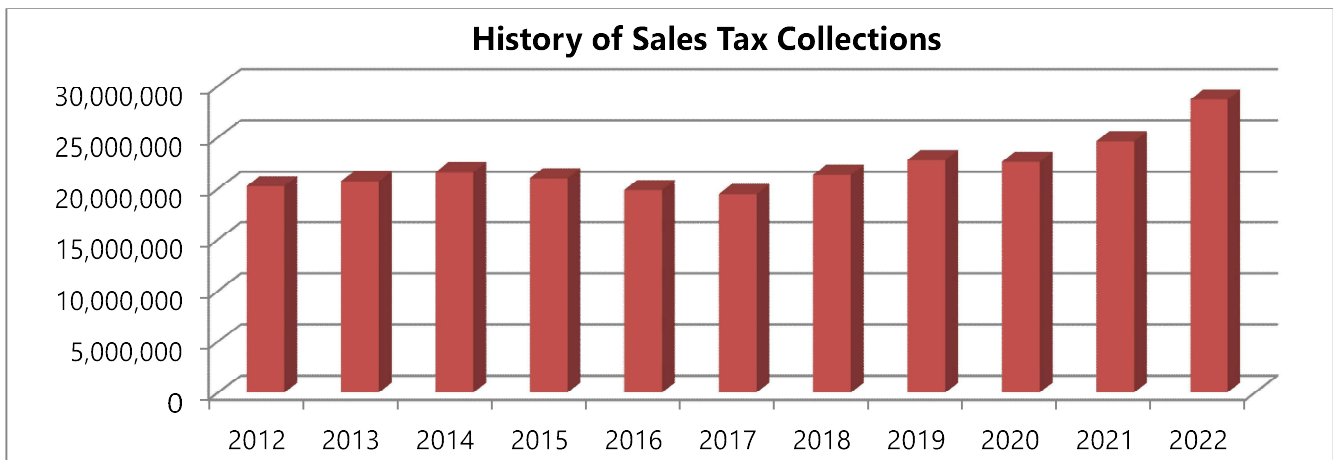


Sales Tax History

The History of Sales Tax Collections chart below shows that the city has experienced sizable variation in sales tax revenue growth from 2011 to 2019. In 2010, sales tax revenue decreased due to a recession in the local, state, and national economies. Revenues from 2014 came in better than anticipated, with a 4% increase but slowed again in 2015 and 2016, and 2017. Sales tax revenue rebounded in 2018 in 2019.

The FY 2019-2020 budget was initially projected to show continued growth in sales tax revenue but fell short due to the current global pandemic and restrictions implemented by local and state governments in March 2020. Before the worldwide pandemic, the city sales tax collections were up approximately 4.4%. However, these restrictions began to show declines shortly after that until the end of the year, showing a cumulative year-to-date loss of \$543,179 from April to June. Based on the trend, the city's budget team estimated the sales tax loss could grow to as much as \$2.36 million by the end of the year. In response, the City of Longview instituted many budgetary control measures. Thankfully, the city was able to weather the storm with conservative measures put in place. In FY 2020-21, mid-year Sales tax revenue took a turn for the better, beginning in February with a 4.12% increase compared to the prior year. The initial increases were in several industries, including retail, accommodation/ food services, warehousing, and others. This positive trend continued throughout the remainder of the year ending the FY 2020-21 with approximately \$2.4 million above projected collections. FY 2021-22, the budgeted revenue was back on track for revenue growth as in the prior year's success.



Property Tax

The table below represents the average change in property tax rates and taxable values over a 10-year period.

Annual Change in Tax Rate and Certified Taxable Value							
FY	Total Rate	O&M Rate	Increase (Decrease)	Debt Rate	Increase (Decrease)	Certified Taxable Value*	% Change
2013-14	0.5009	0.3800	0.0078	0.1209	(0.0078)	\$ 5,499,077,776	-0.32%
2014-15	0.5099	0.3800	-	0.1299	0.0090	\$ 5,612,870,093	2.07%
2015-16	0.5099	0.3800	-	0.1299	-	\$ 5,710,675,896	1.74%
2016-17	0.5099	0.3800	-	0.1299	-	\$ 5,721,147,565	0.18%
2017-18	0.5099	0.3876	0.0076	0.1223	(0.0076)	\$ 5,755,583,633	0.60%
2018-19	0.5099	0.3842	(0.0034)	0.1257	0.0034	\$ 5,872,702,870	2.03%
2019-20	0.5589	0.3842	-	0.1747	0.0490	\$ 6,072,810,995	3.41%
2020-21	0.5589	0.3997	0.0155	0.1592	(0.0155)	\$ 6,207,808,599	2.22%
2021-22	0.5589	0.4130	0.0133	0.1459	(0.0133)	\$ 6,450,453,653	3.91%
2022-23	0.5789	0.3992	(0.0138)	0.1797	0.0338	\$ 7,484,739,359	16.03%

Impact on Average Residence in Gregg County

- Average Home Value \$181,645
- Proposed Tax Rate \$0.5789
- Average Tax Amount \$1,051.55
- Change from 2021 12.76%

Total property values have steadily grown over the last ten years. Certified values have increased an average of 1.84% per year from 2013-14 through 2021-22. This steady growth is similar and along the same estimated growth in population during that period for the city as well.

In 2019, the Texas legislature passed the "TEXAS Property Tax Reform and Transparency Act." This legislation changed how municipalities could calculate and set property tax rates. In addition, the Truth and Taxation legislation lowered the rate at which a taxing unit can adopt without voter approval and required mandatory elections to go above the lowered rate.

On February 15, 2022, the Longview City Council called a \$45.6 million bond election. The bond election was to help the accrued liability to the Longview Firefighters' Relief and Retirement Fund. The Firefighters' Relief and Retirement Fund, established in the 1940s, is a pension that provides benefits to retired Longview firefighters and other Fire Department employees.

On May 7, 2022, Longview voters approved the 2-cent rate increase. It is estimated that the 2-cent tax increase on the average Longview homesteaded property valued at currently at \$166,867 is \$33.37 per year. The 2-cent increase approved by voters will go into effect in FY 2022-23. The Adopted Tax Rate for FY 2022-23 with the 2-cent addition is now .5789.

Although the fluctuations impact the overall Longview economy in the oil and gas industry due to impacts on the related service industry and jobs, minerals oil and gas represent less than 1% of the total property valuations. The more notable changes in the property valuations were in Real Commercial/Industrial, which experienced a 22.53% increase from the prior. In addition, the Real Acreage (Land Only) increased by 45.63%, Single/Family, Residential increased by 10.71%, Multifamily, Residential increased by 51.15%, and Farm & Ranch Improvements increased by 17.29%. The property tax rates for this jurisdiction haven't changed since FY 2018-19 citizen bond package. In FY 2022-23, the property tax rate increased by 2 cents by the citizen-approved bond package. The certified values have increased at a reasonable rate based on the growth of the city. This growth is good for the community and appeals to others looking to take residence in the City of Longview.

The certified values for FY 2022-23 have increased by 16.07%, as shown in the chart below.

Change in Property Use Categories Assessed Valuation			
Real	2022	2023	%
Single Family, Residential	3,270,090,756	3,620,253,790	10.71%
Multifamily, Residential	367,954,430	556,179,115	51.15%
Vacant Lots	74,501,897	78,039,312	4.75%
Real Acreage (Land Only)	17,993,615	26,204,493	45.63%
Farm & Ranch Improvements	63,363,888	74,320,789	17.29%
Commercial/Industrial	1,450,295,086	1,777,038,605	22.53%
Minerals, Oil & Gas	26,904,583	40,892,528	51.99%
Inventory	14,340,330	12,541,160	-12.55%
Personal	5,285,444,585	6,185,469,792	
Utilities	140,153,000	154,145,690	9.98%
Commercial/Industrial	1,234,993,919	1,413,127,621	14.42%
Mobile Homes	7,820,490	8,200,330	4.86%
Special Inventory	36,887,500	46,099,440	24.97%
Exempt	4,740,390	8,732,900	84.22%
Total Value	\$6,710,039,884	\$7,815,775,773	16.48%
Less Exemptions	259,586,231	329,032,044	26.75%
Certified Taxable Value	\$6,450,453,653	\$7,486,743,729	16.07%