



Freestone Central Appraisal District

2015 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 to 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.

Legislative Changes

During the 2015 Texas Legislative Session, several bills were passed that affect property owners and the general public:

- Homestead exemption amount for school purposes was increased from \$15,000 to \$25,000;
- The surviving spouse of a 100% disabled veteran may continue to receive the exemption that the veteran would have qualified for on the date upon which he/she died;
- Veterans who have a disability rating of less than 100% may qualify for a partial exemption on their homestead provided that the residence was donated to him/her at no cost to the veteran;
- The surviving spouse of partially disabled veteran may qualify for the same percentage of exemption as the deceased veteran provided the spouse has not remarried since the veteran's death and the residence was the residence of the veteran at the time of death and that the residence continues to be the residence of the surviving spouse;
- Over 65 property owners will receive additional notification by certified mail when the appraisal district suspects that property no longer qualifies for a homestead exemption or for open space land valuation (i.e. "ag", timber, or wildlife use appraisals);
- The temporary absence for military service has been expanded to include foreign and domestic service that requires absence from the serviceman's home;

- Regarding the confidentiality of appraisal district records:
 - Home owners filing for a residential homestead exemption may not have to meet the proof of residency requirement if they are:
 - active military members,
 - individuals who hold a driver's license issued under Section 531.1211 of the Transportation Code,
 - Individuals who reside in a facility that provides services related to health, infirmity, or aging, or
 - Those participating in the address confidentiality program administered by the Texas Attorney General.
 - The names and addresses, along with other personal information in the possession of the district will be classified as confidential information when a request has been made as authorized by PTC Section 25.025, including:
 - current or former peace officers,
 - county jailers,
 - employees of the Texas Department of Criminal Justice,
 - commissioned security officers,
 - victims of family violence,
 - federal or state judges and their spouses,
 - current or former employees of a district attorney, criminal district attorney, or county or municipal attorneys,
 - officers or employees of a community supervision and corrections department,
 - criminal investigators of the United States,
 - police officers or inspectors of the United States Federal Protective Service,
 - current or former United States Attorneys or assistant attorneys and their spouses and children,
 - current or former employees of the office of the attorney general who is or was assigned to a division that involved law enforcement,
 - medical examiners or persons who perform forensic analysis or testing that is employed by the state or one or more political subdivision of the state,
 - current or former members of the United States armed forces who have served in an area that the President of the United States by executive order designated an area in which armed forces of the United States are or have engaged in combat,
 - current or former members of the Texas military forces, and
 - current and former employees of the Texas Juvenile Justice System.
 - Legal descriptions of producing oil/gas interests, including unit names and decimal interests in those units, are considered confidential information and may not be disclosed to the public in any manner as the information from which the ownership interests were derived was received by the district under a promise of confidentiality from the unit's operators.
- Public notice of meetings of the Board of Directors, Appraisal Review Board, and Ag Advisory Board is considered delivered if a notice of the meeting is posted in the public area of the district's office and is posted on the district's website at least seventy-two (72) hours before the commencement of the meeting.
- Official electronic communications may be made to the district through:
 - Fax to 903-389-5955,
 - email to general.info@freestoncad.org, or
 - physical delivery to the district's office at 218 North Mount Street, Fairfield TX 75840.
- Communications between the district and designated agents will be treated in the same manner as communications between the district and the property owner, provided written authorization for agent's representation can be established.
- A property tax form that requires a signature may be signed by means of an electronically captured handwritten signature.

Property Types Appraised

The district is comprised of some 255,804 parcels. Minerals including natural gas and lignite contribute most of the economic wealth to the county. Luminant Big Brown and NRG Texas both operate lignite-fired electrical generating plants in the area and two lignite mines provide the fuel to these plants. Freestone Power Generation operates a gas fired electrical generating plant in the northeast part of the county. Anadarko and XTO both operate large gas compressor stations in various sections of the county. These two companies, as well as other gas production companies, operate several other smaller gas compressor sites and petroleum gas processing plants throughout the county. Many “oil-field” related industries have established businesses in the area.

The majority of the land not associated with these industries is rural with agricultural production the main use, making farming/ranching a notable occupation in the county.

The following represents a summary of property types appraised by the district for 2015:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Homes	5,360	401,627,307
B	Multi Family Homes	29	2,794,316
C	Vacant Land (typically <5 acres)	2,851	17,975,875
D1/D2	Qualified Open Space Land & Improvements	7,646	1,078,834,722
E	Rural Land& Improvements	8,585	403,758,366
F1	Commercial Real Property	653	72,942,018
F2	Industrial Real Property	105	652,138,447
G	Oil/Gas/Minerals	198,693	645,037,210
J	Utilities	1,498	666,407,252
L1	Commercial Personal Property	1,390	14,335,004
L2	Industrial Personal Property	607	290,007,480
M1	Mobile Homes	1,277	27,295,479
O	Residential Inventory	152	1,787,601
S	Dealer’s Special Inventory	18	4,026,722
X	Exempt Property	26,940	203,972,422
TOTAL		255,804	4,482,940,221

Appraisal Operation Summary

Appraisers utilized the district’s GIS mapping software and the 2014 NAIP Imagery to properly estimate acreage for ground coverings and soil classifications according to the NRCS Soil Survey.

District appraisers continued to make on-site inspections of improvements according to its Reappraisal Plan, adopted by the board of directors on September 10, 2014. This task was completed by its target date of March 1, 2015.

Cost tables for all improvements were reviewed and compared to the January 1 tables contained in the Marshall Swift Valuation Service tables and the district’s cost tables were updated and modified where needed.

The district conducted an internal ratio study to validate the accuracy of its mass appraisal system with the following overall statistical results:

Based upon the Mass Appraisal Standards adopted by the International Association of Assessing Officers, the above 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 *2015 Internal Ratio Study Report*.

		95% Confidence Interval	
		Lower	Upper
Mean	1.01	0.97	1.03
Median	0.99	0.98	1.01
Weighted Mean	0.97		
Coefficient of Dispersion - Average	15.00		
Price-related Differential	1.04		
Absolute Deviation	39.02		
Standard Deviation	0.2		
Number of Sales	270		
Overall Ratio taken form PA PC Ratio Recap Report			
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% Disabled Veteran	Over 55 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 5,000)	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

Jurisdiction	General	Over 65	Disability	100% Disabled Veteran	Over 55 Surviving Spouse
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 exemptions 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
- Mineral/Utility/Industrial Parcels

From those notices, 1,391 parcels were protested for the following reasons:

The final results of these protests were:

- | | |
|--|-----|
| • Protest Withdrawn | 579 |
| • Protest Settled | 612 |
| • Dismissed (by ARB) for failure to appear | 110 |

The ARB conducted hearings and issued orders on protests regarding 90 parcels with the following results:

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|---|----|
| • Market/Appraised Value Excessive | 4 |
| • Market/Appraised Value Not Excessive | 79 |
| • Market Value is Unequal | 0 |
| • Market Value is equal | 63 |
| • CAD failed to sent required notice | 0 |
| • CAD correctly notice | 0 |
| • Exemption was denied, modified or cancelled | 0 |
| • Exemption was not denied, modified or cancelled | 1 |
| • Change of land use incorrectly determined | 0 |
| • Change of land use correctly determined | 15 |
| • Special Use Valuation was denied, modified, or cancelled | 0 |
| • Special Use Valuation was not denied, modified, or cancelled | 15 |
| • Owner's name is incorrect | 0 |
| • Owner's name is correct | 0 |
| • Property should not be taxable by one or more jurisdictions granted | 0 |
| • Property should not be taxable by one or more jurisdictions denied | 0 |
| • Other PTC Chapter 41 matter granted | 0 |
| • Other PTC Chapter 41 matters denied | 84 |

Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 25, 2014, summarized as follows:

Entity	Market Value	Taxable Value	Parcel Count
Freestone Co	4,482,940,221	2,952,784,510	255,804
City of Fairfield	298,212,596	220,661,144	5,368
City of Streetman	7,061,365	6,238,526	410
City of Teague	140,689,601	112,414,148	11,599
City of Wortham	38,256,373	29,909,899	960
Buffalo ISD	145,683,601	68,606,714	6,899

Entity	Market Value	Taxable Value	Parcel Count
Corsicana ISD	9,008,048	4,547,006	47
Dew ISD	301,725,848	201,534,775	54,216
Fairfield ISD	2,409,924,166	1,490,407,927	62,575
Mexia ISD	2,716,928	2,213,412	14
Oakwood ISD	116,159,173	61,682,447	1,724
Teague ISD	1,275,128,809	902,387,846	160,072
Wortham ISD	222,578,998	118,870,919	3,453
Fairfield Hospital	2,409,924,166	1,617,711,132	62,575
Teague Hospital	1,275,128,809	969,570,954	160,072

These values reflect an overall taxable value increase of \$16,307,630 or a 0.55% increase in value from the previous year's certified taxable value. Overall, the taxable value of the real estate portion of the appraisal roll increase by \$56,922,940 while the mineral/utility/industrial portion was reduced by \$40,620,380. Reductions in value are again attributed to reductions in value for oil/gas interests.

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	0.285500	Buffalo ISD	1.296570
City of Fairfield	0.348800	Corsicana ISD	1.370300
City of Streetman	0.564025	Dew ISD	1.153900
City of Teague	0.724506	Fairfield ISD	1.396042
City of Wortham	0.693703	Mexia ISD	1.184600
Fairfield Hospital District	0.047129	Oakwood ISD	1.244400
Teague Hospital District	0.041808	Teague ISD	1.521223
		Wortham ISD	1.325970