



A long-standing legacy in shaping Texas fiscal policy

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Contact: Kirsten Voinis
(512) 922-7141, kvoinis@kvoinis.com

TTARA brief outlines state and local government fiscal options for Hurricane Harvey recovery

Various tax and fiscal steps the state and hundreds of local communities can take to further Hurricane Harvey recovery – and how taxpayers may be affected – are detailed in a new research brief, "[Hurricane Harvey: The Fiscal Toolbox](#)," released today by the Texas Taxpayers and Research Association (TTARA).

"Hurricane Harvey has been a catastrophe, causing an estimated \$190 billion in damages, largely within the state of Texas," said TTARA President Dale Craymer. "That damage equals 12 percent of Texas' annual economic output. In addition, the challenges that face numerous Texas communities and their citizens are enormous."

For example, the hurricane struck Texas just as cities, counties and school districts had either just finished or were about to finalize their budgets and tax rates for the upcoming fiscal year. These budgets may now be in turmoil, as damage to hundreds of thousands of homes and businesses will impact both property appraisals and local tax rates, as well as local economic activity and the taxes generated.

"The state's disaster response toolbox is far from empty," Craymer said. "Yet Hurricane Harvey will be the ultimate test of whether current state laws concerning fiscal response to disaster are sufficient to give local communities the tools they need to recover while ensuring that taxpayer dollars are used appropriately."

One option that has generated public discussion and could be considered is tapping the state's Economic Stabilization Fund, also known as the "Rainy Day Fund." Any appropriation from the fund, which has a balance near \$11 billion, requires legislative approval.

"While the fund was not designed specifically to be used for disaster relief, it would be a legitimate use of the fund," said Craymer, who, as a legislative aide in 1987, helped draft the legislation that created the fund.

In addition to the Rainy Day Fund, the TTARA research brief reviews other state fiscal response options as well as possibilities in the areas of property tax, school finance and state taxes. The brief also analyzes the potential impact of decisions on taxpayers.

The report can be found on the TTARA website at: <http://www.ttara.org/files/document/file-59cd790b03453.pdf>. Hard copies of the report also are available upon request.

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The Texas Taxpayers and Research Association (TTARA) is a non-profit, non-partisan membership-supported organization of businesses and individuals interested in state and local fiscal policies in Texas and the way those policies impact our economy. TTARA members operate in every part of Texas; they employ and provide incomes to thousands of Texans; they produce or provide every type of good or service Texans consume; and, they provide a major portion of the revenue that supports public services at every level of government. TTARA has been recognized as the state's leading organization specializing in tax and fiscal policy for more than 50 years. The organization's annual meeting, held

in the fall each year, features top elected leaders and government officials discussing current tax, expenditure, and other public policy issues.

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