



Ellis Appraisal District 2016 Annual Report



This is the fifth edition of the Ellis Appraisal District (EAD) Annual Report. The report includes information on the following areas that we believe are important to give you insight into the performance of your Appraisal District:

- Taxing Entities EAD Serves
- EAD Reappraisal Plan
- Comptroller's Property Value Study and Methods Assistance Program
- EAD Budget
- Growth Indicators
- Facilities
- Appeals, Arbitration and Litigation

Appraisal Districts were created and governed by the Texas Property Tax Code. The Code was created in 1979 by legislation known as the Peveto Bill. Prior to the creation of appraisal districts all taxing entities had their own appraisal staff. Properties were often listed on different taxing entities rolls at dramatically different appraised values and assessment ratios were also applied with no uniformity between entities. The Peveto Bill created one appraisal district within each county to appraise properties for all taxing entities at 100% market value with fairness and equality and abolished assessment ratios. The plan was to create a level playing field where no one would be subject to paying taxes based on more or less than their fair share.

Ellis Appraisal District is here to serve you through discovering, listing and appraising your property fairly and uniformly. The Appraisal District is *not a taxing entity* and *does not set tax rates or collect taxes*. The Appraisal District team has many responsibilities and we must be good stewards. We know that we are here to serve you, the property owners of Ellis County, and we are committed to performing our work with courtesy, professionalism and excellence.

Our hope is that through this report you will find that you are well served and gain a better understanding into the challenges and successes of your Ellis Appraisal District.

Kathy Rodrigue, RPA
Chief Appraiser

Taxing Entities Serve by the Ellis Appraisal District

EAD is an Appraisal District formed by the Texas Legislature in 1979 and is charged with the appraisal of all taxable property within Ellis County. There are 42 taxing entities partially or totally within the District's boundaries. Currently these taxing entities are as follows:

**Ellis County
Ellis County Lateral Road**

<u>Cities</u>	<u>School Districts</u>	<u>Special Districts</u>
City of Alma	Avalon ISD	Ellis County Emergency Service District #1
City of Bardwell	Ennis ISD	Ellis County Emergency Service District #2
City of Cedar Hill	Ferris ISD	Ellis County Emergency Service District #3
City of Ennis	Frost ISD	Ellis County Emergency Service District #4
City of Ferris	Italy ISD	Ellis County Emergency Service District #5
City of Garrett	Maypearl ISD	Ellis County Emergency Service District #6
City of Glenn Heights	Midlothian ISD	Ellis County Emergency Service District #7
City of Grand Prairie	Milford ISD	Ellis County Emergency Service District #8
City of Italy	Palmer ISD	Ellis County Emergency Service District #9
City of Mansfield	Red Oak ISD	
City of Maypearl	Waxahachie ISD	Ellis County Fresh Water Supply District #1
City of Midlothian		
City of Milford		
City of Oak Leaf		
City of Ovilla		
City of Palmer		
City of Pecan Hill		
City of Red Oak		
City of Venus		
City of Waxahachie		

EAD as a Resource

Communication: We believe it is very important to keep the EAD Taxing Entities informed with timely delivery of a complete and accurate certified appraisal roll, weekly reports of changes, budget, reappraisal plan and audit reports and all other information that relates to EAD’s service to them.

Compliance and Performance: We are pleased to file all reports related to property values and exemptions that are required by the Comptroller’s Office for the Taxing Entities. We are also proud to have performed well in the State Property Value Study and the Methods Assistance Program Audit.

Sharing Technology: We are pleased through our contract with Pictometry to share digital ortho and oblique images and software with our Taxing Entities. This unique relationship provides for one purchase to benefit all those who pay into the EAD budget. These images can be used in many ways, such as planning, development, emergency management, etc.

Ellis Appraisal District Reappraisal Plan

The Board of Directors establishes a reappraisal plan in compliance with Section 6.05 of the Texas Property Tax Code. This plan is reviewed and adopted biennially to inform the public and taxing entities of the needs and progress of the appraisal process.

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Entities	2016	2015	2014	2013	2012
County/FM Road	2	2	2	2	2
Schools	11	11	11	11	11
Cities	20	19	19	19	19
Special Districts	10	10	10	9	9

EAD currently conducts reappraisal on a three-year rotation. While all property values are updated annually to reflect market values, one-third of the district is re-inspected every year. The re-inspection consists mainly of the use of Pictometry images and the geographic information system, augmented by the physical inspection of properties. The account breakdown is based on their location within an ISD.

ISD's:	2016	2015	2014	2013	2012
Avalon	765			790	
Ennis		14,023			15,637
Ferris			5,752		
Frost	71			73	
Italy	1,941			1,990	
Maypearl	2,755			2,846	
Midlothian	18,334			18,848	
Milford	944			975	
Palmer			3,280		
Red Oak		11,801			12,441
Waxahachie			20,149		

Account Breakdown:	2016	2015	2014	2013	2012
Single Family Residential	15,087	17,093	19,154	15,560	17,617
Multi Family Residential	138	370	324	128	352
Vacant Lots/Acreage	5,296	5,239	5,894	5,587	6,687
Comm/Indust Real & BPP	1,502	2,280	2,664	1,515	2,451
Utilities/Minerals	1,784	224	235	1,708	155
Exempt Property	1,005	618	910	1,024	816
Total Accounts	24,812	25,824	29,181	25,522	28,078

For additional details please view the current Reappraisal Plan on the appraisal district website at www.elliscad.com.

Performance in Comptroller's Property Value Study and Methods Assistance Program

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Property Value Study					
Yes/No	Yes	No	Yes	No	Yes
CAD Performance Measures	(Preliminary)				
Median Level of Appraisal	0.99	n/a	0.97	n/a	1.00
Coefficient of Dispersion	6.12	n/a	7.70	n/a	9.22
Price Related Differential	1.00	n/a	0.98	n/a	1.05
ISD's with Local Value Assignments	11	n/a	11	n/a	11
Avalon	36,627,890	35,917,625	35,963,087	35,305,971	33,875,399
Ennis	1,864,212,985	1,782,827,606	1,735,239,706	1,745,407,272	1,715,390,043
Ferris	302,827,110	289,489,468	295,770,299	239,320,008	288,678,067
Frost	2,547,979	2,278,634	2,236,337	2,010,641	1,659,682
Italy	107,962,808	95,433,011	98,257,036	95,511,169	95,030,089
Maypearl	288,023,121	270,502,458	268,586,521	267,896,212	266,973,923
Midlothian	3,473,035,873	3,169,190,157	2,932,682,011	2,729,856,688	2,629,708,985
Milford	51,017,578	50,675,097	53,998,935	52,932,979	51,932,257
Palmer	231,163,405	217,688,340	216,521,284	211,895,903	208,918,778
Red Oak	1,495,882,528	1,423,948,006	1,377,713,053	1,202,742,672	1,157,765,218
Waxahachie	3,322,613,090	3,071,158,583	2,938,539,323	2,777,589,925	2,738,296,129
	11,175,914,367	10,409,108,985	9,955,507,592	9,360,469,440	9,188,228,570
Method Assistance Program					2015
Mandatory Requirements					PASS/FAIL
1. Does the appraisal district have up-to-date appraisal maps?					PASS
2. Is the implementation of the appraisal district's most recent reappraisal plan current?					PASS
3. Does the appraisal district comply with its written procedures for appraisal?					PASS
4. Are values reproducible using the appraisal district's written procedures and appraisal records?					PASS
Appraisal District Activities					RATING
Governance					MEETS ALL
Taxpayer Assistance					MEETS ALL
Operating Procedures					MEETS ALL
Appraisal Standards, Procedures and Methodology					MEETS ALL
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.					
We are proud to continue our high ratings as EAD earned these same achievements in the 2011 & 2013 MAP Reviews.					

Ellis Appraisal District Budget

Each year the chief appraiser prepares and presents to the Board of Directors and Taxing Entities information in compliance with Section 6.06 of the Texas Property Tax Code. The process of publication and adoption of the budget is mandated by law. The Chief Appraiser prepares the proposed budget and schedules a workshop for the budget committee appointed by the Chairperson. The proposed budget is then presented to the full Board for review. By June 15th, the proposed budget is submitted to all taxing entities participating in the District. The Board shall hold a public hearing, make any changes to the proposed budget and approve the budget before September 15th. Presented are the 2016 and prior three year's budgets with value and entity levy information:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ellis Appraisal District Budget	\$2,189,596.48	\$2,150,471.23	\$2,020,324.17	\$1,989,165.61
Number of Parcels	81,262	80,103	79,094	78,439
Residential	46,668	45,543	44,591	44,399
Commercial/Industrial	6,085	5,984	5,857	5,778
Farm/Ranch	14,997	15,053	14,603	13,989
Oil & Gas	1,257	1,490	1,450	1,093
Utilities	666	660	676	690
Exempt Properties	2,504	2,310	2,336	2,259
Other	9,085	9,063	9,581	10,231
\$/Parcel	\$26.94	\$26.85	\$25.54	\$25.36
Staff Positions	24	24	24	24
Professional Designations	7	9	9	9
Ellis County Market Value	16,195,477,490	15,194,825,434	14,038,683,914	13,387,235,390
Ellis County Taxable Value	12,972,185,399	12,028,867,796	11,135,359,902	10,680,338,099
New Market Value	424,284,278	398,100,727	370,006,560	232,798,012
New Taxable Value	399,322,427	272,774,053	249,744,603	213,873,077
Levy Information				
County	\$52,709,593.53	\$49,091,545.23	\$45,505,027.09	\$43,707,321.79
ISD	\$175,920,528.12	\$165,726,935.95	\$153,338,356.33	\$144,963,499.69
City	\$60,864,946.97	\$55,652,459.67	\$51,278,498.80	\$48,308,921.42
Special Districts	\$3,198,653.96	\$2,894,820.55	\$2,185,939.39	\$2,065,013.85
Total	\$292,693,722.58	\$273,365,761.41	\$252,307,821.62	\$239,044,756.75
Percentage of Budget/Levy	0.75%	0.79%	0.80%	0.83%

The costs of District operations are shared by the various taxing entities participating in the District. Each taxing entity's allocation is based on its tax levy relative to the total tax levy of all the participating taxing entities. The District's budget is currently less than 1% of the entity's levy.

The Board may use excess funds to build reserves for litigation or appropriately approved capital expenditures.

Growth Indicators

Ellis County is geographically located in the southern part of the Dallas/Fort Worth Metroplex and is poised for growth with four major transportation corridors. As the economy grows, so will Ellis County. Below are some statistics that indicate growth in the following areas:

GROWTH INDICATORS	2016	2015	2014	2013	2012
Deed Transactions	8,397	9,299	7,815	6,958	5,888
Property ID's Transferred	9,380	10,126	9,099		
2016 Instruments/2015 back Vols/Instrs	104,611	28/20,696	70 Vol/No Pg	72 Vol/No Pg	67 Vol/No Pg
CC changed #- An Inst can have 1+ pg					
Subdivisions or Replats	105	122	126	102	83
Residential Inventory	2,899	2,730	2,891	2,990	3,210
Personal Property Accounts	3,591	3,518	3,414	3,355	3,365
Building Permits	3,299	3,093	2,452	2,050	1,818
Residential	2,865	2,650	2,074	1,667	1,473
Commercial/Industrial	325	330	286	279	264
Other	109	113	92	104	81
Confirmed Sales	3,316	2,944	2,305	2,298	2,110
Market Transactions	3,130	2,787	2,149	2,042	1,635
Sales Confirmation (% of Deed Transactions)	39.49%	31.66%	29.49%	33.03%	35.84%
New Improvement Market Value	424,284,278	398,100,727	370,006,560	232,798,012	143,284,838
Single Family Residential	284,455,420	224,199,171	170,894,280	121,463,100	88,472,360
Multifamily Residential	1,431,050	311,150	1,702,930	9,353,300	4,222,550
Commercial/Industrial/Pipeline	119,296,198	52,748,547	122,889,400	83,760,402	29,905,658
Exempt	19,101,610	120,841,859	74,519,950	18,221,210	20,684,270
Special Appraisal					
Ag App Approved	622	645	627	511	526
Ag App Denied	63	56	63	51	48
Ag Rollback	144	136	80	70	58
Partial Exemptions					
Homestead	34,809	34,758	34,212	33,657	33,911
Over 65	11,083	10,643	10,286	9,742	9,319
Disabled	1,346	1,320	1,282	1,245	1,261
Total Veterans	437	357	303	253	220
Partial Veterans	1,231	1,204	1,156	1,118	1,070
Death Certificate Review	1,726	810	720	768	292
Address Changes	2,403	2,038	2,593	2,158	2,424

Facilities

On August 26, 1994 the Board of Directors purchased the property at 400 Ferris Avenue for \$400,000. This purchase included an office originally constructed in 1964 that had a total of 8,799 square feet on 1.139 acres. At the time of the purchase, 3,254 square feet of the building was leased and the rent covered the cost of the note until the tenant moved out January 2003. In March 2003, the Board of Directors approved the \$39,012.07 payoff of the note. The purchased EAD facilities cost the property owners and taxing entities of Ellis County less than \$40,000.

In 2006, after a thorough study of the anticipated growth needs of the appraisal district, the Board of Directors in compliance with Section 6.051 of the Texas Property Tax Code, gained approval from the taxing entities to finance an expansion and renovation of the property.

Construction was completed in 2009 and financed by a 25 year note for \$974,873.10. In 2012, the Board of Directors authorized the payoff of the note. The current facility is a highly modernized, energy efficient professional office that should meet the needs of the appraisal district for the next 20 years.

Annual Utility Usage Summary Report

Listed below is an annual summary of our utility usage and expense. For a detailed monthly review prepared in compliance with Section 2265.001(b) of the Texas Government Code, please visit our website at www.elliscad.com.

Utility Use	Electricity		Natural Gas		Water		Irrigation		Total
	Year	KWk	Cost	ccf	Cost	100cf	Cost	100cf	Cost
2016	151,980	\$14,389.14	836	\$1,002.03	38,600	\$636.65	334,600	\$1,879.41	\$17,907.23
2015	158,400	\$15,021.73	1,473	\$1,440.20	76,500	\$912.62	256,100	\$1,446.23	\$18,820.78
2014	161,700	\$16,956.11	1,997	\$1,837.62	*103,700	\$675.28	258,500	\$1,361.46	\$20,830.47
2013	165,720	\$18,864.02	222	\$1,028.31	34,800	\$545.00	288,100	\$1,468.81	\$21,906.14
2012	159,060	\$15,695.20	94	\$765.37	42,700	\$591.13	327,700	\$1,759.99	\$18,811.69
2011	162,368	\$17,613.23	109	\$868.86	35,100	\$512.47	397,205	\$1,922.74	\$20,917.30
2010	171,912	\$17,637.29	140	\$1,166.20	38,500	\$519.76	389,400	\$1,728.21	\$21,051.46
2009	183,493	\$28,128.84	143	\$1,294.29	72,700	\$731.17	639,023	\$3,071.90	\$33,226.20
									* Water Leak (City Leakage Abatement)

Excellence In Service

One of the biggest challenges any Appraisal District faces is the discovery and accurate listing of property. Most CADs physically inspect all properties in their district in accordance with their reappraisal plan and in some cases, the work load exceeds manpower.

Ellis Appraisal District is a leader in using technology to comply with the International Association of Assessing Officers standards. In the EAD reappraisal plan, all accessible new construction is scheduled for physical inspection in the year of construction and all other properties are first inspected using Images. Any accounts where Images are not sufficient to accurately list changes are coordinated with new construction to efficiently cover all physical inspections at once in a geographic area. We also were the first Appraisal District in Texas to use Change Detection software to discover changes from the previous year that might have otherwise been overlooked, thus avoiding omitted property assessments that are very difficult to receive and administer. With the growth in Ellis County, we are proud that the changes to our budget for the appraisal staff have been modest.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>CHANGE</u>
<i>Appraisers [Budget]</i>	11	11	10	10	10	2.00%
<i>(Actual)</i>	9	8	9	9	9	0.00%
<i>App Support</i>	1	1	1	1	1	0.00%
<i>App Staff Budget</i>	\$721,477	\$706,800	\$618,186	\$592,228	\$559,920	5.77%
<i>Parcels</i>	81,262	80,103	79,094	78,439	79,410	0.47%
<i>Par/App [Budget]</i>	7,387	7,282	7,909	7,844	7,941	-1.39%
<i>(Actual)</i>	9,029	10,013	8,788	8,715	8,823	0.47%
<i>Protests</i>	6,301	5,375	5,385	4,106	4,468	8.21%

We are very proud of the improved accuracy and the cost savings that we have pioneered for those we serve. We will continue to pursue the use of technology to improve the quality and efficiency of the work we do and look forward to seeking additional savings as well.

Appeals, Arbitration and Litigation

The appraisal district sends out appraisal notices each year based on changes in ownership, value and the reappraisal plan. Property owners have a right to appeal information on their notices. Most appeals are filed because a property owner believes their value is over market value or appraised unequally compared with other like properties appropriately adjusted. Below are statistics related to this appeals process:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Appeals Season</u>					
Settled With Staff	5227	4656	4,727	3,550	3,810
ARB Hearing	401	248	205	173	266
ARB -Owner Did Not Show	673	471	453	383	392
ARB Adjusted	132	101	101	61	144
ARB Sustained CAD	269	138	104	112	83
Property Type					
Single Family Residential	3860	2934	2,806	1,555	1,701
Multi Family Residential	149	114	187	163	159
Land	887	960	1,086	1,024	1,309
Commercial/Industrial	956	951	883	835	919
Utilities/Oil & Gas	449	416	423	463	380
Total Appeals	6,301	5,375	5,385	4,106	4,468
Notice Value	\$4,162,103,666	\$4,412,214,773	\$3,913,369,598	\$3,335,928,659	\$3,434,992,036
Adjusted Value	\$4,021,730,424	\$4,115,872,337	\$3,784,089,467	\$3,142,103,350	\$3,225,891,109
Difference	-\$140,373,242	-\$296,342,436	-\$129,280,131	-\$193,825,309	-\$209,100,927
Percent Change	-3.37%	-6.72%	-3.30%	-5.81%	-6.09%
<u>Request for Arbitration Filed</u>	1	4	1	1	4
<u>Lawsuits Filed</u>	11	12	8	8	11



Our goal is to serve others the way we would like to be served and in keeping with the statement below, courtesy and efficiency are the main requirements of this office.

A PROPERTY OWNER

Is not dependent on us - We are dependent on them.

Is not an interruption of our work - **They are the purpose of it.**

Is not an outsider to our business - They are a part of it.

Is doing us a favor by letting us - Serve their needs.

A PROPERTY OWNER is the most important person in the world to us.

Courtesy and Efficiency are the main requirements of this office.

It is our hope that the Ellis Appraisal District Annual Report has revealed the stewardship the Board of Directors, Chief Appraiser and Staff exercise in the service of all Ellis County Property Owners and Taxing Entities. We are here to serve you and look forward to continued service with excellence.