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**2013**

**Annual Report**

**Fayette County Appraisal District**

**P. O. Box 836**

**La Grange, TX 78945**

 **2013 ANNUAL REPORT**

**FAYETTE COUNTY APPRAISAL DISTRICT**

**INTRODUCTION**

The Fayette County Appraisal District is a political subdivision of the State of Texas. The Constitution of the State of Texas, the Texas Property Tax Code, and the Rules of the Texas Comptroller’s Property Tax Assistance Division govern the operations of the appraisal district.

**MISSION**

The mission of the Fayette County Appraisal District is to discover, list and appraise property as accurately and equitably as possible in order to estimate the market value of all property within the boundaries of the district for ad valorem tax purposes. The district must make sure that each taxpayer is given the same consideration, information and assistance as the next. This will be done by administering the laws under the property tax system and operating under the standards of:

* The Property Tax Assistance Division of the Texas State Comptroller’s Office (PTAD)
* The International Association of Assessing Officers
* The Uniform Standards of Professional Appraisal Practices

**OVERVIEW**

The Fayette County Appraisal District is responsible for local property tax appraisal and exemption administration for 15 jurisdictions or taxing units in the county. Each taxing unit, such as the county, a city, school district, municipal utility district, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. The District also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation.

FCAD is responsible for 960 square miles and 53,243 accounts within Fayette County. Portions of Giddings ISD, Smithville ISD and Weimar ISD cross into Fayette County. These properties are appraised by FCAD and are included in the total number of accounts.

FCAD’s required operations are outlined in the Texas Administrative Code and are monitored by the Texas Comptroller of Public Accounts. Except as otherwise provided by the Texas Property Tax Code, all taxable property is appraised at “market value” as of January 1. Under the Texas Property Tax Code, Sec. 1.04(7), “market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if: exposed for sale in the open market with a reasonable time for the seller to find a purchaser; both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use, and; both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The Texas Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec 23.12), dealer inventory (Sec 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03).

**TAXING JURISDICTIONS**

The Fayette County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within Fayette County. They are as follows:

* Fayette County
* La Grange ISD
* Schulenburg ISD
* Flatonia ISD
* Fayetteville ISD
* Round Top/Carmine ISD
* Giddings ISD
* Smithville ISD
* Weimar ISD
* City of La Grange
* City of Schulenburg
* City of Flatonia
* City Fayetteville
* City of Carmine
* Town of Round Top
* Fayette County Groundwater Control District
* Cummins Creek WCID
* Monument Hill WCID

**ACTIVITIES PERFORMED BY FCAD IN 2012**

The FCAD uses a process called mass appraisal. Mass appraisal allows for the valuing of large groups of property as of a given date and allows for statistical testing. The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal programs and recognized appraisal methods and techniques, information is compared with the data of similar properties and with recent cost and market data. The District, as required by the state of Texas, follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards promulgated the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. Chapter 23 of the Texas Property Tax Code contains statutes dealing with appraisal methods and procedures. Section 23.01 of this chapter was amended in 1997 to specify that appraisal districts are required to comply with the mass appraisal standards of USPAP (Standard Six) when the appraised *value* of a property is established using mass appraisal techniques.

The FCAD’s Valuation Process

In order to make a valuation, the staff must first identify new properties. This is done by viewing aerial photography, scouring local government records such as building permits, or locating advertisements in the newspaper.

The staff must then collect data by visiting new and existing properties. The staff assesses the value of new structures, as well as assesses depreciation and the value of any new additions to existing structures. Additionally appraisers must classify the quality of the construction by examining features such as rooflines, add-ons, construction type such as brick or wood, etc. Data regarding sales and building prices must also be collected.

These values must be entered into the automated system along with changes in property parcel sizes and exemptions received from homeowners, the elderly, disabled veterans, charitable or religious organizations, and agricultural productivity valuation (this includes wildlife management).

Then the data must be analyzed following the mass appraisal standards of the USPAP. Properties are grouped by school district, subdivision, town and neighborhood. Questions such as ‘does the FCAD value match recent sales values?’ must be answered. Value is then assessed to as close to 100% of market value as possible (per state law). If this is not the case, then an analysis must be done to determine the reason the values are not within an acceptable range. Once this is determined, further adjustments are made according to existing professional standards.

Additionally FCAD must

* Analyze and revise office operations to conform with legislative changes,
* Compile and file reports required by the state,
* Work with customers regarding concerns and appeals,
* Prepare for state audits and inspections, and
* Perform required community outreach.

FCAD had 13 full-time employees during 2012 with the following classifications:

* 2 Administrative Professionals
* 4 Field Appraisers
* 1 Business Personal Property Appraiser
* 5 Technicians
* 1 Administrative Support Professional

*Note: Because the work is highly technical and closely regulated, appraisers and professionals must obtain licensing and attend yearly training on legislative updates. Additionally, all staff are now required by the state of Texas to obtain yearly customer service training.*

**Mineral, Industrial, Utility and Related Personal Property**

Mineral, Industrial, Utility and Related personal property is appraised by Pritchard & Abbott, Inc. (P&A) at the fair market value by utilizing approaches such as the cost approach, market approach, and income approach. The main source P&A uses for data collection is fieldwork by the appraisers and commercially/publicly available schedules developed on current costs such as Marshall & Swift, Handy-Whitman, Chemical Engineering Magazine, Oil & Gas Journal, etc. The validity of the values by P&A's income and cost approaches to value is tested against actual market transactions, if and when these transactions and verifiable details of the transactions are disclosed to P&A. These transactions are checked for meeting all requisites of fair market value definition. Any conclusions from this analysis are also compared to industry benchmarks before being incorporated in the calibration procedure.

**Property Types Appraised**

The appraisal district is responsible for the appraisal of approximately 53,000 parcels. The following represents a summary of property types appraised by the district for **2013**:

|  |  |  |  |
| --- | --- | --- | --- |
| **PTAD Classification** | **Property Type** | **Parcel Count** | **Market Value** |
| A | Single Family | 6,502 | 607,253,968 |
| B | Multi Family | 60 | 12,569,900 |
| C | Vacant Lot | 1,907 | 23,308,862 |
| D1 | Qualified Ag Land | 11,757 | 2,314,857,222 |
| D2 | Improvements on Qualified Ag Land | 1,172 | 89,521,599 |
| E | Non-Qualified Ag Land | 9,081 | 761,763,580 |
| F1 | Commercial Real Prop. | 1,157 | 182,893,410 |
| F2 | Industrial Real Prop. | 81 | 139,009,570 |
| G1 | Oil & Gas | 16,697 | 277,787,240 |
| J1 | Water Systems | 6 | 517,870 |
| J2 | Gas Dist. System | 22 | 2,256,620 |
| J3 | Electric Company | 49 | 58,623,040 |
| J4 | Telephone Company | 112 | 13,054,840 |
| J5 | Railroad | 43 | 39,874,790 |
| J6 | Pipeline Company | 848 | 67,787,400 |
| J7 | Cable Television Company | 14 | 1,149,020 |
| J8 | Other Type of Utility | 82 | 10,869,420 |
| J9 | Railroad Rolling Stock | 2 | 7,780,630 |
| L1 | Commercial Personal Prop. | 1,244 | 52,762,820 |
| L2 | Industrial Personal Prop. | 383 | 154,277,110 |
| M1 | Mobile Homes | 783 | 17,257,220 |
| S | Special Inventory | 12 | 6,604,740 |
| X | Exempt Property | 7,300 | 204,014,850 |

**General Information**

|  |  |  |
| --- | --- | --- |
|  | **2013** | **2012** |
| Properties Inspected | 3,098 | 4,086 |
| Exemptions Processed | 442 | 476 |
| 1-d-1 Applications Processed | 290 | 665 |

**Inquiry and Formal Protest Data**

|  |  |  |
| --- | --- | --- |
|  | **2013** | **2012** |
| Informal Appeals Processed | 866 | 1,221 |
| Formal Appeals Processed | 539 | 711 |
| ARB Decision | 54 | 144 |
| Arbitration Cases | 0 | 0 |
|  |  |  |

**Certified Values for All Jurisdictions**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2013** |  | **2012** |
|  | **Market Value** | **Taxable Value** |  | **Market Value** | **Taxable Value** |
| Fayette County Gen Fund | 5,045,795,991 | 2,504,253,782 |  | 4,822,601,210 | 2,406,087,922 |
| Farm/Market Road | 5,038,018,881 | 2,484,755,465 |  | 4,822,601,210 | 2,394,171,118 |
| La Grange ISD | 1,925,002,223 | 941,032,372 |  | 1,906,192,695 | 920,928,019 |
| Schulenburg ISD | 868,184,338 | 369,944,661 |  | 789,671,051 | 355,949,584 |
| Flatonia ISD | 907,299,306 | 310,487,730 |  | 812,639,844 | 263,789,095 |
| Fayetteville ISD | 391,188,167 | 151,010,617 |  | 389,627,264 | 148,493,487 |
| Round Top/Carmine ISD | 823,111,145 | 321,081,977 |  | 810,550,450 | 313,668,655 |
| City of La Grange | 342,900,322 | 248,313,040 |  | 338,659,378 | 244,808,664 |
| City of Schulenburg | 256,621,334 | 223,223,089 |  | 251,194,774 | 218,055,590 |
| City of Flatonia | 80,326,305 | 65,090,874 |  | 77,487,196 | 62,616,638 |
| City of Fayetteville | 33,229,481 | 26,240,869 |  | 33,455,160 | 26,628,167 |
| City of Carmine | 31,576,109 | 17,014,093 |  | 30,677,149 | 15,918,219 |
| Town of Round Top | 34,704,060 | 30,148,045 |  | 33,962,001 | 29,584,393 |
| Fayette County GWCD | 5,037,632,691 | 2,539,286,756 |  | 4,822,252,840 | 2,454,730,577 |
| Monument Hill WCID | 46,914,459 | 38,566,875 |  | 46,854,589 | 38,393,888 |
| Cummins Creek WCID | 960,606,980 | 429,679,138 |  | 958,209,131 | 430,343,567 |
| Giddings ISD\* | 24,261,500 | 9,877,340 |  | 24,156,850 | 9,402,614 |
| Smithville ISD\* | 35,591,130 | 12,513,687 |  | 35,549,812 | 12,471,316 |
| Weimar ISD\* | 62,573,092 | 14,030,869 |  | 54,410,874 | 12,783,807 |
|  |  |  |  |  |  |

\*Includes only that portion which is situated in Fayette County.

**Average Value of Single Family Residence**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2013** |  | **2012** |
|  | **Market Value** | **Taxable Value** |  | **Market Value** | **Taxable Value** |
| Fayette County Gen Fund | 129,031 | 128,864 |  | 127,298 | 127,187 |
| Farm/Market Road | 129,018 | 125,869 |  | 127,285 | 124,189 |
| La Grange ISD | 132,622 | 117,639 |  | 131,586 | 116,604 |
| Schulenburg ISD | 121,615 | 106,630 |  | 120,366 | 105,476 |
| Flatonia ISD | 115,202 | 100,077 |  | 112,395 | 97,608 |
| Fayetteville ISD | 127,750 | 112,914 |  | 126,384 | 111,525 |
| Round Top/Carmine ISD | 150,544 | 105,831 |  | 145,854 | 101,890 |
| City of La Grange | 121,306 | 97,318 |  | 120,368 | 96,519 |
| City of Schulenburg | 94,834 | 94,569 |  | 95,253 | 95,207 |
| City of Flatonia | 100,238 | 100,190 |  | 97,099 | 97,099 |
| City of Fayetteville | 112,735 | 112,735 |  | 112,151 | 112,105 |
| City of Carmine | 119,373 | 119,206 |  | 118,044 | 117,952 |
| Town of Round Top | 226,675 | 226,368 |  | 234,346 | 233,382 |
| Fayette County GWCD | 129,018 | 128,851 |  | 127,285 | 127,174 |
| Monument Hill WCID | 189,024 | 151,635 |  | 191,215 | 153,341 |
| Cummins Creek WCID | 139,424 | 139,367 |  | 136,958 | 136,817 |
| Giddings ISD | 92,456 | 68,788 |  | 95,082 | 70,779 |
| Smithville ISD | 104,584 | 89,684 |  | 101,747 | 86,628 |
| Weimar ISD | 136,112 | 120,708 |  | 130,439 | 114,727 |
|  |  |  |  |  |  |

**Certified New Value for All Jurisdictions**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2013** |  | **2012** |
|  | **Market Value** | **Taxable Value** |  | **Market Value** | **Taxable Value** |
| Fayette County Gen Fund | 39,026,701 | 38,272,076 |  | 53,985,611 | 47,239,116 |
| Farm/Market Road | 39,026,701 | 38,232,536 |  | 53,985,611 | 47,228,306 |
| La Grange ISD | 9,725,990 | 9,429,140 |  | 15,862,020 | 14,009,974 |
| Schulenburg ISD | 9,538,911 | 8,991,532 |  | 8,236,370 | 6,369,710 |
| Flatonia ISD | 8,350,330 | 8,196,390 |  | 10,326,520 | 8,353,170 |
| Fayetteville ISD | 2,028,220 | 1,977,390 |  | 3,964,450 | 3,817,580 |
| Round Top/Carmine ISD | 7,865,820 | 7,426,688 |  | 14,429,861 | 12,113,803 |
| City of La Grange | 1,611,760 | 1,408,496 |  | 3,479,010 | 2,677,168 |
| City of Schulenburg | 4,157,680 | 3,700,950 |  | 1,351,130 | 1,138,140 |
| City of Flatonia | 1,475,600 | 1,475,600 |  | 2,740,540 | 959,470 |
| City of Fayetteville | 213,940 | 213,940 |  | 410,010 | 374,460 |
| City of Carmine | 982,360 | 982,360 |  | 457,140 | 407,060 |
| Town of Round Top | 418,240 | 418,240 |  | 1,140,670 | 1,054,780 |
| Fayette County GWCD | 39,026,301 | 38,344,146 |  | 53,963,261 | 47,284,661 |
| Monument Hill WCID | 83,830 | 79,500 |  | 108,370 | 87,602 |
| Cummins Creek WCID | 8,648,300 | 8,646,800 |  | 16,267,741 | 14,776,841 |
| Giddings ISD | 182,410 | 182,410 |  | 428,120 | 389,608 |
| Smithville ISD\* | 208,130 | 208,130 |  | 276,890 | 261,890 |
| Weimar ISD\* | 1,125,890 | 1,069,120 |  | 504,700 | 504,700 |
|  |  |  |  |  |  |

**2013 STATE OF TEXAS OVERSIGHT**

**The Property Value Study (PVS)**

The PVS is a biennial audit by the state of Texas Comptroller of Public Accounts’ Property Tax Assistance Division (PTAD). PTAD conducts the PVS to estimate a school district’s taxable property value. The last study the FCAD received was in 2012 wherein the PTAD accepted the appraisal district values for all school districts in Fayette County and determined that FCAD was appraising at market value. The next study for the FCAD will occur in 2014 with the results being released in early 2015.

# Methods and Assistance Program (MAP) Reviews

# Tax Code Section 5.102 requires the Comptroller of Public Accounts to review county appraisal district (CAD) governance, taxpayer assistance, operating standards and appraisal standards, procedures and methodology at least once every two years. The first audit was completed in 2011 and the second audit in 2013. FCAD performed well and substantially completed all recommendations made in the MAP review. FCAD is therefore in compliance with Texas Property Tax Code Section 5.102.

# FCAD will be forced to continue to expend efforts and resources to prepare for the ongoing audits and inspection in the next cycle.

**LEGISLATIVE CHANGES**

There were legislative changes as a result of the last session in 2013 with numerous bills passed that affect the property tax system. The FCAD continues to administer the new laws that that occurred in the 83nd Legislative Session. HB585 was a lengthy bill that that contains various changes for appraisal districts. One such change has to do with the eligibility requirements for a chief appraiser as well as some modifications to the chief appraiser’s continuing education. The bill also makes some

**TAXPAYER ASSISTANCE**

The Fayette County Appraisal District is dedicated to serving the public's needs and increasing the community's knowledge of the Texas Property Tax System. The Fayette County Appraisal District has taken measures to increase public awareness of the appraisal process by increasing the type and amount of information available to the public. We have revamped the Appraisal District’s website to include; interactive maps, information on understanding the appraisal process and the inclusion of the district’s reappraisal plan, annual report, and the Texas Comptroller’s evaluations of the appraisal district. Additionally, the district now provides an on line customer service survey for the public’s input. The District will continue to explore appraisal and technological advancements to develop skills and relationships that will mutually benefit the District property owners and the entities. The focus will be on the District’s goal to achieve equality and fairness in a cost effective manner on behalf of the taxing entities of Fayette County while providing services and assistance to the county’s citizens.

Please contact the appraisal district if you have any questions regarding this report at:

Fayette County Appraisal District

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