NOTICE ABOUT 2020 TAX RATES

Property Tax Rates in City of Palacios
This notice concerns the 2020 property tax rates for City of Palacios. This notice provides information about two tax rates. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. The voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per $100 of property value.

This year's no-new-revenue tax rate: $0.81587
This year's voter-approval tax rate: $0.85351

To see the full calculations, please visit www.co.matagorda.tx.us for a copy of the Tax Rate Calculation Worksheets.

Unencumbered Fund Balances
The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

<table>
<thead>
<tr>
<th>Type of Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>942,216</td>
</tr>
<tr>
<td>Utility</td>
<td>270,141</td>
</tr>
</tbody>
</table>

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 upcoming property tax revenues (or additional sales tax revenues, if applicable).

<table>
<thead>
<tr>
<th>Description of Debt</th>
<th>Principal or Contract Payment to be Paid from Property Taxes</th>
<th>Interest to be Paid from Property Taxes</th>
<th>Other Amounts to be Paid</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 Series Certificates of Obligations</td>
<td>220,000</td>
<td>91,500</td>
<td>0</td>
<td>311,500</td>
</tr>
<tr>
<td>2017 Tax Note Series</td>
<td>101,000</td>
<td>7,858</td>
<td>0</td>
<td>108,858</td>
</tr>
</tbody>
</table>

Total required for 2020 debt service
- Amount (if any) paid from funds listed in unencumbered funds 0
- Amount (if any) paid from other resources 368,268
- Excess collections last year 5,578
- Total to be paid from taxes in 2020 46,512
- Total debt levy 46,512

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by Cristyn E. Hallmark PCC, Matagorda County Tax Assessor-Collector on August 19, 2020.

Signature

Date 8-19-2020