



Denton City Council Candidate Questionnaire

BUILDING COMMUNITY
Joining Together for Mutual Growth

This Questionnaire is a Word document which allows you to respond without regard to space limitations.

Candidate information

Name of candidate:

Office sought / party: City Council City of Denton

Date of interview: Tuesday, March 23, 2021

Candidate Mailing address: P.O. Box 97 Denton, TX 76202

Candidate Phone number: 940-206-7213

Candidate E-mail address: john@dentonleadership.com

Why are you running? I have a very diverse background and knowledge base which gives me the ability to help guide the city.

What are your three top priority issues? Mobility, keeping taxes as low as possible and limiting excessive regulation while protecting private property rights.

What is your prior or professional or community engagement with local REALTORS? My wife and I own and manage rental property here in Denton.

Campaign Information

How much do you expect to spend in this race? \$17,000 to 20,000

How much have you raised so far? \$9,000

Campaign treasurer: Nanci Kimmey

Campaign consultant(s) if any: Matt Armstrong

Anything else you'd like us to know?

If the GDWCAR decides to support your campaign, would you accept funds from our Texas Association of

REALTORS® Political Action Committee (TREPAC)? These funds have been contributed by local REALTORS as well as persons in the community. Yes

REALTORS® are committed to our communities, our clients, and the public. We work to ensure private property rights are protected, and that Texans can buy, sell, lease, and enjoy real property. To accomplish those goals, we monitor and advocate on a wide variety of local, state, and federal policy issues. The following questions seek to understand your position as a candidate and potential lawmaker on issues that will impact housing and real estate within your jurisdiction.

Issue: Rental Registration

Background: Several cities across Texas have undertaken excessively restrictive measures on rental property in their communities in an effort to monitor landlords and generate local fee-driven revenues through rental property. Some of these actions are registration of rental property and the inspection of rental property, with permitting and other subsequent fees associated with these measures.

Candidate Question 1: *Would you support or oppose proposals to enact a rental registration and/or rental property inspection fee? OPPOSE*

Please Explain your Position in Some Detail: As a member of AAGD (Apartment Association of Greater Dallas) and a former member of their Legislative Committee, I have seen the problems it created in other cities where it has been implemented.

Issue: Short-term Rentals

Background: Short-term rentals, or vacation rentals, are typically defined as those rented for less than 30 consecutive days. These are typically single-family homes in neighborhoods of cities that are desirable to visitors.

Some cities have banned short-term rental use in their local development or zoning codes and others have limited the use under specific parameters or guidelines. Registration programs may be required for all short-term-rental owners or may be limited to those owners who exclusively rent their properties as an investment.

Candidate Question 2: *Would you support or oppose banning short-term rental use in your city? Oppose*

Please Explain Your Position: I chair the Denton Code Review Committee and when we passed the Denton Development Code in 2019 we decided Short-term rentals need a much deeper dive and we will be getting back into discussions on this topic soon. Because they are unlike a regular rental, which is handle by a longer term contract with remedies for default by either party, there will likely be some rules put in place. A ban was never part of the discussion. Having a local “manager” and an emergency number, similar to the State requirement for multi-family, were a couple of the items brought up.

Issue: Eminent Domain

Background

Texas has ambiguous eminent domain laws that many believe are at odds with the state's philosophical support of private-property rights. The Texas Constitution limits the scope of eminent domain power and requires "adequate" compensation for the land on which eminent domain is used. However, there is a lack of consensus about the term "adequate" and the law does not address several matters related to eminent domain.

A few examples that may not be considered in determining "adequate" compensation could be:

- 1) Requiring fractional division of property that may impact the value of the remaining portion adversely.
- 2) Destroying (acres) significant stands of trees.
- 3) Creating a traffic pattern that impacts the value of a remaining portion of property.

Candidate Question 3 *Please share your thoughts on eminent domain, including property-owner rights and what constitutes an "adequate" offer.*

Please Explain Your Position: With the growth of Denton eminent domain is sometimes necessary for roads and other infrastructure. The city tries to negotiate a fair market price before proceeding down that road. I believe the city is doing a much better job of negotiating than they did several years ago. All the items you list above as well as relocation fees, temporary construction easement and ADA concerns should be included in calculating an "adequate" offer.

Issue: Tax of Professional Services

Background

As long as policymakers look for ways to restructure the tax system, Texas REALTORS® will actively participate to ensure the buyers, sellers, and owners of real estate, and real estate professionals, have representation. Texas REALTORS® is committed to working with the Texas Legislature to create a tax policy that is just and fair to all Texans.

During previous legislative sessions, there have been various proposals advocating new taxes. These taxes range from a state income tax, expansion of the sales-tax base, additional taxes on business, and "sin" taxes, among others. In recent years, the Texas Legislature has debated proposals to expand the sales-tax base to include professional services, which currently have certain exclusions.

Candidate Question 4:

Would you support a tax on professional services, such as commissions paid to a real estate broker or

fees paid to an accountant or architect?

Yes No

Please Explain Your Position: Taxes and regulatory costs end up adding to the end users cost.

Issue: Property Taxes and the Appraisal Process

Background:

Creating a budget and adopting a property tax rate to support that budget are major functions of locally elected officials in Texas.

In simple terms, the Texas property tax system is based on an equation that multiplies a property's appraised value by locally adopted tax rates. In recent years, Texans have seen skyrocketing property tax bills due to rapid increases in appraised value and little or no change in their tax rates. In addition, over the last decade, many local taxing jurisdictions have seen their budgets increase over 60%, far outpacing the rate of inflation and population growth.

When appraisal values increase, taxing jurisdictions can hold the line by adopting a tax rate that guarantees no new revenue will be realized from existing properties, instead relying on new or improved properties to generate new revenue. (Formerly known as the "effective tax rate," new property tax laws resulting from Senate Bill 2 from the 86th Texas Legislature will rename this the "no-new-revenue maintenance and operations rate.")

Some taxing entities assert that if they do not change or even lower tax rates, but taxpayers' overall bills go up due to an increase in the appraised value of the property, this does not constitute a property tax increase.

Candidate Question 5: *If a property owner's tax bill goes up, does that constitute a tax increase?*

Yes No

Please Explain Your Position: In the four years I have been on council two years we have adopted the "no-new-taxes" rate, one year we were a half cent higher (mainly on the debt side) and last year we were below the rate. Most of the increase people are seeing is on the School Tax side.

Candidate Question 6: *Do you support increased transparency measures, including (but not limited to) better notifications and explanations of terms, to ensure property owners fully understand why their property tax bill increases or decreases, and would you work to implement such changes in your city?*

Yes No

Please Explain Your Position: The bond package past in 2019 is seeing many of the projects starting in this year and next. While the O&M side will hopefully continue to remain at the no new tax rate, the debt side could see an increase over the next few years. Depending on the amount of new growth that could be as much as three cents (total) over the next four years.

Candidate Question 6: *While considering the relationship between local taxing jurisdictions (city, county, or school district) and the Central Appraisal District, what role do you feel the Chief Appraiser/ Central Appraisal District should play in the budgeting process for your city?*

Please Explain Your Position: Their only roll should be to provide the city with the certified tax roll.

Candidate Question 7:

The State of Texas does not require the disclosure of sales prices for real property transactions. However, for many years, many local governments and central appraisal districts (CADs) have argued in favor of mandating such disclosure.

Would you be in favor of any proposed legislation to mandate the disclosure of the sales price of commercial and residential real estate transactions?

Yes No

Please Explain Your Position: Real Estate transactions completed by way of a private contract between two parties.

Background

State law allows for an Agriculture Special Valuation (often mistakenly referred to an ag exemption) on certain lands, which can lower the property’s tax liability. The tax savings a property owner receives depends on the current market value of the property and the type of Ag Valuation the landowner holds.

However, the law also enables local governments to collect substantial “rollback” taxes on agricultural land when the owner stops using it for agriculture. This penalty is commonly called a rollback (or lookback) tax because it recaptures the taxes the owner would have paid had the property been taxed at full market value in previous years.

A law passed by the 86th Texas Legislature reduces the lookback period from five to three years and reduces the interest from 7% to 5%.

Candidate Question 8:

Although modified in recently, state law allows local governments to collect a “rollback” tax on agriculture land when the owner stops using it for agriculture as a disincentive for taking the land out of agricultural production.

Do you favor repealing the rollback tax applied to agriculture land when the owner stops using it for agriculture?

Yes No

Please Explain Your Position: Your tax valuation is based on the value of the property on January 1st of the tax year.

Issue: Infrastructure Overview

Recent State and Local Background

Water – Since the passage of Proposition 6 in 2013, a ballot measure that created a long-term fund for water and water infrastructure projects, Texas REALTORS®’ water policy has focused on removing statutory and regulatory barriers to implementation of the nationally renowned Texas Water Plan.

Transportation – As a general philosophy, Texas REALTORS® believe in a return to the pay-as-you-go system for public access (non-tolled) roads, which served this state so well for so long. Recently, lawmakers have been reluctant to increase registration fees or the gasoline tax, so the state moved toward a system of bonding and toll roads. That unsustainable system is ending, as the state’s bonding capacity is essentially exhausted and there is a general distaste for creating more toll roads.

The resulting problem is significant: In 2013, the Texas Department of Transportation suggested it would need an additional \$5 billion annually to maintain current roadway conditions. In 2014, Texas voters approved Proposition 1, a measure designed to take advantage of the state’s oil and natural gas boom by providing a portion of the oil and gas severance tax to the State Highway Fund (Fund 6). In 2019, lawmakers extended those provisions to ensure no interruption of funding for 10 years.

In 2015, voters approved Proposition 7, a referendum that, among other things, dedicated \$2.5 billion of existing sales tax revenue to the credit of the State Highway Fund for the maintenance, construction, and expansion of non-tolled roadways.

Energy – Texas companies, competing in the global marketplace, also need adequate, reliable, and reasonably priced energy to keep Texas a business-friendly environment. Without access to such energy, the economic prosperity of Texas and its citizens is threatened.

Candidate Question 9:

The Metroplex, including Denton and Collin County is expected to approach 20 million people by the year 2050. Additionally, the A&M Real Estate Center predicts Denton County’s population in 2050 will be over 3,000,000 people. This growth will balloon infrastructure needs for the entire area, including the city of Denton, exponentially.

Local Infrastructure will also be a critical issue as time progresses, maybe even more than it has been in the past. Do you feel that we are keeping up with infrastructure development for the city of Denton now? What, if anything, do you think is needed to prepare the city and this general area for the growth that has begun?

Please Explain Your Position: We are playing catch up on our road infrastructure. Currently there is almost \$3 billion in “funded” projects in Denton. I am the vice chair of the Denton City Council Mobility Committee, I serve on the Dallas Regional Mobility Coalition, I am in a bimonthly meeting between TXDOT and the

City, I am the representative for Lake Dallas to Sanger area on the Regional Transportation Council (RTC) and I also serve on the North Central Texas Council of Governments Executive Committee. In the past three years on RTC I have pushed through roughly \$25M for Denton projects and have another \$100M I am working on. These include funding for Mayhill for the bridge over DCTA, McKinney by Ryan High, Bonnie Brie by the new Denton High, Loop 288 West, and numerous sidewalk projects under "Safe Routes to Schools".

We appreciate your time and look forward to seeing you on March 23rd, and a continuing relationship! Please share any additional comments or questions you may have.