

## Plano council approves resolution calling for reduced DART contribution



Plano City Council unanimously approved a resolution calling for a lower sales and use tax contribution to Dallas Area Rapid Transit and a cap on the agency's sales tax collections during the June 24 meeting.

(Connor Pittman/Community Impact)

*Editor's note: This story has been updated to include a statement from Dallas Area Rapid Transit.*

Community Impact

By [Connor Pittman](#) | 9:10 PM Jun 24, 2024 CDT

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A [resolution](#) calling for reduced sales and use taxes, in addition to a cap on those amounts, was approved citing a need for greater financial transparency from [Dallas Area Rapid Transit](#).

[Plano City Council](#) unanimously approved a resolution calling for a quarter-cent reduction in sales and use tax collections by Dallas Area Rapid Transit during its [June 24 meeting](#). The transit authority's [board of directors](#)—which have two Plano representatives—has to approve a resolution to place the reduced contribution before voters.

"The city of Plano does not have the authority to unilaterally reduce this tax rate exclusively for Plano," a statement from Dallas Area Rapid Transit said. "Any reduction in the voter-approved 1% use tax that funds Dallas Area Rapid Transit would have devastating effects

on the most vulnerable populations in all cities that rely on DART to access jobs, health care, education and more."

### **The overview**

Director of Policy and Government Relations said shared concerns of the 13 member cities include:

- Cleanliness
- Fiscal responsibility
- Quality of service
- Reliability of service
- Safety

The resolution also calls for capping all sales and use tax collections by the agency at \$870.8 million, which is the projected collection in the 2023-24 fiscal year. Plano currently contributes the second-most sales and use taxes—trailing only [Dallas](#)—to Dallas Area Rapid Transit at \$115 million, based on the one-cent contribution, which is required of all 13 member cities.

Additionally, city officials are calling on Dallas Area Rapid Transit to provide the same levels of current service, but utilize growth and increasing ridership to offset lower projected revenues of a potential contribution decrease. They also want greater transparency on how DART spends its money and the value member cities receive.

"We have no intention of leaving DART," Mayor John Muns said. "We would like to lower our cost that we're putting into DART because we're not seeing the ridership that justifies \$115 million a year from [Plano](#)."

### **The context**

Fortune said DART continues to experience year-over-year sales and use tax revenue despite ridership numbers lower than 2019 levels.

"While we are excited that ridership has returned to 80% of pre-pandemic levels, even the pre-pandemic levels, many would argue, were not reaching the maximum capacity of what we wanted to see from DART in terms of utilization," Fortune said.

Other member cities are also planning action to call on DART to call for a sales and use tax reduction election. Dallas City Council could consider adding the reduction to its legislative priority list ahead of the 2025 session, council member Cara Mendelsohn [posted](#) on X, formerly known as Twitter.

Rowlett Mayor Blake Margolis posted on [Facebook](#) that Rowlett's council could consider a similar resolution to the one adopted by Plano.

### **The specifics**

If ultimately approved by Plano voters, Fortune said Plano's contribution would decrease by around \$30 million annually.

He added that voters in all member cities approving a lower contribution would result in about \$200 million less in revenues for Dallas Area Rapid Transit.

### **What's next?**

Plano voters would still have to approve a reallocation of the quarter-cent sales tax. Fortune said voters could still opt to rededicate the sales tax to DART.

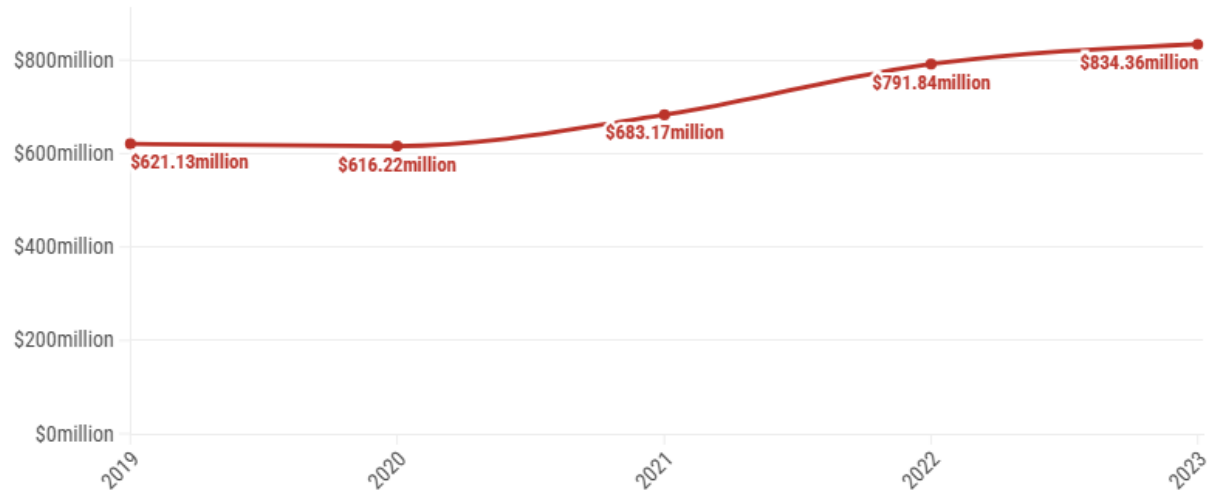
The DART Board of Directors has the authority to call for an election on lowering or raising the sales tax contribution by a quarter-cent, Fortune said.

"There's going to have to be some hybrid models that create an opportunity for cities to join and utilize [DART] in a way that fits their community," Muns said. "You're going to need to come up with some discounts for cities that aren't members right now, but do have an interest."

## DART sales tax collections fiscal year 2019-2023

Sales and use tax collections by Dallas Area Rapid Transit have increased by over \$200 million since the 2018-19 fiscal year, according to DART data.

■ DART ridership



Source: Sources: Dallas Area Rapid Transit/Community Impact

✿ A Flourish chart