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CHEERS AND JEERS

Cheers: To Jennifer Jackson and Mark Weaver at D/FW Airport for going the extra mile to help me find a lost iPhone. Their courtesy and perseverance turned a fluke occurrence into a really great story!

— Betsy Deck, Euless

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PROPERTY TAXES

Tax freezes for elderly, disabled costing cities

Tarrant County local governments lost nearly \$6.6 million in revenue last year, records show.

By AMAN BATHEJA abatheja@star-telegram.com

As Tarrant County cities try to deal with budget shortfalls, the impact of generous property tax freezes adopted several years ago for elderly and disabled homeowners is starting to be felt.

Government entities in Tarrant County — 19 cities along with the county government and the community college — lost nearly \$6.6 million in tax revenue last year because of the freezes, according to county records.

In Texas, reliable data on the impact of the local-option caps isn't available, but it's clear that billions of dollars in taxable values have been kept off the tax rolls since voters approved a constitutional amendment in 2003 to allowing them.

And that amount is certain to grow higher in the coming years as a wave of baby boomers reaches retirement age.

"As the city's population continues to age, and it will, more people will qualify for that benefit, which challenges how much the city can raise in revenue," said Horatio Porter, a Fort Worth budget officer.

Property tax appraisal notices will begin reaching mailboxes this week, and thousands of homeowners under the freeze could learn that the value of their property has changed but that their tax bill is staying the same.

Fixed incomes

Senior citizens in Texas have enjoyed frozen property taxes for school districts since 1993. The thinking among many proponents is that most senior citizens don't have school-age children and therefore deserve a break on helping cover the costs of public education.

State Rep. Fred Brown, R-Bryan, proposed a constitutional amendment in 2003 allowing cities and counties to choose also to freeze their property taxes for elderly and disabled homeowners. Rising property values were raising concerns that older Texans were going to be priced out of their homes.

"I think it was good legislation and for seniors who are on fixed incomes who had trouble making ends meet," Brown said.

The Legislative Budget Board predicted that the yearly loss to cities and counties would grow to \$20.3 million by 2008.

Last year, Tarrant County's coffers lost \$1.7 million because of the tax freeze. Of local cities that adopted it, Fort Worth missed out on the most: \$1.6 million.

The percentage of elderly or disabled homeowners who took advantage of a tax freeze last year ranged from roughly 7 to 25 percent per city, according to Tarrant Appraisal District records. The differences depend largely on a city's demographics, various city officials said.

Benbrook had one of the highest participation rates, 25 percent, costing the city \$74,953 in revenue last year. Comptroller David Ragsdale said the city has adjusted better than expected since adopting the measure in 2004.

"When the council voted for the tax freeze, we said, 'Guys, our percentage of over 65 is one of the highest in the county

and if you enact this, you will have to find other sources of revenue,'" Ragsdale said.

The Barnett Shale boom and the arrival of new businesses made up for the shortfall but will likely just be a temporary fix, Ragsdale said.

"This year, revenues are probably going to be less than expenses for the first time in a long time for us," Ragsdale said. "I see that happening again next year."

Area tax freezes

Entity	2009 revenue lost
Arlington	\$524,085.18
Bedford	\$221,162.41
Benbrook	\$74,952.61
Blue Mound	\$1,772.22
Crowley	\$25,345.99
Dalworthington Gardens	\$18,306.65
Euless	\$25,455.07
Fort Worth	\$1,585,314.12
Haltom City	\$98,597.18
Haslet	\$2,023.73
Hurst	\$143,591.24
Keller	\$163,132.17
Mansfield	\$134,070.08
North Richland Hills	\$113,100.47
Richland Hills	\$42,964.76
River Oaks	\$22,926.46
Sansom Park	\$16,658.38
Southlake	\$160,397.63
Watauga	\$22,820.29
Tarrant County	\$1,743,678.37
Tarrant County College	\$1,456,764.43

Source: Tarrant County tax office

Unintended consequences

The Texas Silver-Haired Legislature, which advances legislation for senior citizens, lobbied for the bill in 2003. Speaker Pro Tem Oscar Garcia, a Fort Worth resident, said cities need to learn to live with their means.

"The taxes do not continue to grow every year, but [seniors] are still paying each time," Garcia said. "It's not a problem with revenue. It's a problem with expenses."

But Dick Lavine, a senior fiscal analyst with the Austin-based Center for Public Policy Priorities, a think tank focused on issues affecting low-income Texans, said proponents of the freeze ignore the effect of inflation in the long run.

"The costs go up every year, whereas

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homes that are frozen will pay the same amount year after year even as each dollar buys less and less," Lavine said.

Some other states with freezes include limits so that seniors earning over a certain amount of income don't qualify for the tax break. Such an argument never got much support in Texas, though Lavine said it would have made sense.

Brown said he regrets not putting a provision in the constitutional amendment excluding homes worth more than a certain value, perhaps \$250,000. But he doesn't expect to try to change the law now, he said.

Baby boomers

As baby boomers age, the tax burden is expected to shift further to younger Texans. State demographers have projected that more than one-fifth of Texans will be older than 65 by 2030.

Economists have debated the value of providing tax breaks to the elderly to keep them in their homes.

In 2008, Hui Shan of the Federal Reserve published a paper on how property taxes affect the elderly. She found that higher property taxes increase the likelihood of seniors moving out of a community.

"They tend to move to less expensive houses and lower property tax areas," Shan said.

The data is less clear on the overall impact elderly people have on the economy. While they tend to not maintain their homes as well as nonelderly homeowners, which could depress property values, they also tend to use fewer local public services until they get sick, Shan said.

"What I think the studies show is that state and local governments want to retain elderly homeowners as long as they are not too old," Shan said. "They pay taxes and they don't consume much public services."

In Colorado, Gov. Bill Ritter has proposed suspending a property tax break for senior citizens to save nearly \$200 million.

New Jersey officials have suggested ending new enrollments in a senior tax freeze program.

The Texas senior tax freezes are likely to stay put. The constitutional amendment includes a provision barring local governments from ever rescinding freezes.

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Re-elect Stinneford

I am writing in support of the re-election of Euleless City Councilman for Place 1, Tim Stinneford. Tim does more than just serve on the council; he spends countless hours volunteering for the city in many areas. He is part of the Citizens on Patrol, the Citizens' Police and Fire Academy Alumni, the Community Emergency Response Team and the Child Abduction Response Team. He has earned the President's Volunteer Service Award bronze medal for the past four years.

In the three years that Tim has been on the council, the property tax rate has stayed level and the services residents receive have never been better. Euleless is the best-run city in the area, and we should keep the current leadership intact with people who truly care about our city and are willing to put in the extra time and effort to make sure Euleless stays the best.

— Leah Bennett, Euleless

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Opinion

LETTERS

Stinneford in Euless

Regarding George Moore's April 19 letter against Tim Stinneford: Stinneford is a decent family man with experienced leadership, skills, integrity and proven ability to listen to both critics and supporters. I have worked beside him as a volunteer for the city of Euless, where he earned Presidential Bronze Awards for his volunteer hours and as a member of both Citizen's Fire and Citizen's Police Associations. He also helps with the city's CERT and C.A.R.T. organizations. As a business owner, I have never felt he showed partiality. His agenda is fiscal responsibility and devotion to our community.

Please join me in supporting Tim Stinneford. He will continue to represent the residents of Euless with fairness and honesty.

— Helen Voss, Euless

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OBITUARIES

Julia S. Petrovich



EULESS — Julia S. Petrovich, 96, passed away Saturday, May 1, 2010.

FUNERAL: 9:30 a.m. Thursday in Mount Olivet Chapel. Interment: Mount Olivet Cemetery. Visitation: 6 to 8 p.m. Wednesday at Mount Olivet Funeral Home.

Julia was born Aug. 24, 1913, to Josephine and Adolph Schmidt in Galveston.

She was preceded in death by her husband, George J. Petrovich, and daughter, Nancy A. Ratliff.

SURVIVORS: Son, George J. Petrovich Jr.; grandsons, Michael J. Petrovich Sr. and Donald W. Ratliff; granddaughters, Colleen Moore, Laurie Ratliff and Kelly Alvarez; and nieces, Lynn Etheridge and Gail Tanner.

Mount Olivet Funeral Home
2301 N. Sylvania Ave., 817-831-0511

View and sign guestbook at
www.star-telegram.com/obituaries

Julia was a twenty-year employee of the City of Euless, who did not begin working here until she was 71 years old!