



# HOUSTON'S PLAN

## For a Stronger, More Stable Budget



### Houston is at a turning point

- Rapid population growth
- Rising service & infrastructure costs
- Property tax caps limited revenue growth for the past decade

### Efficiency alone is not enough

Houston must modernize core services funding.

- The City continues to cut costs and tighten its belt
- FY26 Adopted Budget—spending decrease year-over-year (first time in decades)
- Independent analysis improved efficiency

## KEY FUNDING MODERNIZATIONS

### Right-of-Way Rental Fee

#### Proposed Structure

- 5% of water and sewer utility gross revenues
- \$100 million/year to support core services

#### Simple Concept

If you use public street space, you pay for it.

- Businesses pay for valet lanes
- Utilities occupy and impact streets and all other utilities compensate the city for it (Examples: Centerpoint, AT&T, and Comcast)

#### Features and Benefits

- Will not increase water rates or user fees
- Standard practice across major cities
- Helps fund services without raising property taxes

### Solid Waste as a Municipal Utility

#### Proposed Structure

- \$5 monthly administrative fee (rate kept for at least 2 years)
- A use-based fee, not a tax
- Implemented *after* service improvements (new trucks, better reliability)

#### Features and Benefits

- Aligns Houston with other major cities
- Creates stable, dedicated funding
- Reduces pressure on property taxes

### Modernizations will protect vital services:

- Police & Fire
- Neighborhood Services
- Parks & Libraries
- Municipal Court System

For more information visit [houstontx.gov/budgetproposal](https://houstontx.gov/budgetproposal)