

# **LA SALLE COUNTY APPRAISAL DISTRICT**



## **Annual Appraisal Report**

**2019**

## **Purpose**

This report serves as the official Annual Appraisal Report for the year 2019 for the La Salle County Appraisal District (District), located at 204 NE Lane St., Cotulla, Texas 78014. This report has been prepared in compliance with the International Association of Assessing Officers (IAAO) Standard on Public Relations, Section 6.5.1: Local Annual Report. This report briefly summarizes the District's appraisal activities for the year 2019, including property types and parcel numbers, exemption types and value loss, market and taxable values, and appraisal notices and appeals summaries.

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## **General Information**

### ***Governance***

The appraisal district is a political subdivision of the state that was created through legislation passed by the 66<sup>th</sup> Legislature. The District is governed by a board of five directors who are responsible for setting policies, approving the annual budget, and hiring the Chief Appraiser. Additionally, the Board of Directors is responsible for appointing members of the Appraisal Review Board, and the Agricultural Appraisal Advisory Board (AAAB). The Board of Directors is also responsible for selecting the Chairman and Secretary of the Appraisal Review Board (ARB). The Chief Appraiser is responsible for hiring personnel and managing the District's administrative and appraisal operations.

### ***Ad Valorem Tax System***

The property assessment system is a complex and technical profession vital to the financial health of local government. The District's principal task is to discover, list, appraise all taxable property within its jurisdiction, and administer exemptions. The Texas Property Tax Code requires appraisal districts to appraise all real and business personal property at its fair market value as of January 1<sup>st</sup> each year. The District determines the market value of a property using mass appraisal standards and techniques which comply with the Uniform Standards of Professional Appraisal Practices (USPAP). The same appraisal methods and techniques are used in appraising the same or similar kinds of property. The District maintains an appraisal roll identifying taxable property within the territorial boundaries of La Salle County, which collectively creates the tax base which is utilized by taxing jurisdictions to collect the revenue necessary for daily operations and public services.

### ***Appraiser Requirements***

Appraisers employed by the District are subject to the requirements set by the Property Taxation Professional Certification Act (Act) which was passed by the 68<sup>th</sup> Legislature. Appraisers are required to register with the Texas Department of Licensing and Regulation (TDLR) prior to performing appraisal assignments. The Act requires appraisers to successfully complete a series of educational courses and exams which must be completed within a five-year period. Upon completion of all required coursework and examinations, appraisers will earn designation as a Registered

Professional Appraiser (RPA). Once an appraiser has been certified as an RPA they must recertify on a biennial basis. Each recertification period must include no less than thirty hours of continuing education credits (CE), which must include 2 hours of ethics, 3.5 hours of USPAP, and a law and rules update course set by the state legislature. During the 2019 appraisal year the District employed 1 certified RPA and 2 appraisers working toward RPA certification.

### ***Budget Summary***

The District's annual budget is approved by the Board of Directors and funded by the various taxing jurisdictions of La Salle County. The District's budget for 2019 was approved on September 4, 2018 and totaled \$1,421,276. Of that amount, a total of \$1,402,764 will be contributed by each taxing jurisdiction, and a credit of \$18,512 will be applied from unrestricted reserve funds from the District's 2018 budget.

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### **Number of Accounts**

The number of property accounts in 2019 as of the certification date was 63,124. Property accounts are categorized as real property, business personal property or utilities and minerals. A summary of the number of accounts within each category can be found in the table below.

Category	Accounts
<b>Real Property:</b> <i>Residential, Multi-Family, and Commercial Properties, and Vacant Lots &amp; Rural Tracts</i>	11,940
<b>Personal Property:</b> <i>Mobile Homes, Tangible Business Personal &amp; Industrial Properties, and Personal Leased &amp; Business Vehicles</i>	1,448
<b>Utilities and Minerals:</b> <i>Telephone, Gas, Cable, Other Utility Companies, and Oil &amp; Gas</i>	49,736
<b>Total Accounts</b>	<b>63,124</b>

The table below provides the number of accounts by taxing jurisdiction.

Taxing Entities	Total Parcels
La Salle County	63,124
City of Cotulla	4,713
City of Encinal	752
Cotulla ISD	57,958
Dilley ISD	5,535
Wintergarden Water Conservation District	63,115

\* As of July 24, 2019, Certified Grand Totals

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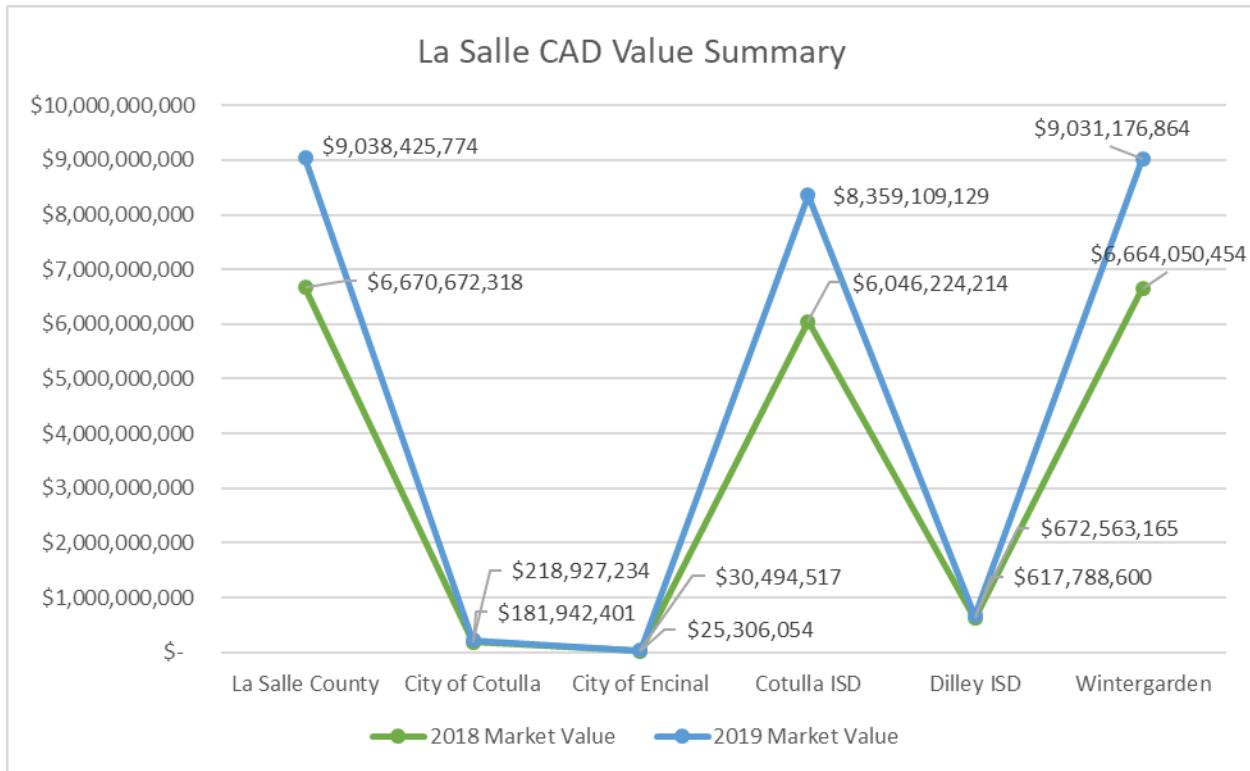
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## Appraisal Activities

In accordance with the 2019-2020 Reappraisal Plan, the Appraisal District began mass appraisal activities in November of 2018. Mass appraisal consists of the periodic re-inspection of all properties over a three-year cycle. The District performed its mass appraisal objectives through Pictometry or physical inspection. A detailed report of all 2019 appraisal activities is available in the 2019 Mass Appraisal Summary Report.

Upon completion of the mass appraisal process, other yearly appraisal activities are assigned. These activities typically include the discovery of new construction, demolitions, improvement additions, and repairs/remodels. New construction is primarily identified through new development plats and building permits. During mass appraisal, sales data is collected, screened and analyzed through ratio studies, which measure appraisal accuracy and level of appraisal (equal and uniform).

Upon completion of the final value review, the following statistics were compiled. Overall, market value county-wide increased a total of 35.49%. This increase was due to a comprehensive land reappraisal which was executed in order to remedy severe inequities which existed due to the placement of flat values on a large number of accounts. Some accounts were identified as having a flat value for a period between ten and twenty years. In addition, all hotel properties were inspected, re-sketched, reclassified, and re-appraised through the income approach to ensure all properties were accurately appraised.



## Appeals

Appraisal notices, which consisted of a majority of properties, were mailed to property owners and agents on May 3, 2019 and totaled 12,975.

The second batch of appraisal notices, which consisted of Mineral and Utility properties, were mailed on May 13, 2019. There was a total of three (3) in-house mail outs between the months of May through July for a grand total of 13,646 appraisal notices.

The Chief Appraiser submitted the appraisal roll to the Appraisal Review Board (ARB) on May 16, 2019 thereby initiating the equalization (protest) phase.

As a result of the appraisal notice mail-out, the District received and processed approximately 9,362 protests. The ARB held hearings on 28 days during the months of May, June, and July, and finalized 8,777 out of the 9,362 protest cases. In order to be available for and better serve the public, the ARB also held Saturday morning hearings. The ARB was able to process, determine and finalize protest cases by July 19, 2019. Consequently, 99.58% of the appraisal roll was approved on July 22, 2019 by the ARB. The Chief Appraiser certified the appraisal roll to the taxing entities on July 24, 2019, and met the required deadline set by TPTC.

## Exemptions and Agricultural Appraisal Value Loss

The District is responsible for administering exemption services to property owners. An exemption reduces the taxable value of a property, which in turn decreases the property owner's tax burden. Cumulatively, the total loss for La Salle County due to all exemptions and total exempt properties is \$62,052,296 of market value. The table below summarizes the exemptions available to property owners through La Salle County and the county's total taxable value loss due to each exemption.

<b>La Salle County Exemptions and Value Loss*</b>		
<b>Exemption</b>	<b>Count</b>	<b>Value Loss</b>
<b>Pollution Control</b>	<b>7</b>	<b>3,705,742</b>
<b>Disabled Person</b>	<b>82</b>	<b>789,098</b>
<b>Disabled Veteran 1</b>	<b>7</b>	<b>24,670</b>
<b>Disabled Veteran 2</b>	<b>4</b>	<b>33,540</b>
<b>Disabled Veteran 4</b>	<b>27</b>	<b>257,640</b>
<b>Disabled Veteran Homestead</b>	<b>7</b>	<b>282,301</b>
<b>Homestead</b>	<b>1,112</b>	<b>3,126,048</b>
<b>Over 65</b>	<b>526</b>	<b>5,053,567</b>

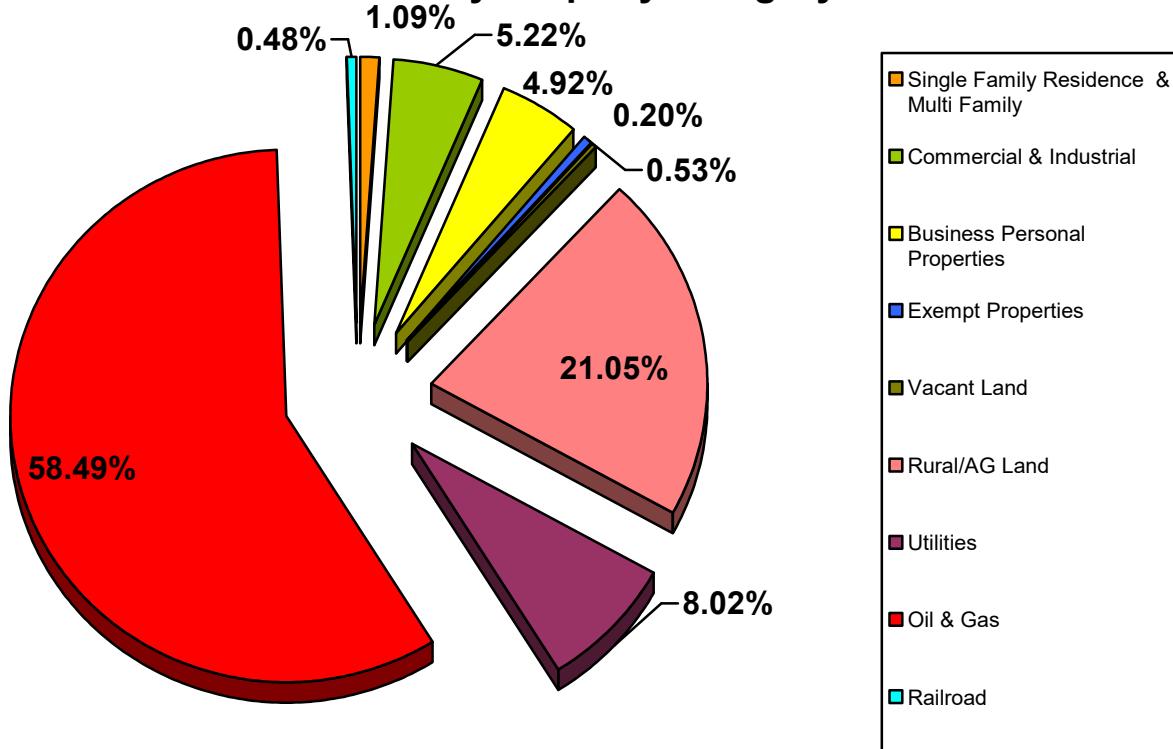
\*As of July 24, 2019 Grand Totals (Includes Surviving Spouse Exemptions, but not Exempt Property)

The Texas Property Tax Code (TPTC) allows property owners to request a special agricultural appraisal. Properties qualifying for this appraisal are assigned a market value and a special agricultural-use value. The special agricultural-use value is lower than market value and the property is assessed at its special agricultural-use value thereby decreasing a property owner's tax burden. Special agricultural-use value is based on the capacity of the property to produce agricultural goods, defined as productivity value. In La Salle County a total of 933,708 acres have qualified for productivity value, with a total value loss of \$1,796,358,205 from a total market value of \$1,848,561,156. The taxing entities may recapture the value difference for the previous five years through a process called a "rollback". A "rollback" is initiated when a property with productivity value ceases agricultural use and a "change of use" occurs. For Appraisal Year 2019, the District identified 2 properties where a change of use has occurred.

## Market and Taxable Value

The 2019 Market Value Distribution by Property Category chart below illustrates that the top three property categories are Oil & Gas, Rural/Ag Land, and Utilities. These three categories represent over 88% of the District's market value.

**Market Value Distribution by Property Category**

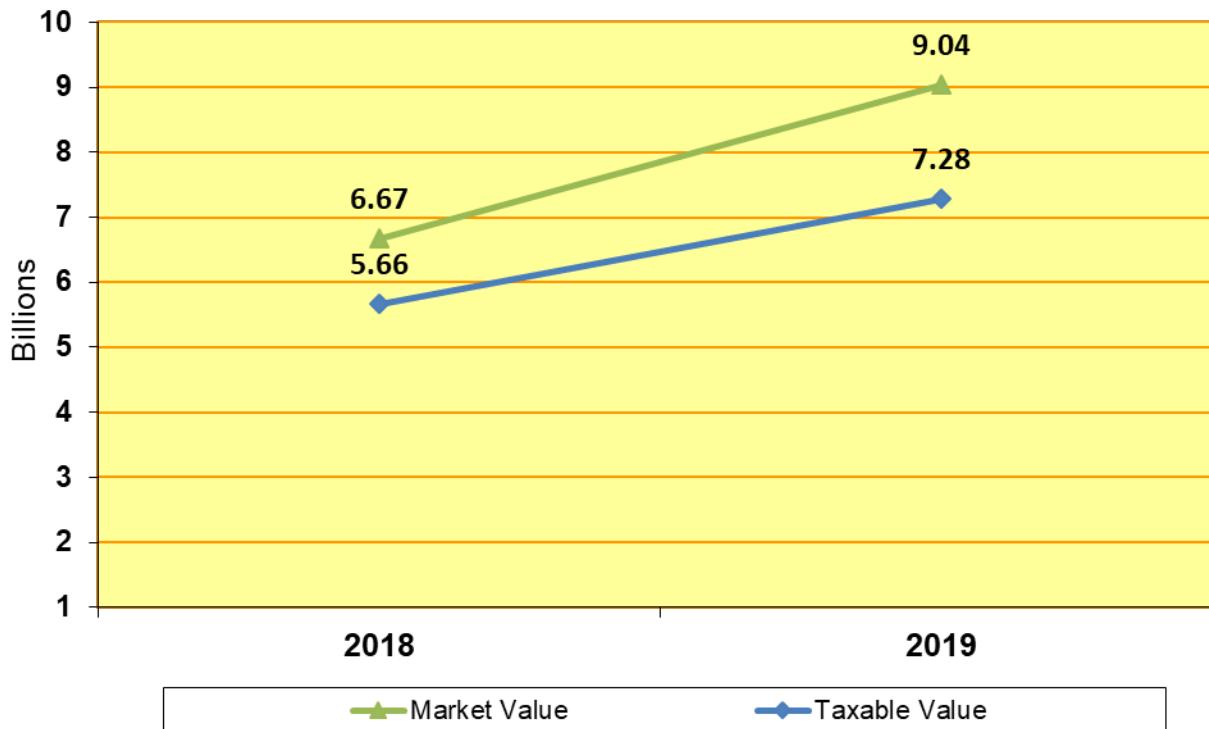


**2019 Total Market Value \$ 9,038,425,774**

\*Certified Value as of July 24, 2019 (La Salle County)

The graph below provides a 2-year comparison of the District's overall market and taxable value. As the District moves forward, additional years will be added in order to assess the historical trend of market and taxable values in La Salle County. The graph illustrates that both the market and taxable value have risen, and also demonstrates that the dispersion, which is non-taxable value, is also increasing. Total market value over the period of time illustrated below indicates an increase of 35.49% from 2018 to 2019.

### Market Value - vs - Taxable Value



La Salle County (G3) Certified Grand Totals as of July 24, 2019

The table below summarizes the 2019 market and taxable values for each taxing entity which were certified on 7/24/19.

Total Value by Taxing Entity		
Taxing Entity	Market	Taxable
La Salle County	9,038,425,774	7,277,618,668
City of Cotulla	218,927,234	191,697,131
City of Encinal	30,494,517	24,774,205
Cotulla ISD	8,359,109,129	6,717,783,036
Dilley ISD	672,563,165	533,676,720
Wintergarden Water Conservation District	9,031,176,864	7,279,195,889

## **Property Tax Division**

To ensure compliance with applicable state laws and recognized appraisal standards, the Property Tax Assistance Division (PTAD) of the Comptroller's Office conducts two separate reviews which assess the District's performance with regard to appraised value and overall operations. These reviews are known as the Property Value Study (PVS) and the Methods and Assistance Program (MAP) Review. Both are conducted biennially, in alternating years, with the PVS completed every odd numbered year, and the MAP Review every even numbered year. Based on the results of the Property Value Study conducted in 2017, the District met all requirements and received local value certification. Results of the 2017 PVS are available at <https://comptroller.texas.gov/taxes/property-tax/pvs/2017f/142index.php>.

The Comptroller of Public Accounts will be performing a Property Value Study for the District in the Fall of 2019.

The District's most recent MAP Review was completed in 2018. The ratings for the District's 2018 review have been published, and the results for the 2018 review were "PASS" for one of the mandatory requirements, and "FAIL" for three of the mandatory requirements, "MEETS ALL" for taxpayer assistance, and "UNSATISFACTORY" for governance, operating procedures, and appraisal standards, procedures and methodology.

2018 Map results may be found here:

<https://comptroller.texas.gov/taxes/property-tax/map/2018/index.php>