



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

October 2, 2025

Whitesboro City Council
111 West Main
Whitesboro, Texas 76273

Dear Members of the Whitesboro City Council:

On September 29, 2025, the Whitesboro City Council approved a 51.12% increase in the total property tax rate for the city.¹ In its *Notice of Public Hearing on Tax Increase*, the City notes this will result in an average tax increase of 61.42% per homestead and a 61.62% total tax increase on all properties within the city.²

As you are no doubt aware, during the 89th Legislative session, the Legislature passed and Governor Abbott signed SB 1851 into law, which took effect on September 1, 2025. The law was in effect at the time you approved this massive tax hike. SB 1851 authorizes the Attorney General to determine whether a city complied with municipal auditing requirements.³ If the Attorney General determines that a municipality did not comply with such requirements, then the municipality is prohibited from adopting an ad valorem tax rate that exceeds the no-new-revenue tax rate.

¹ <https://texasscorecard.com/wp-content/uploads/2025/09/whitesboro-tax-increase-hearing-notice-2025.pdf>

² See *Id.*

³ Texas Local Government Code, Title 4, Subtitle A, Section 103.005(b).

I have received a complaint from Representative Shelley Luther alleging that the City of Whitesboro was non-compliant with Texas auditing requirements. Pursuant to Texas Local Government Code, municipalities must have their records and accounts audited annually, and a financial statement must be prepared based on the audit. The annual financial statement, and the auditor's opinion on the statement, must be filed in the office of the municipal secretary or clerk within 180 days after the last day of the municipality's fiscal year. The complaint also alleges that the City of Whitesboro failed to publish notice of its budget hearing in a county newspaper, as required by law.⁴

Upon initial review, the City of Whitesboro filed the required documentation in June 2025. Because Fiscal Year 24 ended on September 30, 2024, you were required to file by March 29, 2025. Therefore, you did not timely comply with filing requirements. To uphold my duty as the Attorney General to ensure that municipalities are following audit laws, I am formally launching an investigation into the City of Whitesboro to determine whether the new tax rate is illegal. Furthermore, I am demanding that the new tax rate not be implemented until I complete my investigation.

To that end, I request the following documents pursuant to the Texas Public Information Act, Chapter 552 of the Texas Government Code:

1. Documents that demonstrate the city has had its records and accounts audited annually, pursuant to Texas law, from January 1, 2022 to present.⁵
2. Any and all drafts of the annual financial statement for the previous fiscal year, including initial and subsequently amended drafts.
3. Communications related to the drafting process for the annual financial statement, including all communications related to non-finalized drafts and the finalized version of the annual financial statement.
4. The finalized annual financial statement for the previous fiscal year, pursuant to Texas law.⁶
5. All recorded communications regarding the new tax rate.
6. The minutes for the September 9, 2025, Whitesboro City Council meeting.
7. The minutes for the September 29, 2025, Whitesboro City Council meeting.
8. Documentation that explains or was otherwise used to justify the implementation of the 51.12% property tax increase.
9. Any notice informing the public about the date, time, and location of a hearing on the new budget.
10. Evidence that the city published notice of the date, time, and location of a hearing on the new budget in a newspaper of general circulation in the county.

⁴ Texas Local Government Code, Title 4, Subtitle A, Section 102.0065.

⁵ Texas Local Government Code, Title 4, Subtitle A, Section 103.001.

⁶ See *Id.*

Texans deserve government at all levels that understands the impact of taxes on economic prosperity and keeps dollars in their pockets. Burdensome tax increases are antithetical to the spirit that drives Texas and require the utmost scrutiny both by the citizenry and by the State. I look forward to the City of Whitesboro's compliance with this investigation.

For Texas,

A handwritten signature in black ink that reads "Ken Paxton". The signature is written in a cursive, flowing style.

Ken Paxton
Attorney General of Texas

cc: tnino@whitesborotexas.com

Jeff Butts, Mayor, via email to jbutts@whitesborotexas.com

Carla Woolsey, Mayor Pro Tem, via email to cwoolsey@whitesborotexas.com

Su Welch, Alderman, via email to swelch@whitesborotexas.com

John Moore, Alderman, via email to jmoore@whitesborotexas.com

Mike Pack, Alderman, via email to mpack@whitesborotexas.com

Ronnie Fielder, Alderman, via email to rfielder@whitesborotexas.com