

**CITY OF SEABROOK
RESOLUTION 2021-07**

**A RESOLUTION PROVIDING OPPOSITION TO HOUSE BILL 1869,
AN ACT RELATING TO THE REDEFINING OF DEBT FOR THE
PUPOSES OF CALCULATING CERTAIN AD VALOREM TAX RATES
OF A TAXING UNIT.**

WHEREAS, the city's tax rate is comprised of two components, the Maintenance & Operations (M&O) tax rate supported by ad valorem taxes and the debt service tax rate that can be supported by not only ad valorem taxes but other revenue; and

WHEREAS, in the 86th Legislative session, Senate Bill 2 (SB 2) approved a new property tax calculation on the M&O portion of a city's tax rate that caps cities increasing the M&O portion of the tax rate to more than 3.5% without going through a roll back election process; and

WHEREAS, by approval of this bill mandating that all debt be adopted by election and included in the M&O rate will reduce the city's ability to fund and execute projects that are time sensitive and of public safety necessity; and

WHEREAS, there are statutory requirements that enable voters to call an election for the issuance of Certificates of Obligation if there is opposition to the notice of which a city council publicly posts the issuance of such debt; and

WHEREAS, the City is mandated by entities both at a state and federal level that require critical resources and supporting infrastructure to be maintained or upgraded to a certain requirement and can, at times, present a municipality with a large capital projects that are imposed for public safety and not an option but a requirement for good standing; and

WHEREAS, requiring an election for all debt requirements eliminates the option to issue debt quickly for critical capital infrastructure related needs and results in a costly substitute to projects that other revenue streams could support; and

WHEREAS, the city council operates at a local level and is the most informed to the municipality's funding capacities, alternate revenue funds, and community's needs; and

WHEREAS, there are only two uniform election dates for a City currently and by eliminating this option, any critical infrastructure needs time sensitive could leave the city depleting reserves or delaying construction; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEABROOK, TEXAS:

Section 1. The City of Seabrook opposes the passage of HB 1869 to its original or amended form that would detrimentally change the definition of debt and anyway restrict the city from constructively looking and evaluating its own capital needs at a local level with the current definition of debt and not having to conduct an election.

Section 2. That, if this bill is advanced or amended, that critical and emergency needs be considered in the final version of the bill.

Section 4. The City Council also approves the Mayor is authorized to sign resolutions of support in accordance with this local resolution.

PASSED AND APPROVED this 20th day of April, 2021.

Thomas G Kolupski
Mayor

ATTEST:

Robin Lenio, TRMC
City Secretary

APPROVED AS TO FORM:

Steven L. Weathered
City Attorney