

LA SALLE COUNTY APPRAISAL DISTRICT



Annual Appraisal Report

2023

Purpose

This report serves as the official Annual Appraisal Report for the year 2023 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 2023, including property types and parcel numbers, exemption types and value loss, market and taxable values, and appraisal notices and appeals summaries.

General Information

Governance

The appraisal district is a political subdivision of the state that was created through legislation passed by the 66th 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 Agricultural Appraisal Advisory Board (AAAB). 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 principle 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 1st 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 68th 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 2022 appraisal year the District employed 1 appraiser with an RPA and 2 appraisers working towards 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 2023 was approved on August 30th, 2022 and totaled \$1,811,830. Of that amount, a total of \$1,287,255 will be contributed by the taxing jurisdictions, and a credit of \$524,575 will be applied from several funds from the District's 2021 budget.

Number of Accounts

The number of property accounts in 2023 as of the certification date was 80,479. 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 |
|---|-----------------|
| Real Property: <i>Residential, Multi-Family, and Commercial Properties, and Vacant Lots & Rural Tracts</i> | 11,393 |
| Personal Property: <i>Mobile Homes, Tangible Business Personal & Industrial Properties, and Personal Leased & Business Vehicles</i> | 1,656 |
| Utilities and Minerals: <i>Telephone, Gas, Cable, Other Utility Companies, and Oil & Gas</i> | 67,430 |
| Total Accounts | 80,479 |

As of July 17, 2023

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

| Taxing Entities | Total Parcels |
|--|---------------|
| La Salle County | 80,479 |
| City of Cotulla | 4,614 |
| City of Encinal | 739 |
| Cotulla ISD | 73,478 |
| Dilley ISD | 7,430 |
| Wintergarden Water Conservation District | 80,479 |

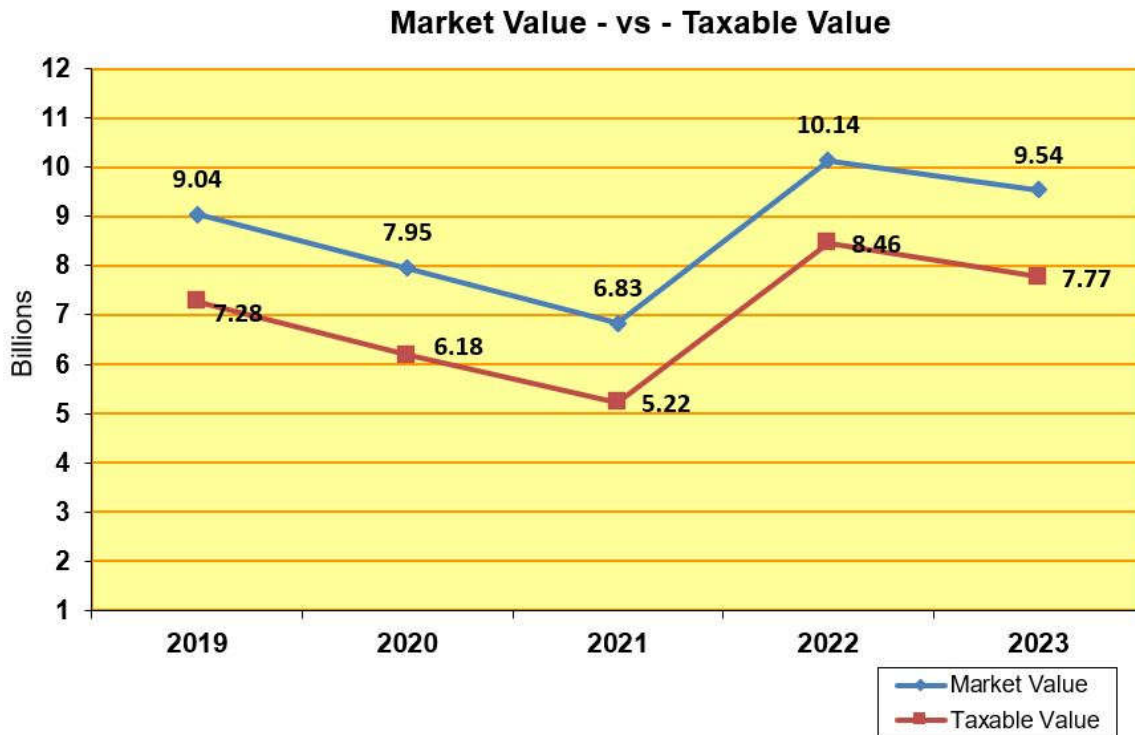
* As of July 17, 2023, Certified Grand Totals

Appraisal Activities

In accordance with the 2023-2024 Reappraisal Plan, the Appraisal District began mass appraisal activities in August of 2022. 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 2023 appraisal activities is available in the 2023 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 decreased a total of 5.92%. This decrease was predominantly due to the current market conditions affecting the oil and gas industry.



As of July 17, 2023

Appeals

Appraisal notices were mailed to property owners and agents on April 10, 2023 and totaled 9,046.

The second batch of appraisal notices, which consisted of Mineral and Utility properties, was mailed on April 17, 2023 which was 11,522 notices. Business Personal Property notices were mailed on June 2, 2023 and totaled 263. There was a total of two (2) in-house mail outs between the months of May through July for a grand total of 135 appraisal notices, not including minerals.

The District published/distributed a number of news releases through various media sources. The local newspaper provided coverage for some of the news releases. As required by law, the District purchased several newspaper advertisements in order to inform the public of the appraisal notice mail outs and of the rights, responsibilities, and remedies of a property owner.

As a result of the appraisal notice mail-out, the District received and processed approximately 8,170 protests. The ARB held hearings for 6 days during the months of May, June, and July, and finalized all of the 8,170 protest cases. The ARB was able to

process, determine and finalize protest cases by July 12, 2023. Consequently, 100% of the appraisal roll was approved on July 12, 2023 by the ARB. The Chief Appraiser certified the appraisal roll to the taxing entities on July 15, 2021, 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 \$215,483,577 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.

| La Salle County Exemptions and Value Loss* | | |
|---|--------------|-------------------|
| Exemption | Count | Value Loss |
| Pollution Control | 17 | 71,574,970 |
| Disabled Person | 69 | 649,808 |
| Disabled Veteran 1 | 4 | 22,000 |
| Disabled Veteran 2 | 2 | 19,500 |
| Disabled Veteran 2 S | 1 | 7,500 |
| Disabled Veteran 3 | 1 | 12,000 |
| Disabled Veteran 4 | 22 | 203,610 |
| Disabled Veteran Homestead | 6 | 525,583 |
| Disabled Veteran Homestead S | 1 | 56,250 |
| Homestead | 1,031 | 2,790,336 |
| Over 65 | 503 | 4,661,644 |
| Over 65 S | 9 | 89,414 |
| First Responder S | 2 | 914,606 |

*As of July 17, 2023 Grand Totals

** S = Surviving Spouse

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 909,682 acres have qualified for productivity value, with a total value loss of \$1,550,119,426 from a total market value of \$1,601,982,672. 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.

Market and Taxable Value

The 2023 Market Value Distribution by Property Category information below illustrates that the top three property categories are Oil & Gas, Rural/Ag Land, and Business Personal Properties. These three categories represent over 92.34% of the District's market value.

Single & Multi Family Residences – 0.88%

Commercial Properties – 3.57%

Mineral Properties – 63.71%

Vacant Properties – 0.21%

Ag/Rural Properties – 17.12%

Utilities – 8.17%

Railroad – 0.51%

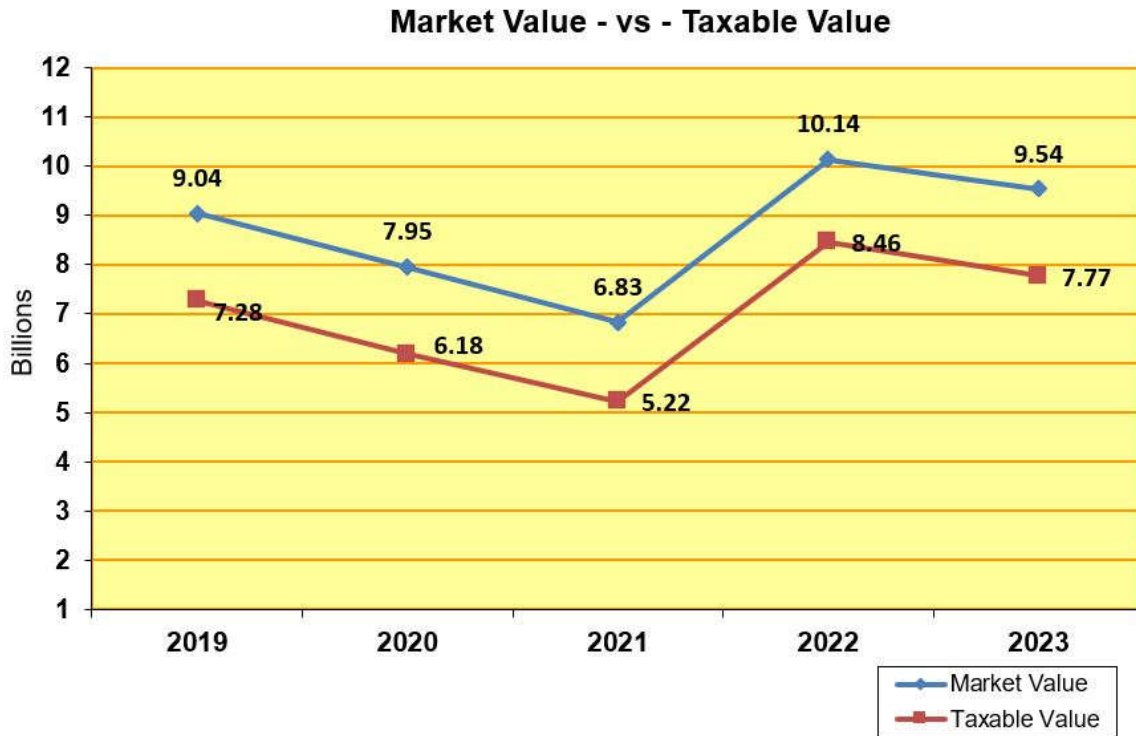
Exempt Properties – 1.11%

Business Personal Property – 4.72%

2023 Total Market Value \$ 9,543,921,111

*As of July 17, 2023 (La Salle County Grand Totals)

The graph below provides a 4-year comparison of the District’s overall market and taxable value. The graph illustrates that both the market and taxable value have increased as compared to 2019 as a result of market forces impacting the oil & gas industry.



As of July 17, 2023

The table below summarizes the 2023 market and taxable values for each taxing entity which were certified on 7/17/2023.

| Total Value by Taxing Entity | | |
|--|---------------|----------------|
| Taxing Entity | Market | Taxable |
| La Salle County | 9,543,921,111 | 7,774,289,486 |
| City of Cotulla | 314,983,712 | 220,896,904 |
| City of Encinal | 46,574,884 | 29,480,264 |
| Cotulla ISD | 8,975,350,297 | 7,312,825,323 |
| Dilley ISD | 568,570,841 | 434,738,239 |
| Wintergarden Water Conservation District | 9,543,921,111 | 7,782,480,688 |

Property Tax Division

Section 403.302 of the Texas Government Code requires the Comptroller to conduct a study to determine the degree of uniformity and the median level of appraisals by the appraisal district within each major category of property, as required by Section 5.10 of the Texas Property Tax Code. The study is performed every other year, and if the locally appraised values for a particular school district are within the statistical margin of error of the state value, the Comptroller's Property Tax Assistance Division (PTAD) will certify the school district's local tax roll value to the Commissioner of Education. A 5% margin of error is used to establish the upper and lower value limit for each school district. If the local value falls outside the acceptable range, the Property Tax Assistance Division will certify the state value, unless the school district is eligible for a grace period, which is a period when local value is used even though it is determined to be invalid. The La Salle County Appraisal District had a property value study conducted in 2021, with final results being published on the Comptroller's website at: <https://comptroller.texas.gov/taxes/property-tax/pvs/2020f/index.php>.

The final results for La Salle CAD indicated an overall ratio of 1.00, being 100% of market value, with the local tax roll value being certified to the Commissioner of Education.

Section 5.102 of the Texas Property Tax Code requires the Comptroller of Public Accounts to review county appraisal district governance, taxpayer assistance, operating

standards, procedures and methodology at least once every two years. This review is known as the Methods and Assistance Program (MAP) Review, with the District's most recent review being completed in 2022. The ratings for the District's 2022 review were "PASS" for all of the mandatory requirements, and "MEETS ALL" for governance, taxpayer assistance, operating procedures, and appraisal standards, procedures and methodology. A copy of the final report may be found at: <https://comptroller.texas.gov/taxes/property-tax/map/2022/index.php>