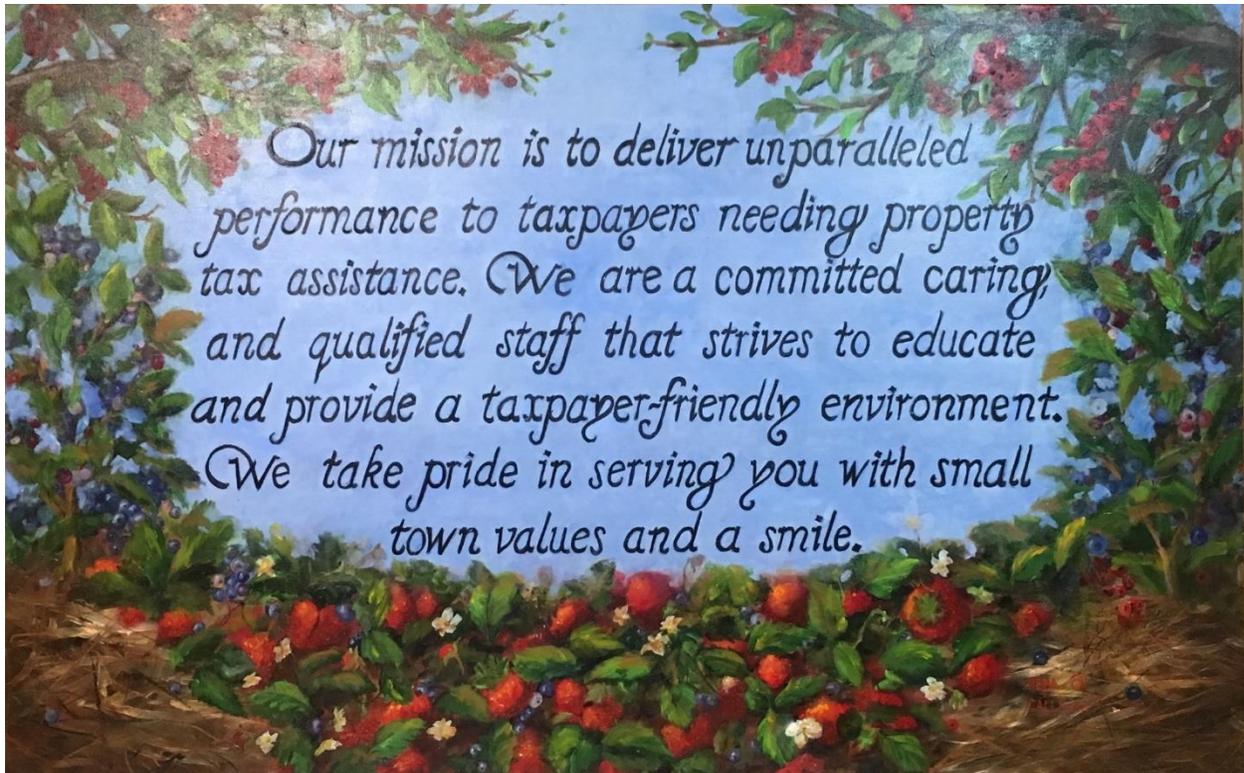


# Hardin County Appraisal District 2020 Annual Report





*Our mission 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.*

## **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:

- Kenny Burkhalter (Chairman)
- John Landis (Vice-Chair)
- Richard Worley (Secretary)
- Eileen Lewis
- Shirley Guillot
- 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:      Olan Webb (Chair)  
   Lynette Barks (Co-Chair)  
   Naymon Walters (Secretary)  
   Larry Colligan  
   Bryan Ready

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  
   Dr. Jerry Marcontell  
   David Smallwood

## **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)

## Types and Uses of Property Appraised

The district is comprised of some 50,072 real/personal property parcels and 10,113 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 2020.

PTAD Classification	Property Type	Parcel Count	Total Market Taxable Value
<b>A</b>	Single Family Homes	19,550	2,169,908,722
<b>B</b>	Multi Family Homes	77	50,059,670
<b>C</b>	Vacant Land (<5 acres)	11,549	110,594,915
<b>D1</b>	Qualified Open Space "Ag" Land	4,370	105,700,220
<b>E/ED2</b>	Farm/Ranch Land/Improvements	5,011	441,610,185
<b>F1</b>	Commercial Real Property	1,506	329,761,235
<b>F2</b>	Industrial Real Property	54	178,468,590
<b>G</b>	Oil/Gas/Minerals	6,109	105,287,154
<b>J</b>	Utilities	438	329,426,300
<b>L1</b>	Commercial Personal Property	1,898	126,508,447
<b>L2</b>	Industrial Personal Property	352	174,491,770
<b>M1</b>	Mobile Homes	2,728	70,972,500
<b>O</b>	Residential Inventory	742	5,299,920
<b>S</b>	Dealer's Special Inventory	49	23,338,915
<b>X</b>	Exempt Property	5,752	321,754,989

## 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 appraisers of which three (3) have completed TDLR qualification requirements as Registered Professional Appraisers and four (4) are TDLR registered and working towards obtaining their Registered Professional Appraisers Licenses.

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 2019 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 2018).

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](http://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:

- 21,350 parcels, comprised of real estate, commercial, business personal property, mineral and industrial

From those notices, 1,720 parcels were protested with the following characteristics:

Description	Parcel Count
Incorrect Market or Appraised Value	1,534
Incorrect Appraised or Market Value of Land	109
Value is unequal compared with other properties	1,004
Property should not be taxed in*	43
Failure to send required notice	47
Exemption was denied, modified or cancelled	149
Change of land use	32
Open Space Land Valuation was denied, modified or cancelled	117
Owner's name is incorrect	51
Property Description is Incorrect	127
Property should not be taxed in CAD or Tax Unit	38
Other	327

The final results of these protests were:

Description	Parcel Count
Protest Withdrawn	315
Protest Settled	714
Case dismissed for failure (of taxpayer) to appear at hearing	191
Board Order NO Change	224
Board Order Change	261

## Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 24, 2020, summarized as follows:

Jurisdiction	Parcel Count	Market Value	Taxable Value
Hardin County	60,185	5,157,470,782	3,556,511,469
City of Silsbee	4,700	448,844,510	363,717,476
City of Kountze	2,505	105,266,248	82,027,141
City of Rose Hill Acres	232	20,550,701	18,764,518
City of Sour Lake	2,714	134,147,740	118,057,167
West Hardin CCISD	9,546	454,366,365	251,086,786
Hardin-Jefferson ISD	11,743	846,149,533	519,374,463
Kountze ISD	9,603	779,345,507	435,989,602
Lumberton ISD	12,899	1,665,076,009	1,367,758,938
Silsbee ISD	13,433	1,305,239,221	967,948,568
Warren ISD	3,112	107,293,937	67,092,326
ESD #1	9,623	763,245,704	507,945,852
ESD #2	13,262	1,717,754,676	1,550,177,301
ESD #3	3,698	184,515,383	85,346,816
ESD #4	3,635	145,403,017	105,147,331
ESD #5	11,344	788,437,035	559,585,980
ESD #6	13,459	1,304,938,881	1,081,824,047
ESD #8	2,920	101,839,209	73,925,574
Lumberton MUD	13,018	1,673,885,441	1,315,739,898
Hardin Co WCID #1	685	113,910,816	94,379,268

2020 Total New Value for Hardin County was \$73,280,225.

## 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	0.580000	Warren ISD	1.450000
City of Silsbee	0.445000	ESD #1	0.050000
City of Kountze	0.404162	ESD #2	0.100000
City of Rose Hill Acres	0.101687	ESD #3	0.100000
City of Sour Lake	0.447423	ESD #4	0.100000
West Hardin CCISD	1.154700	ESD #5	0.100000
Hardin-Jefferson ISD	1.256500	ESD #6	0.030000
Kountze ISD	1.210000	ESD #8	0.030000
Lumberton ISD	1.112900	Lumberton MUD	0.086749
Silsbee ISD	1.388300	Hardin Co WCID #1	0.338307

## Legislative Changes

Various bills were passed in the 2019 legislative session, but none had more effect on appraisal districts than SB 2. Some of the major changes to our operations include:

- Email value notifications are now required upon request from residential property owners. Protesting parties can now request that their notice of protest hearings be emailed or sent by certified mail at their expense.
- Heir property owners now qualify for homestead exemptions with the required documentation. A probated will or filed deed are no longer required.
- The Local Administrative District Judge now appoints ARB officers instead of the Board of Directors.
- Disaster reappraisal provisions were deleted and replaced with a temporary exemption based on the level of damage.
- The rendition filing deadline was changed back to April 15<sup>th</sup> from April 1<sup>st</sup>. This is a reversal of legislation passed in 2017.
- Notices of appraised value will no longer include estimated taxes starting in 2022. Now, appraisal districts must maintain a Truth in Taxation website that includes value and tax information for all entities. Appraisal districts must send a letter to property owners by August 7<sup>th</sup> of each year informing them of this website.
- Protesting parties can now request a joint motion, or topline agreement, to settle a protest. While the protesting party does not appear for the protest hearing, an appealable ARB order must be sent on these motions.