

# **KLEBERG COUNTY APPRAISAL DISTRICT**

## **2012 ANNUAL REPORT**

### **Introduction**

The Kleberg County Central Appraisal District “KCAD” is a political subdivision of the State of Texas created by the Texas Legislature in 1979. The operations of the district are governed by the Constitution of the State of Texas, the Texas Property Tax Code, and the rules of Texas Comptroller’s Property Tax Assistance Division.

KCAD is responsible for the appraisal of all property in Kleberg County for ad valorem purposes and the administration of all local option and State mandated property tax exemptions.

### **Mission**

The mission of the Kleberg County Central Appraisal District is to discover, list and appraise all property located within the boundaries of the district in an accurate, ethical and impartial manner in an effort to estimate the market value of each property and achieve uniformity and equity. This will be accomplished by maintaining the highest standards in appraisal practices and law by developing personnel who are professional and knowledgeable and operate under the standards of:

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

### **Governance**

The Appraisal District operations are governed by the Board of Directors whose members are elected by the voting taxing units every two years. The Board’s primary responsibilities are:

- Appoint the Chief Appraiser
- Adopt the Districts annual operating budget
- Contract for necessary services; Complying with the competitive bidding requirement established by law.
- Appoint the Appraisal Review Board
- Adopt a Biennially written plan for the periodic reappraisal of all property within the District’s boundaries
- Select a financial institution to deposit funds through bid solicitations
- Purchase or lease real property, as well as constructing improvements to establish the appraisal district office
- Make general policies on the appraisal district’s operations

**Eligibility:** To be eligible to serve on a board, an individual must be a resident of the CAD and must have resided in the CAD for at least two years immediately preceding the date of taking office. This residency requirement does not apply to a county TAC serving as a nonvoting director. CAD directors serve two-year terms. Each term begins on Jan. 1 of an even-numbered year. The two-year term of office does not apply to the county TAC who serves as a nonvoting director.

An employee of a taxing unit that participates in the CAD is not eligible to serve on the board of directors, unless that individual also is a member of the governing body of the taxing unit or an elected official of a taxing unit. Membership on the governing body of a taxing unit does not make an otherwise eligible individual ineligible to serve on the board.

Owing delinquent property taxes disqualifies a person from serving on the CAD board of directors. The person is ineligible if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. This disqualification does not apply if the person is paying the delinquent taxes and any penalties and interest under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.

A person is ineligible to serve on the board if the individual is related within the second degree of consanguinity (blood) or affinity (marriage) to the following:

- an appraiser who appraises property for use in a proceeding under the Property Tax Code; or a person who represents property owners for compensation in proceedings under the Property Tax Code in the CAD.

A director who continues to hold office knowing he or she is related in this manner to the above named persons commits a Class B misdemeanor offense.

An individual is not eligible to be appointed to or to serve on the board of directors if an individual has a substantial interest in a business entity that is party to a contract or the individual is a party to a contract with the CAD. This prohibition also applies to contracts with a taxing unit that participates in the CAD if the contract relates to the performance of an activity governed by the Property Tax Code. A CAD may not enter into a contract with a board member or with a business entity in which a member of the board has a substantial interest. A taxing unit may not enter into a contract relating to the performance of an activity governed by the Property Tax Code with a board member in which the taxing unit participates or with a business entity in which a board member has a substantial interest.

An individual has “substantial interest” in a business entity if :

- the combined ownership of the director and the director’s spouse is at least 10 percent of the voting stock or shares of the business entity; or
- the director or director’s spouse is a partner, limited partner or officer of the business entity.

## **Statutory Authority**

Property Tax Code Chapter 6 contains much of the statutory authority for boards of directors. The following is a non-exclusive list of boards' authority:

- Provide for the operation of a consolidated CAD by interlocal contract between two or more adjoining CADs;
- Change the number of directors or method of selecting directors, or both, unless any of the voting taxing units oppose the change;
- Have board meetings at any time at the call of the chair or as provided by board rule;
- Contract with an appraisal office in another CAD or with a taxing unit in the CAD to perform the duties of the appraisal office for the CAD;
- Prescribe, by resolution, specified actions of the chief appraiser relating to CAD finances or administration that are subject to board approval;
- Employ a general counsel to the CAD to serve at the will of the board;
- Purchase or lease real property and construct improvements necessary to establish and operate an appraisal office or branch office;
- Convey real property owned by the CAD;
- Amend the approved operating budget after giving notice to participating taxing units not later than the 30th day before the date the board acts on the proposed amendment;
- Authorize the chief appraiser to disburse CAD funds;
- Change the CAD's method of financing unless any participating taxing unit opposes the change;
- Contract with the governing body of a taxing unit or county to assess and collect taxes through the Interlocal Cooperation Act;
- Change the number of ARB members; and
- Appoint auxiliary ARB members and select the number of auxiliary members by resolution, except in certain counties.

The Property Tax Code also provides certain statutory authority to the board of directors outside of Chapter 6, including authorizing a board of directors to approve the chief appraiser to contract with private appraisal firms to perform appraisal services under Tax Code Section 25.01(b). On written approval of the board of directors, a chief appraiser is entitled to appeal certain ARB orders to district court as provided by Tax Code Section 42.02.

## **Limited Appraisal Authority**

The board's appraisal authority is limited. The board does not appraise property or review values on individual properties. The law assigns these tasks to the chief appraiser and the ARB, respectively. The board of directors does have the authority to give written approval for a chief appraiser to appeal certain ARB orders in court.

The board has authority over appraisal policy through the following duties and authority:

- duty to develop biennially a written plan for periodic reappraisal;
- duty to adopt an operating budget to reflect the board's decisions on handling appraisals;
- authority to contract with an appraisal office in another CAD or with a taxing unit in the CAD to perform the duties of the appraisal office for the CAD; and
- authority to approve the chief appraiser to contract with private appraisal firms to perform appraisal services.

### **Meetings**

At the board of directors' first meeting each calendar year, the board must elect from its members a chairman and a secretary. A nonvoting TAC may serve as chairman or secretary. A majority of the CAD board of directors constitutes a quorum. A TAC who is a nonvoting member is counted in determining the presence of a quorum. The board may meet at any time at the call of the chairman or as provided by board rule. However, the board must meet at least once each calendar quarter. The board must provide reasonable time at meetings for public comment on CAD and ARB policies and procedures and allow a reasonable amount of time for a taxpayer liaison officer's report if applicable.

### **Required Policies**

State law requires the board to have written policies on specific issues. The board must:

- develop and implement policies that provide the public with reasonable opportunity to appear before the board to speak on any issue under the board's jurisdiction;
- prepare and maintain a written plan that describes how a non-English speaking person or a person who has a physical, mental, or developmental disability may be provided reasonable access to the board; and
- prepare information of public interest describing the board's functions and procedures to file complaints and how complaints are resolved by the board.

The board must biennially develop a written reappraisal plan for the periodic reappraisal of all property in the CAD's boundaries by Sept. 15 of each even-numbered year.<sup>157</sup> The plan is required to comply with Tax Code Section 25.18.<sup>158</sup> Certain activities are required to be conducted in the reappraisal of all real and personal property located in the CAD at least once every three years. In summary, those activities are the following:

- identifying properties by physical inspection or other reliable means of identification (such as deeds or other legal documentation, aerial or land-based photographs, surveys, maps, and sketches);
- identifying and updating property characteristics;
- defining market areas;

- identifying property characteristics affecting value in market areas (such as location and market area of property, physical attributes of property, legal and economic attributes, and legal restrictions);
- developing an appraisal model that reflects the relationship among property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
- applying the conclusions from the model to the characteristics of individual properties; and
- reviewing the appraisal results to determine value.

Tax Code Section 23.01(b) provides that if a CAD determines the appraised value of a property using mass appraisal standards, those standards must comply with the Uniform Standards of Professional Appraisal Practice. The board of directors must hold a public hearing to consider the proposed plan and provide written notice to each participating taxing unit of the hearing not later than 10th day before the hearing. After holding the public hearing and approving a plan by Sept. 15 of each even-numbered year, the board must distribute copies of the plan to the participating taxing units and to the Comptroller within 60 days of the approval date.

A CAD board of directors also must adopt and implement a policy for the temporary replacement of an ARB member who has communicated with another person in violation of ex parte communication provisions

2012 Board of Directors include:

- ❖ Filiberto Garcia – Chairman
- ❖ Edwin Mittag – Vice Chairman
- ❖ Dan Morales – Secretary
- ❖ Alfonso (Al) Garcia
- ❖ Juan Garza
- ❖ Melissa T. DeLaGarza (non voting member)

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 as a Registered Professional Appraiser (RPA) through the Texas Department of Licensing and Regulation.

### **Qualifications**

A person may not serve as a chief appraiser unless the person has completed the chief appraiser training program prescribed by Occupations Code Section 1151.164.169 This does not apply to a county TAC who serves as a chief appraiser. It applies only to a chief appraiser appointed on or after July 1, 2006.<sup>171</sup> A person may serve in a temporary, provisional or interim capacity as chief appraiser for up to one year without completing this training. Chief appraisers also must register with TDLR.

Owing delinquent property taxes disqualifies a person from serving as chief appraiser. A person is ineligible for employment as a chief appraiser if he or she owns property on which delinquent

property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. This disqualification does not apply if the person is paying the delinquent taxes and any penalties and interest under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes. The Appraisal Review Board (ARB) consists of five members appointed by the Board of Directors. Members of the ARB serve two-year staggered terms and are limited by law to serving three consecutive two-year terms. To be eligible to serve on the ARB, an individual must be a resident of the district and must have resided in the district for at least two years. Board members are also required to attend annual training classes to be eligible to serve in any given year. A person is also disqualified from employment as the chief appraiser if the person is related within the second degree by consanguinity or affinity to a person who appraises property for compensation for use in proceedings under the Property Tax Code or to a person who represents property owners for compensation in such proceedings in the CAD. A chief appraiser who remains employed knowing he or she is related to an appraiser or tax representative as prohibited commits a Class B misdemeanor offense.

### **Duties and Authority**

The CAD board of directors by resolution may prescribe that specified actions of the chief appraiser relating to the finances or administration of the CAD are subject to board approval.<sup>179</sup> The chief appraiser may employ and compensate professional, clerical, and other personnel as provided by the CAD budget, with the exception of a general counsel to the CAD.<sup>180</sup> The chief appraiser may delegate authority to his or her employees.<sup>181</sup> The chief appraiser's primary duty is to discover, list, review and appraise all taxable property in the CAD using generally accepted appraisal techniques.

The chief appraiser has authority and duties including, but not limited to, the following:

- Appraising all taxable property at market value, except as otherwise provided by law (Tex. Tax Code Chapter 23);
- Determining eligibility for special appraisal and establishing both a market and special value on qualified property (Tex. Tax Code Chapter 23);
- Determining whether property qualified for agricultural or timber appraisal has undergone a change of use and sending a notice of change of use to the owner (Tex. Tax Code Chapter 23);
- Determining exemption eligibility (Tex. Tax Code 11.45);
- Creating procedures for equitable and uniform taxation of inventory (Tex. Tax Code §23.12(b));
- Administrating rendition laws (Tex. Tax Code Chapter 22);
- Creating appraisal records (Tex. Tax Code §25.01(a) and Comptroller Rule §9.3004);
- Contracting, with the approval of the board of directors, with private appraisal firms, if appropriate (Tex. Tax Code §25.01(b));
- Certifying an appraisal roll and other listings to each taxing unit participating in the CAD (Tex. Tax Code §26.01);
- Sending notices of appraised value (Tex. Tax Code §25.19); and
- • Discovering omitted property and adjusting the appraisal roll (Tex. Tax Code §25.21).

## ARB

- Submitting complete appraisal records of all property to the ARB (Tex. Tax Code §25.22);
- Presenting supplemental records and other items for ARB consideration (Tex. Tax Code §25.23); and
- Correcting records and making the reappraisals as ordered by the ARB (Tex. Tax Code §41.08);

## CAD Administration

- Preparing the CAD budget (Tex. Tax Code §6.06(a));
- Giving notice of a public hearing on the CAD budget (Tex. Tax Code §6.062);
- Appointing an agricultural advisory board, with the advice and consent of the board of directors (Tex. Tax Code §6.12(a));
- Certifying a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the CAD on the chief appraiser's receipt of a request by a district to nominate and vote on the board of directors (Tex. Tax Code §6.03(c));
- Calculating the number of votes each taxing unit has in appointing the board of directors and providing notice as required (Tex. Tax Code §6.03(e) and (f));
- Creating the ballot with the candidates for the board of directors, counting the votes, declaring the winners, and resolving any ties (Tex. Tax Code §6.03(h), (i), (j), (k), and (l));
- Acting as the CAD's public information officer (Tex. Gov't Code §552.201);
- Issuing permits for "going out of business sales" and sending notices of such sales to other entities (Tex. Business & Commerce Code §§17.835 and 17.84);
- Serving as the chief administrator of the appraisal office with responsibility to employ and compensate professional, clerical and other personnel as provided by the budget except for a general counsel to the CAD (Tex. Tax Code §6.05(c) and (d));
- Notifying voting taxing units of any proposed property transactions (Tex. Tax Code §6.051(b));
- Proportionally crediting excess amounts to the following fiscal year if payments by taxing units to the CAD budget exceed the amount actually spent or obligated to be spent during the fiscal year. If a taxing unit has paid its allocated amount but is not allocated part of the CAD budget for the following fiscal year, the chief appraiser must refund the proportionate share of the excess funds not later than the 150th day after the end of the fiscal year that payments were made (Tex. Tax Code §6.06(j));
- Determining whether a sufficient number of eligible taxing units have valid resolutions when a change in the CAD financing method has been proposed and notifying each unit of each change that is adopted (Tex. Tax Code §6.061(d));
- Publicizing certain code provisions to residents, including, but not limited to, the availability of agreement forms for electronic communication; the availability of exemption applications; rendering requirements; special appraisal of agricultural land, open space, timber land, and restricted-use timberland; the deferred collection of taxes on residence homestead of elderly or disabled person; deferred collection of taxes on appreciating residence homestead; and the right to protest (Tex. Tax Code §§1.085, 11.44, 22.21, 23.43, 23.54, 23.75, 23.9804, 33.06, 33.065, and 41.41); and
- Producing requested materials in the form and manner prescribed by the Comptroller (Tex. Tax Code §5.16(b)).

### **Other Duties**

- Duties required by contract; and
- Legal responsibilities or duties assigned by the board of directors.

### **Compensation**

The chief appraiser is entitled to compensation as provided by the budget adopted by the board of directors. The chief appraiser's compensation may not be directly or indirectly linked to an increase in the total market, appraised, or taxable value of property in the CAD.

### **Conflicts of Interest**

The chief appraiser is an officer of the CAD for purposes of the nepotism law in Government Code Chapter 573.184 A CAD may not employ or contract with an individual or the spouse of an individual who is related to the chief appraiser within the first degree by consanguinity or affinity, as determined under Government Code Chapter 573.185

An appraisal performed by a chief appraiser in a private capacity or by an individual related within the second degree by consanguinity or affinity (as determined under Government Code Chapter 573) to the chief appraiser may not be used as evidence in a protest or challenge under Property Tax Code Chapter 41 or an appeal under Property Tax Code Chapter 42 concerning property that is taxable in the CAD in which the chief appraiser is employed.

A chief appraiser commits a Class B misdemeanor offense if the chief appraiser refers a person, whether gratuitously or for compensation, to another person for the purpose of obtaining a property appraisal, whether

### **Ex Parte Communications**

A chief appraiser commits a Class C misdemeanor offense if the chief appraiser directly or indirectly communicates with a member of the board of directors on any matter relating to the appraisal of property by the CAD. This type of communication is allowed in:

- an open meeting of the board of directors or another public forum; or
- a closed meeting of the board of directors held to consult with the board's attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and the board's attorney.

These ex parte communication provisions do not include a routine communication between the chief appraiser and the county TAC relating to the administration of an appraisal roll. This applies regardless of whether the county TAC is a nonvoting member of board of directors or was appointed.

## Appraisal Review Board

The appraisal district board of directors appoints ARB members. The directors provide the budget for appraisal review board operations as authorized by statute, but they have no authority over how the ARB conducts its business and, in fact, are prohibited from communicating with the ARB concerning matters that could be the subject of hearings. The ARB is a decision-making body that has as its sole function the determination of statutorily-authorized protests and challenges brought by property owners and taxing units. ARBs are appointed to act independently of the appraisal district and to make fair and impartial determinations. ARBs only have the authority specifically given by statute.

Chapter 6, Subchapter C of the Tax Code addresses who is and is not eligible to serve on the ARB. To serve on the ARB, an individual must have lived in the appraisal district for at least two years before taking office. ARB members do not need any special qualifications, but they may not serve on the ARB if, at the time of service, they are the following:

- members of the appraisal district board of directors;
- employees of the appraisal district;
- board members, employees or officers of a taxing unit served by the appraisal district;
- or
- employees of the Comptroller of Public Accounts.<sup>9</sup>

In counties with populations of 100,000 or less, a person who has served for all or part of three consecutive terms is ineligible to serve during a term that begins on the next January 1 following the third of those consecutive terms. This means that a person must skip a term and can be reappointed thereafter.

An individual cannot serve as an ARB member if he or she is related within the second degree by blood or marriage to a paid tax agent or person engaged in appraising property for tax purposes in the appraisal district or if he or she is related within the third degree by blood or second degree by marriage to a member of the appraisal district's board of directors. Knowingly violating this provision is a Class B misdemeanor. The law also bars an individual from ARB service if he or she, or a business entity in which he or she has a substantial interest, has a contract with the appraisal district or with a taxing unit served by the appraisal district. Likewise, the taxing units and the appraisal district are prohibited from contracting with an ARB member or a business entity in which an ARB member has a *substantial interest*. Substantial interest is defined as either: combined ownership by the member or the member's spouse of at least 10 percent of the voting stock or shares of the business; or service by the member or the member's spouse as a partner, limited partner or officer in the business entity.

An individual is also barred from serving on the ARB if he or she holds some other paid public office. The Texas Constitution does not allow a person to hold more than one paid public office. ARB members should contact legal counsel to interpret what constitutes a paid position or whether a public officer is receiving compensation.

The Tax Code disqualifies a person from serving on an ARB if the person owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. This restriction does not apply if the person is paying the delinquent taxes under an installment payment agreement or has deferred or abated a suit to collect delinquent taxes.

ARB members in all counties serve two-year staggered terms. Terms begin Jan.1. In counties having a population of 100,000 or less, a person who has served all or part of three consecutive terms as an ARB member is ineligible to serve a fourth consecutive term, but may be appointed thereafter if he or she sits out at least one full ARB term in order to be eligible to serve again.

### **ARB Member Removal**

Under certain circumstances, a majority of the appraisal district directors may remove ARB members. The appraisal district board of directors may remove an ARB member for the following reasons:

- ARB member's relative is a fee appraiser or tax agent appearing before the ARB;
- ARB member owes delinquent property taxes under certain circumstances;
- ARB member or certain relatives have a substantial interest in an appraisal district or taxing unit contract
- ARB member is involved in an ex parte communication about a protest outside of the hearing;
- ARB member participates in a hearing when he or she has a conflict of interest or is related to a party of the hearing by marriage within the second degree or by blood within the third degree; or
- ARB member fails to attend ARB meetings as established by the appraisal district board's policy.

ARB members can find throughout the Tax Code directives that define the limits of their authority. In addition, the ARB should conform to the highest ethical standards.

### **Appointment of Temporary ARB Members**

The Tax Code allows appraisal district directors to appoint temporary replacement ARB members in only one situation: when an ARB member cannot sign an ex parte affidavit. At each protest hearing, an ARB member must sign an affidavit that the member has not communicated about certain elements of the protest with another person except during the hearing on the protest. If an ARB member cannot sign the affidavit, the ARB member cannot hear the protest on that property.

The Tax Code does not set out a process for naming a replacement; the appraisal district's board of directors' policy on appointing ARB members should provide for naming temporary ARB members.

### **Oath of office**

Newly appointed and reappointed ARB members must sign a statement and take an oath of office before beginning a term. Jan.1 of the year in which the term begins is the earliest date the oath may be administered. ARB members must be properly sworn before taking any official action. After the ARB member signs the required statement and takes the oath of office, he or she files the statement with the appraisal district office.

The Secretary of State's Statutory Documents Division provides forms for this purpose online at [www.sos.state.tx.us/statdoc/statforms.shtml#AUF](http://www.sos.state.tx.us/statdoc/statforms.shtml#AUF).

## Pay and training for ARB members

When setting its budget, the appraisal district board of directors must include amounts for appraisal review board per diem payments and expense reimbursements. Specifically, ARB members (not auxiliary members) are entitled to be paid by the day (per diem) for each day the board meets. Kleberg County Appraisal District pays the ARB \$50 per ½ day and \$100 for a full day. They are also entitled to reimbursement of actual and necessary expenses incurred in the performance of their official duties. ARB members, including auxiliary members, must complete the Comptroller's training course before participating in any hearings unless the ARB member is appointed *after* the Comptroller's office has offered ARB training courses for that year. In such a situation, the ARB member may participate in hearings, but must complete the training course at the first opportunity after the appointment. ARB members must also complete annual continuing education training each year they remain on the ARB. The Comptroller's office issues a certificate to ARB members who complete the required training.

The Comptroller's new member training and continuing education cannot be provided by an appraisal district, the chief appraiser or other appraisal district staff, a member of the board of directors, ARB board member, or a taxing unit. However, the ARB is allowed to retain a certified appraiser to instruct ARB members on valuation methods if the appraisal district budgets for it. An ARB may consider, based on legal advice, training itself concerning procedural and administrative matters, so long as the training does not include appraisal and legal issues addressed in the Comptroller's training courses.

The Tax Code provides that certain communication about the training course is prohibited. Except during a hearing or other ARB proceeding, the following persons cannot communicate with the ARB regarding the Comptroller's training course or any matter presented or discussed during the course:

- the chief appraiser;
- other appraisal district employees;
- a director of the appraisal district;
- an officer or employee of a taxing unit served by the appraisal district; and
- an attorney who represents (or whose firm represents) the appraisal district or taxing unit.

ARB members should be aware of laws that require mandatory training for public officials on the Texas Open Meetings Act and Public Information Act. The laws require at least two hours of open government training, consisting of a one-hour educational course on the Open Meetings Act and one-hour educational course on the Texas Public Information Act from the Office of the Attorney General.

The Open Meetings Act training requirement applies to all elected or appointed officials who routinely participate in meetings subject to that law as part of their regular duties including ARB members. The Public Information Act training requirement applies to elected or appointed officials who respond to public information requests. ARB members have **90 days** to complete the required training and need take the course only once. The Office of the Attorney General (OAG) provides free training for all public officials through both online and video courses available for viewing on their website at [www.oag.state.tx.us/opinopen/og\\_training.shtml#11](http://www.oag.state.tx.us/opinopen/og_training.shtml#11). Officials may obtain a DVD copy of the training courses by calling the OAG's Public Information and Assistance line at 1-800-252-8011.

## **ARB officers**

The board of directors of the appraisal district, by resolution, selects a chairman and a secretary from among the ARB members. If possible, the board of directors of the appraisal district should appoint a chairman of the ARB who has a background in law and property appraisal. Kleberg County Appraisal District's board of directors selected the ARB chairman and ARB secretary on Resolution # BOD-1-2012 on May 23, 2012. The ARB chairman appointment was Miguel H. Barbour and the ARB secretary appointment was Juan A. Soliz.

The ARB presiding officer has responsibility for ensuring that hearings are conducted properly and procedures are followed. A secretary should send required notices, ensure that meetings are posted and keep official minutes or tapes of ARB proceedings. While the law only requires the selection of a presiding officer and a secretary, the ARB may determine that other officers are needed in order to conduct its business. If so, the officers should be designated in ARB rules or procedures. The ARB for Kleberg County determined the need for a Vice Chairman. The ARB voted G. L. Gibson for the Vice Chairman position for the 2012 year.

The ARB may meet at any time at the call of the presiding officer or as provided by ARB rules or procedures. The ARB must meet to examine the appraisal records within 10 days after the date the chief appraiser submits appraisal records to it.

The Appraisal Review Board responsibilities are:

- Determining protests initiated by property owners
- Determining challenges initiated by taxing units
- Correcting clerical errors in the appraisal records and the appraisal rolls
- Actin on motions to correct appraisal rolls under section 25.25 of the Property Tax Code
- Determining whether exemptions and special appraisals are improperly granted and;
- Taking other actions or making other determinations authorized by the Property Tax Code

**2012 Appraisal Review Board Members include:**

- ❖ Miguel H. Barbour – Chairman
- ❖ G. L. Gibson – Secretary
- ❖ Juan A. Soliz - Secretary
- ❖ Robert Cole
- ❖ Mary Lou Gonzalez
- ❖ Vickie Yarbrough - Temporary Replacement

## Agricultural Advisory Board

The Agricultural Advisory Board is a five member board appointed by the Chief Appraiser with the advice and consent of the Board of Directors. Responsibility of the Agricultural Advisory Board is to advise the Chief Appraiser on the valuation and use of land that may be designated for open-space agricultural valuation within the district's boundaries and to assist in determining typical practices and standards used in various farming operations. The board serves at the will of the Chief Appraiser. The agricultural advisory board members must be landowners of the district whose land qualifies for appraisal under Subchapter C, D, E, or H, Chapter 23 and who have been residents of the district for at least five years. Members of the board serve for staggered terms of two years. In making the initial appointments of members of the agricultural advisory board the chief appraiser shall appoint for a term of one year one-half of the members, or if the number of members is an odd number, one fewer than a majority of the membership. The board shall meet at the call of the chief appraiser at least once a year. An employee or officer of an appraisal district may not be appointed and may not serve as a member of the agricultural advisory board. A member of the agricultural advisory board is not entitled to compensation.

### 2012 Agricultural Advisory Board members include:

- ❖ Angel R. Gonzalez, Jr. – Chairman
- ❖ Michael Yeary – Vice-Chairman
- ❖ Jeff Jorganson – Secretary
- ❖ Jack Brown
- ❖ Victor Saenz

Kleberg County Appraisal District is responsible for appraising all properties for each of the following Taxing Jurisdictions that are within the boundaries of Kleberg County:

<u>Taxing Unit</u>	<u>Market Value</u> <i>(Before Exemptions)</i>	<u>Net Taxable</u> <i>(After Exemptions)</i>
▪ Kleberg County	1,974,090,063	1,257,607,205
▪ City of Kingsville	767,857,081	693,433,232
▪ South Texas Water Authority	1,154,564,023	931,502,530
▪ Kingsville I.S.D.	924,916,459	670,379,062
▪ Ricardo I.S.D.	228,924,935	127,428,840
▪ Riviera I.S.D.	530,931,353	238,156,580
▪ Santa Gertrudis I.S.D.	289,317,469	166,814,258
▪ Kenedy County Ground Water	666,422,840	308,970,930

## Property Types Appraised

For 2012 the Kleberg County Appraisal District has approximately 36,665 parcels. The following is a summary of those parcels:

<u>Classification</u>	<u>Property Type</u>	<u>Parcel Count</u>	<u>Market Value</u>
A	Single Family Residence	8,440	\$550,042,366
B	Multifamily Residence	242	\$ 57,181,690
C	Vacant Land	1,827	\$ 22,951,138
D1	Qualified Open Space "Ag" Land	2,390	\$527,034,473
D2	Non-Qualified "Ag" Land	969	\$ 20,234,784
E	Farm or Ranch Improvement	926	\$ 74,377,832
F1	Commercial Real Property	850	\$128,791,119
F2	Industrial Real Property	26	\$ 39,221,090
G1	Oil and Gas	16,867	\$224,727,390
J1	Water Systems	3	\$ 29,010
J2	Gas Distribution System	25	\$ 1,443,280
J3	Electric Company	99	\$ 34,795,200
J4	Telephone Company	198	\$ 10,236,880
J5	Railroad	23	\$ 8,935,820
J6	Pipeland Company	506	\$ 49,644,310
J7	Cable television Company	48	\$ 723,700
J8	Other Type of Utility	28	\$ 195,990
M1	Mobile Homes	502	\$ 4,947,630
O	Residential Inventory	188	\$ 832,270
L1	Commercial Personal Property	1,491	\$ 83,728,050
L2	Industrial Personal Property	321	\$363,790,990
S	Special Inventory	7	\$ 9,040,830
X	Exempt Property	689	\$ 88,184,221

## Exemption Data

Kleberg County Appraisal District is responsible for the administration of all property tax exemptions granted. The most common exemption a property owner qualifies for is the Homestead Exemptions. These exemptions include mandated homestead exemptions, optional homestead exemption, over-65 exemptions, over 55 surviving spouse exemptions, disability exemptions and 100% disabled Veterans homestead exemptions. In order to qualify for the Homestead Exemptions the property owner must own and reside in the residence on January 1 and the owner or spouse claims no other Homestead Exemption. In January of each year, the district mails Homestead Exemption applications to property owners who may qualify for this exemption. The application must be completed and returned to the appraisal district by April 30. A property owner who turns 65 any time during the year qualifies for the Over 65 exemption as if they had it all year and can apply for the exemption anytime during the year after the property owner turns 65. A property owner may file a late homestead application if it is filed no later than one year after the delinquency date for the taxes on the homestead.

The following is a list of taxing units that offer the Homestead/Over 65/Disabled Persons Exemptions and 100% Disabled Veteran's Homestead exemption.

<u>TAXING UNITS &amp; TAX RATE</u>	<u>HOMESTEAD</u>	<u>PERCENTAGE HOMESTEAD</u>	<u>AGE/OVER-65</u>	<u>DISABILITY</u>
Kleberg County	*****	*****	\$12,000	*****
City of Kingsville	*****	*****	\$ 8,400	*****
So. Tx. Water Authority	1%/\$5,000 MIN.	*****	\$12,000	\$12,000
Kingsville I.S.D.	\$15,000	*****	\$10,000	\$10,000
Ricardo I.S.D.	\$15,000	10%/5,000 MIN.	\$10,000	\$10,000
Riviera I.S.D.	\$15,000	20%/5,000 MIN.	\$10,000	\$10,000
Santa Gert. I.S.D.	\$15,000	*****	\$10,000	\$10,000

\*\*\*\*\*

Disabled Veterans Exemption on Homestead Property (Passed in June of 2009 per House Bill 3613)  
100% EXEMPTION

NOTE: Disabled Veteran must be: Receiving 100% Compensation for a Service Connected Disability  
AND  
100% Service Disabled or Individual Unemployable

\*\*\*\*\*

Disabled Veterans Exemption that may apply to any one property. This exemption is granted by all taxing units.

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

ANY % LISTED ABOVE AT AGE 65 AND OVER: \$12,000

### **Ratio Study Analysis – Property Value Study**

The property tax code requires that the Property Tax Assistance Division of Texas Comptroller Office conduct an internal ratio study in each appraisal district biannually to determine the degree of uniformity of and the median level of appraisal with each major property category in each school district. The districts values must be within the 5% margin of the state's ratio study in order for the Comptroller to certify local value to the Commissioner of Education for school funding. For 2012, Kleberg County Appraisal District's was certified local value for all school districts within the boundaries of Kleberg County. The district's next property value study will be performed in 2014.

## Legislative Changes

The 2011, 82nd Texas Legislature produced many pieces of legislation which affect the operation of appraisal districts as well as taxpayer exemptions and rights. Below is a list of some of the most important changes:

- ❖ **HB 3216** – Provides for communication between the taxpayer and the appraisal district by electronic format.
- ❖ **HB 1887** – Provides requirements for the training of Appraisal Review Board members. While it also provides rules pertaining to ex parte communication between the chief appraiser and appraisal review board members and restrictions on eligibility of ARB members. HB 1887 adds the ability for a person who did not own a property on January 1 to file a Section 25.25 appeal.
- ❖ **HB 896** – Provides for auxiliary ARB members.
- ❖ **SB 516** – Provides for the continuation of a 100 percent disabled veteran to be granted to the “surviving spouse” of said veteran upon his/her death.
- ❖ **SB 1** – Provides for a change in the definition of “goods in transit” and requires the taxing entities to act to tax this property. Failure to act makes the property exempt.
- ❖ **HB 252** – Significantly changes the application requirements for a residential homestead exemption for site built and manufactured homes. This bill also provides for homestead exemption apportionment for property consisting of land and a manufactured home on separate accounts.
- ❖ **HB 533** – Changes the penalty process for delinquent rendition reporting.
- ❖ **HB 2476** – Changes the definition and appraisal process for Dealer’s Heavy Equipment Inventory.
- ❖ **SB 1505** – Changes the appraisal process for oil and gas interest.
- ❖ **SB 449** – Adds water stewardship as a qualified open-space land category making it subject to the special valuation.
- ❖ **SB 1404** – Changes the deadline to file a suit under Section 25.25 from 45 to 60 days.
- ❖ **HB 2220** – Adds Section 25.26, Forfeiture of Remedy for Nonpayment of Taxes, to the Property Tax Code.

## **2012 Protest Data**

The Property Tax Code requires the Appraisal District to send a letter form Notice of Appraised Value for properties:

- Reappraised in the current year
- Change of ownership during the preceding year
- Agent or property owner makes a written request for the notice
- New property that was included for the first time on the appraisal rolls
- An increase of taxable value of \$1,000 or more
- The owner filed a property rendition statement
- The property has been annexed or de-annexed to a taxing jurisdiction

In compliance with the Property Tax Code the district prepared and delivered Notice of Appraised Values for all properties in Kleberg County for 2012 who met the criteria above. Notices were sent on approximately:

- **11,917 Parcels** - Real, Mobile Home, Commercial and Business Personal Property accounts
- **763** – Mineral, Industrial and Utility accounts

From the notices that were mailed the district received:

- 389 Protest On - Real, Mobile Home, Commercial and Business Personal Property, Mineral, Industrial and Utility
  - 35 Protest were heard by the ARB
  - 157 Protest were withdrawn by the property owner/agent
  - 149 Protest were settled in informal hearings with the appraisers
  - 48 Protest were no shows
- Of the 35 protest that went before the ARB, there were 4 adjustments to the value and 31 with no adjustments

For 2012 the district was served with no petitions for lawsuits filed in District Court.

## **2011 Methods and Assistance Program**

In 2009, the Texas Legislature enacted a new law that amended Tax code Section 5.102. It requires the Comptroller of Public Accounts to review appraisal districts every two years. This is called the Methods and Assistance Program. This review is designed to determine whether appraisal districts are meeting minimum requirements for performing statutory and appraisal duties. This review is conducted in accordance with Tax code Section 5.102(a), effective Jan 1, 2010, and related Comptroller rule 9.301. The Comptroller is required by statute to review appraisal districts for governance; taxpayer assistance; operating procedures; and appraisal standards, procedures and methodology.

Mandatory Requirements: Pass/Fail

1. Does the appraisal district have up-to-date appraisal maps from which property may be located pursuant to Comptroller Rule 9.3002?
2. Do Property inspections match appraisal records?
3. Does the appraisal district have written procedures for appraisal?
4. Are Values reproducible using the written procedures and appraisal records?
5. Were all appraisal district documents requested by PTAD made available to the reviewer by the required date?

**KLEBERG COUNTY APPRAISAL DISTRICT PASSED ALL MANDATORY REQUIREMENTS**

Appraisal District Activities Ratings: Exceeds, Meets, Needs Improvement and Unsatisfactory

Appraisal District Activities Reviewed:

1. Governance
2. Taxpayer Assistance
3. Operating Procedures
4. Appraisal Standards, Procedures and Methodology

**KLEBERG COUNTY APPRAISAL DISTRICT EXCEEDED IN ALL AREAS OF THE APPRAISAL DISTRICT ACTIVITIES REVIEW**

For additional information, visit our website at [www.klebergcad.org](http://www.klebergcad.org) or call our office at 361-595-5775. We are located at 502 E. Kleberg, Kingsville, Texas. Business hours are Monday-Friday 8:00 am to 5:00 pm. The Kleberg County Appraisal District office remains opened through lunch hours.