

**Name of Funding:** 4B Sales Tax (4B is the name of the section in the state tax code covering this form of sales tax)

**Focus of Funding:** Citywide Community Development

**Eligibility Requirements:**

**For local government:** All cities are eligible

**For recipients:** Everything allowed for 4A Sales Tax plus sports stadiums, parks, convention centers, entertainment projects, public safety, retail developments, and affordable housing.

**Funding Source:** A maximum of half cent sales tax for entire city, and requires an election to create

**Funding Mechanism:** A Community Development Corporation can donate land, sell land below market value, provide a loan, or give a grant to developer that meets the requirements set by the 4B tax code.

**Maximum amount:** Only limit is the capacity of the tax.

**Other rules of the program:** Funding agreements must include a payback clause in case private development/employment promises are not met. A permanent board is appointed by the city council to manage funding programs.

**Advantages of the program:** A permanent funding source covering the entire city with even fewer restrictions than a 4A tax and taxes a more acceptable source. 4B taxes can be paired with 4A taxes.

**Drawbacks of the program:** Source of taxes competes with other programs, especially mass transit.

**Case Study Example:** All DART members are ineligible.

Used in the Cities of Allen, Arlington (Cowboys Stadium), Burleson, Flower Mound, Frisco, Grand Prairie (Quiktrip Park), Grapevine, Highland Village, Lewisville, McKinney, Mesquite, and Richland Hills.

Allen ([http://www.cityofallen.org/accessing\\_city\\_hall/city\\_council/board\\_commissions/pdf/cdc\\_agenda.pdf](http://www.cityofallen.org/accessing_city_hall/city_council/board_commissions/pdf/cdc_agenda.pdf) )

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