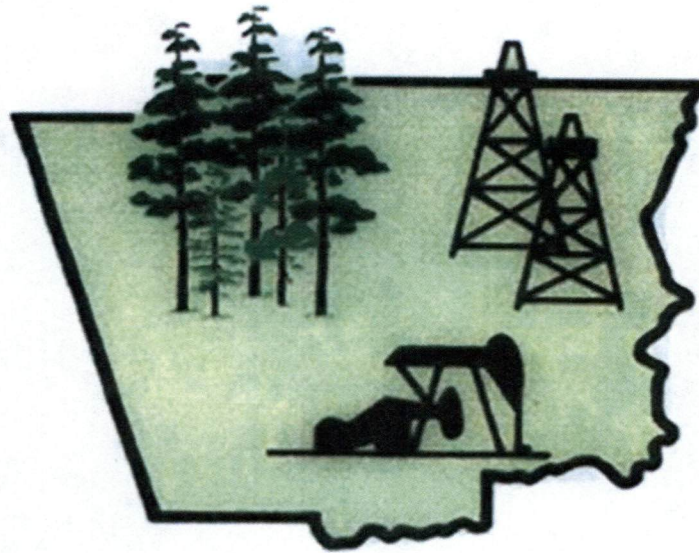
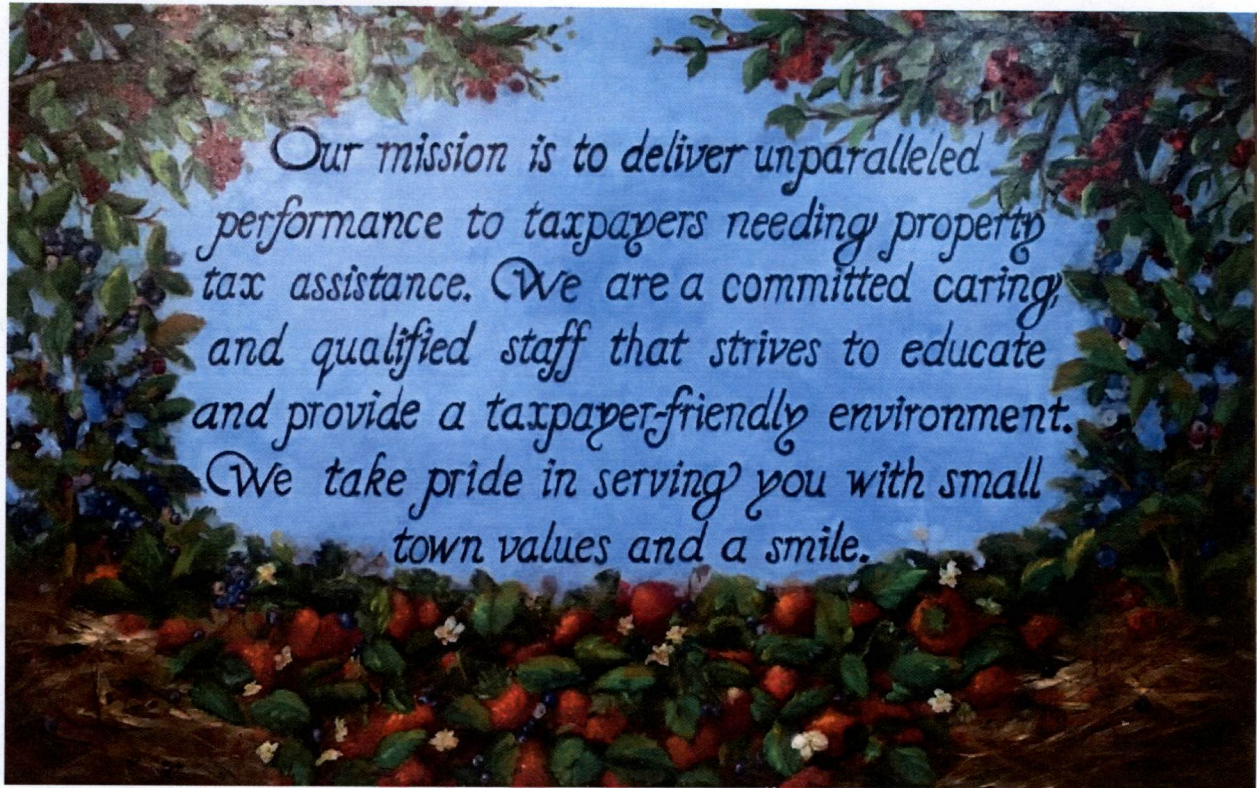


Hardin County Appraisal District 2017 Annual Report





Mission

The mission of Hardin County Appraisal District is to *"deliver unparalleled performance to taxpayers needing property tax assistance. We are a committed, caring and qualified staff that strives to educate and provide a taxpayer-friendly environment. We take pride in serving you with small town values and a smile."* 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).

Introduction

The Hardin County Appraisal District 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.

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,
- 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. There are no legal limits to the number of terms a board member can serve. Hardin County Board of Directors is consisted of five voting members and one non-voting member.

Board members include:

- Geary Overstreet (Chairman)
- Kenny Burkhalter (Vice-Chair)
- Curtis Davis
- Richard Worley (Secretary)
- Eileen Lewis
- Shirley Cook (Hardin County Tax Assessor Collector)

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.

Members of the **Appraisal Review Board** are appointed by the Board of Directors. ARB members serve two year staggered terms. They are limited by law to serving three consecutive two year terms. They must be certified by the Texas Comptroller. Their responsibility is to settle value disputes between the taxpayer and the chief appraiser. Their decisions regarding value are binding to the chief appraiser for the tax years protested.

Appraisal Review Board Members: Rhett Cody (Chair)
Roy Keith (Co-Chair)
Darrell Orr (Secretary)
Olan Webb
Naymon Walters

The **Ag Advisory Board** must have at least three members. These members must be appointed by the chief appraiser with the advice and consent of the board of directors. The chief appraiser may appoint more than three members, again with the advice and consent of his board of directors. The law specifies the qualifications of the three required members.

Two members of the advisory board must be owners of qualified 1-d, 1-d-1 agricultural, or 1-d-1 timberland in the appraisal district who have lived in the district at least five years. One board member must be a representative of the "agricultural stabilization and conservation service" in the appraisal district. The Agricultural Stabilization and Conservation Service (ASCS) is a branch of the United States Agriculture Department—a federal agency. The agency's national headquarters has prohibited its local offices from appointing an employee of the service to the board.

Ag Advisory Board Members: John Ellis
Wayne Williford
Dr. Jerry Marcontell

Taxing Jurisdictions

The Hardin County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within the 1089 square miles of Hardin County. Hardin County Appraisal District serves twenty taxing units. Those taxing units consists of six independent school districts, four cities, one county, and nine special use districts, such as municipal utility, drainage, water supply, and emergency services. The following are those taxing jurisdictions with territory located in the district:

- Hardin County
- City of Kountze
- City of Silsbee
- City of Sour Lake
- City of Rose Hill Acres
- Kountze ISD
- Silsbee ISD
- Hardin-Jefferson ISD (shared w/Jefferson County)
- Lumberton ISD
- West Hardin Consolidated ISD
- Warren ISD (shared w/Tyler County)
- Lumberton MUD
- Hardin County WCID
- Hardin County ESD #1 (Kountze)
- Hardin County ESD #2 (Lumberton)
- Hardin County ESD #3 (Saratoga)

- Hardin County ESD #4 (Batson)
- Hardin County ESD #5 (Sour Lake)
- Hardin County ESD #6 (Silsbee)
- Village Mills ESD #8 (shared w/Tyler County)

Legislative Changes

The 85th Texas Legislative meeting was in 2017 and several bills were passed that have an effect on the operations of the Hardin County Appraisal District.

HB 2228 Rendition Deadlines – The deadline for filing a rendition has changed from to April 1, only for appraisal districts that have at least one taxing entity that grants the Freeport exemption. Hardin County is effected since we have at least one entity that grants the Freeport exemption. On written request by the property owner, the chief appraiser shall extend the deadline for filing a rendition statement or property report to May 1. The chief appraiser may further extend the deadline an additional 15 days for good cause shown in writing by the property owner.

HB 2228 Protest Filing Deadlines – The protest deadline has changed to May 15, or 30 days after the notice of appraised value is mailed, whichever is later. This bill also abolished the early delivery of homestead notices with its confusing deadline language.

HB 626 Late Application for Homestead and Disabled Veteran's Exemption – The deadline for filing a late application for a homestead exemption changed to two years after the delinquency date. For disabled veteran's exemptions, the deadline has been extended to five years after the delinquency date.

SB 15 100% Homestead Exemption Granted to First Responder's Surviving Spouse – A 100% homestead exemption is allowed for the surviving spouse of a first responder killed while on duty. The exemption is transferrable in its dollar amount to a new homestead. The exemption is effective if the surviving spouse is an eligible survivor for purposes of Government Code Chapter 615 and has not remarried since the death of the first responder. The exemption applies regardless of the date of the first responder's death.

A one-time application is required and must be filed within two years of the delinquency date. The exemption applies for the whole first year but is prorated if the property ceases to qualify.

HB 455 Protest Hearings by Telephone Conference – Property owners may now appear by telephone conference call to offer argument at the ARB hearing, if the owner gives advance notice of at least 10 before the ARB hearing or includes a request on their protest form. The ARB can propose that the hearing be conducted by telephone call with the consent of the property owner. Evidence for the hearing must be submitted in advance by affidavit.

The Arb must provide a telephone number for the property owner to call to participate in the hearing and hold the hearing in a location with the telephone equipment that allows each ARB member and the

other parties to hear the property owner's argument. If the property owner request a third party witness they are responsible for connecting that witness into the hearing.

The owner may still appear in person for the hearing. If the owner doesn't show, the evidence in the affidavit is to be submitted to the ARB.

SB 1286 Arbitration – For arbitrations, the owner and district no longer can decide on an arbitrator. The Comptroller selects the arbitrator, and an arbitrator must be a resident of the county where the property is located. If no arbitrator resides in that county, the Comptroller can choose any arbitrator. A person may not serve as an arbitrator in a county if, during the preceding five years, the person was a paid tax agent, CAD officer, CAD employee, or ARB member in that county.

The Comptroller shall remove from the registry a person who shows repeated bias or misconduct while acting as an arbitrator.

The value of a property that qualifies for binding Arbitration increased to \$5,000,000 or less. A fee of \$1,550 is added for a property that is not an owner's residence homestead and the appraised value is more than \$3,000,000 but not more than \$5,000,000.

Tropical Storm Harvey

On the morning of August 30, 2017, Tropical Storm Harvey made landfall causing massive, wide-spread flooding of historic proportions along the Southeast Texas Area. Pinewood, Countrywood, Rose Hill Acres were all heavily damaged along with additional large areas scattered all through Hardin County.

Hardin County Appraisal District was on site aiding the County and Emergency Districts with county maps and aerial view in efforts to help with the destructive impact Harvey had on our small community.

Although no taxing entities ordered a disaster reappraisal for 2017, HCAD had appraisers out in the field inspecting and driving through the most affected areas, taking pictures, and noting debris on accounts to indicate properties that were flooded. In December of 2017, HCAD also sent out letters to all parcels that had structures listed on them in another attempt to gather as much information concerning affected properties.

Types and Uses of Property Appraised

The district is comprised of some 48,289 real/personal property parcels and 8,065 mineral/industrial accounts. Hardin County is broken up into six (6) school districts and each is its own market:

Lumberton ISD is the population center. It is mainly high end residential properties.

Silsbee ISD is combination of residential and commercial properties. Most of the residential properties are older, but in the last 10 years Silsbee ISD has seen a growth in their commercial properties.

Hardin Jefferson ISD is composed of very old buildings inside the city limits. Hardin Jefferson ISD was mostly all minerals, but in the past couple of years has seen a tremendous drop in their mineral values.

Kountze ISD is a small community with no growth and mostly timber.

West Hardin CCISD is very rural. It is all timber and pasture with some minerals.

Warren ISD is mostly rural land with some older residential properties.

The following represents a summary of property types appraised by the district for 2016.

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Homes	18,700	1,855,615,475
B	Multi Family Homes	75	39,725,220
C	Vacant Land (<5 acres)	11,292	83,292,838
D1	Qualified Open Space "Ag" Land	4,326	83,988,450
E/ED2	Farm/Ranch Land/Improvements	4,740	353,829,003
F1	Commercial Real Property	1,396	274,310,390
F2	Industrial Real Property	46	135,469,940
G	Oil/Gas/Minerals	7,252	91,782,744
J	Utilities	452	272,697,980
L1	Commercial Personal Property	2,121	116,525,150
L2	Industrial Personal Property	315	151,526,390
M1	Mobile Homes	2,711	64,036,680
O	Residential Inventory	844	6,679,611
S	Dealer's Special Inventory	46	25,910,680
X	Exempt Property	2,038	212,376,249

Appraisal Operation Summary

The HCAD staff consists of the chief appraiser, appraisal supervisor, office manager, appraisers, customer service, GIS, data processing, secretarial, and other support type personnel. HCAD currently employs seven (5) Registered Professional Appraisers.

HCAD appraisers are actively involved in the discovery, listing, and appraisal of all types of property. Properties are grouped by location, type, use, quality, and a variety of other quantitative data elements. A common set of data characteristics on each specific type of property is observed, listed, and collected during field inspection. Each appraiser is trained in the use of the Hardin County Appraisal District's appraisal manual, appraisal techniques, and methodology in the use of this information. Appraisers utilized the district's GIS mapping software and the 2017 imagery to properly estimate acreage for ground coverings and soil classifications.

District appraisers continued to make on-site inspections of improvements according to its Reappraisal Plan (as adopted in September 2016).

The HCAD appraisal software is a CAMA system (computer assisted mass appraisal). This system contains cost and depreciation schedules that utilize common data elements to assist in creating base values. Further, the entire HCAD database is available to the public via the Internet at www.hardincountycad.org. This service provides instant access to individual property information including homestead, ownership, address, and all related appraisal data. This information includes square foot of living area, land size, age, class, construction type, and a variety of other useful information.

Property Discovery

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

- City and county building permits,
- Mobile home installation reports,
- Advertisements,
- Railroad Commission Reports (oil/gas),
- Field discovery and
- Public "word of mouth".

Ratio Study Analysis (In House)

SALES ANALYSIS -The HCAD appraisers gather sales information. HCAD receives sales from a variety of sources including, but not limited to, field discovery, local realtors, appraisers, HCAD buyer and seller sales questionnaires, protest hearings, local builders, internet verification, and sometimes from overlapping jurisdictions. Sales are reviewed for validity and field inspected for data accuracy. All sales are keypunched into our computer assisted mainframe sales system. The sales are classified to recognize their appropriate status, source, and confirmation codes.

OFFICE AUDIT - The sales ratio analysis and associated individual property value audit or review is conducted in the office on a year around basis. As stated above, properties that do not fit a homogenous statistical profile are set aside for review by the appraiser supervisor. In all classes of property a number of different reports are generated on our computer mainframe to provide information on statistical measures, i. e. percent of increase, increase from prior year, percent of change to land value, percent of change to improvement value, etc. This type of information along with the other forms of analysis described in this report often helps locate areas or property types in need of reappraisal.

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 Tax Code, Chapter 11.

Residential Homestead

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

Jurisdiction	General	Over 65	Disability	100% Disabled Veteran	Over 65 Surviving Spouse	Disabled Surviving Spouse
Hardin County	20% Local Option	10,000	10,000	100%	10,000	10,000
West Hardin CCISD	25,000	10,000	10,000	100%	10,000	
Hardin-Jefferson ISD	25,000+15% Local Option	10,000	10,000	100%	10,000	
Kountze ISD	25,000+10% Local Option	10,000	10,000	100%	10,000	
Lumberton ISD	25,000	10,000	10,000	100%	10,000	
Silsbee ISD	25,000	10,000	10,000	100%	10,000	
Warren ISD	25,000	10,000	10,000	100%	10,000	
City of Silsbee	20% Local Option	10,000		100%	10,000	
City of Kountze		20,000		100%	20,000	
City of Rose Hill				100%		
City of Sour Lake		10,000	10,000	100%	10,000	10,000
Hardin Co WCID #1		40,000		100%	40,000	
Lumberton MUD	20% Local Option	10,000	10,000	100%	10,000	10,000
EMS #1 Kountze				100%		
EMS #2 Lumberton		10,000	10,000	100%	10,000	10,000
EMS #3 Saratoga				100%		
EMS #4 Batson				100%		
EMS #5 Sour Lake				100%		
EMS #6 Silsbee				100%		
EMS #8 Village Mills				100%		

For county and school tax purposes, the over 65, disability, and surviving spouse residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead on existing buildings. (Any new areas added to the homesite will cause the ceiling to be readjusted and set in the subsequent tax year.)

Although Texas Law allows it, none of the other taxing jurisdictions have adopted tax ceilings for over 65 or disabled homeowners. City of Silsbee has adopted a tax ceiling for over 65 homeowners.

All homeowners 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 Veteran's Affairs. Current exemptions 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
10%-more Disability & 65 years	12,000
Loss of Limbs, Blindness or Paraplegia	12,000

Other Exemptions

Other commonly occurring exemptions are:

- Cemetery exemptions,
- Religious Organizations,
- Primarily Charitable Organizations, and
- Veteran's Organizations.

Other less frequently occurring exemptions are allowable and described in Chapter 11 of the Texas Property Tax Code.

Appeal Information

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,
- There has been a change in taxable value of \$1,000 or more,
- The property filed a rendition statement of the property or
- The property has been annexed or de-annexed to a taxing jurisdiction.

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

- 11,611 parcels, comprised of real estate, commercial, business personal property, mineral and industrial

From those notices, 1,305 parcels were protested with the following characteristics:

Description	Parcel Count
Incorrect Market or Appraised Value	1207
Incorrect Appraised or Market Value of Land	39
Value is unequal compared with other properties	837
Property should not be taxed in*	51
Failure to send required notice	43
Exemption was denied, modified or cancelled	77
Change of land use	45
Open Space Land Valuation was denied, modified or cancelled	43
Owner's name is incorrect	29
Property Description is Incorrect	44
Property should not be taxed in a taxing unit	17
Other	262

The final results of these protests were:

Description	Parcel Count
Protest Withdrawn	237
Protest Settled	849
Case dismissed for failure (of taxpayer) to appear at hearing	65
Board Order NO Change	115
Board Order Change	35

Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 21, 2017, summarized as follows:

Jurisdiction	Parcel Count	Market Value	Taxable Value
Hardin County	60,483	4,217,245,289	3,030,485,697
City of Silsbee	4,651	393,857,793	320,918,353
City of Kountze	2,507	82,501,737	65,628,957
City of Rose Hill Acres	231	19,575,750	18,978,637
City of Sour Lake	2,622	112,890,941	99,146,031
West Hardin CCISD	9,038	371,679,860	200,556,530
Hardin-Jefferson ISD	11,320	619,030,459	425,225,122
Kountze ISD	10,743	605,952,618	366,195,972
Lumberton ISD	12,383	1,439,894,536	1,166,273,764

Silsbee ISD	14,445	1,091,298,536	804,691,527
Warren ISD	3,605	89,388,150	61,536,968
ESD #1	10,747	594,839,488	433,799,222
ESD #2	12,766	1,475,073,076	1,327,774,837
ESD #3	3,551	146,023,200	69,016,520
ESD #4	3,330	119,441,510	87,459,240
ESD #5	10,928	585,020,319	476,656,502
ESD #6	14,452	1,090,650,316	917,112,216
ESD #8	3,390	84,917,200	67,839,530
Lumberton MUD	12,512	1,450,753,676	1,138,141,267
Hardin Co WCID #1	684	95,554,726	87,088,753

Tax Rates

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

Jurisdiction	Tax Rate	Jurisdiction	Tax Rate
Hardin County	0.576200	Warren ISD	1.450000
City of Silsbee	0.420000	ESD #1	0.050000
City of Kountze	0.445694	ESD #2	0.100000
City of Rose Hill Acres	0.087910	ESD #3	0.100000
City of Sour Lake	0.441257	ESD #4	0.100000
West Hardin CCISD	1.202280	ESD #5	0.100000
Hardin-Jefferson ISD	1.340000	ESD #6	0.030000
Kountze ISD	1.240000	ESD #8	0.030000
Lumberton ISD	1.160000	Lumberton MUD	0.131232
Silsbee ISD	1.520000	Hardin Co WCID #1	0.488465

Certification

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

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

X Crystal Smith

Crystal Smith

Chief Appraiser, Hardin County Appraisal Di...

9-28-17

Date