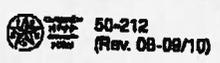


Notice of Effective Tax Rate
(for use by most taxing units)



2011 Property Tax Rates in CITY OF HENDERSON

This notice concerns 2011 property tax rates for CITY OF HENDERSON. 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	\$	2,609,160.00
Last year's debt taxes	\$	494,348.00
Last year's total taxes	\$	3,103,508.00
Last year's tax base	\$	594,883,645.00
Last year's total tax rate	\$	0.521700 /\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$	2,612,806.00
+ This year's adjusted tax base (after subtracting value of new property)	\$	500,441,330.00
= This year's effective tax rate	\$	0.522100 /\$100

(Maximum rate unless unit publishes notices and holds hearings.)

In the first year a hospital district or city collects the additional sales tax to reduce property taxes, it must insert the following lines unless its first adjustment was made last year:

- Sales tax adjustment rate	\$	0.216200 /\$100
= Effective tax rate	\$	/\$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)	\$	3,286,223.00
+ This year's adjusted tax base	\$	500,441,330.00
= This year's effective operating rate	\$	0.656700 /\$100
x 1.08 = this year's maximum operating rate	\$	0.709236 /\$100
+ This year's debt rate	\$	0.106300 /\$100
= This year's total rollback rate	\$	0.815536 /\$100

A hospital district or city that collects the additional sales tax to reduce property taxes, including one that collects the tax for the first time this year, must insert the following lines:

- Sales tax adjustment rate	\$	0.216200 /\$100
= Rollback tax rate	\$	0.599336 /\$100

For a taxing unit with additional rollback rate for pollution control, insert the following lines:

+ Additional rollback rate for pollution control	\$	/\$100
= Rollback tax rate	\$	/\$100

Statement of Increase/Decrease

If CITY OF HENDERSON adopts a 2011 tax rate equal to the effective tax rate of \$.52210 per \$100 of value, taxes would INCREASE compared to 2010 taxes by \$ 2,503

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	\$ 4,152,387

Schedule B - Current Year 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 Be Paid From Property Taxes	Other Amounts To Be Paid	Total Payment
SERIES 2004	\$ 325,000	\$ 122,288	\$ 540	\$ 447,828
SERIES 2011	\$ 45,000	\$ 44,375	\$	\$ 89,375

(expand as needed)

Total required for <u>2011</u> debt service	\$ 537,203
- Amount (if any) paid from funds listed in Schedule A	\$ 0
- Amount (if any) paid from other resources	\$ 0
- Excess collections last year	\$ 2,155
= Total to be paid from taxes in <u>2011</u>	\$ 535,048
+ Amount added in anticipation that the unit will collect only <u>100</u> % of its taxes in <u>2011</u>	\$ 0
= Total Debt Levy	\$ 535,048

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 \$ 1,088,575 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:

Insert address RUSK COUNTY TAX OFFICE

202 N. MAIN ST., HENDERSON, TEXAS

Name of person preparing this notice JUDY K JARRELL, R.T.A.

Title CHIEF DEPUTY TAX ASSESSOR/COLLECTOR

Date prepared AUGUST 2, 2011