



Freestone Central Appraisal District 2018 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 responsible for establishing and maintaining appraisal records for 238,413 real, personal, mineral, and industrial property records within the district. A total of \$28,152,351 was added to the appraisal roll for new improvements during the 2018 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.

Minerals including natural gas and lignite, and the industries associated with them, along with other industrial facilities in the county contribute most of the economic wealth to the county.

Even though the Big Brown Power Generating Facility closed in February 2018, there are still some people employed by or contracted to continue the reclamation process after the closing of the associated mine.

The majority 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 appraisal roll for 2018 that was certified to the taxing jurisdictions on July 23, 2018 had a total market value of \$3,894,295,165, an increase of \$70,939,249 over the certified value of \$3,823,355,916 for 2017.

Following is breakdown by property group:

Property Group	Market Value	Parcel Count
Land with No Improvements	958,184,448	18,339
Land & Improvements	1,440,662,506	9,520
Improvements Only	52,992,222	1,828
Personal Property	47,389,461	1,509
Minerals/Utilities/Industrial	1,448,058,750	196,741
Total	3,894,295,165	226,109

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 not completed by its target date of March 1, 2017 due to extended illness of a staff member. Approximately 600 parcels were scheduled for an inspection in 2018 at certification. Inspection on those parcels was completed in August, 2018, prior to the commencement of the 2019 reappraisal cycle.

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 *2018 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	0.96	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% 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

Jurisdiction	General	Over 65	Disability	100% DV	Surviving Spouse
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 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
- Minera/Utility/Industrial Parcels

From those notices, 932 parcels were protested for the following reasons:

• Market value or appraised value is incorrect	808
• Value is unequal when compared to other properties	467
• Property should not be taxed in a particular jurisdiction	22
• The CAD failed to send a required notice	27
• An exemption was incorrectly denied, modified, or cancelled	42
• Incorrect determination of a change of use of land ("Ag Rollback")	27
• Open Space Land Valuation was improperly denied, modified, or cancelled	30
• Owner's name is incorrect	25
• Property description is incorrect	39
• Property should not be taxed in the CAD	21
• Other PTC 41 matters	68

The final results of these protests were:

• Protest Withdrawn	245
• Protest Settled	604
• Dismissed (by ARB) for failure to appear	28

The ARB conducted hearings and issued orders on protests regarding 35 parcels with the following results:

	Change	No Change
• Market value or appraised value is incorrect	8	26
• Value is unequal when compared to other properties	2	18
• Property should not be taxed in a particular jurisdiction	0	0
• The CAD failed to send a required notice	1	1
• An exemption was incorrectly denied, modified, or cancelled	0	5
• Incorrect determination of a change of use of land (“Ag Rollback”)	0	0
• Open Space Land Valuation was improperly denied, modified, or cancelled	0	2
• Owner’s name is incorrect	1	0
• Property description is incorrect	1	6
• Property should not be taxed in the CAD	0	0
• Other PTC 41 matters	0	7

Certified Values

The table that follows effects the total market and taxable values for each jurisdiction within the district as of the July 25, 2018.

Jurisdiction	Market	Exemption & Special Valuation Adjustments	Taxable	Parcels
County	3,894,295,165	1,542,352,287	2,351,942,878	226,109
Fairfield City	293,091,950	88,299,123	204,792,827	5,362
Streetman City	7,431,902	595,575	6,836,327	414
Teague City	163,089,139	41,583,691	121,505,448	9,691
Wortham City	40,637,293	12,292,445	28,344,848	977
Buffalo ISD	140,307,595	81,663,881	58,643,714	5,822
Fairfield ISD	1,985,745,456	890,896,803	1,094,848,653	56,589
Oakwood ISD	140,917,119	61,861,430	79,055,689	1,834
Corsicana ISD	12,550,479	7,490,250	7,490,250	48
Dew ISD	256,810,572	154,054,245	154,045,245	43,086
Teague ISD	1,110,215,957	714,455,689	714,455,987	141,454
Wortham ISD	245,336,127	126,030,717	126,030,717	3,547
Mexia ISD	2,393,350	2,149,817	2,149,817	15
Fairfield Hospital	1,985,745,456	1,232,708,024	1,232,708,024	56,589
Teague Hospital	1,110,215,957	787,300,323	787,300,323	141,454

These values reflect an overall taxable value increase of \$10,072,043 or compared to the values certified to the taxing jurisdictions in 2017.

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: