

2019 Kaufman CAD Annual Report

Introduction

The Kaufman Central Appraisal District (KCAD) is a political subdivision of the state formed by the Texas Legislature in 1979. The operation of the Appraisal District is governed by the Constitution of the State of Texas, the Texas Property Tax Code, and the Rules of the Texas Comptroller's Property Tax Assistance Division.

Mission

The mission of Kaufman Central Appraisal District is to discover, list and appraise property as accurately, ethically and impartially as possible in order to estimate the market value of all property within the boundaries of the district for ad valorem tax purposes. The effective date for appraisal of real property is January 1st. A Personal property owner can elect to have their business personal property appraised as of September 1st. The district must make sure that each taxpayer is given the same consideration, information and assistance as the next. This will be done by administering the laws under the property tax system and operating under the standards of:

- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD),
- The International Association of Assessing Officers (IAAO), and
- The Uniform Standards of Professional Appraisal Practice (USPAP).

Administration Report

The financial records of Kaufman CAD reflect a focus on producing highest quality services and records while also maintaining a conservative budget. The District is always mindful of the dollars spent on creating and maintaining the appraisal roll. The District's annual finances can be reviewed and monitored in two different publications – the adopted budget and the audited financial statements. The first publication shows what is planned and the second shows what actually happened. The financial statement audit report and a budget history are made available on the District's website at www.kaufman-cad.org.

In addition, each agenda packet for the board of director's meetings includes monthly financial reports and quarterly investment reports.

The board of directors considers and adopts an annual budget by September 15th of each year. The budget may not be adopted until written notice is given to the taxing entities and the board has conducted a public hearing on the proposed budget.

The chief appraiser prepares the budget and presents it to the board, taxing entities and other interested parties as a preliminary budget at a budget workshop.

Additional budget workshops can be held until the proposed budget is ready for delivery to the taxing entities and the board of directors, not later than June 15. The proposed budget requires the District administration to review the goals, objectives, and programs to be accomplished. This review aids in determining forecasted operating and maintenance expenditures by category. It includes personnel breakdown with staffing levels and salary ranges.

Financial Statements

Each quarter the board of directors reviews and approves monthly financial reports and investment reports as required by the Public Funds Investment Act (PFIA). As required, the financial statements are audited annually by a firm of independent certified public accountants (CPA) in accordance with generally accepted auditing standards. The Board receives the financial audit from the firm in an open meeting. The auditor presents the findings and provides recommendations in relation to the financial operations.

Budget Analysis

| | Fiscal Year | | |
|--------------------------|--------------|--------------|--------------|
| | 2017 | 2018 | 2019 |
| Adopted Budget | \$ 2,103,650 | \$ 2,100,850 | \$ 2,459,950 |
| Increase (Decrease) | \$ 195,150 | \$ -2,800 | \$ 359,100 |
| % Increase (Decrease) | 10% | 0% | 17% |
| Merit/COLA Increases | 2.6% | 5% | 2% |
| Budgeted Personnel | 21 | 21 | 21 |
| Entity refunds | 8.09% | 3.08% | |

Expenditures:

| | | | |
|--------------------|--------------|--------------|--------------|
| Personnel | \$ 1,393,100 | \$ 1,471,900 | \$ 1,724,300 |
| Operations- | | | |

| | | | | | | |
|------------------------|----|---------|----|-----------|----|-----------|
| Contractual services | \$ | 121,500 | \$ | 121,500 | \$ | 122,500 |
| Materials and supplies | \$ | 112,800 | \$ | 76,600 | \$ | 108,600 |
| Operating expenses | \$ | 476,250 | \$ | 430,850 | \$ | 584,550 |
| Capital | \$ | 0.00 | \$ | 0.00 | \$ | 0.00 |
| Reserves | \$ | 915,242 | \$ | 1,189,913 | \$ | 1,189,913 |

Entity Funding of District:

| | | | | | | |
|-------------------|----|---------|----|---------|----|-----------|
| County | \$ | 234,453 | \$ | 235,235 | \$ | 545,648 |
| Cities | \$ | 70,798 | \$ | 73,125 | \$ | 278,111 |
| Schools | \$ | 510,345 | \$ | 503,428 | \$ | 1,345,184 |
| Special Districts | \$ | 17,652 | \$ | 31,440 | \$ | 240,124 |

| | | | |
|--|-------------------------------|----------------------------------|----------------------------------|
| Board of Directors | | | |
| | | | |
| Chief Appraiser | | | |
| Administrative Assistant Royce Thomas | | Sarah Curtis | |
| | | | |
| Deputy Chief | | Senior Appraiser | |
| Coy Johnson | | Ray Helm | |
| | | | |
| Office Manager | Residential Supervisor | Commercial/BPP Supervisor | GIS Department Supervisor |
| Vicki White | Jennifer Jackson | Robert Castaneda | Albert Gomez |
| | | | |
| ARB Coordinator | Residential Appraiser | Commercial Appraiser | GIS Clerk |
| Receptionist | Residential Appraiser | BPP Appraiser | GIS Clerk |
| Receptionist | Residential Appraiser | Comm/Bpp Tech | |
| Homestead Clerk | Residential Appraiser | | |
| | Residential Appraiser | | |
| | Residential Appraiser | | |
| | Residential Appraiser | | |
| | Productivity Appraiser | | |
| | Res Tech Support | | |

Members of the Board of Directors

- Robert Dobbs, Chairman
- Bruce Bynum, Vice Chairman
- Ann McDonald, Secretary
- Russell Freeman, Member
- Karen Jones, Member
- Brenda Samples, Ex Officio Member
- Michael Wood, Member
- John Zaby, Member

Governance

The appraisal district is governed by a Board of Directors whose primary responsibilities are to:

- Establish the district's office,
- Adopt its operating budget,
- Contract for necessary services,
- Hire the Chief Appraiser,
- Appoint the Appraisal Review Board (ARB)
- Provide advice and consent to the Chief Appraiser concerning the appointment of an Agricultural Advisory Board,
- Make general policies on the appraisal district's operations, and
- Biennially develop a written plan for the periodic reappraisal of all property within the district's boundaries.

To be eligible to serve on the board of directors, a person must have resided within the boundaries of the county for at least two years prior to their appointment. Their terms are not staggered. There are no legal limits to the number of terms a board member can serve. The Chief Appraiser is the chief administrator of the appraisal district and is appointed by the board of directors. The chief appraiser must be licensed (or actively working toward licensing) as a Registered Professional Appraiser (RPA) through the Texas Department of Licensing and Regulation.

Members of the Appraisal Review Board are appointed by the Board of Directors. ARB members serve two-year staggered terms, for maximum of 3 consecutive two-year terms. Their responsibility is to settle value disputes. Their decisions regarding value are binding to the chief appraiser for the tax years protested.

The Ag Advisory Board is appointed by the Board of Directors at the recommendation of the chief appraiser to aide them in determining typical practices, standards, lease rates and expenses for agricultural activities in the district. They serve at the will of the Board of Directors.

Taxing Jurisdictions

The Kaufman Central Appraisal District is responsible for appraising 74,249 properties located within the 808 square miles of Kaufman County. The following are the taxing jurisdictions with in the district:

| | |
|-------------------|--------------------------------|
| KAUFMAN COUNTY | TRINITY VALLEY CC |
| ROAD AND BRIDGE | KAUFMAN CO FRESH WATER DIST 1B |
| CRANDALL ISD | KAUFMAN CO FRESH WATER DIST 1C |
| FORNEY ISD | KAUFMAN CO FRESH WATER DIST 1D |
| KAUFMAN ISD | KAUFMAN CO FRESH WATER DIST 4A |
| MABANK ISD | KC ESD #1 KAUFMAN |
| KEMP ISD | KC ESD #2 MABANK |
| QUINLAN ISD | KC ESD #3 TERRELL |
| ROCKWALL ISD | KC ESD #4 KEMP |
| SCURRY ROSSER ISD | KC ESD #5 SCURRY |

| | |
|-----------------------|-------------------------------|
| TERRELL ISD | KC ESD #6 FORNEY |
| WILLS POINT ISD | KC ESD #7 CRANDALL |
| CITY OF MESQUITE | CROSSROADS PUBLIC IMP DIST |
| CITY OF TALTY | KAUFMAN CO FWSD #6 |
| CITY OF CRANDALL | FOX HOLLOW PUBLIC IMP DIST 1 |
| CITY OF FORNEY | MOORE FARM WCID |
| CITY OF SEAGOVILLE | MARKET CENTER PUBLIC IMP DIST |
| CITY OF HEATH | KAUFMAN COUNTY MUD #4 |
| CITY OF KAUFMAN | KAUFMAN COUNTY MUD#14 |
| CITY OF MABANK | KAUFMAN COUNTY MUD #2 |
| CITY OF OAK RIDGE | KAUFMAN COUNTY MUD #9 |
| CITY OF OAK GROVE | KAUFMAN COUNTY MUD #10 |
| CITY OF COMBINE | KAUFMAN COUNTY MUD #11 |
| CITY OF KEMP | KAUFMAN COUNTY MUD #12 |
| CITY OF POST OAK BEND | KAUFMAN COUNTY MUD #5 |
| CITY OF TERRELL | KAUFMAN COUNTY MUD #6 |
| | KAUFMAN COUNTY MUD #7 |
| | LAKE VISTA RANCH MUD #9 |

Property Types Appraised

KCAD staff is responsible for appraising 73,680 residential, commercial, land and business personal property accounts. KCAD contracts with Capitol Appraisal Group, Inc. to appraise 569 accounts which includes oil and gas properties, utilities, pipelines, and industrial personal property in the district.

The following is the summary of property types and their certified values:

| Code | Property Type | Parcel Count | New Market Value | Market Value |
|------|-----------------------------------|--------------|------------------|---------------|
| A | Single Family Residences | 40213 | 394,803,200 | 7,334,262,984 |
| B | Multi Family Residences | 238 | 5,343,590 | 195,042,752 |
| C | Vacant Lot | 6211 | | 237,687,904 |
| D1 | Qualified Open Space Land | 8686 | | 1842,294,316 |
| D2 | Imps on Qualified Open Space Land | 1971 | 1,063,140 | 33,214,886 |
| E | Non-Qualified Land | 7456 | 13,263,910 | 838,855,244 |
| F1 | Commercial Real Property | 1953 | 39,515,210 | 835,139,361 |
| F2 | Industrial Real Property | 86 | 8,652,300 | 767,511,570 |
| G1 | Oil & Gas | 255 | | 2,392,020 |
| J1 | Water Systems | | | |
| J2 | Gas Distribution System | 2 | | 17,646,320 |
| J3 | Electric Company | 40 | | 96,045,820 |
| J4 | Telephone Company | 143 | | 24,702,010 |
| J5 | Railroad | 3 | | 19,865,870 |
| J6 | Pipeline Company | 37 | | 184,749,850 |
| J7 | Cable Television Company | 3 | | 577,330 |
| J8 | Other Type of Utility | 12 | | 610,470 |
| J9 | Railroad Rolling Stock | | | |

| | | | | |
|---------|--|--------|-------------|----------------|
| L1 | Commercial Personal Property | 3680 | | 365,607,603 |
| L2 | Industrial Personal Property | 74 | 1,071,400 | 644,718,290 |
| M1 O | Tangible Personal Mobile Home Residential Inventory | 6289 | 27,267,550 | 215,394,387 |
| S | Special Inventory | 82 | | 20,286,510 |
| X | Total Exempt Property | 2069 | 43,131,700 | 1,088,470,254 |
| Totals | | 74,259 | 534,074,030 | 14,764,900,341 |

2019

| Land Type Description | Total Acres | Market Value | Ag Value |
|-----------------------|-------------|---------------|------------|
| Cropland | 25,548 | 176,150,795 | 4,637,698 |
| Improved Pasture | 107,079 | 648,538,112 | 13,528,171 |
| Native Pasture | 228,406 | 950,147,866 | 18,970,913 |
| Other | 3,628 | 12,471,330 | 645,270 |
| Orchards | 370 | 2,522,190 | 150,830 |
| Wildlife | 14,602 | 54,575,480 | 1,312,160 |
| Totals | 379,633 | 1,844,405,773 | 39,245,042 |

Property Discovery

The district seeks to discover all newly constructed or added property each year through examination of:

- City building permits
- Field inspections
- Filed Material/Mechanic's Liens
- Deed records
- Sewer permits
- Mobile home reports
- Electric permits
- Newspapers
- Legal notices
- Sales information
- Prior year records
- Aerial photography
- Railroad Commission Reports (oil/gas)
- Renditions
- Assumed Names
- Vehicle registrations
- Realtors and Appraisers

Exemption Data

Property owners may qualify for a variety of exemptions as provided by the Texas Constitution. Some of the most commonly occurring exemptions are described below. Other less commonly occurring exemptions are available and described in the Texas Property Tax Code, Chapter 11.

The following chart represents the total exemption amounts available to homeowners who qualify for this exemption on a home site with a maximum of 20 acres:

| EXEMPTIONS | DP | DPS | DV1 | DV1S | DV2 | DV2S | DV3 | DV3S | DV4 | DV4S | DVHS | GIT | HS | OV65 | OV65S |
|-----------------------|-------|-------|------|------|------|------|-------|-------|-------|-------|------|-----|-------|-------|-------|
| KAUFMAN COUNTY | 15000 | 15000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 15000 | 15000 |
| ROAD AND BRIDGE | 15000 | 15000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 15000 | 15000 |
| CRANDALL ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| FORNEY ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| KAUFMAN ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| MABANK ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| KEMP ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| QUINLAN ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| ROCKWALL ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| SCURRY ROSSER ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| TERRELL ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| WILLS POINT ISD | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 25000 | 10000 | 10000 |
| CITY OF MESQUITE | 15000 | 15000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 65000 | |
| CITY OF TALTY | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 10% | 10% |
| CITY OF CRANDALL | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 15000 | 15000 |
| CITY OF FORNEY | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | | |
| CITY OF SEAGOVILLE | 30000 | 30000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 10% | 30000 | |
| CITY OF HEATH | 3000 | 3000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 3000 | 3000 |
| CITY OF KAUFMAN | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 15000 | 15000 |
| CITY OF MABANK | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 3000 | 3000 |
| CITY OF OAK RIDGE | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | | | | |
| CITY OF OAK GROVE | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | | | | |
| CITY OF COMBINE | 35000 | 35000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 35000 | 35000 |
| CITY OF KEMP | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 5000 | 5000 |
| CITY OF POST OAK BEND | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | | | | |
| CITY OF TERRELL | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | 10% | 5000 | 5000 |
| TRINITY VALLEY CC | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 15000 | 15000 |
| FRESH WATER DIST 1B | 10000 | 10000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 10000 | 10000 |
| FRESH WATER DIST 1C | 15000 | 15000 | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | % | | 15000 | 15000 |
| FRESH WATER DIST 1D | | | 5000 | 5000 | 7500 | 7500 | 10000 | 10000 | 12000 | 12000 | 100% | | | | |

For school tax purposes, the over 65, disability, and surviving spouse homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead. (Any changes to or new areas added to the home site will cause the ceiling to be readjusted in the subsequent tax year.)

All homeowners who qualify for the residential homestead exemption are subject to the placement of homestead cap on their qualifying property which prohibits the increase of taxable value on the homestead property to ten percent per year. However, the market value will be reflective of the local real estate market.

Disabled Veterans

In addition to the residential homestead exemption allowable to disabled veterans with a 100% service-connected disability, disabled veterans are

allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veterans Affairs. Current exemptions amount, based upon these ratings, are:

| Disability Percentage | Exemption Amount |
|------------------------------|-------------------------|
| 10-29% | \$5,000 |
| 30-49% | \$7,500 |
| 50-69% | \$10,000 |
| 70-100% | \$12,000 |

Legislative Changes

During the 2019 Texas Legislative Session, several bills were passed that affect property owners and the general public. The Texas Property Tax Law Changes 2019, published by the Texas Comptroller of Public Accounts is attached.

Property Appeals

In accordance with the Texas Property Tax Code, Section 41.44, a property owner and/or authorized tax agent may file an appeal with the Appraisal Review Board (ARB) having authority to hear the matter protested. The District schedules these appeals for protest hearings and notifies the protesting party of their scheduled hearing before the ARB.

The ARB members do not work for appraisal districts but rather, arbitrate exemptions and appraisal disputes between property owners and Kaufman CAD. The ARB is a quasi-judicial body appointed by the board of directors.

After the hearing process, the ARB approves and submits the appraisal records to the Chief Appraiser who then certifies appraisal roll values to the taxing entities.

Appeals Data 2019

Number of Protests filed 13001

Types of Property Protested:

| | |
|---|------|
| Single family residence | 7256 |
| Multi family residence | 94 |
| Vacant lot | 774 |
| Qualified productivity and improvements | 1268 |
| Non-Qualified land | 615 |
| Commercial/Industrial | 767 |

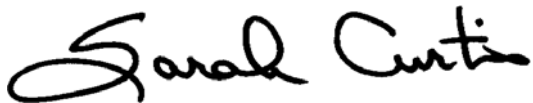
| | |
|-----------------------------------|-------------|
| Utilities | 138 |
| Mineral | 10 |
| Personal property | 225 |
| Mobile Homes | 333 |
| Residential Inventory | 1521 |
| Hearings | 2658 |
| Value change | 1912 |
| No value change | 746 |
| Did not show up for hearing | 2973 |
| Settled with appraiser informally | 6062 |
| Withdrawn | 1299 |
| Dismissed | 9 |

Notices of Appraised Value are mailed if:

- Property was reappraised that year
- Value increased more than \$1,000 from prior year
- Property was new
- Ownership of property changed

I, certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.



Sarah Curtis RTA RPA CTA CCA AAS
 Chief Appraiser
 Kaufman Central Appraisal District