RESOLUTION NO.

- WHEREAS, on January 16, 2018, Governor Abbott proposed a 2.5% cap on the amount of property tax revenue cities can collect each year; and
- WHEREAS, on January 31, 2019, House Bill 2 was filed in the Texas House of
- 5 Representatives and Senate Bill 2 was filed in the Texas Senate, each of which, if passed,
- 6 would codify the Governor's proposed 2.5% property tax revenue cap proposal; and
- WHEREAS, the 2.5% revenue cap proposal would reduce the average Austin
- 8 homeowner's property tax bill by less than \$5 per month for City of Austin property taxes;
- 9 and
- 10 WHEREAS, State law lists multiple functions of local governmental responsibility,
- 11 including police protection, fire protection, health and sanitation, street construction and
- 12 maintenance, transportation systems, emergency services, flood mitigation, development,
- 13 and public utilities including water and sewer; and
- WHEREAS, if a 2.5% revenue cap is enacted the City of Austin will face a \$51.7
- 15 million deficit in three years; and
- WHEREAS, \$51.7 million is the equivalent of 612 fire fighters, 549 police officers,
- 17 or more than 50% of the entire operating budget for Austin Parks and Recreation; and

18	WHEREAS, a revenue cap will limit the City's ability to provide for public safety
19	through police, fire and emergency medical protection, as well as road construction and
20	maintenance, health, parks, libraries, and other services its residents demand; and
21	WHEREAS, the State is the driver of higher property taxes due to its over-reliance
22	on local property taxes to fund public schools; and
23	WHEREAS, the Mayor and Council of the City of Austin find that the most
24	appropriate way to protect its residents, meet State requirements, and develop a budget that
25	reflects the values of its residents is through the establishment of a locally developed
26	budget and Ad Valorem tax rate establishment process; NOW, THEREFORE,
27	BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:
28	The City Council of the City of Austin believes that the 2.5% revenue cap proposed
29	by House Bill 2 and Senate Bill 2 represents an impending crisis by limiting the City's
30	ability to provide for public safety and other essential services to its residents; and it is
31	essential that any revenue cap measure passed by the Texas Legislature not restrict the
32	City's ability to protect public safety and provide needed City services.
33	
34	ADOPTED:, 2019 ATTEST:
35 36	Jannette S. Goodall City Clerk