

# NEWTON CENTRAL APPRAISAL DISTRICT

## Introduction

The Newton Central Appraisal District is a political subdivision of the state of Texas. The Constitution of the State of Texas, the Texas Property Tax Code, and the Rules of the Texas Comptroller's Property Tax Assistance Division govern the operations of the appraisal district.

## Mission

The mission of the Newton 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 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)

The goal of the District is to develop and maintain appraisals of the property located in Newton County in a fair and equitable manner, ensuring the accuracy and uniformity of all appraisals; to ensure that the appraisals are performed by professionals in the property tax field, and to promote the education of said professionals; to develop procedures that grant the taxpayers due process in protesting said appraisals, to furnish to the taxing entities an accurate appraisal roll in a timely manner; and to continually improve our operations and policies in order that we may provide more efficient service to the taxpayers and taxing entities in Newton County.

The District successfully passed the Methods and Assistance Program (MAP) review conducted by the Property Tax Assistance Division of the State Comptroller's Office in compliance with new legislation enacted in 2009. The District was reviewed in 2011, 2013, 2015 and 2017, and each year passed all five mandatory requirements and exceeded the requirements for its activities in the areas of governance; taxpayer assistance; operating procedures; and appraisal standards, procedures, and methodology with a total point score 100 percent or higher.

## 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
- Provide advice and consent to the Chief Appraiser concerning the appointment of an Agricultural Advisory Board
- Approve contracts with appraisal firms selected by the chief appraiser to perform appraisal services for the district
- 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.

Members to the Appraisal Review Board are appointed by the Board of Directors. ARB members serve two year staggered terms. They are limited by law to serving three consecutive 2 year terms. They must be certified by the Texas Comptroller. Their responsibility is to settle value disputes between the taxpayer and the chief appraiser. 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 aid in determining typical practices and standards for agricultural activities in the district. They serve at the will of the Board of Directors.

## Taxing Jurisdictions

The Newton Central Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within the 943 square miles of Newton County. Following are those taxing jurisdiction.

- Newton County
- Lateral Road
- Newton ISD
- Burkeville ISD
- Deweyville ISD
- Kirbyville CISD
- Brookeland ISD
- City of Newton
- Emergency Service District #1
- Emergency Service District #2
- Emergency Service District #3
- Emergency Service District #4
- Emergency Service District #5

## Legislative Changes

There were a few legislative changes to the Property Tax Code during 2015 that affected the appraisal district's operations for 2017.

## Property Types Appraised

The District is comprised of approximately 24,769 parcels. There is one power plant in Newton County, oil and natural gas production, and with timber being the main industry. The power plant is located in Deweyville ISD which contributes to 74 percent of the school value.

The majority of the land is timber production the main use.

Property is classified as either real or personal. Real property is defined as land, improvements, mines or quarries, minerals in place and standing timber. Personal property is defined as all property that is not real, such as business inventory, furniture and fixtures, machinery and equipment, vehicles, supplies, etc. Only personal property that is used to produce an income is taxable. Personal property is defined as tangible and intangible. All

property that can be perceived through the senses (seeing, weighing, measuring, and feeling) is tangible. If you cannot perceive the property itself; it is intangible.

The Property Codes are defined as follows:

Code A – Real Property, Residential, Single-Family:

Single-family houses and the land they are situated on, including townhouses, condominiums, and mobile homes located on land owned by the resident.

Code B – Real Property, Residential, Multi-family:

Residential properties containing two or more residential units under single ownership including apartment complexes, duplexes, triplexes, and fourplexes. This category does not include motels or hotels (see Code F)

Code C – Real Property, Vacant Platted Lots and Tracts:

Vacant tracts of land which usually are described in terms other than acreage, commonly by means of lot and block numbers plus subdivision name. They are usually located either within municipalities or in adjacent or otherwise proximate territory. This category includes platted lots and/or subdivided tracts.

Code D – Real Property, Farms and Acreage:

Larger vacant tracts of land including timberland, ranches, recreational acreage, idle land, and waste land. Major criteria are rural location and description in terms of acreage. However, it is possible for farms to be located within city limits.

Code E – Real Property, Farm and Ranch Improvements:

Improvements associated with land reported as Category D property, including residences, barns, silos, sheds, garages, and other improvement associated with farming or ranching. These tracts of land must be over 5 acres.

Code F – Real Property, Commercial and Industrial properties, including; stores, office buildings, hotels and motels, gasoline service stations, commercial garages, parking lots, warehouses, theater buildings, financial institutions, finance companies and insurance companies, clinics and nursing homes, refineries, chemical plants, power plants, manufacturing companies, etc.

The following represents a summary of property types appraised by the district for 2017:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Residence	6,124	\$ 320,978,545
B	Multifamily Residence	9	1,214,354
C	Vacant Lots and Land Tracts	2,992	25,139,932
D	Rural Land: Farm and Acreage	5,588	1,061,118,987
E	Farm and Rand Improvements	2,736	121,177,687
F	Commercial & Industrial Improvements	405	436,425,021
G	Oil, Gas & Minerals	4,577	55,078,863
J	Utilities	389	107,946,960
L	Commercial & Industrial Personal Property	444	38,432,986
M	Other Tangible Personal Property	1,107	28,347,472
O	Residential Inventory	8	27,000
X	Exempt Property	2,500	89,219,586
	TOTALS		2,285,134,393

## Appraisal Operation Summary

Mappers utilized the district's GIS mapping software and the 2016 pictometry to properly estimate acreage for ground covering and soil classifications. Mappers continually map all property with new deeds and field notes.

District appraisers continued to make on-site inspections of improvements according to it reappraisal plan and use Pictometry to locate property in isolated locations.

Cost tables for all improvements were reviewed and updated by sales analysis or Marshall Swift as of January 1 and the district's cost tables were updated and modified where needed. Ratio study analysis are performed during year.

## Property Discovery

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

- Filed Material/Mechanic's Liens
- Mobile Home installation reports
- Sewer inspection reports
- Electric connection reports
- Advertisements
- Railroad Commission Reports (oil/gas)

Field discovery  
Public “word of mouth”  
Fema reports

## Exemption Data

All real and tangible personal property is taxable unless it is exempted by a federal or state law. An absolute exemption excludes the entire property from taxation. A partial exemption removes a percentage or fixed dollar amount of a property’s value from taxation. The District administers all exemptions. Below is a summary of the major categories of property that are exempt from ad valorem taxation:

### Absolute Exemptions

- \* Public property owned by a local, state, or federal agency
- \* Cemeteries that are dedicated exclusively for the purpose of human burial
- \* Associations that promote religious, educational, and physical development for boys, girls, young men, and young women
- \* Religious organizations
- \* Schools and colleges
- \* Hospitals
- \* Low income housing projects
- \* Personal property and mineral interests with a value less than \$500
- \* Associations providing assistance to ambulatory health care centers
- \* Organizations engaged primarily in performing charitable functions
- \* 100% disabled veteran residence homestead
- \* Motor vehicles leased for personal use

### Partial Exemptions

- \* Residential homesteads (other than 100% disabled veteran)
- \* Disabled veterans
- \* Pollution control property
- \* Goods in Transit

### Abatements and Limited Appraised Value Agreements

A tax abatement is a local agreement between a taxpayer and a taxing unit that exempts all or part of the increase in the value of the real property and/or tangible personal property from

taxation for a period not to exceed 10 years. Tax abatements are an economic development tool available to cities, counties, and special districts to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. School districts may not enter into abatement agreements, but they may enter into Limitation on Appraised Value agreements that are similar in nature to tax abatements.

## **Homestead Exemptions**

A homestead exemption removes part of the value of a residence from taxation and lowers the taxes. In order to qualify for the homestead exemption, property owners must own their homes as of January 1 of the tax year and use the home as their principal residence. Property owners with more than one house can only get exemptions for their main or principal residence. There are four types of homestead exemptions:

### **General Homestead:**

For all homeowners

### **Over 65 Homestead:**

In addition to the general homestead exemption, once property owners become 65 years of age, they are entitled to the over 65 homestead exemption that exempts an additional amount from the value of their home. This exemption becomes effective on the owners' date of birth and applies to the taxes for the entire year in which they turn 65. Once property owners receive the over 65 homestead exemption, they get a tax ceiling for their school taxes. In addition, Newton County and the City of Newton also grant a tax ceiling. The taxes for the entities granting the tax ceiling cannot increase above the lesser of the amount of taxes that would have been due the year the property owners turn 65 based on a full year with the over 65 exemption or the amount of taxes paid in the following year. For property owners moving into a new residence after turning 65, this tax ceiling is transferable.

### **Surviving Spouse Over 65 Homestead:**

If the spouse who was receiving the over 65 homestead exemption dies, this exemption will transfer to the surviving spouse providing the spouse is 55 years of age or older and maintains ownership of the home. The surviving spouse must apply for this exemption.

### **Disability Homestead:**

A person with a disability may get an additional exemption. A "disability" means either (1) the person cannot engage in gainful work because of a physical or mental disability or (2) the person is 55 years of age, blind, and cannot engage in their previous work because of blindness. Persons receiving disability benefits under the Federal Old Age, Survivors and Disability

Insurance Program administered by the Social Security Administration will qualify for this exemption.

Disability benefits from any other program do not automatically qualify a property owner for this exemption. Information on disability ratings from the civil service, retirement programs or from insurance documents, military records, or a doctor's statement may be needed.

Property owners may receive the disability exemption in addition to the general homestead exemption but not in addition to the over 65 homestead exemption.

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A tax ceiling is also offered on the disability exemption by the school district, Newton County and the City of Newton, and it is transferable with certain restrictions.

**Disabled Veteran:**

Another type of exemption granted is the disabled veteran exemption. Property owners are entitled to an exemption for a portion of the appraised value of any property they own if they are either (1) a veteran who was disabled while serving with the U.S. armed forces or (2) the surviving spouse or child (less than 18 years of age and unmarried) of a disabled veteran or of a member of the armed forces who was killed while on active duty. You must be a Texas resident. Below is a table of the exemptions granted:

Exemption Amount	Disability Rating of at Least	But Less Than:
\$ 5,000	10%	30%
\$ 7,500	30%	50%
\$10,000	50%	70%
\$12,000	70% and above	

**100% Disabled Veteran Homestead:**

If you are a disabled veteran who receives from the US Department of Veteran Affairs (1) 100% disability compensation due to a service connected disability; and (2) a rating of 100% disabled or of individual unemployability you are entitled to an exemption from taxation of the total appraised value of your residence homestead. This benefit has been extended to the surviving spouse upon the veteran's death with certain restrictions.

Exemption applications, other than the over 65 homestead exemption, must be filed between January 1 and May 1 of each tax year. The over 65 homestead exemption can be filed once you turn 65 years of age.



Below are the amounts of exemption granted by the taxing entities for each type of homestead exemption for the 2017.

Taxing	Homestead Exemption	Over 65 Exemption	Disability Exemption
Newton ISD	20% + \$25,000	\$ 10,000	\$ 10,000
Burkeville ISD	20% + \$25,000	\$ 10,000	\$ 10,000
Deweyville ISD	20% + \$25,000	\$ 10,000	\$ 10,000
Kirbyville ISD	\$ 25,000	\$ 10,000	\$ 10,000
Brookeland	20% + \$ 25,000	\$ 10,000	\$ 10,000
City of Newton	20%	\$ 5,000	\$ -0-
Newton County	20%	\$ 30,000	\$ 10,000
Lateral Road	20% + \$ 3,000	\$ 30,000	\$ 10,000
EMS #1	\$ -0-	\$ 30,000	\$ -0-
EMS #2	\$ -0-	\$ 30,000	\$ -0-
EMS #3	\$ -0-	\$ -0-	\$ -0-
EMS #4	\$ -0-	\$ -0-	\$ -0-
EMS #5	\$ -0-	\$ -0-	\$ -0-

For school tax purposes, the over 65, disability, surviving spouse, and 100% disabled veteran residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead on existing buildings. (Any new areas added to the homesite will cause the ceiling to be readjusted and set in the subsequent tax year).

Per Texas Law City of Newton and Newton County has adopted a tax ceiling for over 65 and disabled beginning 2012.

All homeowners who qualify for the residential homestead exemption are subject to the placement of a 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 may still be reflective of the local real estate market.

## Appeal Information

State law required the district to mail Notices of Appraised Value to property owners where:

- New property has been included for the first time on the appraisal roll
- There has been an ownership change
- There has been a change in taxable value of \$1,000 or more
- The property filed a rendition statement of the property, or
- The property has been annexed or de-annexed to a taxing jurisdiction
- Every third year is a reappraisal year

In compliance with these laws in 2017, the district prepared and delivered required notices for all property owners.

## From those notices, 104 parcels were protested to the Board of Review:

- Market Value Excessive 24
- Other 41.41 Matters (Compressors) 3

The final results of these protests were:

- Market Value Excessive 11
- Other 41.41 0

### Certified Values

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 10, 2017 summarized as follows:

Jurisdiction	Market Value	Taxable Value
Newton County	\$ 2,285,134,393	\$ 1,033,771,070
Lateral Road	\$ 2,283,375,506	\$ 1,026,657,419
City of Newton	\$ 104,588,909	\$ 45,300,007
Newton ISD	\$ 774,008,009	\$ 230,985,994
Burkeville ISD	\$ 596,348,749	\$ 185,220,378
Deweyville ISD	\$ 829,732,134	\$ 552,545,180
Brookeland ISD	\$ 24,041,890	\$ 3,807,910
Kirbyville CISD	\$ 59,163,467	\$ 20,625,321
EMS #1	\$ 608,687,163	\$ 511,864,999
EMS #2	\$ 293,093,442	\$ 138,151,582
EMS #3	\$ 388,352,900	\$ 122,245,517
EMS #4	\$ 168,805,114	\$ 104,740,837
EMS #5	\$ 173,377,141	\$ 55,829,728

### Tax Rates

Using the taxable values as certified by the Chief Appraiser and following the requirements of the Truth in Taxation Laws, the taxing jurisdictions adopted the following tax rates:

Jurisdiction	M & O	I & S	Total Rate
Newton County	\$ .608713	\$ .025995	\$ .634708
Lateral Road	\$ .078538	-0-	\$ .078538
City of Newton	\$ .14	-0-	\$ .14
Newton ISD	\$ 1.17	\$ .18	\$ 1.35
Burkeville ISD	\$ 1.17	\$ .13020	\$ 1.3002
Deweyville ISD	\$ 1.04	\$ .155828	\$ 1.195828
Brookeland ISD	\$ 1.04	-0-	\$ 1.04
Kirbyville CISD	\$ 1.04	\$ .33500	\$ 1.3750
EMS #1	\$ .05	-0-	\$ .05
EMS #2	\$ .06	-0-	\$ .06
EMS #3	\$ .03	-0-	\$ .03
EMS #4	\$ .03	-0-	\$ .03
EMS #5	\$ .05	-0-	\$ .05

Margie L. Herrin, RPA, RTA, CTA, CSTA  
Chief Appraiser

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