



2018 Annual Report

**Fayette County Appraisal District
P. O. Box 836
La Grange, TX 78945**

2018 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 Fayette County Appraisal District (FCAD) provides market value appraisals of all taxable property and collects ad valorem taxes in a fair, equitable and cost effective manner on behalf of the taxing entities of Fayette County while providing services and assistance to the county's citizens. 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 50,114 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/Carminie ISD
- Giddings ISD
- Smithville ISD
- Weimar ISD
- City of La Grange
- City of Schulenburg
- City of Flatonia
- City Fayetteville
- City of Carminie
- Town of Round Top
- Fayette County Groundwater Control District
- Cummins Creek WCID
- Monument Hill WCID

ACTIVITIES PERFORMED BY FCAD IN 2018

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 and septic 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 12 full-time employees during 2018 with the following classifications:

- 2 Administrative Professionals
- 4 Field Appraisers
- 1 Business Personal Property Appraiser
- 4 Technicians/Clerks
- 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 50,114 parcels. The following represents a summary of property types appraised by the district for **2018**:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family	6,757	877,027,176
B	Multi Family	61	15,459,500
C	Vacant Lot	1,712	35,077,458
D1	Qualified Ag Land	11,691	3,760,835,764
D2	Imps. On Non AG Land	950	49,977,201
E	Non Qualified AG Land	8,549	1,147,846,055
F1	Commercial Real Prop.	1,170	292,629,753
F2	Industrial Real Prop.	82	130,817,060
G1	Oil & Gas	14,216	172,167,090
J1	Water Systems	8	145,060
J2	Gas Dist. System	24	2,814,570
J3	Electric Company	57	66,035,830
J4	Telephone Company	119	18,278,080
J5	Railroad	38	59,088,070
J6	Pipeline Company	829	49,816,940
J7	Cable Television Company	14	1,067,660
J8	Other Type of Utility	18	6,824,940
J9	Railroad Rolling Stock	1	12,999,460
L1	Commercial Personal Prop.	1,272	77,900,400
L2	Industrial Personal Prop.	356	150,214,320
M1	Mobile Homes	661	16,779,385
O	Residential Inventory	11	224,210
S	Special Inventory	17	9,958,010
X	Exempt Property	8,943	262,199,335

General Information

	2017	2018
Properties Inspected	4,747	2,807
Exemptions Processed	730	621
1-d-1 Applications Processed	751	697

Inquiry and Formal Protest Data

	2017	2018
Informal Appeals Processed	874	753
Formal Appeals Processed	1,082	1,746
ARB Decision	74	364
Arbitration Cases	1	3

Certified Values for All Jurisdictions

	2017		2018	
	Market Value	Taxable Value	Market Value	Taxable Value
Fayette County Gen Fund	6,639,037,826	2,860,781,403	7,216,183,327	3,124,979,779
Farm/Market Road	6,626,476,101	2,837,292,970	7,202,954,187	3,101,240,056
La Grange ISD	2,456,206,451	1,001,823,513	2,656,555,988	1,048,130,194
Schulenburg ISD	1,091,423,648	428,925,121	1,205,540,589	444,155,112
Flatonia ISD	1,203,647,962	367,988,857	1,256,905,382	455,126,021
Fayetteville ISD	625,267,972	164,020,510	723,813,718	229,753,082
Round Top/Carmine ISD	1,087,871,743	290,106,315	1,176,751,065	357,434,712
City of La Grange	416,442,926	313,806,163	450,265,140	329,004,599
City of Schulenburg	316,295,927	280,949,502	311,260,322	275,927,050
City of Flatonia	112,234,655	92,247,460	126,988,201	104,865,051
City of Fayetteville	50,355,751	39,240,986	57,252,200	45,017,084
City of Carmine	34,171,260	23,416,410	52,923,889	35,674,303
Town of Round Top	52,826,230	41,538,094	64,971,830	50,675,822
Fayette County GWCD	6,625,995,181	2,881,204,342	7,202,564,747	3,146,149,538
Monument Hill WCID	59,912,609	48,423,305	63,666,841	51,139,833
Cummins Creek WCID	1,414,649,622	496,800,846	1,571,776,408	590,548,579
Giddings ISD*	26,383,020	9,269,350	33,601,140	11,608,944
Smithville ISD*	50,135,740	14,679,416	51,378,540	15,426,585
Weimar ISD*	85,014,095	18,067,755	97,884,445	19,484,168

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

Average Value of Single Family Residence

	2017			2018	
	Market Value	Taxable Value		Market Value	Taxable Value
Fayette County Gen Fund	146,314	144,240		164,240	157,012
Farm/Market Road	146,262	141,231		164,184	154,004
La Grange ISD	157,467	131,226		174,437	143,876
Schulenburg ISD	117,167	91,773		128,384	100,995
Flatonia ISD	119,934	95,014		138,805	107,149
Fayetteville ISD	156,001	126,829		181,091	143,533
Round Top/Carmine ISD	188,151	117,103		227,578	133,287
City of La Grange	147,227	116,205		168,581	126,644
City of Schulenburg	111,651	110,467		118,568	117,711
City of Flatonia	118,460	117,498		138,556	130,059
City of Fayetteville	168,154	164,826		201,805	182,688
City of Carmine	126,216	126,216		145,736	139,863
Town of Round Top	378,786	334,255		465,483	365,905
Fayette County GWCD	146,286	144,213		164,207	156,981
Monument Hill WCID	245,682	196,039		261,714	206,554
Cummins Creek WCID	174,227	166,604		208,140	187,194
Giddings ISD	88,190	59,289		114,640	68,124
Smithville ISD	93,936	69,126		94,528	68,715
Weimar ISD	151,818	126,644		165,854	133,427

Certified New Value for All Jurisdictions

	2017			2018	
	Market Value	Taxable Value		Market Value	Taxable Value
Fayette County Gen Fund	72,457,264	69,851,830		69,796,102	55,534,262
Farm/Market Road	72,439,514	69,800,145		69,796,102	55,479,562
La Grange ISD	29,018,713	27,551,725		31,523,592	24,922,397
Schulenburg ISD	9,069,680	8,793,388		7,125,320	6,827,031
Flatonia ISD	16,702,701	16,224,393		9,763,010	9,339,072
Fayetteville ISD	3,000,280	2,949,873		3,618,350	3,578,940
Round Top/Carmine ISD	11,921,260	10,838,012		8,451,850	7,848,734
City of La Grange	4,466,221	3,962,521		7,809,820	2,946,127
City of Schulenburg	2,398,500	2,352,200		974,450	930,360
City of Flatonia	5,385,110	5,146,720		2,554,340	2,481,400
City of Fayetteville	592,710	592,710		707,920	707,920
City of Carmine	515,700	448,850		66,930	56,790
Town of Round Top	983,290	450,200		1,049,230	1,049,230
Fayette County GWCD	72,401,194	69,861,884		69,796,102	55,602,669
Monument Hill WCID	408,080	364,620		1,279,120	986,114
Cummins Creek WCID	14,660,900	13,890,490		11,585,450	11,575,300
Giddings ISD	620,130	454,924		576,170	537,353
Smithville ISD*	591,990	355,620		392,050	334,910
Weimar ISD*	1,532,510	1,532,510		315,650	315,650

Top 10 Taxpayers - 2018

	2017		2018
Union Pacific Railroad Co.	55,017,540		58,437,210
LCRA Transmission Svcs Corp.	48,177,850		53,355,040
ETC Texas Processing Ltd.	52,958,380		50,099,900
Dairy Farmers of America	42,976,390		41,404,810
Enervest Operating LLC 395	27,519,740		39,266,140
Earthstone Operating LLC	26,905,420		35,217,790
ETC Texas Pipeline Ltd Gas Div.	24,051,310		23,405,850
Cal-Maine Foods Inc.	14,831,260		14,908,600
DCP Austin Gathering LP	14,735,770		14,507,990
Pumpco Inc.,			13,986,980

2018 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 2016 wherein the PTAD accepted the appraisal district values for school districts in Fayette County and determined that FCAD was appraising at market value with the exception of Flatonia ISD. Due to this finding, the Flatonia ISD was subjected to a subsequent study for 2017 and later accepted as having a valid value. The next study for the FCAD and all school districts will occur in 2018 with the results being released in early 2019.

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. FCAD performed well and substantially completed all recommendations made in the initial MAP review and the subsequent review of 2013, 2015 and 2017. FCAD is therefore in compliance with Texas Property Tax Code Section 5.102.

The Comptroller has issued a list of policies and practices it will be focusing on for the 2019 audit. FCAD will be forced to expend efforts and resources to prepare for the audit and inspection in the upcoming year.

LEGISLATIVE CHANGES

The legislature has convened for 2019. Bills that relate to the property tax system will be closely monitored. Any new laws that are a result of the current session will be administered by the FCAD.

FCAD AND THE FUTURE

FCAD expects operating expenses to rise in the coming years based on population growth and increased state regulatory mandates. Currently FCAD employs 12 staff members, four of which are appraisers. A new aerial photography project is currently under way to assist in the discovery of new property and demolitions. The new imagery will also aid the FCAD in the day to day operations.

Population Growth

According to the Texas Demographic Center

(<http://txsdc.utsa.edu/Data/TPEPP/Projections/Report?id=0eb3399ff4d14a1aabde2f7293904500>)

, it is estimated that the population in Fayette County is expected to increase to over 29,000 people by 2022. This growth, in turn, would require new housing construction and create additional business activity.

While technology can assist FCAD in locating and evaluating new properties and changes to existing property, a personal inspection is ultimately necessary.

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

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