

RESOLUTION NO. R-2013-11

A RESOLUTION OF THE CITY OF TYLER, TEXAS SUPPORTING RETAINING THE INVESTMENT TAX CREDIT FOR PRODUCING HIGH-COST NATURAL GAS; AND ESTABLISHING AN EFFECTIVE DATE.

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, and Haynesville shale's 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 1989, Texas has been a major natural gas producing state increasing production, rocketing 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 2000's, high-cost gas generated a total of \$63 billion per year in economic output in Texas; and

WHEREAS, in the 2000's, 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 supports more than 700,000 Texas jobs; and

WHEREAS, in 2012 more than 60% of contributions to the Rainy Day Fund came from natural gas taxes, high-cost gas accounted for 54% 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, Oklahoma, and Arkansas, and costing Texans tens of thousands of Texas jobs and billions in economic output over the next decade; and

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

PART 1: That the City of Tyler, Texas hereby urges 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 our schools, hospitals and first responders.

Adopted this 27th day of March, 2013.

Barbara Bass)

BARBARA BASS, MAYOR OF
THE CITY OF TYLER, TEXAS

ATTEST:

Cassandra Brager
CASSANDRA BRAGER, CITY CLERK

APPROVED:

Gary C. Landers
GARY C. LANDERS, CITY ATTORNEY

