

NEGOTIATIONS BEGIN ON PROPERTY TAX, EDUCATION REFORM MEASURES

by **Richard Lee** | Op-Ed Special to the VILLAGER



HEIDI GOLLUB SEPTEMBER 18, 2013_Free Fun in Austin

(AUSTIN, TX) - Lawmakers have a little more than two weeks to resolve differences between the House and Senate proposals to address the session's top priorities laid out by state leadership in January. After months of hearings, amendments, drafting and debates, both chambers have passed versions of HB 3, the education finance reform bill, and SB 2, the property tax reform bill. The latter passed the House last week and the education bill passed the Senate on Monday. Mirroring a provision added to SB 2 in the House, the Senate made passage of education reform into law contingent on passage for property tax reform, inextricably linking the two measures into what is effectively a single proposal.

Here's what that proposal looks like on the Senate side: increased funding for all students, with more going towards economically disadvantaged students. Even more would go to early education initiatives for students from low-income backgrounds and more money for post-high school readiness programs. Funds for the last two are partly outcome based; while districts will get more money to improve 3rd grade reading achievement for low-income students and send more prepared graduates into college, the military or the workforce, they'd also get bonus money for every student that meets state standards. It includes a \$5,000 pay raise for all public-school teachers and librarians,

and would give districts the option of implementing an effectiveness-based pay scale, where the best teachers can be identified and paid higher salaries.

For property taxes, the bill would lower local school rates by ten cents per \$100 valuation and would implement a 2.5 percent rollback rate for annual tax increases. Any more than that and voters in the district would have to sign off. To pay for it, the Senate approved a diversion of oil and gas taxes, an estimated \$2.3 billion, that would otherwise go into the rainy-day fund into a new fund created for the purpose of property tax reduction. Combined with \$2.7 in the budget already set aside for property tax relief, a change in the way the online sales taxes are collected and other funds, the bill contains a total of about \$5.6 billion in property tax relief. A House proposal to lower property taxes even further by increasing the state sales tax rate one cent and dedicating that revenue to property tax reduction failed to garner enough support, most likely ruling that option out for this session.

The bills are fairly close generally but there are some key differences between the two chambers. The House bill includes a smaller, formula-based pay raise but would apply it to all full-time public-school employees and provides for future raises when the state increases education funding. It would compress local school tax rates by four cents, but adds two

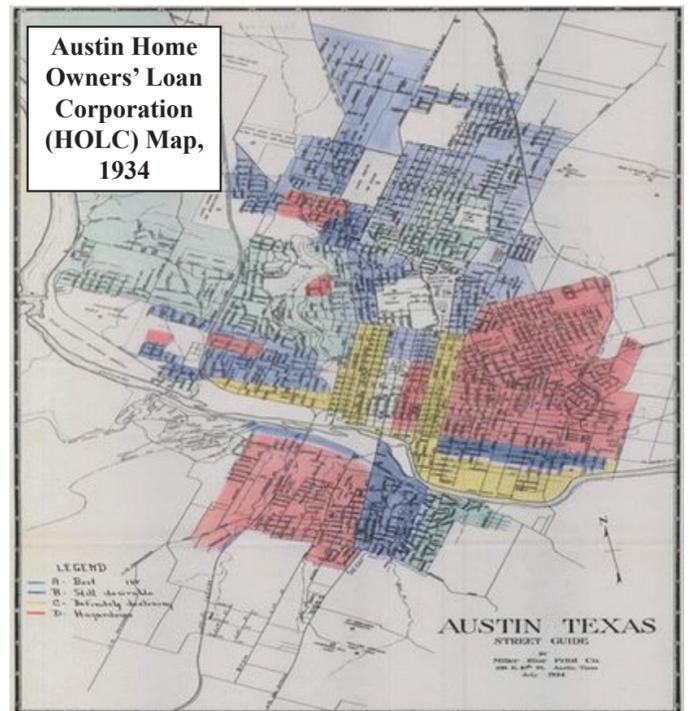
cents to recapture-exempt local enrichment in formula funding. There's also a difference in the basic allotment, the principal variable in calculating per-student funding, with the House at \$6,030 compared to the Senate's \$5,880. Both are well above the current basic allotment of \$5,140.

As far as property tax reform, the chambers are in the same place on a number of transparency and taxpayer-friendly reforms as well as a municipal rollback rate of 3.5 percent. The Senate would apply that to cities, counties, and all other local taxing entities while the House version exempts hospital and community college districts. The Senate version would leave smaller taxing entities, those with less than \$15 million in annual collections, at the current 8 percent rollback rate, but would give voters living in those districts the chance to opt in to the bill's provisions next May. The House version includes a rate-banking provision, allowing districts that don't raise taxes as much as a rollback rate to apply that difference to future rate increases above 3.5 percent for up to five years.

If lawmakers can sort out these differences, a simple majority in each chamber can send the final, unified proposal on to the governor for his signature. Should that happen, it will be the first time in decades that the Legislature has passed sweeping education finance reform absent a court order.

A Call to Action!

By: **Publishers for Economic Parity**



Example of early redlining in Austin. (Busch 2015)

(NNPA) - A recently announced merger between BB&T and SunTrust, if approved, will reshuffle the U.S. banking industry rankings. The deal is reportedly valued at \$66 billion and will result in the sixth largest bank in the United States according to a *USA Today* report.

BB&T is based in Winston-Salem, North Carolina, founded in 1872, today their estimated value is more than \$220 billion in assets. Their 2,200 retail banking locations are primarily located in Southeastern states such as Florida, Georgia and North Carolina. However, recently they have added numerous locations throughout Texas.

SunTrust, founded in 1891, is based in Atlanta, Georgia and control more than \$200 billion in assets, as well as, offer services via their 1,249 retail banking locations. They are primarily located in Southeastern and Mid-Atlantic states.

Despite their successes, the merger between these two financial institutions could lead to more harm than good. The practice of banks discriminating against minorities is well documented and has been reported in the majority of U.S. banks. BB&T and SunTrust are among the most notorious.

One of the most notable cases took place in 2012. After reviewing 850,000 residential mortgage loans, the U.S. Justice Department determined SunTrust exercised bias against minority applicants according to a statement from the Justice Department. As a result, SunTrust ended up settling the case to the tune of \$21 million.

Also, in 2008, BB&T's Community Reinvestment Act rating was lowered from "outstanding" to "satisfactory." This occurred as a result of an abundance of violations regarding

the Fair Housing Act and the Equal Credit Opportunity Act, as reported by the *South Florida Business Journal*.

Data pulled from the Federal Financial Institutions Examination Council's (FFIEC) Home Mortgage Disclosure Act (HMDA) website further demonstrates this discrimination. In 2016, 82 Black or African American applicants and 537 White applicants applied for conventional home purchase loans with BB&T in the Atlanta, GA area. Of all the White applicants, roughly 73 percent were approved for loans. Meanwhile, of all the Black or African American applicants, only about 51 percent were approved for loans.

Similar data was collected in the Charlotte, North Carolina area. Data showed when the White applicants sought conventional home purchase loans in 2017, 75 percent were approved while only 57 percent of African American applicants were approved.

It is worth noting two letters were sent to SunTrust by the Publishers for Economic Parity (PEP) lawyer, Michael Eagan, requesting information regarding their loan statistics.

"We have reached out to SunTrust Bank to obtain their Community Reinvestment Act results, but as of April 3, 2019, they have failed to follow the law and provide us with that information within the thirty (30) day deadline. I wonder if this failure to comply with the law is representative of their lack of concern for what minorities think about their bank?" Michael Eagan, Attorney for Publishers for Economic Parity.

From news stories to HMDA data, it is evident something is not right. For too long, these banks have been getting away with treating minorities as if they are "lesser than." This is a call to action to fight the unjust treatment these

communities have been met with when applying for loans.

In the coming weeks, public meetings regarding the merger will be held in Charlotte, North Carolina, and Atlanta, Georgia at the following dates, times and locations:

- Thursday, April 25 at 8:30 a.m., EDT, Charlotte Branch of the Federal Reserve Bank of Richmond, 530 East Trade Street, Charlotte, North Carolina; and

- Friday, May 3 at 8:30 a.m., EDT, Federal Reserve Bank of Atlanta, 1000 Peachtree Street N.E., Atlanta, Georgia.

If you are unable to attend the meetings in person, we urge you to file a formal complaint with the banks regarding their past wrongdoings and post a copy of this complaint on the PEP Facebook page.

Once the merger is complete, BB&T will roughly double in size. This merger marks the formation of a financial superpower that is not to be taken lightly.

Homeownership comprises the majority of a family's net worth. With these institutions consistently denying loan applications submitted by minorities, we will continue to be denied the same opportunities to accumulate wealth as our non-minority counterparts.

Requests to speak at the Charlotte and Atlanta meetings must be submitted by 5 p.m. EDT on Monday, April 15 for the Charlotte meeting and by 5 p.m. EDT on Tuesday, April 23 for the Atlanta meeting.

Written comments can be submitted to the Federal Reserve Bank of Richmond, P.O. Box 27622, Richmond, VA 23261 as well as the FDIC's Atlanta Regional Office, 10 10th Street, NW, Suite 800, Atlanta, GA 30309-3849.

These institutions must be held accountable for their actions. Together, we can make our voices heard.