



Legislative UPDATE

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Senate Tax Committee Doubles Down on Faulty Charts

Any 8th grade math student will tell you that you can't compare a total to an average. Yet that's precisely what a senate property tax committee continues to do as it tours the state.

The Senate Select Committee on Property Tax Reform and Relief held its fifth hearing in Houston on Tuesday, and four of the first five introductory slides the committee staff presented compared the increase in total city tax levies statewide and within certain cities to the increase in median household income over a ten-year period. The committee's slides can be seen [here](#).

The total increase in city tax levies should not be compared with the average increase in household income. Why not? Put simply, there's no relationship between median household income and the growth in total tax collections caused, in large part, by new construction. Texas continues to lead the nation in population growth. According to recent mid-term census [data](#), four metropolitan areas in Texas combined last year to add more people than any other state in the country. With population and economic growth comes new construction, and along with it, higher total tax levies.

Sticking with the math theme, let's say you have five senators sitting at a table. Each of the senators has a ten dollar bill. That's a total of \$50 at the table. The average for each senator is \$10. Three new senators show up to the table, and each of them has a ten dollar bill. The total amount of money at the table jumps from \$50 to \$80. But the average that each senator has is still \$10. In other words, the total increased due to more people sitting at the table, but that had no bearing on the average amount of money held by each senator.

Similarly, a comparison of total tax levy increases to increases in median household income is deceptive. Despite this, the committee continues to compare the two figures to argue that residential homeowners cannot keep up with an ever-increasing tax burden.

In addition to understanding that the total levy figure includes new growth, it is important to keep in mind that the total levy figure being used also encompasses property taxes collected on single-family property, multi-family property, commercial property, industrial property, vacant property, oil and gas production property, and other types of taxable property. For the committee to compare a ten-year increase in total property tax levy from all of these sources with median household income in order to argue that individual homeowners are being taxed out of their homes is absolutely misleading because the tax burden doesn't fall wholly on residential homeowners.

When an apples-to-apples comparison of total levy to total personal income is made, as the League did [here](#), it shows that an individual's ability to pay has actually *increased* slightly over the same time period, as total tax levy has trailed total income growth by two percent.

The League pointed out the error of the committee's comparison at a previous hearing in Arlington, yet the committee continues to rely on it. Why? If the case for recommending revenue caps depends on the notion that city property taxes are growing faster than citizens' ability to pay, then recanting the disingenuous charts would totally undermine the supposed need for caps. Put another way, the entire intellectual foundation that the committee is building for revenue caps is cracked.

General Law Cities: **Grass-Roots Groundswell to Clarify Authority over Sex** **Offender Residency**

Several general law cities have begun working as a team to clarify their authority to protect children from sex offenders. As a number of [legal challenges](#) continue to make their way through the courts, two small town mayors are paving the way for legislative action next session.

Adele Mooney, the mayor of the City of Maypearl, began the effort with a [letter](#) encouraging the mayor of each city with a sex offender ordinance to contact their state legislators in anticipation of the 2017 legislative session. That effort has been supplemented by Elicia Sanders, the mayor of the City of Eustace. Mayor Sanders sent a [letter](#) to other city leaders, along with an [online petition](#) and [resolution](#). In fact, *Channel 8 News* in Dallas prepared an extensive [news report](#) on the issue.

Over the last decade, dozens of home rule cities and around 46 general law cities enacted sex offender residency restriction ordinances (SORROs). While each ordinance may have minor variations, the essential purpose is to prohibit a person who is required by state law to register as a sex offender from establishing a residence within a certain distance of places where children gather.

In November 2015, at least 46 of the general law cities received a letter from Texas Voices for Reason and Justice (TVRJ), a "statewide criminal-justice advocacy group" that represents sex

offenders. The letter demanded that the cities repeal their SORROs and threatened a lawsuit if not. Some cities – citing limited resources to defend the litigation – repealed their ordinances, and several of those that didn't were sued.

The substance of the sex offenders' claims – that general law cities have no authority to enact a SORRO – is largely based on a March 2007 [opinion](#) from the Texas attorney general's office. The petitions allege that, because they are incorporated under the general laws, and no general law expressly delegates the authority to enact a SORRO, the defendant cities are not authorized to enact one. The cities in litigation argue that they actually do have statutory authority based on provisions in the Local Government Code that delegate to them the state's "police powers," which are those necessary to protect the health and safety of citizens.

The issue of legislative clarification will be considered by the TML Legislative Policy Committee on General Government in Austin on August 19. It is expected that the League's current position to "support legislation that would clarify the authority of general law cities to enact sex offender residency restrictions" will be re-adopted for 2017.

In the meantime, thanks to Mayors Mooney and Sanders, and every other city official who has worked on this important issue, for their leadership. The League will provide continued updates on the lawsuits and legislative efforts.

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