

Valley Municipal Utility District No. 2

Notice of Public Hearing on Tax Rate

The Valley Municipal Utility District No. 2 will hold a public hearing on a proposed tax rate for the tax year 2025, on August 26, 2025 at 9:00 a.m. at the Valley Municipal Utility District No. 2 Office, 100 Hidalgo, Rancho Viejo, Texas. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

FOR the proposal: Roger Nelson
Pat Pace
Jim Tipton
Nancy Rodriguez

AGAINST the proposal: None

PRESENT and not voting: None

ABSENT: Richard Harse

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

| | | |
|--|------------------------------------|---|
| Total tax rate (per \$100 of value) | Last Year 0.35/\$100 Adopted | This Year \$0.4385/\$100 Proposed |
| Difference in rates per \$100 of value | \$.0885/\$100 | |
| Percentage increase in rates | .2529% | |
| Average appraised value | \$299,451 | \$ 306,107 |
| General Exemptions Available (excluding senior citizen's or disabled person's exemptions) | \$ 50,334 | \$ 41,128 |
| Average Taxable Value | \$249,117 | \$ 264,979 |
| Tax on Average Residence Homestead | \$ 871.90 | \$1161.93 |
| Annual Increase/Decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-) | \$290.03 24.96 % | |

NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the voter-approval tax rate under Section 49.23603, Water Code.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.