

1-31-18 County Judge's Article

GOVERNOR'S PROPOSAL IN CONTEXT

As I have been telling you, during my entire time in office, Milam County's property tax situation is bad. In fact, I don't need to tell you this, if you're a property owner all you have to do is look at your tax bill each year.

So when the governor came out with his proposal a few days ago and said that in next year's legislative session he is going to propose a cap of 2.5% that counties (and cities) can raise your taxes, you're probably saying, go for it, and I don't blame you.

There's at least two big reasons your property taxes have been going up so much. For one, the state has been pushing a greater and greater amount of their costs down for us to pay locally with property taxes. For example, school funding (which constitutionally is the state's responsibility) ten years ago was funded 50% by the state and now their share is down to as low as 36%. We here in the county are currently paying all the costs of indigent health care (\$395,000 in 2017) and all but \$17,500 of the total of \$270,000 last year of indigent defense, just to give you a couple more examples.

The second major reason I want to explain to you is this. I keep telling you this over and over, but during my seven plus years in office our county tax roll has steadily declined from \$1.764 billion in 2011 to \$1.465 billion in 2017 or some -17%, and now with the Luminant shutdown in January we are likely to lose some \$250 million or more this year for a total tax base drop in Milam County of about 30%.

But we have managed to hold the annual amount of county ad valorem taxes that have been collected level at \$11.2 million during these 8 years by cutting costs, but we've also had to raise the tax rate during this period from 60 to 70 cents. What that means is we've shifted taxes that were being paid by Luminant to other tax payers in the county: homeowners, land owners, and other businesses. So for the rest of us this caused our tax bill to go up!

So with the additional tax base loss caused by the plant shutdown, what will the county have to do to survive in 2019? We will have to again cut some more costs significantly and, most likely the tax rate will have to go up again, 5 cents is 7% (5/70) (that's well over 2.5%).