

JOB GROWTH <sup>1</sup>	Area New Jobs Estimate		Mo of 10/03	6 Mo End 10/03	12 Mo End 10/03	
		Dallas MSA	2,600	4,900	(10,000)	
	FW/Arlington MSA	100	(1,800)	(4,900)		
	Total	2,700	3,100	(14,900)		
INTEREST RATES <sup>2</sup>	Rates		12/17/2003	Yr. Ago		
		10 Year Treasury		4.18%	4.03%	
	11th District COFI		1.91%	2.71%		
	1 Mo. LIBOR		1.15%	1.42%		
	FNMA, Freddie Mac & CMBS lenders' rates are fixed at approx 1.8-2.0% over the 10 year treasury. Other lenders' rates are adjustable at approx 3% over COFI or LIBOR.					
SUPPLY/ DEMAND <sup>3</sup>	Units Added/ Absorbed		3 Mo End 12/03	6 Mo End 12/03	12 Mo End 12/03	
	<b>Dallas County</b>					
	Added	2,125	3,283	6,846		
	Absorbed	(1,395)	(308)	1,132		
	<b>Tarrant County</b>					
	Added	597	1,203	3,651		
	Absorbed	(554)	853	911		
OCCUPANCY RATES <sup>3</sup>	Dallas County		12/03	6 Mo Ago	1 Yr Ago	
		1990's or Newer	88%	89%	89%	
	1980's	89%	90%	90%		
	1970's or Older	86%	88%	89%		
	<b>Tarrant County</b>					
	1990's or Newer	87%	84%	87%		
	1980's	89%	90%	91%		
	1970's or Older	88%	88%	89%		
RENTAL RATES <sup>3</sup>	Dallas County		12/03	6 Mo Ago	1 Yr Ago	
		1990's or Newer	\$1,043	\$1,050	\$1,072	
	1980's	\$642	\$650	\$658		
	1970's or Older	\$633	\$633	\$633		
	<b>Tarrant County</b>					
	1990's or Newer	\$887	\$886	\$891		
	1980's	\$604	\$608	\$612		
	1970's or Older	\$565	\$562	\$563		
HOME OWNERSHIP <sup>4</sup>	Homebuilder Price/Size	Mo P/I Tax/Ins	1 Tx Workforce Commission - calendar year totals (combined MSA's): '98 115,700; '99 95,300; '00 100,500; '01 8,300; '02 (62,800)			
	Choice Homes \$79,950 2-2-1	\$680	2 Banxquote.com			
	Fox & Jacobs \$86,490 3-2-2	\$808	3 ALNsys.com - Rental rates are <u>before</u> any concessions. Approx. 25% of 70's or older are all bills paid.			
			4 As advertised in 12-7-03 DMN			

Information obtained from sources deemed reliable, but not guaranteed.

**Joint Select Committee Discusses Revenue Options**

By: Michele Molter, Texas Apartment Association

The Joint Select Committee on Public School Finance met December 4<sup>th</sup> and 5<sup>th</sup> to discuss revenue options for decreasing the reliance on local property taxes to fund public schools.

Many of the ideas outlined are options that were laid out to the House Select Committee over the last few months. The flat business activity tax (BAT) is one option that continues to garner interest from Senate and House members. The BAT would tax the payroll and business activity at 3% for every entity doing business in Texas. The estimated \$10 billion per year in revenue generated from the tax would be used to replace a large portion of the current local school district property tax, the franchise tax and a host of other industry-specific taxes.

The cigarette tax is not a new idea but this is the first time it's been formally presented to the committee. A \$1 increase per pack to the cigarette tax would generate almost \$1 billion a year for the state. The vast majority of Texans favor such an increase.

A payroll tax was discussed for the first time at this committee meeting and received significant interest from the committee. The tax is not an income tax and would not require a constitutional amendment because it does not tax the wages of employees. Rather, it taxes the payroll of a business and is paid by the employer not the employee.

The concept of a combined payroll/net profits tax was discussed as a way to fairly tax businesses on their ability to pay, which was a chief concern expressed by tax managers for Texas Instruments, JCPenney, and EDS. The tax would be paid by all businesses, regardless of business structure, and the revenue would be offset by a decrease in school district property taxes.

Other options discussed were the personal income tax, the statewide property tax and the concept of a tax roll split between residential and commercial property.

The committee has not set a schedule for 2004 but is expected to meet in preparation for a likely special session in April 2004. The House Select Committee will meet in January to begin listening to recommendations.

For more information, contact Michele Molter with the Texas Apartment Association at (512) 479-6252 or e-mail [michelem@taa.org](mailto:michelem@taa.org).

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