

Recommendations for testifying against S.B. 2

City officials will get two minutes to make their case against revenue caps. The goal of all our communications – testimony, media interviews, meetings with legislators – is to convince legislators the negative consequences of S.B. 2 far outweigh its negligible benefits.

Our message

All our testimony should focus on the negative consequences of revenue caps on our citizens without producing any tax relief. A revenue cap will seriously damage public safety, economic development and transportation. And, property taxes will continue to rise because school district taxes – the real cause of high property taxes in Texas – will continue to escalate. The bottom line of our message is that legislators will get no credit for reducing taxes and all the blame for everything cities can't afford to do.

Points to make

- **S.B. 2 is an assault on public safety.** Tell them what percentage of your city budget goes to police, fire and EMS. Legislators can't proclaim that they support law enforcement officers if they vote to restrict the source of funding that pays for salaries, equipment, vehicles, technology, health insurance and pensions of the men and women who protect our citizens. A vote for S.B. 2 is a vote against law enforcement.

Give specific examples of improvements the city wants to make in public safety services that would be threatened by revenue caps: additional personnel, better salaries, body cameras, protective vests, more training, fixing pension problems. S.B. 2 would slam the door on the progress you want to make in protecting the citizens of your city.

- **S.B. 2 will damage economic growth.** Cities are on the front line of the competition to attract and keep job-creating businesses. Cities provide the tax abatements and other incentives that bring in new businesses and cities provide the services and infrastructure businesses and their employees need. Revenue caps will reduce the ability of cities to offer the tax abatements and infrastructure improvements that have been crucial to closing the deal in many corporate relocation decisions that create jobs for our citizens.

Give specific examples of job creating deals your city might not have been able to afford under a revenue cap. Even better, give an example of a project that is under consideration now that might be put on hold because of the uncertainty created by S.B. 2.

- **S.B. 2 threatens highway construction.** Over the past two decades, the state has demanded ever increasing financial contributions from local governments for state highway construction projects. Revenue caps will force cities to focus their restricted funding on local street improvements and curtail discretionary spending on state projects.

Give specific examples of projects currently under consideration that could be put on hold because of the budget constraints that S.B. 2 would impose on your city.

Responding to questions

There are a few things we can predict from supporters that you should be prepared for.

- **Misleading statistics.** Supporters will recite the increase in city “tax levies” over a certain period of time. Response: That is the increase in total tax collections that reflect economic growth, population growth and new construction. It is a measure of our success in growing our economy. That does not reflect the taxes on an individual home or business and it is misleading for them to portray it that way.
- **It’s not a cap.** Supporters will say it’s not a cap because you can exceed it with an election. Response: They can call it whatever they want but we call it a cap, just like the spending limit in the Constitution that senators call a spending cap that can be exceeded by a simple majority vote in both houses. S.B. 2 would be an additional state-imposed restriction on our ability to provide services to our citizens.
- **We’re not here to talk about school district taxes.** Supporters may try to stifle any mention of school property taxes. Response: We know some in the legislature don’t want to address the real cause of high property taxes and they don’t even want anyone to talk about it. OR We know they don’t want anyone to say ‘the emperor has no clothes,’ but we should be honest with the people of Texas about the real cause of high property taxes.
- When in doubt, return to one of your major talking points.

What to avoid

- Don’t spend time talking about the principle of local control. For anyone in the legislature that stills believes in the idea of local control, we already have their vote.
- Don’t spend time reciting what the bill does. Everyone can read the bill on their own time.
- You don’t have to be defensive about your local tax rates. City taxes are not the cause of high property taxes in Texas. The legislature’s failure to fund public education is the problem.
- The cost of holding a rollback election is a budgeting concern for cities but not the strongest argument against the bill.
- Supporters say S.B. 2 reduces the rollback rate to 4 percent. We say S.B. 2 imposes a state cap on the revenue and budget of every city in Texas.