[Your Letterhead / Organization Name]

[Date]

*[Via Electronic Mail]*

The Honorable [Name]

Texas [House of Representatives / Senate]

1100 Congress Avenue

Austin, Texas 78701

Re: **Opposition to SB 10** – Voter-Approval Tax Rate Legislation

Dear [Representative / Senator] [Last Name],

I respectfully oppose SB 10, which would lower the voter-approval tax rate threshold and require elections for even slight increases in the combined maintenance and debt service tax rate.

Although intended as a taxpayer safeguard, SB 10 creates unintended consequences for small jurisdictions such as many emergency services (fire/EMS) districts, hospital districts, and certain other special purpose entities. In practice, it adds recurring election costs, undermines debt management, and restricts local planning flexibility—pressures that are especially difficult for smaller or rural districts to absorb.

**Key Concerns**

1. Election Costs and Strained Budgets

Many districts must contract with counties to conduct elections, and those costs are significant relative to the districts limited budgets. Even when a tax rate adjustment is slight, the expense of holding an election can represent a substantial portion of the district’s annual budget. In some areas, these costs have been reported as high as $50,000 to $60,000. Funds spent this way must be redirected from planned maintenance and other responsible money management, eroding the very services the districts are charged to provide.

2. Debt Service and Budget Flexibility

Because the threshold applies to the combined rate, districts may be forced into elections due to debt service obligations outside their immediate control. For example, debt service fluctuates annually, and principal payment obligations often rise from one year to the next, creating upward pressure on tax rates. In addition, improvement projects or unforeseen infrastructure or equipment needs—if proposed to be financed through debt—could be curtailed. While the legislation does not directly restrict debt service, its combined calculation could effectively drive the maintenance and operations rate down, potentially even to zero, leaving little capacity for routine operations.

3. Debt Dependency and Higher Long-Term Costs

When districts cannot adjust their combined rate without triggering an election, the practical outcome is reduced reserves. This, in turn, forces greater reliance on borrowing for repairs or capital projects that historically might have been paid out of available surpluses. Interest and issuance expenses then increase overall taxpayer costs. In short, a measure intended to protect taxpayers risks locking districts into more expensive debt dependency.

4. Planning, Stability, and Service Delivery

The cumulative effect of these SB 10 pressures is uncertainty in local budgeting. Annual elections, fluctuating debt obligations, and shrinking reserves make long-term financial planning difficult. Stable revenues are critical for maintaining consistent health, safety and other necessary local community services—yet this legislation undercuts the ability of many districts to project and manage those revenues responsibly.

**Conclusion**

Taken together, these concerns show that SB 10 does not simply create one challenge—it creates a cycle. Election costs reduce resources available for operations; reduced flexibility in managing debt and reserves increases reliance on borrowing; reliance on borrowing drives up long-term costs; and higher costs make planning less stable. The result is weaker public services at a higher taxpayer price.

For these reasons, I urge you to oppose SB 10. Local boards are already directly accountable through audits, budget planning, open meetings, and elections for local officials. Adding recurring election mandates only compounds costs and uncertainty without providing meaningful new safeguards for taxpayers.

Thank you for your consideration.

Respectfully,

[Your Name]

[Your Title / Organization]

[Address]

[City, State, Zip]

[Phone / Email]