

QUESTIONS ANSWERED

UNDERSTANDING PROPOSITIONS A & B

SPECIAL ELECTION ON MAY 3, 2025

Proposition A will create a new special purpose district (Municipal Development District or “MDD”) that can fund economic development, infrastructure projects as well as quality of life projects within Palmer city limits as well as the city’s “growth area” (also known as the extraterritorial jurisdiction “ETJ” just outside the city’s proper limits).

- The change to a MDD has no impact on property taxes or existing City sales tax.
- The sales tax in Palmer is currently 8.25% and would not change for shoppers in the city.
- If both measures are approved, then the sales tax for shoppers in the ETJ would effectively increase to about five cents (\$0.05) more on every \$10 purchased or fifty cents (\$0.50) on every \$100 purchased.

Proposition B will lead to the termination of the City’s economic development non-profit corporation (Palmer Economic Development Corporation) and replaced with the MDD.

Frequently Asked Questions:

What does the Palmer Economic Development Corporation do for economic development now?

Presently, the City-created economic development non-profit organization, Palmer Economic Development Corporation (PEDC), applies the sales tax revenue and funds projects within the Palmer city limits but not in the ETJ (city's growth area).

2. What are examples of projects that could be funded by an MDD?

The following projects would be funded within Palmer city limits as well as in and around the City's ETJ growth areas:

- Infrastructure improvements required or suitable for the promotion or development of new or expanded businesses;
- Recreation and community facilities such as community pools, trails, parks, and recreation centers in areas throughout the City;
 - Business projects that create and retain jobs;
 - Promote new and expand business development for small and large businesses;
 - Convention center facilities; and
- Job training required or suitable for the promotion of development and expansion of businesses.

3. Can an MDD levy a property tax?

No. State law prohibits an MDD from levying a property tax.

4. What is the City's ETJ (extraterritorial jurisdiction)?

The extraterritorial jurisdiction, or ETJ, is the unincorporated area within Ellis County that is contiguous to the corporate boundaries of the City. The City's ETJ expands 0.5 miles from Palmer's city limits (also called corporate limits). The concept of the ETJ by the Texas Legislature in order "to promote and protect the general health, safety, and welfare of persons residing in and adjacent to" cities, a sort of buffer zone outside of a city's corporate limits. Tex. Loc. Gov't. Code § 42.001. The ETJ is commonly referred to as the City's growth area.

5. What changes would I see in the community if the MDD is created and the PEDC is closed?

A uniform sales tax in both the city and ETJ would potentially increase funding for economic development and quality-of-life projects for projects in both the city and ETJ, the City's growth area.

6. If I live in the ETJ (city's growth area), will I have a voice in how the MDD operates?

The MDD will be governed by a board appointed by the City Council. The board sets policy and performs other functions as per By-Laws adopted by the City Council. Additionally, any resident registered to vote within the MDD would be eligible to vote in any future elections held by the MDD. Residents may also speak at the posted meetings during public comments.

7. Who determines how the funds are spent?

The MDD Board must establish a budget for each year. Before adopting the budget, the Board must hold a public hearing on the proposed budget. In addition, the Palmer City Council must approve the annual MDD budget.



City of Palmer with ETJ

City Limits

- Ennis
- Palmer
- Pecan Hill
- Red Oak
- Waxahachie

ETJ (see TX SB2038)

- Ennis
- Palmer
- Pecan Hill
- Red Oak
- Waxahachie

Roads

- Interstate Hwy
- FM, Other State
- City, County, Other
- Service Road, Ramps
- Private Road
- Under Construction

Railroads

- Railroad

Lakes, Ponds

- Lake, Pond

Streams, Rivers

- Stream, River



0 100 200 Feet

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