



COUNTY OF EL PASO  
OFFICE OF THE COUNTY AUDITOR

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March 21, 2011

The Honorable Steve Ogden, Chairman  
Senate Finance Committee  
and Committee Members  
Capitol Station  
Austin, Texas 78711

Dear Chairman Ogden and Committee Members:

Please accept this letter as testimony that El Paso County is **OPPOSED** to Senate Bill 720. Texas Counties made up just over 17 percent of the \$31.9 billion statewide maintenance and operation property tax levy in 2009.

**Negative effects of the amendment of SB720**

- Lowering of ad valorem tax rate further restricts the ability of Counties to generate sufficient revenue to meet the ever growing demands within their local communities and to retain local control.
- The 6 year impact of a proposed 5 percent cap (2004-2006) would have equated to a reduction to maintenance and operation ad valorem taxes of \$2.2 million collectively to all taxing entities in El Paso alone but even more, this would have impacted the 4,728 taxing jurisdictions in this state by \$5.1 billion of which 62.19 percent or \$3.1 billion related to schools.
- A tax rate cap such as this will cause significant restrictions and reductions in mandated services. Local officials should remain in control locally and retain authority in determining at what level to tax and are accountable to the local voters.
- This amendment would create the potential for depletion of any reserves to balance the budget, financial degradation could result in the lowering of bond ratings and conversely increase the costs of borrowing.
- Lowering of the rollback tax rate would make it virtually impossible to local government to meet the needs of its constituents unless a catastrophic event occurs within its jurisdictions or otherwise forcing the increase to a vote by local taxpayers which in El Paso would cost an additional \$80 to \$100 thousand per election.
- The bill analysis states that from 1982 to 2006, county and city taxes increased by 358 percent and 292 percent, respectively. Additionally, since 2005, the average annual tax growth in cities and counties has accelerated to roughly 11 to 12 percent, well above the 3/6 percent inflation increases in the municipal cost index and the 2.2 percent average annual Texas population growth.
- Based on the data derived from the Texas Comptroller of Public Account website, cash receipt data for the State of Texas from 1982 to 2006, relating to the State of Texas increased by \$25.8 billion or 154.52 percent. Additionally, based on self report data regarding taxation by local jurisdictions, since 2005, the average annual tax growth in cities and counties has increased roughly on average by 7.67 percent and statewide all jurisdictions combined grew on average by 4.17 percent.
- Unlike the State of Texas, most Counties derive 75-80 percent of their operating funds from taxes and have no other means of generating funds to provide mandated services even during trying economic times.

In closing, I have attached projections of the potential statewide impacts this legislation may have on local governments based on actual data obtained from the State Comptroller. My staff and I have also received similar serious concerns from numerous city and county officials from across the state in regards to the negative impact of this proposed legislation. I ask that you please do not support this bill.

The Honorable Steve Ogden, Chairman  
and Honorable Committee Members  
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If you have any questions in this regard, please let me know.

Sincerely,



Edward A. Dion  
El Paso County Auditor

cc: The Honorable Anthony Cobos, County Judge  
The Honorable Veronica Escobar, County Commissioner  
The Honorable Daniel R. Haggerty, County Commissioner  
The Honorable Willie Gandara, County Commissioner  
The Honorable Anna Perez, County Commissioner  
The Honorable Jose Rodriguez, County Attorney  
El Paso Legislative Delegation

**SB720 Impact By County Region**

CAD #	CAD Name	Tax Unit #	Class #	Split X	Tax Unit Name	2004	20052	006	2007	2008	2009	Cummulative Impacts	CAD Class as % of Total Impacts
071	EL PASO	071-000	00		El Paso County	-1,672,423	\$0	\$0	\$0	\$0	\$0	-\$1,672,423	76.81%
071	EL PASO	071-000	00	n/a	El Paso	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-901	02		Clint Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-901	02		Clint	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-902	02		El Paso Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-902	02		El Paso	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-903	02		Fabens Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-903	02		Fabens	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-904	02		San Elizario Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-904	02		San Elizario	\$0	\$0	\$0	\$0	\$0	-\$24,361	-\$24,361	1.12%
071	EL PASO	071-905	02		Ysleta Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-905	02		Ysleta	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-906	02		Anthony Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-906	02		Anthony	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-907	02		Canutilo Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-907	02		Canutilo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-908	02		Tornillo Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-908	02		Tornillo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-909	02		Socorro Independent School District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-909	02		Socorro	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-101	03		Town of Anthony	-\$4,505	-\$5,717	\$0	-\$9,162	\$0	\$0	-\$19,384	0.89%
071	EL PASO	071-101	03		Anthony	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-102	03		City of El Paso	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-102	03		El Paso	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-103	03		Town of Clint	-\$1,183	\$0	\$0	\$0	-\$7,614	\$0	-\$8,797	0.40%
071	EL PASO	071-103	03		Clint	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-104	03		City of Socorro	\$0	\$0	\$0	\$0	-\$10,925	\$0	-\$10,925	0.50%
071	EL PASO	071-104	03		Socorro	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-105	03		Town of Horizon City	\$0	-\$21,543	\$0	\$0	\$0	\$0	-\$21,543	0.99%
071	EL PASO	071-105	03		Horizon City	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-107	03		Village of Vinton	\$0	\$0	\$0	\$0	-\$94,667	\$0	-\$94,667	4.35%
071	EL PASO	071-107	03		Vinton	\$0	\$0	\$0	\$0	\$0	-\$8,948	-\$8,948	0.41%
071	EL PASO	071-201	04		Homestead Municipal Utility District #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-202	04		Horizon Regional Municipal Utility District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-203	04		El Paso County Municipal Utility District #1	-\$6,478	\$0	\$0	\$0	\$0	\$0	-\$6,478	0.30%
071	EL PASO	071-204	04		Paseo del Este Municipal Utility District #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-205	04		Paseo del Este Municipal Utility District #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-206	04		Paseo del Este Municipal Utility District #10	\$0	\$0	\$0	\$0	-\$133,264	-\$111,698	-\$244,983	11.25%
071	EL PASO	071-207	04		Paseo del Este Municipal Utility District #11	\$0	\$0	\$0	\$0	\$0	-\$18,332	-\$18,332	0.84%
071	EL PASO	071-208	04		Paseo del Este Municipal Utility District #2	\$0	\$0	\$0	\$0	\$0	-\$40,434	-\$40,434	1.86%
071	EL PASO	071-201	06		Hacienda Del Norte Water District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-202	06		Lower Valley Water District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-203	06		Tomillo Water District	-\$227	\$0	\$0	\$0	-\$5,955	\$0	-\$6,182	0.28%
071	EL PASO	071-202	11		R. E. Thomason General Hospital District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-201	15		El Paso County Community College District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-201	19		El Paso County Water Control & Improvement District #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-201	40		El Paso Emergency Medical Service District #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
071	EL PASO	071-202	40		El Paso Emergency Medical Services District #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%

**Summary Impacts 2004-2009 Tax Rates**

County	-1,672,423	\$0	\$0	\$0	\$0	\$0	-\$1,672,423	76.81%
Cities	\$5,688	-\$27,260	\$0	-\$9,162	-\$113,206	-\$8,948	-\$164,263	7.54%
Schools	\$0	\$0	\$0	\$0	\$0	-\$24,361	-\$24,361	1.12%
Other Entities	-\$8,705	\$0	\$0	\$0	-\$139,239	-\$170,464	-\$316,408	14.53%
<b>Totals</b>	<b>-\$1,684,816</b>	<b>-\$27,260</b>	<b>\$0</b>	<b>-\$9,162</b>	<b>-\$252,445</b>	<b>-\$203,773</b>	<b>-\$2,177,455</b>	<b>100.00%</b>

### SB720 Impact on Local Taxing Entities

Class Title	CAD Class	2004	2005	2006	2007	2008	2009	Cummulative Impacts	CAD Class as % of Total Impacts
County	00	-\$20,918,650	-\$10,962,623	-\$177,822,456	-\$22,241,812	-\$79,172,570	-\$109,917,076	-\$421,035,187	8.33%
<b>School</b>	<b>02</b>	<b>-\$4,444,714</b>	<b>-\$22,304,308</b>	<b>-\$64,993</b>	<b>\$0</b>	<b>-\$35,293,702</b>	<b>-\$3,082,154,332</b>	<b>-\$3,144,262,050</b>	<b>62.19%</b>
City	03	-\$18,303,080	-\$17,718,617	-\$12,882,672	-\$44,450,029	-\$20,425,311	-\$1,018,126,415	-\$1,131,906,124	22.39%
Municipal Utility District	04	\$0	-\$6,309	-\$2,481	-\$419	-\$42,654	-\$3,441,881	-\$3,493,743	0.07%
Utility District	05	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Water District	06	\$0	-\$194,881	\$0	\$0	-\$246,166	-\$687,635	-\$1,128,682	0.02%
Levee Improvement District	07	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Drainage District	08	-\$326,027	-\$12,240	\$0	\$0	\$0	\$0	-\$338,267	0.01%
Improvement District	09	-\$2,344,173	-\$46,574	-\$2,073,259	-\$479,287	-\$1,233,059	-\$2,331,921	-\$8,508,273	0.17%
Road District	10	-\$4,337	-\$33,376	\$0	\$0	-\$1,010,551	-\$295,405	-\$1,343,669	0.03%
Hospital District	11	-\$2,854,760	-\$462,301	-\$26,283	-\$5,693	-\$194,965	-\$1,260,006	-\$4,804,008	0.10%
Flood Control District	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Fresh Water Supply District	13	-\$2,089,136	-\$179,995	-\$11,986	-\$227,672	-\$234,172	-\$495,010	-\$3,237,971	0.06%
Public Utility District	14	-\$702,911	-\$84,647	-\$65,011	\$0	\$0	\$0	-\$852,569	0.02%
Junior College or College District	15	-\$18,408,435	-\$12,405,359	-\$16,354,384	-\$21,938,237	-\$26,667,258	-\$50,202,057	-\$145,975,729	2.89%
Navigation District or Port Authority	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Water Control and Improvement District	19	\$0	-\$111,714	\$0	-\$3,005,319	-\$122,243	-\$287,036	-\$3,526,313	0.07%
Water Supply District	20	-\$1,833,346	-\$11,910	\$0	\$0	\$0	-\$46,513	-\$1,891,769	0.04%
Water Authority	21	\$0	\$0	-\$26,210	\$0	-\$41,555	-\$734,534	-\$802,299	0.02%
Irrigation District	22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Conservation District	23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Municipal Water Authority	24	\$0	\$0	\$0	-\$5,502	\$0	-\$37,562	-\$43,064	0.00%
Municipal Water District	25	-\$3,880,408	-\$1,110,393	-\$2,188,596	-\$11,310,078	-\$2,875,743	-\$5,446,382	-\$26,811,599	0.53%
Water Improvement District	26	\$0	-\$18,715	\$0	\$0	\$0	\$0	-\$18,715	0.00%
River Authority	27	-\$1,729,361	-\$10,798	-\$32,862	-\$4,398,187	-\$54,041	-\$790,881	-\$7,016,130	0.14%
Conservation and Reclamation District	28	-\$249,653	\$0	\$0	\$0	\$0	-\$278,540	-\$528,193	0.01%
Limited District	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Education Equalization or Vocational District	33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Emergency Services District	40	-\$2,203,611	-\$2,974,814	-\$777,029	-\$3,193,743	-\$6,304,147	-\$132,964,104	-\$148,417,449	2.94%
Fire/Fire Prevention District	43	\$0	\$0	\$0	-\$14,319	-\$327	-\$12,557	-\$27,203	0.00%
Management District	48	\$0	\$0	\$0	\$0	\$0	-\$95,680	-\$95,680	0.00%
Solid Waste Management District	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<b>Totals</b>		<b>-\$80,292,601</b>	<b>-\$68,649,575</b>	<b>-\$212,328,222</b>	<b>-\$111,270,297</b>	<b>-\$173,918,463</b>	<b>-\$4,409,605,526</b>	<b>-\$5,056,064,684</b>	<b>100.00%</b>

**Summary Impacts 2004-2009 Tax Rates**

County	-\$20,918,650	-\$10,962,623	-\$177,822,456	-\$22,241,812	-\$79,172,570	-\$109,917,076	-\$421,035,187	8.33%
Cities	-\$18,303,080	-\$17,718,617	-\$12,882,672	-\$44,450,029	-\$20,425,311	-\$1,018,126,415	-\$1,131,906,124	22.39%
Schools	-\$4,444,714	-\$22,304,308	-\$64,993	\$0	-\$35,293,702	-\$3,082,154,332	-\$3,144,262,050	62.19%
Other Entities	-\$36,626,157	-\$17,664,027	-\$21,558,100	-\$44,578,456	-\$39,026,881	-\$199,407,703	-\$358,861,324	7.10%
<b>Totals</b>	<b>-\$80,292,601</b>	<b>-\$68,649,575</b>	<b>-\$212,328,222</b>	<b>-\$111,270,297</b>	<b>-\$173,918,463</b>	<b>-\$4,409,605,526</b>	<b>-\$5,056,064,684</b>	<b>100.00%</b>