call an election through an ordinance that defines the proposed boundaries of the district (City Limits of Brownwood). The ballot at this election must be printed to allow voting for or against the proposition. In the ordinance calling the election, the city may specify that the district boundaries will automatically conform to future changes in the city's boundaries. If the voters turn down creation of the district, a subsequent election to establish a district may not be held within a year of the first election.

6. WHAT WILL THE BALLOT LOOK LIKE WHEN I GO TO THE VOTING BOOTH?

Shall the City of Brownwood Economic Development Corporation (Type A) be terminated with the abolition of its sales and use tax for the promotion and development of new and expanded business enterprises at the rate of one-half of one percent, and concurrently, authorize the creation of the City of Brownwood Municipal Development District with the imposition of a sales and use tax within the incorporated City limits of the City of Brownwood, Texas, which boundaries shall automatically conform to any changes in the corporate boundaries of the City at the rate of one-half of one percent for the purpose of financing development projects beneficial to the district?

☐ YES

☐ NO

7. WHO WILL PAY FOR THE MDD? Anyone making a purchase of taxable items in the Brownwood MDD will pay the sales tax including purchases made by individuals who live outside of the district shopping and eating in the district.

8. WILL THE SALES TAX RATE IN BROWNWOOD BE HIGHER THAN OTHER AREA CITIES BECAUSE OF THE TAX LEVIED BY THE BOUNDARIES OF THE MDD?

No. Again there is no change in the amount of tax collected, and the tax rates in surrounding cities are as follows: Early 8.25%, Abilene 8.25%, Austin 8.25%, Weatherford 8.25%, Comanche 8.25%, Fort Worth 8.25%, Lampasas 8.25%, Llano 8.25%, Stephenville 8.25%. If adopted the sales tax rate in the City of Brownwood will remain at 8.25% (including the 6.25% state sales tax). The rate will not increase and will remain consistent with surrounding communities.

9. WHAT WILL THE PROCEEDS FROM THE SALES TAX BE USED FOR?

State law authorizes expenditure of MDD funds for a variety of economic development activities including industrial and manufacturing projects, retail development projects, recreational and/or community facilities projects, housing projects and convention center facilities and related improvements.

10. WHO OVERSEES THE MDD? A board of at least four directors governs the District. The Brownwood City Council will appoint the board. In addition, the City Council will adopt policies and guidelines that will govern the actions of the MDD board, including requiring that all actions of the board be subject to review by the City Council.

11. WHO DETERMINES HOW THE FUNDS ARE SPENT? The MDD Board of Directors must adopt a budget for each year at a public meeting open to the public. Once the MDD Board approves the budget, the budget will be presented to the City Council for final approval.

12. CAN THE MDD SALES BE REPEALED? The sales tax can be repealed if a majority of the registered voters in the district vote to repeal the sales tax.

13. HOW DO WE KNOW THE FUNDS WERE SPENT FOR THEIR AUTHORIZED PURPOSES?

State law requires the District to have an annual audit by an independent auditor. The audit and other District records are open to public inspection during normal business hours.

14. IF APPROVED, WHEN WOULD THE MDD BECOME EFFECTIVE?

If approved by vote in May, the creation of the MDD would become effective October 1, 2016.

15. HOW CAN I GET MORE INFORMATION ABOUT THE PROPOSED MDD?

The legislation governing MDDs can be found in Chapter 377 of the Local Government Code. Chapter 377 is available online at: <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.377.htm> You may also contact Guy Andrews, Executive Director – Economic Development at 325-646-9600 or via e-mail at gandrews@brownwoodtexas.gov