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City of TERRELL HILLS TEXAS

Financial Trends and

Tax Rate Information

April 1, 2024

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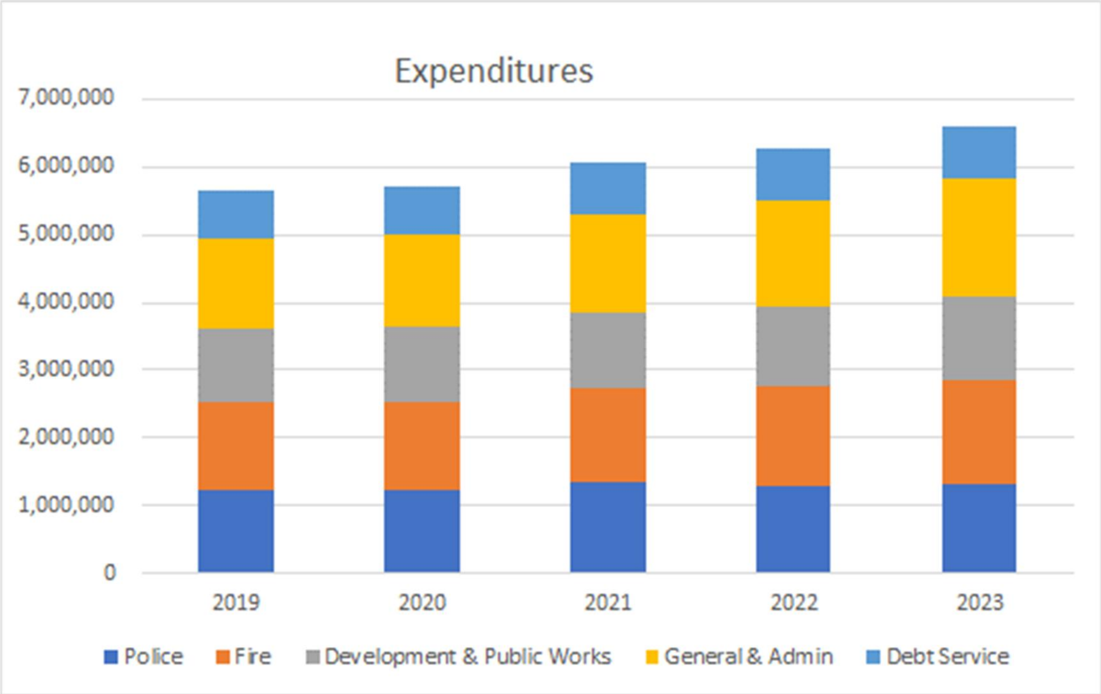
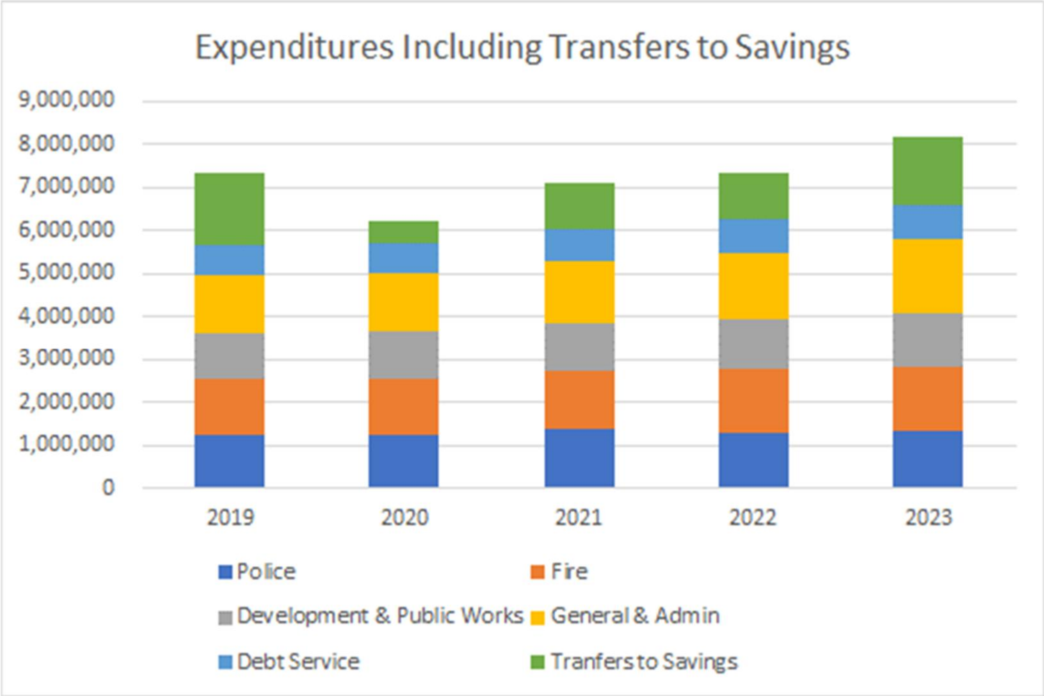
City Historical Expenditures

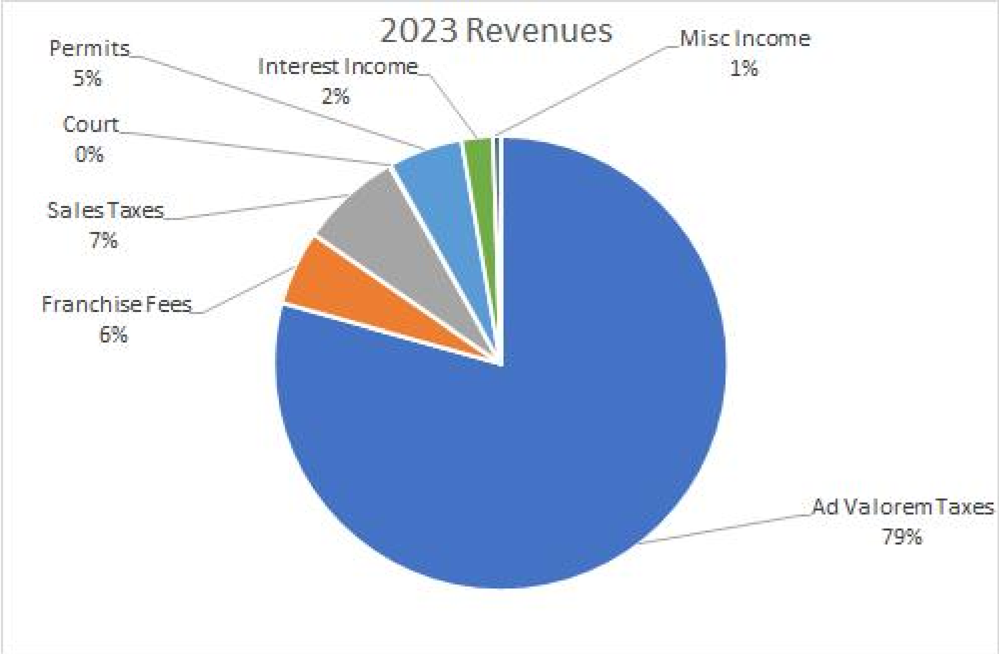
Over the last 5 years, the City has averaged a 3.9% increase in annual expenditures, not counting capital replacements, police forfeiture spending and street improvements. The latter items are funded by federal government disbursements and transfers from the City's general fund to save for these capital items.

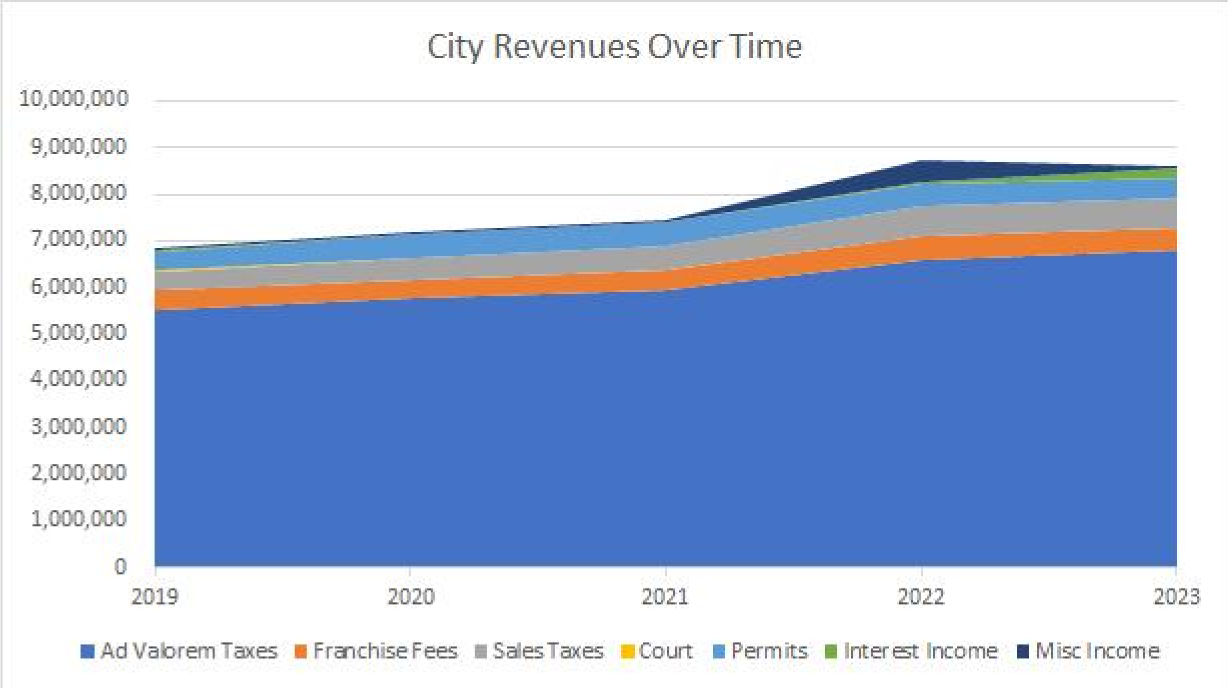




City Revenues

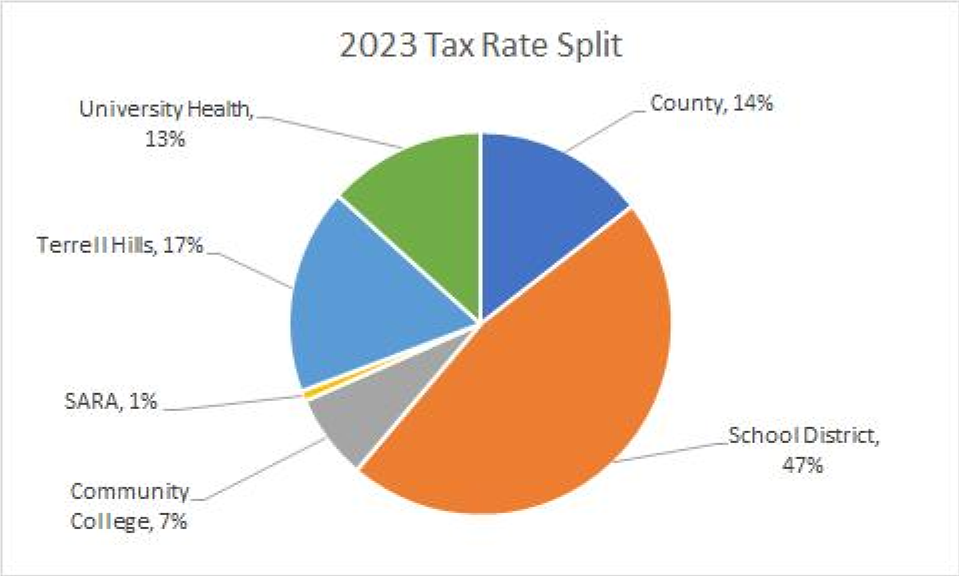
The City's primary revenue source is property taxes, which are 79% of total revenues.





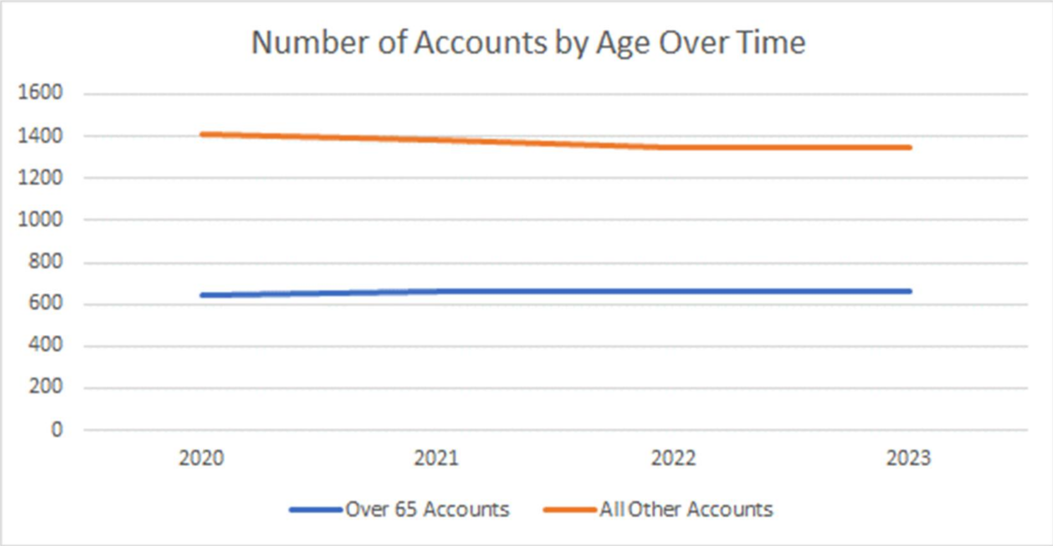
Property Taxes

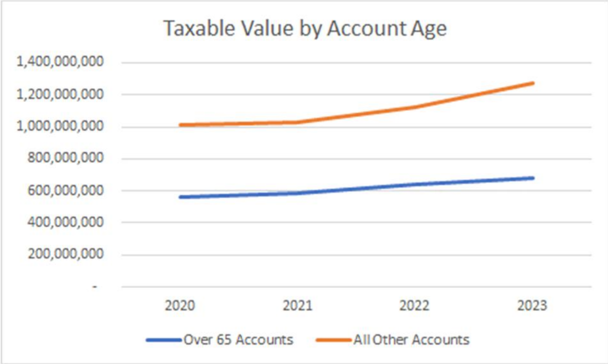
The tax rate on residents of Terrell Hills is broken down into the following taxing agencies. Terrell Hills represents approximately 17% of the total tax bill.

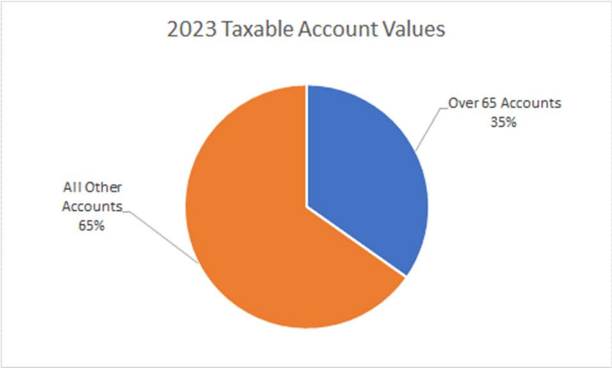


Impacts of Potential Freeze

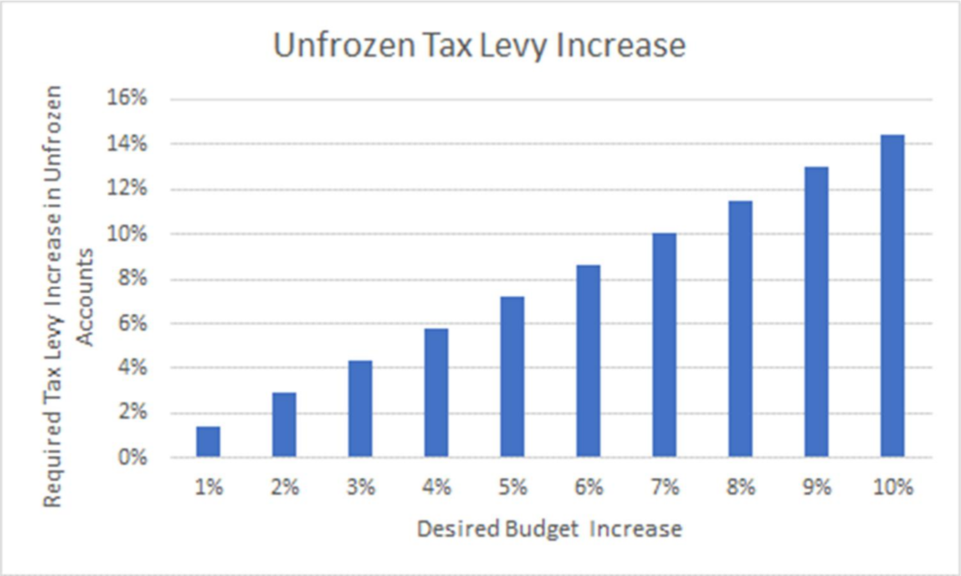
Accounts with residents over 65 years of age represent 33% of the total accounts and 35% of the total taxable value.



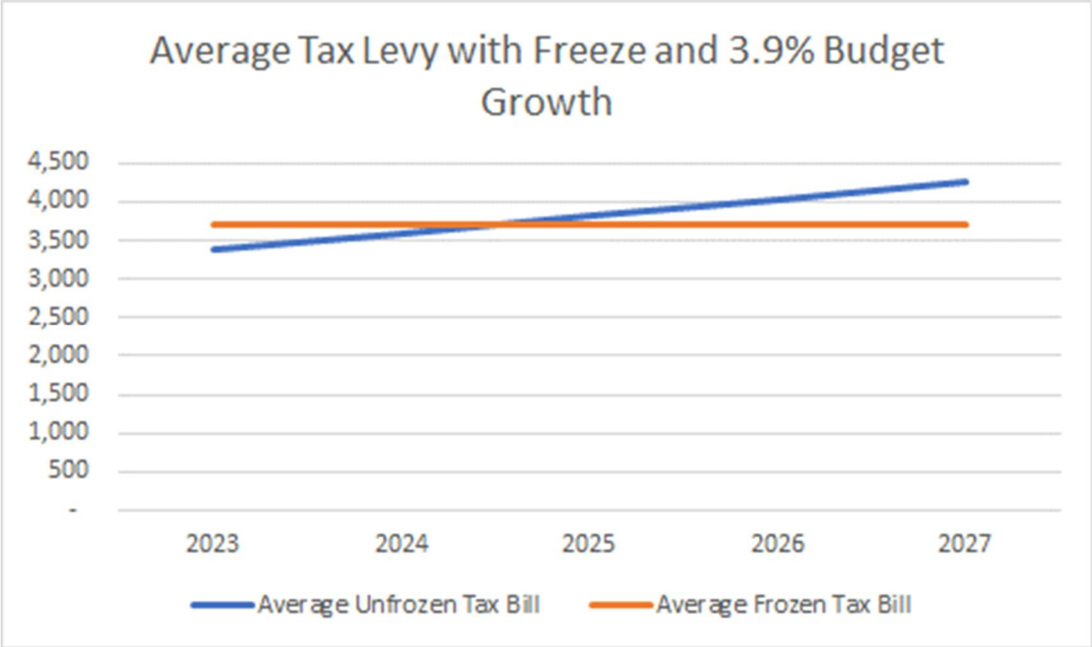




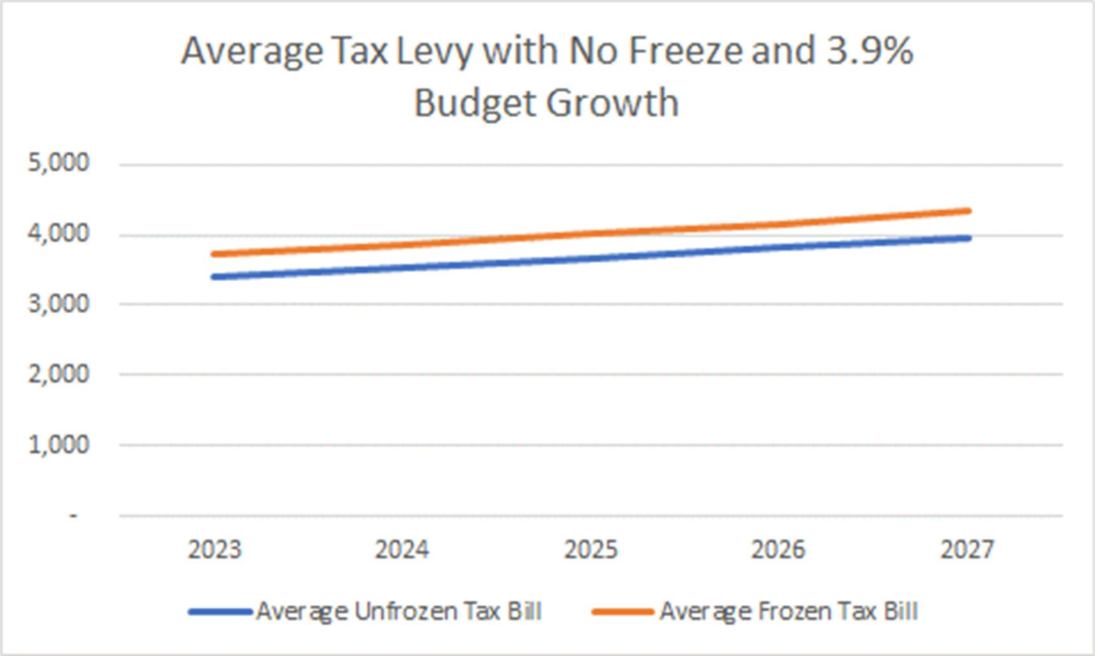
With a freeze, any increases in tax levies will only come from unfrozen accounts. Based on the City's tax values and account ages for 2023, the following chart shows, the necessary tax levy increase on unfrozen accounts to achieve a desired City budget increase. The City has averaged 3.9% growth in the budget over the last 5 years, which would require an annual tax levy increase of 5.62% on unfrozen accounts to maintain.



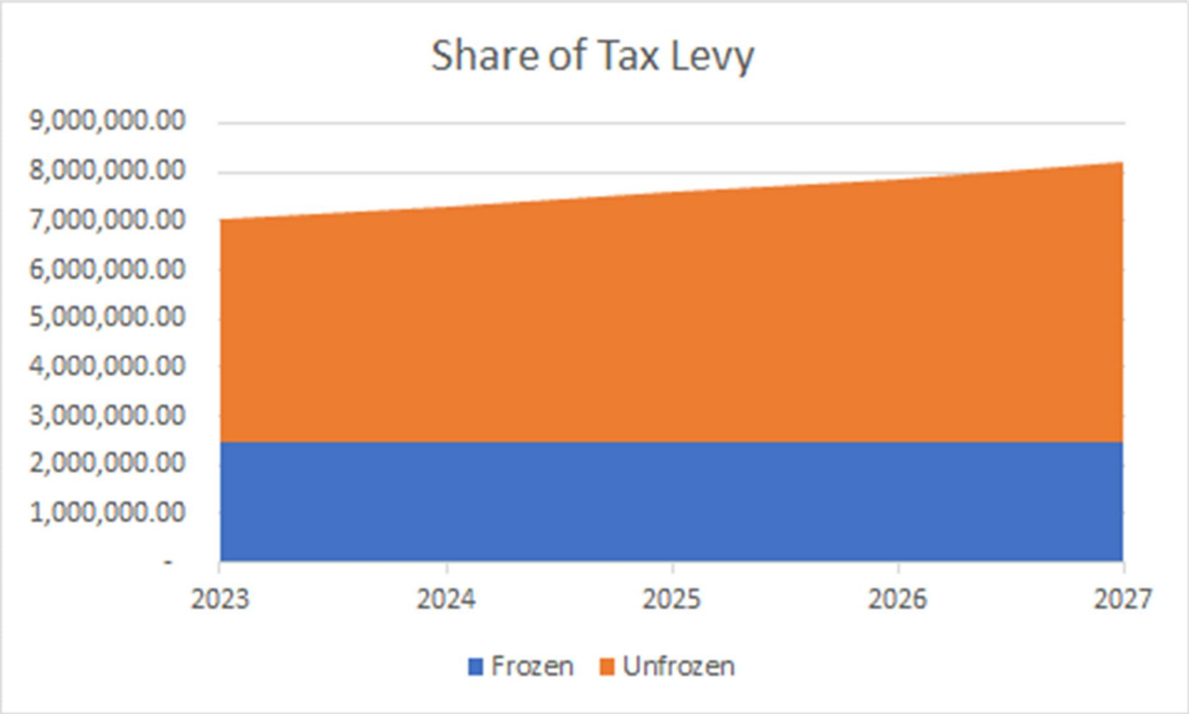
In a hypothetical freeze based on 2023 tax values and account ages, the average annual levy on an unfrozen account would increase from $3,398 to $4,260 over 5 years. The frozen levy would remain at $3,714.



Without a freeze, the annual tax levy for the average over 65 account would grow from $3,714 to $4,328 and the average under 65 account would grow from $3,398 to $3,960.



Following the same hypothetical 5 year scenario, the share of the property taxes paid by unfrozen accounts would increase from 65% to 70% under a tax freeze.



If the tax increase on unfrozen accounts is limited to 3.9% annually, the lost revenue in year 5 from the frozen accounts would be approximately $404,000.