

## CITY OF PRINCETON, TEXAS – HOME RULE CHARTER FAQ AUGUST 2022

### **Question: What is a Home Rule Charter?**

**Answer:** Princeton is currently a “Type A general law municipality.” The City will transition into “home rule” status and the charter will serve as the “constitution” of Princeton if adopted by the voters. The charter was drafted by a group of fifteen Princeton residents who were not officials or employees of the City currently. The charter goes into effect only after a majority of Princeton citizens have approved it in an election, scheduled for November 8<sup>th</sup>, 2022. Texas cities become eligible to adopt home rule charters if they have 5,000 or more inhabitants. As of 2010, roughly 94% of eligible cities in Texas adopted home rule charters.

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### **Question: What language will be in the draft charter presented to the voters in Nov. 2022, and who decided what would be included?**

**Answer:** On the November 2022 ballot is a single question to cast votes “For” or “Against” the adoption of the draft home charter. It was composed through the work of a special-purpose body called the “home rule charter commission”, or HRCC, which was comprised of 15 members (and alternates) that reside in the City of Princeton and selected by the City Council. The HRCC held many public meetings to deliberate charter provisions, beginning in February 2022, and voted to finalize the proposed charter language which is on the ballot for consideration by the voters. The City Council did not edit the draft charter or require any particular provisions to be included.

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### **Question: In a nutshell, what are the inherent powers of home rule cities which are different from general law?**

**Answer:** In a nutshell the powers are: Municipal Organization; Initiative, Referendum, and Recall; Charter Amendments; Limitation on Home Rule Powers.

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### **Question: Who is behind the effort to get a Home Rule Charter approved?**

**Answer:** Princeton citizens. Home Rule is the right of citizens at the grassroots level to manage their own affairs with minimum interference from the State. Home Rule assumes that community challenges should be solved at the lowest possible level, closest to the people. Without a charter, general law municipalities (such as Princeton today) are subject to much more control from the Texas Legislature, and which frequently inhibits the City’s ability to customize its policies to better match preferences of local residents and the unique qualities of the City.

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### **Question: Will a Charter affect the annexation authority of Princeton?**

**Answer:** After the changes made by the Texas Legislature in 2017, there is no longer any significant difference between the annexation authority of general law cities and home rule cities. Because a home rule charter cannot endow the governing body of the City of Princeton with powers which conflict with state law, the drafting and adoption of a home rule charter will not automatically increase the annexation authority of the municipality.

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### **Question: Will my property taxes increase if a Home Rule Charter is approved?**

**Answer:** No. Home Rule charters do not change the current laws and requirements regarding the ability and authority of the City regarding taxes. The city council currently has the authority and responsibility to set the property tax rate each year in accordance with state law. The Collin County Appraisal District sets property values each year. The adoption of a Charter does not change the current process for setting tax rates or appraising property.

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### **Question: Princeton has considered a charter before, and mailings were circulated stating that property taxes would increase if it was approved. Is that true?**

**Answer:** No. The City’s property tax ceiling is not determined by whether or not it is home rule. Home Rule charters do not change the current laws and requirements regarding the ability and authority of the City regarding taxes.

The limits on municipal property tax authority described in Sec. 4 and Sec. 5 of Article 11 of the Texas Constitution relate purely to the population, and do not depend on adoption of a home rule charter. While the number of 5,000 inhabitants is also required to adopt a home rule charter, passing that number while remaining a Type A general law city still provides authority for higher tax rates. As stated by the Texas Municipal League:

### **LIMITATIONS ON MUNICIPAL TAX RATES**

Municipal property tax rates are limited by the Texas Constitution (Article XI, Sections 4 and 5) and state law. Municipal tax rate ceilings are as follows:

- Cities of 5,000 or less in population can levy a maximum tax rate of \$1.50 per \$100 assessed valuation.
- Cities over 5,000 in population can levy up to \$2.50 per \$100 assessed valuation (for a home rule city, a rate lower than \$2.50 per \$100 may be prescribed under its charter).
- Type B general law cities can levy a maximum of \$0.25 cents per \$100 assessed valuation.

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Source: <https://www.tml.org/228/Taxation-Debt-Survey>

Under Texas law, all provisions of the Texas Constitution or state law relating to “population” refer to the official federal decennial census count. The City of Princeton exceeded 5,000 in population following the 2010 census. **Since that time, the City of Princeton has had the authority to levy the same maximum tax rate as a home rule municipality.** Adoption of the proposed draft charter will not change the authority of the City Council regarding tax levies. The charter language to be considered at the November 8, 2022 election does not contain a lowered limit, it could be amended after adoption to incorporate such a provision. If the voters of the City have an interest in reducing the maximum tax rate which can be levied, that is only possible through adoption of a home rule charter containing such a provision.

The city council currently has the authority and responsibility to set the property tax rate each year in accordance with state law. For reference, the City’s proposed budget for FY2022-2023 includes a rate of \$0.534543 per \$100 assessed valuation. **Property tax rates levied by the City have been decreasing steadily for several years and are approximately 1/3 of the maximum level authorized for cities under 5,000 in population (\$1.50/100), and about 1/5 of the level permissible with the City’s current population (\$2.50/100).**

The Collin County Appraisal District sets property values each year. The adoption of a Charter does not change the current process for setting tax rates or appraising property, which may result in increased residents having higher total property tax bills despite the City Council’s action to decreasing the City’s tax rate.

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**Question: How will approving a Home Rule Charter affect me?**

**Answer:** Approving a Charter will allow the citizens to govern themselves by establishing rights, responsibilities, and privileges for all Princeton residents, so long as content in the Charter is not superseded by State or Federal laws. Charters allow for citizens to:

- Determine the number of council members to represent the citizens.
- Determine how long terms of office are for the Mayor and Council Members.
- Determine how the Mayor and Council Members are elected.
- Determine how long the Mayor and Council Members stay in office, and how many times the Mayor and Council Members can run for office.
- Determine which form of government will be utilized. It can only be changed by citizens voting to amend the charter.
- Determine if citizens should have the right to request a binding initiative on the ballot; an initiative allows the citizenry to propose new laws or change the charter through a general election ballot measure.
- Determine if citizens should have the right to recall the Mayor or Council Member.
- Determine if citizens should have the right to call for a referendum, which is the method by which a measure adopted by the City Council may be submitted to the electorate for a vote.

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**Question: What will home rule chartering provide for residents of Princeton in terms of services? Answer:**

No matter whether Princeton is a General Law city or Home Rule city, the City has wide authority to provide services directly to citizens. Cities provide police, public works, parks, recreation, health, and other services. Some services are franchised to private companies to provide services in the city, such as waste management. Home rule cities typically have broader local control to protect the health, safety and welfare of their citizens.

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**Question: Who can vote on the proposed Home Rule Charter?**

**Answer:** Per State Law, only registered voters of the City of Princeton may vote on the home rule charter.

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**Question: How do I find out if I am in the City or the ETJ?**

**Answer:** If you have a question as to whether your property is within the City or ETJ, you may visit the maps on the City’s web site or contact the City at 972-736-2416. You may also visit the maps page at:

<https://princetontx.gov/about-princeton/maps-of-princeton/> .

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**Question: I’ve heard that Home Rule will give the citizens of Princeton more authority. How is that?**

**Answer:** A Home Rule Charter can provide for Recall, Initiative, and Referendum rights for the City’s voters if the commission recommends such provisions in its draft, but those components are not a mandatory part of a home rule charter. Recall, Initiative, and Referendum are not legally permitted in General Law cities.

- Recall allows citizens to vote to remove a city council member (including the mayor) from elected office, if the member knowingly violates a provision of the charter, engages in official misconduct, or demonstrates incompetence.
- Initiative is the process that allows citizens, through a petition, to initiate legislation (through ordinances).

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- Referendum is the process that allows citizens, through a petition and election, to overturn ordinances passed by the city council.

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**Question: I own property within the city limits of Princeton, but live elsewhere. Can I vote on the Charter?**

**Answer:** No. Per State Law, you must be a resident of the city and a registered voter in order to vote on the Charter.

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**Question: Will the City Council determine the language included in the Princeton Charter?**

**Answer:** No. The City Council's only role was to simply appoint the Voting Members and Alternates of the Charter Commission, who worked independently to draft the Charter with the assistance of City staff. Now that Charter Commission has completed its work, The City Council ordered an election for Princeton citizens to consider adoption of the Charter at the general election in November 2022. The City Council did not edit the proposed charter or amend in any way. The Charter will be on the election ballot as written and approved by the Home Rule Charter Commission.

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**Question: What is the ETJ and how does it affect me?**

**Answer:** The "ETJ" stands for Extraterritorial Jurisdiction and is the area within one mile of the City Limits of Princeton. The City enforces its Subdivision Ordinance and Sign Regulations within the ETJ. This is the same whether you are a home rule city or a general law city.

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**Question: How will people living in the ETJ be affected if Home Rule is approved for the City of Princeton?**

**Answer:** With the removal of involuntary annexation powers previously available to home rule municipalities, a change to home rule government will have the same general effects on residents within either the city limits or ETJ. The City Council will have authority to enact future ordinances relating to addition of territory to the city limits in accordance with state law in largely similar manner to its powers to add territory as a general law municipality. The boundaries of the City will not change solely due to the adoption of a home rule charter. Some additional City regulations can be enforced within a certain distance from the City limits into the extraterritorial jurisdiction of a home rule municipality (e.g., fireworks regulations can be enforced up to 5,000 feet from a home rule city limit line).

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**Question: Will the status of my agriculture tax exemption change with the passage of the Home Rule Charter?**

**Answer:** No. Home Rule will not affect that status.

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**Question: Is the City Council able to make changes to the Charter in the future?**

**Answer:** Not without voter approval. The City Council can only submit proposed charter amendments for the approval of the City's qualified voters at future elections. Also, if a petition were signed by enough City residents (5% of the qualified voters), the City Council has a mandatory duty to call an election to be held on a proposed charter amendment. Under the Texas Constitution, Article XI, Sec. 5, charters cannot be amended more often than every two years.