

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.31915 per \$100 of valuation has been proposed by the governing body of Tiki Island.

| | |
|-------------------------|----------------------|
| PROPOSED TAX RATE | \$0.319150 per \$100 |
| NO-NEW-REVENUE TAX RATE | \$0.306589 per \$100 |
| VOTER-APPROVAL TAX RATE | \$0.359510 per \$100 |
| DE MINIMIS RATE | \$0.480379 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 Tiki Island 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 Tiki Island may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for Tiki Island exceeds the voter approval rate. The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for Tiki Island, the rate that will raise \$500,000 and the current debt rate for Tiki Island.

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

A public hearing on the proposed tax rate will be held on September 15, 2020 at 6:00 PM at 747 Tiki Drive, Tiki Island, Texas.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, Tiki Island 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 Aldermen and Alderwomen of Tiki Island at their offices or by attending the public hearing mentioned above.

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: Mayor Pro-Tem Tom Fisher
Karen Herring
Liz Comiskey
Ray Dell'Osso
Hunter Neblett

PRESENT NOT VOTING: Mayor Vernon Teltschick

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 Tiki Island last year to the taxes proposed on the average residence homestead by Tiki Island this year:

| | 2019 | 2020 | Change |
|-------------------------------------|-------------|-------------|-------------------------------|
| Total Tax Rate (per \$100 of value) | \$0.319150 | \$0.319150 | Decrease of \$0 OR 0% |
| Average homestead taxable value | \$400,118 | \$414,211 | Increase of 3.52% |
| Tax on average homestead | \$1,277 | \$1,322 | Increase of \$45 or 3.52% |
| Total tax levy on all properties | \$1,174,091 | \$1,221,808 | Increase of \$47,717 or 4.06% |

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