



2016 ANNUAL REPORT

Runnels County Appraisal District



NOVEMBER 2016
RUNNELS COUNTY APPRAISAL DISTRICT
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Runnels County Appraisal District

November 2016

It is my pleasure to present the Annual Report of the Runnels County Appraisal District (RCAD). This Annual Report for 2016 endeavors to provide specific information about the operations of the RCAD. The report has been designed to provide the reader a summarization of information which is published and printed in many different formats by the appraisal district. It highlights the results of our appraisal operations, taxpayer assistance, financial stewardship, the appeals process, and statistical comparisons from the Property Tax Assistance Division Property Value Study.

The Runnels County Appraisal District strives to serve the property owners and citizens of Runnels County and the Great State of Texas. The RCAD works hard to provide equality and uniformity to the citizens of Runnels County to the seventeen entities represented who rely upon our work and expect our operation to be efficient, timely, and accurate. The RCAD also works with the State Comptroller's Property Tax Assistance Division to ensure that school districts receive accurate appraisal values for setting the basis for school funding. Finally, the RCAD has a high commitment to customer service. We strive to serve Runnels County with professionalism and integrity in all aspects of our operations.

In 2016, RCAD once again successfully certified a timely and accurate appraisal roll. We believe it is our highest priority to not only efficiently serve our participating taxing units, but also to humbly serve the citizens of Runnels County and provide an accurate and fair appraisal roll so the tax burden can be equitably distributed.

I thank you for taking time to review this Annual Report and hope you gain insight into the operations of the Runnels County Appraisal District.

I would like to thank my entire staff for their continued commitment in performing their duties with the highest level of customer service. Their dedication in serving the people of this community is unsurpassed. At RCAD, we always strive to improve the quality and efficiency of our work. We are open to suggestions on how RCAD may serve the community better. If you have any comments or suggestions, please let me know.

Respectfully,

PaulScott Randolph

Chief Appraiser

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Runnels County Appraisal District

County Appraisal Districts were created by the Texas legislature when it passed the Peveto Bill in 1979. The Texas Property Tax Code, the Rules of the Texas Comptroller's Property Tax Assistance Division, and the Constitution of the State of Texas govern the operations of the appraisal districts statewide.

The Runnels County Appraisal Districts mission is to discover, list and appraise property by administering the laws and guidelines established under the property tax system and set forth by:

- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD)
- The Uniform Standards of Professional Appraisal Practice (USPAP)
- The International Association of Assessing Officers (IAAO)

The appraisal district is a the local government, political subdivision of state, responsible for appraising property within the county boundaries. Senate Bill 621 required an appraisal district be established in each county for the purpose of appraising property for ad valorem tax purposes.

By law, an appraisal district is to be managed by a professional staff with training and education prescribed by the State of Texas. Appraisers are registered with the Texas Department of Licensing and Regulation and must complete courses and exams to become a Registered Professional Appraiser.

It is under the guidelines recommended by the IAAO Standard of Public Relations Sections 6.5 and Section 6.5.1 that the Runnels County Appraisal District Publishes an annual report to convey information, to the public, regarding the appraisal district.

If you have questions about information contained in this report, contact PaulScott Randolph-Chief Appraiser. Email runnelscad@verizon.net or phone: (325)-365-3583.

Runnels County Appraisal District

INTRODUCTION

Scope of Responsibility

Runnels County Appraisal District (RCAD) has prepared and published this report to provide our taxpayers with a better understanding of the district's responsibilities and activities. It outlines the process of estimating the market value of properties based on the mass appraisal concept. The classification system and value schedules were prepared, using the concept of grouping similar types of improvements by a classing system which ranges in the single family residences from small, inexpensive structures to the large, custom-built homes.

RCAD 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. A five-member board of directors, appointed by the voting taxing units of Runnels County, along with the non-voting tax assessor/collector, constitutes the district's governing body. The primary duties of the Board of Directors are: provide an office, appoint a Chief Appraiser and approve an operating budget for the District. The Chief Appraiser is the chief administrator and chief executive officer of the appraisal district.

The appraisal district is responsible for local property tax appraisal and exemption administration for seventeen jurisdictions, or taxing units, in the county. Each taxing unit; such as the county, a city, school district, hospital district, water 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. Appraisals established by the appraisal district allocate the year's tax burden on the basis of each taxable property's January 1st market value. Eligibility is determined for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable and religious organizations and, agricultural use.

Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1st. Under the tax code, "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 buyer 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 buyer seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The 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). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1st of the year preceding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1st.

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district's current policy is to conduct a general reappraisal of real property at least once every three years. However, appraised values are reviewed annually and are subject to

change for purposes of equalization. Personal property is appraised every year. The appraised value of real estate is calculated using standardized methods and techniques. We compare that information with the data for similar properties and with recent market data. The district 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. In cases where the appraisal district contracts for professional valuation services, the contract that is entered into by each appraisal firm requires adherence to similar professional standards.

Personnel Resources

The Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations, including the planning, organizing, directing and controlling of the business support functions related to human resources, budget, finance, records management, and purchasing. He is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal, and industrial.

The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation. Support functions including records maintenance, information and assistance to property owners, and hearings support as coordinated by the Chief Appraiser.

The appraisal district staff consists of six full-time employees: the Chief Appraiser (CCA), one (RPA) Registered Professional Appraiser, two Staff Appraiser, one clerk (OPR Deeds Researcher) and one Administrative Assist./Receptionist, and one part-time bookkeeper.

Data

The district is responsible for establishing, maintaining and appraising approximately 20,000 accounts, covering 911 square miles within Runnels County, with a total market value of \$1.261 billion dollars and a Net Taxable Value of \$636.4 million after all exemptions are deducted. Data collected includes property characteristics, ownership, and exemption information. Property characteristic data on new construction is updated through an annual field review. Existing property data is maintained through a field review prioritized by last field inspection date. Sales are routinely validated during a separate field effort; however, numerous sales are validated as part of the new construction and data review field activities. General trends in centers and interest rates, new construction trends, and cost and market data are acquired through various sources, including internally generated questionnaires to buyer and seller, university research centers, and market data

SHARED APPRAISAL DISTRICT BOUNDARIES

The district established procedures whereby ownership and property data information are routinely exchanged with neighboring appraisal districts who have overlapping taxing jurisdictions. Appraisers from adjacent appraisal districts discuss data collection and valuation issues to minimize the possibility of differences in property characteristics, legal descriptions, and other administrative data.

INDEPENDENT PERFORMANCE TEST

According to Chapter 5 of the Texas Property Tax Code (PTC) and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Assistance Division (PTAD) conducts a property value study (PVS) of each Texas school district and appraisal district at least once every two years.

As a part of this annual study, the code also requires the Comptroller to: apply appropriate standard statistical analysis techniques to data collected as part of the study of school district taxable values(PVS); review each appraisal district's appraisal standards, procedures, and methodology to determine compliance with generally accepted appraisal standards and practices (MAP review); test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and determine the level and uniformity of property tax appraisal in each appraisal district. The methodology used in the property value study include stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analysis of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and price-related differential (PRD) for properties overall and by state category

The Texas Property Tax Classification Guide:

Code	Category Name	Description
A	Real Property: Single-family Residential	Houses, condominiums and mobile homes located on land owned by the occupant.
B	Real Property: Multi-family Residential	Residential structures containing two or more dwelling units belonging to one owner. Includes apartments but not motels or hotels.
C	Real Property: Vacant Lots and Tracts	Unimproved land parcels usually located within or adjacent to cities with no minimum or maximum size requirement.
D1	Real Property: Qualified Agricultural Land	All acreage qualified for productivity valuation under Texas Constitution, Article VIII, 1d or 1-d-1.
D2	Real Property: Non-Qualified Land	Acreage that is not qualified for productivity valuation and is rural in nature.
E	Real Property: Farm and Ranch Improvements	Improvements associated with land reported as Category O property, including all houses, barns, sheds, silos, garages, other improvements associated with farming or ranching and land separated from a larger tract for residential purposes.
F1	Real Property: Commercial	Land and improvements devoted to sales, entertainment or services to the public. Does not include utility property.

F2	Real Property: Industrial	Land and improvements devoted to the development, manufacturing, fabrication, processing or storage of a product, except for utility.
G	Oil, Gas and Other Minerals	Producing and non-producing wells, all other minerals and mineral interests, and equipment used to bring the oil and gas to the surface, not including surface rights.
H	Tangible Personal Property: Non-business Vehicles	Privately owned automobiles, motorcycles and light trucks not used to produce income.
L1	Personal Property: Commercial	All tangible personal property used by a commercial business to produce income, including fixtures, equipment and inventory.
L2	Personal Property: Industrial	All tangible personal property used by an industrial business to produce income, including fixture, equipment and inventory.
M	Mobile Homes and Other Tangible Personal Property	Taxable personal property not included in other categories, such as mobile homes on land owned by someone else. It also may include privately owned aircraft, boats, travel trailers, and or motor homes on rented or leased land
N	Intangible Personal Property	All taxable intangible property not otherwise classified.
O	Real Property: Residential Inventory	Residential real property inventory held for sale and appraised as provided by Tax Code Section 23.12
S	Special Inventory	Certain property inventories of business that provide items for sale to the public. State law requires the appraisal district to appraise these inventory items based on business's total annual sales in prior tax year. Category S properties include dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, and retail manufactured housing inventory.
X	Exempt Property	Exempt property must have the qualification found in law, mainly the Tax Code.

Runnels County Appraisal District

ENTITIES SERVED

(17)

Runnels County

<u>Cities</u>	<u>ISD's</u>	<u>Water</u>	<u>Hospital</u>
Ballinger	Ballinger	Lipan-Kickapoo	Ballinger Memorial
Miles	Bronte	Valley Creek	N. Runnels
Winters	Coleman		Runnels ESD #1
	Miles		
	Jim Ned		
	Olfen		
	Panther Creek		
	Winters		

Board of Directors

The Board of Directors of the Runnels County Appraisal District Consist of five voting members and one non-voting member. The Directors are elected by the taxing entities which are entitled to vote. The non-voting member is the current Tax Assessor-Collector for Runnels County.

Board members include:

Mr. Alvin Dunn
Mr. Sylvester Schwertner
Mr. Gary Kemp
Mr. Kerwin Denton
Mr. Allen Belk

Appraisal Review Board

The Appraisal Review Board is responsible for hearing and settling all property tax issues between the taxpayers and the appraisal district, including assessed property values and exemptions. Once the ARB makes their decision regarding each appeal brought to them, the Chief Appraiser certifies the final appraisal roll for that county.

Current members of the Appraisal Review Board: Mr. Johnny Pritchard
Mr. Fred Book
Mr. Justin Busenlehner

Agricultural Advisory Board

With the consent of the Board of Directors, the Chief Appraiser appoints members for the Agricultural Advisory Board (AAB). The AAB offers advice to the appraisal district regarding local values and use of land that is designated as agricultural or open space agricultural.

Current members of the Agricultural Advisory Board:	Mrs. Linda Duggan
	Mr. Gary Jacob
	Mr. Roderick Bredemeyer

Relevant Operations Data

Staffing/Departments

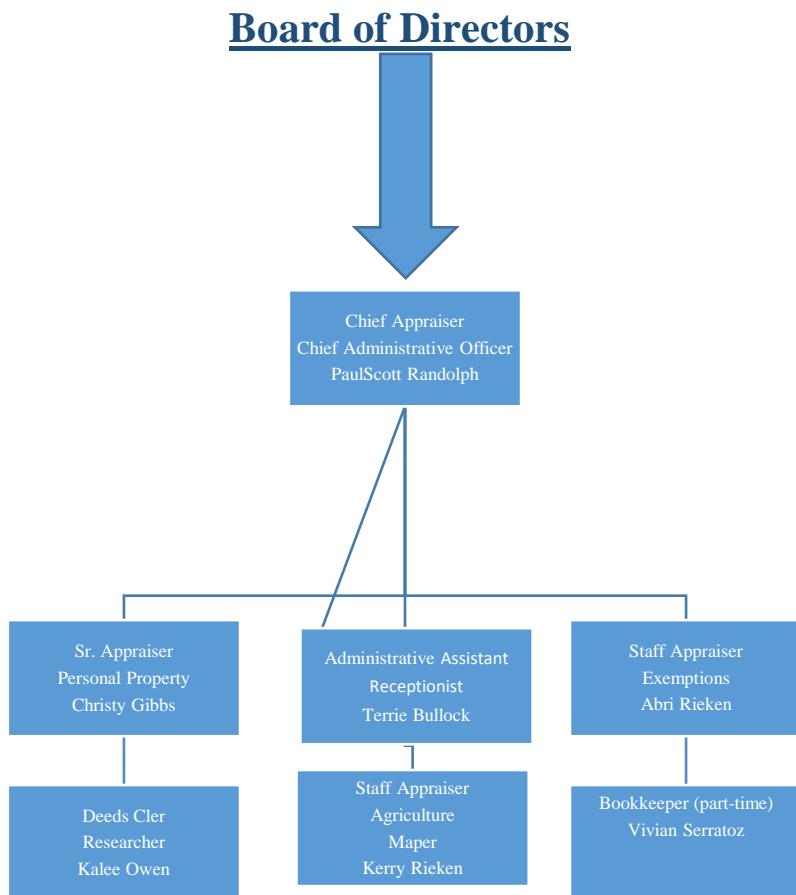
The Runnels County Appraisal District staff consist of 6 full-time employees and 1 part-time employee. RCAD is organized into areas of responsibility (departments) – the Information Technology Department, and the Appraisal Department, the Operations Department.

- The Information Technology Department is responsible for systems analyses and application, data management, computer-assisted mass appraisal (CAMA) system coordination with software vendors, Internet support functions, data communications, network and personal computer workstation support, information assistance to the public, programming, production, Geographic Information System (GIS) mapping and database maintenance, and acquisition of digital aerial photography.

- The Appraisal Department is responsible for the valuation of all real and personal property. The property types appraised include residential, commercial, business personal property, industrial and manufactured housing.
- The Operations Department functions to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services. This department includes front-line staff members who are capable of answering customer questions regarding ownership and exemptions and are able to perform basic property research for customers.

Runnels County Appraisal District

Organizational Chart 2016



RCAD Funding Sources

Funding for the RCAD is proportionately shared among all the taxing units located within the county. The RCAD's annual budget is reviewed and ultimately approved by the board of director's. Participating taxing units pay for the RCAD operations. The board of director's financial responsibilities include adopting the annual operating budget; selecting a district depository; purchasing and contracting; transferring, constructing and renovating real property; and providing for an independent audit.

Taxing Entity	Total Operating Budget	\$ Change	RCAD Number of Employees
RCAD Budget			
2013	\$342,475	\$22,805	5 full, 1 part-time
2014	\$356,055	\$13,580	5 full, 1 part-time
2015	\$374,180	\$18,125	5 full, 1 part-time
2016	\$384,045	\$9,865	6 full, 1 part-time

Tax Appraisal Calendar

The Texas Property Tax Code lists several important property tax dates/deadlines for appraisal districts. The Runnels County Appraisal District operations coincide with the tax appraisal calendar set by State law as summarized in the following table.

Tax Appraisal Deadlines	
January 1	Date that determines taxable and exemption status.
January 31	Current year property taxes are due by January 31. For taxpayers who are 65 and older, disabled or a veteran, the first property tax Installment plan payment is due on or before January 31 st with the application.
April 15	Last day for property owners to file renditions unless they request a filing extension in writing.
April 30	Deadline to submit applications for many types of total exemptions. Homestead and disabled veteran exemptions may be applied for up to one year after the taxes for the year of application became delinquent. Age 65 or Over65/Disabled exemptions may be filed as soon as the applicant becomes Over 65/Disabled or becomes owner of a residence.
May 15	Last day for property owners to file renditions if they requested an extension in writing.
May 30	Last day to apply for agricultural, timber, or wildlife productivity appraisal without a penalty.
May 31	Deadline for filing written protests to the Appraisal Review Board (or 30 days after a notice of appraised value is mailed to the property owner, whichever is later.) Late protests filed after the deadline require a determination by the review board that good cause, such as serious illness, exists for the late filing.
July 25	Last day for chief appraiser to certify appraisal roll.

Values and Types of Property

For purposes of tax assessment, real property includes land, buildings, and other improvements attached to the land. These real estate accounts are for single and multi-family residential, rural, and commercial/industrial properties within RCAD jurisdiction. Business personal property is tangible property owned by a business and used to produce income, but is not attached to the land; such as furniture, fixtures, machinery, equipment, inventory, motor vehicles, aircraft, etc.

2016 Runnels County Value By PTD Code

Total Number of Parcels: 20,035

PTD Code	Market Value	Land Value
By Property Type	Total	Total
A Real Property: Single-family Residential	\$181,625,060	8,748,410
B Real Property: Multifamily Residential	\$4,934,410	200,630
C1 Real Property: Vacant Lots and Tracts	\$2,222,560	2,197,000
C2 Real Property: Colonial Lots and Tracts	\$300,820	297,980
D1 Real Property: Qualified Open-space Land	\$767,326,750	2,000
Real Property: Farm and Ranch Improvements on Qualified Open Space Land		2,365,690
D2 Qualified Open Space Land	\$8,286,450	
Real Property: Rural Land, not Qualified for Open-space Appraisal, and Residential Improvements		17,160,560
E Real Property: Commercial	\$127,247,600	
F1 Real Property: Industrial	\$81,091,430	3,368,910
F2 Real Property: Industrial	\$12,609,340	715,340
Real Property: Oil and Gas, Minerals and Other Subsurface Interests		0
G Subsurface Interests	\$25,805,210	
Tangible Personal Property: Personal Vehicles, Not Used for Business Purposes		0
H1 Used for Business Purposes	\$0	
H2 Tangible Personal Property: Goods in Transit	\$0	0
J Real and Personal Property: Utilities	\$76,378,250	56,690
L1 Personal Property: Commercial	\$22,151,340	0
L2 Personal Property: Industrial and Manufacturing	\$73,235,670	0
M Mobile Homes and Other Tangible Personal Property	\$1,642,170	0
N Intangible Personal Property	\$0	0
O Real Property: Residential Inventory	\$407,420	407,420
S Special Inventory	\$0	0
X Exempt Property	58,107,190	

2016 Acreage Breakdown by Jurisdiction

D1 Acres: 641,507 acres in Agricultural Use

	Total Qualified Acres	Total Market Value	Total Productivity Value
Irrigated Cropland	1,587	2,132,799	499,026
Dry Cropland	290,693	345,157,459	45,692,827
Barren/Wasteland	40	26,000	4,001
Orchards	463	793,596	73,219
Improved Pastureland	48,649	56,768,850	3,642,768
Wildlife Management	15,415	18,337,480	1,325,370
Timberland (at productivity)	0	0	0
Timberland (at 1978 market)	0	0	0
Timberland at Restricted Use	0	0	0
Other Agricultural Land	529	664,184	10,593
Total	641,507	769,249,570	69,683,270

New Property Value

New property value comprises not only new separate structures on all properties, (including those properties that already have existing improvements) but also additions to existing improvements. Only the value of the new improvement itself is considered new value, not the increase in value of any existing structure.

For business personal property, new value includes only the personal property located within a new structure or improvement, not new inventory in an existing building.

Jurisdiction/Value	2016
NEW TAXABLE	5,652,200
mixed PTD Count 136	

Exemptions

RCAD determines eligibility and administration of various types of property tax exemptions, such as those for residential homestead exemptions, exemptions for age 65 or over, disabled individuals, disabled veterans, charitable or religious organizations, and government-owned properties. Other exemptions overseen by RCAD are pollution control (to ensure capital expenses require to comply with environmental mandates do not result in an increase in a facility's property taxes), minimum value for business personal property, Freeport goods("goods-in-transit") are goods that are held in Texas for a short time, then transported out of Texas), leased personal vehicles and vehicles used for both personal and to produce income.

Appeals

Notices of appraised value are mailed to propert owners each year by May 1 or as soon as practicable thereafter. The notice includes the proposed value of their property, a list of taxing units in which property is located, estimated taxes due for the year, etc., plus an explanation of the procedure for protesting value. A taxpayer who disagrees with the information may file a protest in writing and be scheduled to speak at an Appraisal Review Board hearing regarding the matter. Prior to the ARB hearing, the taxpayer may speak on a RCAD appraiser for an informal meeting to resolve concerns regarding property values, being taxed in an incorrect taxing jurisdiction, denial of an exemption, and/or other similar issues. If the appraiser determines that the property owner has a valid concern based upon the evidence provided, the issue may be resolved at the time with the appraiser documenting the evidence, explaining the reason for their judgement and the property owner signing an Agreement of Value. If the issue cannot be resolved by the appraisers, the taxpayer is given the opportunity to continue through the protest process and present their case to the Appraisal Review Board. If dissatisfied with the final order rendered by the ARB Notice of Final Order the property owner may file an appeal in State District Court or under specified conditions, agree to binding arbitration.

Legislative Changes

The Texas State Legislature meet every two years and 2015 marked the 84th Legislative session. Typically there are new laws that affect the operations of appraisal districts. RCAD closely follows each session, implementing any bills signed into laws by the Governor of the State of Texas. The Texas Department of Licensing and Regulation requires the appraisal staff to undergo two hours of training after each session covering new laws and rules that govern our organization. To aid in our understanding of the new laws, the Texas Comptroller of Public Accounts publishes highlights of recent legislation concerning property tax. This document can be viewed at:

<http://www.comptroller.texas.gov/taxinfo/proptax/96-669.pdf>.

Two bills (Senate Bill 1/Senate Joint Resolution 1 and House Bill 992/House Joint Resolution 75) that were passed in the 84th Legislative session amending the Texas Constitution were approved by voters in an election held November 3, 2015. Senate Bill 1 amended the residence homestead exemption from \$15,000 to \$25,000 for school district taxes and requires the tax ceiling of an individual who is at least 65 years of age or disabled to reflect the additional \$10,000 homestead exemption. This amendment was applied beginning with the 2015 tax year. The second bill (House Bill 992) granted the total homestead exemption to the surviving spouse of a totally disabled veteran that would have qualified for a 100% exemption under Section 11.13 of the Texas Property Tax Code, if it had been authorized at the time of the veteran's death. The law added in 2009 granting a 100% exemption for totally disabled veterans and the law added in 2011 for the surviving spouse to receive the same 100% exemption did not address a surviving spouse receiving the 100% exemption had the veteran died prior to 2009 or 2011. This constitutional amendment was approved by the voters and became effective January 1, 2016.

Average Homestead Value

• Entity	• Average HS Value
Runnels County	\$69,222
City of Ballinger	\$68,776
City of Miles	\$70,859
City of Winters	\$43,452
Ballinger ISD	\$76,631
Bronte ISD	\$81,671
Coleman ISD	\$81,890
Jim Ned CISD	\$113,240
Miles ISD	\$74,227
Olfen ISD	\$75,129
Panther Creek CISD	\$55,846
Winters ISD	\$53,453
Ballinger Memorial Hospital	\$76,838
North Runnels Hospital	\$55,242
Lipan-Kickapoo Water	\$87,227
Valley Creek WCD	\$66,054
Runnels Emergency Services District #1	\$75,288