

The first step in analyzing a county's ability to pay is to determine the sources of county revenues. As with county expenditures, although various state agencies collect certain program-specific county revenue data, there is no comprehensive statewide system for the collection of county financial data. Therefore the data from the counties surveyed is the only such data currently available. Counties have the following primary sources of revenue:

#### < **General Property Taxes**

**General Fund Taxes** - This is the primary property taxation vehicle for county governments in Texas. It is limited to eighty cents per one hundred dollars of property valuation. (Tex. Const. art. VIII § 9) The revenue from this tax may be used for any authorized county purpose.

**Special Road and Bridge Tax** - A maximum fifteen cents per one hundred dollars of property valuation for road and bridge maintenance authorized by the Constitution. (Tex. Const. art. VIII, § 9; Tex. Rev. Civ. Stat. Ann. art. 6702-1, § 4.03)

**Farm-to-Market and Flood Control** - Thirty cents maximum per one hundred dollars of property valuation for farm-to-market roads and flood control authorized by the

Constitution. Subject to voter approval. (Tex. Const. art. VIII, § 1-a; Tex. Rev. Civ. Stat. Ann. art. 6702-1, § 4.103)

Seawall Tax - Counties along the Gulf Coast are authorized to levy a fifty cents per one hundred dollars of property valuation tax for the limited purpose of construction and maintenance of seawalls, breakwaters, or sanitary purposes. Subject to voter approval.

Other Taxes - Several statutes authorize counties to levy certain special purpose taxes, but may not, when combined with the "General Fund" tax, exceed the eighty cent "General Fund" tax limitation.

< **General and Selective Sales and Use Taxes**

County Sales and Use Taxes - (Subject to voter approval)

Special Motor Vehicle Sales and Use Tax

Hotel Tax

Health Services Sales and Use Tax (Subject to voter approval)

Mixed Beverage Tax

< **Licenses and Permits**

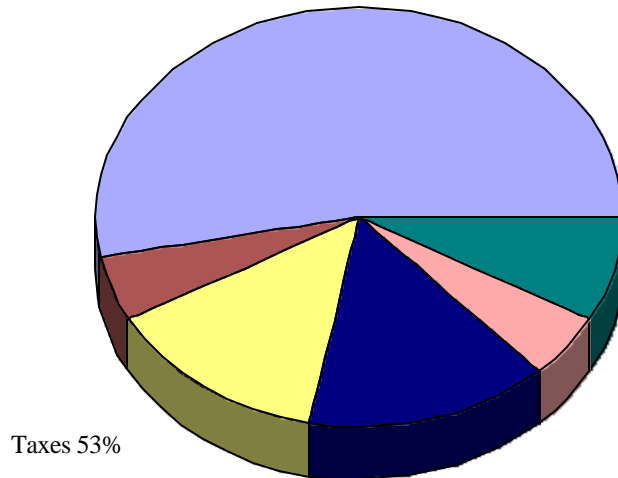
< **Intergovernmental Revenues**

< **Charges for Services**

< **Fines and Forfeitures**

< **Miscellaneous**

County Revenue Percentages



The chart below shows the average county revenue percentages.

Licenses & Permits 5%

Miscellaneous 8%

Intergovernmental 14%

Fines & Forfeitures 5%

Charges 15%

By using the property tax data from 1998, the following information about counties' ability to pay was derived:

- < 4 counties are taxing at the maximum general fund tax rate
- < 25 counties are at 80% or greater of their total General Fund taxing capability
- < 36 counties are within 75% of their maximum (all 36 are under 33,000 population with only 4 over 15,000 population)
- < 5 counties could not raise \$6,000 with a tax increase (without hitting rollback)
- < 120 counties could not raise \$200,000 with a general tax increase (without hitting

rollback)

< 223 counties could not raise \$1,000,000 with a general tax increase (without hitting  
rollback)