

Larissa R. Loveless, Council District #1  
Mitchell Jordan, Council District #2  
Vickey L. Chivers, Council District #3  
Joe Baxter, Council District #4  
Dana Goolsby, Council District #5  
Ann Connor, Council District #6



Michael Hornes, City Manager  
Teresa Herrera, City Secretary  
Ronald D. Stutes, City Attorney

Steve Presley, Mayor

**NOTICE OF MEETING  
CITY COUNCIL AGENDA  
Monday, August 20, 2018  
Special Meeting @ 10:00 a.m.  
City Council Chambers  
504 N. Queen Street  
Palestine, Texas**

The City Council may meet in Closed Session regarding any item on this agenda if necessary, as permitted by Subchapter D of Chapter 551 of the Texas Government Code.

- A. **Call to Order**
- B. **Discuss on Proposed Budget and Strategic Goals for Fiscal Year 2018-2019**
- C. **Discuss Effective and Rollback Rates for Fiscal Year 2018-2019, adopt the proposed tax rate for Fiscal Year 2018-2019, and schedule two public hearings for proposed tax rate**
- D. **Adjourn**

**CERTIFICATION**


I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outdoor bulletin board at the main entrance to City Hall, 504 N. Queen Street, Palestine, Texas, on the following date and time:

Thursday, August 16, 2018 at

Nate Smith, Communications and Best Practices Officer

In compliance with the Americans with Disabilities Act, the City of Palestine will provide for reasonable accommodations for persons attending City Council meetings. Requests for accommodations or interpretive services must be made 48 hours prior to the meetings. Please contact the City Secretary's office for further information at 903-731-8414.

**City Council  
City of Palestine, Texas  
Agenda Action Form**

<b>AGENDA DATE:</b>	August 20, 2018	<b>AGENDA ITEM</b>	<b>Proposed Tax Rate</b>
<b>AGENDA SUBJECT:</b>	Discuss effective and rollback rates for Fiscal Year 2018-19, adopt the proposed tax rate for Fiscal Year 2018-19, and schedule two public hearings for proposed tax rate.		
<b>PREPARED BY:</b>	Michael Hornes	<b>Date Submitted:</b>	August 16, 2018
<b>EXHIBITS:</b>	Summary, Tax Assessor Worksheet		
<b>BUDGETARY IMPACT</b>			
<b>CITY MANAGER APPROVAL:</b> 			

<b>SUMMARY:</b>
As part of the budget process and according to state law, a proposed tax rate for the Fiscal Year 2018-19 budget has to be adopted and two public hearings must be scheduled.
Attached is a summary and the tax worksheet from the Anderson County Tax Assessor and Collector.

<b>RECOMMENDED ACTION:</b>
Staff recommends that council set the proposed tax rates as the following:
Maintenance and Operations \$0.595433 cents per \$100 of assessed valuation
Interest and Sinking - \$0.119649 cents per \$100 of assessed valuation
Total Proposed Tax Rate - \$0.715082 cents per \$100 of assessed valuation
Staff also recommends that council sets two public hearings on the proposed tax rate on the following dates:
September 4, 2018
September 10, 2018

# Property Tax Rates

	Per \$100		
	M&O	I&S	Total
Current Rates	0.56782	0.150921	0.718741
<b>FY 18-19</b>			
Effective Rate	0.576771	0.119649	0.69642
Rollback Rate (Before Adjustment)	0.643066	0.119649	0.762715
Additional Sales Tax Adjustment	0.047633	-	0.047633
Adjusted Rollback Rate	0.595433	0.119649	0.715082
Proposed Rate	0.595433	0.119649	0.715082

# 2018 Effective Tax Rate Worksheet

## City of Palestine

See pages 13 to 16 for an explanation of the effective tax rate.

1.	<b>2017 total taxable value.</b> Enter the amount of 2017 taxable value on the 2017 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in line 2) and the captured value for tax increment financing (will deduct taxes in line 14). <sup>1</sup>	\$967,747,384
2.	<b>2017 tax ceilings.</b> Counties, Cities and Junior College Districts. Enter 2017 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0" if your taxing units adopted the tax ceiling provision in 2017 or prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$0
3.	<b>Preliminary 2017 adjusted taxable value.</b> Subtract line 2 from line 1.	\$967,747,384
4.	<b>2017 total adopted tax rate.</b>	\$0.718741/\$100
5.	<b>2017 taxable value lost because court appeals of ARB decisions reduced 2017 appraised value.</b> A. Original 2017 ARB values: \$0 B. 2017 values resulting from final court decisions: - \$0 C. 2017 value loss. Subtract B from A. <sup>3</sup>	\$0
6.	<b>2017 taxable value, adjusted for court-ordered reductions.</b> Add line 3 and line 5C.	\$967,747,384
7.	<b>2017 taxable value of property in territory the unit deannexed after January 1, 2017.</b> Enter the 2017 value of property in deannexed territory. <sup>4</sup>	\$0
8.	<b>2017 taxable value lost because property first qualified for an exemption in 2017.</b> Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freepport, "goods-in-transit" exemptions. A. Absolute exemptions. Use 2017 market value: \$623,601 B. Partial exemptions. 2018 exemption amount or 2018 percentage exemption times 2017 value: + \$687,387 C. Value loss. Add A and B. <sup>5</sup>	\$1,310,988

1 Tex. Tax Code § 26.012(14)

2 Tex. Tax Code § 26.012(14)

3 Tex. Tax Code § 26.012(13)

4 Tex. Tax Code § 26.012(15)

5 Tex. Tax Code § 26.012(15)

## 2018 Effective Tax Rate Worksheet (continued)

### City of Palestine

<b>9.</b>	<b>2017 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2018.</b> Use only those properties that first qualified in 2018; do not use properties that qualified in 2017. A. 2017 market value: <span style="float: right;">\$74,761</span> B. 2018 productivity or special appraised value: <span style="float: right;">- \$4,967</span> C. Value loss. Subtract B from A. <sup>6</sup>	\$69,794
<b>10.</b>	<b>Total adjustments for lost value.</b> Add lines 7, 8C and 9C.	\$1,380,782
<b>11.</b>	<b>2017 adjusted taxable value.</b> Subtract line 10 from line 6.	\$966,366,602
<b>12.</b>	<b>Adjusted 2017 taxes.</b> Multiply line 4 by line 11 and divide by \$100.	\$6,945,672
<b>13.</b>	<b>Taxes refunded for years preceding tax year 2017.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2017. Types of refunds include court decisions, Tax Code § 25.25(b) and (c) corrections and Tax Code § 31.11 payment errors. Do not include refunds for tax year 2017. This line applies only to tax years preceding tax year 2017. <sup>7</sup>	\$41,452
<b>14.</b>	<b>Taxes in tax increment financing (TIF) for tax year 2017.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2018 captured appraised value in Line 16D, enter "0". <sup>8</sup>	\$0
<b>15.</b>	<b>Adjusted 2017 taxes with refunds and TIF adjustment.</b> Add lines 12 and 13, subtract line 14. <sup>9</sup>	\$6,987,124
<b>16.</b>	<b>Total 2018 taxable value on the 2018 certified appraisal roll today.</b> This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 18). These homesteads includes homeowners age 65 or older or disabled. <sup>10</sup> A. <b>Certified values</b> only: <span style="float: right;">\$1,014,904,663</span> B. <b>Counties:</b> Include railroad rolling stock values certified by the Comptroller's office: <span style="float: right;">+ \$0</span>	

6 Tex. Tax Code § 26.012(15)

7 Tex. Tax Code § 26.012(13)

8 Tex. Tax Code § 26.03(c)

9 Tex. Tax Code § 26.012(13)

10 Tex. Tax Code § 26.012(15)

## 2018 Effective Tax Rate Worksheet (continued)

### City of Palestine

16. (cont.)	<p><b>C. Pollution control exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control property:</p> <p style="text-align: right;">- \$0</p> <p><b>D. Tax increment financing:</b> Deduct the 2018 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2018 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in line 21 below.<sup>11</sup></p> <p style="text-align: right;">- \$0</p> <p><b>E. Total 2018 value.</b> Add A and B, then subtract C and D.</p> <p style="text-align: right;">\$1,014,904,663</p>	
17.	<p><b>Total value of properties under protest or not included on certified appraisal roll.</b><sup>12</sup></p> <p><b>A. 2018 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.<sup>13</sup></p> <p style="text-align: right;">\$0</p> <p><b>B. 2018 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.<sup>14</sup></p> <p style="text-align: right;">+ \$0</p>	

11 Tex. Tax Code § 26.03(c)

12 Tex. Tax Code § 26.01(c)

13 Tex. Tax Code § 26.04 and 26.041

14 Tex. Tax Code § 26.04 and 26.041

## 2018 Effective Tax Rate Worksheet (continued)

### City of Palestine

<b>17. (cont.)</b>	<b>C. Total value under protest or not certified.</b> Add A and B.	\$0
<b>18.</b>	<b>2018 tax ceilings.</b> Counties, cities and junior colleges enter 2018 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter "0". If your taxing units adopted the tax ceiling provision in 2017 or prior year for homeowners age 65 or older or disabled, use this step. <sup>15</sup>	\$0
<b>19.</b>	<b>2018 total taxable value.</b> Add lines 16E and 17C. Subtract line 18.	\$1,014,904,663
<b>20.</b>	<b>Total 2018 taxable value of properties in territory annexed after January 1, 2008.</b> Include both real and personal property. Enter the 2018 value of property in territory annexed. <sup>16</sup>	\$0
<b>21.</b>	<b>Total 2018 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2017. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after January 1, 2017 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2018. <sup>17</sup>	\$6,140,768
<b>22.</b>	<b>Total adjustments to the 2018 taxable value.</b> Add lines 20 and 21.	\$6,140,768
<b>23.</b>	<b>2018 adjusted taxable value.</b> Subtract line 22 from line 19.	\$1,008,763,895
<b>24.</b>	<b>2018 effective tax rate.</b> Divide line 15 by line 23 and multiply by \$100. <sup>18</sup>	\$0.692642/\$100
<b>25.</b>	<b>COUNTIES ONLY.</b> Add together the effective tax rates for each type of tax the county levies. The total is the 2018 county effective tax rate. <sup>19</sup>	\$/\$100

15 Tex. Tax Code § 26.012(6)

16 Tex. Tax Code § 26.012(17)

17 Tex. Tax Code § 26.012(17)

18 Tex. Tax Code § 26.04(c)

19 Tex. Tax Code § 26.04(d)

A county, city or hospital district that adopted the additional sales tax in November 2017 or in May 2018 must adjust its effective tax rate. *The Additional Sales Tax Rate Worksheet* on page 39 sets out this adjustment. Do not forget to complete the *Additional Sales Tax Rate Worksheet* if the taxing unit adopted the additional sales tax on these dates.

# 2018 Rollback Tax Rate Worksheet

## City of Palestine

See pages 17 to 21 for an explanation of the rollback tax rate.

<b>26.</b>	<b>2017 maintenance and operations (M&amp;O) tax rate.</b>	\$0.567820/\$100
<b>27.</b>	<b>2017 adjusted taxable value. Enter the amount from line 11.</b>	\$966,366,602
<b>28.</b>	<p><b>2017 M&amp;O taxes.</b></p> <p>A. Multiply line 26 by line 27 and divide by \$100. <span style="float: right;">\$5,487,222</span></p> <p>B. <b>Cities, counties and hospital districts with additional sales tax:</b> Amount of additional sales tax collected and spent on M&amp;O expenses in 2017. Enter amount from full year's sales tax revenue spent for M&amp;O in 2017 fiscal year, if any. Other units, enter "0." Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent. <span style="float: right;">+ \$483,432</span></p> <p>C. <b>Counties:</b> Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units, enter "0." <span style="float: right;">+ \$0</span></p> <p>D. <b>Transferring function:</b> If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units, enter "0." <span style="float: right;">+/- \$0</span></p>	



## 2018 Rollback Tax Rate Worksheet (continued)

### City of Palestine

<b>28.</b> <b>(cont.)</b>	<p>E. Taxes refunded for years preceding tax year 2017: Enter the amount of M&amp;O taxes refunded during the last budget year for tax years preceding tax year 2017. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2017. This line applies only to tax years preceding tax year 2017.</p> <p style="text-align: right;">+ \$35,859</p> <p>F. <b>Enhanced indigent health care expenditures:</b> Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.</p> <p style="text-align: right;">+ \$0</p> <p>G. <b>Taxes in tax increment financing (TIF):</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2018 captured appraised value in Line 16D, enter "0."</p> <p style="text-align: right;">- \$0</p> <p>H. <b>Adjusted M&amp;O Taxes.</b> Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.</p> <p style="text-align: right;">\$6,006,513</p>	
<b>29.</b>	<b>2018 adjusted taxable value.</b> Enter line 23 from the Effective Tax Rate Worksheet.	\$1,008,763,895
<b>30.</b>	<b>2018 effective maintenance and operations rate.</b> Divide line 28H by line 29 and multiply by \$100.	\$0.595432/\$100
<b>31.</b>	<b>2018 rollback maintenance and operation rate.</b> Multiply line 30 by 1.08. (See lines 49 to 52 for additional rate for pollution control expenses.	\$0.643066/\$100

## 2018 Rollback Tax Rate Worksheet (continued)

### City of Palestine

<b>32.</b>	<p><b>Total 2018 debt to be paid with property taxes and additional sales tax revenue.</b>          "Debt" means the interest and principal that will be paid on debts that:          (1) are paid by property taxes,          (2) are secured by property taxes,          (3) are scheduled for payment over a period longer than one year and          (4) are not classified in the unit's budget as M&amp;O expenses.</p> <p>A: <b>Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service. <span style="float: right;">\$1,414,324</span></p> <p>B: Subtract <b>unencumbered fund amount</b> used to reduce total debt. <span style="float: right;">-\$200,000</span></p> <p>C: Subtract <b>amount paid</b> from other resources. <span style="float: right;">-\$0</span></p> <p>D: <b>Adjusted debt.</b> Subtract B and C from A. <span style="float: right;">\$1,214,324</span></p>	
<b>33.</b>	<b>Certified 2017 excess debt collections.</b> Enter the amount certified by the collector.	\$0
<b>34.</b>	<b>Adjusted 2018 debt.</b> Subtract line 33 from line 32.	\$1,214,324
<b>35.</b>	<b>Certified 2018 anticipated collection rate.</b> Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.000000%
<b>36.</b>	<b>2018 debt adjusted for collections.</b> Divide line 34 by line 35.	\$1,214,324
<b>37.</b>	<b>2018 total taxable value.</b> Enter the amount on line 19.	\$1,014,904,663
<b>38.</b>	<b>2018 debt tax rate.</b> Divide line 36 by line 37 and multiply by \$100.	\$0.119649/\$100
<b>39.</b>	<b>2018 rollback tax rate.</b> Add lines 31 and 38.	\$0.762715/\$100
<b>40.</b>	<b>COUNTIES ONLY.</b> Add together the rollback tax rates for each type of tax the county levies. The total is the 2018 county rollback tax rate.	\$/\$100

A taxing unit that adopted the additional sales tax must complete the lines for the *Additional Sales Tax Rate*. A taxing unit seeking additional rollback protection for pollution control expenses completes the *Additional Rollback Protection for Pollution Control*.

## Additional Sales Tax Rate Worksheet

### City of Palestine

<b>41.</b>	Units that adopted the sales tax in August or November 2017, or in January or May 2018. Enter the Comptroller's estimate of taxable sales for the previous four quarters. Units that adopted the sales tax before August 2017, skip this line.	\$0
<b>42.</b>	<p>Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.</p> <p>UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2017, OR IN JANUARY OR MAY 2018. Multiply the amount on line 41 by the sales tax rate (.01, .005, or .0025, as applicable) and multiply the result by .95.</p> <p style="text-align: center;">-OR-</p> <p>UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2017. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.</p>	\$483,432
<b>43.</b>	2018 total taxable value. Enter the amount from line 37 of the <i>Rollback Tax Rate Worksheet</i> .	\$1,014,904,663
<b>44.</b>	Sales tax adjustment rate. Divide line 42 by line 43 and multiply by \$100.	\$0.047633/\$100
<b>45.</b>	2018 effective tax rate, unadjusted for sales tax. Enter the rate from line 24 or 25, as applicable, on the <i>Effective Tax Rate Worksheet</i> .	\$0.692642/\$100
<b>46.</b>	<p>2018 effective tax rate, adjusted for sales tax.</p> <p>UNITS THAT ADOPTED THE SALES TAX IN AUGUST OR NOVEMBER 2017, OR IN JANUARY OR MAY 2018. Subtract line 45 from line 46.</p> <p style="text-align: center;">-OR-</p> <p>UNITS THAT ADOPTED THE SALES TAX BEFORE AUGUST 2017. Enter line 46, do not subtract.</p>	\$0.692642/\$100
<b>47.</b>	2018 rollback tax rate, unadjusted for sales tax. Enter the rate from line 39 or 40, as applicable, of the rollback tax rate worksheet.	\$0.762715/\$100
<b>48.</b>	2018 rollback tax rate, adjusted for sales tax. Subtract line 44 from line 47.	\$0.715082/\$100

If the additional sales tax rate increased or decreased from last year, contact the Comptroller's office for special instructions on calculating the sales tax projection for the first year after the rate change.

**2018 Notice of Effective Tax Rate  
Worksheet for Calculation of Tax Increase/Decrease**

**Entity Name:** City of Palestine

**Date:** 07/25/2018

<b>1.</b> 2017 taxable value, adjusted for court-ordered reductions. Enter line 6 of the Effective Tax Rate Worksheet.	\$967,747,384
<b>2.</b> 2017 total tax rate. Enter line 4 of the Effective Tax Rate Worksheet.	0.718741
<b>3.</b> Taxes refunded for years preceding tax year 2017. Enter line 13 of the Effective Tax Rate Worksheet.	\$41,452
<b>4.</b> Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3.	\$6,997,049
<b>5.</b> 2018 total taxable value. Enter Line 18 of the Effective Tax Rate Worksheet.	\$1,014,904,663
<b>6.</b> 2018 effective tax rate. Enter line 23 of the Effective Tax Rate Worksheet or Line 46 of the Additional Sales Tax Rate Worksheet.	0.692642
<b>7.</b> 2018 taxes if a tax rate equal to the effective tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100.	\$7,029,656
<b>8.</b> Last year's total levy. Sum of line 4 for all funds.	\$6,997,049
<b>9.</b> 2018 total taxes if a tax rate equal to the effective tax rate is adopted. Sum of line 7 for all funds.	\$7,029,656
<b>10.</b> Tax Increase (Decrease). Subtract Line 8 from Line 9.	\$32,607

## City of Palestine

### Tax Rate Recap for 2018 Tax Rates

Description of Rate	Tax Rate Per \$100	Tax Levy This is calculated using the Total Adjusted Taxable Value (line 19) of the Effective Tax Rate Worksheet	Additional Tax Levy Compared to <u>last year's tax levy</u> of 6,955,597	Additional Tax Levy Compared to <u>effective tax rate levy</u> of 7,029,656
Last Year's Tax Rate	0.718741	\$7,294,536	\$338,939	\$264,880
Effective Tax Rate	0.692642	\$7,029,656	\$74,059	\$0
Notice & Hearing Limit*	0.692642	\$7,029,656	\$74,059	\$0
Rollback Tax Rate	0.715082	\$7,257,401	\$301,803	\$227,745
Proposed Tax Rate	0.000000	\$0	\$-6,955,597	\$-7,029,656

#### Effective Tax Rate Increase in Cents per \$100

0.00	0.692642	7,029,656	74,059	0
0.50	0.697642	7,080,401	124,804	50,745
1.00	0.702642	7,131,146	175,549	101,490
1.50	0.707642	7,181,892	226,294	152,236
2.00	0.712642	7,232,637	277,040	202,981
2.50	0.717642	7,283,382	327,785	253,726
3.00	0.722642	7,334,127	378,530	304,471
3.50	0.727642	7,384,873	429,275	355,217
4.00	0.732642	7,435,618	480,021	405,962
4.50	0.737642	7,486,363	530,766	456,707
5.00	0.742642	7,537,108	581,511	507,452
5.50	0.747642	7,587,854	632,256	558,198
6.00	0.752642	7,638,599	683,002	608,943
6.50	0.757642	7,689,344	733,747	659,688
7.00	0.762642	7,740,089	784,492	710,433
7.50	0.767642	7,790,834	835,237	761,178
8.00	0.772642	7,841,580	885,982	811,924
8.50	0.777642	7,892,325	936,728	862,669
9.00	0.782642	7,943,070	987,473	913,414
9.50	0.787642	7,993,815	1,038,218	964,159
10.00	0.792642	8,044,561	1,088,963	1,014,905
10.50	0.797642	8,095,306	1,139,709	1,065,650
11.00	0.802642	8,146,051	1,190,454	1,116,395
11.50	0.807642	8,196,796	1,241,199	1,167,140
12.00	0.812642	8,247,542	1,291,944	1,217,886
12.50	0.817642	8,298,287	1,342,690	1,268,631
13.00	0.822642	8,349,032	1,393,435	1,319,376
13.50	0.827642	8,399,777	1,444,180	1,370,121
14.00	0.832642	8,450,522	1,494,925	1,420,867
14.50	0.837642	8,501,268	1,545,670	1,471,612

- \*Notice & Hearing Limit Rate: This is the highest tax rate that may be adopted without notices and a public hearing. It is the lower of the rollback tax rate or the effective tax rate.
- School Districts: The school tax rate limit is \$1.50 for M&O, plus \$0.50 for 'New' debt plus a rate for 'Old' debt. 'Old' debt is debt authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992. All other debt is 'New' debt.

**Tax Levy:** This is calculated by taking the adjusted taxable value (line 19 of Effective Tax Rate Worksheet), multiplying by the appropriate rate, such as the Effective Tax Rate and dividing by 100.

**For School Districts:** This is calculated by taking the adjusted taxable value (line 34 of the Rollback Tax Rate Worksheet), multiplying by the appropriate rate, dividing by 100 and then adding this year's frozen tax levy on homesteads of the elderly.

**Additional Levy Last Year:** This is calculated by taking Last Year's taxable value (line 3 of Effective Tax Rate Worksheet), multiplying by Last Year's tax rate (line 4 of Effective Tax Rate Worksheet) and dividing by 100.

**For School Districts:** This is calculated by taking Last Year's taxable value, subtracting Last Year's taxable value for the elderly, multiplying by Last Year's tax rate, dividing by 100 and adding Last Year's tax ceiling.

**Additional Levy This Year:** This is calculated by taking the current adjusted taxable value, multiplying by the Effective Tax Rate and dividing by 100.

**For School Districts:** This is calculated by taking the adjusted taxable value (line 34 of the Rollback Tax Rate Worksheet), multiplying by the Effective Tax Rate, dividing by 100 and adding This Year's tax ceiling.

**COUNTIES ONLY:** All figures in this worksheet include ALL County Funds. Tax Levy amounts are the sum of each Fund's Taxable Value X each Fund's Tax Rate.

## 2018 Property Tax Rates in City of Palestine

This notice concerns 2018 property tax rates for City of Palestine. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

### Last year's tax rate:

Last year's operating taxes	\$5,487,223
Last year's debt taxes	\$1,458,450
Last year's total taxes	\$6,945,673
Last year's tax base	\$966,366,602
Last year's total tax rate	0.718741/\$100

### This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$6,987,124
÷ This year's adjusted tax base (after subtracting value of new property)	\$1,008,763,895
= This year's effective tax rate	0.692642/\$100

### This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate and/or enhanced indigent health care expenditures)	\$6,006,513
÷ This year's adjusted tax base	\$1,008,763,895
= This year's effective operating rate	0.595432/\$100
× 1.08 = this year's maximum operating rate	0.643066/\$100
+ This year's debt rate	0.119649/\$100
= This year's rollback rate	0.762715/\$100

A hospital district or city that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:

-Sales tax adjustment rate	0.047633/\$100
=Rollback tax rate	0.715082/\$100

## Statement of Increase/Decrease

If City of Palestine adopts a 2018 tax rate equal to the effective tax rate of 0.692642 per \$100 of value, taxes would increase compared to 2017 taxes by \$ 32,607.

## Schedule A: Unencumbered Fund Balances:

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
Debt Service	737,123

## Schedule B: 2018 Debt Service:

The unit plans to pay the following amounts for long-term debts that are secured by property taxes. These amounts will be paid from property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
Certificate of Obligation, Series 2008	100,000	44,939	500	145,439
Certificate of Obligation, Series 2010	47,000	33,781	500	81,281
Certificate of Obligation, Series 2010A	91,000	71,544	500	163,044
Certificate of Obligation, Series 2010B	185,000	105,869	500	291,369
Tax Notes, Series 2014	330,000	25,550	500	356,050
Citizens 1st Bank - Tyler (GCG) - Patch Truck & Ex	48,169	1,561	500	50,230
Southside Bank (GCC) - Fire Truck	102,117	7,434	500	110,051
Southside Bank (GCC) - Multiple Vehicles	127,946	3,564	500	132,010
Southside Bank (GCC) - PD Communication Equipment	68,825	15,525	500	84,850
Total required for 2018 debt service				\$1,414,324
- Amount (if any) paid from funds listed in Schedule A				\$200,000
- Amount (if any) paid from other resources				\$0
- Excess collections last year				\$0
= Total to be paid from taxes in 2018				\$1,214,324
+ Amount added in anticipation that the unit will collect only 100.000000% of its taxes in 2018				\$0
= Total Debt Levy				\$1,214,324

## Schedule C - Expected Revenue from Additional Sales Tax

(For hospital districts, cities and counties with additional sales tax to reduce property taxes)

In calculating its effective and rollback tax rates, the unit estimated that it will receive \$ 483,432 in additional sales and use tax revenues. **For County:** The county has excluded any amount that is or will be distributed for economic development grants from this amount of expected sales tax revenue.

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This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 703 N. Mallard, Suite 104, Palestine, TX 75801.



Name of person preparing this notice: Teri Garvey Hanks

Title: Tax Assessor / Collector

Date prepared: August 7, 2018