



# 2017 Annual Report

**Fayette County Appraisal District  
P. O. Box 836  
La Grange, TX 78945**

## **2017 ANNUAL REPORT**

### **FAYETTE COUNTY APPRAISAL DISTRICT**

#### **INTRODUCTION**

The Fayette County Appraisal District is a political subdivision of the State of Texas. 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 Fayette County Appraisal District (FCAD) provides market value appraisals of all taxable property and collects ad valorem taxes in a fair, equitable and cost effective manner on behalf of the taxing entities of Fayette County while providing services and assistance to the county's citizens. 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
- The Uniform Standards of Professional Appraisal Practices

#### **OVERVIEW**

The Fayette County Appraisal District is responsible for local property tax appraisal and exemption administration for 15 jurisdictions or taxing units in the county. Each taxing unit, such as the county, a city, school district, municipal utility district, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. The District also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation.

FCAD is responsible for 960 square miles and 50,361 accounts within Fayette County. Portions of Giddings ISD, Smithville ISD and Weimar ISD cross into Fayette County. These properties are appraised by FCAD and are included in the total number of accounts.

FCAD's required operations are outlined in the Texas Administrative Code and are monitored by the Texas Comptroller of Public Accounts. Except as otherwise provided by the Texas Property Tax Code, all taxable property is appraised at "market value" as of January 1. Under the Texas Property Tax Code, Sec. 1.04(7), "market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if: exposed for sale in the

open market with a reasonable time for the seller to find a purchaser; both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use, and; both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The Texas Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec 23.12), dealer inventory (Sec 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03).

## **TAXING JURISDICTIONS**

The Fayette County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within Fayette County. They are as follows:

- Fayette County
- La Grange ISD
- Schulenburg ISD
- Flatonia ISD
- Fayetteville ISD
- Round Top/Carminie ISD
- Giddings ISD
- Smithville ISD
- Weimar ISD
- City of La Grange
- City of Schulenburg
- City of Flatonia
- City Fayetteville
- City of Carminie
- Town of Round Top
- Fayette County Groundwater Control District
- Cummins Creek WCID
- Monument Hill WCID

## **ACTIVITIES PERFORMED BY FCAD IN 2017**

The FCAD uses a process called mass appraisal. Mass appraisal allows for the valuing of large groups of property as of a given date and allows for statistical testing. The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal programs and recognized appraisal methods and techniques, information is compared with the data of similar properties and with recent cost and market data. The District, as required by the state of Texas, follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. Chapter 23 of the Texas Property Tax Code contains statutes dealing with appraisal methods and procedures. Section 23.01 of this chapter was

amended in 1997 to specify that appraisal districts are required to comply with the mass appraisal standards of USPAP (Standard Six) when the appraised *value* of a property is established using mass appraisal techniques.

#### The FCAD's Valuation Process

In order to make a valuation, the staff must first identify new properties. This is done by viewing aerial photography, scouring local government records such as building permits and septic permits, or locating advertisements in the newspaper.

The staff must then collect data by visiting new and existing properties. The staff assesses the value of new structures, as well as assesses depreciation and the value of any new additions to existing structures. Additionally appraisers must classify the quality of the construction by examining features such as rooflines, add-ons, construction type such as brick or wood, etc. Data regarding sales and building prices must also be collected.

These values must be entered into the automated system along with changes in property parcel sizes and exemptions received from homeowners, the elderly, disabled veterans, charitable or religious organizations, and agricultural productivity valuation (this includes wildlife management).

Then the data must be analyzed following the mass appraisal standards of the USPAP. Properties are grouped by school district, subdivision, town and neighborhood. Questions such as 'does the FCAD value match recent sales values?' must be answered. Value is then assessed to as close to 100% of market value as possible (per state law). If this is not the case, then an analysis must be done to determine the reason the values are not within an acceptable range. Once this is determined, further adjustments are made according to existing professional standards.

Additionally FCAD must

- Analyze and revise office operations to conform with legislative changes,
- Compile and file reports required by the state,
- Work with customers regarding concerns and appeals,
- Prepare for state audits and inspections, and
- Perform required community outreach.

FCAD had 12 full-time employees during 2017 with the following classifications:

- 2 Administrative Professionals
- 4 Field Appraisers
- 1 Business Personal Property Appraiser
- 4 Technicians
- 1 Administrative Support Professional

*Note: Because the work is highly technical and closely regulated, appraisers and professionals must obtain licensing and attend yearly training on legislative updates. Additionally, all staff are now required by the state of Texas to obtain yearly customer service training.*

### **Mineral, Industrial, Utility and Related Personal Property**

Mineral, Industrial, Utility and Related personal property is appraised by Pritchard & Abbott, Inc. (P&A) at the fair market value by utilizing approaches such as the cost approach, market approach, and income approach. The main source P&A uses for data collection is fieldwork by the appraisers and commercially/publicly available schedules developed on current costs such as Marshall & Swift, Handy-Whitman, Chemical Engineering Magazine, Oil & Gas Journal, etc. The validity of the values by P&A's income and cost approaches to value is tested against actual market transactions, if and when these transactions and verifiable details of the transactions are disclosed to P&A. These transactions are checked for meeting all requisites of fair market value definition. Any conclusions from this analysis are also compared to industry benchmarks before being incorporated in the calibration procedure.

### **Property Types Appraised**

The appraisal district is responsible for the appraisal of approximately 50,361 parcels. The following represents a summary of property types appraised by the district for **2017**:

<b>PTAD Classification</b>	<b>Property Type</b>	<b>Parcel Count</b>	<b>Market Value</b>
A	Single Family	6,708	777,955,988
B	Multi Family	61	15,204,760
C	Vacant Lot	1,712	30,548,525
D1	Qualified Ag Land	11,624	3,499,649,256
D2	Imps. On Non AG Land	859	47,896,602
E	Non Qualified AG Land	8,601	1,016,405,914
F1	Commercial Real Prop.	1,160	275,883,951
F2	Industrial Real Prop.	87	132,283,890
G1	Oil & Gas	13,672	126,142,520
J1	Water Systems	8	145,060
J2	Gas Dist. System	24	2,713,180
J3	Electric Company	56	69,687,720
J4	Telephone Company	115	19,468,930
J5	Railroad	38	46,527,530
J6	Pipeline Company	818	46,527,530
J7	Cable Television Company	14	1,187,230
J8	Other Type of Utility	60	9,020,840
J9	Railroad Rolling Stock	1	12,354,235
L1	Commercial Personal Prop.	1,306	76,262,380
L2	Industrial Personal Prop.	364	152,550,290
M1	Mobile Homes	815	19,273,015
O	Residential Inventory	12	179,060
S	Special Inventory	18	9,007,950
X	Exempt Property	9,501	251,490,270

## General Information

	2016	2017
Properties Inspected	3,532	4,747
Exemptions Processed	685	730
1-d-1 Applications Processed	658	751

## Inquiry and Formal Protest Data

	2016	2017
Informal Appeals Processed	814	874
Formal Appeals Processed	1,586	1,082
ARB Decision	295	74
Arbitration Cases	3	1

## Certified Values for All Jurisdictions

	2016		2017	
	Market Value	Taxable Value	Market Value	Taxable Value
Fayette County Gen Fund	6,479,204,306	2,785,096,448	6,639,037,826	2,860,781,403
Farm/Market Road	6,468,202,081	2,763,018,004	6,626,476,101	2,837,292,970
La Grange ISD	2,462,412,673	1,018,361,406	2,456,206,451	1,001,823,513
Schulenburg ISD	1,053,871,797	402,930,320	1,091,423,648	428,925,121
Flatonia ISD	1,130,302,498	356,382,373	1,203,647,962	367,988,857
Fayetteville ISD	622,651,258	164,287,086	625,267,972	164,020,510
Round Top/Carmine ISD	1,046,456,721	281,987,528	1,087,871,743	290,106,315
City of La Grange	407,790,732	301,550,062	416,442,926	313,806,163
City of Schulenburg	293,982,007	258,331,879	316,295,927	280,949,502
City of Flatonia	103,592,706	83,411,666	112,234,655	92,247,460
City of Fayetteville	46,606,651	36,285,878	50,355,751	39,240,986
City of Carmine	33,430,529	17,582,039	34,171,260	23,416,410
Town of Round Top	51,008,250	40,245,194	52,826,230	41,538,094
Fayette County GWCD	6,467,780,391	2,806,409,211	6,625,995,181	2,881,204,342
Monument Hill WCID	58,080,919	44,882,577	59,912,609	48,423,305
Cummins Creek WCID	1,364,398,150	475,060,302	1,414,649,622	496,800,846
Giddings ISD*	25,258,620	8,457,395	26,383,020	9,269,350
Smithville ISD*	45,253,950	12,403,423	50,135,740	14,679,416
Weimar ISD*	81,394,264	15,838,972	85,014,095	18,067,755

\*Includes only that portion which is situated in Fayette County.

## Average Value of Single Family Residence

	2016			2017	
	Market Value	Taxable Value		Market Value	Taxable Value
Fayette County Gen Fund	141,669	136,928		146,314	144,240
Farm/Market Road	141,618	133,912		146,262	141,231
La Grange ISD	153,112	123,360		157,467	131,226
Schulenburg ISD	114,157	87,337		117,167	91,773
Flatonia ISD	114,628	88,690		119,934	95,014
Fayetteville ISD	149,896	117,018		156,001	126,829
Round Top/Carmine ISD	178,795	106,507		188,151	117,103
City of La Grange	142,647	109,678		147,227	116,205
City of Schulenburg	108,569	105,663		111,651	110,467
City of Flatonia	113,579	111,079		118,460	117,498
City of Fayetteville	154,574	148,904		168,154	164,826
City of Carmine	122,111	122,111		126,216	126,216
Town of Round Top	353,318	292,280		378,786	334,255
Fayette County GWCD	141,642	136,902		146,286	144,213
Monument Hill WCID	241,267	177,901		245,682	196,039
Cummins Creek WCID	165,308	154,502		174,227	166,604
Giddings ISD	84,964	55,651		88,190	59,289
Smithville ISD	89,100	64,055		93,936	69,126
Weimar ISD	148,448	123,300		151,818	126,644

## Certified New Value for All Jurisdictions

	2016			2017	
	Market Value	Taxable Value		Market Value	Taxable Value
Fayette County Gen Fund	58,891,610	56,386,297		72,457,264	69,851,830
Farm/Market Road	58,891,610	56,369,065		72,439,514	69,800,145
La Grange ISD	22,383,700	21,318,552		29,018,713	27,551,725
Schulenburg ISD	8,641,380	8,469,530		9,069,680	8,793,388
Flatonia ISD	13,385,240	12,703,000		16,702,701	16,224,393
Fayetteville ISD	6,307,470	4,747,965		3,000,280	2,949,873
Round Top/Carmine ISD	7,486,950	6,879,373		11,921,260	10,838,012
City of La Grange	3,012,850	2,427,542		4,466,221	3,962,521
City of Schulenburg	4,229,090	4,228,390		2,398,500	2,352,200
City of Flatonia	4,946,590	4,483,700		5,385,110	5,146,720
City of Fayetteville	2,220,140	856,420		592,710	592,710
City of Carmine	71,130	71,130		515,700	448,850
Town of Round Top	522,270	522,270		983,290	450,200
Fayette County GWCD	58,769,700	56,372,037		72,401,194	69,861,884
Monument Hill WCID	1,612,330	1,368,604		408,080	364,620
Cummins Creek WCID	12,135,720	10,743,167		14,660,900	13,890,490
Giddings ISD	3,520	3,468		620,130	454,924
Smithville ISD*	62,790	39,550		591,990	355,620
Weimar ISD*	620,560	604,060		1,532,510	1,532,510

## Top 10 Taxpayers - 2017

	2016		2017
Union Pacific Railroad Co.	56,570,260		55,017,540
ETC Texas Processing Ltd	56,160,690		53,184,710
LCRA Transmission Svcs Corp.	51,712,970		48,177,850
Dairy Farmers of America	36,649,580		43,349,270
Enervest Operating LLC 395	30,918,950		27,519,740
Earthstone Operating LLC	27,082,000		26,905,420
ETC Texas Pipeline Ltd Gas Div.	25,553,090		24,093,310
PNC Equipment Finance LLC	21,618,190		15,350,430
Cal-Maine Foods Inc.	18,587,980		15,740,790
CDP Austin Gathering LP	16,651,150		14,735,770

## 2017 STATE OF TEXAS OVERSIGHT

### The Property Value Study (PVS)

The PVS is a biennial audit by the state of Texas Comptroller of Public Accounts' Property Tax Assistance Division (PTAD). PTAD conducts the PVS to estimate a school district's taxable property value. The last study the FCAD received was in 2016 wherein the PTAD accepted the appraisal district values for school districts in Fayette County and determined that FCAD was appraising at market value with the exception of Flatonia ISD. Due to this finding, the Flatonia ISD was subjected to a subsequent study for 2017. The next study for the FCAD and all school districts will occur in 2018 with the results being released in early 2019.

### Methods and Assistance Program (MAP) Reviews

Tax Code Section 5.102 requires the Comptroller of Public Accounts to review county appraisal district (CAD) governance, taxpayer assistance, operating standards and appraisal standards, procedures and methodology at least once every two years. The first audit was completed in 2011. FCAD performed well and substantially completed all recommendations made in the initial MAP review and the subsequent review of 2013 and 2015. FCAD is therefore in compliance with Texas Property Tax Code Section 5.102. The FCAD is currently waiting on the final outcome of the 2017 review.

## LEGISLATIVE CHANGES

There were legislative changes as a result of the last session in 2017 with numerous bills passed that affect the property tax system. The FCAD continues to administer the new laws that occurred in the 85th Legislative Session. HB 455 now allows property owners to appear by telephone conference call at an ARB hearing. SB 15 provides a total exemption of the appraised value of the residence homestead of a surviving spouse of a first responder who is killed in the line of duty. These are just a few examples of the changes that are mandated by the legislature.

## FCAD AND THE FUTURE

FCAD expects operating expenses to rise in the coming years based on population growth and increased state regulatory mandates. Currently FCAD employs 12 staff members, four of which are appraisers. New aerial photography was acquired in the early part of 2017 to assist in the

discovery of new property and demolitions. The new imagery will also aid the FCAD in the day to day operations. Also, a scanning project of appraisal rolls and other related rolls was completed in 2017. This has allowed for easy access to this information and easily reproducible.

### Population Growth

According to the Texas Demographic Center (<http://txsdc.utsa.edu/Data/TPEPP/Projections/Report?id=0eb3399ff4d14a1aabde2f7293904500>), it is estimated that the population in Fayette County is expected to increase to over 29,000 people by 2022. This growth, in turn, would require new housing construction and create additional business activity.

While technology can assist FCAD in locating and evaluating new properties and changes to existing property, a personal inspection is ultimately necessary.

Please contact the appraisal district if you have any questions regarding this report at:

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