

# BOSQUE COUNTY CENTRAL APPRAISAL DISTRICT

## 2017 ANNUAL REPORT

### **Introduction**

The Bosque County Central Appraisal District (BCCAD) is a political subdivision of the state. 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**

The mission of the Bosque County Central Appraisal District is to provide equal and uniform appraisals of all properties within our district. Our job 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. 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).

### **Governance**

The appraisal district is governed by a Board of Directors, consisting of five (5) voting members and the Tax Assessor/Collector as a non-voting member, 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,
- Provide advice and consent to the Chief Appraiser concerning the appointment of an Agricultural Advisory Board,
- Approve contracts with appraisal firms selected by the chief appraiser to perform appraisal services for the district,
- 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 and there are no legal limits to the number of terms a board member can serve.

The Chief Appraiser is the 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.

The Appraisal Review Board (ARB) members are appointed by the board of directors. ARB members serve two year staggered terms. They are limited to serving three consecutive two year terms. They must attend training each year to be certified by the Texas State Comptroller's Office. Their responsibility is to settle value disputes between the taxpayer and the appraisal district. Their decisions regarding value are binding to the chief appraiser for the tax year protested.

The Agricultural Advisory Board is appointed by the Board of Directors at the recommendation of the chief appraiser to aide in determining typical practices and standards for agricultural activities in the district. There are five members appointed who serve in two year staggered terms.

### **Taxing Jurisdictions**

The Bosque County Central Appraisal District is responsible for appraising all properties inside the lines of Bosque County for each of the following taxing jurisdictions:

- Bosque County
- City of Clifton
- City of Cranfills Gap
- City of Iredell
- City of Meridian
- City of Morgan
- City of Valley Mills
- City of Walnut Springs
- China Spring ISD
- Clifton ISD
- Cranfills Gap ISD
- Hico ISD
- Iredell ISD
- Jonesboro ISD
- Kopperl ISD
- Meridian ISD
- Morgan ISD
- Valley Mills ISD
- Walnut Springs ISD
- Middle Trinity Ground Water
- Bosque County Emergency Services District #1

## Property Types Appraised

The district is comprised of some 21,600 real and personal property accounts for 2017. Residential properties, rural ranch land and utilities make up a large part of the economic wealth to the county. The following represents a summary of most property types appraised by the district in **2017**:

| PTAD Classification | Property Type                         | Parcel Count | Market Value  |
|---------------------|---------------------------------------|--------------|---------------|
| A                   | Single Family Homes                   | 5,081        | 404,708,542   |
| B                   | Multi Family Homes                    | 44           | 4,911,976     |
| C                   | Vacant Lots                           | 2,334        | 30,086,852    |
| D                   | Qualified Open Space “Ag” Land        | 5,946        | 1,417,886,604 |
| E                   | Non-Ag Land                           | 4,474        | 488,321,105   |
| F                   | Commercial & Industrial Real Property | 587          | 72,824,740    |
| J                   | Utilities                             | 306          | 231,319,761   |
| L1                  | Commercial Personal Property          | 948          | 32,280,287    |
| L2                  | Industrial Personal Property          | 48           | 259,932,296   |
| M                   | Mobile Homes                          | 827          | 12,917,058    |
| O                   | Inventory of Vacant Lots              | 117          | 1,469,867     |
| SP                  | Special Inventory                     | 8            | 541,739       |
| X                   | Exempt Properties                     | 632          | 125,697,567   |
| Other               | Miscellaneous                         | 248          | 7,187,130     |

## Property Discovery

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

- City building permits,
- Filed Material/Mechanic’s Liens,
- Mobile home installation reports,
- Septic tank permits,
- Electric connection reports,
- Water company new meters,
- Advertisements,
- MLS websites,
- Real Estate Ads,
- Field discovery, and
- Public “word of mouth.”

## New Construction

For 2017, seventy-six (76) new houses were measured, in the county, and placed on the tax roll. Many out-buildings and improvements including, but not limited to storages, garages, sheds, barns, fences, pools, concrete, and sprinklers were also added across the county.

## 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.

### Residential Homestead and Over 65 Exemption

The following chart represents partial exemption amounts available to homeowners in **2017** who qualify for this exemption on home sites with a maximum of 20 acres:

| Jurisdiction                             | General Homestead | Local Option Homestead | Over- 65         | Disability       |
|--|-------------------|------------------------|------------------|------------------|
| Bosque County                            |                   |                        | Freeze           | Freeze           |
| City of Clifton                          |                   |                        | Freeze           | Freeze           |
| City of Cranfills Gap                    |                   |                        | Freeze           | Freeze           |
| City of Iredell                          |                   |                        | Freeze           | Freeze           |
| City of Meridian                         |                   |                        | Freeze           | Freeze           |
| City of Morgan                           |                   |                        |                  |                  |
| City of Valley Mills                     |                   |                        | Freeze & \$3,000 | Freeze & \$3,000 |
| City of Walnut Springs                   |                   |                        |                  |                  |
| China Spring ISD                         | \$25,000          |                        | \$10,000         | \$10,000         |
| Clifton ISD                              | \$25,000          |                        | \$10,000         | \$10,000         |
| Cranfills Gap ISD                        | \$25,000          |                        | \$10,000         | \$10,000         |
| Hico ISD                                 | \$25,000          |                        | \$10,000         | \$10,000         |
| Iredell ISD                              | \$25,000          |                        | \$10,000         | \$10,000         |
| Jonesboro ISD                            | \$25,000          |                        | \$10,000         | \$10,000         |
| Kopperl ISD                              | \$25,000          |                        | \$10,000         | \$10,000         |
| Meridian ISD                             | \$25,000          |                        | \$10,000         | \$10,000         |
| Morgan ISD                               | \$25,000          |                        | \$10,000         | \$10,000         |
| Valley Mills ISD                         | \$25,000          |                        | \$10,000         | \$10,000         |
| Walnut Springs ISD                       | \$25,000          |                        | \$10,000         | \$10,000         |
| Middle Trinity Ground Water              |                   |                        |                  |                  |
| Bosque County Emergency Services Dist #1 |                   |                        |                  |                  |

For school tax purposes, the Over 65, Disability, Surviving Spouse, and 100% Disabled Veteran Residential Homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead on existing buildings. Any new areas or improvements added to the home site will cause the ceiling to be readjusted and set in the subsequent tax year.

All home owners who qualify for the residential homestead exemption are subject to the placement of a 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 may still 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 (as described above), 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 as based upon these ratings are:

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

## Other Total Exemptions

Some less frequently occurring exemptions are allowable and described in the Texas Property Tax Code, Chapter 11. Other commonly occurring exemptions are:

- Cemetery Exemptions,
- Religious Exemptions,
- Primarily Charitable Organizations, and
- Veteran's Organizations

## Ratio Study Analysis

The primary tool used to measure mass appraisal performance is the ratio study. Each year ratio studies are conducted to judge the level and uniformity of value within the district. The ratio study is performed quarterly throughout the year, including before appraisal notices are generated. The 2017 Ratio Study results are as follows:

|                  |            |                            |        |
|------------------|------------|----------------------------|--------|
| Total Appraisal: | 46,840,714 | Average Cost per Sq Ft:    | 122.35 |
| Total Sales:     | 47,248,819 | Average Cost per Sq Ft:    | 123.41 |
| Arithmetic Mean: | 1.0220     | Coefficient of Dispersion: | 6.8984 |
| Weighted Mean:   | 0.9914     | Coefficient of Dispersion: | 7.0498 |
| Median:          | 1.0052     | Coefficient of Dispersion: | 6.8138 |

Based on the Mass Appraisal Standards adopted by the International Association of Assessing Officers, IAAO, the above statistics indicate that the district's mass appraisal system is accurately and uniformly appraising property.

## Notice of Appraised Value and Appeals

State law requires the district to mail Notices of Appraised Value to property owners where:

- New property has been included for the first time on the appraisal roll,
- There has been an ownership change on the property,
- There has been an increase in value of \$1000 or more,
- The property owner filed a rendition statement of property value, or
- The property has been annexed or de-annexed to a taxing jurisdiction.

In compliance with these laws, BCCAD prepared and delivered required notices for:

- 11,588 real estate parcels,
- 959 business personal property parcels, and
- 259 mineral/utility/industrial parcels

For 2017, 397 protests were filed, with 241 being settled with an informal hearing or withdrawal, and 156 protests had a scheduled hearing before the ARB, with 69 of those not showing up for their hearing. ARB approved the records July 13, 2017.

## Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 24, 2017, summarized as follows:

| Jurisdiction                             | Parcel Count | Market Value  | Taxable Value |
|--|--------------|---------------|---------------|
| Bosque County                            | 21,586       | 3,091,010,966 | 1,573,807,151 |
| City of Clifton                          | 2,013        | 192,939,473   | 148,210,111   |
| City of Cranfills Gap                    | 264          | 13,119,383    | 9,544,939     |
| City of Iredell                          | 350          | 14,088,506    | 10,880,610    |
| City of Meridian                         | 942          | 74,083,742    | 56,731,217    |
| City of Morgan                           | 451          | 11,822,392    | 8,728,003     |
| City of Valley Mills                     | 751          | 49,275,725    | 44,397,604    |
| City of Walnut Springs                   | 642          | 24,155,766    | 19,216,561    |
| China Springs ISD                        | 310          | 28,710,943    | 18,317,085    |
| Clifton ISD                              | 6,637        | 985,710,172   | 593,707,278   |
| Cranfills Gap ISD                        | 1,402        | 210,628,216   | 65,427,809    |
| Hico ISD                                 | 136          | 21,968,176    | 8,000,023     |
| Iredell ISD                              | 1,716        | 315,056,186   | 106,181,939   |
| Jonesboro ISD                            | 18           | 2,824,103     | 678,184       |
| Kopperl ISD                              | 2,404        | 309,516,470   | 140,689,290   |
| Meridian ISD                             | 3,122        | 425,514,719   | 179,322,883   |
| Morgan ISD                               | 1,572        | 168,971,677   | 63,565,735    |
| Valley Mills ISD                         | 2,822        | 353,977,963   | 162,824,701   |
| Walnut Springs ISD                       | 1,446        | 258,378,909   | 98,769,361    |
| Middle Trinity Ground Water              | 21,585       | 3,081,257,534 | 1,567,054,916 |
| Bosque County Emergency Services Dist #1 | 21,585       | 3,081,257,534 | 1,567,054,916 |

## Tax Rates for 2017

Using the taxable values as certified by the Chief Appraiser and following the requirements of the Truth in Taxation Laws, the taxing jurisdictions adopted the following tax rates:

| Jurisdiction      | Tax Rate | Jurisdiction                | Tax Rate |
|-------------------|----------|-----------------------------|----------|
| Bosque County     | 0.5220   | Valley Mills ISD            | 1.4540   |
| Cranfills Gap ISD | 1.0400   | Walnut Springs ISD          | 0.9399   |
| Clifton ISD       | 1.3450   | City of Cranfills Gap       | 0.3231   |
| China Spring ISD  | 1.387194 | City of Clifton             | 0.5300   |
| Hico ISD          | 1.3600   | City of Iredell             | 0.4128   |
| Iredell ISD       | 1.2604   | City of Meridian            | 0.5589   |
| Jonesboro ISD     | 1.24611  | City of Morgan              | 0.3000   |
| Kopperl ISD       | 1.0532   | City of Valley Mills        | 0.4826   |
| Meridian ISD      | 1.3800   | City of Walnut Springs      | 0.4560   |
| Morgan ISD        | 1.0400   | Middle Trinity Ground Water | 0.0103   |
|                   |          | Emergency Services Dist #1  | 0.0466   |

## Legislative Changes

During the 85th Regular Session of the Texas Legislature in 2017, several bills were passed that effect the appraisal district and / or property owners of Bosque County.

- **HB 626.** A homestead exemption application may be filed up to two years after the delinquency date for the tax year in question A disabled veteran may file for an exemption under Sec. 11.22 up to five years after the delinquency date for the tax year in question. **Effective Sept. 1, 2017**
- **HB 1101.** If a disabled veteran receives a total homestead exemption based on the V.A.'s determination that he has a permanent total disability, the appraisal district may not require the veteran to reapply for the exemption in a later year. **Effective Jan. 1, 2018**
- **HB 2019.** A homestead exemption application for a manufactured home will have to be accompanied by a sales purchase agreement or other applicable contract or agreement or the payment receipt showing that the applicant was the purchaser of the home or an affidavit to that effect. **Effective Sept. 1, 2017**
- **HB 2228.** A property owner may not file an application for a Freeport exemption, even a late application after June 15. **Effective Jan. 1, 2018**
- **SB 1345.** The general charitable exemption will be expanded to include an organization that provides tax return preparation services and assistance with other financial matters to beneficiaries without regard to their ability to pay. **Effective Jan. 1, 2018**
- **HB 777.** Under certain circumstances, a member of the armed services can keep an open-space agricultural appraisal even if his land temporarily ceases to qualify. The person will have to show that: 1.) he/she was deployed or stationed outside Texas; and 2.) he/she intends to restore the land's qualifications for the ag appraisal within 180 days after returning. They will have to notify the appraisal district no later than 30 days after being deployed. **Effective Immediately.**

- **HB 2019.** Concerning manufactured homes, the Texas Department of Housing and Community Affairs (TDHCA) document now called a Statement of Ownership and Location will be changed to a Statement of Ownership. The copy filed in the deed records to turn a home into real property will not have to be certified. A landowner applying for a statement for a home abandoned on his land will have to provide an affidavit stating that the name of the person to whom title will be transferred is the same name listed in the real property or tax records indicating the current ownership of the land. In connection with an application for a statement of ownership for a used home that was not in a retailer’s inventory or that is being converted from personal property to real property, the statement required from the Tax Assessor/Collector (TAC) will have to indicate that with respect to each January 1 occurring in the eighteen-month period preceding the sale, there were no perfected and enforceable taxes due that had not been extinguished and canceled on the home. The TDHCA will no issue the statement of ownership without receiving the TAC’s statement. **Effective Sept. 1, 2017**
- **HB 2228.** A property owner claiming interstate allocation will have to file its application before April 1. If the property was not appraised in the preceding year, the deadline for application would be the 30<sup>th</sup> day after the date the owner receives a notice of appraised value. A chief appraiser may extend the deadline up to thirty days for good cause. In a county where one or more taxing units allow the Freeport exemption, property owners will have to file their renditions no later than April 1, although, if a property owner requests more time, the appraisal district will have to extend the deadline until May 1. The district may extend the deadline another 15 days for good cause. Renditions for property regulated by the Public Utility Commission, the Railroad Commission, the Federal Surface Transportation Board, or the Federal Energy Regulatory Commission must be filed no later than April 30. A chief appraiser may extend the deadline by fifteen days for good cause. **Effective Jan. 1, 2018**
- **HB 3103.** Property will be taxable if it is used in Texas three or more times on regular routes or for three or more completed assignments occurring in close succession throughout the year. Assignments will be considered to be in close succession if they occur “in sequence within a short period at intervals from the beginning to the end of the year.” **Effective Immediately**
- **HB 455.** A property owner may appear for an Appraisal Review Board (ARB) hearing and present arguments to the ARB by telephone. The property owner may not present evidence via telephone. The evidence will have to come in the form of a written affidavit. A property owner who wants to appear by telephone must notify the ARB at least ten days before the hearing. An ARB may propose that a property owner appear by telephone, but it may not compel the owner to do so. The ARB will have to have a speaker phone or other equipment that will allow everyone in the hearing room to hear the property owner. **Effective Sept. 1, 2017**
- **HB 804.** This bill concerns a lessee contractually obligated to pay the taxes on leased property. The property owner receiving a notice of appraised value will have ten days in which to send a copy to the lessee. The owner will not have to send the copy if the lessee waives that right in the lease or if the lease prohibits the lessee from filing a protest. If a lessee demonstrates to the appraisal district that the lessee is contractually responsible for the taxes, the district will have to send the lessee a copy of the notice within five days of sending it to the property owner. The duplicate notice will not be necessary if the district posts the appraised value of the property on its website with that five days. The bill also recognizes the right of a lessee to appoint an agent. **Effective Sept. 1, 2017**



- **HB 2228.** There will no longer be a separate deadline for protests concerning homesteads. All notices can be mailed at the same time with the protest date of thirty days after the delivery of the appraisal notices. **Effective Jan. 1, 2017**
- **SB 945.** At any time, a chief appraiser can correct an erroneous denial or cancellation of: 1) a homestead exemption if the homeowner is disabled or over 65 or the surviving spouse of someone disabled or over 65; 2) a severely disabled veteran's homestead exemption; 3) or another disabled veteran's exemption. **Effective Immediately**
- **SB 1767.** In an ARB hearing, the property owner will be able to choose whether to present her case before or after the appraisal district presents its case. **Effective Jan. 1, 2017**
- **SB 731.** A property appraised at up to \$5 million may be the subject of an appeal through binding arbitration. If the property is appraised at more than \$3 million and it is not the owner's homestead, the deposit required for the arbitration will be \$1,550 and the arbitrator's fee will be \$1,500. **Effective Sept. 1, 2017**
- **SB 1286.** Parties to an arbitration will no longer be given the opportunity to select their arbitrator, the comptroller will simply appoint one. The comptroller will have to appoint an arbitrator who lives in the county or if there were no arbitrator in the county, an arbitrator who lives somewhere in Texas. **Effective Sept. 1, 2017**
- **HB 3198.** Land will not cease to qualify for open-space ag appraisal merely because a lessee under an oil and gas lease begins conducting oil and gas operations (under the Railroad Commission's jurisdiction) on the land if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify. **Effective Sept. 1, 2017**
- **HB 150.** The interest rate on deferred taxes will be lowered from eight percent to five percent. **Effective Jan. 1, 2017**
- **HB 217.** The right to defer the collection of taxes on a homestead will extend to disabled veterans, specifically any property owner qualified to receive an exemption under Sec. 11.22 of the Texas Property Tax Code. **Effective Sept. 1, 2017**
- **HB 457.** The list of people who can have their home addresses kept confidential by appraisal districts and taxing units will be expanded to include the spouse or surviving spouse of a current or former peace officer, and the adult child of a current peace officer. **Effective Immediately**
- **HB 1278.** The list of people who can have their home addresses kept confidential by appraisal districts and taxing units is expanded to include current or former district attorneys, criminal district attorneys, and county or municipal attorneys with jurisdiction over criminal law or child protective services matters. **Effective Immediately**
- **SB 42.** Under this court-security bill, the list of people who can have their home addresses kept confidential by appraisal districts and taxing units will be expanded to include a federal or state judge or the spouse of a federal or state judge. The rule applies to a judge on the date the Office of Court Administration of the Texas Judicial System notifies the appraisal district of the judge's qualification for office. **Effective Sept. 1, 2017**
- **SB 256.** The list of people who can have their home addresses kept confidential by appraisal districts and taxing units is expanded to include not only victims of family violence but also victims of sexual assault or abuse, stalking or human trafficking. The bill specifies how a victim will establish their right to have their address kept confidential. Generally, they can provide a copy of a protective order or provide "other independent documentary evidence." A victim participating in the Attorney General's address confidentiality program can provide proof of certification under that program. **Effective Immediately**

- **SB 510.** The list of people who can have their home addresses kept confidential by appraisal districts and taxing units will be expanded to include current and former employees of federal or state judges. **Effective Immediately**
- **SB 1576.** Added to the list of people who may request their home address to be exempt from disclosure to include current or former employees of the Texas Civil Commitment Office.
- **HB 3107.** This bill makes several amendments to the Public Information Act, most of which seem to address frivolous or burdensome requests for information. For example, a request will be considered withdrawn if the requestor does not inspect the records or pay for having copies sent to him within sixty days. A governmental body may establish monthly as well as yearly time limits on the amount of time its personnel are required to spend producing information for a requestor. The monthly time limit could be as low as fifteen hours. A governmental body is not required to comply with a requestor who has not paid the body's costs of responding to his previous requests. The news media are excepted from these provisions. **Effective Sept 1, 2017**
- **SB 79.** Current law gives a "political subdivision" responding to a public-information request the option of telling the requestor where the information can be found on the subdivision's internet website. This bill extends that option to any "governmental body." **Effective Sept. 1, 2017.**

The following bills or amendments will be voted on **November 7, 2017**:

- **HJR 21.** Current law provides an exemption for a homestead donated by a charitable organization to a disabled veteran at no cost to the veteran. This proposed constitutional amendment would expand the exemption to include a homestead sold by a charitable organization to a disabled veteran for no more than half of its value as estimated by the charitable organization. The veteran could pay with cash or give the charitable organization a note and a mortgage.
- **SJR 1.** This proposed constitutional amendment and related bill would provide a total homestead exemption to the surviving spouse of a first responder killed or fatally injured in the line of duty. The surviving spouse would lose the exemption if she remarried. She could transfer the exemption in a fixed dollar amount from one homestead to another.
- **SJR 60.** This proposed amendment would allow home equity loans on agricultural homesteads.