

RESOLUTION NO. 2017-07

A RESOLUTION BY THE CITY OF DEER PARK, TEXAS OPPOSING SENATE BILL 2 IN THE 2017 LEGISLATIVE SESSION

WHEREAS, Senate Bill 2 replaces the eight percent (8%) rollback ad valorem tax rate with a four percent (4%) revenue cap; and

WHEREAS, this restricts the ability of locally elected municipal officials to make budgeting decisions for their community, impacting their ability to fund public safety, economic development and transportation without providing any meaningful tax relief; and

WHEREAS, municipal property taxes are not the problem. They make up only 16 percent of the total property taxes levied in Texas while the Legislature continues to reduce the state's share of funding for schools which forces districts to collect more revenue from property taxes; and

WHEREAS, the proposed 4% revenue cap provides minimal tax relief to homeowners. Recent calculations show that had this 4% revenue cap been in place in 2015, the owner of a Deer Park house appraised at that year's average market value of \$153,904 would have saved \$1.76 per month. However, the total loss of ad valorem and industrial district revenue to the City of Deer Park would have been \$790,926 at this lower rate, representing revenue needed to fund critical services such as police officers, emergency medical services, sanitation, improved roadways, parks, library services, and many other services for the benefit of our citizens; and

WHEREAS, Texas municipalities receive virtually no state funding yet local governments are tasked with generating and spending revenue, and welcome that responsibility; and

WHEREAS, local decisions should be made by local officials and not by State officials who have no responsibility to provide local services or to meet unfunded state and federal mandates put on cities; and

WHEREAS, City officials interact with residents every day, spend hours reviewing city budgets, and are personally familiar with the priorities of their communities; and

WHEREAS, City officials are in the best position to determine the appropriate tax rate in their cities as opposed to state officials in Austin who are not familiar with the local needs of each community;

NOW, THEREFORE, BE IT BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS:

Section 1. The City of Deer Park finds that the recitals above are correct and require action.

Section 2. The City of Deer Park finds that restricting a municipality's ability to raise funds will not provide taxpayers with meaningful tax relief and will in all probability lead to a reduction of city services. Local property taxes primarily pay for police services; fire services; local road construction, maintenance, and repair; sidewalk repair; and local parks. Limiting a city's ability to maintain or raise revenue would strip local officials of their ability to respond to local issues; issues for which the State of Texas provides no services and little to no funding.

Section 3. In the City of Deer Park a four percent (4%) property tax cap would produce savings for a homeowner which are not substantial, per taxpayer, per year, when viewed in context of what would be lost by all taxpayers in reduced city services.

Section 4. The City of Deer Park hereby directs the City Secretary to send a copy of this Resolution to all Harris County State Representatives and State Senators along with Governor Greg Abbott, Speaker of the House Joe Straus, and Lt. Governor Dan Patrick.

PASSED AND APPROVED this 21st day of March, 2017.

Jerry L. Mouton, Jr.
Mayor

Attest:

Shannon Bennett
City Secretary