



City of Austin

P.O. Box 1088, Austin, TX 78767-1088

May 16, 2023

Re: Testimony against S.B. 369

Dear Chairman Burns and members of the House Land and Resource Committee:

Thank you for the opportunity to submit written testimony and express the City of Austin's opposition to S.B. 369.

S.B. 369 is a statewide disannexation bill that impacts Lake Austin properties. This bill would allow a single landowner to attempt to enforce automatic disannexation in any area of a municipality in which the landowner believes they do not receive full municipal services as defined in the bill.

The bill creates a separate court process for residents that choose to disannex under which the Attorney General (AG) could bring an action against the City. This is in stark contrast to current law that provides a process and cause of action through the courts via Local Government Code (LGC) Section 43.141 without the AG. Furthermore, the process created in this bill will now conflict with the existing process under LGC 43.056, thereby creating confusion for cities and residents alike.

Furthermore, the bill makes no distinction for services provided that are paid for out of fees versus services that are covered by property tax funds. In the City of Austin, property tax supported services include Police (APD), Fire (AFD), Emergency Medical Services (EMS), zoning, and code enforcement. While the bill was amended on the Senate floor to exclude areas with a certificate of convenience and necessity (CCN's), for all other areas it still requires that cities provide services such as water, wastewater, and trash services. However, these are all fee-based services, and are not funded by property taxes.

With that said, Lake Austin properties have received, despite the fact that they had never paid taxes towards those services, and do receive tax-supported services from APD, EMS, and AFD. In addition, the City recently invested \$13 million to open a new fire station intentionally located close to these Lake Austin neighborhoods in order to improve response times to this

area. Should this bill pass, this area will benefit from the new fire station without contributing towards the costs to build and support it. Instead, city residents will be left subsidizing their services. According to Financial Services, the City would lose a little under \$5.2M in property tax levy on these properties for FY23.¹

It is with these concerns in mind that the City of Austin urges you to vote against S.B. 369.

Sincerely,

A handwritten signature in black ink that reads "Brie L. Franco" with a long horizontal flourish extending to the right.

Brie Franco
Intergovernmental Relations Officer
City of Austin

¹ Based on total taxable values for 2022 of the areas the City identified as captured by this bill (values which drive our fiscal year 2023 and for which the tax bills that were due on January 31)