

NOTICE OF PUBLIC HEARING ON TAX INCREASE

| | |
|-------------------------|----------------------|
| PROPOSED TAX RATE | \$0.560000 per \$100 |
| NO-NEW-REVENUE TAX RATE | \$0.535631per \$100 |
| VOTER-APPROVAL TAX RATE | \$0.563158 per \$100 |

The no-new-revenue tax rate is the tax rate for the 2020 tax year that will raise the same amount of property tax revenue for City of Galveston from the same properties in both the 2019 tax year and the 2020 tax year. The voter-approval tax rate is the highest tax rate that the City of Galveston may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that the City of Galveston is proposing to increase property taxes for the 2020 tax year.

A public hearing on the proposed tax rate will be held on September 10, 2020, at 10:00 am at 823 Rosenberg St., Galveston, Texas.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, the City of Galveston is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council of the City of Galveston at their offices or by attending the public hearing mentioned above. Persons wishing to submit an electronic public comment prior to the meeting may do so using the link <http://digitalforms.galvestontx.gov/Forms/PublicComment>.

Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

$$\text{Property tax amount} = \text{tax rate} \times \text{taxable value of your property} / \$100$$

The members of City Council voted on the proposed tax increase as follows:

| | | |
|-------------|------------------------------------|-------------------------------|
| FOR: | Council Member David Collins | Mayor Pro Tem Craig Brown |
| | Council Member Jason Hardcastle | Council Member Amy Carmen Bly |
| | Council Member John Paul Listowski | Council Member Jackie Cole |

AGAINST: None

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the City of Galveston last year to the taxes proposed on the average residence homestead by the City of Galveston this year:

| | 2019 | 2020 | Change |
|-------------------------------------|------------|--------------|------------------------------------|
| Total Tax Rate (per \$100 of value) | \$0.579885 | \$0.560000 | Decrease of -\$0.019885 OR -3.43 % |
| Average homestead taxable value | \$173,689 | \$182,902 | Increase of 5.30% |
| Tax on average homestead | \$1007.2 | \$1051.15 | Increase of \$44 OR 4.36% |
| Total tax levy on all properties | 34,504,012 | \$35,936,270 | Increase of \$1,432,258 OR 4.15% |

* Total levy excludes properties with freeze ceilings of approximately \$2.8 million each year.

For assistance with tax calculations, please contact the tax assessor for City of Galveston at 409-766-2260 or galcotax@co.galveston.tx.us, or visit www.galcotax.com for more information.