

PALO PINTO APPRAISAL DISTRICT

ANNUAL REPORT 2017

This annual report is created to provide the reader with information and understanding of the responsibilities and activities of the operations of PPAD. This report will highlight our appraisal operations, the appeals process and our customer service.

PPAD works hard to provide equality and uniformity to the property owners. The taxing jurisdictions within the boundaries of Palo Pinto County rely upon the work of PPAD and expect our operations to be efficient, accurate and timely.

PPAD's appraised values are tested by the Texas State Comptroller – Property Tax Division to ensure that all the school district within the boundaries of Palo Pinto County receive accurate appraised value for setting the basis for their school funding.

The Texas State Comptroller – Property Tax Assistance Division also tests all appraisal districts in the state on their governance, taxpayer assistance, operating procedures and appraisal standards, procedures and methodology.

I would like to thank you for taking the time to review this annual report and hope that it helps all readers to gain insight into the operations of Palo Pinto Appraisal District.

Sincerely,

Donna Kozlovsky

Executive Director/Chief Appraiser

SCOPE OF WORK

The Palo Pinto Appraisal District (PPAD) is a political subdivision of the State Of Texas created to be effective January 1, 1980. The Texas Property Tax Code governs the legal, statutory and administrative requirements of all the appraisal districts in the State of Texas. The governing body of PPAD is a board of directors. The board of directors is appointed by the elected governing boards of the taxing entities that have property within the boundaries of Palo Pinto County. The chief appraiser is the chief executive director and the chief administrator of PPAD. The chief appraiser is appointed by the board of directors.

For 2017 Palo Pinto Appraisal District (PPAD) appraised all taxable property on approximately 45,088 parcels. PPAD also is the office that grants or denies exemptions (Homesteads, Religious Exemptions etc.) and grants or denies special appraisals (1-d-1 or wildlife). The PPAD staff is very knowledgeable and will be very helpful in assisting with helping with any exemption or special appraisal. There are 20 entities in Palo Pinto County for which PPAD determines values for ad valorem taxes. This includes school districts, county, cities, and hospital and water districts. Ad Valorem taxes are what funds public services. The appraisal process is designed to establish a tax base and ensure that the tax burden is distributed equally according to the market value of properties. Each taxing jurisdiction sets their own tax rate to generate revenue to pay for the operations of its entity.

Citizens do have a voice in the ad valorem process. Voters elect the officials who set the tax rates, and establish the taxing entity budgets. There are various public meeting that occur during the ad valorem tax process.

PPAD currently has 14 employees. The chief executive officer of the appraisal district is the Chief Appraiser. PPAD has 5 Real Estate appraisers and 1 appraiser for income producing Personal Property and Commercial Real Estate. PPAD also has a Receptionist, an Exemption Specialist, a GIS Mapping Coordinator, a Deed Department and an ARB Coordinator.

For 2017 the total market value in PPAD grew to \$4,647,625,023. However due to exemptions and special appraisals the taxable value for 2017 is \$2,927,957,904. As of the date of the annual report, PPAD still had \$41,912,690 in market value under protest. Per the Texas Property Tax Code, the market value of all taxable property shall be determined by the application of generally accepted appraisal methods and techniques. PPAD appraises property using mass appraisal standards. Per the Texas Property Tax Code: "all taxable property is to be appraised at its market value as of January 1 of each year.... All properties are to be appraised equally and uniformly." The Tax Code also requires each appraisal district to implement a plan for reappraisal of all properties within its boundaries. The Tax Code directs that all real estate must be reappraised at least once every three years. For 2017 PPAD is in a three year reappraisal cycle. Each year one third 1/3 of the county properties are reappraised. However, each year all real estate properties are analyzed and adjusted as needed to keep values at an equal and market value. Income

producing personal property is appraised every year. The actual appraisal inspection of properties is normally conducted August through April each year.

TAXING ENTITIES SERVED

The twenty (20) taxing jurisdictions within the boundaries of PPAD include;

Cities: Gordon, Graford, Mineral Wells, Mingus and Strawn;

School Districts: Gordon, Graford, Lipan, Millsap, Mineral Wells, Palo Pinto, Perrin/Whitt, Santo and Strawn.

Also included are Palo Pinto County, Palo Pinto Emergency Services, Palo Pinto Hospital District, Keechi Water District, Palo Pinto Fresh Water District #1 and Sportsman Word Mud. PPAD only appraises to the Palo Pinto County Line for each of these taxing entities.

RECORDS AND DATA

Palo Pinto Appraisal District is responsible for establishing and maintaining records for approximately 45,000 parcels of real estate, income producing personal property, mineral, industrial and utility parcels located within the boundaries of Palo Pinto County. Each parcel record contains property ownership, descriptions, characteristics, location, special appraisal information and exemption information. All parcel information is verified and updated as necessary through field inspections. New construction is located, inspected and documented into the appraisal records.

HOMESTEAD EXEMPTIONS

To qualify for a general homestead exemption, you must own your home on January 1. You can qualify for the over-65 or disabled homeowner exemptions as soon as you turn 65 or become disabled, as long as you own the home and live in it as your principal residence.

If you have more than one house, you can receive exemptions only for your main or principal residence. You must live in this home on January 1. A person may not receive a homestead exemption for more than one residence homestead in the same year.

Palo Pinto Appraisal District requires documentation such as a copy of drivers license or voters registration as proof of residency.

Below you will see the list of exemption amounts for homesteads in PPAD

<u>JURISDICTION</u>	<u>%</u>	<u>0/65</u>	<u>REG</u>	<u>LOCAL</u>
		<u>DISABLED</u>		<u>OPTION</u>
PALO PINTO COUNTY		\$10,000.		
FIRE DISTRICT		\$10,000.		
HOSITAL DISTRICT		\$10,000.		
GORDON ISD		\$10,000.	\$25,000.	
GRAFORD ISD		\$10,000.	\$25,000.	
MINERAL WELLS ISD		\$10,000.	\$25,000.	\$5,455.
PALO PINTO ISD	20%	\$10,000.	\$25,000.	
SANTO ISD		\$10,000.	\$25,000.	
STRAWN ISD		\$10,000.	\$25,000.	
GORDON CITY				
GRAFORD CITY		\$ 5,000.		
MINERAL WELLS CITY		\$10,000.		
MINGUS CITY		\$10,000.		
STRAWN CITY				
KEECHI WATER DISTRICT		\$ 5,000.		
SPORTSMAN WORLD MUD	20%	\$10,000.		

APPEALS

Notices of Appraised Values are mailed each year around May 1. Notices are mailed to property owners whose value increased \$1,000 or more, new property owner, requested a notice, properties that lost or were granted an exemption or special appraisal and to owners that rendered their property and to all properties that are located in an area that was reappraised.

If property owners do not agree with their value or a determination on an exemption or special appraisal, they have 30 days from the date that this notice was mailed to send their protest to PPAD. Of course within this 30 day time from, property owners can call or come to the PPAD office Monday through Friday from 8:00 AM to 4:30 PM to visit with the appraiser for your area. It is easier to get to speak to an appraiser if you do come into the appraisal district office that is located at 200 Church Ave, Palo Pinto, Texas.

Once protests are received, the ARB Coordinator schedules all protests for a hearing with the Appraisal Review Board (ARB). At these ARB hearings, property owners or agents will have to opportunity to explain and provide documentation to the ARB on why they do not agree with their Notice of Appraised Value. The Palo Pinto Appraisal District will also have representation at this hearing and will also have the chance to provide documentation to the ARB as to my they feel that the information on the Notice of Appraised Value is correct. Once the ARB hears all the evidence from the property owner and from the appraisal district, the ARB makes a determination on the protest. This all occurs in one hearing that is conducted in the board room of the Palo Pinto Appraisal District. The ARB is an informal board of citizens that are appointed by the Board of Directors of the appraisal district. The Board of Directors of the appraisal district is nominated and elected to position by the taxing entities in the county.

DISTRIBUTION OF TAX BURDEN

For Palo Pinto Appraisal District approximately 92% of the market value is real estate. Industrial, minerals, utilities and income producing personal property are approximately 8% of the total market value. The value loss due to the special appraisal evaluation of 1-d-1 (open space or “Ag”) is over \$1,327,000,000. Homesteaded properties decrease the market value by over \$49,887,165. Totally exempt properties add another \$327,713,614 to the reduction in the market value.

Below please see the market and taxable values for each taxing entity in Palo Pinto County for 2017 as of certification date July 21, 2017.

	MARKET	TAXABLE
Palo Pinto County	\$4,649,515,630.	\$2,875,761,472.
Emergency Services	\$4,649,515,630.	\$2,875,761,472.
Hospital District	\$4,649,515,630.	\$2,875,761,472.
Gordon City	\$ 29,212,030.	\$ 20,987,480.
Graford City	\$ 24,816,110.	\$ 15,977,450.
Mineral Wells City	\$ 860,746,150.	\$ 600,812,108.
Mingus City	\$ 11,344,750.	\$ 9,576,510.
Strawn City	\$ 30,428,840.	\$ 21,996,995.
Gordon ISD	\$ 296,232,020.	\$ 141,881,840.
Graford ISD	\$1,288,625,230.	\$ 946,657,851.

Keechi Water Dist	\$ 68,401,590.	\$ 24,422,350.
Lipan ISD	\$ 63,062,850.	\$ 20,652,236.
Millsap ISD	\$ 5,800,310.	\$ 4,108,580.
Mineral Wells ISD	\$1,344,304,870.	\$ 772,219,806.
Palo Pinto ISD	\$ 745,209,040.	\$ 504,619,602.
Perrin/Whitt CISD	\$ 41,125,210.	\$ 16,941,000.
PPWCD1	\$ 109,529,390.	\$ 108,745,630.
Santo ISD	\$ 687,891,300.	\$ 255,092,506.
Sportsman World Mud	\$ 141,470,400.	\$ 124,154,973.
Strawn ISD	\$ 177,264,960.	\$ 53,817,207.

NEW CONSTRUCTION

In 2017 Palo Pinto County had 689 parcels with new value that totaled \$39,489,958 in new construction value.

SUMMARY OF MAJOR ACCOMPLISHMENTS

According to the Comptroller of the State of Texas Property Value Study, PPAD did not appraise all properties within its boundaries within the appropriate confidence interval or 95% to 105% for 2016. The Comptroller PVS showed that Graford ISD and Mineral Wells ISD were below the required confidence interval. PPAD will have another ratio study conducted for the 2017 year on Graford ISD and Mineral Wells ISD. Values increased in Graford ISD and Mineral Wells ISD for 2017. PPAD is currently waiting on the results of the 2017 PVS in GRISD and MWISD.