



Freestone Central Appraisal District 2021 Annual Report

Introduction

The Freestone Central Appraisal District is a political subdivision of the state. 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 Freestone Central Appraisal District is to discover, list and appraise property as accurately, ethically, and impartially 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 (IAAO), and
- The Uniform Standards of Professional Appraisal Practice (USPAP).

Governance

The appraisal district is governed by a Board of Directors whose primary responsibilities are to:

- Establish the district's office,
- Adopt its operating budget,
- Contract for necessary services,
- Hire the Chief Appraiser,
- Appoint the Appraisal Review Board,
- Provide advice and consent to the Chief Appraiser concerning the appointment of an Agricultural Advisory Board,
- Approve contracts with appraisal firms selected by the Chief Appraiser to perform appraisal services for the district,
- Make general policies on the appraisal district's operations, and
- Biennially develop a written plan for the periodic reappraisal of all property within the district's boundaries.

To be eligible to serve on the Board of Directors, a person must have resided within the boundaries of the county for at least two years prior to their appointment. Their terms are not staggered. There are no legal limits to the number of terms a board member can serve.

The Chief Appraiser is the chief administrator of the appraisal district and is appointed by the Board of Directors. The Chief Appraiser must be licensed (or actively working toward licensing) as a Registered Professional Appraiser (RPA) through the Texas Department of Licensing.

Members of the **Appraisal Review Board** are appointed by the Board of Directors. ARB members serve two-year staggered terms. They must be certified annually by the Texas Comptroller. Their responsibility is to settle value disputes between the taxpayer and the Chief Appraiser. Their decisions regarding value are binding to the Chief Appraiser for the tax years protested.

The Ag Advisory Board is appointed by the Board of Directors at the recommendation of the Chief Appraiser to aide him in determining typical practices and standards for agricultural activities in the district. They serve at the will of the Board of Directors.

Taxing Jurisdictions

The Freestone Central Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within the 873 square miles of Freestone County. Following are those taxing jurisdictions with territory located in the district:

- Freestone County,
- City of Fairfield,
- City of Teague,
- City of Wortham,
- City of Streetman (split with Navarro County),
- Buffalo ISD (split with Leon County),
- Corsicana ISD (split with Navarro County),
- Dew ISD,
- Fairfield ISD (split with Navarro County),
- Mexia ISD (split with Limestone County),
- Oakwood ISD (split with Leon County),
- Teague ISD,
- Wortham ISD (Split with Limestone and Navarro Counties),
- Fairfield Hospital District (split with Navarro County), and
- Teague Hospital District.

Property Types Appraised

The district is responsible for establishing and maintaining appraisal records for 188,160 real, personal, mineral, and industrial property records within the district. A total of \$27,370,929 was added to the appraisal roll for new improvements during the 2021 reappraisal cycle.

The county is situated in East-Central Texas with its seat of Fairfield being situated approximately 90 miles south of Dallas, 150 miles north of Houston, and 60 miles east of Waco.

With the reduction of energy related industry, both in electrical generation and gas production, the major employers in the county are associated with the W. R. Boyd Prison Unit, the BNSF Railway Company, local

medical/rehab facilities, and the public schools in Dew, Fairfield, Teague, and Wortham. There are still a few industrial construction companies located in the area as well.

Much of the land is rural with agricultural production the main use, making farming/ranching a notable occupation in the county. (Source: Fairfield Industrial Development Corp.)

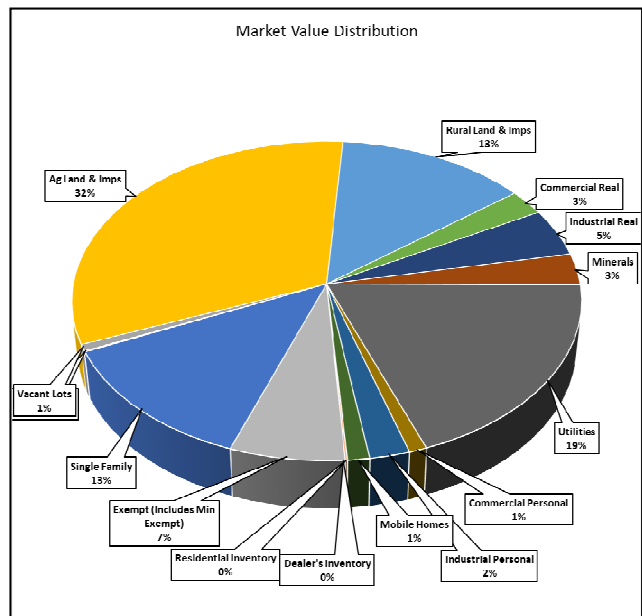
Improvements can generally be classified as:

- Single family residences,
- Mobile homes,
- Commercial buildings and personal property,
- Industrial buildings and personal property, and
- Farm/ranch associated buildings (sheds, barns, etc.).

The 2021 appraisal roll as of this report date has a total market value of \$4,196,988,884, a decrease of \$109,183,258 under the certified value of \$4,306,172,142 for 2020.

The various properties in the county are classified, with total market value by class, as:

Property Type Description	Market Value
Single Family	531,858,118
Multi Family	4,255,708
Vacant Lots	27,276,135
Ag Land & Imps	1349,081,270
Rural Land & Imps	561,492,465
Commercial Real	107,852,591
Industrial Real	202,304,064
Minerals	134,937,960
Utilities	802,867,197
Commercial Personal	42,859,421
Industrial Personal	96,943,670
Mobile Homes	52,818,408
Residential Inventory	389,632
Dealer's Inventory	5,026,608
Exempt	277,025,637
Total	4,196,988,884



Appraisal Operation Summary

Appraisers utilized the district's GIS mapping software and the 2020 EagleView Pictometry imagery flown specifically under contract for the district to properly estimate acreage for ground coverings and soil classifications according to the NRCS Soil Survey.

Scheduled reappraisals and on-site property inspections were performed by appraisers to validate all information and property characteristics listed on the property record cards and made updates as necessary. New improvements were inspected on-site and added to parcel records.

The district conducted an internal ratio study to validate the accuracy of its mass appraisal system. Based upon the Mass Appraisal Standards adopted by the International Association of Assessing Officers, the statistics indicate that the district's mass appraisal system is accurately and uniformly appraising property. A complete description of these statistics is contained in the district's 2021 Internal Ratio Study Report.

The overall level of appraisal of Freestone Central Appraisal District is stated as follows:

		95% Confidence Interval	
		Lower	Upper
Mean	0.99	0.98	1.01
Median	0.99		
Weighted Mean	0.98		
Coefficient of Dispersion	13.95		
Price-Related Differential	1.01		
Absolute Deviation	63.61		
Standard Deviation	0.19		
Number of Sales	459		

Property Discovery

The district aggressively seeks to discover all newly constructed or added property each year through examination of:

- City building permits,
- Filed Material/Mechanic’s Liens,
- Mobile home installation reports,
- Septic tank permits,
- Electric connection reports,
- Advertisements,
- Railroad Commission Reports (oil/gas),
- Field discovery, and
- Public “word of mouth”.

Exemption Data

Property owners may qualify for a variety of exemptions as provided by the Texas Constitution. Some of the most commonly occurring exemptions are described below. Other less commonly occurring exemptions are available and described in the Texas Property Tax Code, Chapter 11.

Residential Homestead

The following chart represents the total exemption amounts available to homeowners who qualify for this exemption on homesites with a maximum of 20 acres:

Jurisdiction	General	Over 65	Disability	100% DV	Surviving Spouse
Freestone County	1% (min 5,000)	60,000	60,000	100%	60,000
City of Fairfield		5,000	5,000	100%	5,000
City of Streetman				100%	
City of Teague		5,000	5,000	100%	5,000
City of Wortham				100%	
Buffalo ISD	25,000 plus 1% (min	10,000	10,000	100%	10,000

Jurisdiction	General	Over 65	Disability	100% DV	Surviving Spouse
Corsicana ISD	25,000	10,000	10,000	100%	10,000
Dew ISD	25,000	10,000	10,000	100%	10,000
Fairfield ISD	25,000	16,000	16,000	100%	16,000
Mexia ISD	25,000	10,000	10,000	100%	10,000
Oakwood ISD	25,000	10,000	10,000	100%	10,000
Teague ISD	25,000	10,000	10,000	100%	10,000
Wortham ISD	25,000	10,000	10,000	100%	10,000
Fairfield Hospital	1% (min 5,000)	5,000	5,000	100%	5,000
Teague Hospital				100%	

For school tax purposes, the over 65, disability, surviving spouse, and 100% disabled veteran residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead on *existing buildings*. (Any new areas added to the homesite will cause the ceiling to be readjusted and set in the subsequent tax year.)

Although Texas law allows it, none of the other taxing jurisdictions have adopted tax ceilings for over 65 or disabled homeowners.

All homeowners who qualify for the residential homestead exemption are subject to the placement of a **homestead cap** on their qualifying property which prohibits the increase of taxable value on the homestead property to ten percent per year. However, the market value may still be reflective of the local real estate market.

Disabled Veterans

In addition to the residential homestead exemption allowable to disabled veterans with a 100% service-connected disability (as described above), disabled veterans are allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veteran’s Affairs. Current exemption amounts, as based upon these ratings, are:

Percentage Disability	Exemption Amount
10-29%	5,000
30-49%	7,500
50-69%	10,000
70-100%	12,000

Other Exemptions

Other commonly occurring exemptions are:

- Cemetery Exemptions,
- Religious Organizations,
- Primarily Charitable Organizations, and
- Veteran’s Organizations.

Other less frequently occurring exemptions are allowable and described in Chapter 11, Property Tax Code.

Appeal Information

State law required the district to mail Notices of Appraised Value to property owners where:

- New property has been included for the first time on the appraisal roll,
- There has been an ownership change,
- There has been a change in taxable value of \$1,000 or more,
- The property filed a rendition statement of the property, or
- The property has been annexed or de-annexed to a taxing jurisdiction.

In compliance with these laws, the district prepared and delivered required notices for:

- Real Estate Parcels
- Commercial Personal Property Parcels, and
- Minera/Utility/Industrial Parcels

From those notices, 4,962 parcels were protested for the following reasons:

• Market value or appraised value is incorrect	2,124
• Value is unequal when compared to other properties	1,807
• Property should not be taxed in a particular jurisdiction	9
• The CAD failed to send a required notice	18
• An exemption was incorrectly denied, modified, or cancelled	76
• Incorrect determination of a change of use of land ("Ag Rollback")	34
• Open Space Land Valuation was improperly denied, modified, or cancelled	29
• Owner's name is incorrect	15
• Property description is incorrect	62
• Property should not be taxed in the CAD	14
• Other PTC 41 matters	2,962

The final results of these protests were:

• Protest Withdrawn	161
• Protest Settled	4,437
• Dismissed (by ARB) for failure to appear	190
• Board Change Made	108
• Board No Change Made	66

Certified Values

The table that follows effects the total market and taxable values for each jurisdiction within the district as of July 23, 2021.

Jurisdiction	Market	Adjustments	Certified Net Taxable	Certified Taxable of Protest	Certified Taxable Adjusted for Protest	Parcel Count
County	4,196,988,884	-1,818,484,951	2,378,503,933	24,683,995	2,403,187,928	188,160
Fairfield City	343,018,334	-124,152,162	218,866,172	11,884,812	230,750,984	4,956
Streetman City	10,268,013	-1,603,747	8,664,266	503	8,664,769	408
Teague City	215,988,779	-81,019,228	134,969,551	3,033,931	138,003,482	8,369
Wortham City	51,795,048	-17,480,997	34,314,051	1,225,577	35,539,628	969
Buffalo ISD	168,542,756	-98,195,975	70,346,781	122,745	70,469,526	4,788
Fairfield ISD	2,025,566,473	-1,011,826,174	1,013,740,299	18,996,919	1,032,737,218	48,246
Oakwood ISD	159,471,891	-71,917,986	87,553,905	517,981	88,071,886	1,759
Corsicana ISD	15,001,550	-6,198,577	8,802,973	0	8,802,973	49
Dew ISD	288,060,065	-128,469,777	159,590,288	494,859	160,085,147	30,873
Teague ISD	1,231,263,715	-520,611,011	710,652,704	3,119,356	713,772,060	118,083
Wortham ISD	306,623,734	-152,579,837	154,043,897	1,455,126	155,499,023	3,236
Mexia ISD	2,438,280	-95,720	2,342,560	0	2,342,560	14
Fairfield Hospital	2,025,566,473	-834,389,837	1,191,176,636	19,268,619	1,210,445,255	48,246
Teague Hospital	1,231,263,715	-429,701,507	801,562,208	3,329,397	804,891,605	118,083

These values reflect an overall taxable value increase at certification of \$3,106,437 in the county, as compared to those of 2020. Certified taxable value increases can be attributed to the differences in the number of properties remaining under protest at certification along with the increases in market value of land and residential properties as determined by the district’s analysis of sales information from the local real estate market.

Public Notice of Truth-In-Taxation

Recent changes regarding public notification of proposed taxes required the district to make some changes in the way this information was presented to the public. Notices of Appraised Value did not include tax estimates this year. The legislative intent on this change was to draw the focus on these notices to the appraised values rather than to the tax estimates based upon the previous year’s rates.

Under the new law, the district was required to create a website specifically designed to provide all information associated with the Truth- In-Taxation process to the public in one place. The site includes:

- The Chief Appraiser’s Certified Values for each parcel for 2021;
- The Tax Assessor’s calculated “no new revenue rate,” and “voter approval rate;”
- Each Taxing Jurisdiction’s “proposed tax rate,” and “adopted tax rate.”
- Public Hearing Notices, and
- A mechanism to allow property owners to provide direct input to the governing bodies via email regarding the rate calculations and proposals.

The system allowed property owners to see what their taxes would be on their specific property at each of the rates published.

Taxpayers were made aware of the website by a notice mailed in early August, prior to any of the public hearings on tax rate proposals and adoptions.

Tax Rates

Using the taxable values as certified by the Chief Appraiser(s) and following the requirements of the Truth-In-Taxation Laws, the taxing jurisdictions adopted the following tax rates: