

WATER DISTRICT

NOTICE OF PUBLIC HEARING ON TAX RATE

The LANCASTER MUNICIPAL UTILITY DISTRICT #1 will hold a public hearing on a proposed tax rate for the tax year 2026 on October 20, 2026, at 12:00 Noon at 6060 North Central Expressway, Suite 400, Dallas, TX 75206. 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.

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

FOR the proposal: Pat O'Hanlon, Felicia Erwin and Davis Wiggins
AGAINST the proposal: None
PRESENT and not voting: None
ABSENT: Erik Norgello and Bruce Prine

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.

	Last Year	This Year
Total tax rate (per \$100 of value)	\$ 0.94940/\$100	\$1.01360/\$100
	Adopted	Proposed
Difference in rates per \$100 of value	\$ 0.06420/\$100	
Percentage increase/decrease in rates (+/-)	6.76%	
Average appraised residence homestead value	\$ 306,352	\$ 308,575
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$ 0	\$ 0
Average residence homestead taxable value	\$ 306,352	\$ 308,575
Tax on average residence homestead	\$ 2,908.50	\$ 3,127.71
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)	\$ 219.21	
and percentage of increase (+/-)	7.53%	

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.