



# Brazoria County Appraisal District



## 2014 Annual Report

### *Mission Statement*

*Our mission as public servants is to demand excellence in the services provided to the taxpayers and taxing jurisdictions of Brazoria County. The district's goal is to efficiently and timely produce an accurate, complete and equitable appraisal roll. The intent of the policies and procedures of the district is to bring about the highest possible degree of understanding, cooperation, dependability, flexibility and functionality which managing critical data in dynamic situations.*



## ***Brazoria County Appraisal District***

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OFFICE OF THE CHIEF APPRAISER

CHERYL EVANS

October 2014

This annual report for 2014 provides information about the operations of the Brazoria County Appraisal District (BCAD) and has been designed to summarize information which is published in different formats into one cohesive report. It highlights the results of our appraisal operations, our taxpayer assistance and our financial stewardship. In addition statistical comparisons of our values, of our appeal process and of our property value study are provided:

The Brazoria County Appraisal District strives to be one of the premier governmental organizations in the State of Texas by working under the guidance of the Property Tax Assistance Division of the State Comptroller's Office to assure that school districts in the county receive accurate appraisal values for setting the basis for school funding.

As chief appraiser, I set a high commitment to customer service – every employee at BCAD understands that he/she is a public servant and here to help the taxpayers.

In 2014 BCAD again made our highest priority serving the taxpayers and taxing entities of Brazoria County by successfully providing a certified and timely appraisal roll that is accurate and fair to ensure the tax burden in our county is equitably distributed.

I thank you for taking time to review this annual report and hope it gives some insight to the operations of the Brazoria County Appraisal District.

Sincerely and Respectfully,

A handwritten signature in cursive script that reads "Cheryl Evans".

Cheryl Evans  
Chief Appraiser

## PURPOSE

The Brazoria County Appraisal District (BCAD) has prepared this report to provide Brazoria County citizens and taxing jurisdictions with a better understanding of the district's annual responsibilities and activities. This report includes a general introduction, statistical breakdown of parcels, protests, etc.; a ratio profile of the county and the most recent Property Value Study conducted by the Texas State Comptroller.

### ***How does the system work?***

There are three main parts to the property tax system in Texas:

*An appraisal district* in each county sets the value of taxable property each year. The *chief appraiser* is the appraisal district's chief administrator and is responsible to a board of directors for its operation.

*An appraisal review board (ARB)* settles any disagreements between you and the appraisal district about the value of your property.

Local *taxing units*, including the county, cities, school districts, and special districts, decide how much money they will spend each year. This in turn determines the tax rates they need to set and the *total amount* of taxes that you and your neighbors will pay.

The system has four stages: valuing the taxable property, protesting the values, adopting the tax rates, and collecting the taxes.

January 1 marks the beginning of property appraisal. What a property is used for on January 1, market conditions, at that time, and who owns the property on that date determine whether the property is taxed, the value, qualifications for exemptions, and who is responsible for paying the tax.

Between January 1 and April 30, the appraisal district processes applications for tax exemptions, agricultural and timber appraisals, and other tax relief. By law, beginning April 1, the appraisal review board begins hearing protests from property owners who believe their property values are incorrect, or who feel they were improperly denied an exemption or agricultural/timber appraisal. The ARB is an independent panel of citizens responsible for handling protests about the appraisal district's work. When the ARB finishes its work, the chief appraiser gives each taxing unit a list of taxable property known as the appraisal roll.

Usually in September or October, the elected officials of each taxing unit adopt tax rates for their operations and debt payments. Typically, each property is taxed by several taxing units. For example, every property in Brazoria County is taxed by both the county and a school district. Taxes may also be payable to a city or special district, including such entities as municipal utility districts, rural fire protection districts, junior college districts, and others.

Tax collection starts in October and November as tax bills go out. Taxpayers have until January 31 of the following year to pay their taxes. On February 1, penalty and interest charges begin accumulating on most unpaid tax bills. Taxing units may start legal action to collect unpaid property taxes once they become delinquent.

## INTRODUCTION

The Brazoria County Appraisal District (BCAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A member board of directors, appointed by the taxing units within the boundaries of Brazoria County, constitutes the district's governing body. The chief appraiser, appointed by the board of directors, is the chief administrator and chief executive officer of the appraisal district. In 2013 the chief appraiser reported to the board of directors:

Title	Member	Area
Chairperson	William Hasse	<i>Alvin</i>
Vice-Chairperson	Glenn W. Salyer	<i>Sweeny, Columbia-Brazoria</i>
Secretary	Rubye Jo Knight	<i>Pearland</i>
Member	Ryan Cade	<i>Angleton</i>
Member	Gail Robinson	<i>Brazosport</i>
Tax Assessor-Collector	Ro'Vin Garrett	<i>Brazoria County</i>

A list of members for the district's appraisal review board and agricultural advisory board can be found at <http://www.brazoriacad.org/agricultural-advisory-board.html> and <http://www.brazoriacad.org/appraisal-review-board-arb.html>.

The appraisal district is responsible for local property tax appraisal and exemption administration for 64 jurisdictions or taxing units in the county. Each taxing unit, such as the county, a city, school district, municipal utility districts, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Appraisals established by the appraisal district allocate the year's tax burden on the basis of each taxable property's January 1<sup>st</sup> market value. The appraisal district also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, and charitable and religious organizations.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted appraisal programs, and recognized appraisal methods and techniques, the appraisal staff compares that information with the data for similar properties, and with recent market data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. In cases where the appraisal district contracts for professional valuation services, the contract that is entered into by each appraisal firm requires adherence to similar professional standards.

Except as otherwise provided by the Texas Property Tax Code, all taxable property is appraised at its "market value" as of January 1<sup>st</sup>. Under the tax code, "market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- both the seller and the buyer know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use, and;
- both the seller and buyer seek to maximize their gains and neither is in position to take advantage of the exigencies of the other.

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), and real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127) nominal (Sec.23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1<sup>st</sup> of the year proceeding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1<sup>st</sup>.

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district's current policy is to conduct a general reappraisal of real property every three (3) years. However, appraised values are reviewed annually and are subject to change for purposes of equalization and achieving market value as prescribed under state law. Personal property renditions are required by law and accepted by the district annually.

## ***Personnel Resources***

- The Office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations. The Administration Department's function is to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services. The Appraisal Department is responsible for the valuation of all real and personal property accounts. The appraisal divisions include commercial, residential, business personal, and industrial. The district's appraisers are subject to provisions of the Property Taxation Professional Certification Act and must be duly registered with The Texas Department of Licensing and Regulation. The 2014 budget included \$25,000 allocated to education for registrants.

YEAR	TOTAL BUDGET	# EMPLOYEES	TOTAL # PARCELS	\$ PER PARCEL
2014	\$4,295,690.00	53	213,356	\$20.13
2013	\$4,142,340.00	50		
2012	\$4,078,170.00	52		
2011	\$4,150,890.00	52		
2010	\$3,988,185.00	52		



The preliminary budget is presented to the board of directors and entities by June 15<sup>th</sup> each year and a public hearing is held prior to adoption in September. Financial statements are audited annually and the financial results of the Brazoria County Appraisal District reflect the focus on conservative fiscal stewardship utilizing resources in an effective manner.

### **2014 County Data**

BCAD has eight school districts within the county boundaries. Angleton ISD has approximately 10,000 improved residential real property parcels; 700 improved commercial parcels; and 8,400 unimproved land parcels. Pearland ISD has approximately 27,500 improved residential real property parcels; 990 improved commercial parcels; and 2,500 unimproved land parcels. Alvin ISD has approximately 25,000 improved residential real property parcels; 1,330 improved commercial parcels; and 9,900 unimproved land parcels. Brazosport ISD has approximately 18,500 improved residential real property parcels; 1,500 improved commercial parcels; and 7,000 unimproved land parcels; other school districts include Danbury, Damon, Sweeny and Columbia Brazoria which have approximately 13,560 improved residential real property parcels; 690 improved commercial parcels; and 14,300 unimproved land parcels. BCAD appraises approximately 5,700 personal property manufactured homes and 10,000 lease and business personal property accounts; BCAD also maintains approximately 3,100 industrial accounts through contracted appraisal services. An allocation of appraisal staff to parcel ratio is submitted annually to the chief appraiser for consideration.

Cities are Alvin, Angleton, Brazoria, Village of Brookside, Clute, Danbury, Freeport, Holiday Lakes, Hillcrest Village, Jones Creek, Lake Jackson, Liverpool, Manvel, Oyster Creek, Pearland, Quintana, Richwood, Village of Surfside, Sweeny and West Columbia. A list of all taxing jurisdictions and their respective exemptions and tax rates for 2014 are found at:  
<http://www.brazoriacad.org/2014-tax-rates.html>

### **Requirements and Responsibilities**

*The Texas Property Tax Code governs the legal, statutory and administrative requirements of appraisal districts. A board of directors appointed by the taxing units constitutes the district's governing body.*

*Each appraisal district is required to determine the market value of taxable property and the prescribed equalization. They must comply with mass appraisal standards of the national Uniform Standards of Professional Appraisal Practices (USPAP).*

*Appraisal Districts DO NOT set tax rates or the amount of taxes owed.*

## ***Appraisal Results***

The appraisal function for Brazoria County Appraisal District is divided into four departments – Residential Commercial, Business Personal Property and land. Industrial and mineral appraisals are contracted through an outside agency. BCAD has 30 registered appraisers of which 21 have attained the Registered Professional Appraiser (RPA) state designation.

A mass appraisal report is completed in compliance with USPAP Standard Rule 6-8 and is compliant with USPAP Standard Rule 6-9. The reappraisal plan, mass appraisal report and annual report together provide the public an overall understanding of the full appraisal process. Whereas, each document stands alone, all three must be considered in relaying the district's completion of the property tax year and the mandated requirements.

***Fieldwork Reappraisal:*** includes inspection of properties that typically include remodels, repairs, demolitions generated from permits as well as those properties flagged for re-inspection. In addition properties are cycled through a three year reappraisal process.

New construction, sold properties and/or properties that were the subject of appeal are also part of the field inspection process.

***In-House Reappraisal:*** are based on those market areas and properties that have been targeted to be revalued including, but not exclusive to concentrations of protests, sales and/or low ratios. The reappraisal in most of these areas can be accomplished utilizing digital aerial photography, street view photography and statistical data. These are tools recognized and accepted by the International Association of Assessing Officers.

Income producing properties are reevaluated annually by development of income models for the mass appraisal of major property types such as office, retail, apartments and hotels.

### ***Reappraisal Results:***

Commercial properties saw the largest increase in value for 2014 with a reappraisal of apartments (12% increase); and hotels (17% increase); these two categories account for a little over 50% of the total commercial values.

The 5,678 commercial improved properties were certified at \$2,743,543,459 of which \$115,848,040 was new value to the tax roll in 2014.

Residential properties in the southern portion of the county had a 5% increase in the median sale price (\$82.17 per square foot) and the north end of the county say a 7.5% increase (85.47 per square foot).

The 103,188 residential improved properties were certified at \$13,780,115,817 of which \$215,699,713 was new value to the tax roll in 2014.

The 490,395.7 acres in agricultural productivity had a market value of \$1,058,811,221 and a loss due to AG use of \$1,000,897,698 leaving a taxable value of \$57,913,523.

### ***Appeal Data***

In accordance with the Texas Property Tax Code, Section 41.44, a property owner and/or authorized tax consultant may file an appeal with the appraisal review board of Brazoria County. The district schedules these appeals for informal meetings with appraisal staff and unresolved appeals are scheduled for formal hearings with the ARB. The ARB members are independent of the district and are empowered to hear all of the protests of value and any issues that affect the tax liability of the property and to equalize values. The protest process begins on April 1<sup>st</sup> and concludes with the certification of the appraisal roll to the 75 taxing entities of Brazoria County. The ARB is a quasi-judicial body appointed by the county's district administrative judge.

YEAR	NOTICES	PROTESTS	INFORMALS/FORMALS	
2006	135,011	24,607	23,286	1,321
2007	139,324	25,294	24,422	872
2008	125,367	20,534	19,519	1,015
2009	109,049	27,786	26,572	1,214
2010	152,803	22,788	20,187	2,601
2011	112,472	20,428	17,754	2,674
2012	132,925	20,606	17,795	2,811
2013	118,536	19,282	16,768	2,514
2014	153,749	23,045	20,760	2,285

Of the 2,285 scheduled for a formal hearing with the appraisal review board in 2014, 1,563 were non-attended by the taxpayer.

After the equalization phase, commonly called protest season, the chief appraiser certifies the tax roll and submits the roll to the taxing jurisdictions within the boundaries of Brazoria County. The total market value certified by the chief appraiser for 2014 was \$31,111,542,742; after productivity loss, homestead cap loss and applicable exemptions \$22,198,747,843 remained as taxable value.

To view the 2014 certified roll go to:

<http://www.brazoriacad.org/certified-tax-rolls.html>



## ***Recognized Achievements***

The Brazoria County Appraisal District passed the 2012 bi-annual Property Value Study (PVS) conducted by the Texas State Comptroller's office scoring 100% of the overall median level of appraisal. The PVS has two functions for school funding purposes: 1) to assess the median level of appraisal for each CAD; and 2) to determine if the values are at or near market value.

The district is currently participating in the 2014 study and will publish results after March 2015. In the 2012 study, 850 single family residential properties were tested and the district scored 100% of a median level of appraisal; 117 rural land accounts tested were at 94% of the median level of appraisal; 197 commercial accounts tested were at 100%;

To view this study or any previous studies go to:

<http://www.window.state.tx.us/propertytax/administration/pvs/findings/2012f/020index.html>

In 2013 the comptroller's office recognized BCAD with a rating of EXCEEDS during the bi-annual Methods and Assistance Program review (MAP). The MAP review checks and ensures that all districts are compliant with IAAO (International Association of Assessing Officers) and standards adopted in the tax code and guidelines from the Property Tax Assistance Division of the state comptroller's office.

Texas has 253 appraisal districts. BCAD is among 41 that are considered Tier 1 – more than \$5 billion in value. BCAD receiving the highest level of scoring was determined after evaluating the district's governance, taxpayers' assistance operating procedures and appraisal standards. The district will undergo another review in 2015. To view the full 2013 report, go to on this website:

<http://www.window.state.tx.us/taxinfo/proptax/map/2011/brazoria-MAP.pdf>