



# Annual Report for the 2017 Appraisal Year

**Jefferson Central Appraisal District**

Summary of its Operations, Values, Appeals, and Statistical Comparisons





# Annual Report for the 2017 Appraisal Year

## Jefferson Central Appraisal District

**The Annual Report for 2017 Appraisal Year of the Jefferson Central Appraisal District is being prepared pursuant to Section 6.5.1 of the International Association of Assessing Officers (IAAO) Standard on Public Relations.**

The objective of this report is to summarize the District's activities and accomplishments and to provide statistical information. To the best of our knowledge and belief, the enclosed data is accurate in all material respects.

The mission of the District is to develop and maintain appraisals of the property located in Jefferson County in a fair and equitable manner, ensuring the accuracy and uniformity of all appraisals; to ensure that the appraisals are performed by professionals in the property tax field, and to promote the education of said professionals; to develop procedures that grant the taxpayers due process in protesting said appraisals; to furnish to the taxing entities an accurate appraisal roll in a timely manner; and to continually improve our operations and policies in order that we may provide more efficient service to the taxpayers and taxing entities in Jefferson County.

The District successfully passed the Methods and Assistance Program (MAP) review conducted by the Property Tax Assistance Division of the State Comptroller's Office in compliance with new legislation enacted in 2009. The District was reviewed in 2011, 2013, 2015, and 2017 and each year passed all mandatory requirements and exceeded the requirements for its activities in the areas of governance; taxpayer assistance; operating procedures; and appraisal standards, procedures, and methodology with a total point score 100 percent or higher.

## **Board of Directors**



Allison Nathan Getz,  
Chairperson  
Lauren Williams Mason,  
Secretary  
Eugene Landry  
Charles Lankford  
Dr. Louis Reed, Jr.

## **TAXING ENTITIES SERVED**

Jefferson County  
Beaumont ISD  
Hamshire-Fannett ISD  
Hardin Jefferson ISD  
Nederland ISD  
Port Arthur ISD  
Port Neches-Groves ISD  
Sabine Pass ISD  
City of Beaumont  
City of Bevil Oaks  
City of Groves  
City of Nederland  
City of Port Arthur  
City of Port Neches  
City of Taylor Landing  
Sabine Neches Nav District  
Port of Beaumont  
Port of Port Arthur  
Port of Sabine Pass  
Drainage District #3  
Drainage District #6  
Drainage District #7  
Emergency Services Dist #1  
Emergency Services Dist #2  
Emergency Services Dist #3  
Emergency Services Dist #4  
Northwest Forest MUD  
Trinity Bay Conservation Dist  
Water Control & Imp Dist #10



## GOALS

- The Jefferson Central Appraisal District is expected to arrive at equal and uniform values for the District, so that the cost of government shall be spread among all the taxpayers in an equitable manner. In addition to the equality factor, the values arrived at by the District are expected to approach market value. The District shall perform tests against the values to ensure equality and the quality of the work product.
- The Board of Directors of the Jefferson Central Appraisal District, as well as its staff, shall support and reinforce the Appraisal Review Board process in such a manner to ensure that the property owners receive a fair and unbiased hearing on their protest, and that the findings of the Appraisal Review Board shall be made known to the protesting party in an expeditious manner.
- Continue to improve electronic protest system as well as computerized system for handling all property owner contacts during Appraisal Review Board process.
- Provide mapping information in the form of aerial photography, planimetric line maps, and digital parcel maps to be used by Jefferson County taxing entities as a base map for their geographic information systems.
- To continue to provide updated appraisal roll information, forms, information about a property owner's rights, and general information about the Appraisal District to the public through the District's web page.
- Enhance the District's website to provide public announcements about ad valorem tax issues to the public, continue to make the website more user friendly for the public, and implement an online electronic filing system for homestead exemption applications and business personal property renditions.
- Reevaluate the needs of the District and develop new strategies to ensure that the District's Information System keeps up with new technology and operates in an efficient and expeditious manner.
- IT Department will work with the Appraisal Department as needed to assist in the design of and provide new valuation schedules for land or for other properties as requested.



# Appraised Value Data

Based on County-Wide

## Market/Taxable Value Comparisons

	<u>Tax Year 2015</u>	<u>Tax Year 2016</u>	<u>Tax Year 2017</u>
Market Value (before exemptions)	\$31,142,584,946	\$30,772,252,264	\$32,548,607,454
Net Taxable Value (after exemptions)	\$24,523,061,473	\$24,113,493,759	\$24,351,310,334

### Taxable Values:

Residential Properties, Real	\$ 5,427,596,068	\$ 5,615,069,470	\$ 5,859,156,756
Commercial & Industrial Prop, Real	\$11,982,775,465	\$12,021,717,960	\$11,596,926,173

Number of Accounts	152,607	152,707	151,726
--------------------	---------	---------	---------

## Top 10 Taxpayers

TAXPAYER	2015 TAXABLE VALUE	TAXPAYER	2016 TAXABLE VALUE	TAXPAYER	2017 TAXABLE VALUE
Motiva	\$4,661,412,430	Motiva	\$4,511,001,389	Motiva	\$4,278,815,410
ExxonMobil	\$2,171,142,814	ExxonMobil	\$1,986,135,163	ExxonMobil	\$1,974,313,022
Valero	\$1,223,104,595	Valero	\$ 855,852,535	Valero	\$ 859,688,998
Total Petrochemicals	\$ 773,215,900	Total Petrochemicals	\$ 534,044,610	Total Petrochemicals	\$ 522,451,770
Huntsman	\$ 431,378,937	Golden Pass LNG	\$ 427,821,850	Sunoco	\$ 464,311,937
Sunoco	\$ 387,879,120	Huntsman	\$ 419,070,337	Huntsman	\$ 420,278,577
Chevron Phillips	\$ 362,534,040	Sunoco	\$ 373,398,328	Golden Pass LNG	\$ 379,516,490
BASF Atofina	\$ 362,145,120	Enterprise TX Pipeline	\$ 360,303,580	Entergy	\$ 348,844,780
Entergy	\$ 320,208,240	Entergy	\$ 315,070,910	Enterprise TX Pipeline	\$ 332,738,550
Enterprise TX Pipeline	\$ 312,939,530	Chevron Phillips	\$ 306,511,660	Chevron Phillips	\$ 309,493,060

## New Construction Values

2017 Market Value	2017 Taxable Value
\$303,641,531	\$267,376,283



## Property Types Defined

The District codes each piece of property based on how it is used. These codes are called Property Use Codes and are abbreviated PU Code. Property is classified as either real or personal. Real property is defined as land, improvements, mines or quarries, minerals in place, and standing timber. Personal property is defined as all property that is not real, such as business inventory, furniture and fixtures, machinery and equipment, vehicles, supplies, etc. Only personal property that is used to produce an income is taxable. Personal property is defined as tangible and intangible. All property that can be perceived through the senses (seeing, weighing, measuring, and feeling) is tangible. If you cannot perceive the property itself, it is intangible.

The Property Use Codes are defined as follows:

### **PU Code A - Real Property, Residential, Single-Family:**

Single-family houses and the land they are situated on, including townhouses, condominiums, and mobile homes located on land owned by the resident.

### **PU Code B - Real Property, Residential, Multi-Family:**

Residential properties containing two or more residential units under single ownership including apartment complexes, duplexes, triplexes, and fourplexes. This category does not include motels or hotels (see PU Code F).

### **PU Code C - Real Property, Vacant Platted Lots and Tracts:**

Vacant tracts of land which usually are described in terms other than acreage, commonly by means of lot and block numbers plus subdivision name. They are usually located either within municipalities or in adjacent or otherwise proximate territory. This category includes platted lots and/or subdivided tracts.

### **PU Code D - Real Property, Farms and Acreage:**

Larger vacant tracts of land including timberland, ranches, recreational acreage, idle land, and waste land. Major criteria are rural location and description in terms of acreage. However, it is possible for farms to be located within city limits.

### **PU Code E - Real Property, Farm and Ranch Improvements:**

Improvements associated with land reported as Category D property, including residences, barns, silos, sheds, garages, and other improvements associated with farming or ranching. These tracts of land must be over 5 acres.

### **PU Code F - Real Property, Commercial and Industrial:**

Land and improvements associated with commercial and industrial properties, including; stores, office buildings, hotels and motels, gasoline service stations, commercial garages, parking lots, warehouses, theater buildings, financial institutions, finance companies and insurance companies, clinics and nursing homes, refineries, chemical plants, manufacturing companies, etc.

### **PU Code G - Real Property, Oil, Gas and Other Mineral Reserves:**

Producing oil and gas wells, and all other minerals being mined including coal, ores, metals, etc. This category also covers non-producing wells and non-mined minerals including mineral rights. This category does not include the value of the surface land being produced.



**PU Code H2 - Tangible Personal Property, Goods in Transit:**

The personal property stored under a contract of bailment by a public warehouse operator and identified according to Property Tax Code Section 11.253.

**PU Code J - Real and Tangible Personal Property, Utilities:**

The real property and the machinery, fixtures, and equipment of all types for railroads, electric and gas companies, telephone companies, water systems, TV and cable companies, pipelines, microwave towers, etc.

**PU Code L - Tangible Personal Property, Commercial and Industrial:**

The furniture, fixtures, equipment, supplies, and inventory of commercial businesses. A commercial business is any business that provides items for sale or service to the public. It also includes the machinery and equipment, computers, trucks, heavy equipment, inventory stock, drilling rigs, portable tools, furniture and fixtures, raw materials, goods in process, and finished goods of industrial businesses. An industrial business is any business that adds value to a product through development, manufacture, processing, or storage of that product.

**PU Code M - Other Tangible Personal Property:**

Aircraft and watercraft that is owned by an individual that is used to produce an income. It also includes mobile homes on leased land.

**PU Code O - Residential Inventory:**

Residential real property that is held as inventory. To qualify under this category the property must be under the same ownership, be contiguous or located in the same subdivision or development, be held for sale in the ordinary course of business, be subject to zoning or deed restrictions limiting it to residential use, have never been occupied for residential purposes, not be presently leased or producing income, and be listed as business inventory.

**PU Code S - Special Inventory:**

Certain personal property of businesses that provide items for sale to the public, such as; dealer's motor vehicle, heavy equipment, vessel and outboard motor, or retail manufactured housing inventory. These personal property items are appraised based on total annual sales in the prior tax year.



Below is a breakdown of the **2017** Values by State Code:

State Code	2017 # of Accounts	2017 Market Value	2017 Taxable Value
A: Single-Family Residential	81,109	\$7,938,396,432	\$5,859,156,756
B: Multi-Family Residential	1,238	\$648,180,117	\$644,223,066
C: Vacant Lots	25,437	\$243,503,022	\$243,438,070
D: Rural Land: Farms and Acreage	4,913	\$481,952,860	\$46,647,569
E: Farm and Ranch Improvements	2,999	\$328,913,708	\$295,909,808
F: Commercial & Industrial Improvements	6,795	\$14,684,106,762	\$11,596,926,173
G: Oil, Gas, and Minerals	3,480	\$148,305,801	\$148,305,801
H: Tangible Pers Prop, Goods in Transit	1	\$8,811,830	\$0
J: Utilities	2,275	\$842,388,740	\$842,388,740
L: Commercial & Industrial Personal Property	13,383	\$4,567,320,394	\$4,554,733,584
M: Other Tangible Personal Property	1,708	\$22,305,240	\$18,326,327
O: Residential Inventory	874	\$21,821,250	\$21,821,250
S: Special Inventory	169	\$79,433,190	\$79,433,190
X: Totally Exempt Accounts	7,345	\$2,533,168,108	\$0
<b>TOTALS:</b>	<b>151,726</b>	<b>\$32,548,607,454</b>	<b>\$24,351,310,334</b>

## State Comptroller's Studies

The Property Tax Assistance Division (PTAD) of the State Comptroller's Office conducts two different studies on appraisal districts on an alternating basis. Jefferson CAD receives a Property Value Study in even years and a Methods and Assistance Program (MAP) review in odd years. Each study is described in detail below.

### PROPERTY VALUE STUDY

The Property Value Study is conducted by PTAD to determine the market value of all taxable property within each school district and appraisal levels within each appraisal district. This study is basically a report card on how close to market value each appraisal district appraises the property within its jurisdiction.

The Appraisal District component of the study, commonly referred to as the "ratio study," provides each appraisal district with a measure of how well it applies appraisal techniques. The PTAD's field appraisers select sample properties and compare the District's appraised value with the sales price of the same property. They calculate a ratio for each property in the sample by dividing the District's appraised value by the sale price. If sufficient sales data is not available, the PTAD's field appraiser will perform appraisals on randomly selected properties. For example, if the District appraises a piece of property at \$50,000, and this same property recently sold for \$55,000, then the District is appraising the property at 91% of market value (\$50,000/\$55,000). The Comptroller then finds the median, or middle, ratio for the properties sampled. If 3 properties are tested indicating ratios of 105%, 92%, and 90%, then the median ratio of appraisal is 92%.

If the District values are at a level either above or below what the PTAD's study reports as market value, this may be an indication that a reappraisal is necessary to get values closer to 100 percent of market value.



The PTAD conducted a review of the District’s 2016 values. Below are the results of that study:

**2016 RESULTS**

CATEGORY OF PROPERTY	MEDIAN LEVEL OF APPRAISAL
Single Family Residential	99%
Commercial Real	102%
Utilities	96%
Commercial Personal	100%
<b>OVERALL</b>	<b>99%</b>

**METHODS AND ASSISTANCE PROGRAM (MAP) REVIEW**

In the Methods and Assistance Program (MAP) review, PTAD reviews the District’s governance; taxpayer assistance; operating standards; and appraisal standards, procedures, and methodology. The District was eligible for a limited scope review for the first time in 2017 since it received the International Association of Assessing Officer’s Certificate of Excellence.

Below are the findings from the 2015 MAP Review:

**2017 RESULTS**

Mandatory Requirements	Pass/Fail
1. Does the appraisal district have up-to-date maps?	PASS
2. Is the implementation of the appraisal district’s most recent reappraisal plan current?	PASS
3. Are the appraisal district’s appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	PASS
4. Are values reproducible using the appraisal district’s written procedures and appraisal records?	PASS

Appraisal District Activities	Rating
Governance	MEETS ALL
Taxpayer Assistance	MEETS ALL
Operating Procedures	MEETS ALL
Appraisal Standards, Procedures, and Methodology	MEETS ALL

**APPRAISAL DISTRICT RATINGS:**

Meets All – the total point score is 100

Meets – the total point score ranges from 90 to less than 100

Needs Some Improvement – the total point score ranges from 85 to less than 90

Needs Significant Improvement – the total point score ranges from 75 to less than 85

Unsatisfactory – the total point score is less than 75





Review Area	Total Questions in Review Area (Excluding N/A Questions)	Total “Yes” Points	Total Score (Total “Yes” Questions/Total Questions) X 100
Governance	2	2	100%
Taxpayer Assistance	15	15	100%
Operating Procedures	2	2	100%
Appraisal Standards, Procedures, and Methodology	35	35	100%

## Exemption Data

All real and tangible personal property is taxable unless it is exempted by a federal or state law. An absolute exemption excludes the entire property from taxation. A partial exemption removes a percentage or fixed dollar amount of a property’s value from taxation. The District administers all exemptions. Below is a summary of the major categories of property that are exempt from ad valorem taxation:

### Absolute Exemptions

- Public property owned by a local, state, or federal agency
- Cemeteries that are dedicated exclusively for the purpose of human burial
- Associations that promote religious, educational, and physical development for boys, girls, young men, and young women
- Religious organizations
- Schools and colleges
- Hospitals
- Low income housing projects
- Personal property and mineral interests with a value less than \$500
- Associations providing assistance to ambulatory health care centers
- Organizations engaged primarily in performing charitable functions
- 100% disabled veterans residence homestead
- Motor vehicles leased for personal use

### Partial Exemptions

- Residential homesteads (other than 100% disabled veterans)
- Disabled veterans
- Pollution control property
- Goods in Transit (Freeport and Super Freeport)



## Abatements and Limited Appraised Value Agreements

A tax abatement is a local agreement between a taxpayer and a taxing unit that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. Tax abatements are an economic development tool available to cities, counties, and special districts to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. School districts may not enter into abatement agreements, but they may enter into Limitation on Appraised Value agreements that are similar in nature to tax abatements.

## Homestead Exemptions

A homestead exemption removes part of the value of a residence from taxation and lowers the taxes. In order to qualify for the homestead exemption, property owners must own their homes as of January 1 of the tax year and use the home as their principal residence. Property owners with more than one house can only get exemptions for their main or principal residence. There are four types of homestead exemptions:

### **General Homestead:**

For all homeowners

### **Over-65 Homestead:**

In addition to the general homestead exemption, once property owners become 65 years of age, they are entitled to the over-65 homestead exemption that exempts an additional amount from the value of their home. This exemption becomes effective on the owners' date of birth and applies to the taxes for the entire year in which they turn 65. Once property owners receive the over-65 homestead exemption, they get a tax ceiling for their school taxes. In addition, Jefferson County and the City of Port Arthur also grant a tax ceiling. The taxes for the entities granting the tax ceiling cannot increase above the lesser of the amount of taxes that would have been due the year the property owners turn 65 based on a full year with the over-65 exemption or the amount of taxes paid in the following year. For property owners moving into a new residence after turning 65, this tax ceiling is transferable.

### **Surviving Spouse Over-65 Homestead:**

If the spouse who was receiving the over-65 homestead exemption dies, this exemption will transfer to the surviving spouse providing the spouse is 55 years of age or older and maintains ownership of the home. The surviving spouse must apply for this exemption.

### **Disability Homestead:**

A person with a disability may get an additional exemption. A "disability" means either (1) the person cannot engage in gainful work because of a physical or mental disability or (2) the person is 55 years of age, blind, and cannot engage in their previous work because of blindness. Persons receiving disability benefits under the Federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration will qualify for this exemption.

Disability benefits from any other program do not automatically qualify a property owner for this exemption. Information on disability ratings from the civil service, retirement programs or from insurance documents, military records, or a doctor's statement may be needed.



Property owners may receive the disability exemption in addition to the general homestead exemption but not in addition to the over-65 homestead exemption.

A tax ceiling is also offered on the disability exemption by the school districts, Jefferson County, and the City of Port Arthur, and it is transferable with certain restrictions.

**Disabled Veteran:**

Another type of exemption granted is the disabled veteran exemption. Property owners are entitled to an exemption for a portion of the appraised value of any property they own if they are either (1) a veteran who was disabled while serving with the U. S. armed forces or (2) the surviving spouse or child (less than 18 years of age and unmarried) of a disabled veteran or of a member of the armed forces who was killed while on active duty. You must be a Texas resident. Below is a table of the exemptions granted:

Exemption Amount	Disability Rating of:
\$ 5,000	10% - 29%
\$ 7,500	30% - 49%
\$10,000	50% - 69%
\$12,000	70% - 100%
	OR
	10% or more AND Over 65
EXEMPT	100% and unemployable

**100% Disabled Veteran Homestead:**

If you are a disabled veteran who receives from the US Department of Veteran Affairs (1) 100% disability compensation due to a service-connected disability; and (2) a rating of 100% disabled or of individual unemployability, you are entitled to an exemption from taxation of the total appraised value of your residence homestead. This benefit has been extended to the surviving spouse upon the veteran's death with certain restrictions.

**Surviving Spouses of Members of the US Armed Services Killed In Action:**

The surviving spouse of a member of the US armed services killed in action is allowed a total (100%) property tax exemption on his or her residence if the surviving spouse has not remarried since the death of the armed services member.

**Surviving Spouses of First Responders Killed in the Line of Duty:**

The eligible surviving spouse of a first responder killed in the line of duty is allowed a total (100%) property tax exemption on his or her residence if the surviving spouse has not remarried since the death of the first responder.

Exemption applications, other than the over-65 homestead exemption, must be filed between January 1 and May 1 of each tax year. The over-65 homestead exemption can be filed once you turn 65 years of age.

Annual Report for the 2017 Appraisal Year



Below are the amounts of exemption granted by the taxing entities for each type of homestead exemption for the 2017 Tax Year:

Taxing Entity	Homestead Exemption	Over-65 Exemption	Disability Exemption
Jefferson County	20%	\$40,000	\$40,000
Beaumont ISD	\$25,000	\$15,000	\$10,000
Hamshire-Fannett ISD	\$25,000	\$10,000	\$10,000
Hardin-Jefferson ISD	15% + \$25,000	\$10,000	\$10,000
Nederland ISD	\$25,000	\$10,000	\$10,000
Port Arthur ISD	\$25,000	\$25,000	\$25,000
Port Neches-Groves ISD	20% + \$25,000	\$10,000	\$10,000
Sabine Pass ISD	20% + \$25,000	\$20,000	\$20,000
City of Beaumont	\$0	\$17,500	\$17,500
City of Bevil Oaks	20%	\$20,000	\$20,000
City of Groves	\$0	\$12,000	\$12,000
City of Nederland	\$0	\$15,000	\$15,000
City of Port Arthur	20%	\$25,000	\$25,000
City of Port Neches	20%	\$16,600	\$16,600
City of Taylor Landing	\$0	\$17,500	\$17,500
Sabine Neches Navigation District	20%	\$40,000	\$40,000
Port of Beaumont	20%	\$40,000	\$40,000
Port of Port Arthur	20%	\$40,000	\$40,000
Port of Sabine Pass	20%	\$30,000	\$30,000
Drainage District #3	20%	\$40,000	\$40,000
Drainage District #6	20%	\$40,000	\$40,000
Drainage District #7	20%	\$40,000	\$40,000
Emergency Services District #1	\$0	\$0	\$0
Emergency Services District #2	\$0	\$0	\$0
Emergency Services District #3	\$0	\$0	\$0
Emergency Services District #4	\$0	\$0	\$0
Northwest Forest MUD	20%	\$40,000	\$40,000
Trinity Bay Conservation District	20%	\$60,000	\$60,000
Water Control & Imp District #10	20%	\$20,000	\$10,000

## Annual Report for the 2017 Appraisal Year



Below is the value of property exempted from the appraisal roll for Jefferson County for the 2017 tax year. The amount of certain exemptions will vary based on the taxing entity.

Type of Exemption	2017 Value Exempted
General residential homestead	\$1,205,466,562
Over-65 residential homestead	\$ 747,889,991
Disability residential homestead	\$ 82,243,334
Disabled veterans exemption	\$ 72,104,575
Abatements	\$1,787,143,387
Pollution control property	\$1,313,757,586
Governmental property/charitable orgs/religious orgs/hospitals/etc.	\$2,460,707,726
Private schools	\$ 42,454,890
Primarily charitable organizations	\$ 4,978,670
Interstate commerce	\$ 8,811,830
Youth organizations	\$ 8,868,370
Minerals and personal property less than \$500	\$ 23,999
Public property for housing indigent persons	\$ 3,280,075
Organizations providing economic development	\$ 2,230,420
Community Housing Organizations	\$ 3,630,338
Miscellaneous	\$ 6,993,620
<b>TOTAL:</b>	<b>\$7,750,585,373</b>

While all values are being reported on a county-wide basis, due to the variation of exemptions granted by the taxing entities, below is a summary of exemptions by entity:

Type of Exemption	2017 Value Exempted
<b>Abatement/Appraised Value Limitation</b>	
Jefferson County	\$1,787,143,387
Beaumont ISD	\$ 565,161,100
Nederland ISD	\$ 193,238,800
Port Arthur ISD	\$3,747,831,099
Port Neches-Groves ISD	\$ 451,359,500
City of Beaumont	\$ 1,409,060
City of Port Arthur	\$ 72,990,970
Port of Beaumont	\$ 920,335,687
Port of Port Arthur	\$2,751,947,990
Sabine Neches Navigation District	\$3,981,258,953
Drainage District #7	\$2,885,605,356



## Property Owner Appeal Data

The District mailed out 146,381 Notices of Appraised Value. The Appraisal Review Board (ARB) began protest hearings on June 7, 2017 and approved the appraisal records on July 20, 2017. The ARB was in session for 15.5 days, and one evening session was held with no protesting parties appearing.

Below is a history of protest activity for the past three years:

	2015	2016	2017
Number of accounts appealed	6,119	6,170	5,930
Number of accounts settled informally with a signed value agreement	3,696	3,159	2,706
Number of accounts with protest hearing canceled	1,098	989	1,578
Number of accounts not appearing for protest hearing	851	1,521	871
Number of accounts presented to ARB	474	501	775
No Show/Cancel rate of formal protest hearings	92.27%	91.88%	86.93%

## Lawsuit Data

Property owners who appeared before the ARB and do not agree with the ARB's decision may file an appeal to District Court. In 2017, 24 lawsuits were filed. As an alternate, property owners may file a request for arbitration on appraised or market value issues on their homestead with no limit on value or on any other property with a value under \$5 million. Two requests for arbitration were filed in 2017, with one being settled by Joint Motion before being sent to the State Comptroller's Office. An appeal to State Office of Administrative Hearings (SOAH) is available on properties valued at more than \$1 million. The District did not receive any SOAH appeals in 2017.

Below is a history of the lawsuits filed for the past three years:

	2015	2016	2017
# Lawsuits Filed	20	25	24
# Accounts	117	62	236
Appraised Value	\$2,161,519,610	\$129,156,240	\$236,597,600
# Lawsuits Settled	17	18	1
# Accounts	114	51	1
Original Appraised Value	\$2,122,461,810	\$99,581,020	\$399,930
Settled Appraised Value	\$1,472,743,800	\$89,259,505	\$325,000
Value Loss:	\$649,718,010	\$10,321,515	\$74,930
% of Value Loss:	30.61%	10.36%	18.74%
# Lawsuits Pending	2	7	23
# Accounts	3	11	235
Appraised Value	\$39,057,800	\$29,575,220	\$236,197,670
# Arbitrations filed	0	5	1
# Found in favor of JCAD		1	
JCAD Value		\$2,571,390	
Taxpayer's Opinion of Value		\$1,864,600	
Final Value		\$2,064,848	
Value Loss:		\$506,542	
% of Value Loss:		19.70%	



## *Business Administration*

### **District Departments and Personnel**

The Office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling District operations as required by the Texas Property Tax Code. This Department is also responsible for scheduling all property owner protests before the Appraisal Review Board, handling all inquiries regarding protests and ARB scheduling, posting agendas and preparing meeting packets for both the ARB and Board of Directors, and administering abatements. The Administration Department's function is to plan, organize, direct and control the business support functions relating to human resources, budget, finance, purchasing, capital assets, facilities, and postal services. This Department has 4 employees.

The Appraisal Department is responsible for the valuation of all property in the District. The Appraisal Department divisions include commercial, residential, and business personal property. This Department also works with the District's industrial appraising firm, Capitol Appraisal Group, for its industrial, mineral, and utility property valuations. Informal property owner appeals, special-use appraisals, in-house ratio studies, and market analyses are also handled in the Appraisal Department. This Department handles permits and blueprints received from the cities, administers the Records Management Program, and prepares evidence in response to evidence requests submitted by the public during protest period. This Department has 21 employees.

The main function of the Roll Department is customer service. The staff in this Department is the customer's first contact, and they must be able to answer a multitude of questions and be able to transfer customers to the proper department for assistance. This Department assists the general public in filing exemptions, name and address changes, and processing of renditions. This Department also assists tax agents in filing Appointment of Agent forms and ensuring that the accounts are coded for the proper authority. All changes to the appraisal roll after certification flow through this Department and reports of changes for the Appraisal Review Board's action are prepared. This Department has 5 employees.

The Mapping and GIS Department oversees the creation and maintenance of digital and hard copy property ownership maps. The staff makes decisions on property boundary line discrepancies, researches ownership issues, reads metes and bounds descriptions as well as other documents relating to change of property ownership, receives and reviews property information from the County Clerk's office, updates the appraisal roll for name and ownership changes, updates hard copy of maps using engineering scales, creates accounts for new subdivisions and/or replats filed in map records, redesignates accounts for future annexation or deannexation, and responds to inquiries from the public requesting information or copies of maps. This Department has 6 employees.

The Data Processing Department oversees the installation, testing, administration, and maintenance of the information systems. The staff assesses user needs through direct communication and system analysis, performs routine troubleshooting of the PACS software, oversees the scheduling of tasks, and assists in user training. The staff is also responsible for ordering and installing new computer equipment and analyzing the PACS software to find more efficient methods for the users to perform their job duties. The staff produces queries, Excel reports, and Crystal reports to meet the needs of the users; keys and generate letters as needed; oversees the daily and weekly backup of data; loads the mineral and industrial appraisal changes from the industrial appraisal firm; exports data files to the FTP site for the public; and prepares the Property Value Study reports for the Comptroller's Office. This Department has 3 employees.



## Professional Staff Designations

Level III Appraiser	3
Registered Professional Appraiser (RPA)	19
IAAO Assessment Administration Specialist (AAS)	2
IAAO Residential Evaluation Specialist (RES)	5
IAAO Cadastral Mapping Specialist (CMS)	2
State Certified General Real Estate Appraiser	1

## Budget

The Administration Department published a Comprehensive Annual Financial Report for submission to the Chief Appraiser, Board of Directors, and the executive officers of the taxing units served by the District pursuant to Property Tax Code Sec 6.063. The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a certificate of Achievement for Excellence in Financial Reporting to the District for this report for 10 consecutive years. The purpose of this report is to provide citizens, agencies, and other interested parties with reliable information concerning the financial condition of the District.

Below is a summary of the District's financial status:

	2017 Adopted	2016 Audited Budget	2015 Audited Budget
<b>Revenues</b>			
Entity Allocations/Fund Balance	\$6,452,633	\$4,303,933	\$4,935,326
Investment Income	\$5,000	\$5,726	\$4,661
Other Income	\$0	\$0	\$90,000
<b>Total Revenues</b>	<b>\$6,457,633</b>	<b>\$4,309,659</b>	<b>\$5,029,987</b>
<b>Expenditures</b>			
Salaries and Benefits	\$3,660,939	\$3,197,400	\$3,292,227
Services	\$1,626,920	\$1,321,019	\$1,582,244
Supplies	\$166,925	\$82,580	\$83,736
Capital Outlay	\$265,000	\$8,675	\$7,998
Equipment Replacement	\$75,000	\$43,587	\$371,214
Other Operating	\$662,849	\$356,411	\$389,752
<b>Total Expenditures</b>	<b>\$6,457,633</b>	<b>\$5,009,672</b>	<b>\$5,727,171</b>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$0</b>	<b>(\$700,013)</b>	<b>(\$697,184)</b>





The District places Customer Service Survey cards throughout the office and also allows the public to complete a survey on its website. Below is an analysis of the survey results:

### Customer Service Survey Analysis

2017 Overall Performance – Level of Service Rating	
Excellent Service	93.59%
Good Service	6.41%
Improvements Needed	0.00%
Unsatisfactory Service	0.00%
<b>TOTALS:</b>	<b>100.00%</b>

2017 Overall Categorical Percentages				
Category	Excellent	Good	Needs Improvement	Unsatisfactory
Wait time for assistance	82.28%	15.19%	1.27%	0.00%
Professionalism and helpfulness	93.67%	5.06%	0.00%	0.00%
Knowledge of staff	91.14%	3.80%	0.00%	0.00%
Staff listened to my concerns	93.67%	3.80%	0.00%	0.00%
Staff treated me in a fair manner	91.14%	6.33%	0.00%	0.00%

## Legislative Changes

### Rendition Deadlines

The deadline for filing for a rendition has changed from April 15 to April 1, only for appraisal districts that have at least one taxing entity that grants the Freeport exemption. All of the special districts in our District grant the Freeport exemption; therefore, this change will affect our District. The deadline for requesting an automatic 30-day extension has moved from May 30 to May 15, and the additional 15-day extension for good cause has moved from May 30 to May 15.

### Protest Filing Deadlines

The protest deadline has changed from May 31 to May 15, or 30 days after the notice of appraised value is mailed, whichever is later. The bill also abolished the early delivery of homestead notices with its confusing deadline language.

### Late Application for Homestead and Disabled Veteran’s Exemptions

The deadline for filing a late application for a homestead exemption changed from one year after the delinquency date to two years. For disabled veterans’ exemptions, the deadline is extended from one year to five years after the delinquency date.



## 100% Homestead Exemption Granted to First Responder's Surviving Spouse

A 100% homestead exemption is allowed for the surviving spouse of a first responder killed while on duty. The exemption is transferrable in its dollar amount to a new homestead. The exemption is effective if the surviving spouse is an eligible survivor for purposes of Government Code Chapter 615 and has not remarried since the death of the first responder. The exemption applies regardless of the date of the first responder's death.

A one-time application is required and must be filed within two years of the delinquency date. The exemption applies for the whole first year but is prorated if the property ceases to qualify.

## Protest Hearings by Telephone Conference

Property owners may now appear by telephone conference call to offer argument at the ARB hearing, if the owner gives advance notice at least 10 days before the ARB hearing or includes a request in their protest form. The ARB can propose that the hearing be conducted by telephone call with the consent of the property owner. Evidence for the hearing must be submitted in advance by affidavit.

The ARB must provide a telephone number for the property owner to call to participate in the hearing and hold the hearing in a location with telephone equipment that allows each ARB member and the other parties to hear the property owner's argument.

The owner may still appear in person for the hearing. If the owner doesn't show, the evidence in the affidavit is to be submitted to the ARB.

## Arbitration

For arbitrations, the owner and district no longer can decide on an arbitrator. The Comptroller selects the arbitrator, and an arbitrator must be a resident of the county where the property is located. If no arbitrator resides in that county, the Comptroller can choose any arbitrator. A person may not serve as an arbitrator in a county if, during the preceding five years, the person was a paid tax agent, CAD officer, CAD employee, or ARB member in that county.

The Comptroller shall remove from the registry a person who shows repeated bias or misconduct while acting as an arbitrator.

The value of a property that qualifies for binding arbitration increased from \$3,000,000 to \$5,000,000 or less. A fee of \$1,550 is added for a property that is not an owner's residence homestead and the appraised value is more than \$3,000,000 but no more than \$5,000,000.



## Highlights of 2017 Tax Year

### Tropical Storm Harvey

Tropical Storm Harvey made landfall near Jefferson County in the early morning of August 30, 2017 causing massive, wide-spread flooding of historic proportions. Port Arthur, the City of Bevil Oaks, and the Northwest Forest community were heavily damaged in addition to other areas in Jefferson County.

None of the taxing entities ordered a disaster reappraisal for 2017; however, the District's appraisers were in the field as soon as possible driving through the most affected areas, noting debris on accounts to indicate properties that were flooded. The District also requested information from property owners regarding the level of rising water to target areas of flooding.

As with Hurricanes Rita and Ike, the District developed appraisal schedules to address flood damages and devised formats for the property owners to report their damages remaining as of January 1, 2018.

### Matrix Land Schedules

The Appraisal Department continued to develop matrix land schedules in the District's quest and goal to have rural and urban acreage tracts on these mass appraisal land tables. Most of the new subdivisions are being placed on Matrix schedules whenever applicable. To date, the rural school districts of Hardin Jefferson and Hamshire Fannett have been completed and are in maintenance. Beaumont is approximately 75% complete. This process includes development of neighborhood codes as well as updating influences and sales. In addition, the District continues to assign individual appraisers to modeling and building income schedules based on differing categories of properties.

### Homestead Exemption Verifications

The District mailed out 3,308 letters to property owners requesting that they file a new homestead exemption application to verify eligibility status. Of those exemptions verified, 569 were deleted since the property owner no longer qualified for the exemption, and 1,749 who no longer qualified were able to qualify under a different type of homestead exemption.

### IAAO Designations

Ms. Michelle Guidry, Map Technician, received her Cadastral Mapping Specialist (CMS) designation from IAAO in June, 2017.

The purpose of the CMS designation is to recognize professionalism and competency in cadastral mapping techniques that support proper valuation for tax purposes, property tax administration, and property tax policy.

To qualify for the CMS designation, the candidate must have at least 3 years of experience in cadastral mapping, must complete 5 educational courses, must pass an 8-hour Case Problem on Cadastral Mapping, and must pass a 4-hour CMS Master Examination.



Below is a listing of District employees with IAAO designations:

Jim Aulbaugh, RPA, RES  
Appraiser

Kary Burnham, RPA, RES  
Appraiser

Angela Bellard, RPA, RES, AAS  
Chief Appraiser

Michelle Guidry, CMS  
Map Technician

LaKeisha Hilstock, RPA, RES, AAS  
Senior Appraiser

Demetria Sanders, RPA, RES  
Valuation Analyst

Wade Taylor, CMS  
GIS/Mapping Coordinator

Statewide, only 44 designations have been awarded, and our employees have 9, or 20.45 percent, of those designations.

## GFOA Certificate of Excellence in Financial Reporting

The District's comprehensive annual financial report for the fiscal year ended December 31, 2016 qualified for the Government Finance Officers Association's (**GFOA**) Certificate of Achievement for Excellence in Financial Reporting. This Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. The District has received this award for 17 consecutive years.