



Information Regarding Special Election Related to the Economic Development Sales and Use Tax

The City of Littlefield, Texas (the "City"), currently has two economic development corporations, or "EDCs":

- The Littlefield Economic Development Corporation ("LEDC A") was formed in 1994 as a "Type A" EDC, meaning that it can perform traditional types of economic development initiatives that facilitate manufacturing and industrial activity. For example, a Type A EDC can fund the provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements that are for the creation or retention of primary jobs for projects such as manufacturing and industrial facilities, research and development facilities, military facilities, including closed or realigned military bases, recycling facilities, distribution centers, small warehouse facilities, primary job training facilities for use by institutions of higher education, and regional or national corporate headquarters facilities. A Type A EDC may also fund business-related airports, port-related facilities, and certain airport-related facilities 25 miles from an international border, as well as eligible job training classes, certain career centers and certain infrastructural improvements which promote or develop new or expanded business enterprises.
- The Littlefield Type B Economic Development Corporation ("LEDC B") was formed in 2011 as a "Type B" EDC. A Type B EDC is generally considered more flexible in terms of authorized types of economic development projects. The Type B EDC can do everything that the Type A EDC can do, plus, the Type B EDC can fund projects that are typically considered to be community development initiatives. For example, authorized categories under Type B include, among other items, land, buildings, equipment, facilities, expenditures, and improvements for professional and amateur sports facilities, park facilities and events, entertainment and tourist facilities, and affordable housing. Also, the Type B EDC undertake a water supply facility or water conservation program. Additionally, certain Type B development corporations are allowed to do projects that promote new and expanded business development.

The voters of the City of Littlefield previously approved a 0.5% sales and use tax to be levied by the LEDC A and a 0.5% sales and use tax to be levied by the LEDC B, each to undertake authorized economic development projects. The voters have also previously adopted a local municipal sales and use tax at a rate of 1% to be used for any lawful general government purposes.

The combined rate of all local sales and use taxes imposed by the City and other political subdivisions of the State of Texas having territory in the City may not exceed 2% within the City. **The total sales and use tax rate within the City is currently 2%.**

The City Council has ordered a special election to be held on May 3, 2025, for the purpose of submitting a proposition to the registered voters of the City of Littlefield. The proposition asks the voters to decide whether to abolish the 0.5% sales and use tax collected by the LEDC A and, essentially, reallocate that 0.5% to the LEDC B. If passed, the LEDC A would levy no sales and use tax, and the LEDC B would levy a 1% sales and use tax, resulting in **no net increase** in the total local sales and use tax rate.

It can be difficult for the City to attract traditional, Type A economic development projects because Texas law is so restrictive on Type A projects. If Proposition A is approved, the LEDC B would have greater resources to attract many varied types of economic development projects in the City of Littlefield.

The following table depicts the Current and Proposed local sales and use tax rate breakdowns:

	CURRENT	PROPOSED
	<i>This breakdown will remain the same if the proposition fails.</i>	<i>This will be the breakdown if the proposition passes.</i>
General Government Purposes (Allocated to the City's General Fund)	1%	1%
LEDC A	0.5%	0% (reduction of 0.5%)
LEDC B	0.5%	1% (increase of 0.5%)
TOTAL	2%	2% (no change)

The special election shall be held between the hours of 7:00 a.m. and 7:00 p.m. on May 3, 2025, at the City of Littlefield City Council Chambers, 525 Phelps Ave., Littlefield, Texas 79339.

Early voting by personal appearance shall be conducted each day at the City of Littlefield, 301 XIT Dr., Littlefield, Texas 79339, Monday, April 21, 2025, through Tuesday, April 29, 2025, from 8:00 a.m. – 5:00 p.m.

Applications for ballot by mail shall be requested from and mailed to: Niel Gonzalez, City Secretary, P.O. Box 1267, Littlefield, Texas 79339. Applications for ballot by mail must be received no later than the close of business on Tuesday, April 22, 2025.