

CITY OF SEGUIN

RESOLUTION NO.

STATE OF TEXAS

A RESOLUTION OF THE CITY COUCIL OF SEGUIN, TEXAS, OPPOSING LEGISLATION THAT WOULD ESTABLISH A REVENUE CAP, LOWER THE ROLL BACK RATE, FORCE AUTOMATIC ROLLBACK ELECTIONS, AND OTHER LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES.

WHEREAS, bills have been introduced to cap the amount of property tax revenue cities can collect each year in a misguided effort to reduce the property tax burden on homeowners and businesses; and

WHEREAS, currently, if a Texas city increases property tax collections by more than eight percent over the previous year, voters can petition for an election to rollback the increase; and

WHEREAS, bills have been introduced to replace that eight percent “rollback rate” with a hard cap of four percent and require mandatory elections on an increase over four percent – all with the false claim that this would provide property tax relief; and

WHEREAS, according to the state comptroller’s latest survey of property tax rates in 1,002 cities in Texas, 67 percent of cities raised their property taxes by less than four percent from 2012 to 2013 out of which 37 percent of cities actually reduced their property taxes; and

WHEREAS, that means property owners in at least 669 Texas cities would have seen no reduction in their city property taxes if the four percent cap had been in effect; and

WHEREAS, while the savings to individual taxpayers are very small or even non-existent, a four percent cap could represent a loss in vital city services; and

WHEREAS, many, if not a majority of, city expenses result from statewide mandates placed on municipalities by agencies such as TCEQ and TxDOT as well as indirect mandates resulting from legislation with no state funding contribution; and

WHEREAS, cities where the population growth is rapid are already constrained in their ability to provide essential services such that a four percent rollback with forced election may result in a city being unable to meet some essential services including the state mandated requirements mentioned herein; and

WHEREAS, in reality cities collect just 16 percent of the property taxes levied in Texas, and most of the property taxes paid by Texans (55 percent) go to school districts; and

WHEREAS, according to the comptroller’s report, the total amount of property taxes collected by cities rose by 3.61 percent between 2012 and 2013, while school district tax collections rose by more than twice that rate or 7.72 percent; and

WHEREAS, school property taxes have been rising, in part, because the legislature continues to reduce the state’s share of funding for schools, which forces districts to get more revenue from property taxes.

NOW THEREFORE BE IT RESOLVED by the City Council of Seguin, Texas:

1. That all of the above recitals are true and correct;

2. That the City Council of the City of Seguin, Texas, is OPPOSED to the legislative imposition of a revenue cap, automatic roll over elections, and legislative interference with local services; and
3. That imposing a revenue cap on cities: (a) does not provide meaningful tax relief; (b) robs cities of the ability to meet local needs; and (c) diverts attention from the real cause of higher property taxes, which is the legislature's failure to address the problem of school funding.

PASSED AND APPROVED this 3rd day of March 2015.

DON KEIL
Mayor

ATTEST:

Thalia Stautzenberger
City Secretary