



Prescribed Ballot Language:

“Authorizing the creation of the Iowa Colony Municipal Development District and the imposition of a sales and use tax at the rate of one-half of one percent for the purpose of financing development projects beneficial to the district.”

Local Government Code Chapter 377 governs the creation and operation of a Municipal Development District.



**ELECTION
DAY
MAY 4, 2024**

*Prop A:
Iowa Colony Municipal
Development District*

Frequently Asked Questions:

1. **What is a Municipal Development District (M.D.D.)?** 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.
2. **How is the District created?** To create an M.D.D., a city must call an election through an order that defines the proposed boundaries of the district. The ballot at this election must be printed to allow voting for or against the proposition.
3. **How is the District funded?** The M.D.D. is funded through a local sales tax. State law permits a tax rate of one-eighth to one-half of one percent. The Iowa Colony M.D.D., if approved, will be funded through a sales and use tax at the rate of one-half (1/2) of one percent.
4. **Will our sales tax rate be higher than other areas?** No. State law limits the overall sales tax rate to 8.25%. Our rate will be the same as most surrounding jurisdictions.
5. **Can an M.D.D. levy a property tax?** No. State law prohibits an M.D.D. from levying a property tax. This would not impact your property taxes in any way.

6. **What will the proceeds from the sales tax be used for?** State law authorizes expenditure of M.D.D. funds for a variety of economic development activities including certain infrastructure improvement projects, certain recreational or community facilities, projects related to business enterprises that create or retain primary jobs, projects that promote new or expanded business development, or convention center facilities and related improvements.
7. **Who oversees the M.D.D.?** The District is governed by a board of at least four directors. The board will be appointed by the Iowa Colony City Council. You can apply for appointment to this or any of the other Iowa Colony Boards and Committees by clicking "How Do I?" on: www.iowacolonytx.gov.
8. **How do we know the funds were spent for their budgeted purposes?** State law requires the district have an annual audit by an independent auditor. The audit and other District records are open to public inspection during normal business hours.
9. **How can I get more information about M.D.D.s?** The legislation governing M.D.D.s can be found in Chapter 377 of the Local Government Code: <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.377.htm>

The Iowa Colony City Council has, by Resolution 2024-07, called a Special Election to create the Iowa Colony Municipal Development District.

The Resolution specifically finds that a Municipal Development District:

- Is the only municipal sales tax that may be levied to combine city limits and extraterritorial jurisdiction collections for the specific purpose of community-wide economic development initiatives,
- Will provide dependable and manageable economic development projects and initiatives for the District,
- Allows the MDD portion of the local sales tax collected to be directed specifically to community-related economic development projects, and
- Ensures decisions on economic development projects for our community will reside with community members.

Keep sales tax dollars local.
