

# HOUSTON COUNTY APPRAISAL

## 2022 ANNUAL REPORT

### Introduction

The Houston 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 mission of the Houston County 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,
- 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. The person's terms are not staggered. There is a term limit of a total of 10 years a person may serve as a board member.

**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 with limited terms. They must be certified by the Texas Comptroller. Their responsibility is to settle value disputes between the taxpayer and the Appraisal District. 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 aid 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 Houston County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within the 1,234 square miles of Houston County. Following are those taxing jurisdictions:

- Houston County
- Crockett ISD
- City of Crockett
- Grapeland ISD
- City of Grapeland
- Lovelady ISD
- City of Lovelady
- Latexo ISD
- Kennard ISD (split with Trinity County)
- City of Kennard
- Groveton ISD (split with Trinity County)
- Elkhart ISD (split with Anderson County)
- Houston County Hospital District
- Grapeland Hospital District
- Emergency Service District #1
- Emergency Service District #2

## **Legislative Changes**

There were legislative changes to the Property Tax Code during 2021 that affected the appraisal district's operations for 2021 and 2022. The next legislature session will be in 2023.

## **Property Types Appraised**

The District is comprised of approximately 39,948 parcels. There is 1 major steel, 1 chemical, 1 plastic plant, 1 dog food manufacturer and several oil related plants in Houston County, however; natural gas and oil production are contributing to a large amount of tax revenue for the county. The majority of the oil and gas production is located in Lovelady ISD. The mineral, industrial and utilities contribute to approximately 30% of the tax roll.

The majority of the land not associated with minerals is rural with agricultural production the main use, making farming/ranching and timber production notable occupations in the county.

The following represents a summary of property types appraised by the district for 2022:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Homes	5604	516,605,450
B	Multi Family Homes	41	8,931,050
C	Vacant Land (<5 acres)	2509	26,872,020
D1	Qualified Open Space "Ag" Land	13,012	149,758,990
E	Farm/Ranch Improvements	5,791	527,669,860
F1	Commercial Real Property	639	134,643,118
F2	Industrial Real Property	65	275,949,578
G	Oil/Gas/Minerals	4038	34,297,370
J	Utilities	444	482,619,800
L1	Commercial Personal Property	765	38,589,860
L2	Industrial Personal Property	1007	168,551,120
M1	Mobile Homes	1251	41,736,590
O	Residential Inventory	49	177,450
S	Dealer's Special Inventory	14	2,549,990
X	Exempt Property	4719	460,765,150

## Appraisal Operation Summary

Appraisers utilized the district's GIS mapping software and the 2022 IP 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 (as adopted in August 2022) and use Pictometry to locate property in isolated locations.

Cost tables for all improvements were reviewed and updated by sales analysis or Marshall Swift as of January 1, 2022 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:

		95% Confidence Interval	
		Lower	Upper
Mean	1.05	0.97	1.05
Median	0.96	0.96	1.00
Weighted Mean	1.00		
Coefficient of Dispersion - Average	16.00		
Absolute Deviation	1.95		
Standard Deviation	0.22		
Number of Sales	13		

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

# 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" and
- Social media

# 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
Houston County	20% \$5,000 min	10,000	10,000	100%	10,000
City of Crockett	20% \$5,000 min	9,000		100%	9,000
City of Grapeland		*		100%	
City of Kennard				100%	
City of Lovelady				100%	
Crockett ISD	40,000	10,000	10,000	100%	10,000
Grapeland ISD	40,000	10,000	10,000	100%	10,000
Lovelady ISD	40,000	10,000	10,000	100%	10,000
Kennard ISD	40,000	10,000	10,000	100%	10,000
Latexo ISD	40,000	10,000	10,000	100%	10,000
Elkhart ISD	40,000	10,000	10,000	100%	10,000
Groveton ISD	40,000	10,000	10,000	100%	10,000
HoustonCo Hosp	20%	10,000	10,000	100%	10,000
Grapeland Hosp				100%	
ESD#1				100%	
ESD#2				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.)

\* Per Texas law Grapeland City has adopted a tax ceiling for over 65 and disabled beginning 2012.

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.
- Every third year is a reappraisal year.

In compliance with these laws in 2022 the district prepared and delivered required notices for all property owners in the county.

From those notices, 152 parcels were protested to the Board of Review:

- Market Value Excessive 78
- Other 41.41 Matters (Ag Value) 1
- Mineral/Industrial 3
- Unequal 70
- Lack Jurisdiction 0

The final results of these protests that were changed:

- Market Value Excessive 17
- Other 41.41 Matters 27
- No Shows 43
- No Change 85

## Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 22, 2022 summarized as follows:

Jurisdiction	Market Value	Taxable Value
Houston County	2,696,484,418	1,909,105,918
Houston County ESD #1	613,414,420	558,236,900
Houston County ESD #2	1,570,034,600	1,238,117,490
Houston County Hospital	2,089,169,418	1,512,145,958
Grapeland Hospital	607,314,980	552,516,040
City of Crockett	489,714,088	323,041,358
City of Grapeland	137,016,120	108,590,150
City of Kennard	19,002,140	12,835,470
City of Lovelady	34,092,580	28,987,830
Crockett ISD	909,038,828	601,556,344
Grapeland ISD	607,214,980	505,904,910
Kennard ISD	402,924,700	160,760,960
Latexo ISD	281,501,600	241,190,227
Lovelady ISD	472,484,080	370,309,660
Elkhart (Ho Co Only)	6,099,440	5,194,590
Groveton ISD	17,120,720	14,563,190

## 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 for 2022:

Houston County	0.4747	Latexo ISD	1.0208
Ho Co Hospital	0.1300	Lovelady ISD	1.0136
City of Crockett	0.6813	Kennard ISD	0.8720
City of Grapeland	0.4481	Groveton ISD	0.8656
City of Kennard	0.2352	Elkhart ISD	1.193
City of Lovelady	0.3931	Grapeland Hospital	0.009731
Crockett ISD	1.0711	Ho Co ESD #1	0.0402
Grapeland ISD	1.0096	Ho Co ESD #2	0.068367

**Chief Appraiser:**

Carey Minter

**Deputy Chief Appraiser:**

Johnny Ivy

**Board of Directors:**

Kathi Calvert, Chairman

Tod English

Tommy Lundy

LaRonica Smith

Brandon Bridges

W. F. Red Kitchen

**Board of Review:**

Lois Ball

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Bill Thomas

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