

# 2016 Annual Report

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Carmen Ottmer, Chief Appraiser

AUSTIN COUNTY APPRAISAL DISTRICT | 906 E. AMELIA ST., BELLVILLE, TEXAS 77418

## **INTRODUCTION**

The Austin 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**

It is the mission of the Austin County Appraisal District (ACAD) to discover, list, and appraise all property within the boundaries of the District as accurately as possible in order to estimate a fair and equitable market value. The District will provide a well-managed office that will serve the public giving the same consideration, information, and assistance to each customer, as well as, provide up-to-date and accurate records to the taxing authorities.

The district will administer the laws under the Texas Property Tax Code and operate under the standards of

- The Property Tax Assistance Division of the Texas Comptroller's Office
- The International Association of Assessing Officers
- The Uniform Standards of Professional Appraisal Practices

## **OVERVIEW**

The Austin County Appraisal District is responsible for local property appraisal and exemption administration for 16 jurisdictions or taxing units in the county. Each taxing unit, such as the county, a city, school 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. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. The District also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and for agricultural productivity valuation.

ACAD is responsible for 656 square miles and 38,858 property accounts within Austin County. Columbus Independent School District, Brenham Independent School District, and Burton Independent School District have properties that over-lap into Austin County. ACAD is responsible for the appraisal and exemption administration of those properties. These accounts are included within the number of property accounts. Brazos Independent School District overlaps into Ft. Bend County. ACAD is not responsible for the appraisal or exemption administration of those properties. The accounts that are within Ft. Bend County are not included in the number of property accounts.

ACAD's required operations are outlined in the Texas Administrative Code and are monitored by the Texas Comptroller of Public Accounts. Except as otherwise provided by the Texas Property Tax Code, all taxable property is appraised at "market value" as of January 1. Under the Texas

Property Tax Code, Section 1.04(7), “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 purchaser 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 purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The Texas Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Section 23.23), productivity (Section 23.41), real property inventory (Section 23.12), dealer inventory (Sections 23.121, 23.124, 23.1241 and 23.127), nominal (Section 23.18) or restricted use properties (Section 23.83) and allocation of interstate property (Section 23.03).

### **TAXING JURISDICTIONS**

The Austin County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within Austin County. They are as follows:

- Austin County
- Bellville ISD
- Sealy ISD
- Brazos ISD
- Brenham ISD
- Burton ISD
- Columbus ISD
- City of Bellville
- City of Sealy
- Town of San Felipe
- City of Brazos Country
- City of Wallis
- Austin County Emergency Service District #1
- Austin County Emergency Service District #2
- Austin County Emergency Service District #3
- Bellville Hospital District

### **ACTIVITIES PERFORMED BY ACAD IN 2016**

The appraisal process is an art, not a science. The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal programs and recognized appraisal methods and techniques, information is compared with the data of similar properties and with recent cost and market data. The District, as required by the state of Texas, follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practices

(USPAP) to the extent they are applicable. Chapter 23 of the Texas Property Tax Code contains statutes dealing with appraisal methods and procedures. Section 23.01 of this chapter was amended in 1997 to specify that appraisal districts are required to comply with the mass appraisal standards of USPAP (Standard Six) when the appraised value of a property is established using mass appraisal techniques.

#### The ACAD's Valuation Process

In order to make a valuation, the staff must first identify new properties. This is done by viewing aerial photography, scouring local government records such as building permits, or locating advertisements in the newspaper.

The staff must then collect data by visiting new and existing properties. The staff assesses the value of new structures, as well as assesses depreciation and the value of any new additions to existing structures. Additionally, appraisers must classify the quality of the construction by examining features such as rooflines, add-ons, construction type such as brick or wood, etc. Data regarding sales and building prices must also be collected.

These values must be entered into the automated system along with changes in property parcel sizes and exemptions received from homeowners, the elderly, disable veterans, charitable or religious organizations, and agricultural productivity valuation (this includes property that qualifies based on wildlife practices).

Then the data must be analyzed following the mass appraisal standards of the USPAP. Properties are grouped by school district, subdivision, town and neighborhood. Questions such as "does the ACAD value match recent sales values?" must be answered. Value is then assessed to as close to 100% of market value as possible (per state law). If this is not the case, then an analysis must be done to determine the reason the values are not in line. Once this is determined, further adjustments are made according to existing professional standards.

Additionally ACAD must

- Analyze and revise office operations to conform with legislative changes,
- Compile and file reports required by the state,
- Work with customers regarding concerns and appeals,
- Prepare for state audits and inspections, and
- Perform required community outreach.

ACAD had 15 full-time employees during 2016 with the following classifications:

- 1 Administrative Professionals
- 4 Appraisers
- 2 Administrative Support Professional
- 8 Clerical / Support Staff

*Note: Because the work is highly technical and closely regulated, appraisers and professionals must obtain licensing and attend yearly training on legislative updates. Additionally, all staff are required by the State of Texas to obtain yearly customer service training.*

**MINERAL, INDUSTRIAL, UTILITY AND RELATED PERSONAL PROPERTY**

Mineral, industrial, utility and other related personal property is appraised by Pritchard & Abbott, Inc. (P&A) at the fair market value by utilizing approaches such as the cost approach, market approach, and income approach. The main source P&A uses for data collection is fieldwork by the appraisers and commercially/publicly available schedules developed on current costs such as Marshall & Swift, Handy-Whitman, Chemical Engineering Magazine, Oil & Gas Journal, etc. The validity of the values by P&A’s income and cost approaches to value is tested against actual market transactions, if and when these transaction and verifiable details of the transactions are disclosed to P&A. These transactions are checked for meeting all requisites of fair market value definition. Any conclusions from this analysis are also compared to industry benchmarks before being incorporated in the calibration procedure.

**PROPERTY TYPES APPRAISED**

ACAD is responsible for the appraisal of just over 36,000 parcels. The following represents a summary of property types appraised by the district for 2016:

<b>PTAD Classification</b>	<b>Property Type</b>	<b>Parcel Count</b>	<b>Market Value</b>
A	Single Family	7,770	1,108,980,428
B	Multi-Family	99	26,242,146
C	Vacant Lots	1,551	39,803,614
D1	Qualified Ag Land	8,623	2,336,366,619
D2	Farm/Ranch Improvements on Qualified Ag Land	1289	15,337,618
E1	Residential Farm/Ranch Improvements on Qualified Ag Land	3,752	716,912,968
E2	Manufactured Housing on Qualified Ag Land	451	12,833,032
E3	Non-Qualified Ag Land	845	48,480,371
E4	Miscellaneous Improvements on Non-Ag Land	11	278,637
F1	Commercial Real Property	863	210,185,417
F2	Industrial Real Property	68	113,593,273
G1	Oil & Gas	11,975	17,835,380
J1	Water Systems	1	8,702
J2	Gas Distribution Systems	3	110,380
J3	Electric Companies	59	39,402,772
J4	Telephone Companies	46	8,779,069
J5	Railroad	45	62,891,420

J6	Pipeline Companies	153	58,997,604
J7	Cable Television Companies	5	298,660
J8	Other Types of Utilities	34	49,207,310
L1	Commercial Personal Property	1,245	76,254,961
L2	Industrial Personal Property	255	234,803,855
M1	Mobile Homes	1,698	34,495,677
O	Real Property Inventory	59	1,276,009
S	Special Inventory	21	9,323,391
X	Exempt Property	844	151,048,298

### GENERAL INFORMATION

	2016	2015
Properties Inspected	4,766	5,815
Exemptions Processed	592	685
1-d-1 Applications Processed	662	581

### INQUIRY AND FORMAL PROTEST DATA

	2016	2015
Informal Appeals Processed	926	585
Formal Appeals Processed	1,635	958
ARB Decisions	310	81
Settlement & Waivers	923	626
Withdrawn Protests	214	77
ARB No Shows	160	147
Arbitration Cases	3	2
Litigation Cases	4	3

### CERTIFIED VALUE FOR ALL JURISDICTIONS

At least 95% of the 2016 appraisal records were not under protest or review by the Appraisal Review Board (ARB) as of July 26, 2016, therefore the ARB approved those records on that date. Certification of the 2016 Appraisal Roll occurred on July 26, 2016 by the Chief Appraiser. Certification statements were provided to each jurisdiction at that time. Copies of each of these documents are available for review at ACAD.

The following table represents the values at certification:

	2016		2015	
	Market Value	Taxable Value	Market Value	Taxable Value
Austin County	5,103,178,522	2,726,106,832	4,835,851,941	2,591,150,811
Bellville ISD	2,829,409,595	1,182,832,774	2,665,005,744	1,127,260,504
Sealy ISD	1,944,632,209	1,141,527,463	1,862,731,855	1,082,385,773
Brazos ISD*	197,173,058	97,329,861	186,657,052	91,227,115
Brenham ISD*	39,890,078	11,910,224	40,703,330	10,751,731

Burton ISD*	742,019	221,555		794,537	191,010
Columbus ISD*	77,344,214	38,300,013		68,491,709	35,062,493
City of Bellville	268,536,559	262,403,184		258,405,407	253,648,380
City of Sealy	691,409,289	632,138,957		665,480,772	603,523,725
Town of San Felipe	102,756,591	83,412,524		98,102,293	81,698,536
City of Brazos Country	80,408,552	76,727,931		74,098,066	71,147,104
City of Wallis	56,042,662	50,459,157		49,888,133	47,467,759
Austin Co. ESD #1	460,016,253	307,791,780		423,141,888	283,168,767
Austin Co. ESD #2	1,270,816,866	903,629,984		1,230,122,904	882,340,140
Austin Co. ESD #3	197,322,343	110,920,908		186,790,027	104,978,506
Bellville Hospital Dist.	2,829,409,595	1,142,913,595		2,664,881,734	1,095,747,521

The following table represents the value under review as of certification:

	2016			2015	
	Market Value	Taxable Value		Market Value	Taxable Value
Austin County	127,683,072	80,262,773		32,532,747	15,292,560
Bellville ISD	69,086,816	39,902,799		14,678,870	7,144,684
Sealy ISD	53,602,889	31,856,475		17,342,940	7,367,344
Brazos ISD*	3,096,330	2,655,109		196,407	167,080
Brenham ISD*	-0-	-0-		-0-	-0-
Burton ISD*	-0-	-0-		-0-	-0-
Columbus ISD*	1,897,037	747,965		-0-	-0-
City of Bellville	13,084,711	12,841,070		3,295,609	2,528,955
City of Sealy	23,676,675	16,529,888		9,045,068	4,238,839
Town of San Felipe	2,605,776	2,321,443		-0-	-0-
City of Brazos Country	5,837,333	5,581,197		814,902	659,123
City of Wallis	2,692,840	2,560,080		179,530	138,100
Austin Co. ESD #1	11,515,052	10,214,778		1,235,634	1,063,755
Austin Co. ESD #2	35,467,603	21,002,569		12,904,424	5,263,551
Austin Co. ESD #3	3,096,330	2,911,430		196,407	167,080
Bellville Hospital Dist.	69,086,816	37,563,054		14,678,870	6,941,468

\*Includes only that portion which is situated in Austin County.

#### AVERAGE VALUE OF SINGLE FAMILY RESIDENCE

	2016			2015	
	Market Value	Taxable Value		Market Value	Taxable Value
Austin County	163,290	149,943		147,617	138,099
Bellville ISD	179,774	145,065		160,023	130,837
Sealy ISD	156,449	95,403		143,706	86,899
Brazos ISD*	98,572	61,349		91,879	57,632
Brenham ISD*	209,320	175,200		194,194	164,051
Burton ISD*	9,602	-0-		8,322	-0-

Columbus ISD*	160,602	123,892		144,231	115,331
City of Bellville	157,073	151,933		149,378	145,095
City of Sealy	130,562	123,403		121,738	116,178
Town of San Felipe	124,015	112,504		105,717	101,073
City of Brazos Country	359,297	350,148		319,700	315,069
City of Wallis	94,868	85,324		84,896	80,924
Austin Co. ESD #1	186,441	172,611		166,667	157,284
Austin Co. ESD #2	141,498	131,408		132,417	123,158
Austin Co. ESD #3	98,871	84,990		92,157	81,386
Bellville Hospital Dist.	179,774	133,605		160,023	122,233

\*Includes only that portion which is situated in Austin County.

### CERTIFIED NEW VALUE FOR ALL JURISDICTIONS

	2016		2015	
	Market Value	Taxable Value	Market Value	Taxable Value
Austin County	52,075,133	49,068,184	50,460,664	47,133,524
Bellville ISD	27,057,623	22,161,058	24,679,080	19,212,780
Sealy ISD	23,089,125	12,095,002	22,058,291	12,357,831
Brazos ISD*	976,723	314,667	2,203,553	1,340,031
Brenham ISD*	418,138	375,738	473,468	370,068
Burton ISD*	-0-	-0-	1,833	1,833
Columbus ISD*	533,524	414,724	1,044,439	894,439
City of Bellville	1,480,887	1,395,887	1,907,792	1,765,792
City of Sealy	6,893,230	6,551,880	6,253,802	5,983,802
Town of San Felipe	843,517	828,517	639,742	602,742
City of Brazos Country	4,139,591	4,139,591	2,393,624	2,393,624
City of Wallis	382,213	361,153	753,307	738,307
Austin Co. ESD #1	8,190,443	7,922,213	6,733,899	6,396,868
Austin Co. ESD #2	12,152,157	11,178,727	13,268,578	12,348,838
Austin Co. ESD #3	976,723	811,233	2,203,553	2,033,603
Bellville Hospital Dist.	27,057,623	19,437,652	24,679,080	16,931,307

\*Includes only that portion which is situated in Austin County.

### EXEMPTIONS FOR ALL JURISDICTIONS

ACAD is responsible for administering the exemption applications filed by property owners. The following represents the number of exemptions granted (local option and state mandated) and the value lost for 2016 as of certification. A complete list is available at ACAD along with a comparison of the prior year.

	Homestead	Count	Over 65	Count	Disabled Person	Count	Disabled Vet**	Count
Austin County	37,671,097	7,793	20,407,989	3,039	0	0	7,779,450	212
Bellville ISD	86,792,103	3,683	14,897,163	1,559	601,027	76	3,384,959	108
Sealy ISD	183,661,814	3,411	10,295,834	1,089	591,133	75	2,095,607	40

Brazos ISD*	16,259,085	584	1,683,926	183	144,585	18	953,049	17
Brenham ISD*	627,710	28	135,300	10	0	0	12,000	1
Burton ISD*	18,307	2	0	0	0	0	0	0
Columbus ISD*	2,582,297	110	535,502	59	10,000	1	12,000	1
City of Bellville	0	0	1,945,212	393	0	0	1,182,147	29
City of Sealy	0	0	4,428,280	449	0	0	1,066,984	34
Town of San Felipe	0	0	405,050	86	20,000	5	438,285	8
City of Brazos Country	0	0	0	0	0	0	22,000	2
City of Wallis	0	0	367,146	129	0	0	896,754	12
Austin Co. ESD #1	4,186,006	868	2,024,185	304	0	0	639,253	18
Austin Co. ESD #2	11,236,139	2,309	4,956,005	737	0	0	1,868,852	57
Austin Co. ESD #3	2,733,173	577	1,328,555	204	0	0	1,228,049	17
Bellville Hospital Dist.	127,859,755	3,665	15,521,019	1,616	633,618	80	3,961,774	113

\*Includes only that portion which is situated in Austin County.

\*\*Includes the 100% Disabled Veterans Exemption (Section 11.131(b) of the Property Tax Code) and the Disabled Veteran's or Survivor's Exemption (Section 11.22 of the Property Tax Code)

	Abatements	Count	Pollution Control	Count	Freeport	Count	Other	Count
Austin County	13,112,595	5	8,599,554	5	0	0	144,768	1
Bellville ISD	0	0	140,950	0	0	0	144,768	1
Sealy ISD	0	0	8,458,604	4	0	0	0	0
Brazos ISD*	0	0	0	0	0	0	0	0
Brenham ISD*	0	0	0	0	0	0	0	0
Burton ISD*	0	0	0	0	0	0	0	0
Columbus ISD*	0	0	0	0	0	0	0	0
City of Bellville	0	0	0	0	0	0	144,768	1
City of Sealy	13,112,595	5	7,459,884	3	0	0	0	0
Town of San Felipe	0	0	0	0	0	0	0	0
City of Brazos Country	0	0	0	0	0	0	0	0
City of Wallis	0	0	0	0	0	0	0	0
Austin Co. ESD #1	0	0	0	0	0	0	0	0
Austin Co. ESD #2	0	0	8,458,604	4	13,226,988	3	0	0
Austin Co. ESD #3	0	0	0	0	0	0	0	0
Bellville Hospital Dist.	0	0	140,950	1	0	0	144,768	1

\*Includes only that portion which is situated in Austin County.

## 2016 STATE OF TEXAS OVERSIGHT

### The Property Value Study (PVS)

The PVS is a biennial audit by the Texas State Comptroller of Public Accounts Property Tax Assistance Division (PTAD). PTAD conducts the PVS to estimate a school district's taxable property value. ACAD underwent a Property Value Study for 2016. The results released January 31, 2017, indicated that ACAD was outside the confidence interval by approximately 4% for the entire County. Each school district (ISD) has an opportunity to appeal PTAD's determination, if they so choose. Any ISD still outside the confidence interval after an appeal will undergo another PVS for 2017. The ISDs are in year one of the grace period and State funding is not affected. The previous two Property Value Studies, 2012 and 2014, indicated that ACAD was appraising at

market value and that PTAD accepted the appraisal district values for all school districts in the County.

#### Methods and Assistance Program (MAP) Reviews

Property Tax Code Section 5.102 requires that the Comptroller of Public Accounts Property Tax Assistance Division (PTAD) reviews county appraisal district (CAD) governance, taxpayer assistance, operating standards, appraisal standards, and procedures and methodology at least once every two years. ACAD was reviewed for 2015. The report for 2015 was released January 22, 2016, which indicated that ACAD passed all the Mandatory Requirements. ACAD received a “Meets All” rating of 100 in the areas of Governance, Taxpayer Assistance, Operating Procedures, and Appraisal Standards, Procedures and Methodology. A copy of the full report is available for inspection on our website ([www.austincad.org](http://www.austincad.org)), at ACAD’s office, or on the Comptroller’s website at <https://www.comptroller.texas.gov/taxes/property-tax/map/2015/index.php>. ACAD will be reviewed by PTAD for 2017.

#### **LEGISLATIVE CHANGES**

ACAD will continue to administer the new laws that were a result of the 84<sup>th</sup> Legislative session held in 2015. Bills that relate to the property tax system are closely monitored and implemented.

#### **ACAD AND THE FUTURE**

ACAD expects operating expenses to rise in the coming years based on population growth and increased state regulatory mandates. An additional staff member was added in 2016 to allow for an additional data entry clerk. It is ACAD’s intention to continue with the implementation of an in house scanning project of certain documents in the property files to provide more office space by reducing filing cabinets. An aerial photography project was started in December of 2016. Once completed ACAD will review any changes in properties that may not have been reported to our office.

While technology can assist ACAD in locating and evaluating new properties and changes to existing property, a personal inspection is ultimately necessary.

#### Population Growth

The estimated population for Austin County as of January 1, 2016 is 30,609 according to the Texas Demographic Center at The University of Texas at San Antonio published December 2016. From 2000 through 2015, the population of Austin County increased from 23,590 to 30,609 – a 29.75% increase.

The population increased 20.5% from 2000 through 2010. At the same rate of migration, the Austin County population is expected to reach approximately 36,542 by 2020.

*(Data retrieved February 6, 2017 from [http://demographics.texas.gov/Resources/TPEPP/Estimates/2015/2015\\_tpxopest\\_county.pdf](http://demographics.texas.gov/Resources/TPEPP/Estimates/2015/2015_tpxopest_county.pdf) and [http://factfinder2.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](http://factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml) and <http://demographics.texas.gov/Data/TPEPP/Projections>)*

Population growth, in turn, brings new dwellings and increased business activity. In fact, the United States Census Bureau, in their 2011-2015 American Community Survey 5-Year Estimates, indicates that there were approximately 12,978 housing units in Austin County, with 2,794 being built between 2000 and 2009, 291 being built in between 2010 and 2013, and 42 being built in 2014 or later.

*(Retrieved February 6, 2017 from [http://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml))*

Please contact the appraisal district if you have any questions regarding this report at:

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