



Fiscal Impact of Revenue Caps and Other Pending Legislation

Presentation to the Regional Affordability Committee

Wednesday, May 22, 2019



Pending Bills With Significant Fiscal Impact for the City



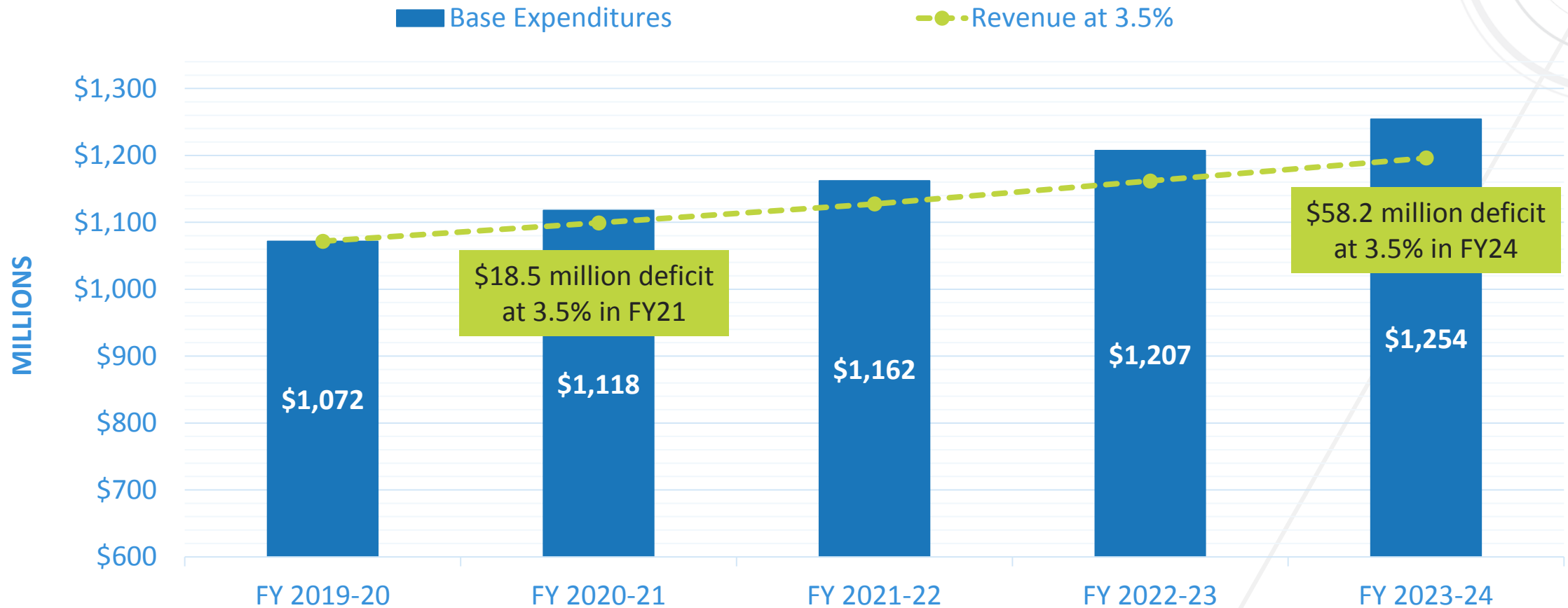
Senate Bill 2

- Passed by both chambers, currently in conference committee
- Reduces the rollback rate from 8% to 3.5% effective January 1, 2020
- House version of the bill includes an adjustment for homestead exemptions that would raise about \$2 million more revenue annually compared to the Senate version of the bill
- House version links enactment of SB 2 to the passage of HB 3, the school finance reform bill

Senate Bill 1152

- Passed by both chambers with minor differences, appears headed for the Governor's desk
- Mandates that City's may collect either a telecommunications or cable franchise fee from companies that provide both services, whichever is greater; the City currently collects both fees
- \$4 million reduction in City revenues in FY 2020; \$5.6 million annual reduction in subsequent years

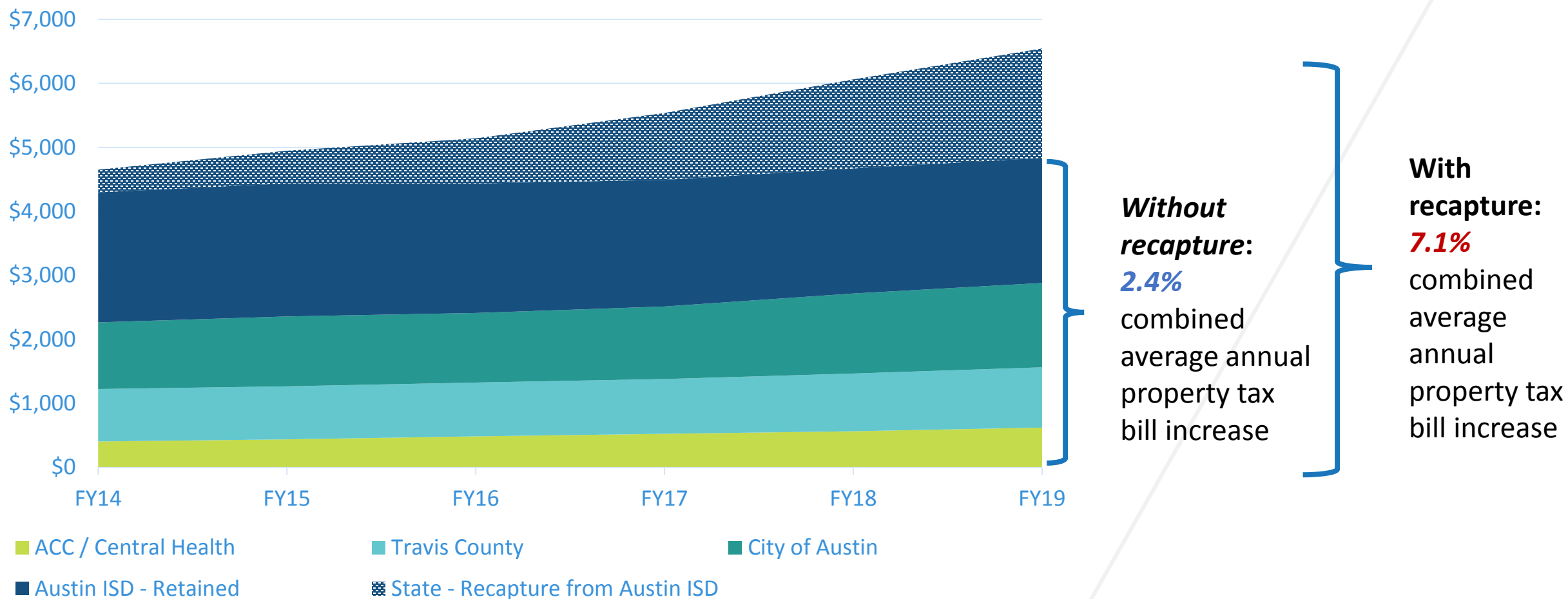
General Fund *Base* Forecast as of May 22, 2019



- Revenue forecast reflects lower revenue cap and \$5.6 million reduction in franchise fees.
- Expenditure forecast reflects 30 officers per year and 1 new Fire/EMS station opening per year.

Recapture Impacts

Local entities are not driving runaway growth in property tax bills—it's the State's increasing overreliance on everybody's property taxes to fund public education that is.





More information available at:

- [*austintexas.gov/financeonline/*](https://austintexas.gov/financeonline/)
- [*austintexas.gov/budget/*](https://austintexas.gov/budget/)
- [*budget.austintexas.gov*](https://budget.austintexas.gov)