

San Jacinto County Appraisal District



**2017
ANNUAL
REPORT**

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Purpose

This report serves as the official annual appraisal report for the year 2017 for San Jacinto County Appraisal District, located at 99 Slade Street Coldspring, Texas 77331. It has been drafted in compliance with the International Association of Assessing Officers (IAAO) Standards on Public Relation, section 6.5: Annual Reports. This report summarizes in brief the appraisal activities for the year 2017 including but not limited to: number & type of accounts the District manages, overall market and taxable value, exemptions and value loss, and protest summary. A copy of this report can be obtained in person from the District's Office at the aforementioned address, or from the District's Website at www.sjcad.org.

General Information

The San Jacinto County Appraisal District (District) is a Political Subdivision of the State that was founded in 1982 by the 66th Legislature. The Appraisal District is governed by a board of six directors who are responsible for setting policies and for hiring the Chief Appraiser. The Chief Appraiser is responsible for managing the District's administrative and appraisal operations. The Board of Directors approves and reviews the budget and expenditures over the course of each fiscal year. Additionally, they appoint the Appraisal Review Board (ARB) and the Agricultural Appraisal Advisory Board (AAAB).

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 identify and appraise all taxable property within its jurisdiction, and administer exemptions. Currently, the District maintains an appraisal roll with taxable property within San Jacinto County's territory, which collectively creates a tax base that taxing jurisdictions utilize to collect their revenue for daily operations and public services. The District is funded by the taxing jurisdictions based on the amount of taxes levied in each taxing unit.

The Texas Property Tax Code requires appraisal districts to appraise all property whether residential, commercial, or business personal property at its fair market value as of January 1st. The District determines the market value of a property using mass appraisal standards and techniques which comply with the 2016-2017 Edition of Uniform Standards of Professional Appraisal Practices (USPAP). The same appraisal methods and techniques shall be used in appraising the same or similar kinds of property.

Appraiser Requirement

Appraisers hired by the District, are subject to 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) before performing appraisals. The Act requires appraisers to successfully complete a series of educational courses towards certification and designation as a Registered Professional Appraiser (RPA). In order to obtain an RPA designation, appraisers must effectively complete the course requirements within five years from the date of registration. Once an appraiser has certified as an RPA they must recertify on a biannual basis. Each two-year recertification period must include no less than 30 hours of continuing education credit (CE), and must include two hours of ethics training, seven hours of USPAP and a law and rule update course set by the state legislature. The District currently employs 5 certified RPA's.

Types and Use of Properties

All property in the District's records is classified and assigned to one property category as established by the Comptroller's office. Listed below are each property category and the type of property found within each category. The additional charts detail the number of parcels in the major categories in San Jacinto County and the parcel count by taxing jurisdiction.

A	Real Property: Single-Family Residential	9,173
B	Real Property: Multifamily Residential	14
C1	Vacant Lots	14,248
D1	Qualified Open-Space Land	2,957
D2	Improvements on Qualified Open Space	213
E	Rural Land, Non-Qualified Open Space	7,980
F1	Real Property: Commercial	548
F2	Industrial and Manufacturing Real	2
G1	Real Property: Oil, Gas and Other Minerals	3,034
J1	Water Systems	5
J2	Gas Distribution System.....	3
J3	Electric Company (Including Co-Op)	21
J4	Telephone Company (Including Co-Op)	18
J5	Railroad.....	3
J6	Pipelines.....	54
J7	Cable Television Company	11
J8	Other Utilities.....	5
J9	Railroad Rolling Stock	1
L1	Personal Property: Commercial.....	442
L2	Industrial and Manufacturing Personal Property	102
M1	Mobile Homes	1,851
O	Real Property: Residential Inventory	738
S	Special Inventory	2
X	Totally Exempt Property	3,209

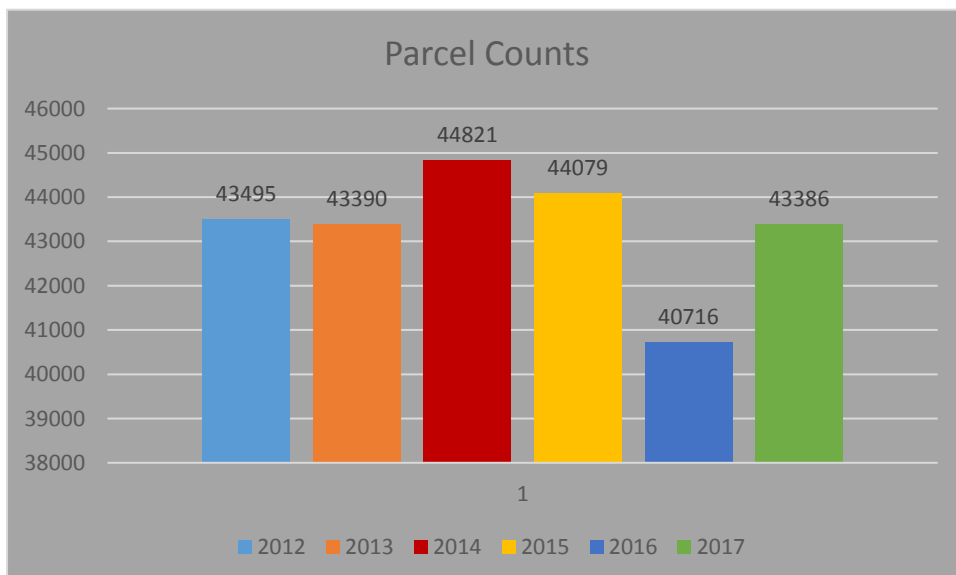
(Some parcels will fall into multiple categories)

Taxing Entities	2017 Total Parcels
San Jacinto County	43,386
San Jacinto County Special Road & Bridge	43,386
San Jacinto County Lateral Road	43,386
Emergency Service District	41,227
Lone Star College-Kingwood	657
City of Shepherd	1,721
Coldspring Oakhurst ISD	27,716
Shepherd ISD	11,115
Cleveland ISD	2,390
Willis ISD	660
Waterwood MUD	2,154
Cape Royale MUD	1,642
City of Cleveland	10

July 2017

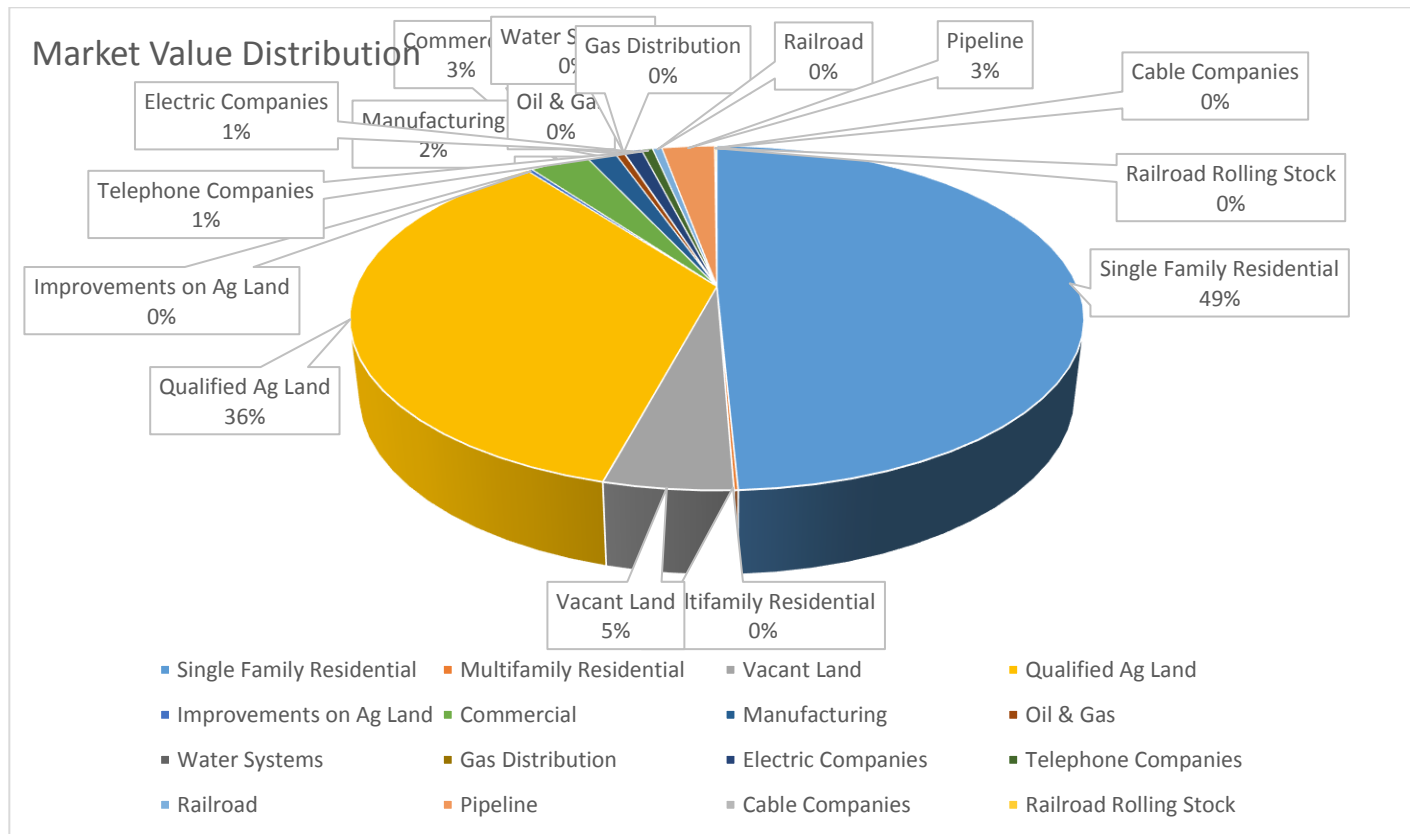
As of Certification*

The District's parcel count has increased approximately 6.3 % in the past year.



Taxable Value by Entity

Taxing Entity	Value
San Jacinto County	\$ 1,477,299,391
San Jacinto County Special Road & Bridge	\$ 1,477,669,063
San Jacinto County Lateral Road	\$ 1,468,212,626
Emergency Service District	\$ 1,666,977,311
Lone Star College-Kingwood	\$ 39,508,459
City of Shepherd	\$ 57,709,291
Coldspring Oakhurst ISD	\$ 1,002,929,984
Shepherd ISD	\$ 331,835,424
Cleveland ISD	\$ 102,823,440
Willis ISD	\$ 38,447,326
Waterwood MUD	\$ 53,098,484
Cape Royale MUD	\$ 172,570,004
City of Cleveland	\$ 201,537



The 2017 market value distribution by category illustrates that the top three categories are Residential, Qualified Ag Land and Farm & Vacant Land. The residential sector represents approximately 49.00 % of the District’s market value, +17.96% from 2016.

Market Value Distribution by Property Category

2016-2017 Category Increases/Decreases

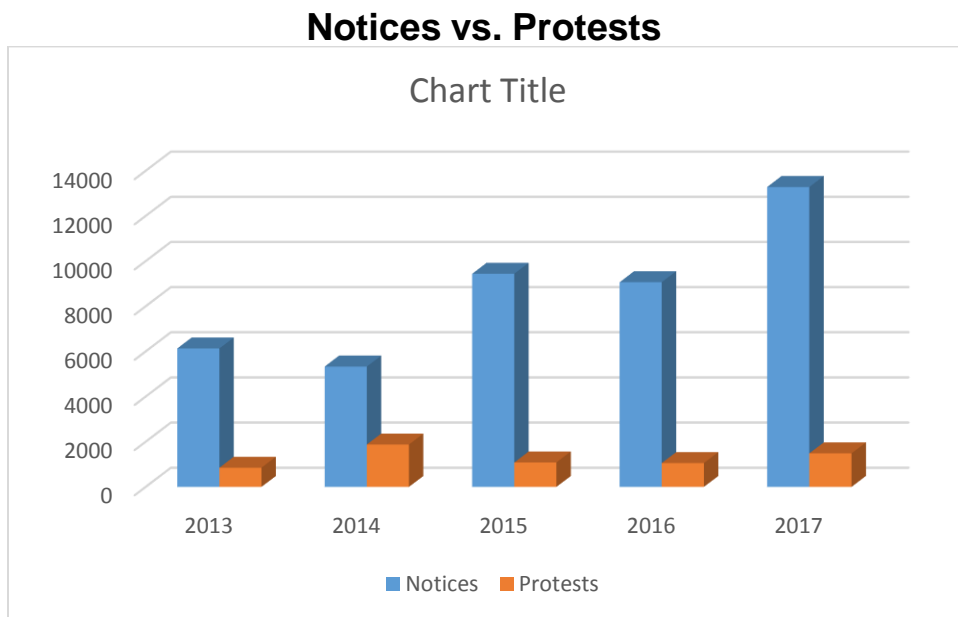
	2016	%	2017	%	2016-2017 Change
Single Family Residential	813,629,285	31.94	\$877,086,715	31.40701	0.077993
Multifamily Residential	\$2,743,075	0.12	\$2,656,322	0.095118	-0.03163
Vacant Land	\$90,332,398	3.95	\$85,414,868	3.048789	-0.05746
Qualified Ag Land	\$597,639,860	26.15	\$632,642,647	22.65388	0.058568
Imps on Non-Qualified Ag Land	\$3,571,49	.15	\$4,843,375	.173433	.35612
Non-Qualified Ag Land	\$626,498,255	27.41	\$694,658,055	24.87455	0.108795
Commercial	\$44,063,950	1.92	\$55,148,850	1.974789	0.251564
Manufacturing	\$27,902,630	1.22	\$27,300,410	.977582	-0.02158
Oil Gas & Minerals	\$7,409,984	0.32	\$8,153,981	0.291981	0.100405
Water Systems	\$192,020	0.008	\$377,510	0.013518	0.965993
Gas Distribution System	\$72,460	0.003	\$75,570	0.002706	0.04292
Electric Companies	\$17,257,340	0.755	\$16,888,590	0.604752	-0.02137
Telephone Companies	\$9,845,370	0.43	\$10,613,370	0.380047	0.078006
Railroad	\$8,243,960	0.36	\$8,762,400	0.313767	0.062887
Pipeline	\$24,980,210	1.09	\$49,376,900	1.768105	0.976641
Cable Company	\$522,650	0.022	\$698,710	0.02502	0.33686
Railroad Rolling Stock	\$1,455,830	0.06	\$1,455,830	0.052131	0
Commercial	\$17,609,630	0.77	\$16,630,440	0.595508	-0.05561
Industrial	\$22,030,280	0.96	\$19,739,640	0.706844	-0.10398
Mobile Homes	\$43,233,500	1.89	\$50,930,894	1.823751	0.178042
Residential Inventory	\$1,171,391	0.05	\$1,644,090	0.058872	.0403536
Special Inventory	\$9,550	0.00	\$9,580	0.000343	0.003141
<u>Totally Exempt Property</u>	<u>\$186,330,616</u>	<u>8.1544</u>	<u>\$226,585,531</u>	<u>8.123427</u>	<u>0.217505</u>
	\$2,546,745,739	100.00	\$2,792,645,588	100.00	

The percent increase in commercial properties will also vary; however, the primary reason for most increases was due to the updating of the District's cost schedules. The Chief Appraiser submitted preliminary totals for each entity to the Appraisal Review Board (ARB) on May 15th, 2017 thereby initiating the of the equalization (protest) phase.

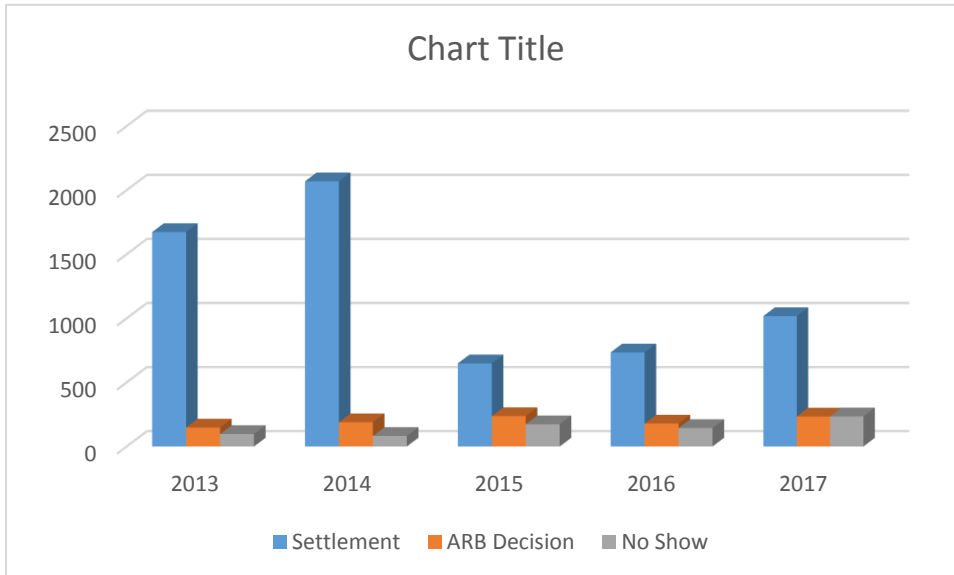
The District measures the appraisal level and uniformity of residential properties through the use of appraisal to sale ratio of arms-length sales. The appraisal to sales ratio is calculated by dividing the appraised value by the sales price of the property. Appraisal level statistics include the calculation of the mean, median and aggregate (weighted) mean of the appraisal to sales ratio of the sample population of qualified sales.

Appeals

The number of protests filed during a typical protest period, which extends from May through July, has consistently averaged approximately 1200--1300 cases. Protests filed for 2017 ranges between 11 to 12 percent, with District staff typically resolving between 70 to 90 percent of these cases. The ARB hears between 3 to 5 percent of the cases filed, and any remaining cases are the result of property owners failing to appear at scheduled hearings. The graphs below demonstrate a five year comparison of the number of protests filed in relation to the number of notices mailed and the outcome of real property protests.



Property Protest Resolution



Exemptions and Value Loss

The District is responsible for administering exemption services to property owners. An exemption reduces taxable value on a property, which in turn decreases the property owner's tax burden. Cumulatively, the total loss due to exemptions and total exempt properties is **\$ 2,038,875,338** of market value. The tables below list the types of exemptions available to property owners, the taxable value reduction for each type of exemption from each entity, and the county's total taxable value loss due to each exemption. Each entity decides whether to offer the local option and adopt a reduction amount.

Homestead Exemption		
Taxing Entity	State Mandated	Local Option
San Jacinto County	0	20%
San Jacinto County Special Road & Bridge	0	20%
San Jacinto County Lateral Road	0	0%
Emergency Service District	0	20%
Lone Star College-Kingwood	0	1%
City of Shepherd	0	20%
Coldspring Oakhurst ISD	25,000	0%
Shepherd ISD	25,000	0%
Cleveland ISD	25,000	0%
Willis ISD	25,000	0%
Waterwood MUD	0	20%
Cape Royale MUD	0	20%

Over 65 Exemption		
Taxing Entity	State Mandated	Local Option
San Jacinto County	0	15,000
San Jacinto County Special Road & Bridge	0	15,000
San Jacinto County Lateral Road	0	15,000
Emergency Service District	0	15,000
Lone Star College-Kingwood	0	75,000
City of Shepherd	0	5,000
Coldspring Oakhurst ISD	10,000	0
Shepherd ISD	10,000	0
Cleveland ISD	10,000	0
Willis ISD	10,000	0
Waterwood MUD	0	3,000
Cape Royale MUD	0	10,000

Disabled Person		
Taxing Entity	State Mandated	Local Option
San Jacinto County	0	0
San Jacinto County Special Road & Bridge	0	0
San Jacinto County Lateral Road	0	0
Emergency Service District	0	0
Lone Star College-Kingwood	0	75,000
City of Shepherd	0	0
Coldspring Oakhurst ISD	10,000	0
Shepherd ISD	10,000	0
Cleveland ISD	10,000	0
Willis ISD	10,000	0
Waterwood MUD	0	3,000
Cape Royale MUD	0	10,000

Disabled Veterans*		
	State Mandated	Percent Disability
Disabled Veteran		
DV1	5,000	10–29%
DV2	7,500	30-49%
DV3	10,000	50-69%
DV4	12,000	70-100%
DV Homestead	Totally Exempt	100%

*Amount applies to each Taxing Entity

Value Loss by Exemption Breakdown

2017

City of Shepherd				
Exemption	Count	Local	State	Total
DP	15	-	-	-
DV2	1	-	7,500	7,500
DV3	4	-	46,000	46,000
DV4	12	-	120,000	120,000
DVHS	3	-	409,664	409,664
EX	150	-	21,517,220	21,517,220
EX-XL	3	-	150,160	150,160
EX-XN	5	-	214,739	214,739

EX-XV	10	-	1,130,780	1,130,780
EX366	5	-	1,120	1,120
HS	383	6,466,947	-	6,466,947
OV65	148	693,350	-	693,350
OV65S	14	70,000	-	70,000
Totals		7,230,297	23,635,735	30,886,032

Emergency Services District

Exemption	Count	Local	State	Total
DV1	37	-	248,600	248,600
DV1S	2	-	10,000	10,000
DV2	21	-	160,500	160,500
DV3	33	-	308,000	308,000
DV4	195	-	1,730,150	1,730,150
DV4S	6	-	52,620	52,620
DVHS	132	-	14,519,482	14,519,482
EX	605	-	168,809,140	168,809,140
EX (Prorated)	19	-	322,640	322,640
EX-XD	1	-	38,490	38,490
EX-XI	5	-	7,219,530	7,219,530
EX-XN	21	-	2,173,550	2,173,550
EX-XJ	1	-	438,170	438,170
EX-XR	10	-	149,500	149,500
EX-XU	1	-	170,390	170,390
EX-XV	245	-	43,422,537	43,422,537

EX366	2,201	-	107,803	107,803
HS	6,904	147,363,017	-	147,363,017
OV65	3,084	41,699,332	-	41,699,332
OV65S	194	2,678,713	-	2,678,713
PC	1	4,677,850	-	4,677,850
Totals		196,418,912	240,031,262	436,450,174

San Jacinto County				
Exemption	Count	Local	State	Total
DP	332	-	-	-
DV1	38	-	251,720	251,720
DV1S	2	-	10,000	10,000
DV2	23	-	173,270	173,270
DV3	34	-	311,110	311,110
DV4	198	-	1,766,496	1,766,496
DV4S	6	-	52,620	52,620
DVHS	135	-	14,959,032	14,959,032
EX	608	-	168,893,240	168,893,240
EX (Prorated)	26	-	389,106	389,106
EX-XD	1	-	38,490	38,490
EX-XI	5	-	7,219,530	7,219,530
EX-XN	21	-	2,173,550	2,173,550
EX-XJ	1	-	438,170	438,170
EX-XR	10	-	149,500	149,500
EX-XU	1	-	170,390	170,390

EX-XV	331	-	46,829,297	46,829,297
EX366	2,202	-	108,183	108,183
HS	7,067	153,390,264	-	153,390,264
OV65	3,180	43,108,642	-	43,108,642
OV65S	197	2,723,713	-	2,723,713
PC	1	4,677,850	-	4,677,850
Totals		203,900,469	244,083,864	447,984,333

Lone Star College- Kingwood

Exemption	Count	Local	State	Total
DP	7	349,895	-	349,895
DV1	1	-	5,000	5,000
DV1S	1	-	5,000	5,000
DV2	1	-	12,000	12,000
DV3	1	-	10,000	10,000
DV4	2	-	24,000	24,000
EX	8	-	2,038,980	2,038,980
EX-XV	4	-	304,275	304,275
EX366	2	-	310	310
HS	163	663,785	-	663,785
OV65	49	3,114,920	-	3,114,920
OV65S	5	286,640	-	286,640
Totals		4,415,240	2,470,917	6,886,157

Cape Royale MUD

Exemption	Count	Local	State	Total
DP	1	10,000	-	10,000

DV1	1	-	12,000	12,000
DV2	1	-	7,500	7,500
DV3	1	-	-	-
DV4	8	-	78,000	78,000
DV4S	1	-	12,000	12,000
DVHS	4	-	981,580	981,580
EX	25	-	676,160	676,160
EX (Prorated)	0	-	0	0
EX-XN	8	-	320,958	320,958
EX-XR	1	-	1,080	1,080
EX-XV	55	-	206,780	206,780
HS	237	12,313,855	-	12,313,855
OV65	153	1,475,000	-	1,475,000
OV65S	6	60,000	-	60,000
Totals		13,858,855	2,296,438	16,155,293

Waterwood MUD				
Exemption	Count	Local	State	Total
DP	2	6,000	-	6,000
DV1	1	-	3,120	3,120
DV2	2	-	12,770	12,770
DV3	1	-	3,110	3,110
DV4	3	-	36,000	36,000
DVHS	3	-	439,550	439,550
EX	3	-	84,100	84,100

EX-XV	86		3,406,760	3,406,760
EX (Prorated)	7	-	66,466	66,466
HS	161	5,965,289	-	5,965,289
OV65	95	279,000	-	279,000
OV65S	3	9,000	-	9,000
Totals		6,259,289	4,170,443	10,429,732

Waterwood MUD I & S

Exemption	Count	Local	State	Total
EX	28	-	249,240	249,240
EX-XV	1	-	83,180	83,180
HS	1	38,578	-	38,578
OV65	1	-	-	-
Totals		38,578	332,420	370,998

Special Road and Bridge

Exemption	Count	Local	State	Total
DP	332	-	-	-
DV1	38	-	247,344	247,344
DV1S	2	-	10,000	10,000
DV2	23	-	173,270	173,270
DV3	34	-	299,110	299,110
DV4	198	-	1,678,029	1,678,029
DV4S	6	-	49,700	49,700
DVHS	135	-	13,811,462	13,811,462
EX	608	-	168,893,240	168,893,240
EX (Prorated)	26	-	389,106	389,106

EX-XD	1	-	38,490	38,490
EX-XI	5	-	7,219,530	7,219,530
EX-XN	21	-	2,173,550	2,173,550
EX-XJ	1	-	438,170	438,170
EX-XR	10	-	149,500	149,500
EX-XU	1	-	170,390	170,390
EX-XV	331	-	46,829,297	46,829,297
EX366	2,202	-	108,183	108,183
HS	7,067	153,432,384	-	153,432,384
OV65	3,180	44,321,855	-	44,321,855
OV65S	197	2,723,713	-	2,723,713
PC	1	4,677,850	-	4,677,850
Totals		205,155,802	242,828,531	447,984,333

Lateral Road				
Exemption	Count	Local	State	Total
DP	332	890,302	-	890,302
DV1	38	-	247,344	247,344
DV1S	2	-	10,000	10,000
DV2	23	-	173,270	173,270
DV3	34	-	299,110	299,110
DV4	198	-	1,678,029	1,678,029
DV4S	6	-	49,700	49,700
DVHS	135	-	13,811,462	13,811,462
EX	608	-	168,893,240	168,893,240

EX (Prorated)	26	-	389,106	389,106
EX-XD	1	-	38,490	38,490
EX-XI	5	-	7,219,530	7,219,530
EX-XJ	1	-	438,170	438,170
EX-XN	21	-	2,173,550	2,173,550
EX-XR	10	-	149,500	149,500
EX-XU	1	-	170,390	170,390
EX-XV	331	-	46,829,297	46,829,297
EX366	2,202	-	108,183	108,183
HS	7,067	153,325,090	9,482,498	162,807,588
OV65	3,180	44,321,855	-	44,321,855
OV65S	197	2,723,713	-	2,723,713
PC	1	4,677,850	-	4,677,850
Totals		205,938,810	252,311,029	458,249,839

Cleveland ISD				
Exemption	Count	Local	State	Total
DP	36	-	303,067	303,067
DV1	3	-	15,000	15,000
DV2	1	-	7,500	7,500
DV3	2	-	10,000	10,000
DV4	14	-	122,550	122,550
DVHS	14	-	1,416,774	1,416,774
EX	16	-	14,456,020	14,456,020
EX-XN	4	-	170,461	170,461

EX-XV	6	-	969,192	969,192
EX366	215	-	22,328	22,328
HS	599	-	14,004,411	14,004,411
OV65	221	548,150	1,862,276	2,410,426
OV65S	14	39,000	130,000	169,000
	Totals	587,150	33,489,579	34,076,729

Coldspring ISD				
Exemption	Count	Local	State	Total
DP	165	-	1,085,659	1,085,659
DV1	27	-	153,750	153,750
DV1S	1	-	5,000	5,000
DV2	14	-	96,310	96,310
DV3	20	-	147,615	147,615
DV4	133	-	1,034,074	1,034,074
DV4S	6	-	36,285	36,285
DVHS	92	-	8,839,036	8,839,036
EX	350	-	96,702,680	96,702,680
EX (Prorated)	21	-	268,515	268,515
EX-XD	1	-	38,490	38,490
EX-XI	5	-	7,219,530	7,219,530
EX-XJ	1	-	438,170	438,170
EX-XN	18	-	1,664,454	1,664,454
EX-XR	10	-	149,500	149,500
EX-XU	1	-	170,390	170,390

EX-XV	284	-	42,239,150	42,239,150
EX366	1,001	-	37,005	37,005
HS	4,309	-	98,753,811	98,753,811
OV65	2,199	-	18,322,380	18,322,380
OV65S	129	-	1,163,666	1,163,666
Totals		-	278,565,470	278,565,470

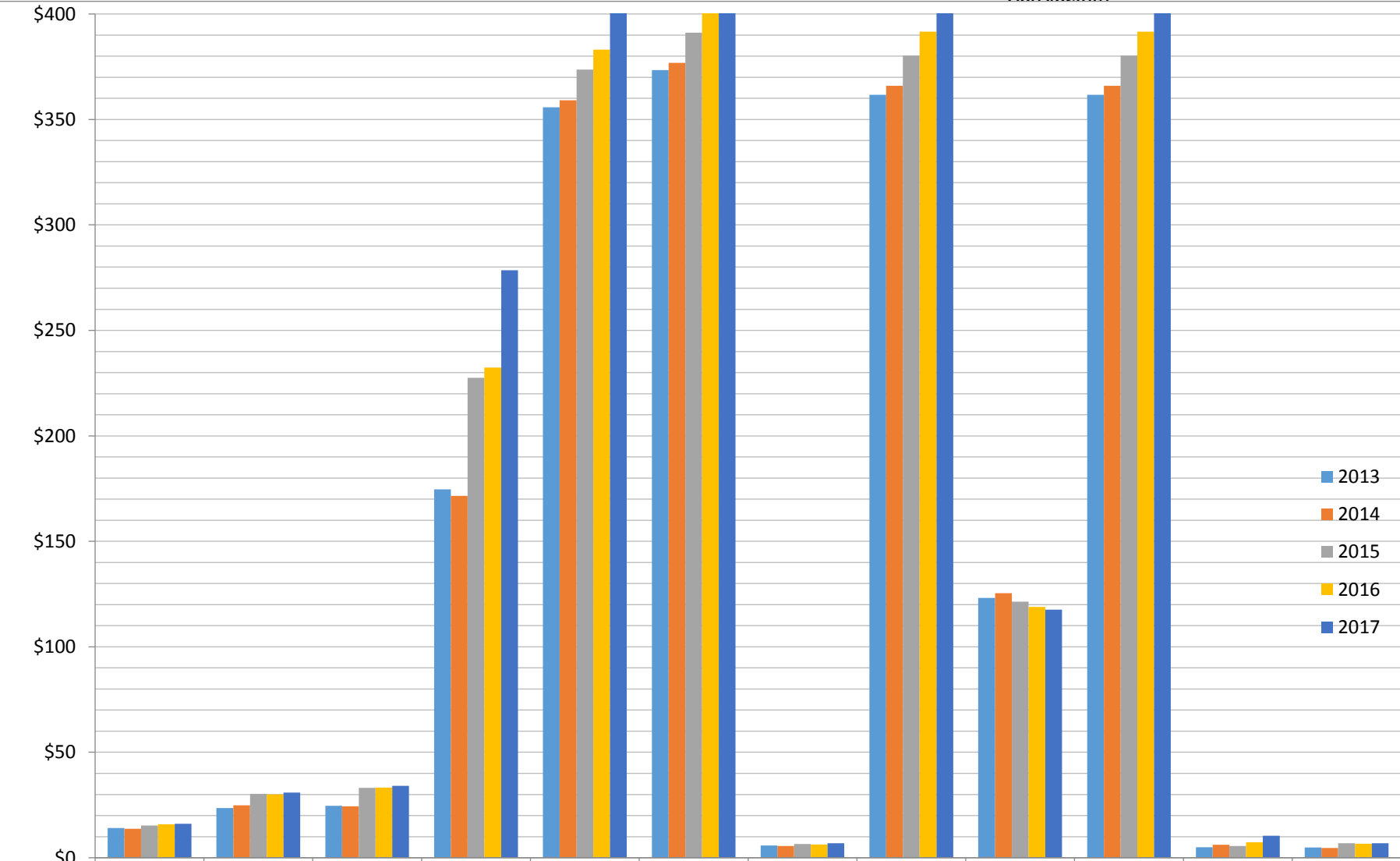
Shepherd ISD				
Exemption	Count	Local	State	Total
DP	124	-	775,445	775,445
DV1	7	-	39,110	39,110
DV2	7	-	49,500	49,500
DV3	11	-	80,520	80,520
DV4	49	-	356,577	356,577
DVHS	29	-	1,932,984	1,932,984
EX	234	-	55,695,560	55,695,560
EX (Prorated)	4	-	49,239	49,239
EX-XN	8	-	431,359	431,359
EX-XV	37	-	3,316,680	3,316,680
EX366	1,040	-	56,654	56,654
HS	1,995	-	44,257,946	44,257,946
OV65	711	-	5,375,028	5,375,028
OV65S	49	-	389,658	389,658
PC	1	4,677,850	-	4,677,850
Totals		4,667,850	112,956,420	117,634,270

Willis ISD				
Exemption	Count	Local	State	Total
DP	7	-	55,390	55,390
DV1	1	-	5,000	5,000
DV1S	1	-	5,000	5,000
DV2	1	-	12,000	12,000
DV3	1	-	10,000	10,000
DV4	2	-	24,000	24,000
EX	8	-	2,038,980	2,038,980
EX-XV	4	-	304,275	304,275
EX366	2	-	310	310
HS	163	-	3,828,373	3,828,373
OV65	49	-	451,160	451,160
OV65S	5	-	48,060	48,060
	Totals	-	6,853,900	6,853,900

2,292,136,243

The graph below illustrates a five-year history of **market value** loss due to all exemptions and total exempt properties by entity.
(in Millions)

San Jacinto



	Cape Royale UD	City of Shepherd	Cleveland ISD	Coldspring/Oakhurst ISD	Emergency Service District	Lateral Road	Lone Star College-Kingwood	San Jacinto County	Shepherd ISD	Special Road & Bridge	Waterwood MUD	Willis ISD
■ 2013	\$14,051,17	\$23,515,22	\$24,567,25	\$174,677,1	\$355,717,8	\$373,435,7	\$5,846,740	\$361,672,1	\$123,194,9	\$361,672,1	\$5,024,282	\$4,909,570
■ 2014	\$13,680,10	\$24,803,65	\$24,335,14	\$171,504,7	\$359,113,1	\$376,859,4	\$5,590,670	\$365,952,6	\$125,446,0	\$365,952,6	\$6,181,472	\$4,582,332
■ 2015	\$15,275,19	\$30,289,39	\$33,093,95	\$227,527,1	\$373,621,9	\$391,178,6	\$6,557,184	\$380,298,0	\$121,400,0	\$380,298,0	\$5,549,629	\$6,848,041
■ 2016	\$15,814,11	\$30,118,94	\$33,309,32	\$232,380,2	\$383,115,9	\$401,913,6	\$6,311,272	\$391,571,3	\$118,919,0	\$391,571,3	\$7,311,496	\$6,646,092
■ 2017	16,155,293	30,866,032	34,076,729	278,565,47	436,450,17	458,249,83	6,886,157	447,984,33	117,634,27	447,984,33	10,429,732	6,853,900

The table below summarizes the adopted tax rates for each of the taxing jurisdictions the appraisal district serves. The tax rates are normally adopted during the months of August and September of each year.

Entity	Year	M & O	I & S	Total Rate
City of Shepherd	2017	0.245598	0	0.245598
Emergency Services District	2017	0.10	0	0.10
San Jacinto County	2017	0.4263	0.04886	0.47516
Cape Royale MUD	2017	0.44	0	0.44
Waterwood MUD	2017	0.48	0.38	0.86
Special Road and Bridge	2017	0.0459	0	0.0459
Lateral Road	2017	0.1024	0.01652	0.11892
Cleveland ISD	2017	1.04	0.375	1.415
Coldspring ISD	2017	1.04	0.0	1.04
Shepherd ISD	2017	1.17	0.15	1.32
Willis ISD	2017	1.04	0.35	1.39
Waterwood MUD I & S	2017	0	0.0	0.0
Lone Star College Kingwood	2017	0.08	0.0278	0.1078

Bills Passed the 2017 Regular Session and the 1st Called Special Session of the 85th Texas Legislature

Texas voters approved three constitutional amendments addressing some area of property taxation November 7. Each bill includes a summary and effective date. All references to section numbers are to the Texas Tax Code, unless otherwise indicated. Some bills are listed several times because they address multiple subjects. For more information on these and additional bills not listed here, visit the website of Perdue Brandon Fielder Collins and Mott, LLP Attorneys at Law.

Appraisal District Administration

SPOUSES AND CHILDREN OF PEACE OFFICER REQUEST HOME ADDRESS BE CONFIDENTIAL

HB 457 Holland Amends 25.025

HB 457 adds the spouse or surviving spouse of a peace officer and the adult child of a current peace officer, as defined in Code of Criminal Procedure Article 2.12, to those who may request that their home address be confidential.

Effective: 6/15/2017, on Governor's signature. Status: NEW LAW. Governor signed HB 457 6/15/17.

CURRENT AND FORMER PROSECUTORS REQUEST HOME ADDRESS BE CONFIDENTIAL

HB 1278 Dutton Amends 25.025; amends Government Code 552.117, 552.1175

HB 1278 adds a current or former district attorney, criminal district attorney or a county or municipal attorney whose jurisdiction includes any criminal law or child protective service matters to the list that may request their home address be exempt from disclosure.

Effective: 6/15/2017, on Governor's signature. Status: NEW LAW. Governor signed HB 1278 6/15/17.

FEDERAL OR STATE JUDGE'S HOME ADDRESS IS AUTOMATICALLY CONFIDENTIAL

SB 42 Zaffirini Amends 25.025

SB 42 provides that the home address information of a federal or state judge, or their spouses, is automatically confidential and exempt from disclosure in the appraisal records, beginning on the date that the Office of Court Administration notifies the appraisal district of the judge's qualification for the judge's office. The judge or spouse no longer must request the exemption from disclosure by form.

Effective: 9/1/2017. Status: NEW LAW. Governor signed SB 42 5/27/17.

VICTIMS OF FAMILY VIOLENCE, ABUSE OR ASSAULT HOME ADDRESS REQUEST HOME ADDRESS BE CONFIDENTIAL

SB 256 Taylor Amends 25.025

SB 256 revises the procedures for keeping the home address confidential and not open to public disclosure for an individual, the individual's child or another person in the household who is a victim of family violence. The individual provides a copy of a protective order, magistrate's order for emergency protection or other independent document that indicates a victim of family violence. Two other types of individuals that may request their home address be kept confidential are: (1) a person who is a victim of sexual abuse; or (2) a victim of assault, stalking or trafficking. The person provides the same type of documents or is a participant in the address confidentiality program by the Attorney General's office.

Effective: 5/19/17, on Governor's signature. Status: NEW LAW. Governor signed SB 256 5/19/17.

CURRENT OR FORMER EMPLOYEE OF FEDERAL OR STATE JUDGE REQUEST HOME ADDRESS BE CONFIDENTIAL

SB 510 Zaffirini Amends 25.025

SB 510 provides that the home address information of a current or former employee of a federal or state judge may be exempt from disclosure in the appraisal records on written request.

Effective: 5/27/17, on Governor's signature. Status: NEW LAW. Governor signed SB 510 5/27/17.

TEXAS CIVIL COMMITMENT OFFICE'S EMPLOYEES REQUEST HOME ADDRESS BE CONFIDENTIAL

SB 1576 Perry Amends 25.025; amends other sections of various Codes

SB 1576 adds a current or former employee of the Texas Civil Commitment Office (or its predecessor in function or division) to the list that may request their home address be exempt from disclosure. These employees deal with individuals who are sexually violent predators.

Effective: 9/1/2017. Status: NEW LAW. Governor signed SB 1576 5/18/17.

CHIEF APPRAISER GIVEN AUTHORITY TO CORRECT ERRONEOUS DENIAL OR CANCELLATION OF EXEMPTION

SB 945 Bettencourt Amends 25.25

SB 945 expands the authority of the chief appraiser to correct the appraisal roll after certification to include correcting an erroneous denial or cancellation of a homestead exemption for the disabled or elderly or an exemption for a disabled veteran.

Effective: 5/22/17, on Governor's signature. Status: NEW LAW. Governor signed SB 945 5/22/17.

APPRAISAL AND PROTEST DEADLINES CHANGED

HB 2228 Murphy Amends 11.4391, 21.09, 22.23, 41.11, 41.44

HB 2228 changes several deadlines: the late deadline for filing for the freeport goods is changed to not later than June 15 (current law is before the ARB approves the records); a request for allocation of value must be filed before April 1 (current law is before May 1), with the provision for extending the deadline can be for 30 days (current is 45 days) and

that the chief appraiser may add an additional 30 days (current law is 60 days); rendition statements for property regulated by the Public Utility Commission, Railroad Commission, Federal Surface Transportation Board or Federal Energy Regulatory Commission must be delivered to chief appraiser by April 30, and the chief appraiser may extend by 15 days for good cause on written request of the owner. Under current law in Section 22.23(a), renditions and property reports are due between January 1 and April 15. Under current 22.23(b), on written request, the deadline shall be extended to May 15; and, upon written good cause, the chief appraiser can grant another 15 days. However, pursuant to this bill, which creates a new Section 22.23(c), if at least one taxing unit in the appraisal district grants freeport, then the rendition/report due date is April 1. Further, on written request, the deadline shall be extended to May 1. The chief appraiser also may extend the deadline for an additional 15 days for good cause shown in writing by the owner. We are not sure the Legislature intended this, but that is what the statute states. HB 2228 also moves the general protest deadline to **May 15** (instead of before May 1) or 30 days after receipt of notice, whichever is later. The bill abolishes the early delivery of homestead notices with its confusing deadline language.

Effective: 1/1/2018. Status: NEW LAW. Governor signed HB 2228 6/1/17.

Appraisal

MANUFACTURED HOUSING REGULATIONS CHANGED

HB 2019 T. King Amends 1.04, 11.432, 23.127, 25.08 and 32.03; amends and repeals various sections of Occupations Code Chapter 1201

HB 2019 revises regulation of manufactured housing. The chief appraiser shall appraise retail manufactured housing inventory as provided in Section 23.127. The Statement of Ownership and Location is changed to Statement of Ownership. The Texas Department of Housing and Community Affairs sets up a website with searchable and downloadable information on manufactured housing ownership, liens, installation, license holder records, shipment reports and enforcement actions. HB 2019 revised the filing of tax liens to include, that with respect to each January 1 occurring in the 18-month period preceding the date of the sale, there are no perfected and enforceable tax liens on the manufactured home that have not been extinguished and canceled in accordance with Tax Code Section 32.105, or personal property taxes due on the manufactured home.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 2019 6/1/17.

Exemptions

PARTIAL EXEMPTION APPLIED TO DONATED DISABLED VETERAN'S HOMESTEAD; TAX DEFERRAL INTEREST RATE CHANGED

HB 150, HJR 21 Bell Amends 11.132 and 33.06; amends Tex. Const. Art. 8, Sec. 1(b)(1)

HB 150 and constitutional amendment amend the partial homestead exemption for disabled veterans to include housing donated to a disabled veteran for less than 50% of the estimate of market value by the charitable organization that donates the housing. Presently, this exemption is available only to those homes donated at no cost.

Effective: 1/1/2018. Status: NEW LAW. Governor signed HB 150 6/15/17. Voters approved HJR 21 November 7.

LATE APPLICATION DEADLINE EXTENDED FOR HOMESTEAD AND DISABLED VETERAN'S EXEMPTIONS

HB 626 Workman Amends 11.431, 11.439

HB 626 extends the deadline for the late application for a homestead exemption to two years after the delinquency date for the home taxes. Current law requires filing the application no later than one year after the delinquency date. For the disabled veteran's exemption in Section 11.22, the application deadline is extended to no later than five years (from one year) after the delinquency date. For these late applications, the chief appraiser notifies each taxing unit's collector within 30 days after the date the application is approved. The collector is required to issue any refund not later than 60 days after the chief appraiser notifies the collector. This new application deadline applies to tax year 2016 forward.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 626 5/29/17.

CAD LIMITED ON REAPPLICATION BY TOTALLY DISABLED VETERAN

HB 1101 Pickett Amends 11.43

HB 1101 prevents the chief appraiser from requesting a new homestead exemption application to confirm current qualifications from a totally disabled veteran who has a permanent total disability determined by the Veterans Administration.

Effective: 1/1/2018. Status: NEW LAW. Governor signed HB 1101 5/26/17.

NAVIGATION DISTRICT PROPERTY IS EXEMPT FROM TAXES

SB 1133 Hinojosa Adds Water Code 60.005

SB 1133 provides that navigation district property is public property used for essential public and governmental purposes and exempt from taxes and assessments by the state or a political subdivision.

Effective: 5/26/17, on Governor's signature. Status: NEW LAW. Governor signed SB 1133 5/26/17.

USE REQUIREMENT DEFINED FOR TANGIBLE PERSONAL PROPERTY MOVING IN AND OUT OF TEXAS

HB 3103 Darby Amends 11.01

HB 3103 addresses tangible personal property used in Texas and outside of Texas to determine its situs for taxation. The property is considered to be used continually in Texas, whether regularly or irregularly, if the property 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. A series of events in close succession are if they occur in sequence within a short period of intervals from the beginning to the end of the year.

Effective: 6/15/2017, on Governor's signature. Status: NEW LAW. Governor signed HB 3103 6/15/17.

FIRST RESPONDER'S SURVIVING SPOUSE HOMESTEAD IS EXEMPT

SB 15 Huffines, SJR 1 Campbell Adds 11.134; amends 11.42, 11.43, 11.431, 26.10, 26.112; amends Government Code 403.302; adds Tex. Const. Art. 8, Sec. 1-b(o) and (p)

SB 15 and constitutional amendment provide a 100% homestead exemption to 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, as determined by the Employees Retirement System, and has not remarried since the death of the first responder. The exemption applies regardless of the date of the first responder's death if the surviving spouse meets the qualifications. A one-time application is required. The application must be made within two years of the delinquency date for the tax year to qualify. (See HB 626 for changes to Section 11.431.) The exemption applies for the whole first year but is prorated off if property ceases to qualify. The Comptroller adjusts the property values for school districts for state aid adjustments to compensate schools for the loss.

Effective: 1/1/2018. Status: NEW LAW. Governor signed SB 15 6/9/17. Voters approved SJR 1 November 7.

CHARITY THAT DOES TAX RETURNS IS EXEMPT FROM PROPERTY TAXES

SB 1345 Watson Amends 11.18

SB 1345 exempts a charitable organization's property used to provide tax return preparation and other financial services without the beneficiaries' ability to pay.

Effective: 1/1/2018. Status: NEW LAW. Governor signed SB 1345 6/15/17.

COUNTY FAIRS ASSOCIATION EXEMPTION CHANGED TO REFER TO TEXAS RACING ACT

SB 1969 Kolkhorst Amends 11.23 and various sections of Occupations Code Title 13

SB 1969 changes the cite for the county fairs association exemption from Article 179e, Vernon's Texas Civil Statutes to Subtitle A-1, Title 13, Occupations Code, Texas Racing Act.

Effective: 4/1/2019. Status: NEW LAW. Governor signed SB 1969 6/15/17.

Special Valuation

OWNER OF HEAVY EQUIPMENT INVENTORY GETS 10 EXTRA DAYS TO PREPAY TAX

HB 1346 Button Amends 23.1242

HB 1346 gives the owner/dealer of heavy equipment inventory 20 days after the first of each month to file the required form and prepay the inventory tax. Current law requires the owner/dealer to file and pay by the 10th day of the month.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 1346 5/23/17.

AG ROLLBACK TAX DOES NOT APPLY TO CHANGE FOR OIL AND GAS LEASE

HB 3198 Darby Adds 23.524

HB 3198 adds that the eligibility of land for agricultural appraisal does not end because a lessee under an oil and gas lease begins conducting oil and gas operations over which the Texas Railroad Commission has jurisdiction on the land, if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify for agricultural appraisal.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 3198 6/1/17.

QUALIFIED CITRUS PRODUCING LAND CONTINUES TO RECEIVE AG PRODUCTIVITY VALUE WHEN PEST CONTROL MANAGEMENT IS REQUIRED

SB 1459 Hinojosa Adds 23.524

SB 1459 provides for temporary cessation of agricultural use to manage the spread of certain pests. Qualified agricultural land does not end because the land ceases to be devoted principally to ag use to the degree of intensity generally accepted if: the land is in a pest management zone and appraised primarily for producing citrus; the owner has an agreement to destroy, remove or treat all citrus trees located on the land and infested with pests; and the agreement, per Agriculture Code Section 80.003, is with the Texas Citrus Pest and Disease Management Corporation, the Agriculture Commissioner or the U. S. Department of Agriculture. The temporary cessation is for five years. The owner is required to notify the chief appraiser in writing within 30 days of the agreement about the temporary cessation and include a copy of the agreement. A change of use occurs if the owner does not fully comply with the terms of the agreement.

Effective: 5/19/17, on Governor's signature. Status: NEW LAW. Governor signed SB 1459 5/19/17.

MEMBER IN MILITARY DOES NOT LOSE AG VALUE DUE TO CESSATION OF AG ACTIVITY DURING SERVICE OUT-OF-STATE

HB 777 Ashby Adds 23.253

HB 777 addresses a member of the armed services who is deployed out-of-state and who has land that qualifies for productivity valuation. The service member notifies the chief appraiser within 30 days of receiving the notice of deployment that the member intends to resume ag production to the requisite degree of intensity within 180 days of returning to Texas. The land's productivity value may not be removed due to cessation of agricultural activity.

Effective: 5/23/17, on Governor's signature. Status: NEW LAW. Governor signed HB 777 5/23/17.

Appraisal Review Board (ARB)**PROPERTY OWNER HEARD BY TELEPHONE CONFERENCE CALL AT ARB HEARING****HB 455 Metcalf Amends 41.45**

HB 455 authorizes a property owner to appear by telephone conference call to offer argument at the ARB hearing, if the owner gives advance notice at least 10 days before the ARB hearing or includes in the filed protest. Or, the ARB proposes that the hearing be conducted by telephone conference call and the property owner agrees. Evidence must be submitted in advance by affidavit. The ARB shall provide a telephone number for the owner to call to participate in the hearing and hold the hearing in a location equipped with telephone equipment that allows each ARB member and other parties to hear the owner's argument. The owner may still appear in person. If the owner doesn't show, the evidence in the affidavit is to be submitted as appearance.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 455 5/23/17.

PROPERTY OWNER SENDS LESSEE COPY OF NOTICE OF APPRAISED VALUE**HB 804 Dale Amends 41.413**

HB 804 requires an owner to send the person leasing the owner's property under contract a copy of the notice of appraised value. This provision does not apply if the property owner and the lessee have agreed in the contract to waive the requirements or that the lessee will not protest the property's appraised value. The lessee may request that the chief appraiser send a copy of the notice to the lessee. The chief appraiser sends the notice to the lessee within five days after the notice is sent to the property owner, if the lessee demonstrates a contractual obligation to reimburse the owner for taxes on the property. The chief appraiser, however, is not required to send the notice to the lessee if the appraisal district posts the appraised value of the property on its website within five days after notices are mailed. Failure of the owner to send a copy of the notice to the lessee does not affect the time within which the lessee may protest the appraised value. A person leasing property under a described contract may designate another person to act as the agent of the lessee for property tax purposes. The lessee must make the designation by filing an agent appointment form provided in Section 1.111.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 804 5/1/17.

PROPERTY OWNER MAY ELECT WHEN TO PRESENT EVIDENCE AT THE ARB HEARING**SB 1767 Buckingham Amends 25.25, 41.66**

SB 1767 adds that the property owner may elect to present the owner's evidence and argument at the ARB hearing before, after or between cases presented by the chief appraiser and each taxing unit (for a 25.25 hearing). The ARB's hearing procedures should state that the property owner may elect to present the owner's case at the ARB hearing before or after the CAD presents the CAD's case.

Effective: 1/1/2018. Status: NEW LAW. Governor signed SB 1767 6/15/17.

COMPTROLLER BY RULE SETS OUT FORM AND MANNER FOR PROPERTY OWNER’S EVIDENCE FOR ARB HEARING RECORD AND FOR AUDIOVISUAL EQUIPMENT; COMPTROLLER HANDLES SELECTION AND REMOVAL OF ARBITRATORS

SB 1286 Bettencourt Amends 41.45, 41A.061, 41A.07

SB 1286 adds that the Comptroller by rule shall set out the manner and form, including security requirements, for a person to provide a copy of written evidence or other material for the ARB to retain as part of the ARB’s hearing record and to include specifications for the audiovisual equipment provided by the CAD for use by the property owner or owner’s agent. For the Comptroller’s registry of arbitrators, the Comptroller shall select the arbitrator, rather than the property owner and CAD. To be appointed an arbitrator for a particular case, the arbitrator must be a resident of the county where the property is located or in this state if no one is available in the county. A person may not serve as an arbitrator in that county if, during the preceding five years, the person was a paid tax agent, CAD officer, CAD employee or ARB member in the CAD in which the property is located. The Comptroller shall remove from the registry a person who shows repeated bias or misconduct as an arbitrator. See also Appraisal District Litigation.

Effective: 9/1/2017, with the Comptroller rules adopted by January 1, 2018. Status: NEW LAW. Governor signed SB 1286 6/12/17.

Appraisal District Litigation

PROPERTY VALUE INCREASED FOR APPEALING THROUGH ARBITRATION

SB 731 Bettencourt Amends 41A.01, 41A.03, 41A.06

SB 731 increases the value of a property that an owner may appeal the ARB decision to binding arbitration from \$3 million to \$5 million or less. A fee of \$1,550 is added for a property that is not an owner’s residence homestead and the appraised value of the property is more than \$3 million but not more than \$5 million. SB 731 also changes the term “salesperson” to “sales agent” under Chapter 1101, Occupations Code, as someone who may serve as an arbitrator.

Effective: 9/1/2017. Status: NEW LAW. Governor signed SB 731 6/9/17.

Tax Collections

INSTALLMENT PAYMENT OF CURRENT TAXES REVISED FOR PROPERTY IN DISASTER

SB 1047 Creighton Amends 31.032

SB 1047 revises the language for four equal installment payments by certain property owners in a disaster area. It adds to current law that the first installment may be paid in the first month of delinquency, with the owner providing a notice that the payment is the first installment.

Effective: 1/1/2018. Status: NEW LAW. Governor signed SB 1047 6/12/17

PROPERTY OWNER WHO PAID TAX GETS REFUND FOR CORRECTED TAX RECORD

HB 2989 D. Bonnen Amends 26.15

HB 2989 clarifies that the property owner who paid the tax on a property receives any tax refund due to a correction decreasing tax liability on the property. [Note: This change does not apply to court-ordered refunds under Section 42.43.]

Effective: 5/26/17, on Governor's signature. Status: NEW LAW. Governor signed HB 2989 5/26/17.

Delinquent Tax Litigation

RIGHT TO DEFER PROPERTY TAXES EXTENDED TO DISABLED VETERANS

HB 217 Canales Amends 33.06

HB 217 authorizes individuals who qualify for the disabled veteran's exemption in Tax Code Section 11.22 may defer or abate the collection of delinquent taxes on their residence homestead. These individuals qualify for the disabled veteran's partial exemption, depending on percentage of disability, in Tax Code Section 11.22. This right to defer also is granted to the surviving spouse or surviving child of a deceased disabled veteran, pursuant to Section 11.22.

Effective: 9/1/2017. Status: NEW LAW. Governor signed HB 217 5/18/17.