

CITY OF LAGO VISTA, TEXAS

RESOLUTION NO. 17-1694

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS IN OPPOSITION TO BILLS ADVOCATING A REVENUE CAP DECREASE AND/OR IMPOSING A MANDATORY RATIFICATION ELECTION

WHEREAS, several legislative bills (“Bills”) have been introduced that would authorize a cap in 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 with an additional requirement that a mandatory election on such increase over four percent be held – all with the false claim that this would provide property tax relief; and

WHEREAS, increases in property valuation, an area completely out of the hands of the municipality, result in a city being required to characterize such increase in property valuation as being an increase in tax rates; and

WHEREAS, according to the state comptroller’s latest survey of property tax rates in 963 cities in Texas, 56 percent of cities raised their property taxes by less than four percent from 2014 to 2015 and 27 percent of cities actually reduced their property taxes; and

WHEREAS, that means property owners in at least 547 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 the inability of a city to exceed such four percent without having a mandated ratification election being held whether desired by the residents of the City or not and potentially a loss in vital city services if such election fails to ratify the revenue requested; and

WHEREAS, 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 2014 and 2015, while school district tax collections rose by more than twice that rate or 7.72 percent; and

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

WHEREAS, municipalities have been and should remain able to budget their funds and are in the best position to know the needs of their community and whether there are times when such revenue cap needs to be exceeded or not.

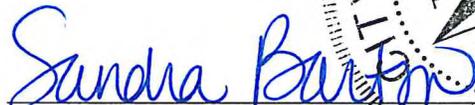
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS:

1. That all of the above recitals are true and correct;
2. That the City Council of the City of Lago Vista, Texas, is **OPPOSED** to the legislative reduction of a revenue cap and/or legislative interference with the ability to provide 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.

AND, IT IS SO RESOLVED.

PASSED AND APPROVED this 2nd day of March, 2017.

ATTEST:


Sandra Barton, City Secretary




Dale Mitchell, Mayor

On a motion by Mayor Mitchell, seconded by Council Member Sullivan, the above and foregoing instrument was passed and approved.