

2007 Property Tax Rates in City of Hillsboro

This notice concerns 2007 property tax rates for City of Hillsboro. 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	\$1,785,604
Last year's debt taxes	\$970,952
Last year's total taxes	\$2,756,556
Last year's tax base	\$342,483,753
Last year's total tax rate	0.804872/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$2,757,358
÷ This year's adjusted tax base (after subtracting value of new property)	\$354,029,937
= This year's effective tax rate	0.778800/\$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)	\$2,429,695
÷ This year's adjusted tax base	\$354,029,937
= This year's effective operating rate	0.686200/\$100
× 1.08 = this year's maximum operating rate	0.741000/\$100
+ This year's debt rate	0.267100/\$100
= This year's rollback rate	1.008100/\$100
- Sales tax adjustment rate	0.176200/\$100
= Rollback tax rate	0.831900/\$100

Statement of Increase/Decrease

If City of Hillsboro adopts a 2007 tax rate equal to the effective tax rate of 0.778800 per \$100 of value, taxes would increase compared to 2006 taxes by \$ 81,481.

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
General Fund	0
Debt Service	0

Schedule B: 2007 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 to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
1995 General Obligation Bonds	165,000	27,310	250	192,560
1998 General Obligation Bonds	430,000	152,668	1,000	583,668
2002 General Obligation Bonds	275,000	253,352	750	529,102
Citizens National Bank Fire Truck Pumper/Tanker	25,163	3,677	0	28,840
2005 General Obligation Bonds	20,000	23,240	1,000	44,240
2006 General Obligation Bonds	140,000	169,379	2,000	311,379
Total required for 2007 debt service				\$1,689,789
-	Amount (if any) paid from funds listed in Schedule A			\$0
-	Amount (if any) paid from other resources			\$714,489
-	Excess collections last year			\$0
=	Total to be paid from taxes in 2007			\$975,300
+	Amount added in anticipation that the unit will collect only 100.000000% of its taxes in 2007			\$0
=	Total Debt Levy			\$975,300

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 \$ 643,460 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.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 1407 Abbott Ave, Hillsboro, TX 76645.

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Date prepared: August 7, 2007

Notice of Public Hearing on Tax Increase

The City of Hillsboro will hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 3.347714 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The public hearing will be held on August 28, 2007 at 7:00 PM at City of Hillsboro Administration Building, 214 E. Elm St., Hillsboro, TX. A second hearing will be held on September 4, 2007 at 7:00 PM at City of Hillsboro Administration Building, 214 E. Elm St., Hillsboro, TX.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:	Riggins, Omberg, Robinson, Versluis, and Birdwell
AGAINST:	None
PRESENT and not voting:	Erwin
ABSENT:	None

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories:

Maintenance and operations	% (increase) or	-2.620000% (decrease)
Debt service	3.810000% (increase) or	% (decrease)
Total expenditures	% (increase) or	-1.750000% (decrease)

Total Appraised Value and Total Taxable Value as calculated under section 26.04, Tax Code

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$411,121,570	\$433,080,860
Total appraised value* of new property**	\$23,641,510	\$11,812,734
Total taxable value*** of all property	\$342,483,753	\$365,112,381
Total taxable value*** of new property**	\$19,668,840	\$11,037,134

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness: \$10,060,000

Tax Rates

Adopted tax rate for the preceding tax year	\$0.804872 per \$100 in value
Proposed tax rate for the current tax year	\$0.804872 per \$100 in value
Difference in the proposed tax rate and the adopted tax rate for the preceding tax year	\$0.000000 per \$100 in value
Percentage increase or decrease in the proposed tax rate and the adopted tax rate for the preceding tax year	0.000000 % Increase OR % Decrease

These tax rate figures are not adjusted for changes in the taxable value of property.

* "Appraised value" is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Comparison of Residence Homestead Values

Average appraised and taxable values on residence homesteads are compared from the preceding tax year and the current tax year.

	Preceding Tax Year	Current Tax Year
Average residence homestead appraised value	\$65,236	\$67,803
Homestead exemption amount for the taxing unit (excluding special exemptions for persons 65 years of age or older or disabled)	\$0	\$0
Average taxable value of a residence homestead (excluding special exemptions for persons 65 years of age or older or disabled)	\$63,086	\$66,346

Comparison of Residence Homestead Taxes

The taxes that would have been imposed in the preceding tax year on a residence homestead at the average appraised value (excluding special exemptions for person 65 years of age or older or disabled) are estimated to be \$508. The taxes that would be imposed in the current tax year on the residence homestead appraised at the average appraised value in the current tax year (excluding special exemptions for person 65 years of age or older or disabled), if the proposed tax rate is adopted, are estimated to be \$534. The difference between the amount of the taxes on the average residence homestead in the current tax year, if the proposed tax rate is adopted, and the preceding tax year would be an increase of \$26 of taxes.