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Granbury Mayor and Councilmember Visit Capitol for Governor's Policy Meeting

Granbury, Texas – Mayor Nin Hulett, Councilmember Trish Reiner, and City Manager Chris Coffman visited the Texas Capitol in Austin on Wednesday, January 9 to attend a meeting held by the Policy Office of Governor Greg Abbott regarding school finance reform and local property tax issues that will be critical in the 86th Legislative Session.

At the meeting, City officials from across Texas were presented legislation that would hinder citizens' ability to have a voice in vital decisions affecting their community by drastically changing the way cities are allowed to administer property tax collection.

There were three main parts to this plan presented at the meeting:

1. Locally-elected officials will be limited in their ability to make decisions on behalf of the community by being denied the ability to collect more than 2.5 percent more in property tax revenue for maintenance and operations than they did the previous year.
2. To increase beyond the 2.5 percent, the city must hold an election in which not a majority but rather two-thirds of the voters elect to go beyond 2.5 percent. This is also an extra election that the local government will have to pay for.
3. Even if the community wants to increase property tax revenue in order to fund a project or service, the only reasons a city may go beyond a 2.5 percent increase is for fire or police. Under the governor's proposal, citizens will be denied any request to increase the tax rate in order to fund any other needed project or service if the Consumer Price Index (CPI) does not increase by more than 2.5 percent.

At the December 4, 2018 City Council meeting, the Council unanimously adopted Resolution No. 18-31 to formally oppose any measures that would limit, reduce, or remove the local control that municipalities have today regarding their respective abilities to govern, finance, or otherwise make decisions on behalf of the communities they serve. The legislation proposed on January 9 is directly in the category of the types of legislation the Granbury City Council has decided to stand against.

Mayor Nin Hulett had several issues with the proposed plan.

“Uncontrollable costs, such as unfunded state and federal mandates, emergencies, and increased demand for services, show the size of city and county government. For example, the drought of record that we experienced a few years back did not affect all communities in the same way it did ours,” said Mayor Nin Hulett, “City officials are the most knowledgeable about community needs and should be given the



flexibility to address those needs. Flexibility is the heart of the concept of local control, which is an essential element of local government in Texas cities. The revenue caps being proposed fly in the face of local control by taking choice out of the hands of the voters who elected local decision-makers to address the needs of the community. One size does not fit all.”

Councilmember Trish Reiner agreed with Mayor Hulett’s concerns.

“The concept of a spending cap sounds enticing on the surface; however, the devil is in the details. This 2.5 percent cap will cripple cities of every size by ultimately forcing them to take on unexpected debt in the event of a crisis, spend money on unnecessary elections, and take the power away from the citizens who elected us to run the city and who hold us accountable to do so,” Councilmember Reiner said, “What the state needs to do is address the true crisis, which is the need for school finance reform, and let us do our job.”

The elected officials from across Texas in attendance at the meeting, including those representing the City of Granbury, wholeheartedly rejected the proposal, noting several specific problems:

- **Public Safety.** For many cities, including City of Granbury, property tax revenue does not even cover the cost of public safety services, such as police and fire. The capped rate would make it even more difficult for cities to make sure that important public safety services, the salaries of public safety employees, and the equipment they need are funded ever year.
- **Bond Ratings.** Bond ratings would be negatively impacted by this legislation. Good bond ratings are needed for cities to save money on the interest of large-scale projects for community needs. For example, the City of Granbury has been improving the water treatment and wastewater treatment systems in recent years and relies on good bond ratings to do this.
- **City Property Taxes aren’t the Issue.** For Granbury residents, only 20 percent of property taxes go to the City. The other 80 percent goes to Granbury ISD and Hood County.
- **Our Home, Our Decisions.** Perhaps most importantly, the local community should have a voice on what services they receive from the local government. If citizens want changes within their local government, they should be able to make these concerns known to their local officials. Locally-elected officials are personally familiar with the priorities of the community, and legislators in Austin are not.

To learn more about this initiative and see Granbury City Council adopt Resolution No. 18-31 in support of the Texas Municipal League's Our Home, Our Decisions campaign on December 4, 2018, visit www.granbury.org/OurHomeOurDecisions.

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