

FY2022 County Budget

DeWitt County, Texas

FY2022 Budget Policies

Public Hearing held on August 23, 2021 at 9:00 A.M. in the County Courtroom

- Appropriate \$24 million for road construction in all four precincts. Projects will be funded through the remainder of the \$6.1 million grant from the County Transportation Infrastructure Fund (CTIF), oil and gas royalties received from HB2521, and local tax dollars
- Appropriate funds for final construction costs, startup costs, moving expenses, and occupancy of the 2021 County Annex building
- Appropriate funds for significant repairs to the Weber Annex roof and office upgrades
- Repair the courthouse basement and renovate vacated offices for other judicial purposes
- Appropriate funds toward the preservation of the Bates-Sheppard Home (site of the DeWitt County Historical Museum)
- Purchase 100 acres from the Texas Department of Criminal Justice
- Hire additional jail staff to answer concerns of the Texas Department of Jail Standards and an Information Technology Support Specialist
- Limit salary increases to an hourly rate adjustment based on longevity of qualifying employees and promotions in rank within the Sheriff's Office while maintaining a respectable employee benefit package
- Maintain healthy fund balances in order to sustain the existing level of constituent services and ongoing capital improvement plans in the road and bridge departments
- Avoid issuing debt financed by an unpredictable mineral component of the tax base

Appropriation by General Category of Expenditure = \$38,798,667 (includes \$3.7 million remainder of CTIF Grant funding)



Eagle Ford Shale Era Road and Bridge appropriation by precinct

Expressed in Millions; Includes CTIF Grant Allocation



■ FY2011 ■ FY2012 ■ FY2013 ■ FY2014 ■ FY2015 ■ FY2016
■ FY2017 ■ FY2018 ■ FY2019 ■ FY2020 ■ FY2021 ■ FY2022

FY2022 Tax Policy

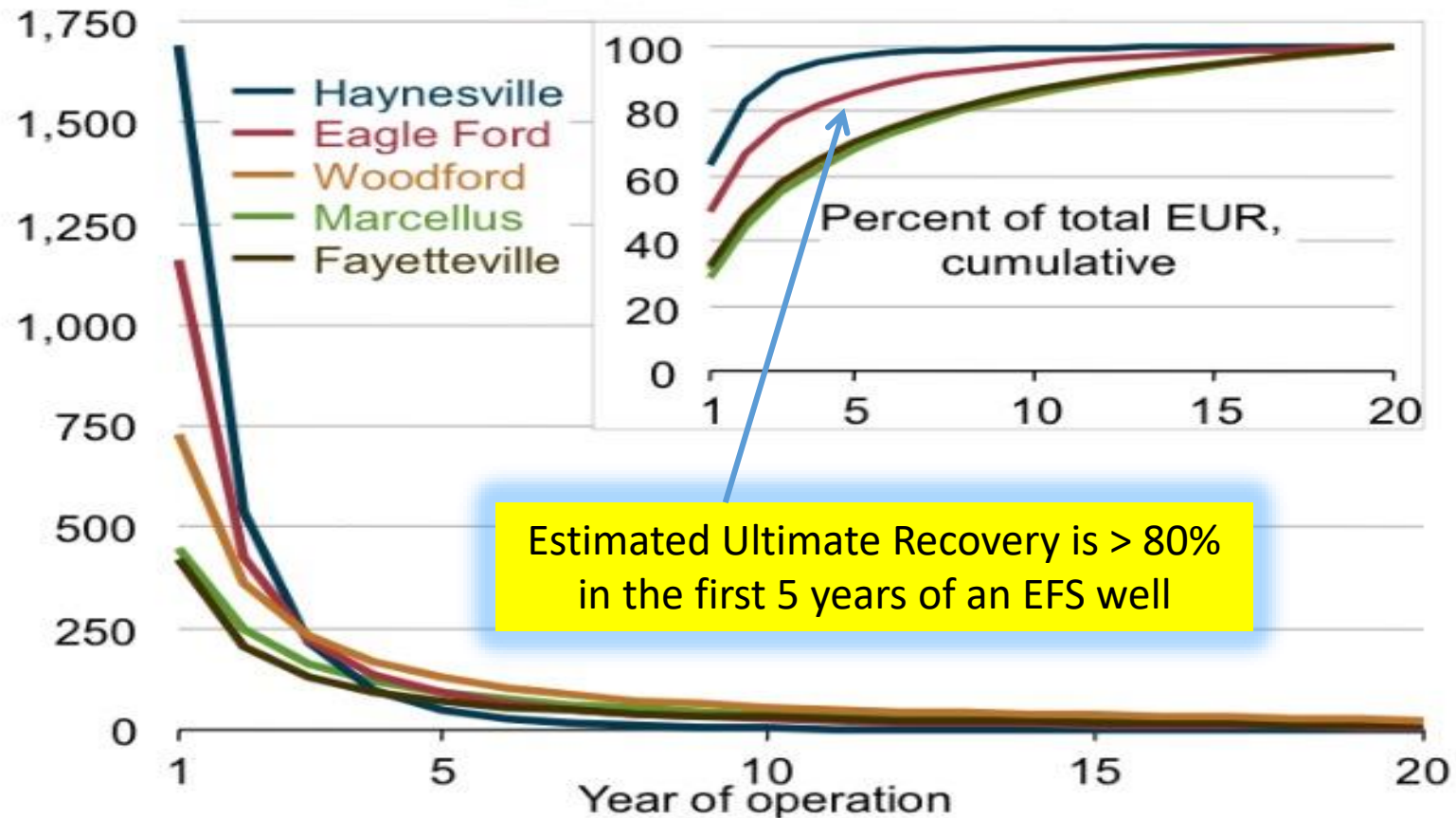
Hearing held in conjunction with County Budget Hearing on August 23, 2021 at 9:00 A.M. in the County Courtroom

- The No New Revenue Tax Rate and the Voter Approved Tax Rate were considered and rejected because they were higher than the 2020 Tax Rate.
- The adopted tax rate accurately addresses the needs of the county.
- The adopted tax rate is the same tax rate used in the previous eight years and, therefore, is not disruptive to private-sector businesses or family budgets while the local economy is weakened due to COVID-19
- **Note about property appraisal:** The DeWitt County Central Appraisal District is a subdivision of the State of Texas and governed by the Tax Code under the jurisdiction of the Comptroller of Public Accounts.
- **Note about tax assessment:** The tax rates adopted by other jurisdictions are a function of the governing bodies of those jurisdictions.
- **Note about tax collection:** DeWitt County collects the tax levy for other jurisdictions within the county and distributes the revenue back to those jurisdictions according to agreements to provide this service for a small fee.

The Basis of Tax Policy:

Mineral values are volatile and decline rapidly

Figure 54. Average production profiles for shale gas wells in major U.S. shale plays by years of operation (million cubic feet per year)



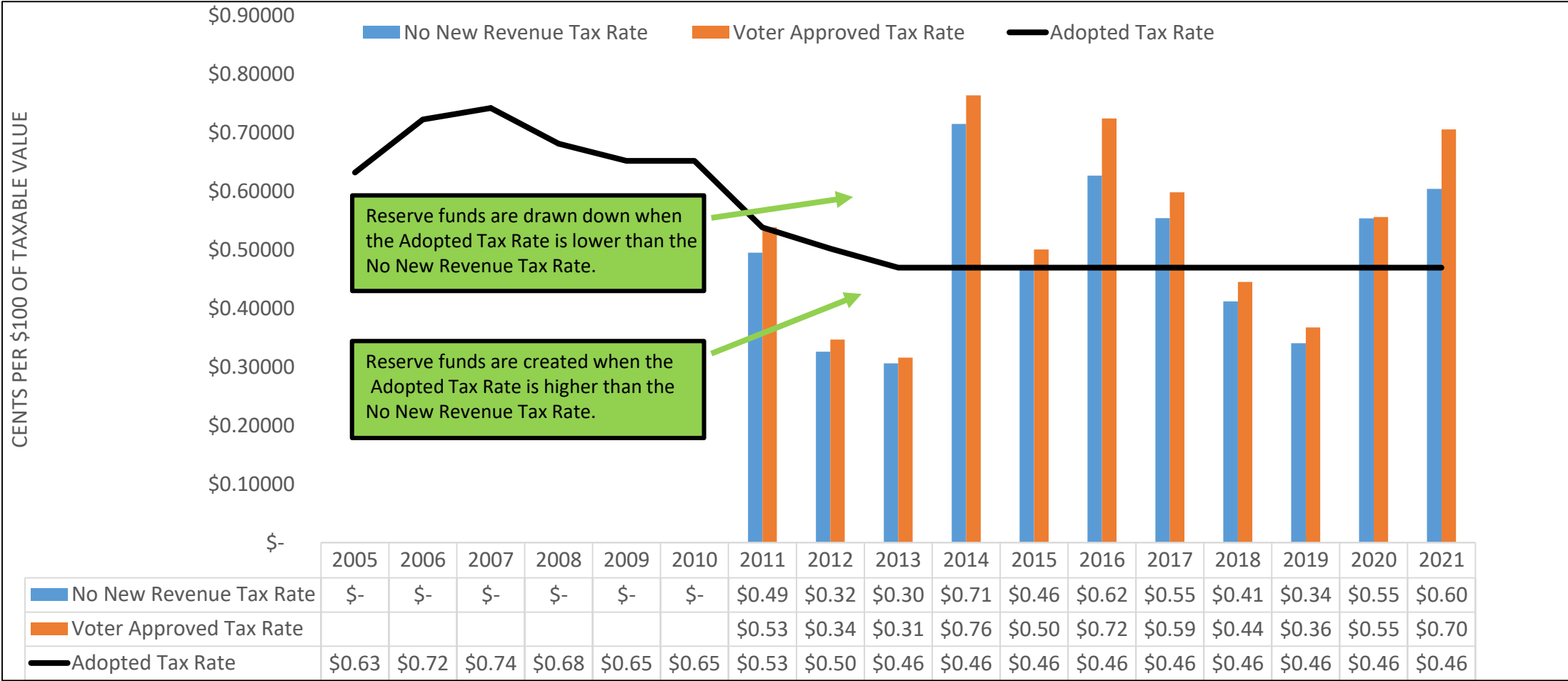
Comparison of Tax Rates

\$100,000 property with NO CHANGE in appraised value

<p>Current Tax Rate is .46937</p> <p>\$469.37</p>	<p>No New Revenue Tax Rate is .60384 = no loss in tax revenue</p> <p>\$603.84</p>	<p>No New Revenue Tax Rate impact over previous year's tax bill</p>	<p>Voter Approved Tax Rate is .70553 = 3.5% more revenue than current year + 8 pennies that were available last year and not used</p> <p>\$705.53</p>	<p>Voter Approved Tax Rate impact over previous year's tax bill</p>
No Change	\$ 134.47 increase	+ 28.65 percent	\$ 236.16 increase	+ 50.3 percent

Property appraisals are performed by the DeWitt County Central Appraisal District, a political subdivision of the State of Texas. The County of DeWitt does not appraise or assign value to any property in the county.

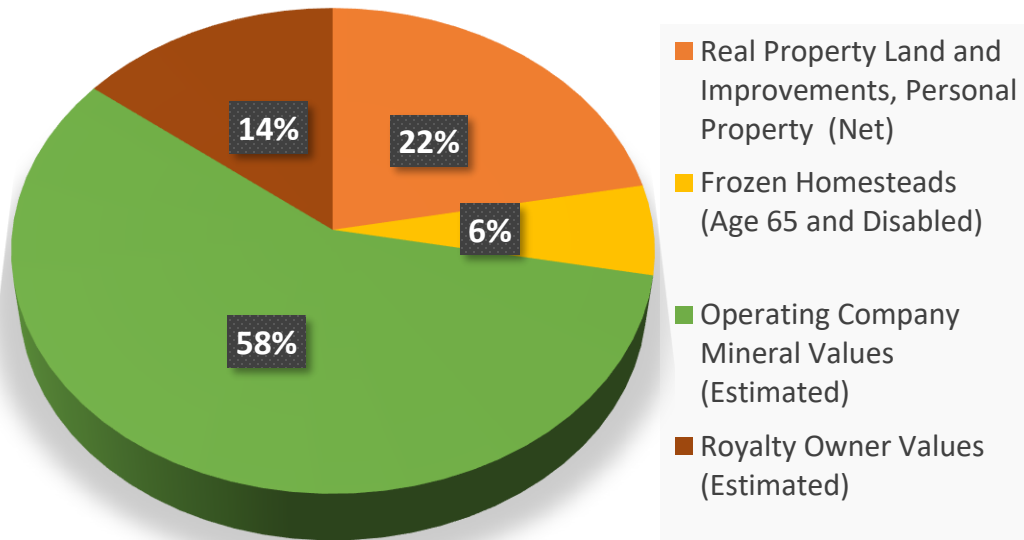
Historical Tax Rate Calculations and Adopted Rates



Certified Appraised Values decreased by \$1.2 billion (-18.50 %) in 2021
Tax Revenue decline = \$ 5,532,835 (-21.93 percent)

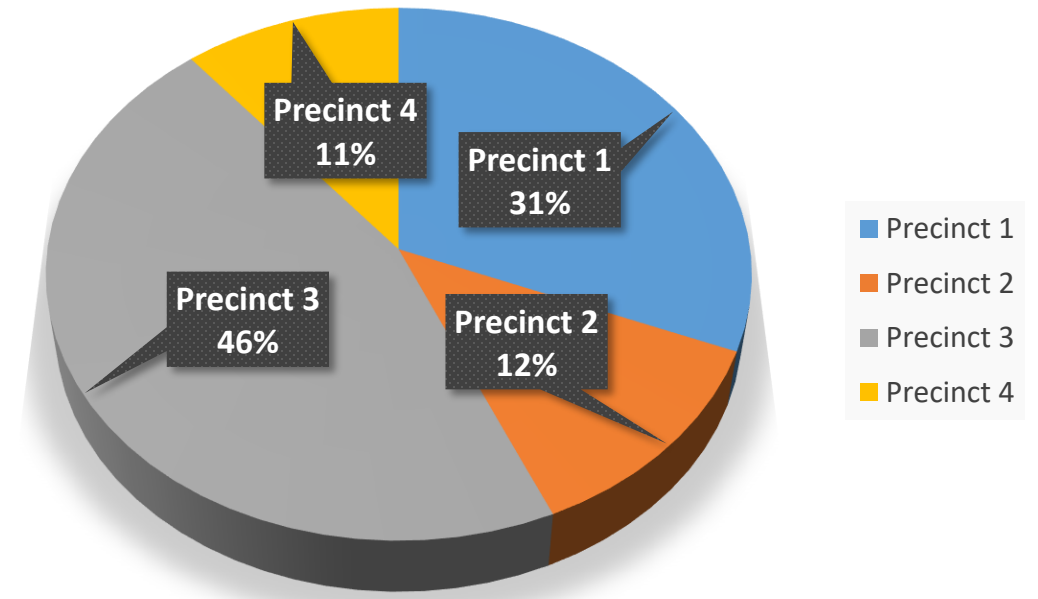
\$ 4,460,167,758 Net Taxable Value

General Categories of Taxable Property



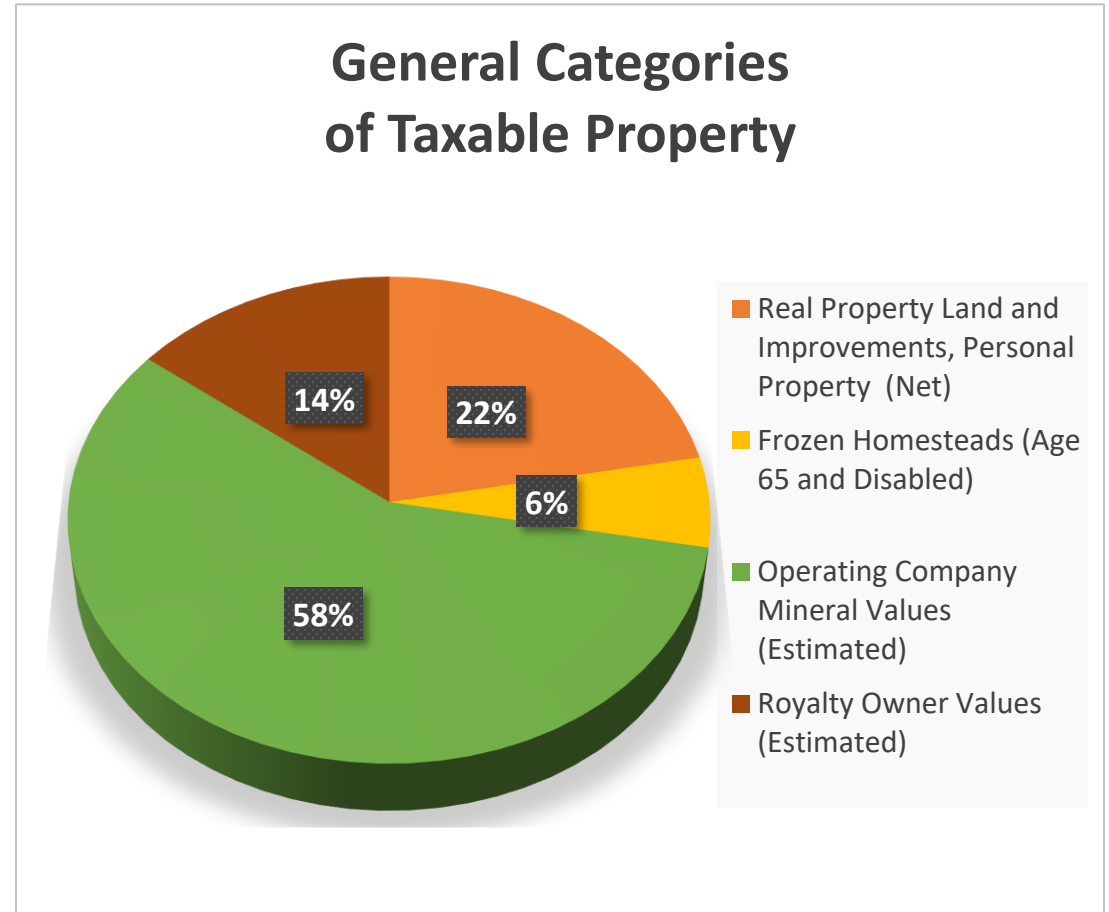
\$ 4,460,167,758 Net Taxable Value

Property Values by Precinct



Distribution by Category of Taxpayer (each Penny of tax rate raises \$419,390 of tax revenue)

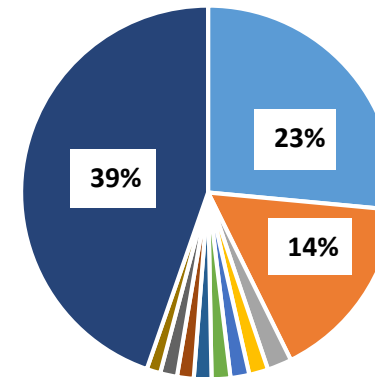
- \$ 243,246 is levied upon Operating Company Mineral Values (58%)
- \$ 58,715 is levied upon Royalty Owner Mineral Values (14% estimated 80/20)
- \$ 92,266 is levied upon agricultural, commercial, and residential Real Property and Improvements, and Personal Property (22%)
- \$ 795,489 is the tax ceiling levied upon \$266,267,353 of property owned by persons with the Frozen Homestead exemption (6% of tax base). This translates to an equivalent tax rate of .29875 per \$100



2021 Top 10 Mineral Owners

Mineral Owner	2021 Value
Burlington/ConocoPhillips	\$ 850,897,900
Devon Energy Production Co. LP	\$ 520,878,590
Ensign Operating, LLC	\$ 67,964,830
Verdun Oil & Gas, LLC	\$ 53,018,470
Enterprise Texas Pipeline	\$ 52,223,550
EFS Midstream, LLC	\$ 52,171,320
Kinder Morgan Crude LLC	\$ 48,984,230
EOG Resources	\$ 46,346,810
BPX (EFS) Gathering	\$ 38,285,900
Circle 8 Cranes	\$ 38,274,240
All Other WI & RI	\$ 1,435,608,660
Total of Mineral/Industrial	\$ 3,642,348,089

Total Mineral Values = \$ 3,642,348,089



- Burlington/ConocoPhillips
- Devon Energy Production Co. LP
- Ensign Operating LLC
- Verdun Oil & Gas, LLC
- Enterprise Texas Pipeline
- EFS Midstream, LLC
- Kinder Morgan Crude LLC
- EOG Resources
- BPX (EFS) Gathering
- Circle 8 Crane Service
- All Other WI & RI

TREND: MORE HOMESTEADS QUALIFYING FOR A TAX FREEZE

* Constitutionally authorized tax freezes are not means-tested

54% of 5133 home-Steads in the county qualify for a freeze of the county property tax. The freeze protects a vulnerable population, but has the effect of shifting the cost of public services to other categories of taxable property over time.

