

RESOLUTION NO. 2024-R-285

Resolution of the City Council of Laredo, Texas urging the Texas Legislature to enact legislation that provides border cities with the necessary tools to thrive and continue contributing to the state's prosperity.

WHEREAS, the City of Laredo is a vital economic driver for the State of Texas, serving as a key hub for international trade, particularly with Mexico, and contributing significantly to the state's economy; and

WHEREAS, border communities, including Laredo, face unique challenges due to underfunding, stemming from a population-based funding model that does not fully account for the unique dynamics and demands of these regions; and

WHEREAS, the current 3.5% cap on budgetary growth, as implemented by Senate Bill 2, restricts Laredo's ability to generate sufficient revenue to meet the demands of rapid population growth, thereby negatively impacting infrastructure, public services, and the city's overall ability to serve its residents; and

WHEREAS, the City of Laredo recognizes the overlapping purposes of the sports venue tax and the 4B tax, both of which aim to support community development, and believes that combining these taxes could enhance the flexibility and efficiency of resource allocation for community projects; and

WHEREAS, Laredo seeks to respect the will of its residents by allowing any proposed changes to tax obligations, such as the reallocation or combination of the sports venue tax and the 4B tax, to be determined by a vote of the people;

WHEREAS, The City Council directs the City Manager to forward this resolution to the Governor of Texas, the Lieutenant Governor, the Speaker of the Texas House of Representatives, and the members of the Texas State Legislature representing Laredo and other municipalities across Texas. The City Council also urges the Texas Legislature to consider the unique needs of border communities and to enact legislation that provides them with the necessary tools to thrive and continue contributing to the state's prosperity.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAREDO:

1. **Request for Additional State Funding:** The City Council formally requests that the Texas Legislature provide additional state funding to border communities like Laredo, recognizing their critical economic contributions and the inadequacy of the current population-based funding model. This funding is essential to support the infrastructure, public services, and economic activities that benefit both residents and the state.
2. **Request to Consider Combine or Shifting Sports Venue and 4B Taxes:** The City Council requests that the Texas Legislature enact legislation allowing municipalities to combine the sports venue tax with the 4B tax. This would streamline the administration of these taxes, enhance the flexibility of fund allocation, and maximize the impact of community development projects. The Council also requests that any such reallocation or combination be subject to approval by a vote of the people.
3. **Request to Amend the 3.5% Budgetary Growth Cap:** The City Council requests that the Texas Legislature consider amending Senate Bill 2 to allow municipalities experiencing significant population growth, such as Laredo, to exceed the 3.5% budgetary growth cap. This amendment

would enable cities to raise additional revenue to meet the growing demands for infrastructure, public safety, and other critical services. The Council specifically proposes a population growth adjustment or a border city exception to provide the necessary financial flexibility.

Passed and Approved on this [Date]

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS _____ DAY OF _____, 2024.

DR. VICTOR TREVINO
MAYOR

MARIO M. MALDONADO JR.
CITY SECRETARY

APPROVED AS TO FORM:

DOANH T. NGUYEN
CITY ATTORNEY