



Karnes County Appraisal District

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2018 Annual Report

Introduction

The Karnes County Appraisal District is a political subdivision of the state. 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 Karnes County 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)
- The Uniform Standards of Professional Appraisal Practice (USPAP)

Governance

The Appraisal District is governed by a **Board of Directors** whose primary responsibilities are to:

- Appointing the Chief Appraiser
- Contracting with other appraisal offices, taxing units or private firms to perform appraisal functions;
- Adopting annual budgets for the operation of the Appraisal District
- Determining a method of financing the annual budget based on cost allocation among taxing units;
- Purchasing or leasing real property, as well as constructing improvements to establish the appraisal district office
- Ensuring preparation of annual audits by certified public accountants;
- Selecting a financial institution to deposit funds through bid solicitations;

- Entering contracts for appraisal functions, all for all expenditures, comply with the competitive bidding requirements established by law;
- Being a necessary party to lawsuits brought by property owners concerning appraisals;
- Approving the appointment of the Agricultural Advisory Board
- Appointing the members of the Appraisal Review Board and increasing the size of said board's membership when necessary;
- Develop a biennial written reappraisal plan for the District's appraisal activities
- Administering the District office in any other manner required by law.

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 of 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 aide him/her 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 Karnes County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within Karnes County. Following are those tax jurisdictions with territory located in the district:

- Karnes County
- Karnes County Farm Road
- Karnes County Emergency Service District
- Karnes County Hospital District
- Karnes City ISD
- Falls City ISD
- Kenedy ISD
- Runge ISD
- City of Karnes City
- City of Falls City
- City of Kenedy

- City of Runge
- Ecletto Creek Watershed District
- Escondido Watershed Authority
- Hondo Watershed District
- Evergreen Underground Water Conservation District
- San Antonio River Authority
- Nixon-Smilely ISD
- Nordhem ISD
- Pawnee ISD
- Pettus ISD

Legislative Changes

For legislative changes to the Property Tax Code during 2018 that affected the Appraisal District's operations for 2018, please visit the Texas State Comptroller website at <http://www.window.state.tx.us/taxinfo/proptax/> for all the legislative changes and updates. Laws passed during the 2018 legislative session will have an effect on the 2019 appraisal records.

Property Types Appraised

The District is comprised of some 91,201 parcels. The following represents a summary of property types appraised by the District for 2018:

PTAD Classification	Property Type	Parcel Count	Market Value
A	Single Family Homes	3,176	177,016,110
B	Multi Family Homes	38	8,777,219
C	Vacant Land	1,569	10,897,717
D1	Qualified Open Space "Ag" Land	5,413	24,722,666
D2	Non-Qualified "Ag" Land	815	18,310,343
E	Farm/Ranch Improvements	3,398	218,736,191
F1	Commercial Real Property	859	161,617,605
F2	Industrial Real Property	25	436,897,710
G	Oil/Gas/Minerals	65,873	5,178,362,110
J	Utilities	625	361,497,480
L1	Commercial Personal Property	713	75,113,476
L2	Industrial Personal Property	584	501,073,240
M1	Mobile Homes	729	19,509,764
S	Dealer's Special Inventory	9	1,916,432
X	Exempt Property	9472	83,482,792

Ratio Study Analysis

Once every two years the Texas State Comptroller conducts a study to determine the uniformity of and the median level of appraisals by the District within each major category of property. To view the CAD Summary Worksheet and School District Summary Reports from the 2017 study, please visit <http://comptroller.texas.gov/taxes/property-tax/pvs/2015p/> and click on Karnes.

Property Discovery

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

- City/County building permits
- Filed Material/Mechanic's Liens
- Mobile home installation reports
- Septic tank permits
- Electric connection reports
- Advertisements
- Railroad Commission Reports (oil/gas)
- Field discovery
- Public "word of mouth"

Utilizing these discovery tools, a total market value of \$4,457,122 was added to the appraisal roll for 2018.

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.

Residential Homestead

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

Jurisdiction	General	Over 65	Disability	100% Disabled Veteran
Karnes County	\$5,000 or 20% (the greater)	\$10,000	\$10,000	100%
Karnes County Road & Bridge	\$5,000 or 20% (the greater)	\$10,000	\$10,000	100%
Karnes County ESD	\$5,000 or 20% (the greater)			100%
Karnes City ISD	\$25,000	\$10,000	\$10,000	100%
Kenedy ISD	\$25,000	\$10,000	\$10,000	100%
Falls City ISD	\$25,000	\$10,000	\$10,000	100%
Runge ISD	\$25,000	\$10,000	\$10,000	100%
Evergreen UWCD		\$25,000	\$25,000	100%
San Antonio River Authority	\$5,000 or ½% (the greater)	\$5,000	\$5,000	100%
*Pawnee ISD	\$25,000 +20% (\$5,00 Min)	\$10,000	\$10,000	100%
*Pettus ISD	\$25,000	\$10,000	\$10,000	100%
*Nixon-Smilely ISD	20% (\$25,000 Min)	\$10,000	\$10,000	100%
*Nordheim ISD	\$25,000	\$10,000	\$10,000	100%
*Overlap Area	Not Collected	By Karnes	County	

For school tax purposes, the over 65, disability, 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.)

Although Texas law allows it, none of the other taxing jurisdictions have adopted tax ceilings for over 65 or disabled homeowners.

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.

Disabled Veterans

In addition to the residential homestead exemption allowable to disabled veterans with a 100% service connected disability (as described above), disabled veterans are allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veteran's Affairs. Current exemption amounts, as based upon these ratings, are:

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

Other Exemptions

Other commonly occurring exemptions are:

Cemetery Exemptions
Religious Organizations
Primarily Charitable Organizations
Veteran's Organizations

Other less frequently occurring exemptions are allowable and described in Chapter 11, Property Tax Code.

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 \$500 or more
The property filed a rendition statement of the property
The property has been annexed or de-annexed to a taxing jurisdiction

In compliance with these laws, the District prepared and delivered required notices for:

4,069 real estate parcels
68,071 mineral/utility/industrial parcels

From those notices, 13,128 parcels were protested with the following characteristics:

Description	Parcel Count
Value is over market value	12,842
Value is unequal compared with other properties	9,932
Property should not be taxed	82
Failure to send required notice	82
Other	2,632
Exemption was denied, modified, or cancelled	156
Change of land use	94
Land use was denied, modified or cancelled	116
Owner's Name is Incorrect	194
Property should not be taxed in CAD or tax unit	84

The final results of these protests were:

Description	Parcel Count
Protest withdrawn	1,662
Protest settled	10,426
Case dismissed for failure (of taxpayer) to appear at hearing	1,026
ARB ordered no change to the appraisal record	60
ARB ordered a change to the appraisal record	14

Certified Valued

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 25, 2018, summarized as follows:

Jurisdiction	Parcel Count	Market Value	Taxable Value
Karnes County	91,201	8,375,387,954	7,104,231,520
Karnes County Rd & Bridge	82,371	7,155,215,389	5,889,076,761
City of Karnes City	11,198	144,010,964	130,563,129
City of Kenedy	5,102	226,601,158	197,892,175
City of Runge	5,194	57,011,999	50,991,646
City of Falls City	488	31,127,716	25,598,698
Falls City ISD	11,319	741,393,098	530,592,872
Kenedy ISD	19,675	1,222,096,767	1,006,982,087
Karnes City ISD	41,050	3,502,057,751	3,445,032,468
Runge ISD	13,101	573,471,205	416,745,635
Karnes County ESD #1	82,369	7,155,192,570	5,963,910,326
Karnes County Hospital Dist	82,369	7,155,192,570	5,959,533,861
Evergreen UWCD	82,369	7,155,192,570	5,930,671,984
San Antonio River Authority	82,369	7,155,192,570	5,939,874,627
Escondido Watershed Dist	21,146	1,292,849,352	1,098,394,781
Ecleto Watershed District	10,453	1,304,861,156	1,086,319,193
Hondo Watershed	922	136,878,788	39,096,621
Pawnee ISD	3,509	188,631,968	155,149,244
Pettus ISD	1,009	262,344,139	123,392,084
Nixon-Smiley CISD	124	6,617,346	791,537
Nordheim ISD	60	7,829,255	1,477,564

Tax Rates

Using the taxable values as certified by the Chief Appraiser(s) and following the requirements of the Truth in Taxation Laws, the taxing jurisdictions adopted the following tax rates (information obtained from tax assessor's office):

Jurisdiction	2018 Tax Rate	2018 Tax Rate Breakdown
Karnes County	0.213080	0.213080 M&O
Karnes County Rd & Bridge	0.044012	0.044012 M&O
Karnes County ESD #1	0.013709	0.013709 M&O
Karnes County Hospital Dis	0.097945	0.097945 M&O
Falls City ISD	1.540000	1.060000 M&O 0.480000 I&S
Kenedy ISD	1.258380	1.040000 M&O 0.218380 I&S
Runge ISD	1.500000	1.040000 M&S 0.460000 I&S
City of Karnes City	0.604788	0.279585 M&O 0.325203 I&S
City of Falls City	0.344977	0.344977 M&O
City of Kenedy	0.279386	0.146439 M&O 0.132947 I&S
City of Runge	0.133019	0.133019 M&O
Escondido Watershed	0.090276	0.090276 M&O
Ecleto Watershed	0.070000	0.070000 M&O
Hondo Watershed	0.070000	0.070000 M&O
Evergreen UWCD	0.006500	0.006500 M&O
San Antonio River Authority	0.018580	0.018580 M&O
Karnes City ISD	1.166800	1.040000 M&O 0.126800 I&S
Pawnee ISD	1.24950	1.03750 M&O 0.21200 I&S
Pettus ISD	1.38500	1.09270 M&O 0.29203 I&S
Nixon-Smilely ISD	1.17	
Nordheim ISD	1.17	