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Greater El Paso Chamber of Commerce

April 25, 2017

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**Resolution of the Governing Board in opposition to Senate Bill 2, which relates to the decrease of the current revenue cap for cities and counties from a rollback rate of eight percent to a hard cap of five percent.**

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The purported reasoning behind Senate Bill 2 sounds noble, but the tax savings promised by this bill would have virtually no effect on homeowners. Meanwhile, cities and counties would face very real consequences that significantly exceed the property tax savings created by lowering the revenue cap.

The legislators behind this bill are flawed in their approach in a handful of ways. Most prominently, the legislation does not fix the problem – high property taxes – that supposedly inspired its genesis. El Paso has exceeded the five-percent threshold proposed in this legislation just twice in the past decade. In those two years, a homeowner whose house was equal to the average price would have saved \$3.60 in 2006 with a four-percent revenue cap and \$1.41 for the same homeowner in 2012.

Through this legislation, “local control” becomes local inefficiency. Supporters of lowering the revenue cap have described this bill as “the ultimate local control,” presumably because voters must be petitioned each time a taxing entity exceeds the five-percent threshold.

Voters have plenty of opportunity to declare their concerns in local government, and they do not need the state meddling to give them a voice.

Reducing Texas’ property tax burden is a worthy endeavor, but Senate Bill 2 does nothing meaningful to address that issue. Behind the rhetoric is the very serious reality that taxing entities will have significantly fewer dollars at their disposal with a lower revenue cap. That means fewer firefighters and police officers. It means lower staffing at city pools and less upkeep at city parks.

If resolving the property tax dilemma facing Texas is the goal, the Legislature should give it a better shot. If having a role in local governance is the goal, perhaps members of the Legislature who support lowering the revenue cap should consider campaigning for City Council or Commissioners court.

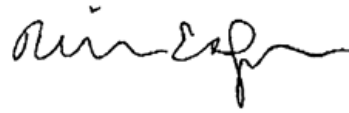
**NOW, THEREFORE, BE IT RESOLVED,** that the Greater El Paso Chamber of Commerce opposes the enactment of Senate Bill 2, as it calls for a rollback rate of eight percent to a hard cap of five percent.

This resolution was presented to and passed by the Governing board of the Greater El Paso Chamber of Commerce on Tuesday, April 25, 2017.



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Jack T. Chapman  
Chairman of the Board



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Richard E. Dayoub  
President and CEO