



TEXAS MUNICIPAL LEAGUE  
*Empowering Texas cities to serve their citizens*

President **John B. Love III**, Councilmember, Midland  
Executive Director **Bennett Sandlin**

November 20, 2018

The Honorable Paul Bettencourt  
Senate Select Committee on Property Tax Reform  
Texas Senate  
P.O. Box 12068  
Austin, Texas 78711

Chairman Bettencourt:

The purpose of this letter is to provide the Texas Municipal League's written testimony on the following interim charge:

*Evaluate the effective tax rate and rollback tax rate calculations and identify modifications that would yield a rollback process that is meaningful for local governments and for citizens. Evaluate whether the current rollback election trigger serves modern objectives.*

Instead of focusing on inflexible, top-down mandates from the state level, we believe bottom-up approach of getting citizens engaged in the local tax rate setting process is a better path. That's why the League has supported efforts that would increase transparency in the property tax rate setting process. Last session, the League supported legislation that would have renamed the effective tax rate the "no-new-revenue tax rate," modified tax rate notices, created property tax databases at the appraisal district level, and expanded the electronic accessibility of tax rate data. We will continue to do so.

What the League will not support, however, are attempts to restrict local officials' discretion to adopt property tax rates that best reflect the wants and needs of their citizens. When civic-minded Texans run for, and get elected to, city office, they take an oath to represent their citizens to the best of their ability. After weeks and sometimes months of evaluating financial data and hearing from residents, city officials adopt property tax rates that strike a balance between their residents' ability to pay with the services necessary to provide a high quality of life. We believe locally-elected officials are in the best possible position to make these tough decisions.

People move to Texas because of the high quality of life Texas cities offer. Texas cities continually rank among the fastest growing in the country, and local governments play a critical role in making Texas such an attractive place to work and raise a family. To be certain, housing affordability and a low total tax burden are key factors in attracting people and businesses to Texas. Equally important are services like education, public safety, parks, transportation and

water infrastructure, and other local initiatives that promote the safety and well-being of Texas residents. We hope that the committee's discussion of property tax relief also recognizes that these vital services come at a cost.

The League joins the growing bipartisan collection of state officials, [statewide think tanks](#), and [interest groups](#), along with the [governor](#), in calling for the Texas Legislature to address the state's overreliance on local school property taxes as a means to provide meaningful tax relief to Texas taxpayers. Because increases in property tax bills are dominated by school tax increases, due to the state's dependency on local taxpayers to fund public schools, legislation to cap city and county tax rates will simply not provide meaningful property tax relief. This makes artificial tax caps a potential "lose-lose" proposition: not only do taxpayers not notice any significant tax relief, but local governments are also deprived of the ability to provide the services and infrastructure that citizens and businesses rely upon. A revenue cap bill would ultimately shortchange all Texans.

We welcome the opportunity to discuss ways to reduce the property tax burden on Texas homeowners, while also preserving the flexibility of city councils to adequately serve the most vibrant and fastest growing communities in the country.

Thank you for your consideration and please do not hesitate to contact me if I can be of any assistance to you.

Sincerely,

A handwritten signature in cursive script that reads "Bennett Sandlin".

Bennett Sandlin  
*Executive Director*

cc: Members of the Senate Select Committee on Property Tax Reform