



TEXAS MUNICIPAL LEAGUE

President **Mary M. Dennis**, Mayor, Live Oak  
Executive Director **Bennett Sandlin**

August 31, 2017

The Honorable Greg Abbott  
Office of the Governor  
P.O. Box 12428  
Austin, Texas 78711-2428

Dear Governor Abbott:

On behalf of the Texas Municipal League and those Texas cities impacted by Hurricane Harvey, I am requesting an extension of the statutory deadlines to adopt local budgets and property tax rates pursuant to your authority under Texas Government Code Section 418.016(e). I am joined in this request by the Texas Association of Counties, the Texas Conference of Urban Counties, and the County Judges and Commissioners Association of Texas.

The month of September is generally the height of budget and property tax rate adoption season for Texas cities and counties. Due to the impact of Hurricane Harvey, the primary focus of many Texas cities and counties in the coming days will understandably be on the well-being of their citizens and on recovering from the damage caused by the storm.

Texas law contains no specific disaster-related exceptions from the general process for adopting local budgets and tax rates. Assuming the local government received its certified tax roll on time from the appraisal district, Section 26.05(a) provides that the deadline for adoption of a property tax rate is September 29<sup>th</sup>:

(a) The governing body of each taxing unit, before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, shall adopt a tax rate for the current tax year and shall notify the assessor for the unit of the rate adopted.

Further, Tax Code Sec. 26.05(c) provides that if a city council does not adopt a property tax rate by the deadline, the tax rate is set at the lower of the effective tax rate or the previous year's tax rate:

(c) If the governing body of a taxing unit does not adopt a tax rate before the date required by Subsection (a), the tax rate

for the taxing unit for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate. Before the fifth day after the establishment of a tax rate by this subsection, the governing body of the taxing unit must ratify the applicable tax rate in the manner required by Subsection (b).

Because property taxes can only be levied in accordance with the budget, city and county budgets should be adopted no later than September 29<sup>th</sup>, as well. *See* Tex. Loc. Gov't Code §§ 102.009(a) and 111.110(a).

Local officials in areas impacted by Hurricane Harvey are singularly focused on recovery at this time. For a number of reasons, adoption of a property tax rate by the September 29<sup>th</sup> deadline may not be possible in these communities. Extending the deadlines would give local governments the ability to hold all necessary public hearings and guarantee that local taxpayers' voices are heard at such a critical time.

Following Hurricane Ike, the legislature unanimously passed H.B. 3851 in 2009 for the purpose of ensuring that local governments could get relief from budget and tax deadlines in the event of a future disaster. That legislation is now codified in Government Code Sec. 418.016(e), which provides as follows: "On request of a political subdivision, the governor may waive or suspend a deadline imposed by a statute or the orders or rules of a state agency on the political subdivision, including a deadline relating to a budget or ad valorem tax, if the waiver or suspension is reasonably necessary to cope with a disaster."

Please consider this request on behalf of cities and counties affected by Hurricane Harvey to extend budget and tax rate adoption deadlines by four weeks until the end of October. Doing so would not only give officials in these communities the time to focus on recovery efforts, but would also ensure that citizens and taxpayers have ample opportunity to participate in the budget and tax rate setting process.

Sincerely,



Bennett Sandlin  
*Executive Director*