



# Freestone Central Appraisal District 2020 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 are limited by law to serving three consecutive 2 year terms. They must be certified 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 201,893 real, personal, mineral, and industrial property records within the district. A total of \$39,214,655 was added to the appraisal roll for new improvements during the 2020 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.

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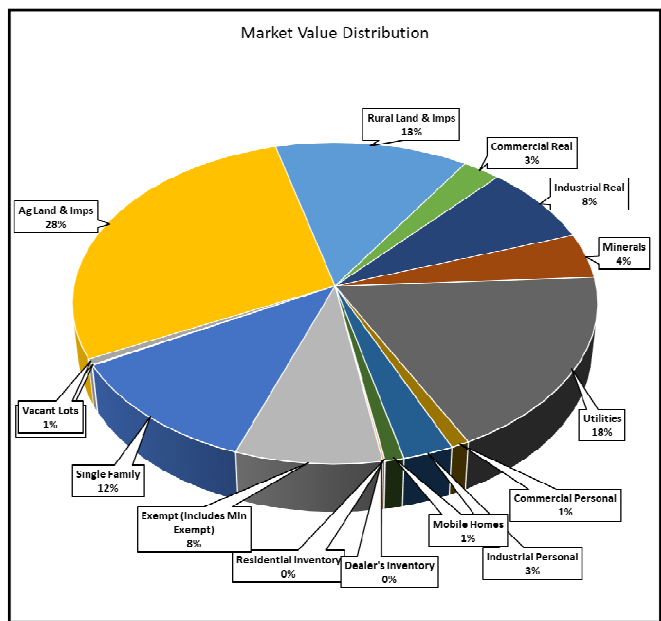
Improvements can generally be classified as:

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

The 2020 appraisal roll as of this report date has a total market value of \$4,306,172,142, an increase of \$406,535,455 over the certified value of \$3,896,636,687 for 2019.

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

Category	Market Value
Single Family	497,847,888
Multi Family	4,150,305
Vacant Lots	23,902,299
Ag Land & Imps	1,213,948,803
Rural Land & Imps	567,128,029
Commercial Real	111,836,333
Industrial Real	340,585,988
Minerals	193,628,810
Utilities	784,946,816
Commercial Personal	44,079,130
Industrial Personal	121,252,189
Mobile Homes	45,198,682
Residential Inventory	731,074
Dealer's Inventory	5,145,059
Exempt	351,790,737
<b>Total</b>	<b>4,306,172,142</b>



## Appraisal Operation Summary

Appraisers utilized the district's GIS mapping software and the 2017-2018 TNRIS Google Imagery Service to properly estimate acreage for ground coverings and soil classifications according to the NRCS Soil Survey.

Although the final phase of property inspection was slowed due to the outbreak of COVID-19, the Chief Appraiser and his staff were able to complete the appraisal assignment as required by the reappraisal plan as adopted and amended by the board of directors.

Scheduled reappraisals and on-site property inspections prior to the COVID-19 outbreak in March 2020, appraisers validated all information and property characteristics listed on the property record cards and made updates as necessary. With concerns for the outbreak of COVID-19 in March 2020, on-site inspections were

limited to those inspections that could be conducted from an appraiser’s vehicle. Where new improvements were situated, contact was attempted with the property owners to obtain copies of floor plans and pictures of new construction in the district.

Cost tables for all improvements were reloaded in the CAMA system, based upon the January 1 tables contained in the Marshall Swift Valuation Service tables.

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 *2020 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	0.97	1.01
Median	0.99	0.97	1.00
Weighted Mean	0.98		
Coefficient of Dispersion	12.99		
Price-related Differential	1.01		
Absolute Deviation	42.22		
Standard Deviation	0.18		
Number of Sales	329		
Overall Ratio taken form PA PC Ratio Recap Report			
All Classes of Property			
Confidence intervals are calculated			

## 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
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, 3,618 parcels were protested for the following reasons:

• Market value or appraised value is incorrect	3,394
• Value is unequal when compared to other properties	2,613
• Property should not be taxed in a particular jurisdiction	22
• The CAD failed to send a required notice	18
• An exemption was incorrectly denied, modified, or cancelled	71
• Incorrect determination of a change of use of land (“Ag Rollback”)	23
• Open Space Land Valuation was improperly denied, modified, or cancelled	25
• Owner’s name is incorrect	25
• Property description is incorrect	0
• Property should not be taxed in the CAD	15
• Other PTC 41 matters	18

The final results of these protests were:

• Protest Withdrawn	737
• Protest Settled	2,436
• Dismissed (by ARB) for failure to appear	205

The ARB conducted hearings and issued orders on protests regarding 58 parcels with the following results:

	Change	No Change
• Market value or appraised value is incorrect	33	185
• Value is unequal when compared to other properties	19	178
• Property should not be taxed in a particular jurisdiction	0	3
• The CAD failed to send a required notice	0	0
• An exemption was incorrectly denied, modified, or cancelled	0	16
• Incorrect determination of a change of use of land ("Ag Rollback")	0	0
• Open Space Land Valuation was improperly denied, modified, or cancelled	2	1
• Owner's name is incorrect	0	0
• Property description is incorrect	0	0
• Property should not be taxed in the CAD	0	0
• Other PTC 41 matters	0	57

## Certified Values

The table that follows effects the total market and taxable values for each jurisdiction within the district as of the July 25, 2019.

Jurisdiction	Market	Exemption & Special Valuation Adjustments	Taxable	Parcels
County	4,104,113,751	1,704,032,260	2,400,081,491	201,893
Fairfield City	344,320,215	121,446,257	222,873,958	4,686
Streetman City	8,547,318	1,068,008	7,479,310	409
Teague City	200,269,470	70,907,419	129,362,051	7,347
Wortham City	51,970,580	18,150,413	33,820,167	971
Buffalo ISD	157,139,501	88,451,049	68,688,452	4,511
Fairfield ISD	1,983,309,920	956,633,368	1,026,676,552	51,556
Oakwood ISD	149,648,551	63,452,592	86,195,959	1,755
Corsicana ISD	14,531,917	5,602,584	8,929,333	49
Dew ISD	281,819,618	113,288,180	168,531,438	32,521
Teague ISD	1,213,481,585	473,195,602	740,285,983	120,333
Wortham ISD	301,741,838	141,404,111	160,337,727	3,306
Mexia ISD	2,386,991	293,565	2,093,426	15
Fairfield Hospital	1,983,309,920	799,948,814	1,183,361,106	51,556
Teague Hospital	1,213,481,585	392,737,993	820,743,592	120,333

These values reflect an overall taxable value increase of \$122,298,103 compared to the values certified to the taxing jurisdictions in 2019. Taxable value increases can be predominately attributed to increased values placed on residential, rural, and commercial properties based upon the district's analysis of market data collected from sales occurring in 2019.

## 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:

• Freestone County	0.393750
• City of Fairfield	0.464582
• City of Streetman	0.484041
• City of Teague	0.627920
• City of Wortham	0.794600
• Buffalo ISD	1.295000
• Corsicana ISD	1.186460
• Dew ISD	1.160800
• Fairfield ISD	1.266600
• Mexia ISD	1.116290
• Oakwood ISD	1.264650
• Teague ISD	1.115500
• Wortham ISD	1.213900
• Fairfield Hospital District	0.185000
• Teague Hospital District	0.050000