

2020 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, quarterly, the 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.

The District had to replace the server and create and begin upkeep on a state mandated Truth in Taxation website.

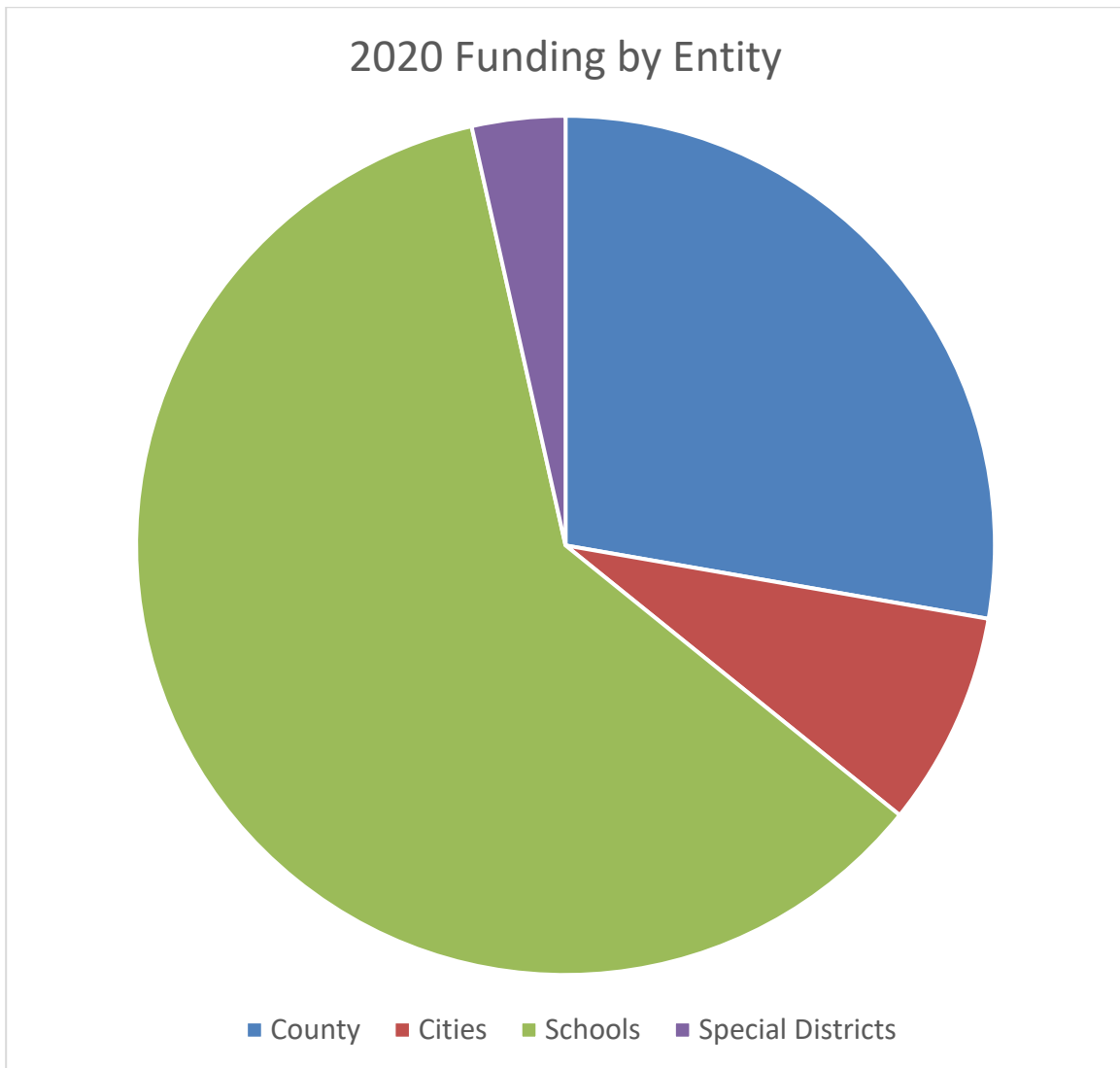
Budget Analysis

	Fiscal Year		
	2018	2019	2020
Adopted Budget	\$ 852,316	\$888,721	\$894,910
Increase (Decrease)	\$9,088	\$36,405	\$6,190
% Increase (Decrease)	1%	4%	.7%
Payroll Increases	1%	1%	0%
Budgeted Personnel	11	11	11
Entity Refunds	0%	4.28%	.53%

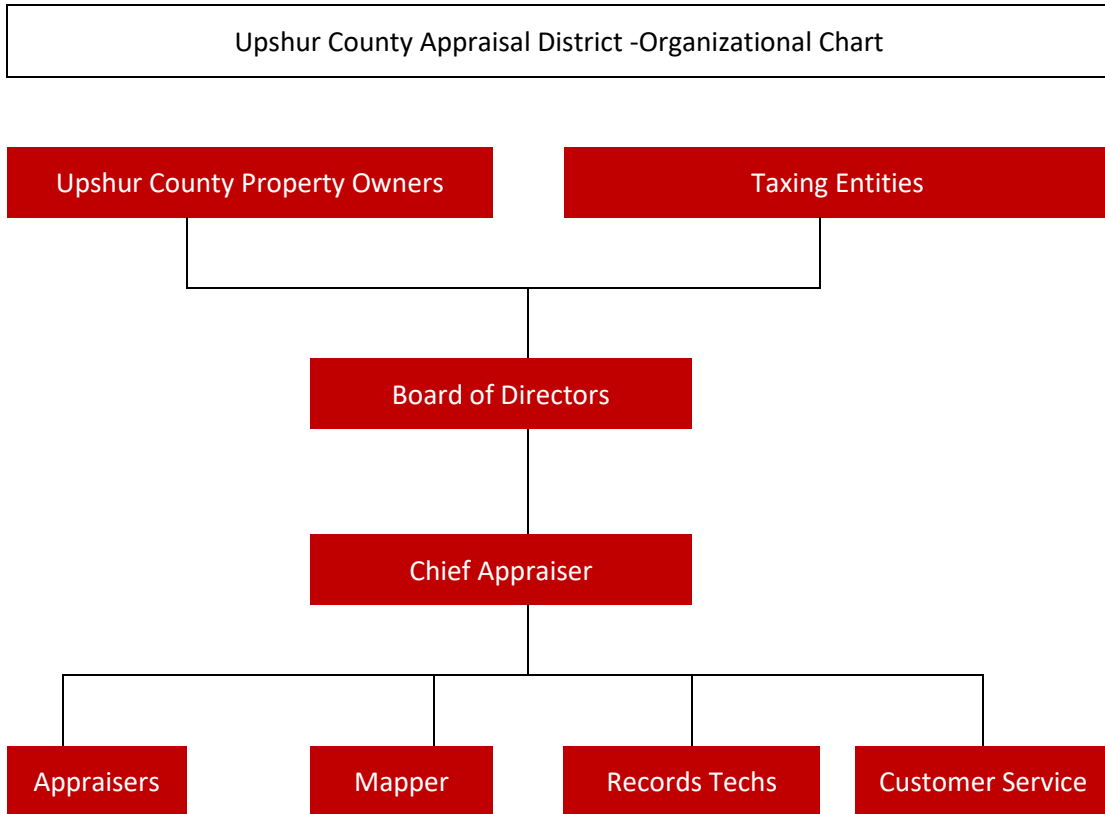
Expenditures:

Personnel	\$513,397	\$538,438	\$545,567
Operations:			
Contractual Services	\$181,808	\$184,200	\$190,259
Materials and Supplies	\$10,900	\$14,200	\$10,900
Operating Expenses	\$122,525	\$127,836	\$123,814
Capital	\$15,400	\$15,400	\$15,655
Reserves	\$8,286	\$8,647	\$8,705

Entity Funding of District	2018	2019	2020
County	\$242,216	\$247,901	\$255,507
Cities	\$73,822	\$74,831	\$74,340
Schools	\$504,971	\$533,866	\$559,034
Special Districts	\$31,306	\$32,122	\$32,359



Organizational Structure



Board of Directors

Huey Mitchell, Chair

Luanna Howell, Secretary

Brandon Dodd, Board Member (through October 13, 2020)

David W. Fonteno, Board Member (Effective December 8, 2020)

Richard Gage, Board Member

Jay Miller, Board Member

Mike Spencer, 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 staggered terms of two years, with no legal limits on the number of terms they can serve. 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 aide 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 64,755 properties located within the 593 square miles of Upshur County. The following are the taxing jurisdictions within the district:

Upshur County
City of Gilmer
City of Ore City**
City of Gladewater**
City of Big Sandy
City of East Mountain**
City of Clarksville City**
City of Warren City**
Big Sandy ISD**
Gilmer ISD**
Ore City ISD**
Union Hill ISD**
Harmony ISD**
New Diana ISD**
Pittsburg ISD**
Union Grove ISD
Gladewater ISD**
Kilgore Junior College**
Emergency Services District #1

** 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 43,317 residential, commercial, land and business personal property accounts. UCAD contracts with Capitol Appraisal Group, Inc. to appraise 27,756 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	11,001	18,577,750	1,035,026,321
B	Multi Family Residences	148	1,606,520	29,319,866
C	Vacant Lot	2,311	520	18,644,448
D1	Qualified Open Space Land	8,491	0	722,086,335
D2	Imps on Qualified Open Space Land	1,698	7,625,350	36,411,866
E	Non-Qualified Land	10,142	22,549,790	784,931,895
F1	Commercial Real Property	990	3,449,990	148,259,904
F2	Industrial Real Property	95	0	25,302,377
G1	Oil & Gas	26,870	0	108,573,872
J1	Water Systems	10	0	396,420
J2	Gas Distribution System	24	0	1,755,030
J3	Electric Company	64	0	59,756,290
J4	Telephone Company	83	0	14,363,930
J5	Railroad	22	0	31,774,130
J6	Pipeline Company	294	0	28,309,070
J7	Cable Television Company	5	0	880,640
J8	Other type of Utility	1	0	9,330
J9	Railroad Rolling Stock	1	0	6,187,760
L1	Commercial Personal Property	1,259	0	52,935,560
L2	Industrial Personal Property	287	0	81,688,140
M1	Tangible Personal Mobile Home	1,404	3,033,520	32,373,621
O	Residential Inventory	83	0	662,730
S	Special Inventory	31	0	2,028,950
X	Total Exempt Property	5,759	4,245,730	342,560,874
Totals			61,089,170	3,564,239,359

2020

Land Type Description	Total Acres	Market Value	Ag Value
Dryland Crop	147.363	349,301	42,400
Improved Pasture	98,974.017	241,678,343	10,404,464
Native Pasture	51,203.935	126,479,656	4,667,211
Timber	138,386.832	340,165,815	28,358,458
Orchards	43.338	216,380	6,480
Wildlife	5,243.209	13,120,470	747,670
Totals	293,998.694	722,009,965	44,226,683

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			DV1 10-29%	DV2 30-49%	DV3 50-69%	DV4 70-100%	FREEZE
			55 & OA65	DP w/SS						
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 exemption 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 2019 Texas Legislative Session, several bills were passed that affect property owners and the general public. The Texas Property Tax Law Changes 2019, published by the Texas Comptroller of Public Accounts is attached.

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 2020

Number of Protests filed	1156
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Types of Property Protested:

Single family residence	153
Multi family residence	4
Vacant lot	13
Qualified productivity and improvements	69
Non-Qualified land	40
Commercial/Industrial	52
Utilities	313
Mineral	408
Personal property	97
Mobile Homes	7

Hearings

Value change	30
No value change	134
Did not show up for hearing	216
Settled with appraiser informally	597
Withdrawn	179

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 "Amanda Thibodeaux". The signature is written in a cursive style with a large initial 'A' and a decorative flourish at the end.

Amanda Thibodeaux RPA, CCA
Chief Appraiser
Upshur County Appraisal District