

ANGELINA COUNTY APPRAISAL DISTRICT

2018 LOCAL ANNUAL REPORT

The Angelina County Appraisal District has prepared and published this report to notify and inform the Board of Directors, taxing entities, and citizens of Angelina County of pertinent information containing the activities, accomplishments, and policies of the appraisal district, as well as statistical information of public interest for the current tax year. This report is prepared annually by the chief appraiser and is completed in compliance with the *International Association of Assessing Officers' Standard on Public Relations*.

Valuation & Administrative Standards and Policies

The Angelina County Appraisal District is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. The appraisal district is responsible for local property tax appraisal and exemption administration for all jurisdictions or taxing units in the county. The appraisal district updates values each year to assure that all properties are valued at fair market value as of the appraisal date (January 1). The Appraisal District is governed by a board of 10 directors who are elected by the taxing units within the boundaries of Angelina County. The chief appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district. The Board of Directors approves the budget and reviews expenditures over the course of each fiscal year. Additionally, the BOD also appoints the Appraisal Review Board and Agricultural Advisory Board.

The taxing entities are as follows: Angelina County, Angelina College, City of Diboll, City of Hudson, City of Huntington, City of Lufkin, City of Zavalla, Central I.S.D., Diboll I.S.D., Hudson I.S.D., Huntington I.S.D., Lufkin I. S. D., Zavalla I. S. D., Colmesneil I.S.D., Wells I.S.D., Angelina County Fresh Water Districts 1 and 4. In 2017, the Angelina Fresh Water District 3 was dissolved and combined with FWD1 according to state legislation.

The appraisal district's standards and policies of valuation and administration are available upon request. The District determines the market value of a property using mass appraisal standards and techniques which comply with the *Uniform Standards of Professional Appraisal Practices* (USPAP). All manuals comply with the *Texas Property Tax Code*, *Uniform Standards of Professional Appraisal Practice*, *International Association of Assessing Officers' Standards*, as well as other generally accepted standards. The appraisal district operates using appraisal manuals specific to general types of property, office administration manuals, assessment appeals manuals, and personnel policies and procedures manuals. The reappraisal of property is completed in accordance with the appraisal district's most recently adopted reappraisal plan. Standards and policies for the valuation process of the appraisal district comply with the *Texas Property Tax Code*, as well as other generally accepted appraisal methods and techniques. All property is appraised in an equal and uniform manner. All property must be appraised at market value, as defined by the *Texas Property Tax Code*. To determine the value of taxable property, the appraisal district uses the cost, market, and income approaches to value.

Appraisers hired by the District, are subject to requirements set forth by the Property Taxation Professional Certification Act which was passed by the 68th Legislature. Appraisers are required to register with the Texas Department of Licensing and Regulation (TDLR) before performing appraisals. Appraisers are required to successfully complete a series of educational courses towards certification and designation as a Registered Professional Appraiser (RPA). In order to obtain an RPA designation, appraisers must effectively complete the course requirements within five years from the date of registration. Once an appraiser has obtained their certification, they must recertify on a biannual basis, and must include two hours of ethic training, seven hours of USPAP, and a law and rule update course set by the state legislature. The District currently employs 4 certified RPA's and 3 appraisers working towards their certification.

2018 Valuation Summary

- Residential Parcels
 - 5.483% increase in value from the previous year with 256 new accounts and new market value of \$31,036,850.
- Commercial Parcels
 - 1.234% increase in value from the previous year with 54 new accounts and new value market of \$8,800,210.
- Agricultural Parcels
 - 2.038% increase in value from the previous year with an increase of 0.324% in acreage (228.0239 acres) and value increase of \$18,888,181.

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Total Values

The Angelina CAD serves the following taxing jurisdictions: Beside each taxing entity is the total market value and taxable value for each as of certification. The chart below identifies the parcel count, Category A (Residential) values, Category F (Commercial) values, Category D (Agriculture and Timber) values, and total amount of exemptions for each taxing jurisdiction.

Taxing Unit	2018 Total Tax rate	Market Value	Taxable Value (before freeze)
Angelina County	0.437121	\$5,886,315,569	\$4,202,897,931
Angelina College	0.180992	\$5,882,311,649	\$4,378,115,535
City of Diboll	0.630000	\$226,044,848	\$194,323,206
City of Hudson	0.306600	\$170,738,982	\$152,649,856
City of Huntington	0.550000	\$71,787,150	\$59,806,001
City of Lufkin	0.531135	\$2,318,924,127	\$2,109,105,463
City of Zavalla	0.409230	\$21,377,612	\$16,464,758
Central ISD	1.330000	\$489,176,630	\$292,855,662
Colmesneil ISD	1.120000	\$8,450,650	\$447,210
Diboll ISD	1.280000	\$504,341,183	\$291,562,615
Hudson ISD	1.280000	\$746,192,372	\$533,471,506
Huntington ISD	1.391000	\$664,465,131	\$270,971,001
Lufkin ISD	1.450000	\$3,053,194,373	\$2,464,193,097
Wells ISD	1.420000	\$14,736,172	\$9,429,050
Zavalla ISD	1.515600	\$401,859,439	\$110,782,587

Taxing Unit	Parcel Count	Residential Category A	Commercial & Industrial Category F	Agriculture and Timber Category D	Total Amount of Exemptions
		Market Value	Market Value	Market Value	
Angelina County	65,879	2,427,891,764	624,449,899	945,716,076	784,789,631
Angelina College	65,875	2,427,891,764	624,449,899	945,716,076	605,568,107
City of Diboll	2,218	85,494,560	33,019,160	3,381,538	27,951,206
City of Hudson	2,323	122,816,102	14,665,290	5,669,970	11,389,514
City of Huntington	2,183	43,402,280	9,048,380	3,462,210	8,433,498
City of Lufkin	19,674	1,074,077,743	520,781,327	35,091,561	172,283,748
City of Zavalla	779	10,994,659	2,215,280	1,681,810	3,188,884
Central ISD	9,604	197,869,779	11,476,960	138,675,131	63,548,416
Diboll ISD	5,249	169,711,021	38,155,114	117,703,128	102,923,186
Hudson ISD	6,635	393,696,365	56,586,120	116,825,840	99,851,486
Huntington ISD	9,142	203,858,070	12,117,180	245,210,871	163,312,306
Lufkin ISD	29,727	1,373,832,359	501,413,495	204,972,527	390,615,951
Zavalla ISD	5,311	87,381,580	4,096,750	116,604,739	184,967,284

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Local Appraisal Sales Ratio Study Analysis

The appraisal district is required by the *Texas Property Tax Code* to appraise all taxable property at market value as of January 1st of each year. The sales ratio determines the degree of uniformity and the median level of appraisal by the appraisal district within major categories of properties.

- Residential Median Ratio – 1.019
- ACAD does not perform ratio studies for Commercial or Agricultural sales due to the small number of sales producing unreliable results.

Types of Property in County

All property in the District's appraisal records is classified and assigned to one property category as established by the State Comptroller's office. Listed below are each property category and the type of property found within each category and the total market value for the county for each category.

Category	Market Value
Category A – Single Family Residential	\$2,427,891,764
Category B – Multifamily Residential	\$62,059,581
Category C – Vacant Lots	\$95,570,852
Category D – Rural Land (Agriculture & Timber)	\$945,716,076
Category F – Commercial & Industrial	\$624,449,899
Category G – Oil, Gas, Minerals	\$90,154,576
Category J – Utilities	\$239,095,110
Category L – Personal Property	\$577,885,760
Category M – Mobile Homes	\$48,039,180
Category O – Inventory	\$4,076,310
Category S – Special Inventory	\$29,807,690
County Total Market Value	\$5,144,746,798

Appeal Data

The following is an overview of the appeals filed with Appraisal Review Board (ARB) under Section 41 of the Property Tax Code. This year the ARB held its formal hearings from 06/12/2018 to 07/17/2018.

The appraisal district received 897 protests filed under Section 41 of the Property Tax Code. The Appraisal Review Board heard 13 protests for which the Review Board determined and issued a value. The appraisal district settled 602 of the protests filed during the informal hearings process and 141 protests were withdrawn with no changes. The remaining 141 property accounts for which a protest was filed did not show for their scheduled ARB hearing and the appraisal district was unable to make any further contact with the owners/agents for the accounts.

Legislative Changes

This section highlights recent legislative changes related to property tax. This section does not highlight all legislative changes; this information is provided solely as an informational resource. Legislative changes that became effective on or after January 1, 2018 are listed below.

- **Section 11.132** - *Effective Jan. 1, 2018* - amends subsection (b) to provide that a disabled veteran who has a disability rating of less than 100 percent is entitled to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization at some cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made .
- **Section 11.134** - *Effective Jan. 1, 2018* - adds this section to define "first responder" as an individual listed under Government Code Section 615.003, "residence homestead" by reference to Tax Code Section 11.13, and "surviving spouse" as the individual who was married to a first responder at the time of the first responder's death. The bill adds subsection (b) to provide a total exemption of the appraised value of the residence homestead of a surviving spouse of a

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first responder who is killed or fatally injured in the line of duty if the surviving spouse is an eligible survivor for purposes of Government Code Chapter 615, as determined by the Employees Retirement System, and has not remarried since the death of the first responder. The exemption applies regardless of the date of the first responder's death if the surviving spouse otherwise meets the qualifications of this section. A surviving spouse who receives the exemption under subsection (b) is entitled to receive an exemption on a subsequent residence homestead if the surviving spouse has not remarried. The exemption amount is equal to the dollar amount of the exemption of the first property for which the surviving spouse received an exemption under subsection (b) in the last year in which the surviving spouse received the exemption. The surviving spouse is entitled to a certificate from the chief appraiser of the CAD in which the first property for which the surviving spouse claimed the exemption was located providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

- **Section 11.18** - *Effective Jan. 1, 2018* - amends subsection (d) to add the charitable function of providing, without regard to the beneficiaries' ability to pay, tax return preparation services and assistance with other financial matters to the list of charitable functions that one or more of which a charitable organization must exclusively perform (with specified exceptions) as one of the criteria to qualify as a charitable organization and receive a property tax exemption of certain real and personal property.
- **Section 11.23** - *Effective Jan. 1, 2018* - amends subsection (j-1) to modify, in a county with a population of 3 .3 million or more, the property tax exemption for medical center developments for all real and personal property owned by a nonprofit corporation, as that term is defined by Business Organizations Code Section 22 .001, organized exclusively for benevolent, charitable, and educational purposes. The bill allows the exemption for property held for research or held for auxiliary uses to support benevolent, charitable, and educational functions, including the invention, development, and dissemination of materials, tools, technologies, processes, and similar means for translating and applying medical and scientific research for practical applications to advance public health . The bill strikes the provision that specified that the exemption applies to property that is not leased or otherwise used with a view to profit and strikes the provision that the property is exempt "as though the property were, during that time, owned and held by the state for health and educational purposes ." The bill adds that this subsection may not be construed to exempt from taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to an exemption from taxation under this subsection.
- **Section 11.42** *Effective Jan. 1, 2018* - amends subsection (c) to add an exemption authorized by Tax Code Section 11 .134 (Residence Homestead of Surviving Spouse of First Responder Killed in Line of Duty) to the exemptions that are effective as of Jan . 1 of the tax year in which the person qualifies for the exemption and that apply to the entire tax year.
- **Section 11.43** *Effective Jan. 1, 2018* - amends subsection (c) to add an exception as provided by subsection (r) to the preexisting provision that the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption. The bill adds subsection (r) to prohibit a chief appraiser from requiring a person allowed an exemption under Tax Code Section 11 .131 to file a new application to determine the person's current qualification for the exemption if the person has a permanent total disability determined by the United States Department of Veterans Affairs under 38 C .F .R . Section 4.15.
Effective Jan. 1, 2018. - amends subsection (c) to add an exemption provided by Tax Code Section 11 .134 (Residence Homestead of Surviving Spouse of First Responder Killed in Line of Duty) to the exemptions that once allowed, need not be claimed in subsequent years, and except as otherwise provided, apply to the property until it changes ownership or the person's qualification for the exemption changes.
- **Section 11.431** *Effective Jan. 1, 2018* - amends subsection (a) to require the chief appraiser to accept and approve or deny an application for a residence homestead exemption under Tax Code Section 11 .134 for the residence homestead of the surviving spouse of a first responder who is killed or fatally injured in the line of duty after the deadline for filing it has passed if it is filed by the late application deadline.
- **Section 11.4391** *Effective Jan. 1, 2018* - amends subsection (a) to provide that the chief appraiser shall accept and approve or deny an application for an exemption for freeport goods under Tax Code Section 11 .251 after the deadline for filing it has passed if it is filed not later than June 15 (rather than if it is filed before the date the appraisal review board approves the appraisal records).
- **Section 21.09** *Effective Jan. 1, 2018* - amends subsection (b) to provide that a person claiming an allocation must file a completed allocation application form before April 1 (rather than before May 1). If the property was not on the appraisal roll in the preceding year, the deadline for filing the allocation application form is extended to the 30th day (rather than the 45th day) after the date of receipt of the notice of appraised value required by Tax Code Section 25 .19(a)(3) . For good cause shown, the chief appraiser shall extend the deadline for filing an allocation application form by written order for a period not to exceed 30 days (rather than 60 days).
- **Section 22.23** *Effective Jan. 1, 2018* - adds subsection (c) to provide that notwithstanding subsections (a) and (b), rendition statements and property reports for property located in an appraisal district in which one or more taxing units exempt freeport property under Tax Code Section 11 .251 must be delivered to the chief appraiser not later than April 1 . On written request by the property owner, the chief appraiser shall extend the deadline for filing a rendition statement or property report to May 1. The chief appraiser may further extend the deadline an additional 15 days for good cause shown in writing by the property owner. The bill adds subsection (d) to provide that, notwithstanding any other provision of this section, rendition statements and property reports for property regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission

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must be delivered to the chief appraiser not later than April 30, except as provided by Tax Code Section 22 .02. The chief appraiser may extend the filing deadline 15 days for good cause shown in writing by the property owner.

- **Section 25.25** *Effective Jan. 1, 2018* amends subsection (e) to entitle a property owner in an ARB hearing on a motion to correct an appraisal roll to elect to present the owner's evidence and argument before, after, or between the cases presented by the chief appraiser and each taxing unit.
- **Section 26.10** *Effective Jan. 1, 2018* - amends subsection (b) to add a residence homestead exemption under Tax Code Section 11 .134 (Residence Homestead of Surviving Spouse of First Responder Killed in Line of Duty) to the exemptions that, if the exemption is applicable to the property on Jan . 1 of a year and terminates during the year, and if the owner of the property qualifies a different property for one of those residence homestead exemptions during the same year, the tax due against the former residence homestead is prorated according to a specified formula.
- **Section 26.112** *Effective Jan. 1, 2018* - amends subsection (a) to add property owned by an individual who qualifies at any time during the tax year for a residence homestead exemption under Tax Code Section 11.134 (Residence Homestead of Surviving Spouse of First Responder Killed in Line of Duty) to the properties for which the amount of the tax due is calculated as if the individual qualified for the exemption on Jan. 1 and continued to qualify for the exemption for the remainder of the tax year. The bill amends subsection (b) to provide that if an individual qualifies a property for an exemption under Tax Code Section 11.134 (Residence Homestead of Surviving Spouse of First Responder Killed in Line of Duty) after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each taxing unit shall recalculate the amount of the tax due and correct the tax roll.
- **Section 31.031** *Effective Jan. 1, 2018* - reenacts subsection (a) as amended by Chapters 122 (HB 97), 643 (HB 709), and 935 (HB 1597), Acts of the 83rd Legislature, Regular Session, 2013 to provide that installment payments of certain homestead taxes, applies only to an individual who is: • disabled or at least 65 years of age, and qualified for a residence homestead exemption under Tax Code Section 11.13(c); or • a disabled veteran or the unmarried surviving spouse of a disabled veteran, and qualified for an exemption under Tax Code Section 11.132 or 11.22.
- **Section 31.032** *Effective Jan. 1, 2018* - amends subsection (b) to permit a person owning certain real property in a disaster area that is damaged in the disaster to pay a taxing unit's taxes imposed on that property in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments (rather than paying at least one-fourth of the taxes before the delinquency date and the remainder in three equal installments) . The bill adds subsection (b-1) to provide that notwithstanding the deadline prescribed by subsection (b) for payment of the first installment, a person to whom this section applies may pay the taxes in four equal installments if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.
- **Section 41.44** *Effective Jan. 1, 2018* - amends subsections (a) and (c) to modify the deadline for a property owner to file a notice of protest to not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Tax Code Section 25 .19, whichever is later (rather than before May 1 or not later than the 30th day after the date the notice was delivered to the property owner as provided by Tax Code Section 25.19, whichever is later). The bill strikes language that provided different deadlines to file a notice of protest for property that is a single-family residence that qualifies for an exemption under Tax Code Section 11.13 and any other property. The bill repeals subsection (b-1) regarding the entitlement of an owner of a single-family residence to a hearing and determination of a protest if the property owner files the notice of protest before June 1 and before the appraisal review board approves the appraisal records but after the notice of protest deadline for single-family residences.
- **Section 41.66** *Effective Jan. 1, 2018* - amends subsection (b) to entitle a property owner who is a party to a protest in an ARB hearing to elect to present the owner's case either before or after the CAD's presentation.

Achievements in Operations and Appraisal

The appraisal district continuously works to improve efficiencies within its operations. The following activities are reviews performed to enhance the operations and appraisal performance within the appraisal district. Both reviews are performed by the Texas Comptroller's Property Tax Assistance Division, under guideline from the *Texas Property Tax Code* and Comptroller rule.

- Appraisal
 - Property Value Study
The Property Value Study (PVS) is conducted by the Property Tax Assistance Division (PTAD) of the State Comptroller's Office to estimate a school district's taxable property value through the effectiveness of the District's appraisals. If the District's appraised values in a school district are within the acceptable range (5% of market value) then the values are certified to the Commissioner of Education. The PVS results are used for school district's state funding. Angelina CAD did undergo a PVS in 2018, for which results will be released in 2019.
- Operations
 - MAP Review

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The Methods and Assistance Program (MAP) review is conducted in accordance with Tax Code Section 5.10 (a), effective January 1, 2010, and related State Comptroller rule 9.301. The Property Tax Assistance Division (PTAD) performed the review. As part of the MAP review process, the appraisal district is required to submit, in advance of the review, electronic copies of procedures, policies, notices, manuals and related materials necessary for the completion of this review. Comptroller reviewers also collect related information at the time of the on-site review, compare appraisal district records to existing property and locate property using district maps. Each appraisal district is reviewed every other year. The review conducted by the Comptroller's Office reviews the appraisal districts: governance; taxpayer assistance; operating procedures; and appraisal standards, procedures and methodology. Angelina County underwent a MAP Review in 2017, for which the results were released in January 2018.

▪ **Angelina County Appraisal District Ratings:**

Mandatory Requirements	PASS/FAIL
Does the appraisal district have up-to-date appraisal maps?	PASS
Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
Does the appraisal district comply with its written procedures for appraisal?	PASS
Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS
Appraisal District Activities	RATING
Governance	MEETS
Taxpayer Assistance	MEETS ALL
Operating Procedures	MEETS
Appraisal Standard, Procedures, and Methodology	MEETS ALL