



Mayor's Monthly Message

Mayor Elsie Thurman - October 2025

Many years ago, one of my favorite TV shows was "I Love Lucy." Do you remember when Ricky would walk through the front door with that stern look and say, "Lucy, you've got some 'splainin to do"? Well, I find myself in that very position, needing to do some serious 'splainin about property tax and sales tax issues. After 45 years of explaining tax matters to folks, this might be my most challenging task yet.

Property Tax: Same Rate, Different Headlines

Let's start with property taxes. According to my own tax bill, our combined property tax rate for city, county, ESD, roads and bridges, and schools is \$1.1318054 per \$100 of property value. The city's portion accounts for \$0.26775 of that total—about 20%.

At the September city council meeting, we adopted the 2025-2026 budget using the same tax rate we had last year, which is actually \$0.00225 *lower* than it was two years ago. We held the rate steady at \$0.27 for several years before reducing it slightly in 2024.

Here's where it gets confusing: you may have seen the public notice in the newspaper stating there was a property tax rate *increase*. We're required by state law to use their exact wording in these notices, and frankly, it's misleading.

The reality? Because most property values went up, the city will collect more total tax revenue than last year—even with the same rate. The state calls this a "tax increase," and while I understand their logic, it's confusing for residents. This approach ignores the fact that when property values rise, so do the costs of maintaining roads, paying staff, and providing fire and police protection—all the services our city provides.

The bottom line: If your property tax bill increased, it's because your property became more valuable, not because the city raised the tax rate.

Good news: Proposition 10 on the November general election ballot will increase the homestead exemption to \$140,000. If that proposition passes, it will save all of us money on property taxes.

Sales Tax: Continuing What We've Done for 16 Years

Now for the even more confusing—and arguably more important—issue: sales tax.

Horseshoe Bay voters will see Proposition A on their ballot, which reads: "The reauthorization of the local sales and use tax in the City of Horseshoe Bay, Texas at the rate of one-fourth of one percent to continue providing revenue for maintenance and repair of municipal streets. THIS IS A TAX INCREASE."

Yes, that exact language (including the capitalized "TAX INCREASE") is required by the state. But here's what you need to know: we've already been doing this for 16 years. State law requires us to reauthorize this local sales tax every four years, and 2025 is our year.

Proposition A simply continues dedicating ¼ of our local sales tax to road maintenance and repair—last year, that amounted to about \$343,000. Remember, a significant portion of Horseshoe Bay's sales tax comes from resort visitors paying for lodging and dining.

As an elected official, I can't tell you how to vote on Proposition A, but I wanted to make sure you understood exactly what this initiative means for our community.

Town Hall Report

My thanks to the 200 or so residents who joined us for our Town Hall on September 25 at Quail Point Lodge. We reported on progress and rolled out the first look at a new Comprehensive Plan we are working on to create a roadmap for leaders to follow in planning for our city over the next 15 years.

We need your input and have established a link to a survey on our website. The slide presentation we went through at the Town Hall is also on the website. Both items can be viewed at www.horseshoe-bay-tx.gov/townhall. Please take a few minutes to complete the survey so your thoughts can be included in our planning process. Surveys can be returned via email to amapel@horseshoe-bay-tx.gov, mailed to City Hall at 1 Community Drive, or delivered in person.

Community Stargazing Event on October 16

Fall has arrived with cooler weather—perfect for getting outside and enjoying our beautiful city. Speaking of enjoying our beautiful community, remember to join the City of Horseshoe Bay and the Hill Country Astronomers at the “A Starry Night” Stargazing event on Thursday, October 16 at 7 p.m. at the Horseshoe Bay Nature Park (1514 Golden Nugget). No RSVP is required. Learn more at www.horseshoe-bay-tx.gov/stargazing.

Save the Date: 20th Anniversary Celebration

Mark your calendars for Saturday, October 25 from 11 a.m. to 4 p.m.! We're gathering at the new Town Center site (9101 W. FM 2147) to celebrate our city's 20th Anniversary. Join us for entertainment, vendors, food, and drinks with your neighbors, plus a sneak peek at the new facility (though the building won't be open yet). The adjacent walking trail is already laid out and ready for preview. See our list of vendors and sponsors at www.horseshoe-bay-tx.gov/anniversary.

See you October 25 and please invite your friends and neighbors! The City has free postcards you can use as invitations. Contact Communications Director Cindee Sharp at csharp@horseshoe-bay-tx.gov for more information.

Thank you for your continued support of our community!