

Kyle tax rate continues to hike upward

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Kyle Update **by RUSS HUEBNER**

If ignorance is bliss then call me the most miserable city council member in Kyle. As you are aware, the current tax rate in the City of Kyle is roughly forty-two cents per \$100 of your home's appraised value.

But did you know that this number could potentially double in the next six years? There are a number of reasons for this, but here are the main culprits: debt obligations from the last eight years of issuing Certificates of Obligation that are now coming due for payment (COs do not require a vote from the citizens); the formation of the Hays-Caldwell Public Utility Agency; increasing maintenance and operations costs of the city as a whole; and the unsustainable method of subsidizing our property tax rate by transferring money from the utility fund.

The merits and demerits of the aforementioned projects are both many and debatable. What is not debatable, and will only exacerbate the problem, are other outside pressures. Hays County will be increasing taxes. Voters will decide in November on the arrival of a new Austin Community College campus with an accompanying new tax. The State of Texas may resort to raising taxes to make up for a large budget deficit. Furthermore, the Federal government may allow the Bush tax cuts to expire which will affect all income tax brackets.

I realize how pessimistic this sounds, but we must face the reality that growth in Kyle, while still present, has slowed substantially, unemployment and foreclosures have risen, and government at all levels shows little sign of easing its tax burden on homeowners and business owners. I was asked to write this column because, when I bring up these issues at city council meetings, there are only a few citizens present, but the public deserves to know, and must know, the harsh reality we are facing.

I believe economic forecasting is about as reliable as weather forecasting. Past city councils and administrations saw nothing but blue skies when they made the decisions to increase our debt. Now, the storm clouds are building on the horizon and our city council must do everything it can to hold down spending, stop issuing new debt, and stop subsidizing our property tax rate with the utility fund. It is time to prepare for the approaching tax tsunami.

Russ Huebner was elected to the Kyle City Council in February. He represents District 6, which encompasses much of the eastern side of the city. He also serves as Mayor Pro Tem.