



2023

Annual Report

WASHINGTON COUNTY
APPRAISAL DISTRICT

Table of Contents

Chief Appraiser Year in Review3

Board of Directors.....4

Taxing Entities4

General Statistics.....5

Administration Report.....6

Budget Analysis.....7

Comptroller Property Tax Assistance Division (PTAD) Studies9

Appraisal Calendar/Cycle 12

Appraisal Frequency and Method 14

Appraisal Results 17

Property Appeals..... 20

Chief Appraiser Year-In-Review

The Washington County Appraisal District (WCAD) has completed all functions of the 2023 appraisal year. Our goal is to provide appraisal records that are accurate, fair, and uniform. The purpose of this report is to provide an in-depth view of the results of our efforts.

Significant Accomplishments

Real estate markets in Washington County returned to a more typical (7 – 10%) change in value over 2022. Protest volume is still high, though reduced from last year.

The District underwent a software conversion in August of 2022. The conversion is complete; however, we are still working to verify and clean up data from the old system into the new one. Many processes are being revised to be sure we are using the new software to its fullest extent.

Looking Forward

In the new year we are focusing on refining processes, providing additional staff education, and continuing the work to complete the conversion clean-up.

Without a doubt, our staff are our greatest resource. I would like to personally thank the employees of WCAD for their hard work and dedication.

Dyann White



2023 Board of Directors

John Schaer – Chairman
 Charles Gaskamp – Vice Chairman
 Leslie Boehnemann Jr. – Secretary
 Joe Antkowiak – Member
 Douglas Borchardt - Member

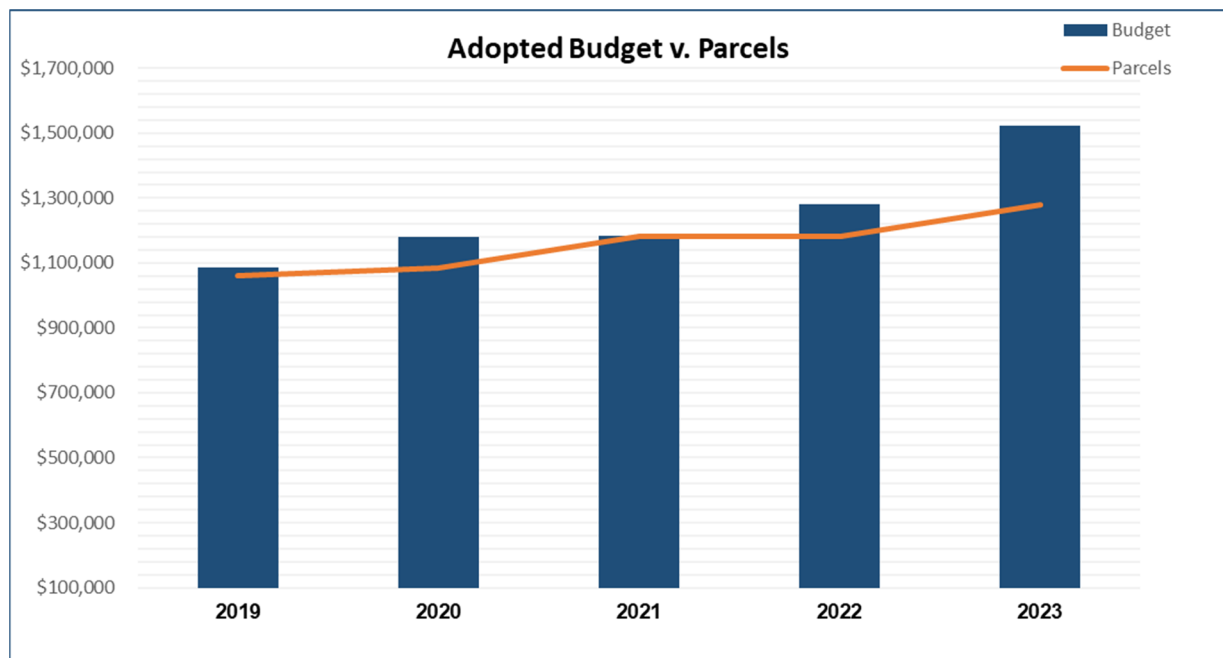
Taxing Entities

WCAD appraises all taxable property within the county for the following taxing entities, and collects for the entities as shown below.

Appraisal	Collection
Blinn College	Blinn College
Brenham ISD	Brenham ISD
Burton ISD	Burton ISD
City of Brenham	City of Brenham
City of Burton	City of Burton
Giddings ISD	
Oak Hill Fresh Water District	Oak Hill Fresh Water District
Pecan Glen Road District	Pecan Glen Road District
Washington County	Washington County

General Statistics

	Appraisal Year		
	2021	2022	2023
District's Adopted Budget*	\$ 1,182,854	\$ 1,280,680	\$ 1,523,000
<i>*Includes Appraisal and Collections Budget</i>			
Washington County Market Value	\$ 8,992,861,117	\$ 11,744,694,418	\$ 13,916,179,730
Breakdown of County Parcels	36,510	42,425	46,780
Residential	11,168	11,427	11,611
Commercial & Industrial Real	1,312	1,423	1,417
Business Personal Property	2,261	2,041	2,200
Agricultural (Incl. Res. On Ag Land)	10,892	10,326	10,683
Oil & Gas	7,508	12,859	16,428
Utilities	396	405	425
Exempt	2,973	3,944	4,016
Number of Personnel	15	14	15
Administration	2	2	2
Appraisal	7	6	7
Collections & Records (Deeds, Ex, Etc.)	6	6	6
Professional Staff Designations			
Registered Professional Appraisers	3	4	6



Administration Report

The financial records of WCAD 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. In addition, each agenda packet for the Board of Directors' monthly meetings include financial reports.

Adopted Budget

The Board of Directors considers and adopts an annual budget each year.

The proposal of 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.

The Chief Appraiser first prepares a preliminary budget and presents it to the Board, taxing entities, and other interested parties 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.

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 budget is adopted by the Board of Directors in open meeting after the public hearing has been held.

Financial Statements

Each month the Board of Directors reviews and approves financial reports. As required, the financial statements are audited annually by an independent certified public accounting firm (CPA) in accordance with generally accepted auditing standards. The Board of Directors receives the financial audit from the auditing firm in an open meeting. The auditor presents the findings and provides recommendations in relation to the financial operations.

Budget Analysis

	Fiscal Year		
	2021	2022	2023
Collections	\$ 271,360	\$ 301,500	\$ 306,800
Appraisal	\$ 911,494	\$ 979,180	\$ 1,216,200
Total	\$ 1,182,854	\$ 1,280,680	\$ 1,523,000
Increase/(Decrease)	\$ 1,967	\$ 97,826	\$ 242,320
% Increase/(Decrease)	0%	8%	19%
Budgeted Personnel	15	15	15

Breakdown of Adopted Budget:

Revenues:

Entity Allocations	\$ 1,182,854	\$ 1,280,680	\$ 1,523,000
Total Revenues	\$ 1,182,854	\$ 1,280,680	\$ 1,523,000

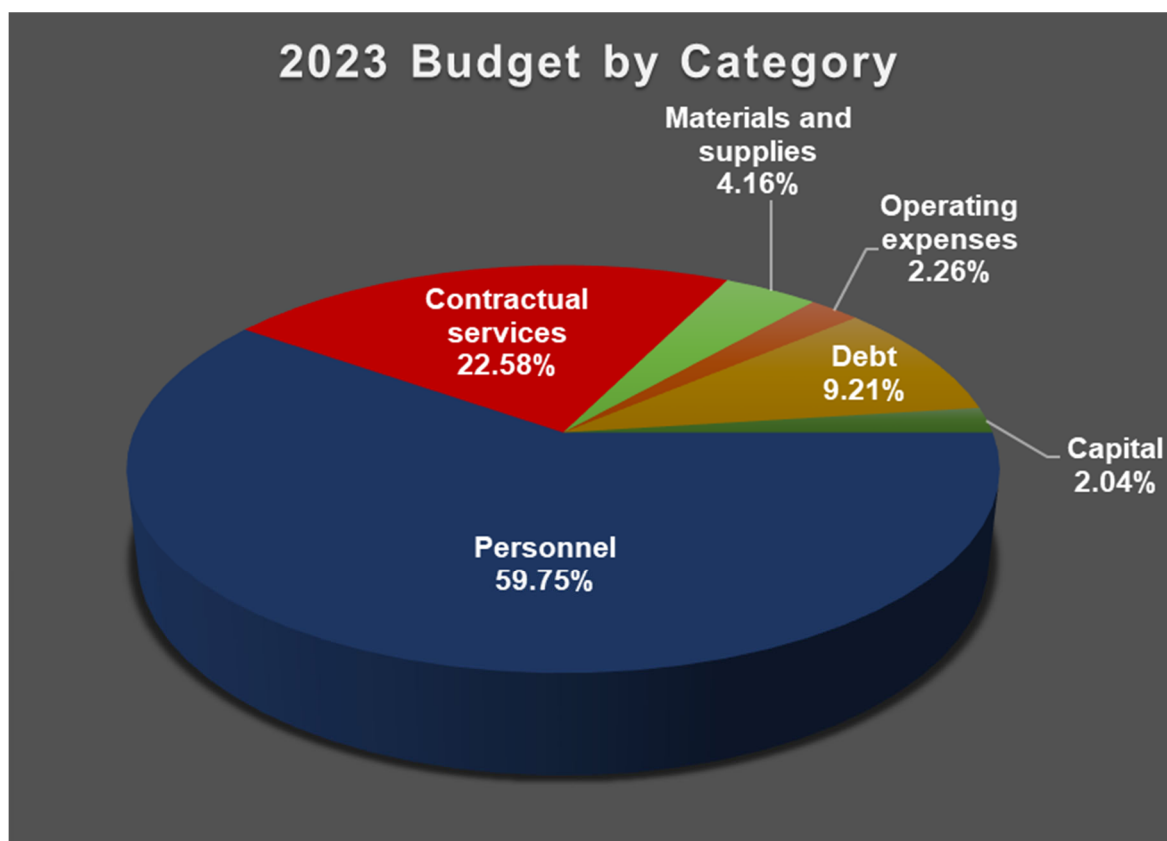
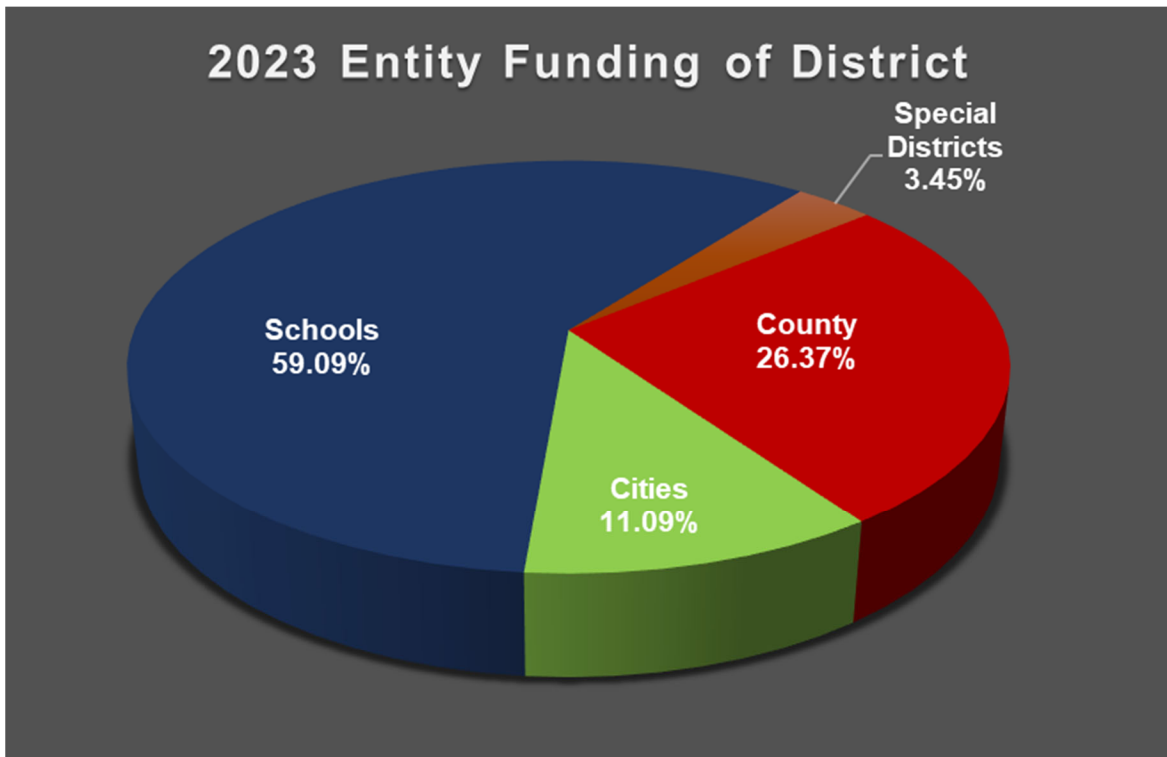
Total Expenditures:

Personnel	\$ 811,286	\$ 899,400	\$ 910,000
Operations -			
Contractual services	252,664	268,930	343,850
Materials and supplies	58,750	48,550	63,400
Operating expenses	29,050	32,850	34,450
Debt			140,200
Capital	31,104	31,100	31,100
Total Expenditures	\$ 1,182,854	\$ 1,280,830	\$ 1,523,000

Entity Funding of District:

County	\$ 284,518	\$ 304,354	\$ 401,550
Cities	116,220	122,259	168,894
Schools	739,630	808,673	900,003
Special Districts	42,486	45,544	52,553
Total Entity Allocations	\$ 1,182,854	\$ 1,280,830	\$ 1,523,000

Budget Analysis Cont'd.



Comptroller Property Tax Assistance Division Studies

Appraisal District Requirements and Responsibilities

The Texas Property Tax Code governs the legal, statutory, and administration requirements of appraisal districts. A Board of Directors appointed by the taxing units constitutes the district's governing body.

WCAD is required to determine the market value of taxable property and the prescribed equalization. Appraisal districts are required to comply with the mass appraisal standards of the national Uniform Standards of Professional Appraisal Practice (USPAP). An Appraisal Review Board (ARB) hears disagreements between property owners and the appraisal district about value or other tax liability matters as prescribed in the Tax Code.

Appraisal districts do not set tax rates.

Appraisals established by WCAD allocate the year's property tax burden on the basis of each property's January 1st taxable value.

State of Texas

The Texas Comptroller's Property Tax Assistance Division (PTAD) closely monitors appraisal districts for their accuracy in valuing property.

In 2010, PTAD began alternating every other year between a Property Value Study (PVS) and a Methods and Assistance Program (MAP) Review for each appraisal district.

Property Value Study (PVS)

The PVS has two functions: 1) to assess the median level of appraisal for each appraisal district and 2) to determine if the values are at or near market value for school funding purposes. Each appraisal district must have a compliance ratio between 95 – 105% comparing the District's market values to sales and appraisals performed by the Comptroller.

The most recent PVS was for 2022. WCAD received an "invalid" score in Brenham ISD and a score of "valid" for Burton ISD. The results can be found on the Comptroller's website at:

<https://comptroller.texas.gov/taxes/property-tax/pvs/2022f/239index.php>.

Due to the invalid score in 2022, WCAD will have another PVS for 2023. The most recent in-house ratio studies predict that WCAD will receive valid scores in both school districts for 2023.

Comptroller PTAD Studies Cont'd.

Methods and Assistance Program (MAP) Review

MAP Reviews are an audit of appraisal district governance, taxpayer assistance, operating standards, and appraisal standards, procedures and methodology that occur at least once every two (2) years. The MAP review checks and ensures that appraisal districts are compliant with International Association of Assessing Officers (IAAO) Standards and PTAD Standards.

The MAP Review consists of questions that test the Appraisal District's performance in the following areas: governance, taxpayer assistance, operating procedures, and appraisal standards, procedures and methodology.

The number of questions for each appraisal district is determined by a three-tier system based on population. Certain appraisal districts may be eligible for a limited scope review if they have received the IAAO Certificate of Excellence in Assessment Administration.

WCAD had its most recent MAP review in 2022. The results are as follows:

Mandatory Requirements	PASS/FAIL
1. Does the appraisal district board of directors, through the chief appraiser, ensure administrative functions are followed in accordance with Chapter 6 of the Texas Property Tax Code?	PASS
2. Does the appraisal district have up-to-date appraisal maps?	PASS
3. Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
4. Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	PASS
5. Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS
Appraisal District Activities	RATING
Governance	MEETS
Taxpayer Assistance	NEEDS SOME IMPROVEMENT
Operating Procedures	NEEDS SIGNIFICANT IMPROVEMENT
Appraisal Standards, Procedures and Methodology	MEETS

Appraisal District Ratings:

Meets All – The total point score is 100

Meets – The total point score ranges from 90 to less than 100

Needs Some Improvement – The total point score ranges from 85 to less than 90

Needs Significant Improvement – The total point score ranges from 75 to less than 85

Unsatisfactory – The total point score is less than 75

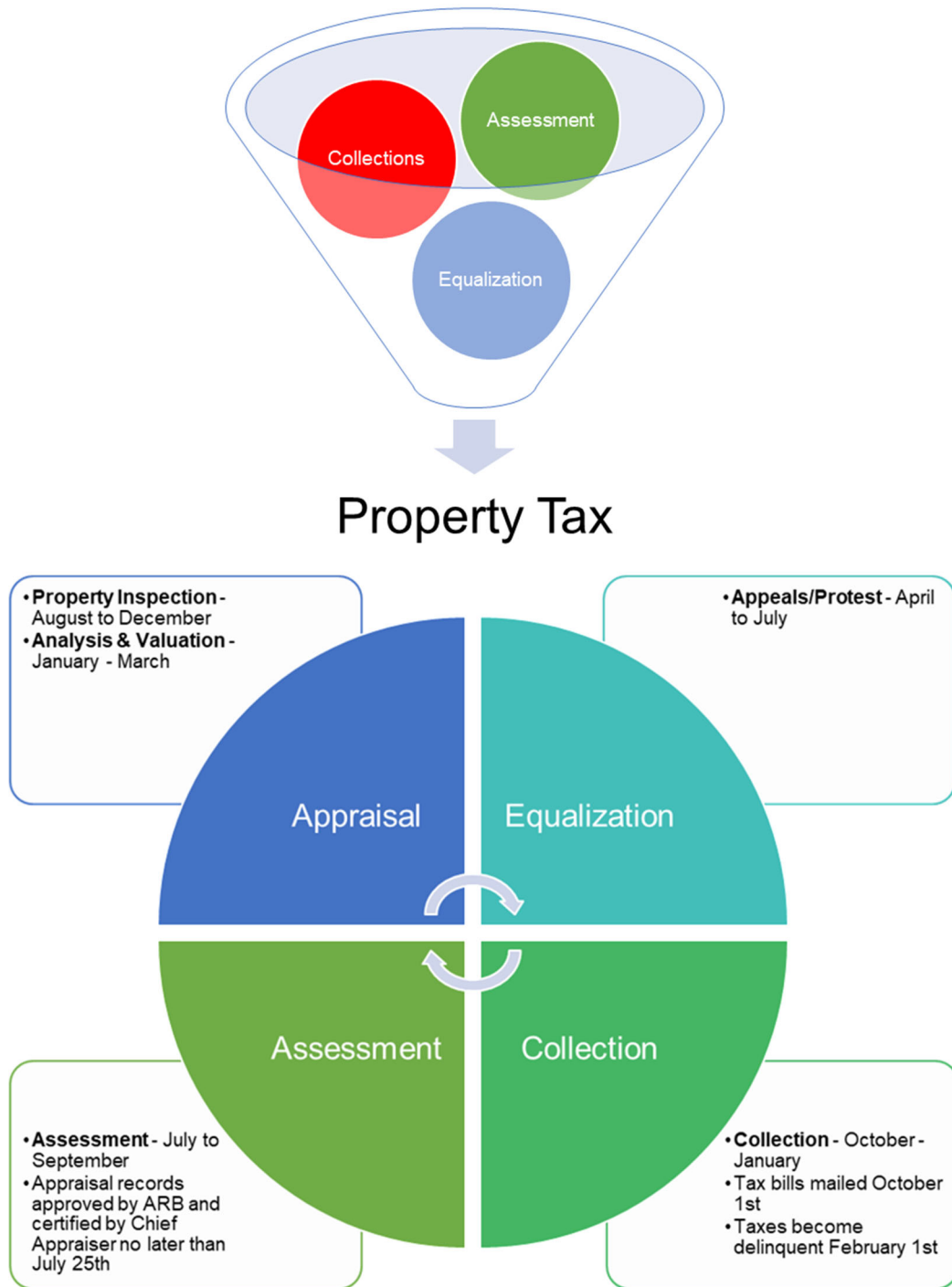
Comptroller PTAD Studies Cont'd.

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Governance	16	15	94
Taxpayer Assistance	17	15	88
Operating Procedures	23	19	83
Appraisal Standards, Procedures and Methodology	27	25	93

As part of the MAP review process, the appraisal district is required to submit, in advance of the review, electronic copies of procedures, policies, notices, manuals, and related materials necessary for the completion of this review. The Comptroller reviews the sent data and also collects related information at the time of the on-site review and compares the appraisal district records to existing property, and locates properties using district maps. Each appraisal district is reviewed on the years opposite the biennial PVS.

Each of the questions that received a "no" have since been addressed. All "no's" have received a score of 100 as of this date of this report.

Appraisal Calendar/Cycle



The months listed for each phase are approximate. Some activities extend beyond these dates, and may in fact continue year-round.

Appraisal Calendar/Cycle Cont'd.

General Appraisal Calendar		
Month	Day	Important Dates in the Appraisal Process
January	1	Date that current year taxable values and exemptions are determined (except for some inventories appraised Sept. 1)
February	1	The date that the previous year's taxes become delinquent if unpaid.
April	1	Or as soon as possible after this date, the Chief Appraiser should mail Notices of Appraised Values for single-family residence homestead properties per Property Tax Code § 25.19
April	15	The last day for property owners to file renditions unless they file an extension in writing.
April	30	Last day for property owners to file applications or certain reports with the appraisal district including: <ul style="list-style-type: none"> • Certain exemption applications • Notice to the Chief Appraiser that property is no longer entitled to an exemption that does not require an annual application. • Applications for special appraisal or notices to the Chief Appraiser that a property no longer qualifies for: 1-d or 1-d-1 agricultural appraisal, open space, recreational park and scenic land, and public access airport property. • Railroad rolling stock reports • Requests for separate listings of separately owned property (undivided interest properties). • Requests for proportionate taxation of a planned unit development.
May	1	Or as soon as possible after this date, the Chief Appraiser should mail Notices of Appraised Values for properties <i>other than</i> single-family residence homesteads per Property Tax Code § 25.19
May	31	Last day to file a protest with the ARB for the current year (or 30 days after the notice was mailed, whichever is later).
July	25	Date that the Chief Appraiser should certify the appraisal roll to the taxing jurisdictions.
September	1	Alternate date for the appraisal of inventory if applied for by the property owner and granted by the Chief Appraiser.
Note: When the deadline falls on a weekend or holiday, the Property Tax Code designates the deadline as the next regular business day.		

Appraisal Frequency and Method

All properties are physically examined at least once every three years. The universe of property is divided by market areas. The market areas are defined by the school district that the property is in. Each school district is a separate market area. The market areas are statistically analyzed annually to verify appraisal performance. If sales indicate that current appraised values are not at market value, adjustments are made to the area using a process outlined in detail in the Market Analysis section of this report.

Appraisers use two methods of inspection: review of aerial photography and/or onsite inspection.

Aerial review involves reviewing neighborhood oblique images from four different directions of a property, looking for changes that might have occurred to the property since the last inspection, measuring the two most significant exterior walls of each improvement, and verifying that all improvements are on the appraisal roll and listed correctly.

Field inspection involves physically accessing the property, walking in front of each improvement, and to the rear if accessible, looking for changes that might have occurred to the property since the last inspection, measuring the two most significant exterior walls of each improvement, and verifying that all improvements are on the appraisal roll and listed correctly. Exterior pictures are taken any time an appraiser conducts a field check.

Regardless of the method used, inspections require appraisers to check all information on the property and the property record, and to update the appraisal roll as necessary. The appraiser's primary duty is to ensure the accuracy of property records. Appraisers note their opinion of classification, condition and characteristics of the property. If changes in the size of any structures are observed, the appraiser measures and lists those dimensions. All work is reviewed by quality control measures.

In addition to reappraisal, all exemptions and special valuations for properties in the reappraisal area are reviewed to verify qualification. For instance, properties with a homestead exemption should not be vacant. Properties receiving "ag" value should show signs of agricultural use. The appraiser notifies the records technician of properties in question.

Appraisal Frequency and Method Cont'd.

Residential Property

Aerial review involves reviewing neighborhood oblique images from four different directions of a property, looking for changes that might have occurred to the property since the last inspection, measuring the two most significant exterior walls of each improvement, and verifying that all improvements are on the appraisal roll and listed correctly.

The District collects building permit and utility installation reports to locate new improvements. Properties with a building permit or utility connection are reviewed for the current appraisal year.

Commercial and Business Personal Property

Commercial property accounts are analyzed against sales of similar properties in the county as well as similar communities in surrounding counties. The income approach to value is utilized to appraise properties where the highest and best use is as income producing property, such as shopping centers, apartment complexes, motels and hotels, and other types of property that typically sell based on net operating income. The cost approach is typically used to value industrial properties due to the lack of reliable income data and comparable sales. This is the recommended approach of the International Association of Assessing Officers (IAAO).

The appraiser concurrently updates Business Personal Property (BPP) records by adding new businesses to the appraisal roll and deleting businesses that no longer exist. A rendition is left for new businesses. The appraisers walk into businesses to make quality and density observations. Similar businesses are analyzed annually to determine appraisal consistency. Businesses are categorized using North American Industry Classification System (NAICS) codes. Rendition laws provide additional information on which to base values of BPP accounts.

Appraisal Frequency and Method Cont'd.

Minerals

WCAD contracts with Thomas Y. Pickett Co. for the valuation of mineral accounts. Producing oil and gas wells are appraised annually. The most recent production data available from the Texas Railroad Commission is downloaded into appraisal software that estimates economically recoverable reserves. Those reserves are then valued based upon state mandated pricing using the previous year's average of oil and gas values. A discount is applied over the anticipated life of the well in order to consider the value of money over time to recover those reserves. Each producing lease is valued as a unit. The unit value is then divided among owners listed in the division order, equal to their percentage of interest in the lease.

Utilities and Pipelines

Utility companies and pipelines are also appraised annually by Thomas Y. Pickett Co. A utility company's total value in the state is estimated using cost, market, and income approaches. Then the entire value is allocated using the components that have situs in the tax units of Washington County. Components include such things as miles of transmission lines, miles of distribution lines, substations and the like for an electric utility.

Industrial

Industrial real estate and personal property is appraised annually by Thomas Y. Pickett Co. The methods used in local commercial appraisal are applied to industrial properties. The appraisers employed by TYP have the education and experience necessary for accurate estimates of value.

District Administration

The Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of District operations. The appraisal department is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal, mineral, utilities, and industrial. Presently all property in the District, with the exception of oil and gas pipelines, minerals, utilities, and industrial property is appraised by the WCAD staff. The District's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and

Appraisal Frequency and Method Cont'd.

Regulation (TDLR). Support functions including tax collection, records maintenance, exemptions processing, ownership transfers, information and assistance to property owners, and hearings are coordinated by personnel in support services.

Appraisal Results

WCAD is made up of four field appraisers and one support staff member. All appraisers are licensed with the Texas Department of Licensing and Regulation. Three appraisers have obtained their Registered Professional Appraiser (RPA) License and one is working toward theirs.

Reappraisal

Residential and land reappraisal work is based on current sales within a market area. Analysis is done on a specific market area by comparing sale prices to current appraised values. Market values in those areas are adjusted based on the findings of the sales analysis.

Commercial reappraisal relies heavily on replacement cost of the structure. Replacement cost is updated utilizing Marshall & Swift Valuation Service. Marshall & Swift is a nationally recognized cost estimator. Replacement cost tables, income and expense analysis, and sales comparables are reviewed to determine if commercial values need adjustment. The income and expense data assists in appraising properties that are valued according to income such as: hotels, motels, storage buildings, apartment complexes and strip malls.

All Business Personal Property is reappraised annually through a review of renditions. Properties for which no rendition is received are valued by comparing to like properties.

Ownership, Mapping, Exemptions and More

The non-appraisal staff is responsible for processing ownership changes, exemption and ag applications, responding to open-records requests, collecting tax, and assisting taxpayers with any other property tax matters. The non-appraisal staff is trained to handle a wide variety of issues.

Appraisal Results Cont'd.

Residential Real Property			
	Appraisal Year		
	2021	2022	2023
Residential Accounts	11,168	11,427	11,611
New Residential Improvements	559	884	218
New Value	\$ 49,818,974	\$ 85,010,648	\$ 40,271,033
New Subdivisions	18	17	16
New Lots	289	409	344

Average Homestead Value by School District - Taxable			
	Appraisal Year		%
	2022	2023	Increase/ (Decrease)
School District -			
Brenham ISD	\$ 246,747	\$ 271,622	10.08%
Burton ISD	224,089	240,458	7.30%

Average Homestead Value by School District - Market			
	Appraisal Year		%
	2022	2023	Increase/ (Decrease)
School District -			
Brenham ISD	\$ 281,113	\$ 300,670	6.96%
Burton ISD	250,733	261,409	4.26%

Appraisal Results Cont'd.

Commercial Real Property

	<i>Appraisal Year</i>		
	2021	2022	2023
Non-Exempt Accounts	1,312	1,423	1,417
Abatement Exemptions	11	9	11
New Value	\$ 8,595,966	\$ 27,140,986	\$ 17,334,009
Outsourced -			
Complex Industrial	83	141	150
Utilities	396	405	425

Business Personal Property

	<i>Appraisal Year</i>		
	2021	2022	2023
Number of Accounts	2,261	2,041	2,200
Special Inventory	45	42	24
Freeport Exemptions	-	-	-
Outsourced -			
Complex Industrial BPP	292	355	365

Agricultural Land

	<i>Appraisal Year</i>		
	2021	2022	2023
Number of Accounts	10,892	10,326	10,683
Ag-Use Acres	276,219	273,193	271,903
Wildlife Acres	61,122	64,658	65,916
Total Acres	337,341	337,851	337,819
Increase/Decrease in Ag Acres	(951)	510	(32)

Appraisal Results Cont'd.

Oil & Gas			
	Appraisal Year		
	2021	2022	2023
Non-exempt Accounts	7,508	12,859	16,428
Taxable Value	279,341,890	1,043,437,471	959,576,375
Increase/Decrease	20,194,146	764,095,581	(83,861,096)

Top Ten Taxpayers - Market Value		
2023 Top Ten Taxpayers	Market Value	Taxable Value
1 Magnolia Oil & Gas Operating LLC	\$ 481,415,352	\$ 481,451,352
2 Geosouthern Chalk II, LLC	111,019,149	111,019,149
3 Aspen Midstream LLC	82,062,830	82,062,830
4 Chesapeake Operating Inc	75,090,020	75,090,020
5 LCRA Transmission SRV Corp	70,247,570	70,247,570
6 Blue Bell Creameries	55,434,140	55,434,140
7 Iron Roc Energy	39,342,056	39,342,056
8 Blue Bell Creameries	36,553,270	36,553,270
9 Valmont/Als	30,649,360	30,324,180
10 Apache Corporation	29,671,692	29,671,692

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.

Appraisal Review Board

The ARB is appointed to hear all of the protests of value and any issues that affect the tax liability of the property and to equalize values. The protest process begins around April 1st and typically concludes around July 20th of each year.

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

After the hearing process, the ARB approves and submits a certified assessment roll to the Chief Appraiser. The Chief Appraiser then certifies taxable value to the local taxing entities.

Taxpayer Protest Assistance

WCAD makes its staff available for property owner assistance after Notices of Value are mailed. Many owner questions and concerns can be answered by the general staff. However, the appraisers are available for informal value discussions if a property owner does not agree with their appraisal or other tax liability issue. The appraisers will review the appraisal with the property owner or their agent, answer any property value questions, and make adjustments to the property value when necessary.

Property Appeals Cont'd.

Property Appeals			
	Appraisal Year		
	2021	2022	2023
Informal Protests	291	688	492
Formal Protests			
By Property Owners	887	1,684	1,233
By Tax Agents	640	1,017	1,051
Total Protest	1,527	2,701	2,284
Protests by Property Type -			
Residential	N/A	782	1,038
Commercial	N/A	280	301
Business Personal Property	N/A	53	52
Land	N/A	374	262
Agricultural	N/A	451	175
Industrial/Utilities	N/A	18	282
Mineral	N/A	743	174
Total Protest by Property Type	N/A	2,701	2,284
ARB Statistical Information -			
ARB Hearing - Approved	22	184	107
ARB Hearing - Denied	238	246	196
Non-Attendance	119	390	280
Pending	1	19	41
Waived/Withdrawals	1,067	1,768	1,354
Void	32	21	18
Topline	48	73	288
Total Protest Results	1,527	2,701	2,284
Hearings Scheduled:			
# of ARB Hearing Dates	8	21	15
Protests Scheduled	N/A	N/A	N/A
Reschedules	N/A	N/A	N/A