

Jefferson County Emergency Services District No. 3

Proposition Election Frequently Asked Questions (FAQ)

The Board of Commissioners (the "Board") of Jefferson County Emergency Services District No. 3 ("JCESD 3", or the "District") has called for a Sales and Use Tax proposition to be on the election ballot for Tuesday, November 7, 2023. If approved by voters, this proposition would authorize up to one and one-half percent (1.5%) to be captured by the District in all areas not yet at the state maximum of 8.25%. If the proposition passes, the funds will be used to address the needs of the District regarding the rapid population and commercial growth in the area.

To ensure that residents and other constituents of the District have accurate information regarding the proposed authorization and the Board's goals for the District, answers to common questions are provided below. This page will be updated periodically to address additional questions and provide additional information prior to the election.

What is Jefferson County Emergency Services District No. 3?

An Emergency Services District (ESD) is a grass-roots government entity created by voters in an area to fund fire protection, emergency medical services, or both. More than 300 districts are operating in Texas, and more are added at almost every uniform election date.

Jefferson County Emergency Services District No. 3 ("JCESD 3", or the "District") is the government entity that collects property tax to fund 3 fire stations; these entities then provide fire suppression and emergency medical services to the residents within the District's boundaries, and to neighboring reciprocal mutual aid partners as needed. These taxes fund stations, apparatus, personnel, and equipment the fire department utilizes to provide fire protection for the community.

The taxes collected come from an *ad valorem* tax, commonly known as property tax. Emergency Services Districts are capped by the Texas Constitution at \$0.10/\$100 valuation of taxable property; the 2022 tax rate was set at \$0.081241/\$100. Often, this revenue source alone is insufficient to meet the emergency response needs of districts, and boards seek additional funding outside of property tax.

Jefferson County Emergency Services District No. 3 provides coverage for the two cities of China and Nome as well as the community of Meeker and all unincorporated areas surrounding these communities.

Why does the District need more funding?

Through sound fiscal management and good stewardship, the Board of Commissioners of Jefferson County Emergency Services District No. 3 has been able to purchase and maintain the current training, apparatus, and equipment to protect the community up to this point while managing their capital reserve for scheduled, long-term expenditures. However, there are three major issues facing the District which require additional funding:

- Advancing medical response capabilities (equipment and training)
- Paid Firefighters to work during daytime response times
- New equipment for the Fire Department

As the Board considers the next 10 years of growth and emergency response, long-term strategic goals have been drafted to highlight the next steps in anticipating the needs of the District.

What are the issues facing the district?

JCESD 3 has seen population and commercial change over the past decade. Because of this, the number of calls the District has responded to has evolved over the last 10 years. JCESD 3 has been using the District's capital reserves and *ad valorem* tax rate to forecast and plan for equipment purchases and maintenance for the foreseeable future, as increased costs for apparatus and longer lead times require more expenditure than in previous years.

Why a Sales Tax?

By levying a Sales and Use Tax, JCESD 3 would be shifting a portion of the funding for emergency services from property owners to anyone buying taxable goods and services in the District. The current property tax rate approved by voters is \$0.081241/\$100 valuation. The District is unable to increase the property tax rate beyond the state maximum and is hesitant to increase property tax burden on residents, thus the Board of Commissioners has chosen to seek additional funding through sales and use tax now while it is available to the district

The Board of Commissioners has considered several sources of additional funding and the best option would be the implementation of a sales and use tax in the District. In Texas, the state captures \$0.0625 (6.25%) on every dollar spent but allows other local government entities to capture up to \$.02 (2%), with a state maximum of \$0.0825 (8.25%), to support community services. If the District levied up to a one and one-half percent (1.5%) Sales and Use Tax, it could

supplement the existing funding of emergency services from solely depending on residents' property taxes to those people traveling to and through the JCESD 3 community, who may also use and benefit from local emergency services.

What areas does the proposed new sales tax affect?

Residents and visitors making purchases in areas where a city or the county has “carved out” an overlay are already paying the state maximum of eight and a quarter percent (8.25%) sales and use tax. To clarify, no area within the District can go above the state sales and use tax cap as a result of this election proposition. **If so approved by voters, this proposition would only affect residents and visitors making purchases in areas not currently capturing the state maximum, meaning the remaining sales tax collections beyond the state-required capture would stay within the District for local emergency response services and initiatives.**

What Happens If the Sales Tax Proposition Fails?

Whether or not the sales tax measure passes, the JCESD 3 Board of Commissioners will continue to serve the residents within the District boundaries, but their ability to address the issues facing the District's growth requirements and staffing goals would be limited, as outlined above.

What Will the Ballot Look Like?

The November 7, 2023 ballot will ask residents of the District to vote for or against a Local Sales and Use Tax, for the entity known as Jefferson County Emergency Services District. It will read as follows:

Proposition:

“The adoption of a local sales and use tax in Jefferson County Emergency Service District No.3 at a rate not to exceed one and one-half (1.5%) in any location in the district.”

Voters will need to be looking for this language if they wish to cast their vote regarding the sales and use tax for JCESD 3.

When, where, and how can I vote?

Voting schedules and locations for the November 7, 2023, election can be found at this official Jefferson County website: www.jeffersonelections.com

I have more questions...

Good! The goal is for the residents to have all the information at their disposal when voting approaches. [insert contact information]