

San Jacinto County Appraisal District



**2013
ANNUAL
REPORT**

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Purpose

This report serves as the official annual appraisal report for the year 2013 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 2013 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 2012-2013 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 2 certified RPA's and 6 appraisers working toward RPA certification.

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.

2013	Category	Count
A	Real Property: Single-Family Residential	11,800
B	Real Property: Multifamily Residential	11
C	Real Property: Vacant Lots and Tracts	17,402
D	Real Property: Qualified Agricultural Land	2,323
E	Real Property: Rural Land, Not qualified for open-space land appraisal, and Improvements	3,128
F1	Real Property: Commercial	426
F2	Real Property: Industrial (Manufacturing)	15
G1	Real Property: Oil, Gas and Other Minerals	3,881
J1	Water Systems	8
J2	Gas Distribution System	3
J3	Electric Company (Including Co-Op)	22
J4	Telephone Company (Including Co-Op)	14
J5	Railroad	3
J6	Pipeline Company	55
J7	Cable Television Company	14
J9	Railroad Rolling Stock	1
L1	Personal Property: Commercial	481

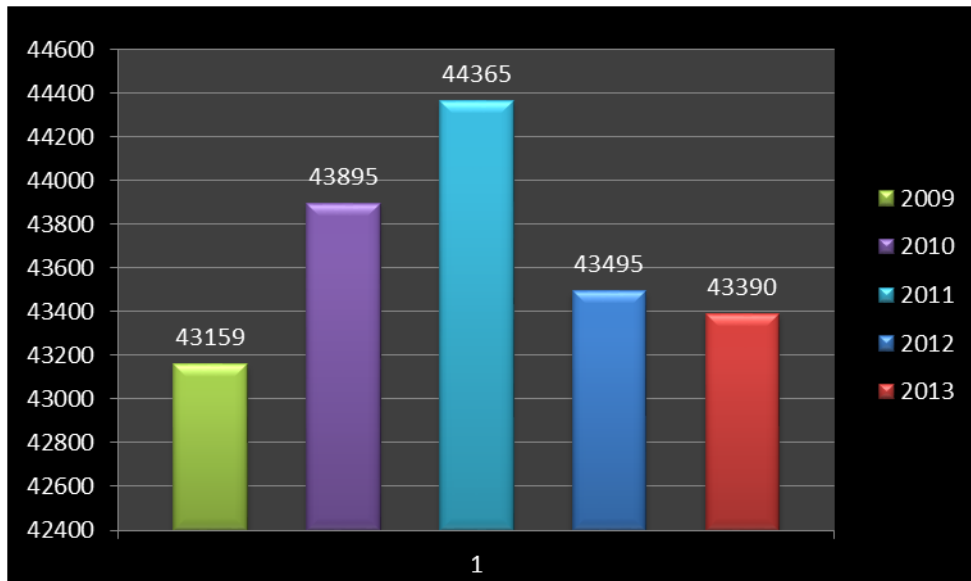
L2	Personal Property: Industrial (Manufacturing)	147
M1	Mobile Homes	1,274
O	Real Property: Residential Inventory	1,317
S	Special Inventory	2
X	<u>Totally Exempt Property</u>	<u>2,072</u>
	Total Property Segment Count	43,390

Taxing Entities	2013 Total Parcels
San Jacinto County	43,390
San Jacinto County Special Road & Bridge	43,390
San Jacinto County Lateral Road	43,390
Emergency Service District	41,211
Lone Star College-Kingwood	645
City of Shepherd	1,706
Coldspring Oakhurst ISD	28,360
Shepherd ISD	11,767
Cleveland ISD	2,617
Willis ISD	645
Waterwood MUD	2,177
Cape Royale MUD	1,690

As of Certification* July 2013

The District's parcel count has decreased approximately 1 % in the past year. The decrease can be largely attributed to an increase in the number of oil and mineral interest accounts. The change in parcel counts between 2009 and 2013 can be attributed to a fluctuation in residential and mineral accounts.

Parcel Counts

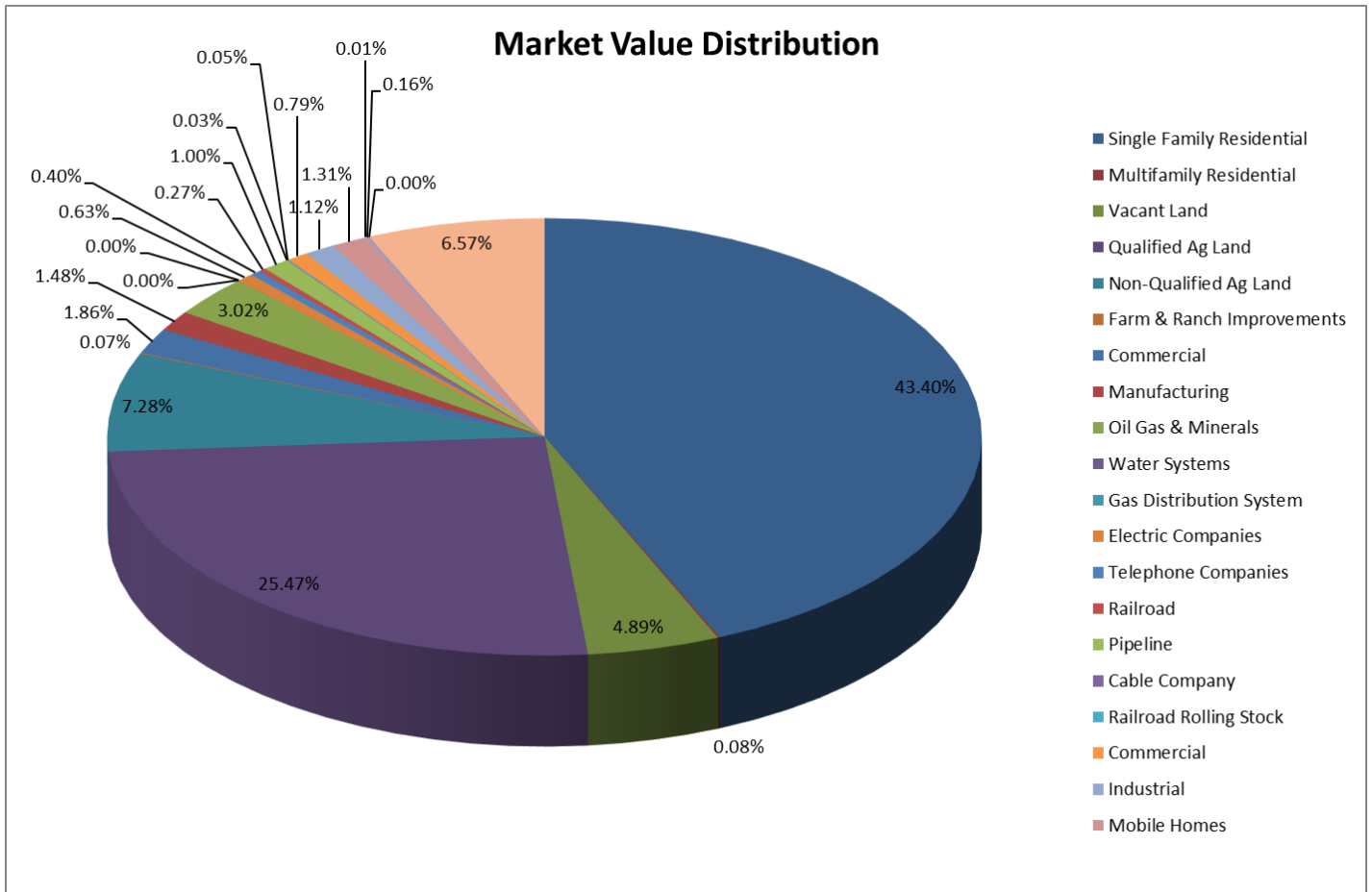


Taxable Value by Entity

Taxing Entity	Value
San Jacinto County	\$ 1,209,841,719
San Jacinto County Special Road & Bridge	\$ 1,209,679,815
San Jacinto County Lateral Road	\$ 1,199,451,057
Emergency Service District	\$ 1,340,573,566
Lone Star College-Kingwood	\$ 27,416,944
City of Shepherd	\$ 49,683,680
Coldspring Oakhurst ISD	\$ 839,880,245
Shepherd ISD	\$ 269,720,647
Cleveland ISD	\$ 94,281,437
Willis ISD	\$ 30,660,105
Waterwood MUD	\$ 46,975,626
Cape Royale MUD	\$ 139,561,568

The 2013 market value distribution by category illustrates that the top three categories are Residential, Qualified Ag Land and Farm & Ranch Improvements. The residential sector represents approximately 43.40 % of the District’s market value, up 1.2% from 2012.

Market Value Distribution by Property Category



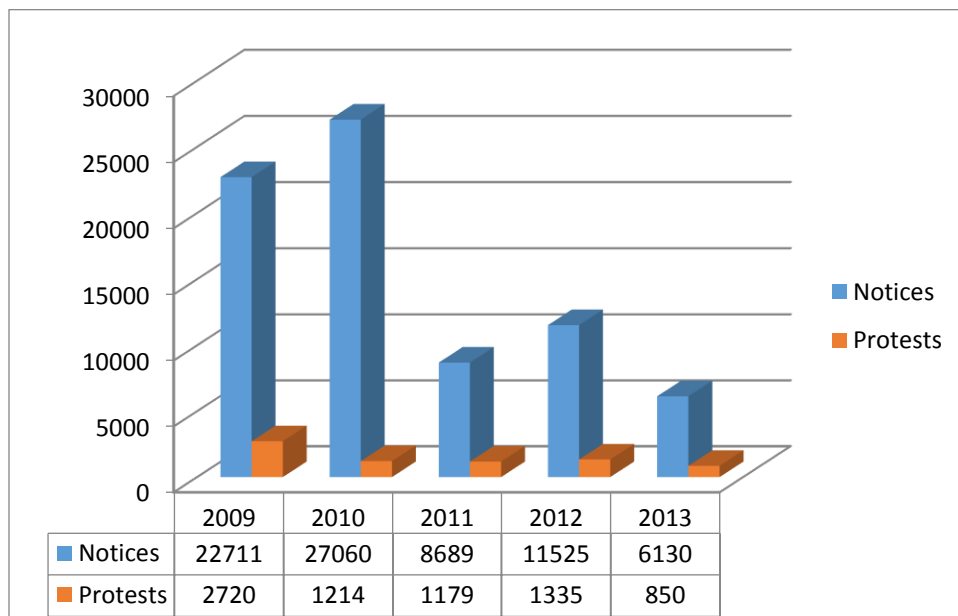
The average increase in residential and non-residential property was 1% and the increase in commercial was 1%. There was a decrease in mineral property 0.55%. The percentage increase in value will vary in residential properties. The value change could be due to correction/update of building area, additions to the property and/or other factors noted in the inspection of the property. 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, 2013 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.

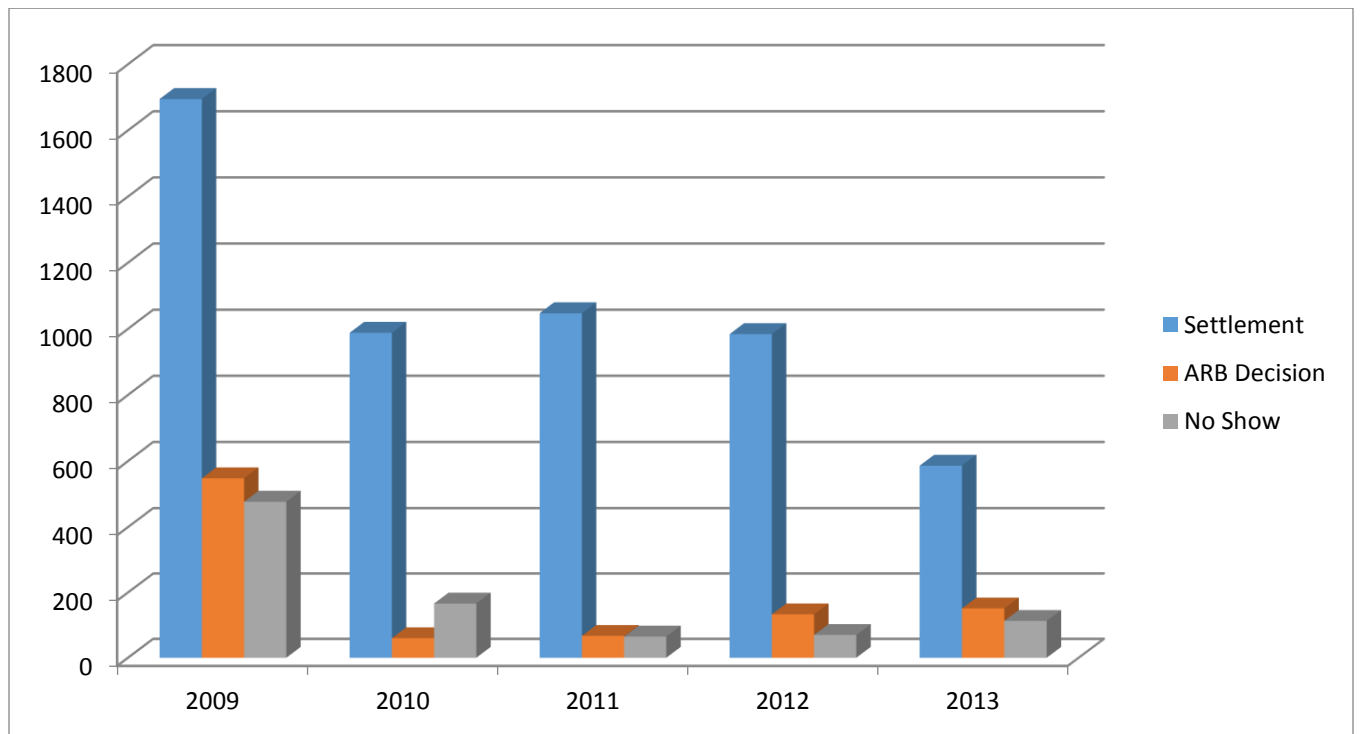
Appeals

The number of protests filed during a typical protest period, which extends from May through July, has consistently averaged approximately 1500 cases. Protests filed for 2013 ranges between 13 to 14 percent, with District staff typically resolving between 80 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.

Notices vs. 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 \$ **1,828,284,253** 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	15,000	0%
Shepherd ISD	15,000	20%
Cleveland ISD	15,000	0%
Willis ISD	15,000	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	0	10,000
Shepherd ISD	0	10,000
Cleveland ISD	0	10,000
Willis ISD	0	10,000
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

City of Shepherd				
Exemption	Coun t	Local	State	Total
DP	31	0	0	0
DV2	3	0	22,500	22,500.00
DV3	2	0	16,000	16,000.00
DV4	8	0	84,000	84,000.00
DVHS	1	0	94,260	94,260.00
EX	163	0	16,384,48	16,384,486.0
EX (Prorated)	4	0	17,194	17,194.00
EX366	4	0	300	300
HS	384	6,176,481	0	6,176,481.00
OV65	131	650,000	0	650,000.00
<u>OV65S</u>	<u>14</u>	<u>70,000</u>	<u>0</u>	<u>70,000.00</u>
Total	6,896,481	16,618,74	23,515,221	

Emergency Service District

		26,898,70		26,898,700.0
AB	1	0	0	0
DV1	36	0	226,640	226,640.00
DV1S	2	0	10,000	10,000.00
DV2	24	0	201,410	201,410.00
DV3	38	0	312,000	312,000.00
DV4	155	0	1,440,250	1,440,250.00
DV4S	8	0	88,248	88,248.00
DVHS	71	0	7,700,308	7,700,308.00
EX	867	0	152,412,2	152,412,237.
EX (Prorated)	60	0	239,851	239,851.00
EX366	1,13	0	133,942	133,942.00
HS	6,60	121,877,3	0	121,877,329.
OV65	2,52	36,769,72	0	36,769,729.0
OV65S	121	1,779,517	0	1,779,517.00
<u>PC</u>	<u>5</u>	<u>5,627,714</u>	<u>0</u>	<u>5,627,714.00</u>
Total		192,952,9	162,764,8	355,717,875

San Jacinto County

Exemption	Count	Local	State	Total
AB	1	26,898,70	0	26,898,700.0
DP	541	0	0	0
DPS	1	0	0	0
DV1	37	0	229,760	229,760.00
DV1S	2	0	10,000	10,000.00
DV2	26	0	214,180	214,180.00
DV3	41	0	339,110	339,110.00
DV4	156	0	1,452,250	1,452,250.00
DV4S	8	0	88,248	88,248.00
DVHS	73	0	7,867,991	7,867,991.00
EX	879	0	152,638,7	152,638,797.
EX (Prorated)	62	0	248,795	248,795.00
EX366	1,13	0	133,942	133,942.00
HS	6,75	126,188,4	0	126,188,424.
OV65	2,60	37,939,72	0	37,939,729.0
OV65S	122	1,794,517	0	1,794,517.00
<u>PC</u>	<u>5</u>	<u>5,627,714</u>	<u>0</u>	<u>5,627,714.00</u>
Total		198,449,0	163,223,0	361,672,157

Lone Star College-Kingwood

Exemption	Count	Local	State	Total
DP	12	531,391	0	531,391.00
DV1S	1	0	5,000	5,000.00
DV2	1	0	7,500	7,500.00
DV3	1	0	10,000	10,000.00
DV4	2	0	24,000	24,000.00
DVHS	1	0	171,420	171,420.00
EX	13	0	1,800,627	1,800,627.00
EX366	2	0	380	380
HS	161	633,280	0	633,280.00
OV65	40	2,424,715	0	2,424,715.00
<u>OV65S</u>	<u>4</u>	<u>238,427</u>	<u>0</u>	<u>238,427.00</u>
Total		3,827,813	2,018,927	5,846,740

Cape Royale Utility District

DP	7	70,000	0	70,000.00
DV1	1	0	12,000	12,000.00
DV2	2	0	19,500	19,500.00
DV3	1	0	0	0
DV4	7	0	42,000	42,000.00
DVHS	4	0	699,130	699,130.00
EX	55	0	783,550	783,550.00
EX (Prorated)	16	0	32,844	32,844.00
EX366	1	0	0	0
HS	237	11,052,14	0	11,052,148.0
OV65	130	1,280,000	0	1,280,000.00
<u>OV65S</u>	<u>6</u>	<u>60,000</u>	<u>0</u>	<u>60,000.00</u>
Total		12,462,14	1,589,024	14,051,172

Waterwood MUD

Exemption	Coun t	Local	State	Total
DP	6	18,000	0	18,000.00
DV1	1	0	3,120	3,120.00
DV2	2	0	12,770	12,770.00
DV3	3	0	27,110	27,110.00
DV4	1	0	12,000	12,000.00
DVHS	2	0	167,683	167,683.00
EX	12	0	226,560	226,560.00
EX (Prorated)	2	0	8,944	8,944.00
HS	151	4,311,095	0	4,311,095.00
OV65	79	234,000	0	234,000.00
<u>OV65S</u>	<u>1</u>	<u>3,000</u>	<u>0</u>	<u>3,000.00</u>
Total		4,566,095	458,187	5,024,282

Special Road and Bridge

Exemption	Coun t	Local	State	Total
AB	1	26,898,70	0	26,898,700.0
DP	540	0	0	0
DPS	1	0	0	0
DV1	37	0	225,384	225,384.00
DV1S	2	0	10,000	10,000.00
DV2	26	0	202,180	202,180.00
DV3	41	0	334,130	334,130.00
DV4	156	0	1,359,626	1,359,626.00
DV4S	8	0	79,224	79,224.00
DVHS	73	0	7,492,991	7,492,991.00
EX	879	0	152,638,7	152,638,797.
EX (Prorated)	62	0	248,795	248,795.00
EX366	1,13	0	133,942	133,942.00
HS	6,75	126,257,8	0	126,257,863.
OV65	2,60	38,368,29	0	38,368,294.0
OV65S	122	1,794,517	0	1,794,517.00
<u>PC</u>	<u>5</u>	<u>5,627,714</u>	<u>0</u>	<u>5,627,714.00</u>
Total		198,947,0	162,725,0	361,672,157

Lateral Road

Exemption	Coun t	Local	State	Total
AB	1	26,898,70	0	26,898,700.0
DP	540	1,571,000	0	1,571,000.00
DPS	1	0	0	0
DV1	37	0	225,384	225,384.00
DV1S	2	0	10,000	10,000.00
DV2	26	0	202,180	202,180.00
DV3	41	0	331,130	331,130.00
DV4	156	0	1,357,423	1,357,423.00
DV4S	8	0	79,224	79,224.00
DVHS	73	0	7,492,991	7,492,991.00
EX	879	0	152,638,7	152,638,797.
EX (Prorated)	62	0	248,795	248,795.00
EX366	1,13	0	133,942	133,942.00
HS	6,75	126,130,5	10,325,07	136,455,658.
OV65	2,60	38,368,29	0	38,368,294.0
OV65S	122	1,794,517	0	1,794,517.00
<u>PC</u>	<u>5</u>	<u>5,627,714</u>	<u>0</u>	<u>5,627,714.00</u>
Total		200,390,8	173,044,9	373,435,749

Cleveland ISD

Exemption	Coun t	Local	State	Total
DP	58	0	531,922	531,922.00
DV1	4	0	20,000	20,000.00
DV2	2	0	15,000	15,000.00
DV3	4	0	40,000	40,000.00
DV4	16	0	179,560	179,560.00
DVHS	3	0	149,879	149,879.00
EX	22	0	12,780,60	12,780,602.0
EX (Prorated)	1	0	20,872	20,872.00
EX366	330	0	34,561	34,561.00
HS	585	0	8,614,526	8,614,526.00
OV65	178	481,315	1,669,999	2,151,314.00
<u>OV65S</u>	<u>4</u>	<u>9,020</u>	<u>40,000</u>	<u>49,020.00</u>
Total		490,335	24,096,92	24,587,256

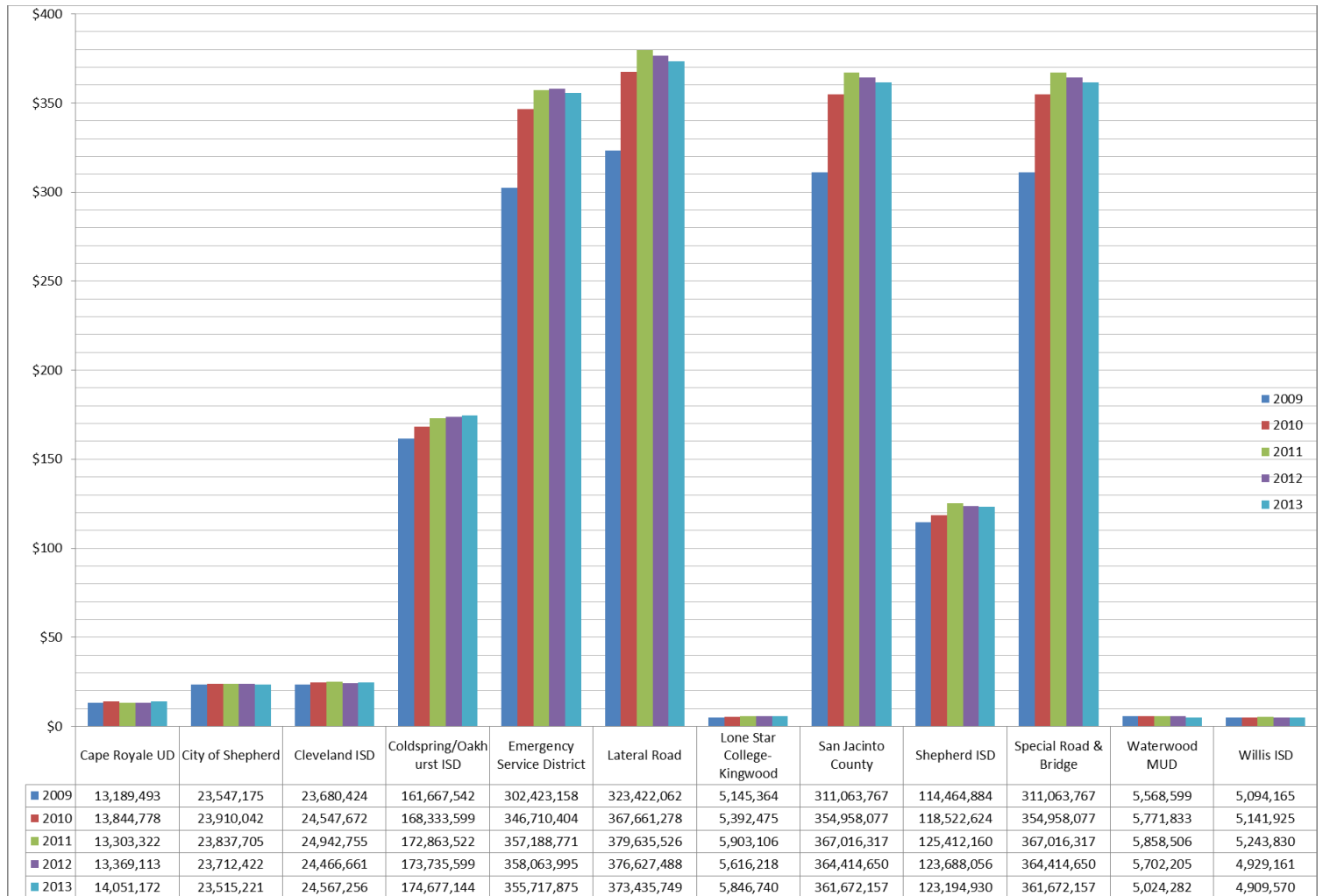
Coldspring ISD				
Exemption	Count	Local	State	Total
DP	274	0	2,303,450	2,303,450.00
DPS	1	0	0	0
DV1	27	0	156,870	156,870.00
DV1S	1	0	5,000	5,000.00
DV2	16	0	127,180	127,180.00
DV3	24	0	178,060	178,060.00
DV4	104	0	832,097	832,097.00
DV4S	8	0	70,468	70,468.00
DVHS	55	0	5,655,449	5,655,449.00
EX	541	0	84,168,70	84,168,703.0
EX (Prorated)	37	0	157,828	157,828.00
EX366	469	0	59,167	59,167.00
HS	4,02	0	59,326,51	59,326,514.0
OV65	1,78	0	16,745,22	16,745,227.0
OV65S	86	0	827,744	827,744.00
<u>PC</u>	<u>3</u>	<u>63,387</u>	<u>0</u>	<u>63,387.00</u>
Total	63,387	63,387	170,613,7	170,677,144

Shepherd ISD				
Exemption	Count	Local	State	Total
DP	197	0	1,626,951	1,626,951.00
DV1	6	0	32,000	32,000.00
DV2	7	0	52,500	52,500.00
DV3	12	0	96,000	96,000.00
DV4	34	0	267,580	267,580.00
DVHS	14	0	892,672	892,672.00
EX	303	0	53,888,86	53,888,865.0
EX (Prorated)	24	0	70,095	70,095.00
EX366	438	0	54,677	54,677.00
HS	1,98	26,346,14	28,865,60	55,211,744.0
OV65	594	0	5,167,519	5,167,519.00
OV65S	28	0	270,000	270,000.00
<u>PC</u>	<u>2</u>	<u>5,564,327</u>	<u>0</u>	<u>5,564,327.00</u>
Total	31,910,46	31,910,46	91,284,46	123,194,930

Willis ISD				
Exemption	Count	Local	State	Total
DP	12	0	97,940	97,940.00
DV1S	1	0	5,000	5,000.00
DV2	1	0	7,500	7,500.00
DV3	1	0	10,000	10,000.00
DV4	2	0	24,000	24,000.00
DVHS	1	0	156,420	156,420.00
EX	13	0	1,800,627	1,800,627.00
EX366	2	0	380	380
HS	161	0	2,379,503	2,379,503.00
OV65	40	0	388,200	388,200.00
<u>OV65S</u>	<u>4</u>	<u>0</u>	<u>40,000</u>	<u>40,000.00</u>
Total	0	0	4,909,570	4,909,570

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

(in Millions)



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.

2013 Tax Rates per \$100 of Taxable Value	
Taxing Entity	Tax Rate
San Jacinto County	0.4835
San Jacinto County Special Road & Bridge	0.0459
San Jacinto County Lateral Road	0.1186
Emergency Service District	0.10000
Lone Star College-Kingwood	0.11600
City of Shepherd	0.267656
Coldspring Oakhurst ISD	1.09500
Shepherd ISD	1.36000
Cleveland ISD	1.31500
Willis ISD	1.31500
Waterwood MUD	0.89000
Cape Royale MUD	0.64237

Property Value Study

The Property Value Study (PVS) is conducted by the Property Tax Assistance Division (PTAD) of the Comptroller's Office, to estimate a school district's taxable property value through the effectiveness of the District's appraisals. If the District's appraisals in a school district are within the acceptable range (5% of market value) then the values are certified to the Commissioner of Education. The PVS results are used for school district's state funding. The District undergoes a PVS on odd numbered years. The 2013 PVS for the San Jacinto County Appraisal District findings are shown below.

	Valid Local Value	All Categories Total Ratio	Category A Residential	Category C Vacant Land	Category E Non-Ag Rural	Category G Minerals
Cleveland ISD	Yes	1.03574	1.01911	1.09728	0.9558	0.956
Coldspring COISD 1st year of Grace Period	No	0.94966	0.889275	0.9679	0.9969	1.01035
Shepherd ISD	Yes	1.01228	1.006175	1.0057	1.0257	1.0496