

DeWitt County Budget FY 2016 and 2015 Tax Rate

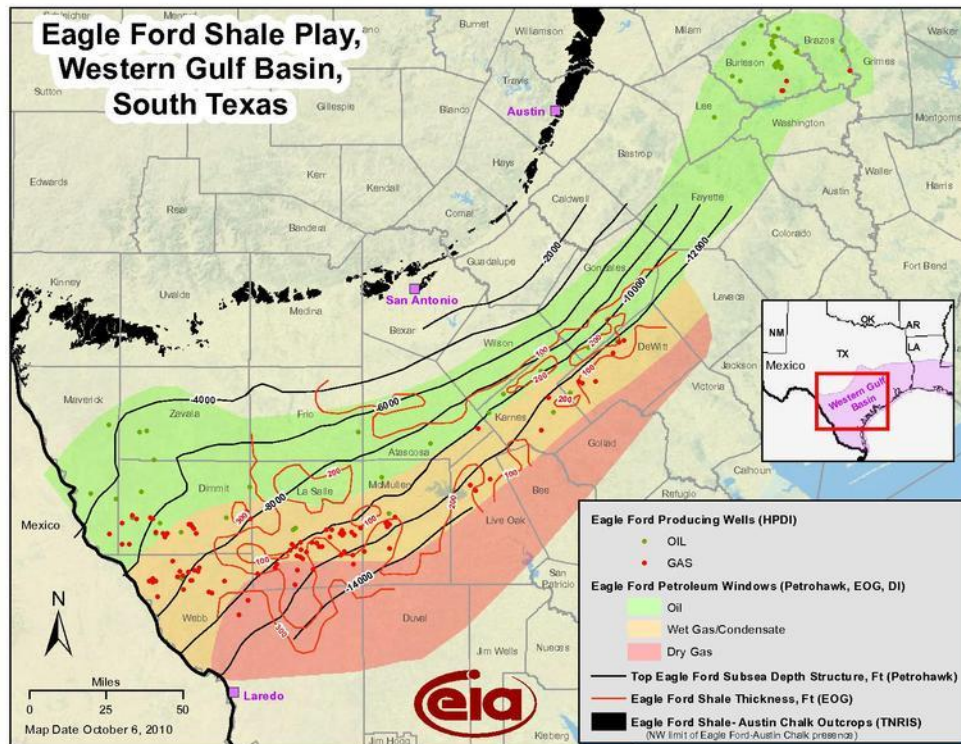


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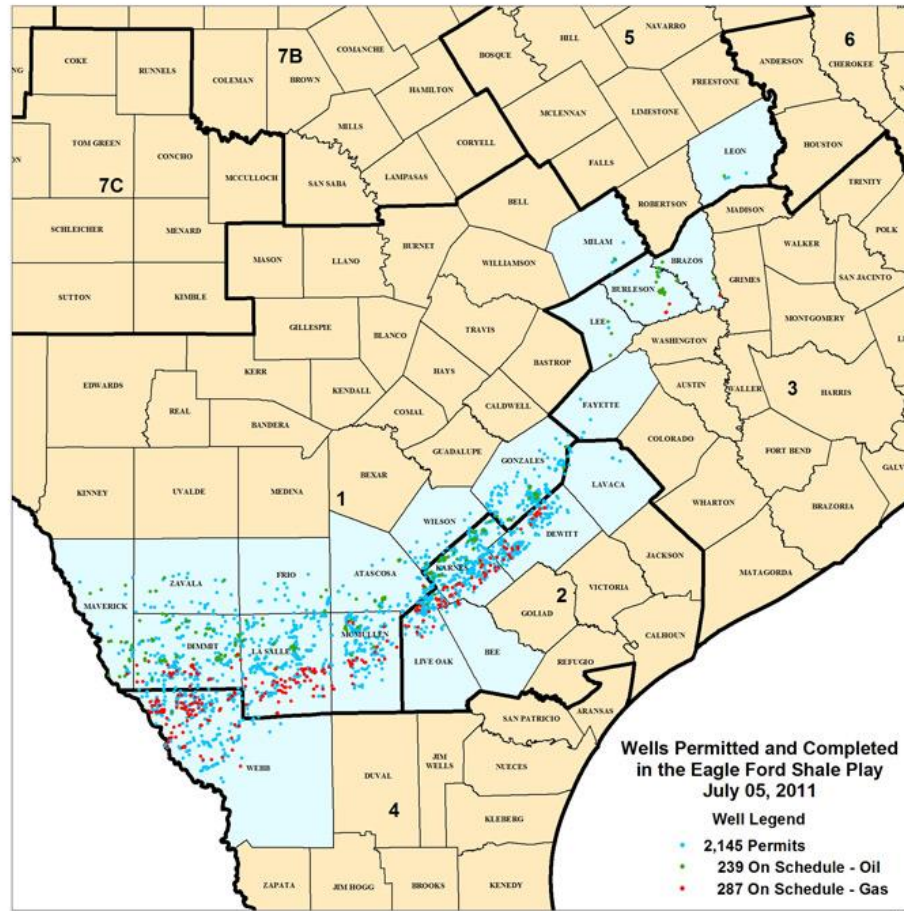
Eagle Ford Shale

- Eagle Ford Shale continues to be a game changer for DeWitt County
- 125 RRC well permits in 2010
- 515 RRC well permits issued in 2013
- 500 permits are likely in 2014
- 636 permits issued in 2014
- 313 permits issued through Aug 31, 2015

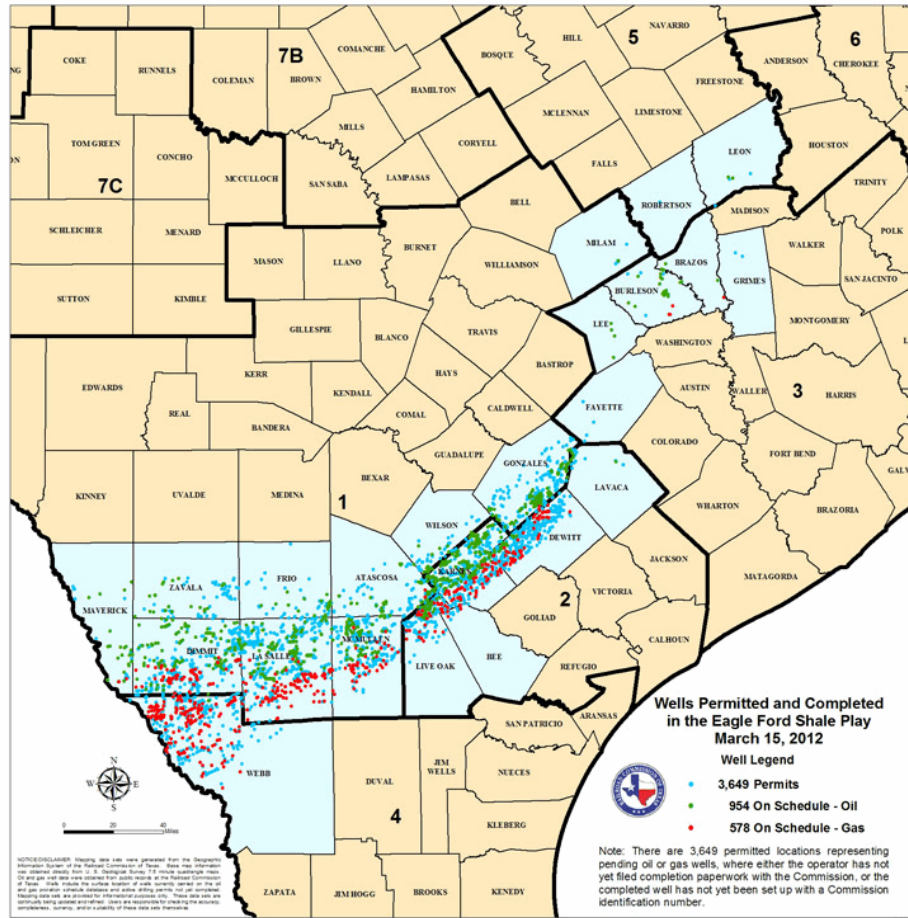
Eagle Ford Shale in the beginning



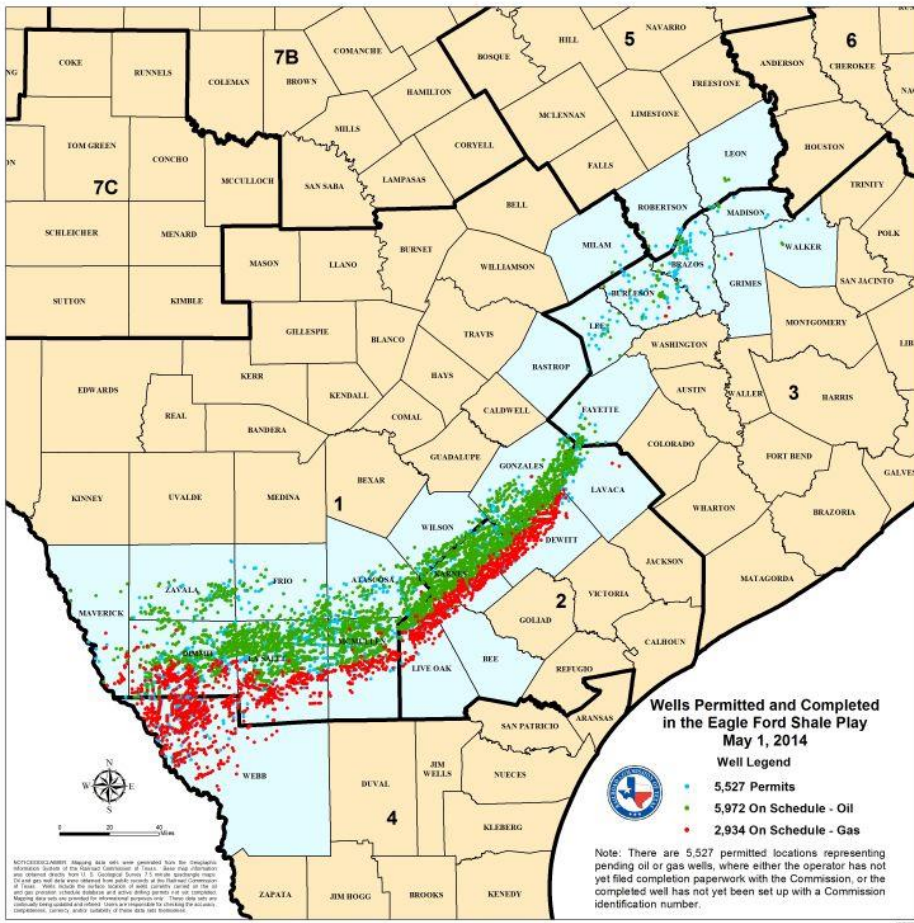
EFS July 2011



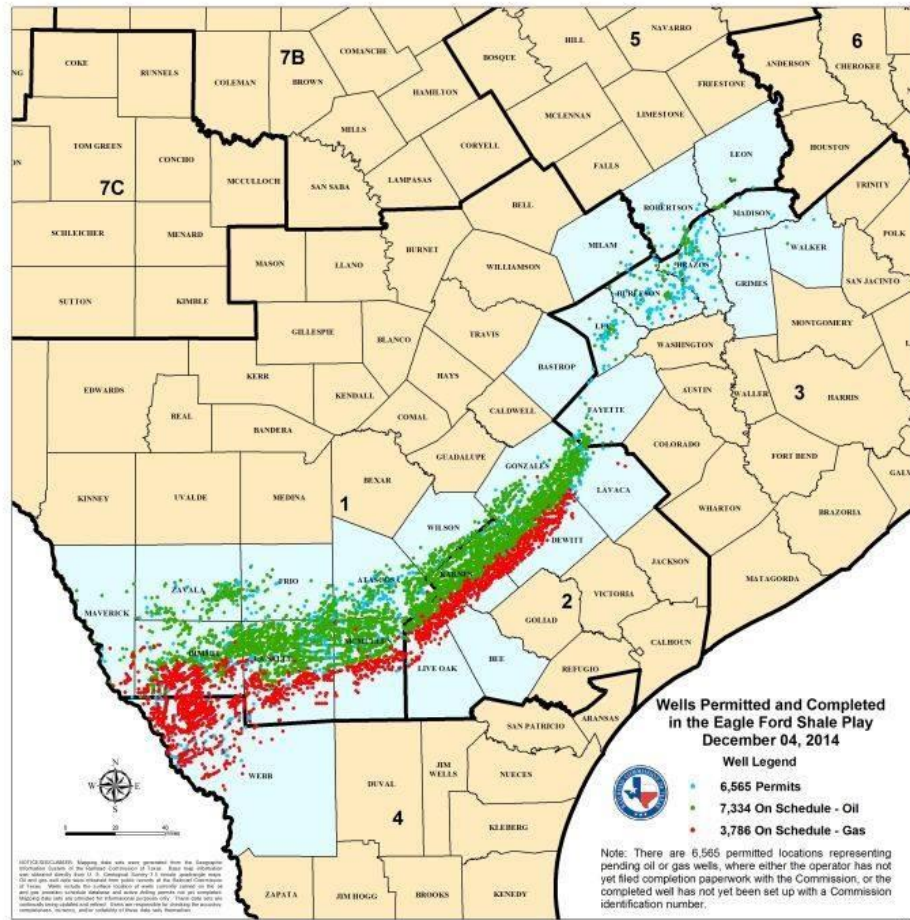
EFS December 2012



EFS May 2014

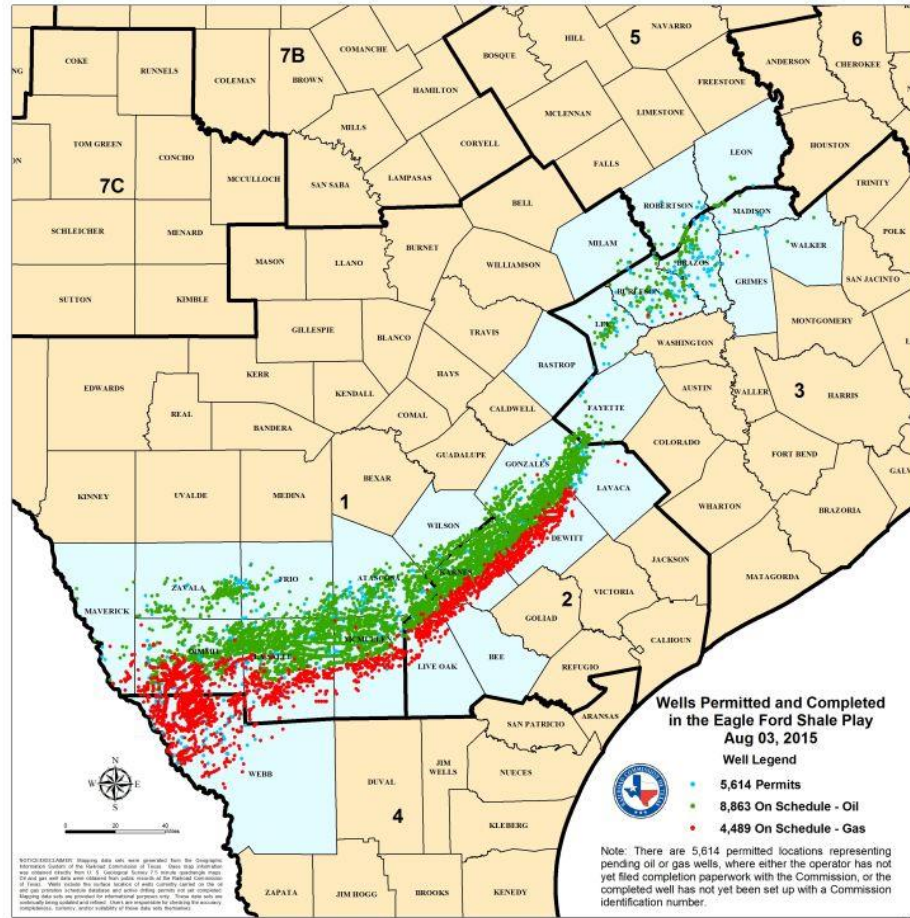


EFS December 2014



Current RRC map of EFS

[Time lapsed progression](#)

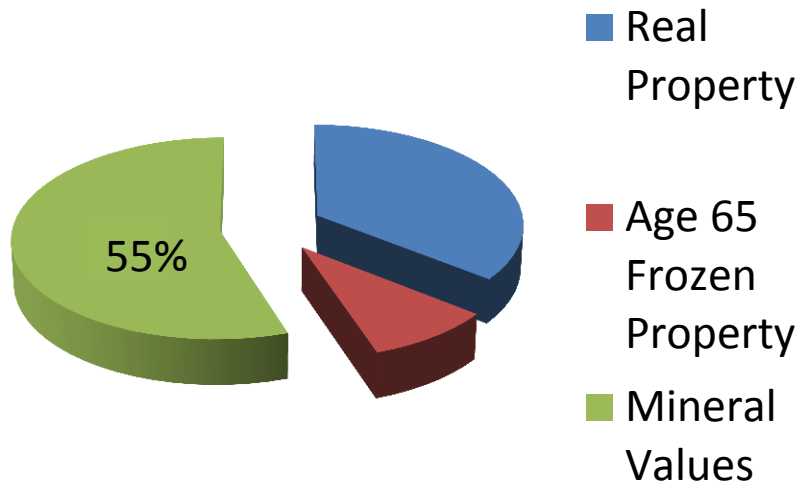


[RRC GIS Viewer of individual permitted wells](#)

Tax Base Comparison: Mineral Values

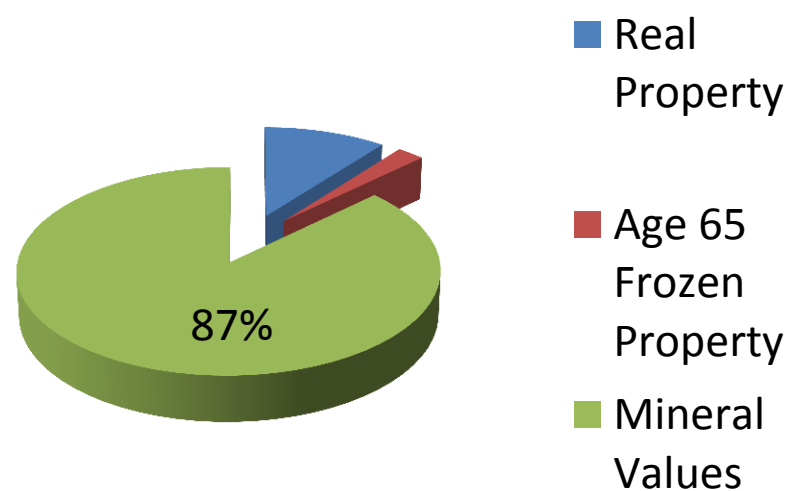
2011

Percentage of taxes paid



2013

Percentage of taxes paid

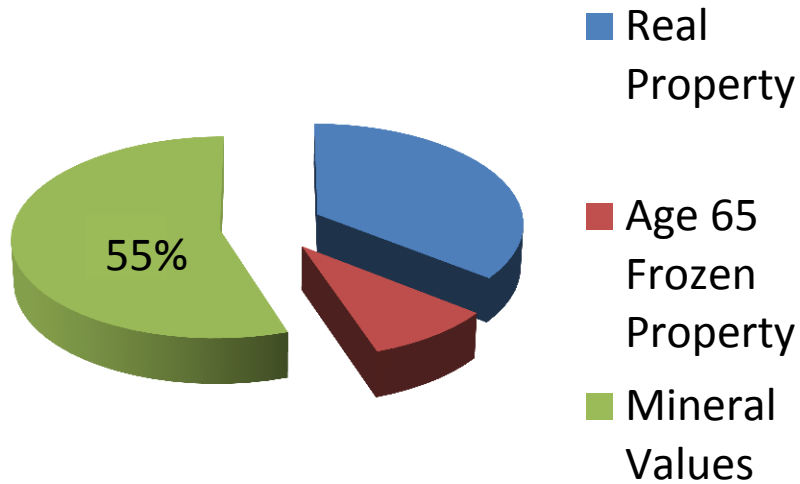


- \$87 of every \$100 in property taxes to be paid by oil and gas interests based on 2013 tax roll
- \$2.44 of every \$100 will be collected from the Over 65 and Disabled homesteads

Tax Base Comparison: Mineral Values

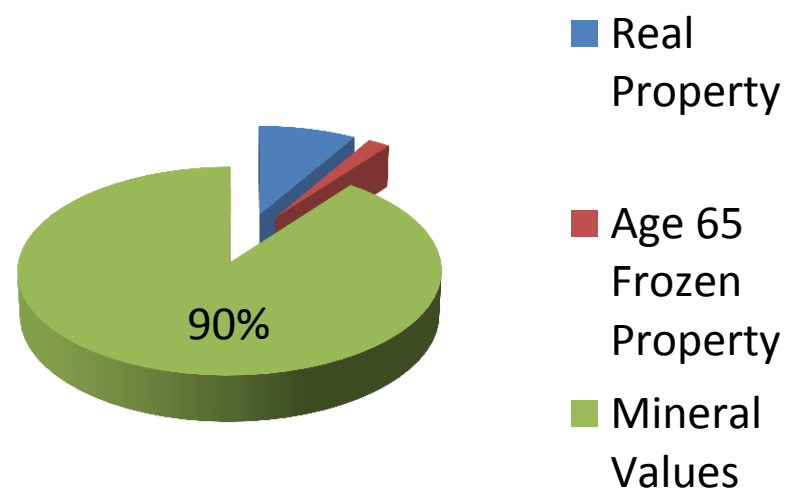
2011

Percentage of taxes paid



2014

Percentage of taxes paid

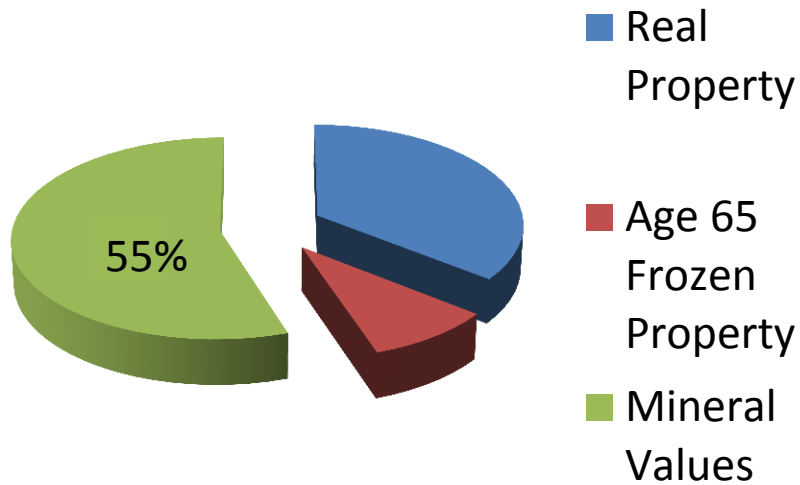


- \$90 of every \$100 in property taxes to be paid by oil and gas interests based on 2014 tax roll
- \$1.92 of every \$100 will be collected from the Over 65 and Disabled homesteads

Tax Base Comparison: Mineral Values

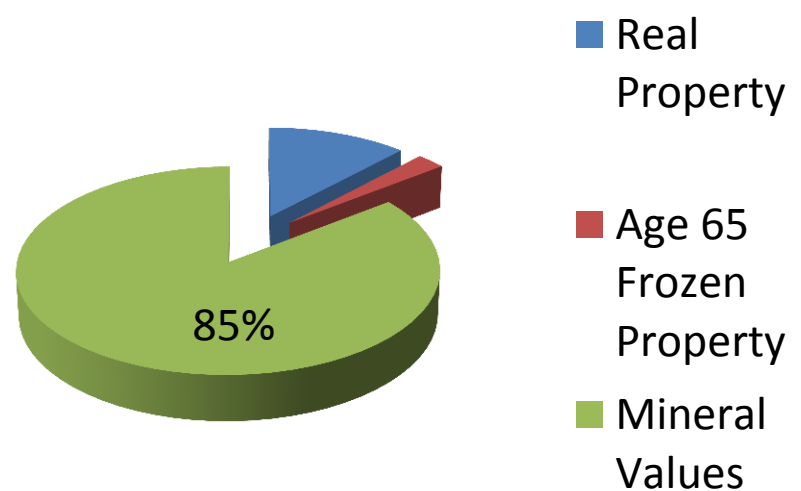
2011

Percentage of taxes paid



2015

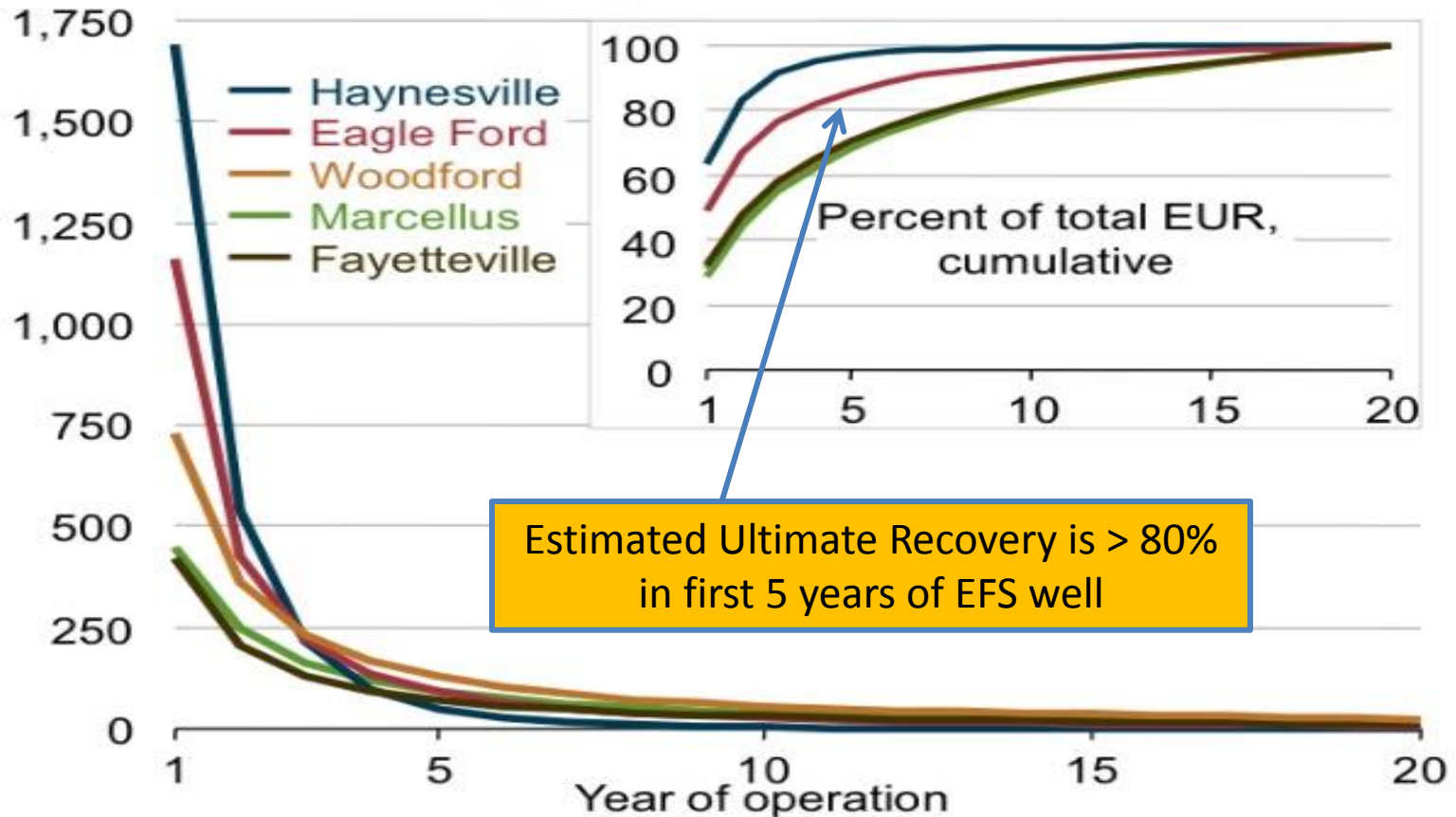
Percentage of taxes paid



- \$85 of every \$100 in property taxes will be paid by oil and gas interests based on 2015 tax roll
- \$2.50 of every \$100 will be collected from the Over 65 and Disabled homesteads

Typical Decline Curve of Shale Wells

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



Current Budget Policy

- Focus on long term stability of operations
- Observe fiscal discipline while meeting increasing demands for services
- Repair or rebuild damaged roads in all precincts of the county
- Hire outside contractors for R&B projects
- Invest in 21st Century technology
- Recruit and train deputies and pay competitive wages
- Avoid additional debt and pay off existing debt
- Maintain healthy reserve balances
- Prepare for a soft landing in 6 to 9 years

Current Tax Policy

- Capture enough tax revenue to meet current countywide demand for services
- Accommodate the needs of the oil and gas industry by appropriately taxing their assets
- Realize that operational costs will revert to local taxpayers when oil and gas operations cease
- Spare local citizens the burden of rebuilding road infrastructure by taxing minerals before they are depleted
- Avoid imposing a property tax rate increase on the less fortunate taxpayers in the future when the oil companies are gone

2015 Legislative results

- \$4,957,614 of TIF Grant funds awarded in 2013 were utilized on 4 major road projects during FY2015
- 84th Legislature did not appropriate any TIF Grant funds for the next biennium
- HB 2521 was signed by Governor Greg Abbott
- When HB 2521 becomes effective on September 1, 2017 counties will be able to use oil and gas revenue produced in a right-of-way for road repairs
- HB 2521 revenue could yield \$2-3 million annually from HB 2521 revenue