

2016 Upshur CAD Annual Report

Introduction

The Upshur County Appraisal District (UCAD) is a political subdivision of the state formed by the Texas Legislature in 1979. The operation of the Appraisal District is governed by the Constitution of the State of Texas, the Texas Property Tax Code, and the Rules of the Texas Comptroller's Property Tax Assistance Division.

Mission

The mission of Upshur 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 effective date for appraisal of real property is January 1st. A Personal property owner can elect to have their business personal property appraised as of September 1st. 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).

Administration Report

The financial records of Upshur CAD reflect a focus on producing highest quality services and records while also maintaining a conservative budget. The District is always mindful of the dollars spent on creating and maintaining the appraisal roll.

The District's annual finances can be reviewed and monitored in two different publications – the adopted budget and the audited financial statements. The first publication shows what is planned and the second shows what actually happened. The financial statement audit report and a budget history are made available on the District's website at www.upshur-cad.org.

In addition, each agenda packet for the board of directors meetings includes monthly financial reports and quarterly investment reports.

The board of directors considers and adopts an annual budget by September 15th of each year. The budget may not be adopted until written notice is given to the taxing entities and the board has conducted a public hearing on the proposed budget.

The chief appraiser prepares the budget and presents it to the board, taxing entities and other interested parties as a preliminary budget at a budget workshop. Additional budget workshops can be held until the proposed budget is ready for delivery to the taxing entities and the board of directors, not later than June 15. The proposed budget requires the District administration to review the goals, objectives, and programs to be accomplished. This review aids in determining forecasted operating and maintenance expenditures by category. It includes personnel breakdown with staffing levels and salary ranges.

Financial Statements

Each quarter the board of directors reviews and approves monthly financial reports and investment reports as required by the Public Funds Investment Act (PFIA).

As required, the financial statements are audited annually by a firm of independent certified public accountants (CPA) in accordance with generally accepted auditing standards. The Board receives the financial audit from the firm in an open meeting. The auditor presents the findings and provides recommendations in relation to the financial operations.

Since there was a Pictometry fly-over and PACS Mobile was added in 2014, there weren't any significant budget changes for 2016.

Budget Analysis

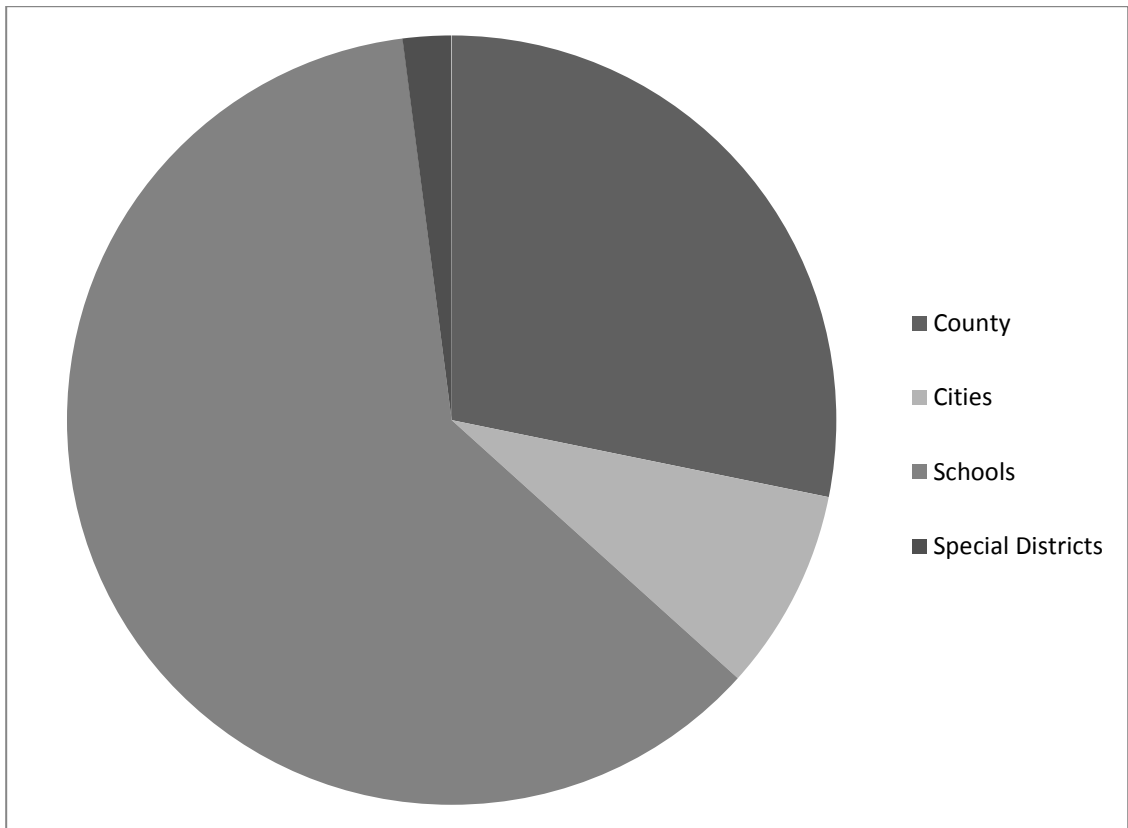
	Fiscal Year		
	2014	2015	2016
Adopted Budget	\$ 790,754	\$ 808,565	\$ 833,248
Increase (Decrease)	\$ 15,772	\$ 17,811	\$ 24,683
% Increase (Decrease)	2%	2%	3%
Merit/COLA Increases	4%	1%	3%
Budgeted Personnel	11	11	11
Refunded to Entitles	5.4%	3%	

Expenditures:

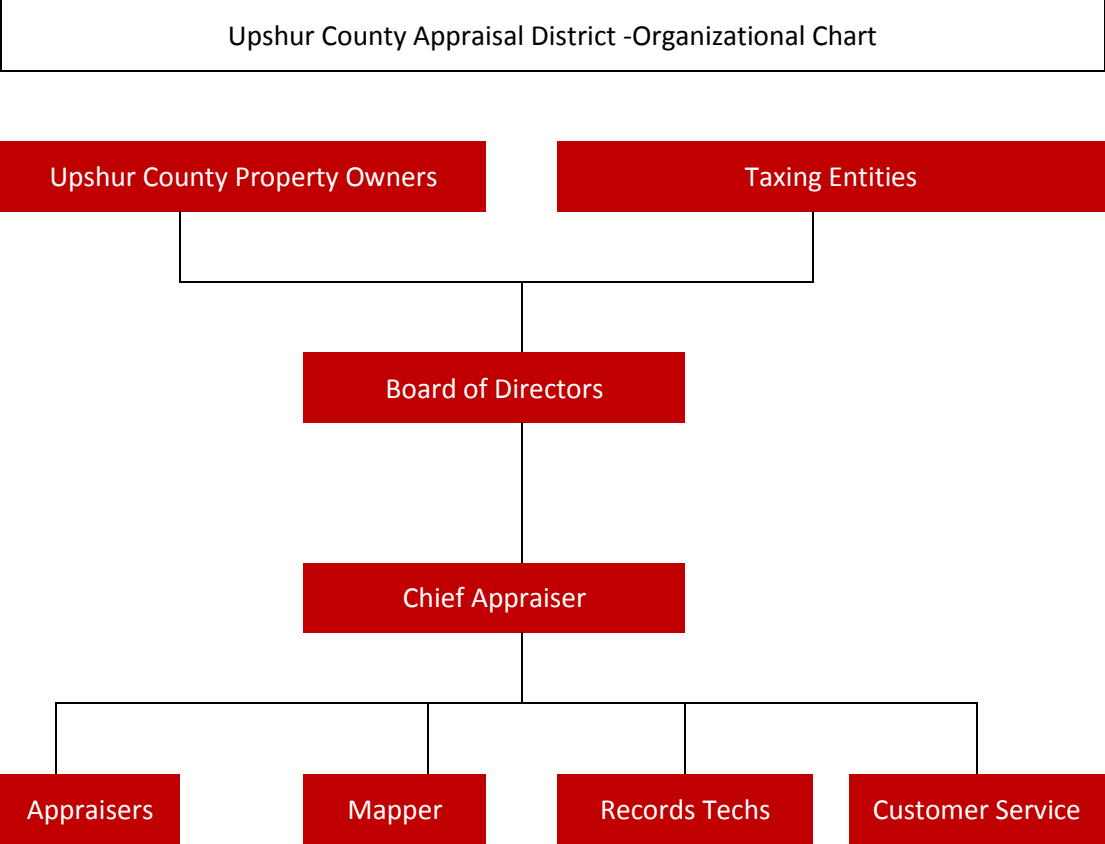
Personnel	\$	476,019	\$	480,868	\$	498,600
Operations-						
Contractual services	\$	162,890	\$	168,870	\$	172,200
Materials and supplies	\$	12,800	\$	12,800	\$	12,400
Operating expenses	\$	108,270	\$	125,150	\$	128,927
Capital	\$	23,045	\$	13,000	\$	13,000
Reserves	\$	7,730	\$	7,877	\$	8,121

Entity Funding of District:

County	\$	214,103	\$	228,093	\$	234,453
Cities	\$	69,981	\$	68,478	\$	70,798
Schools	\$	490,205	\$	495,577	\$	510,345
Special Districts	\$	16,464	\$	16,416	\$	17,652



Organizational Structure



Board of Directors

Huey Mitchell, Chair

Sherron Laminack, Secretary

Richard Stolle, Board Member

Jared Maddox, Board Member

Conrad Coppedge, Board Member

Brandon Dodd, Board Member

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,
- Appoint the Appraisal Review Board (ARB)
- Provide advice and consent to the Chief Appraiser concerning the appointment of an Agricultural Advisory Board,
- 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. Their terms are not staggered. There are no legal limits to the number of terms a board member can serve. 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 and Regulation.

Members of the Appraisal Review Board are appointed by the Board of Directors. ARB members serve two year staggered terms, for maximum of 3 consecutive two year terms. Their responsibility is to settle value disputes. 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 them in determining typical practices, standards, lease rates and expenses for agricultural activities in the district. They serve at the will of the Board of Directors.

Taxing Jurisdictions

The Upshur County Appraisal District is responsible for appraising 81,020 properties located within the 593 square miles of Upshur County. The following are the taxing jurisdictions with in the district:

1. Upshur County
2. City of Gilmer
3. City of Ore City
4. City of Gladewater**
5. City of Big Sandy
6. City of East Mountain**
7. City of Clarksville City**

8. City of Warren City**
9. Emergency Services District #1
10. Kilgore Junior College**
11. Big Sandy ISD**
12. Gilmer ISD**
13. Ore City ISD**
14. Union Hill ISD**
15. Harmony ISD**
16. New Diana ISD**
17. Pittsburg ISD**
18. Union Grove ISD
19. Gladewater ISD**

** These entities overlap into adjoining counties BUT only the portion in Upshur County is appraised by Upshur County Appraisal District.

Property Types Appraised

UCAD staff is responsible for appraising 35,605 residential, commercial, land and business personal property accounts. UCAD contracts with Capitol Appraisal Group, Inc. to appraise 32,156 accounts which includes oil and gas properties, utilities, pipelines, and industrial personal property in the district.

The following is the summary of property types and their certified values:

Code	Property Type	Parcel Count	New Market Value	Market Value
A	Single Family Residences	10479	17,697,500	900,356,142
B	Multi Family Residences	132	1,912,450	23,800,106
C	Vacant Lot	2272		18,556,397
D1	Qualified Open Space Land	8,263		691,572,479
D2	Imps on Qualified Open Space Land	2,083	291,510	21,759,858
E	Non-Qualified Land	9,580	15,209,450	678,703,302
F1	Commercial Real Property	999	8,430,770	131,994,554
F2	Industrial Real Property	95	15,670	24,831,440
G1	Oil & Gas	31,337		103,391,316
J1	Water Systems	9		265,750
J2	Gas Distribution System	18		1,438,510
J3	Electric Company	53		34,556,910
J4	Telephone Company	83		12,184,420
J5	Railroad	22		25,678,670
J6	Pipeline Company	293		32,294,980
J7	Cable Television Company	5		488,800
	Other Type of Utility	2		87,960

L1	Commercial Personal Property	1440		54,482,900
L2	Industrial Personal Property	337		92,535,500
M1	Tangible Personal Mobile Home	1275	3,029,750	28,168,580
O	Residential Inventory	97		545,630
S	Special Inventory	23		2,712,080
X	Total Exempt Property	5290	1,057,060	315,646,598
Totals		74,187	47,644,160	3,196,052,882

2016

Land Type Description	Total Acres	Market Value	Ag Value
Dryland Crop	189.373	527,906	47,452
Improved Pasture	112,463.825	261,950,126	10,841,689
Native Pasture	43,712.862	103,974,757	4,686,996
Timber	137,064,289	315,533,341	22,140,463
Orchards	73.514	291,690	10,810
Wildlife	3,833,627	9,275,860	502,690
Totals	295,753.073	654,923,641	36,722,664

Property Discovery

The district seeks to discover all newly constructed or added property each year through examination of:

- City building permits
- Field inspections
- Filed Material/Mechanic's Liens
- Deed records
- Sewer permits
- Mobile home reports
- Electric permits
- Newspapers
- Legal notices
- Sales information
- Prior year records
- Aerial photography
- Railroad Commission Reports (oil/gas)
- Renditions
- Assumed Names
- Vehicle registrations
- Realtors and Appraisers

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.

The following chart represents the total exemption amounts available to homeowners who qualify for this exemption on a home site with a maximum of 20 acres:

		HS	S.SPOUSE					DV4 70-100%		FREEZE
			55 & OA65	DP w/SS	DV1 10-29%	DV2 30-49%	DV3 50-69%	OR O65		
UPSHUR COUNTY	230	20%	1000	3000	5000	7500	10000	12000	Y	
BIG SANDY ISD	S01	25000	13000	10000	5000	7500	10000	12000	Y	
GILMER ISD	S02	25000	17500	10000	5000	7500	10000	12000	Y	
ORE CITY ISD	S03	25000	10000	10000	5000	7500	10000	12000	Y	
UNION HILL ISD	S04	25000	10000	10000	5000	7500	10000	12000	Y	
HARMONY ISD	S05	25000	10000	10000	5000	7500	10000	12000	Y	
NEW DIANA ISD	S06	25000	10000	10000	5000	7500	10000	12000	Y	
PITTSBURG ISD	S07	25000	10000	10000	5000	7500	10000	12000	Y	
UNION GROVE ISD	S08	25000	10000	10000	5000	7500	10000	12000	Y	
GLADEWATER ISD	S09	25000	10000	10000	5000	7500	10000	12000	Y	
CITY OF GILMER	C11	0	5460	0	5000	7500	10000	12000		
CITY OF BIG SANDY	C39	0	3000	0	5000	7500	10000	12000		
CITY OF ORE CITY	C20	0	5000	0	5000	7500	10000	12000		
CITY OF EAST MOUNTAIN	C48	0	3000	3000	5000	7500	10000	12000	Y	
CITY OF GLADEWATER	C36	0	6000	0	5000	7500	10000	12000		
CITY OF CLARKSVILLE CITY	CCV	20%	0	0	5000	7500	10000	12000		
CITY OF WARREN CITY	CWC	20%	6000	0	5000	7500	10000	12000		
ESD #1	FD #1	0%	10000	3000	5000	7500	10000	12000		
KILGORE JC	KJC	0%	30000	0	5000	7500	10000	12000		

For school tax purposes, the over 65, disability, and surviving spouse homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead. (Any changes to or new areas added to the home site will cause the ceiling to be readjusted in the subsequent tax year.)

All homeowners who qualify for the residential homestead exemption are subject to the placement of 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 will 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, disabled veterans are allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veterans Affairs. Current exemptions amounts, based upon these ratings, are:

Disability Percentage	Exemption Amount
10-29%	\$5,000
30-49%	\$7,500
50-69%	\$10,000
70-100%	\$12,000

Legislative Changes

During the 2015 Texas Legislative Session, several bills were passed that affect property owners and the general public:

- Homestead exemption amount for school purposes was increased from \$15,000 to \$25,000;
- The surviving spouse of a 100% disabled veteran may continue to receive the exemption that the veteran would have qualified for on the date upon which he/she died;
- Veterans who have a disability rating of less than 100% may qualify for a partial exemption on their homestead provided that the residence was donated to him/her at no cost to the veteran;
- The surviving spouse of partially disabled veteran may qualify for the same percentage of exemption as the deceased veteran provided the spouse has not remarried since the veteran's death and the residence was the residence of the veteran at the time of death and that the residence continues to be the residence of the surviving spouse;
- Over 65 property owners will receive additional notification by certified mail when the appraisal district suspects that property no longer qualifies for a homestead exemption or for open space land valuation (i.e. "ag", timber, or wildlife use appraisals);
- The temporary absence for military service has been expanded to include foreign and domestic service that requires absence from the serviceman's home;
- Regarding the confidentiality of appraisal district records:
 - Home owners filing for a residential homestead exemption may not have to meet the proof of residency requirement if they are:
 - active military members,
 - individuals who hold a driver's license issued under Section 531.1211 of the Transportation Code,
 - Individuals who reside in a facility that provides services related to health, infirmity, or aging, or

Those participating in the address confidentiality program administered by the Texas Attorney General.

○ The names and addresses, along with other personal information in the possession of the district will be classified as confidential information when a request has been made as authorized by PTC Section 25.025, including:

current or former peace officers,

county jailers,

employees of the Texas Department of Criminal Justice,

commissioned security officers,

victims of family violence,

federal or state judges and their spouses,

current or former employees of a district attorney, criminal district attorney, or county or municipal attorneys,

officers or employees of a community supervision and corrections department,

criminal investigators of the United States,

police officers or inspectors of the United States Federal Protective Service,

current or former United States Attorneys or assistant attorneys and their spouses and children,

current or former employees of the office of the attorney general who is or was assigned to a division that involved law enforcement,

medical examiners or persons who perform forensic analysis or testing that is employed by the state or one or more political subdivision of the state,

current or former members of the United States armed forces who have served in an area that the President of the United States by executive order designated an area in which armed forces of the United States are or have engaged in combat,

current or former members of the Texas military forces, and

current and former employees of the Texas Juvenile Justice System.

○ Legal descriptions of producing oil/gas interests, including unit names and decimal interests in those units, are considered confidential information and may not be disclosed to the public in any manner as the information from which the ownership interests were derived was received by the district under a promise of confidentiality from the unit's operators.

Public notice of meetings of the Board of Directors and the Appraisal Review Board is considered delivered if a notice of the meeting is posted in the public area of the district's office and is posted at the courthouse and on the district's website at least seventy-two (72) hours before the commencement of the meeting.

- Communications between the district and designated agents will be treated in the same manner as communications between the district and the property owner, provided written authorization for agent's representation can be established.
- A property tax form that requires a signature may be signed by means of an electronically captured handwritten signature.

Property Appeals

In accordance with the Texas Property Tax Code, Section 41.44, a property owner and/or authorized tax agent may file an appeal with the Appraisal Review Board (ARB) having authority to hear the matter protested. The District schedules these appeals for protest hearings and notifies the protesting party of their scheduled hearing before the ARB.

The ARB members do not work for appraisal districts but rather, arbitrate exemptions and appraisal disputes between property owners and Upshur CAD. The ARB is a quasi-judicial body appointed by the board of directors.

After the hearing process, the ARB approves and submits the appraisal records to the Chief Appraiser who then certifies appraisal roll values to the taxing entities.

Appeals Data 2016

Number of Protests filed **1180**

Types of Property Protested:

Single family residence	191
Multi family residence	12
Vacant lot	29
Qualified productivity and improvements	136
Non-Qualified land	6
Commercial/Industrial	75
Utilities	249
Mineral	352
Personal property	113
Mobile Homes	17

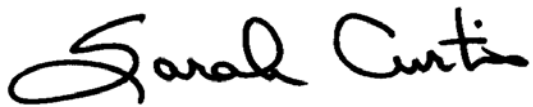
Hearings	79
Value change	53
No value change	26
Did not show up for hearing	284
Settled with appraiser informally	716
Withdrawn	101

Notices of Appraised Value are mailed if:

- Property was reappraised that year
- Value increased more than \$1,000 from prior year
- Property was new
- Ownership of property changed

I, certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

A handwritten signature in black ink that reads "Sarah Curtis". The signature is written in a cursive style with a large, looping initial "S".

Sarah Curtis RTA RPA CTA CCA AAS
Chief Appraiser
Upshur County Appraisal District