NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of 0.495600 per $100 valuation has been proposed by the governing body of City of McAllen.

<table>
<thead>
<tr>
<th>Tax Rate</th>
<th>Rate per $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPOSED TAX RATE</td>
<td>$0.495600</td>
</tr>
<tr>
<td>NO-NEW REVENUE TAX RATE</td>
<td>$0.492583</td>
</tr>
<tr>
<td>VOTER-APPROVAL TAX RATE</td>
<td>$0.505277</td>
</tr>
</tbody>
</table>

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 McAllen 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 City of McAllen 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 City of McAllen is proposing to increase property taxes for the 2020 tax year.

A public hearing on the proposed tax rate will be held on September 28, 2020 at 5:00 PM at McAllen City Hall 3rd Floor City Commission Chambers.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of McAllen 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 of McAllen at their offices or by attending the public meeting mentioned above.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

\[
\text{property tax amount} = \left( \text{tax rate} \right) \times \left( \frac{\text{taxable value of your property}}{100} \right)
\]

The members of the governing body voted on the proposed tax increase as follows:

FOR:
- Javier Villalobos
- Joaquin “J.J.” Zamora
- Omar Quintanilla
- Tania Ramirez
- Victor “Seby” Haddad
- Veronica Whitacre
- James “Jim” Darling

AGAINST:

PRESENT and not voting:

ABSENT:

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 City of McAllen last year to the taxes proposed to be imposed on the average residence homestead by City of McAllen this year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Tax Rate (per $100 of value)</td>
<td>$0.495677</td>
<td>$0.495600</td>
<td>decrease of $0.000077 OR -0.02%</td>
</tr>
<tr>
<td>Average homestead taxable value</td>
<td>$131,160</td>
<td>$138,657</td>
<td>increase of 5.71%</td>
</tr>
<tr>
<td>Tax on average homestead</td>
<td>$650</td>
<td>$687</td>
<td>increase of $37 OR 5.69%</td>
</tr>
<tr>
<td>Total tax levy on all properties</td>
<td>$47,183,196</td>
<td>$47,204,517</td>
<td>increase of $21,321 OR 0.05%</td>
</tr>
</tbody>
</table>

For assistance with tax calculations, please contact the tax assessor for City of McAllen at 956-681-1330 or rmgrimes@mcallen.net, or visit http://www.mcallen.net/departments/tax for more information.