



Freestone Central Appraisal District

2017 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.

Property Types Appraised

The district is comprised of some 229,444 parcels, A significant reduction in parcel count (and taxable value) is directly attributable to decreased gas production in the county, even though natural gas and lignite mining contribute most of the economic wealth to the county. Luminant Big Brown and NRG Texas both continue to operate lignite-fired electrical generating plants in the area; however, both plants are in the process of converting their fuel source from the locally mined lignite to cleaner burning coal from the Powder River Basin. This conversion has resulted in the complete closure of NRG’s mining operations and Big Brown’s mining operations are slated to discontinue in the near future. Freestone Power Generation also operates a gas fired electrical generating plant in the northeast part of the county. Several gas production companies operate gas compressor stations and gas processing plants throughout the county. With decreased gas production in the area, many “oil-field” related industries continue to move their businesses out of Freestone County.

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 2017:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Homes	5,167	421,979,954
B	Multi Family Homes	31	3,683,252
C	Vacant Land (typically <5 acres)	2,846	20,245,956
D1/D2	Qualified Open Space Land & Improvements	12,125	1,102,164,350
E	Rural Land& Improvements	7,365	432,963,178
F1	Commercial Real Property	641	81,471,333
F2	Industrial Real Property	102	347,368,964
G	Oil/Gas/Minerals	167,822	257,493,850
J	Utilities	1,068	684,078,905
L1	Commercial Personal Property	1,494	41,635,666

PTAD Classification	Property Type	Parcel Count	Market Value
L2	Industrial Personal Property	510	174,027,965
M1	Mobile Homes	1,573	37,395,216
O	Residential Inventory	144	1,172,485
S	Dealer's Special Inventory	22	3,672,968
X	Exempt Property	28,534	214,001,874
TOTAL		229,444	2,793,031,228

A total of \$24,330,546 was added to the appraisal roll for new improvements during the 2017 reappraisal cycle. Following is breakdown by property group:

Property Group	Market Value	Parcel Count
Homesite	9,909,193	292
Non-Homesite	3,651,698	77
Personal Homesite (mobile homes)	1,848,749	89
Business Personal Property	8,920,906	441
Total	24,330,546	899

Appraisal Operation Summary

Appraisers utilized the district's GIS mapping software and the 2017 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 August 10, 2016. This task was completed by its target date of March 1, 2017.

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 *2017 Internal Ratio Study Report*.

		95% Confidence Interval	
		Lower	Upper
Mean	0.99	0.96	1.02
Median	0.99	0.95	1.00
Weighted Mean	0.96		
Coefficient of Dispersion	18.36		
Price-related Differential	1.03		
Absolute Deviation	55.7594		
Standard Deviation	0.2491		
Number of Sales	308		
Overall Ratio taken from PA PC Ratio Recap Report			
All Classes of Property, current ratio between .25 & 1.75			
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
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, 1,307 parcels were protested for the following reasons:

The final results of these protests were:

- Protest Withdrawn 66
- Protest Settled 1,093
- Dismissed (by ARB) for failure to appear 44

The ARB conducted hearings and issued orders on protests regarding 96 parcels with the following results:

- Market/Appraised Value Excessive 35
- Market/Appraised Value Not Excessive 48
- Market Value is Unequal 6
- Market Value is equal 64
- CAD failed to sent required notice 0
- CAD correctly notice 0
- Exemption should be denied, modified or cancelled 0
- Exemption should not be denied, modified or cancelled 2
- Change of land use incorrectly determined 0
- Change of land use correctly determined 0
- Special Use Valuation should be denied, modified, or cancelled 3
- Special Use Valuation should not be denied, modified, or cancelled 0
- Owner's name is incorrect 0
- Owner's name is correct 0
- Property should not be taxable by one or more jurisdictions 0
- Property should be taxable by one or more jurisdictions denied 0
- Other PTC Chapter 41 matter granted 0
- Other PTC Chapter 41 matters denied 64

Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 25, 2016, summarized as follows:

Entity	Total Market	Total Taxable
Freestone County	3,823,355,916	2,501,872,556
City of Fairfield	282,264,597	203,933,097
City of Streetman	6,960,270	6,401,712
City of Teague	164,088,685	120,552,940
City of Wortham	39,020,007	27,388,126
Buffalo I.S.D.	136,382,956	58,477,540
Fairfield I.S.D.	1,987,195,518	1,126,644,230
Oakwood I.S.D.	135,315,242	75,531,955
Corsicana I.S.D.	11,419,438	6,614,493
Dew I.S.D.	254,299,847	154,127,627
Teague I.S.D.	1,060,650,020	687,858,984
Wortham I.S.D.	235,636,358	123,157,030
Mexia I.S.D.	2,436,577	2,229,917
Fairfield Hospital District	1,987,195,518	1,258,924,127
Teague Hospital District	1,060,650,020	757,328,678

These values reflect an overall taxable value loss of \$152,099,149 (or 6%) compared to the values certified to the taxing jurisdictions in 2016. Overall, the taxable value of the real estate portion of the appraisal roll increased by \$65,494,007 and the mineral/utility/industrial portion was reduced by \$223,151,330.

Reductions in value are attributed to reductions value in value for oil/gas interests along with the departure of other oil/gas related industry and the loss of value related to the coal fired power plants and the lignite mining associated with this industry.

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	0.339000	Buffalo ISD	1.296570
City of Fairfield	0.420000	Corsicana ISD	1.373000
City of Streetman	0.573560	Dew ISD	1.255510
City of Teague	0.755572	Fairfield ISD	1.380127
City of Wortham	0.834964	Mexia ISD	1.203630
Fairfield Hospital District	0.113040	Oakwood ISD	1.244400
Teague Hospital District	0.050000	Teague ISD	1.580547
		Wortham ISD	1.322700