

Ad Valorem Taxes

The 2019 budget includes ad valorem tax revenue in the amount of \$69,781,221 or 37% of all revenue. The following factors are considered: (1) the tax base increased by an average of 6.02% or \$1,031,135,351 to an adjusted taxable valuation of \$18,173,158,599. The tax rate was \$0.358158 per \$100 valuation in 2018 and Commissioners' Court has adopted \$0.348086 per \$100 valuation in fiscal year 2019. (2) New property added to the tax roll provides approximately \$2,161,271 in additional revenues. (3) "Truth in Taxation" law establishes guidelines for government entities to follow when setting tax rates. The effective tax rate was derived from the prior year total tax levy, and is adjusted for current year changes in existing property valuation and lost property from the tax roll.

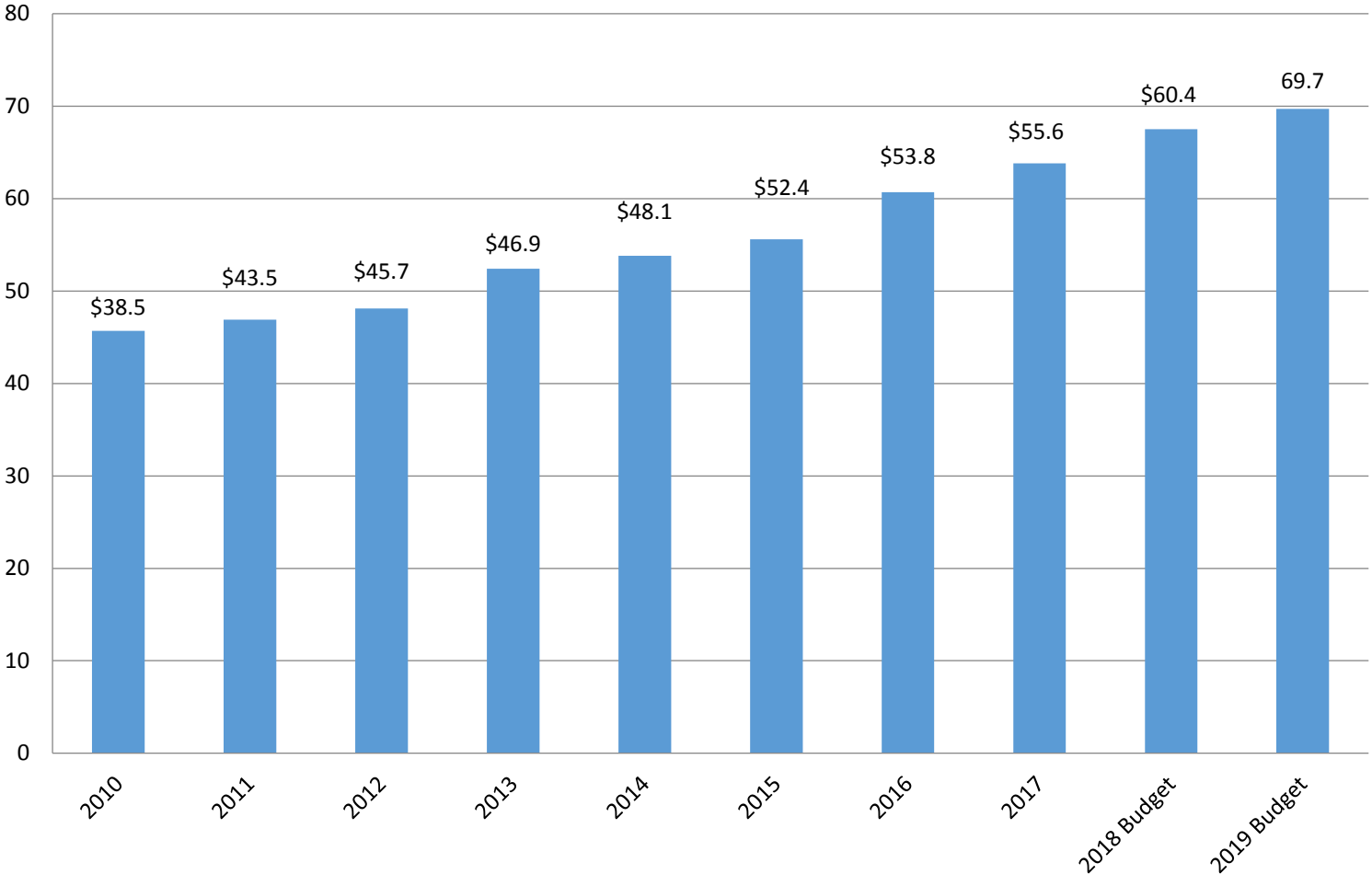
Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid by February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien is attached to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Lubbock County maintains a high collection of property tax. Historically, tax collections total approximately 99% of the tax levy. The County encourages the Lubbock Central Appraisal District (LCAD) to follow an aggressive policy of collecting property tax revenues.

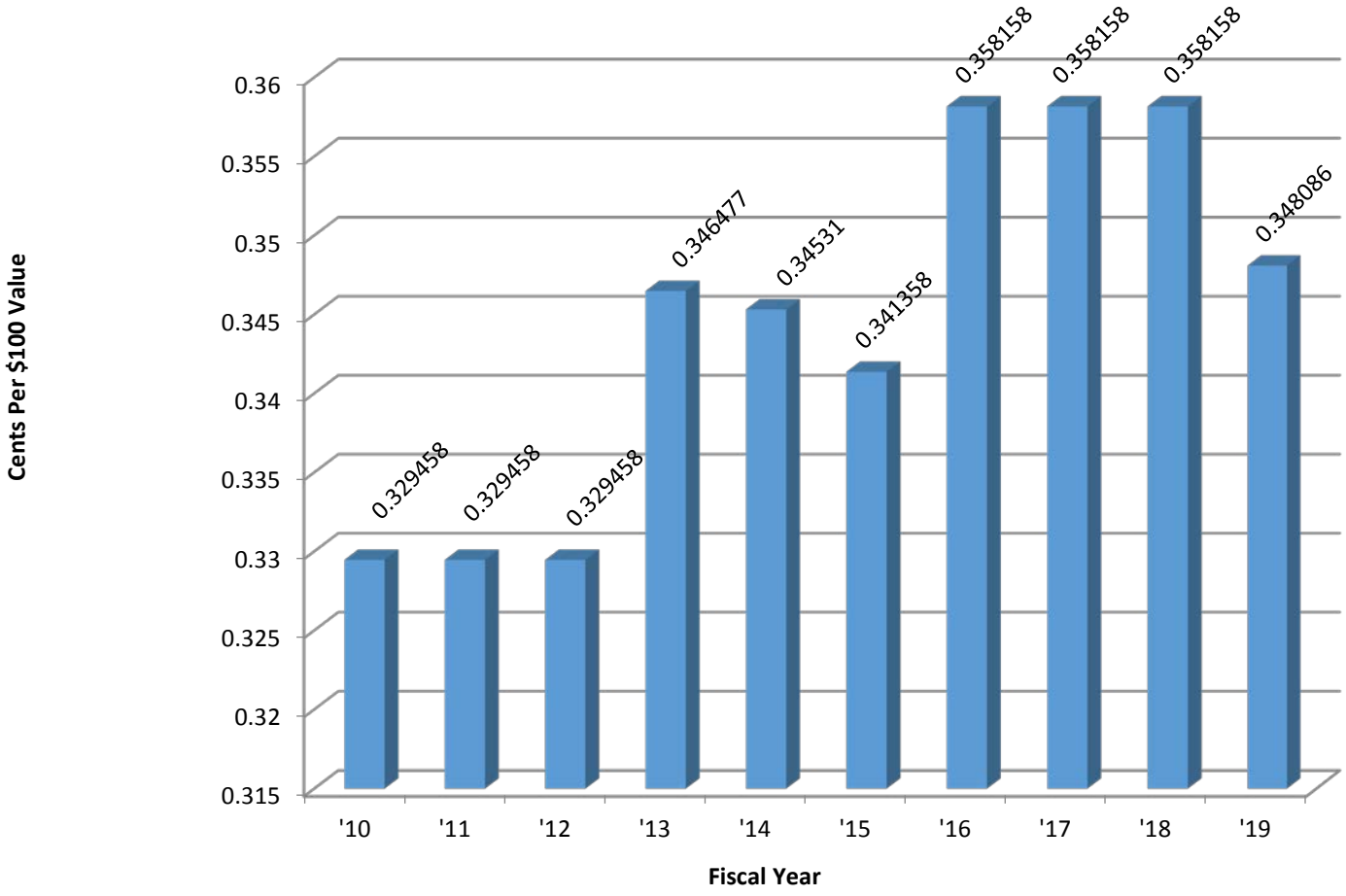
**LUBBOCK COUNTY, TEXAS
ADOPTED BUDGET 2018-2019
TAX DISTRIBUTION BY FUND**

| Description of Fund | Tax Rate | Total Gross Taxes | Tax Distribution |
|--------------------------------|----------|-------------------|------------------|
| General Fund | 0.296757 | \$ 59,491,234.22 | 85.25% |
| Permanent Improvement | 0.010000 | \$ 2,004,712.08 | 2.87% |
| Precinct 1 Park | 0.000500 | \$ 100,235.60 | 0.14% |
| Slaton/Roosevelt Parks | 0.000500 | \$ 100,235.60 | 0.14% |
| Idalou/New Deal Parks | 0.000500 | \$ 100,235.60 | 0.14% |
| Shallowater Parks | 0.000500 | \$ 100,235.60 | 0.14% |
| Debt Service | 0.039329 | \$ 7,884,332.13 | 11.30% |
| TOTAL TAX RATE/TAX LEVY | 0.348086 | \$ 69,781,220.84 | 100.00% |

**Lubbock County, Texas
Ad Valorem Tax Revenue**



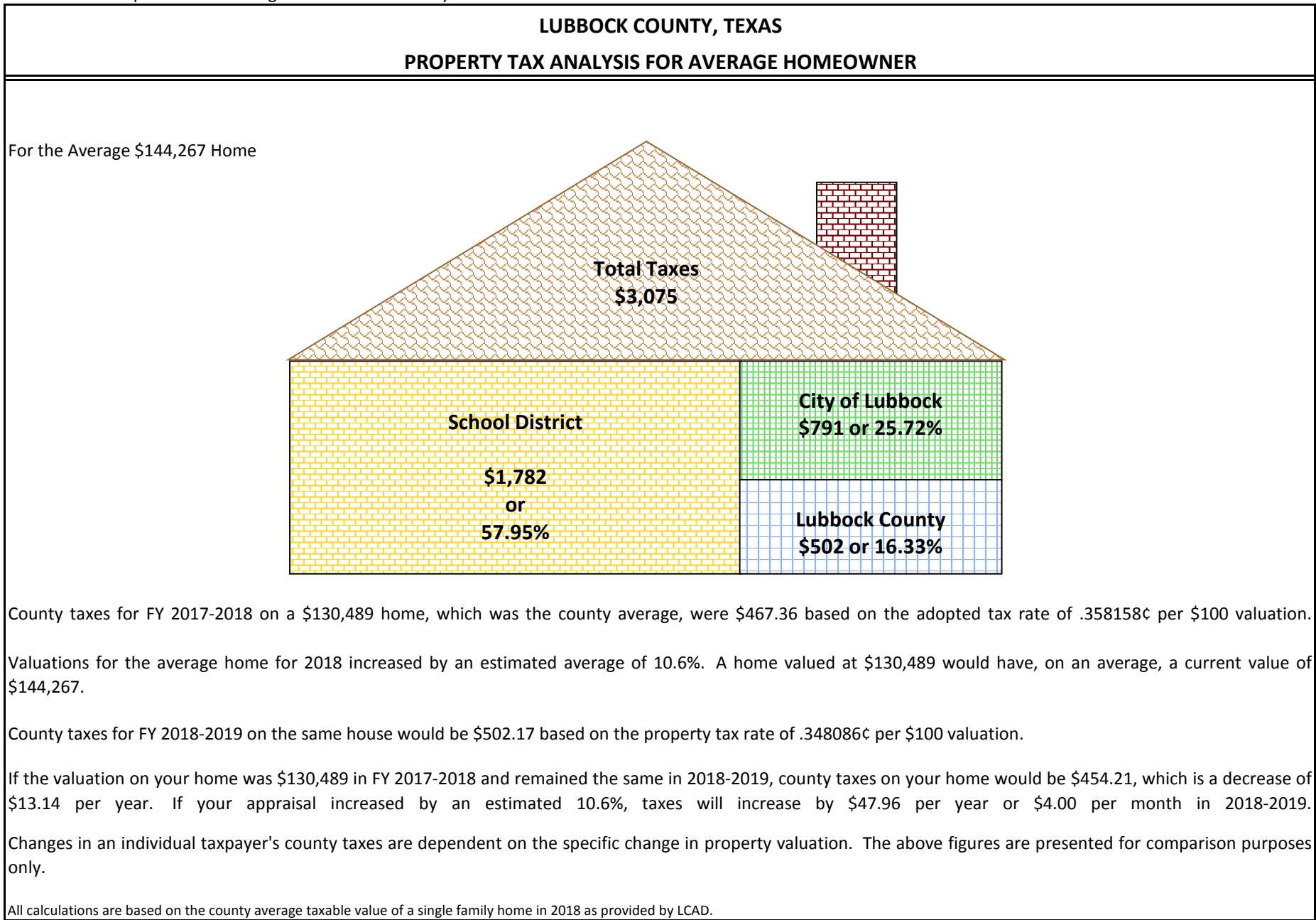
LUBBOCK COUNTY, TEXAS
TEN YEAR TAX RATE HISTORY



LUBBOCK COUNTY, TEXAS
ADOPTED BUDGET 2018-2019
TAX RATES BY FUND

| Funds | Tax Rate 2009 | Tax Rate 2010 | Tax Rate 2011 | Tax Rate 2012 | Tax Rate 2013 | Tax Rate 2014 | Tax Rate 2015 | Tax Rate 2016 | Tax Rate 2017 | Tax Rate 2018 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | 0.238420 | 0.273680 | 0.274946 | 0.289123 | 0.286094 | 0.283969 | 0.302542 | 0.303168 | 0.309104 | 0.296757 |
| Permanent Improvement | 0.005000 | 0.005000 | 0.005000 | 0.010000 | 0.010000 | 0.010000 | 0.010000 | 0.010000 | 0.010000 | 0.010000 |
| Precinct 1 Park | 0.000680 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 |
| Slaton/Roosevelt Parks | 0.000680 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 |
| Idalou/New Deal Parks | 0.000680 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 |
| Shallowater Parks | 0.000680 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 | 0.000500 |
| Juvenile Detention Center | 0.027500 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Debt Service | 0.055818 | 0.048778 | 0.047512 | 0.045354 | 0.047216 | 0.045389 | 0.043616 | 0.042990 | 0.037054 | 0.039329 |
| TOTAL | 0.329458 | 0.329458 | 0.329458 | 0.346477 | 0.345310 | 0.341358 | 0.358158 | 0.358158 | 0.358158 | 0.348086 |

The following chart displays a summary of taxes paid by the average homeowner including city, school, and county taxes for FY 2018-2019. The chart shows that only 16.33% of taxes paid on the average home are for County taxes.



LUBBOCK COUNTY, TEXAS
ADOPTED BUDGET 2018-2019
ANALYSIS OF REVENUE DERIVED BY TAX RATE

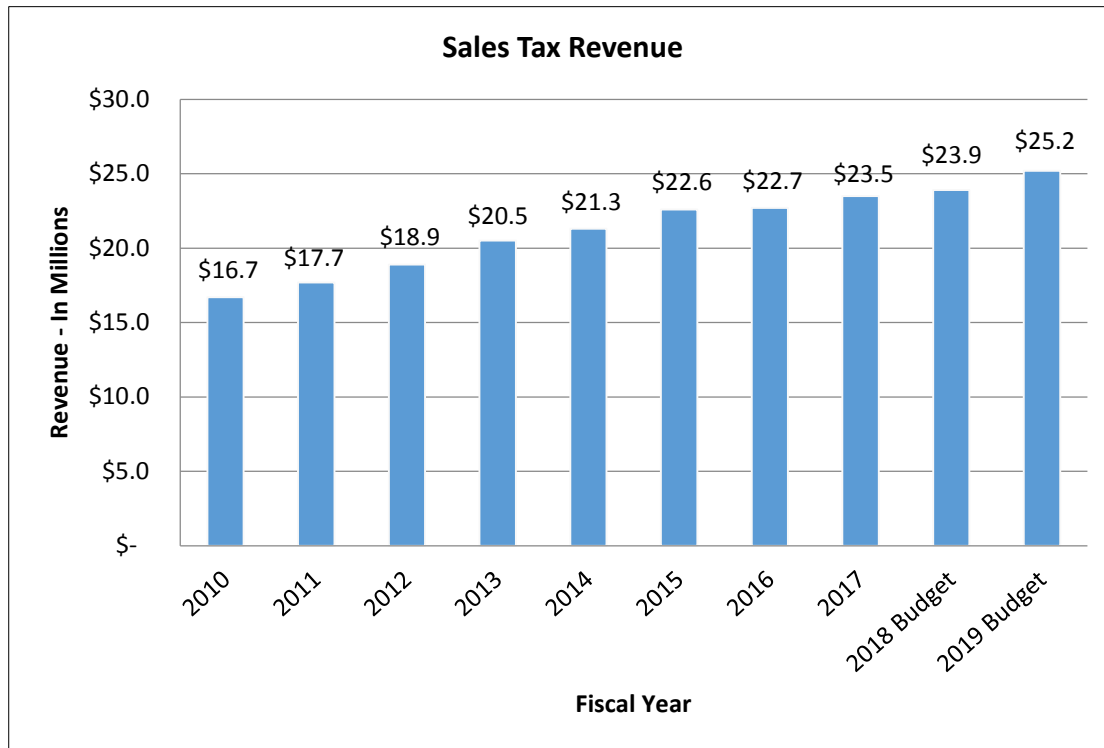
| | | | | | |
|----------------------------------|------------------------|----|-------------------|----|-----------------------------|
| ADJUSTED TAXABLE VALUE | | \$ | 18,173,158,599.00 | | |
| M & O TAX RATE / \$100 VALUATION | 0.308757 | | | \$ | 56,110,899.30 |
| | | | | | |
| I & S TAX RATE / \$100 VALUATION | | | | | |
| Certificates of Obligation | | \$ | 18,173,158,599.00 | | |
| TOTAL I & S | <u>0.039329</u> | | | \$ | 7,147,321.55 |
| | | | | | |
| PROJECTED LEVY W/O OVER 65 | | | | \$ | 63,258,220.84 |
| | | | | | |
| ESTIMATED LEVY OF OVER 65 | | | | \$ | <u>6,523,000.00</u> |
| | | | | | |
| TOTAL GROSS LEVY | <u>0.348086</u> | | | \$ | <u>69,781,220.84</u> |

| FUND NAME | TAX RATE | DISTRIBUTION FOR OVER 65 LEVY | REV BY FUND OVER 65 | ESTIMATED REVENUE | TOTAL TAX REVENUE |
|-----------------------------|------------------------|----------------------------------|------------------------|--------------------------------|--------------------------------|
| GENERAL FUND | 0.296757 | 85.2539% | \$ 5,561,113.95 | \$ 53,930,120.26 | \$ 59,491,234.22 |
| PERMANENT IMPROVEMENT FUND | 0.010000 | 2.8729% | \$ 187,396.22 | \$ 1,817,315.86 | \$ 2,004,712.08 |
| PRECINCT 1 PARK | 0.000500 | 0.1436% | \$ 9,369.81 | \$ 90,865.79 | \$ 100,235.60 |
| SLATON/ROOSEVELT PARKS | 0.000500 | 0.1436% | \$ 9,369.81 | \$ 90,865.79 | \$ 100,235.60 |
| IDALOU/NEW DEAL PARKS | 0.000500 | 0.1436% | \$ 9,369.81 | \$ 90,865.79 | \$ 100,235.60 |
| SHALLOWATER PARKS | 0.000500 | 0.1436% | \$ 9,369.81 | \$ 90,865.79 | \$ 100,235.60 |
| | | | | | |
| SUBTOTAL for M & O | 0.308757 | 88.7014% | \$ 5,785,989.41 | \$ 56,110,899.30 | \$ 61,896,888.71 |
| | | | | | |
| INTEREST & SINKING FUND | <u>0.039329</u> | <u>11.2986%</u> | <u>\$ 737,010.59</u> | <u>\$ 7,147,321.55</u> | <u>\$ 7,884,332.13</u> |
| | | | | | |
| ESTIMATED LEVY OF OVER 65 | | | \$ 6,523,000.00 | \$ 6,523,000.00 | |
| TOTAL TAXES BUDGETED | <u>0.348086</u> | 100.0000% | | <u>\$ 69,781,220.84</u> | <u>\$ 69,781,220.84</u> |

Sales and Use Tax

A sales and use tax of one-half of one percent, which is collected by the State of Texas, was approved by voters of Lubbock County and went into effect on January 1, 1988. This tax is imposed on the value of taxable items sold and is enforced and collected by the Comptroller of Public Accounts of the State of Texas. Proceeds are remitted monthly less a small service fee. The proceeds are credited to the General Fund. The tax is used to fund operations, which helps defray county property tax. Actual county sales and use tax received in FY 2017 was \$23,533,761. Budgeted county sales tax for the 2019 budget increased by \$1,281,247 from \$23,918,753 in the 2018 budget to \$25,200,000 in the 2019 budget. Sales and use tax revenue accounts for approximately 13% of all Lubbock County revenue.

The following chart displays the sales tax revenue for the past ten years.



Intergovernmental Revenues

Intergovernmental revenues are revenues received from other units of government, including grant revenues. As of the beginning of FY 2019, Lubbock County anticipates that this revenue source will make up about 9.0% of total budgeted revenue. In special circumstances, the County may receive one-time funding from other governmental entities and this revenue source is used to account for those special funds. There are no significant increases in 2019 in this type of revenue.