

# Memorandum



CITY OF DALLAS

DATE March 12, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Possible Funding for Dallas Police Department**

During last Tuesday's Public Safety Committee meeting, Councilmember Arnold stated she had reached out to the City Manager regarding potential funding sources for the Dallas Police Department (DPD). Please find our responses for your reference below.

**1. What is the protocol for establishing a Public Safety Obligation bond for the next bond cycle?**

The City may use General Obligation (GO) bonds to pay for capital improvements, including police and fire facilities, but may not use GO bonds for non-capital expenses. We have confirmed with outside bond counsel that "bonds may not be used to pay operating costs, including public safety."

**2. How much revenue could the City capture from an additional one-eighth percent sales tax?**

The sales tax rate in Dallas is 8.25 percent, of which the state retains 6.25 percent and distributes one percent to the City and one percent to Dallas Area Rapid Transit. We are at the maximum rate allowed by state law. In FY 2019-20, our actual sales tax receipts were \$310.7 million. One-eighth of this would be \$38.8 million. However, absent a legislative change, no additional sales tax is authorized. The City Council already budgets sales tax receipts for General Fund services, including DPD. Budgeting more sales tax revenue for DPD would only divert it from other General Fund services.

If you have additional questions, please reach out to me or Jack Ireland, Director of Budget and Management Services.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors