

PUBLIC COMMENTS

HB 59

HOUSE COMMITTEE ON WAYS & MEANS

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Hearing Date: April 12, 2021 10:00 AM - or upon final adjourn./recess or bill referral if permission granted

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Judy Sargent

Self

Austin, TX

I strongly oppose HB 2989! I believe that it is an infringement on a property owners rights. When you buy property, you buy it understanding the deed restrictions. For this bill to now eliminate the deed restrictions willy-nilly is audacious and criminal!

William Koliba

Cloud 9 vapor

Karnes city, TX

Stop the tax

Dick Lavine

Every Texan (formerly the Center for Public Policy Priorities)

AUSTIN, TX

Every Texan opposes HB 59.

Relying on consumption taxes to reduce school property tax rates is the wrong approach for two major reasons. First, sales taxes and similar taxes are volatile, so further linking growing school enrollment to an erratic tax is misguided. Second, consumption taxes, by their very nature, take the most from Texans who have the least, placing extra barriers in front of families working toward the middle class. This is because low and moderate-income families spend a much larger portion of their income on goods subject to the sales tax, outweighing any property tax savings. The net result of making schools more reliant on consumption taxes would unavoidably be higher taxes on all households except for the 20 percent of families with annual incomes of roughly \$157,000.

Every Texan's full analysis of HB 59 is here: <https://everytexan.org/2021/03/09/hb-59-testimony-by-dick-lavine-ways-and-means/>

Chloe Latham Sikes, Dr.

Intercultural Development Research Association

San Antonio, TX

Dear Chairman Meyer and Committee members:

I am the Deputy Director of Policy at IDRA (Intercultural Development Research Association). We are an independent, non-partisan, education non-profit committed to achieving equal educational opportunity for every child through strong public schools that prepare all students to access and succeed in college. We oppose HB 59.

HB 59 would defund public schools. Texas public schools are largely funded by local property taxes, generated by the maintenance and operations (M&O) tax rate. The median local share of school district revenue is 46%, and 131 districts rely on

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their local tax revenue for nearly 100% of their funding, totaling over \$7.1 billion. In total, communities across the state generate over \$24 billion in local revenue from M&O taxes for their schools. Given the state's current revenue shortfall, it is unlikely that the state could make up for this amount of funding.

Texas schools need local funding as part of the state's formula to provide an equitable and adequate education. However, relying on local funding over state revenue for equalization purposes exacerbates inequitable funding across low- and high-property wealth school districts. New revenue streams that support and sustain state funding for public schools are necessary for an equitable school finance system.

Consumption taxes are a regressive and unstable source of tax revenue. Part of this bill proposes exploring alternate revenue streams to fund critical state services like public education. While the state should seek sustainable sources of tax revenue, HB 59 focuses on consumption taxes, which are regressive and unstable as they fluctuate greatly based on consumer behavior.

Recommendations:

- Maintain local M&O taxes as a critical source of tax revenue for public schools;
- Explore new revenue streams that are progressive and sustainable, such as restoring the franchise tax to higher rates, closing tax loopholes and exemptions that benefit large corporations, and ensuring commercial businesses pay their fair share of property taxes; and
- Update and extend the sales tax to include services in our modern economy, such as those provided by lawyers, accountants, stockbrokers, real estate agents and management consultants.

Texas cannot afford to defund public schools' main revenue source. Please consider voting against HB 59.

Resources:

IDRA. (2021). IDRA School Finance Dashboards, online. San Antonio: Intercultural Development Research Association. <https://idra.news/SFdashboard>

Lavine, D. (2021). HB 59 Testimony – Ways and Means, blog post. Austin: Every Texan. <https://everytexan.org/2021/03/09/hb-59-testimony-by-dick-lavine-ways-and-means/>

Stephen Massey

Self

Mansfield, TX

Why can't our government. Stay out of our business, I quit cig. To expensive with all the taxes now you want to tax e cig. Why should I pay taxes to smoke makes no sense, yall always want to tax the public for more money on things that our government. Has no business putting there hands in, stop it