

RESOLUTION NO. R-2011-16

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER,
TEXAS, URGING THE TEXAS LEGISLATURE NOT TO RAISE TAXES
ON NATURAL GAS; SUPPORTING THE RETAINING OF THE
INVESTMENT TAX CREDIT FOR PRODUCING HIGH-COST NATURAL
GAS; AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, it is the intent of the Tyler City Council to promote the creation of a proper economic environment; and

WHEREAS, natural gas production is key to the Texas economy and Texas jobs; and

WHEREAS, the development of natural gas in unconventional formations like the Granite Wash and Barnett, Eagle Ford, Haynesville and Bossier shales has accounted for much of the natural gas production in Texas; and

WHEREAS, since the Texas Legislature enacted the high-cost gas investment tax credit in 1990, Texas has been the only major natural gas producing state to increase production, increasing from 5.5 percent to 56 percent and creating an incredible boost for job creation and state and local tax revenues; and

WHEREAS, in the 2000s, high-cost gas generated a total of \$63 billion per year in economic output in Texas; and

WHEREAS, in the 2000s, high-cost gas generated a total of \$32 billion per year in earnings in Texas; and

WHEREAS, the high-cost gas investment tax credit reaps one of the best returns on investment of any state economic incentive, generating \$4.00 of economic growth for every dollar invested, and creating nearly 40,000 jobs a year; and

WHEREAS, in 2010 more than 60% of contributions to the Rainy Day Fund came from natural gas taxes, high-cost gas accounted for 56% of overall statewide gas production, and more than half of all Texas counties (136 of 254) have high-cost gas wells; and

WHEREAS, high-cost gas production boosts local property tax receipts each year, providing critical funding for schools, hospitals and first responders; and

WHEREAS, increasing taxes on natural gas would hurt the Texas economy by discouraging investment in natural gas operations, sending Texas jobs to other states like Louisiana and Arkansas, and costing Texas hundreds of thousands of Texas jobs and billions in economic output over the next five years; and

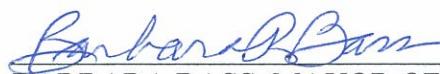
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:

PART 1: That the Tyler City Council does hereby urge the Texas Legislature not to raise taxes on natural gas, and urges the Texas Legislature to continue its historic support for the natural gas industry that provides jobs for Texans and critical funding for schools, hospitals and first responders.

PART 2: That the Tyler City Council does hereby urge the Texas Legislature to support the continuation of the high-cost gas investment tax credit.

PART 3: That this resolution shall become effective immediately upon its passage and approval by the City Council.

PASSED AND APPROVED this 27th day of April, A.D., 2011.



BARBARA BASS, MAYOR OF
THE CITY OF TYLER, TEXAS

ATTEST:



CASSANDRA BRAGER, CITY CLERK



APPROVED:



GARY C. LANDERS, CITY ATTORNEY