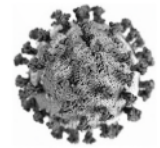


# CCAD VALUATIONS



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## January 1 Law Prevents COVID-19 Value Relief

Property owners, chief appraisers and taxing units across the state have been lobbying the governor's office for several weeks now.

The request put before Gov. Abbott was to limit or freeze tax values at 2019 levels in view of the economic climate brought on by the virus pandemic.

Some legal experts say such an action would require legislation beyond the governor's power, while other sources disagree.

In either event, Gov. Abbott has made it publicly clear he will not order such a freeze.

Because of the January 1 appraisal date and the hot Texas real estate market, taxpayers and chief appraisers are once again at odds with one another, perhaps more so than at any other time in Texas history.

Gov. Abbott has expressly stated that local taxing units must be the ones to provide tax relief to Texans by lowering their tax rates. This advice is sound yet unexpected coming from a state elected official.

## Appraisal District Fails State Audit and Value Study

Compounding problems this year is the recent failure of CCAD in two separate state reports. Those failures have jeopardized state funding for both Jacksonville and Rusk schools. Additionally, the failures have contributed to a major valuation increase in commercial properties county-wide.

The state performs a value study every two years on all schools in Texas. In 2019, the state determined that CCAD was low on commercial and residential values in both JISD and RISD. Failure in this study can hurt the funding amount a school receives from Austin each year. The study has a grace period of

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Historically, state officials have vilified local chief appraisers as they attempted to keep up with Texas real estate. It is only recently the focus has shifted to the local taxing units that actually determine the amounts each taxpayer will pay annually.

At the printing of this newsletter, nobody knows for certain how long this pandemic will last, or what the long-term affect will be on the economy. CCAD will continue to monitor the real estate market and incorporate that data into estimates of value for next year as of 1-1-2021.

However, that doesn't help anyone today...

one year in certain situations. However, the grace period in question is not available because CCAD also failed one question out of eighty on the most recent methods and procedures audit conducted by the state. That question, which related to procedures for valuing low income housing, has the potential to cost Jacksonville and Rusk ISDs several hundreds of thousands of dollars that would normally be sent by Austin.

Currently, the appraisal district is appealing the state's value study.

## 2020 Values See Large Increases

January 1 values were up substantially for residential and commercial properties this year following the CCAD failure of state value studies and an analysis of late 2019, early 2020 sales data.

### Residential Values

Residential properties have seen a dramatic change over calendar years 2017 through 2020 as shown by sales ratio studies conducted by CCAD. County-wide, residential appraised values were 18% below sales levels before 2020 adjustments. After value changes this year, that number has dropped to only 3% below sales levels.

CCAD continues to struggle with limited market information, especially in the southern school districts. Adjustments for smaller market areas like Alto, New Summerfield, Carlisle and Wells schools were based in part off of sales in other Cherokee Co. market areas. In those cases, consideration was given to discount values for the smaller school markets off of the larger school appraisal models.

Adding to this difficulty is the interior remodeling trend that is often undetected by exterior inspections performed by CCAD appraisers. Remodeling, updating and the addition of upgraded amenities add value to homes that is not always accounted for in

### Social Media and Taxpayer Assistance

CCAD has a YouTube Channel and Facebook page where you can find information and videos to assist you with productive lands. Also, our website has other resources such as online brochures explaining several facets of property tax exemptions and processes.

The State Comptroller's website contains a vast amount of information, including videos on presenting your case at the ARB!!

appraisal depreciation estimates leaving the District to struggle with accurate residential modeling.

### Commercial Values

As previously mentioned on page one, the state value study conducted by the Comptroller's office found CCAD residential and commercial values to be low in Jacksonville and Rusk. As a part of the District's appeal, independent fee appraisals were commissioned for several different commercial properties in the two schools.

Those appraisals were mixed in their indicated values as compared to CCAD appraisals. Some property types, such as nursing homes, convenience stores, fast food restaurants and mini-storage warehouses, indicated values closer to the state's estimate. In those instances, CCAD has taken the information provided in the fee appraisals and adjusted those commercial models appropriately.

On other property types, CCAD has updated construction cost and depreciation tables to current levels.

During the upcoming protest season, CCAD appraisers are actively seeking new commercial cost and income information as they continue

### Protest Notices and Deadlines

Notices of Value have been sent out for 2020 properties. These notices were generated for properties with a change in value of +/- \$1,000.

In addition, new owners since Jan. 1 of last year should also receive a Notice of Value.

Finally, if you have submitted a rendition or requested a notice, you should be receiving a Notice on those properties as well.

The deadline to file a protest is June 29, 2020. Contact CCAD for more details.

Unit Name	Tax Year	Certified Taxable Value	Change from Previous Year	Tax Rate	Taxable Value of New Properties	
Alto ISD	2017	\$138,229,216	7.3%	\$1.300000	\$1,629,010	
	2018	\$142,209,027	2.9%	\$1.300000	\$1,507,934	
	2019	\$150,851,102	6.1%	\$1.328300	\$2,721,860	
Bullard ISD*	2017	\$340,481,988	10.4%	\$1.670000	\$24,619,690	
	<i>*Cherokee Co. Portion Only</i>	2018	\$348,794,739	2.4%	\$1.630000	\$18,488,046
	2019	\$375,396,522	7.6%	\$1.470000	\$17,010,853	
Carlisle ISD*	2017	\$50,508,656	7.8%	\$1.520000	\$1,394,796	
	<i>*Cherokee Co. Portion Only</i>	2018	\$47,587,956	-5.8%	\$1.520000	\$625,668
	2019	\$63,658,769	33.8%	\$1.407000	\$818,378	
Cherokee County Gen Fund	2017	\$2,526,377,100	4.8%	\$0.420000	\$50,633,190	
	2018	\$2,638,637,390	4.4%	\$0.420000	\$70,800,249	
	2019	\$2,859,841,544	8.4%	\$0.420000	\$54,898,664	
Cherokee Co Lateral Rd Fund	2017	\$2,476,022,660	5.2%	\$0.175000	\$50,590,528	
	2018	\$2,589,994,173	4.6%	\$0.175000	\$70,716,351	
	2019	\$2,814,453,058	8.7%	\$0.175000	\$54,863,836	
City of Alto	2017	\$35,207,007	6.1%	\$0.343700	\$111,420	
	2018	\$35,872,271	1.9%	\$0.343700	\$51,298	
	2019	\$37,563,021	4.7%	\$0.343700	\$63,170	
City of Bullard*	2017	\$61,842,734	17.9%	\$0.563264	\$708,730	
	<i>*Cherokee Co. Portion Only</i>	2018	\$51,255,396	-17.1%	\$0.595347	\$1,080,130
	2019	\$53,816,442	5.0%	\$0.605347	\$6,426,873	
City of Jacksonville	2017	\$586,085,089	3.4%	\$0.659600	\$2,840,331	
	2018	\$610,652,336	4.2%	\$0.690000	\$3,769,070	
	2019	\$679,291,781	11.2%	\$0.690000	\$9,869,400	
City of Rusk	2017	\$118,050,838	1.0%	\$0.480000	\$863,200	
	2018	\$122,477,510	3.7%	\$0.480000	\$1,205,540	
	2019	\$128,192,497	4.7%	\$0.480000	\$1,273,720	
City of Troup*	2017	\$3,464,494	-5.5%	\$0.912933	\$120,350	
	<i>*Cherokee Co. Portion Only</i>	2018	\$3,678,216	6.2%	\$0.867087	\$-
	2019	\$3,995,404	8.6%	\$0.867087	\$-	
City of Wells	2017	\$13,693,098	5.7%	\$0.561200	\$301,640	
	2018	\$13,786,905	0.7%	\$0.561200	\$224,370	
	2019	\$14,349,787	4.1%	\$0.541800	\$68,080	
Jacksonville ISD	2017	\$1,035,774,306	3.7%	\$1.465000	\$12,417,398	
	2018	\$1,103,205,476	6.5%	\$1.465000	\$33,763,656	
	2019	\$1,221,418,157	10.7%	\$1.395000	\$20,855,094	
New Summerfield ISD	2017	\$65,803,264	2.2%	\$1.459500	\$1,918,873	
	2018	\$67,325,690	2.3%	\$1.459500	\$1,096,730	
	2019	\$70,176,847	4.2%	\$1.357850	\$578,750	
Rusk ISD*	2017	\$365,246,522	2.4%	\$1.152500	\$6,552,825	
	<i>*Cherokee Co. Portion Only</i>	2018	\$383,204,562	4.9%	\$1.152500	\$10,277,426
	2019	\$403,259,847	5.2%	\$1.082500	\$7,653,160	
Troup ISD*	2017	\$156,586,569	15.3%	\$1.220000	\$7,350,222	
	<i>*Cherokee Co. Portion Only</i>	2018	\$166,299,091	6.2%	\$1.290000	\$1,480,220
	2019	\$204,997,863	23.3%	\$1.183350	\$3,132,430	
Wells ISD*	2017	\$79,098,091	3.8%	\$1.420000	\$1,300,240	
	<i>*Cherokee Co. Portion Only</i>	2018	\$79,124,641	0.03%	\$1.420000	\$806,290
	2019	\$87,707,918	10.8%	\$1.283350	\$784,780	

## 2020 Timber Values

Productivity value estimates for timberland released by the State Comptroller's Property Tax Assistance Division show gaining values in all timber classes for 2020.

The Statutory Timber Capitalization rate was slightly lower this year (7.42% to 7.28%) which increased values somewhat. Primary value drivers seem to be an uptick in prices and growth factors calculated by the state.

	2019 \$/Ac	2020 \$/Ac
<b>Pine I</b>	\$471	\$500
<b>Pine II</b>	\$305	\$316
<b>Pine III</b>	\$229	\$235
<b>Mixed I</b>	\$257	\$283
<b>Mixed II</b>	\$158	\$170
<b>Mixed III</b>	\$90	\$97
<b>Hard Wood I</b>	\$147	\$164
<b>Hard Wood II</b>	\$67	\$75
<b>Hard Wood III</b>	\$42	\$46



## Protesting and COVID-19

At this time, the appraisal district is open to the public. However, we encourage folks to use the on-line protest module on our website, or reach out to us by phone.

If you prefer to visit in person, we ask that you take the normal precautions to promote public safety. We have several at risk employees and some employees with family members who are at risk so we appreciate your cooperation in this matter.

Finally, be aware that ARB protests may be conducted by conference call if you desire. If you choose to use this option, you must submit a notarized affidavit 10 days prior to the hearing date containing all evidence you wish to present in defense of your case.

## Where to file Complaints about Non-Valuation Issues

The Texas Department of Licensing and Regulation (TDLR) is the oversight agency for staff appraisers.

Complaints about a licensed District appraiser can be registered with the TDLR. These complaints generally should regard illegal or unethical behavior. Complaints may be filed by mail to: **Texas Department of Licensing and Regulation, Attn: Enforcement-Intake, P.O. Box 12157, Austin, TX 78711.** There is also an online option to file complaints at their website:

<https://www.license.state.tx.us/Complaints/>  
Follow the options on the page to initiate the complaint process.

Complaints concerning District staff should be directed to the Chief Appraiser. However, if the complaint is about the Chief Appraiser, you may request a meeting with the CCAD Board of Directors. Persons requesting to appear before the Board of Directors should submit their request to the District's mailing address to the attention of the Chairman of the Board of Directors. You will have the opportunity to appear at the next Director's meeting.

Complaints about tax rates should be directed to the appropriate governing body such as the County Commissioner's Court, City Council or School Board of Trustees.

## How to Contact Us

Our lobby is open **8am to 4:30pm** Monday-Friday. However, we are available by phone until 5pm. We are located at 107 East 6<sup>th</sup> Street in Rusk.

Our mailing address is Post Office Box 494, Rusk, Texas, 75785.

If you wish to call us, we may be reached during business hours at 903-683-2296 and facsimiles may be sent to 903-683-6271.

Our website is [www.cherokeecad.com](http://www.cherokeecad.com) where you can find a great deal of information to assist you in understanding this process.