

# 2018 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 1<sup>st</sup>. A Personal property owner can elect to have their business personal property appraised as of September 1<sup>st</sup>. 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](http://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 15<sup>th</sup> 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 a/c unit in the computer room and purchase three new iPads for field work.

### Budget Analysis

	Fiscal Year		
	2016	2017	2018
Adopted Budget	\$ 833,248	\$ 543,228	\$ 852,316
Increase (Decrease)	\$ 24,683	\$ 9,980	\$ 9,088
% Increase (Decrease)	3%	1%	1%
Merit/COLA Increases	3%	0%	2%
Budgeted Personnel	11	11	11
Entity refunds	1.99%	0.61%	

### Expenditures:

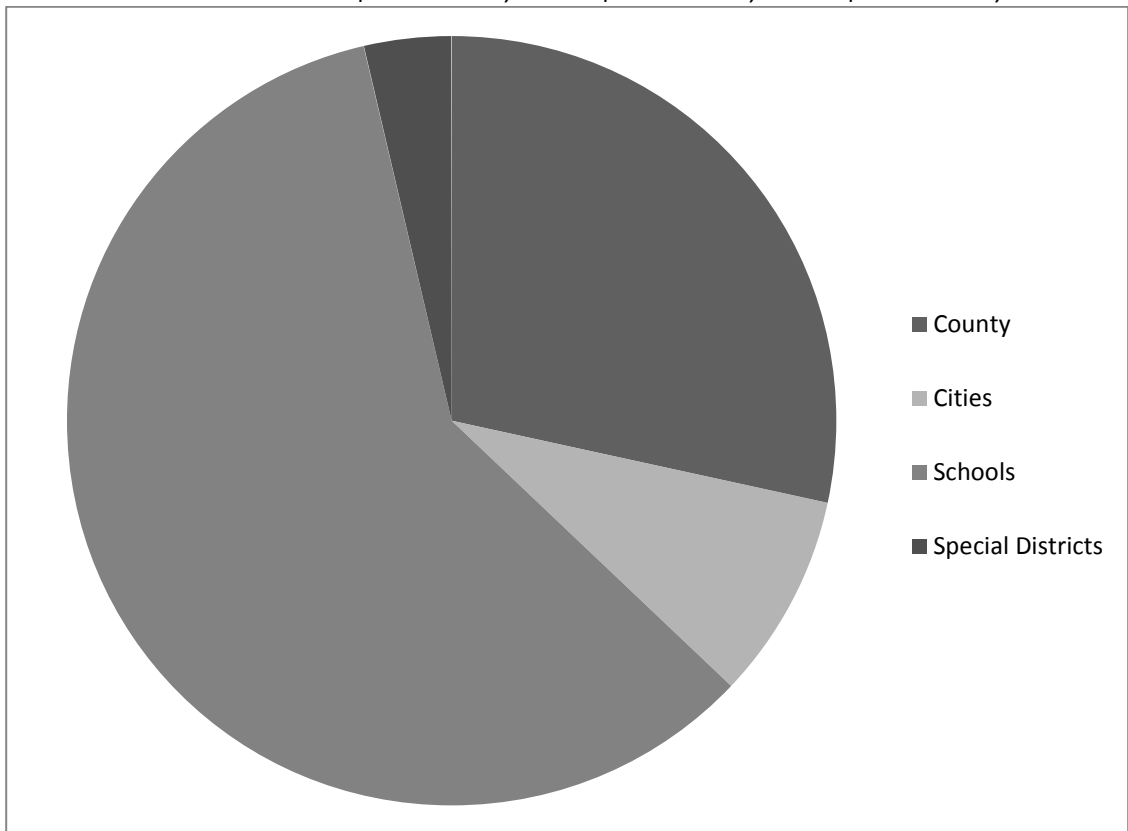
<b>Personnel</b>	\$ 498,600	\$ 500,295	\$ 513,396
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**Operations-**

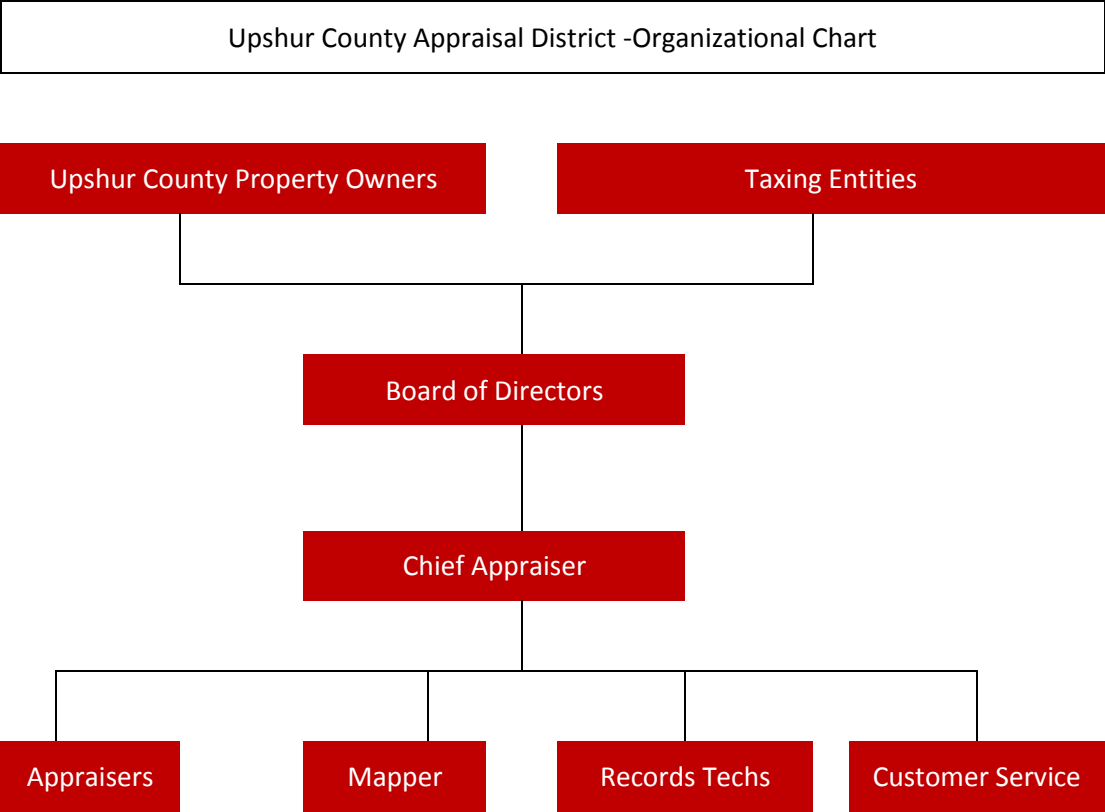
Contractual services	\$	172,200	\$	167,368	\$	181,808
Materials and supplies	\$	12,400	\$	12,400	\$	8,900
Operating expenses	\$	128,927	\$	139,569	\$	124,526
Capital	\$	13,000	\$	15,400	\$	15,400
Reserves	\$	8,121	\$	8,196	\$	8,286

**Entity Funding of District:**

County	\$	234,453	\$	235,235	\$	242,216
Cities	\$	70,798	\$	73,125	\$	73,822
Schools	\$	510,345	\$	503,428	\$	504,941
Special Districts	\$	17,652	\$	31,440	\$	31,306



**Organizational Structure**



**Board of Directors**

**Huey Mitchell, Chair**

**Luanna Howell, Secretary**

**Sherron Laminack, Board Member**

**Darrell McKnight, 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 68,897 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 33,414 residential, commercial, land and business personal property accounts. UCAD contracts with Capitol Appraisal Group, Inc. to appraise 32,483 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	10686	18,048,560	975,337,425
B	Multi Family Residences	135	609,040	25,465,339
C	Vacant Lot	2268		19,093,470
D1	Qualified Open Space Land	8342		712,541,336
D2	Imps on Qualified Open Space Land	1863	533,340	20,387,255
E	Non-Qualified Land	9,888	16,917,700	730,357,332
F1	Commercial Real Property	1021	1,127,530	149,134,944
F2	Industrial Real Property	90		25,611,627
G1	Oil & Gas	31,707		109,480,739
J1	Water Systems	9		275,600
J2	Gas Distribution System	20		1,522,560
J3	Electric Company	55		36,898,430
J4	Telephone Company	79		12,507,760
J5	Railroad	24		35,211,240
J6	Pipeline Company	293		26,154,020
J7	Cable Television Company	5		606,560
J8	Other Type of Utility	2		92,620
J9	Railroad Rolling Stock	1		6,126,354

L1	Commercial Personal Property	1346		55,859,990
L2	Industrial Personal Property	288		75,053,810
M1	Tangible Personal Mobile Home	1339	3,362,360	30,323,220
O	Residential Inventory	85	300	513,950
S	Special Inventory	25		2,397,050
X	Total Exempt Property	5,668	222,630	333,406,690
Totals		68,897	40,821,460	3,378,232,967

## 2018

Land Type Description	Total Acres	Market Value	Ag Value
Dryland Crop	182.027	470,160	46,560
Improved Pasture	104,508.766	251,775,270	9,811,753
Native Pasture	46,851.074	113,424,169	4,590,959
Timber	138,555,281	334,480,727	25,035,992
Orchards	63.748	264,850	9,520
Wildlife	4,825.988	12,108,652	653,420
Totals	294,986.884	712,523,828	40,148,204

### 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	DP w/SS	DV1 10-29%	DV2 30-49%	DV3 50-69%	DV4 70-100%	FREEZE
			55 & OA65					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 SITY 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:

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

## **Legislative Changes**

During the 2017 Texas Legislative Session, several bills were passed that affect property owners and the general public. The Texas Property Tax Law Changes 2017, 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 2018**

Number of Protests filed 1138

### **Types of Property Protested:**

Single family residence	107
Multi family residence	15
Vacant lot	15
Qualified productivity and improvements	78
Non-Qualified land	22
Commercial/Industrial	75

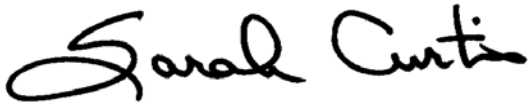
Utilities	295
Mineral	422
Personal property	105
Mobile Homes	3
<b>Hearings</b>	<b>93</b>
Value change	56
No value change	37
Did not show up for hearing	293
Settled with appraiser informally	666
Withdrawn	86

**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.



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