

AUSTIN MULTI-FAMILY HOMES ARE SUBJECT TO REGRESSIVE AND DISCRIMINATORY WATER TAXATION

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Background:

- In 2009 Austin Utilities established a tax to extract revenue from multi-family homes based on the water pipe sizes to Fire Demand Meters. These pipes normally are unused and have no relationship to incurred cost. The tax is not proportional as single family homes were exempted from these taxes.
- Since 2009 there have been a number of increases to the Fire Demand Meter taxes. In November 2015 the taxes were sharply increased. The overall percent increase since 2008 has been 1608 percent according to Marcia Stokes of Arboretum Park Condos.
- The efforts by HOAs requesting the correction of this unjust taxation system has been ignored by the City of Austin and the PUC.
- We now ask for the immediate repeal of the demand meter based taxation system and financial compensation for accumulated overcharges retroactive to the date of inception of the flawed process.
- We also ask for implementation of a fair and equitable water billing system in which all customers are treated fairly and equally – including single family homes and homes within multi-family developments.

(NOTE: A “charge” or “fee” is really a tax when 1) the charge is involuntary and 2) when the charge is not proportionally applied. Mich Supreme Court)

EXAMPLE: Cantera Vista HOA consisting of 18 modest condominiums located at 7312 E Ben White Blvd. (2015 average selling price: \$155,000, square footage: 1450, Annual Property Tax \$3400.)

- October 2015: The fixed cost portion of the CV HOA water bill was \$777.30 or \$45.72 per condo.
- November 2015: The fixed cost portion of the HOA water bill was hiked without reasonable cause to \$1495.52 or \$83.08 per condo. These charges included a new tax, a drainage tax, of \$272.52.
- These increases amounted to an increased taxation of \$718.22 or 92.4 percent ! and an annual cost increase of \$8618.64 !!
- At the same time single family dwellings were NOT SUBJECTED TO ANY OF THESE TAXES NOR TO THE NOVEMBER INCREASES.

THERE ARE TWO LEVELS OF INJUSTICE IN THE TAXATION SCHEME

- THE FIRST INJUSTICE: “DEMAND METER” TAX MUST BE APPLIED TO HOMES IN SMALL COMMUNITIES DISPROPORTINATELY . (monthly data)

HOA NAME	TOT DMTR TAX	UNITS	DMTR TAX/UNIT
Cantera Vista	\$1213	18	\$67.39
South 5 th Condos	\$1213	54	\$22.46

THE SECOND INJUSTICE: ALL HOMES IN MULTI-FAMILY COMMUNITIES ARE SUBJECTED TO MUCH HIGHER TAXES THAN SINGLE FAMILY HOMES

ENTITY	VALUE	TOT FIXED COST	UNITS	TAX PER UNIT
Cantera Vista	\$150K	\$1495.52 _(A)	18	\$83.08
Sng FamTract	\$350K	\$17.40	1	\$17.40

(A) Includes “drainage” tax.

At this point the question must be raised...
**WHO STANDS WITH THE RESIDENTS OF
MULTI-FAMILY HOMES IN AUSTIN??**

The existence of this unfair taxation system raises questions about the competency of Austin Utilities management and exposes stunning indifference on the part of the Austin City Council.

THE TASK IS SIMPLE:

- **FIX IT**

THE BOTTOM LINE

FIXED WATER-RELATED TAXES
FOR A HOME IN A MULTI-FAMILY
COMMUNITY SHOULD BE THE
SAME AS THOSE FOR A SINGLE
FAMILY HOME.