



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

June 17, 2016

Mr. Trey Yelverton
City Manager
City of Arlington
101 W. Abram St.
Arlington, Texas 76004-3231

Dear Mr. Yelverton:

Thank you for your letter presenting Resolution No. 16-090 passed May 24, 2016, by the City Council of Arlington providing for the planning, acquisition, establishment, development and construction of the Texas Rangers Complex Development Project and designating the method of financing for the project pursuant to Chapter 334 of the Local Government Code.

The Resolution, authorized by Chapter 334 of the Local Government Code, provides that the City of Arlington seeks to utilize a local sales tax, under the provisions of Subchapter D, at a rate of 0.5 percent; a short-term motor vehicle rental tax, under the provisions of Subchapter E, at a rate not to exceed 5 percent; a hotel occupancy tax, under the provisions of Subchapter H, at a rate not to exceed 2 percent; a parking tax, under the provisions of Subchapter G, at a rate not to exceed \$3 per vehicle; and an admissions tax, under the provisions of Subchapter F, at a rate not to exceed 10 percent of the price of the ticket sold as admission to finance the venue project specified in the Resolution.

Comptroller records indicate the local sales tax rate for the City of Arlington is currently 0.0175 percent. It is the understanding of the Comptroller's office that the 0.5 percent local sales tax proposed in the letter under Subchapter D is referencing the sports and community venue tax of 0.5 percent currently imposed by the City of Arlington and would not be a new tax, and the current 0.5 percent tax would be redirected to help fund the Texas Rangers Complex Development Project. If it were a new tax, it would put the local sales tax rate above the 2 percent maximum allowed under Chapter 321 of the Tax Code.

Pursuant to Texas Local Government Code Section 334.022, the Resolution has been reviewed; and it has been determined that its approval and implementation would have no significant negative impact on state revenue.

If you have any questions or comments, please do not hesitate to contact me at 512-463-4260.

Sincerely,

Mike Reissig
Deputy Comptroller