



2019 Annual Report

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

2019 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 51,052 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 2019

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 2019 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 51,052 parcels. The following represents a summary of property types appraised by the district for **2019**:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family	6,828	912,802,611
B	Multi Family	60	15,987,280
C	Vacant Lot	1,663	34,811,479
D1	Qualified Ag Land	11,759	3,776,787,559
D2	Imps. On Non AG Land	1,060	49,544,030
E	Non Qualified AG Land	8,492	1,196,256,159
F1	Commercial Real Prop.	1,179	303,221,052
F2	Industrial Real Prop.	81	134,620,660
G1	Oil & Gas	15,642	238,417,400
J1	Water Systems	8	156,040
J2	Gas Dist. System	24	2,911,350
J3	Electric Company	57	77,756,440
J4	Telephone Company	119	18,943,410
J5	Railroad	34	61,360,910
J6	Pipeline Company	820	48,711,580
J7	Cable Television Company	14	953,160
J8	Other Type of Utility	17	5,371,280
J9	Railroad Rolling Stock	1	13,129,758
L1	Commercial Personal Prop.	1,261	81,849,660
L2	Industrial Personal Prop.	354	142,621,290
M1	Mobile Homes	674	17,503,545
O	Residential Inventory	9	233,720
S	Special Inventory	16	10,685,730
X	Exempt Property	8,495	266,785,160

General Information

	2018	2019
Properties Inspected	2807	5,387
Exemptions Processed	730	706
1-d-1 Applications Processed	751	635

Inquiry and Formal Protest Data

	2018	2019
Informal Appeals Processed	753	695
Formal Appeals Processed	1,746	2147
ARB Decision	364	136
Arbitration Cases	3	3

Certified Values for All Jurisdictions

	2018		2019	
	Market Value	Taxable Value	Market Value	Taxable Value
Fayette County Gen Fund	7,216,183,327	3,124,979,779	7,412,424,774	3,320,501,220
Farm/Market Road	7,202,954,187	3,101,240,056	7,399,957,014	3,297,765,401
La Grange ISD	2,656,555,988	1,048,130,194	2,746,402,860	1,122,876,552
Schulenburg ISD	1,205,540,589	444,155,112	1,229,998,598	452,250,891
Flatonia ISD	1,256,905,382	455,126,021	1,291,602,852	430,996,789
Fayetteville ISD	723,813,718	229,753,082	755,417,047	221,868,015
Round Top/Carmine ISD	1,176,751,065	357,434,712	1,183,968,751	362,739,097
City of La Grange	450,265,140	329,004,599	467,193,581	346,505,066
City of Schulenburg	311,260,322	275,927,050	311,676,541	276,574,057
City of Flatonia	126,988,201	275,927,050	128,171,548	107,240,843
City of Fayetteville	57,252,200	45,017,084	60,145,890	47,568,901
City of Carmine	52,923,889	35,674,303	40,821,498	23,008,077
Town of Round Top	64,971,830	50,675,822	67,943,260	52,979,165
Fayette County GWCD	7,202,564,747	3,146,149,538	7,399,634,604	3,344,138,557
Monument Hill WCID	63,666,841	51,139,833	65,549,207	53,027,161
Cummins Creek WCID	1,571,776,408	590,548,579	1,588,887,335	610,802,416
Giddings ISD*	33,601,140	11,608,944	35,377,620	12,436,673
Smithville ISD*	51,378,540	15,426,585	52,305,940	16,286,274
Weimar ISD*	97,884,445	19,484,168	104,229,806	22,229,400

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

Average Value of Single Family Residence

	2018			2019	
	Market Value	Taxable Value		Market Value	Taxable Value
Fayette County Gen Fund	164,240	157,012		167,523	164,658
Farm/Market Road	164,184	154,004		167,528	161,715
La Grange ISD	174,437	143,876		178,750	152,457
Schulenburg ISD	128,384	100,995		132,654	106,986
Flatonia ISD	138,805	107,149		141,669	114,599
Fayetteville ISD	181,091	143,533		179,018	148,843
Round Top/Carmine ISD	227,578	133,287		225,800	142,347
City of La Grange	168,581	126,644		175,380	138,338
City of Schulenburg	118,568	117,711		121,428	121,076
City of Flatonia	138,556	130,059		141,220	138,140
City of Fayetteville	201,805	182,688		196,187	187,971
City of Carmine	145,736	139,863		148,335	146,289
Town of Round Top	465,483	365,905		482,727	402,691
Fayette County GWCD	164,207	156,981		167,551	164,680
Monument Hill WCID	261,714	206,554		274,883	220,766
Cummins Creek WCID	208,140	187,194		204,328	193,059
Giddings ISD	114,640	68,124		104,473	65,259
Smithville ISD	94,528	68,715		96,037	72,544
Weimar ISD	165,854	133,427		171,310	144,111

Certified New Value for All Jurisdictions

	2018			2019	
	Market Value	Taxable Value		Market Value	Taxable Value
Fayette County Gen Fund	69,796,102	55,534,262		80,226,419	75,535,319
Farm/Market Road	69,796,102	55,479,562		80,177,739	75,450,506
La Grange ISD	31,523,592	24,922,397		38,441,639	35,781,808
Schulenburg ISD	7,125,320	6,827,031		8,547,820	8,026,996
Flatonia ISD	9,763,010	9,339,072		12,295,090	11,597,580
Fayetteville ISD	3,618,350	3,578,940		5,739,320	4,487,060
Round Top/Carmine ISD	8,451,850	7,848,734		12,793,200	11,746,236
City of La Grange	7,809,820	2,946,127		8,355,660	6,778,498
City of Schulenburg	974,450	930,360		1,972,130	1,663,430
City of Flatonia	2,554,340	2,481,400		2,336,320	1,977,610
City of Fayetteville	707,920	707,920		2,088,850	1,006,850
City of Carmine	66,930	56,790		762,150	308,010
Town of Round Top	1,049,230	1,049,230		722,550	692,850
Fayette County GWCD	69,796,102	55,602,669		80,182,139	75,589,729
Monument Hill WCID	1,279,120	986,114		1,335,230	1,070,994
Cummins Creek WCID	11,585,450	11,575,300		16,172,270	14,548,590
Giddings ISD	576,170	537,353		448,800	447,694
Smithville ISD*	392,050	334,910		730,660	724,909
Weimar ISD*	315,650	315,650		1,049,890	980,480

Top 10 Taxpayers - 2019

	2018		2019
LCRA Transmission Svcs Corp.	58,437,210		62,401,400
Union Pacific Railroad Co.	53,355,040		60,801,700
ETC Texas Processing Ltd.	50,099,900		53,544,320
Magnolia Oil & Gas Oper 395			46,189,440
Dairy Farmers of America	39,266,140		37,821,750
Earthstone Operating LLC	35,217,790		33,822,990
ETC Texas Pipeline Ltd Gas Div.	23,405,850		22,799,200
Ramtex Energy LLC			19,904,420
Lazy Q			18,875,040
Geosouthern Oper. LLC			14,959,350

2019 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 2018 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 and all school districts will occur in 2020 with the results being released in early 2021.

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, 2017 and 2019. FCAD is therefore in compliance with Texas Property Tax Code Section 5.102.

LEGISLATIVE CHANGES

There were numerous legislative changes as a result of the last session in 2019 with numerous bills passed that affect the property tax system. The FCAD continues to administer the new laws that occurred in the 86th Legislative Session. SB 2 will have the greatest effect on appraisal districts and taxing units. Some of the changes required by SB 2 are: Two additional notices must be sent to property owners if certain criteria are met; require the chief appraiser to create and maintain a property tax database; limits the voter approval rate (previously known as the rollback rate) to 3.5%. HB 1743 reduces the number of years for a rollback tax from five to three years relating to the change of use of agricultural land. These are just a few examples of the many changes that will be now mandated by the legislature.

FCAD AND THE FUTURE

FCAD expects operating expenses to continue to rise in the coming years based on population growth, land fragmentation and increased state regulatory mandates. Currently FCAD employs 12 staff members, four of which are appraisers. Aerial photography is used to assist in the discovery of new property and demolitions and other changes.

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

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