

2023 ANNUAL REPORT



Introduction

The Waller County Appraisal District 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 the Texas Comptroller's Property Tax Assistance Division.

The Waller County Appraisal District is responsible for the appraisal of all property in Waller County for ad valorem purposes and the administration of all local option and State mandated property tax exemptions. The Waller County Appraisal District has a high commitment to customer service. We strive to serve Waller County with professionalism and integrity in all aspects of our operations. In 2023, Waller County Appraisal District once again successfully certified a timely and accurate appraisal roll.

Mission

The mission of the Waller County Appraisal District is to discover, list and appraise all property located within the boundaries of the District in an accurate, ethical, and impartial manner 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 by retaining 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 District's annual operating budget
- Contract for necessary services; Complying with the competitive bidding requirement established by law
- Adopt a biennially written plan for the periodic reappraisal of all property within the Appraisal District office
- Make general policies on the Appraisal District's operation

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 and there are no legal limits to the number of terms a board member can serve.

2023 Board of Directors includes:

Royce Rape – Chairman of the Board
Rick Welch
Jaime Davis- Secretary of the Board
William Parks
Paulette Barnett
Ellen Shelburne – Waller County Tax Collector

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 or possess an MAI professional designation from the Appraisal Institute, or possess an Assessment Administration Specialist (AAS), Certified Assessment Evaluator (CAE) or Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers.

The Appraisal Review Board (ARB) consists of four members appointed by the administrative district judge, effective June 7, 2021. Members of the ARB serve two-year staggered 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.

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
- Acting on motions to correct appraisal rolls under Section 25.25 of the Property Tax Code
- Determining whether exemptions and special appraisals are improperly granted
- Taking other actions or making other determinations authorized by the Property Tax Code

2023 Appraisal Review Board Members include:

Debra Ferris – Chairman
Marie Herndon – Secretary
C. Ross Conner
Larry Parr

The Agricultural Advisory Board is a three-member board appointed by the Chief Appraiser with the advice and consent of the Board of Directors. The 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.

2023 Agricultural Advisory Board members include:

Tom Paben – Chairman
 David Groschke - Secretary
 Raymond Dollins

The Waller County Appraisal District is responsible for appraising all properties for each of the following Taxing Jurisdictions that are within the boundaries of Waller County. Below are the market and net taxable values for 2023.

<u>Taxing Unit</u>	<u>Market Value</u> <i>(Before Exemptions)</i>	<u>Net Taxable Value</u> <i>(After Exemptions)</i>
City of Brookshire	1,008,270,894	899,543,938
City of Hempstead	622,756,642	497,818,489
City of Katy	2,754,186,417	2,225,934,833
City of Prairie View	764,892,131	400,563,555
City of Waller	515,228,430	425,420,566
Hempstead ISD	2,768,583,064	946,805,005
Katy ISD	4,771,584,895	3,837,405,383
Royal ISD	6,196,296,531	3,386,554,439
Waller ISD	6,420,581,992	2,946,082,200
BK Drainage District	9,148,550,464	7,112,823,501
Waller-Harris ESD 200	16,999,377,231	9,488,130,954
Willow Creek Farms MUD	412,076,847	309,206,577
Waller County Road Imp District #1	795,709,721	727,445,299
Harris Waller Counties MUD #2	167,343,956	148,271,139
Katy West MUD	717,024,900	660,647,816
Willow Point MUD	17,180,046	17,052,011
Brookshire Water District	745,268,080	643,338,146
Waller County	20,170,729,625	10,804,293,441
Harris Waller Counties MUD #3	1,081,638,520	929,776,473
Waller County Improvement District #2	359,461,620	294,429,472

Taxing Unit**Market Value**
*(Before Exemptions)***Net Taxable Value**
(After Exemptions)

Harris Waller Counties MUD #4	3,558,170	2,447,957
Harris Waller Counties MUD #5	340,735,260	327,711,938
Ft. Bend Waller County MUD #3	29,447,287	15,772,324
Waller County MUD #18	157,434,753	154,929,267
Fulshear MUD 3A	16,184,932	12,866,507
Waller County MUD 9B	172,325,290	160,901,049
Waller County MUD #19	276,802,040	269,645,518
Waller County MUD #33	57,415,083	39,546,996
Waller County MUD #37	97,311,566	95,273,149
Waller County MUD #35	57,402,535	37,040,737
Waller County MUD #18	157,434,753	154,929,267
Waller County MUD #34A	13,701,010	13,679,119
Waller County MUD #38	14,925,920	14,925,920
Waller County Water Control Imp Dist. #3	57,343,981	12,864,399
Waller County MUD #41	4,558,176	4,558,176
Harris Waller Counties MUD #7	737,300	737,300
Southeast Regional Management District	2,539,040	129,790

Property Types Appraised

For 2023 the Waller County Appraisal District has approximately 50,064 parcels. The following is a summary of those parcels:

Classification	Property Type	Parcel County	Market Value
A	Single Family Residence	17,861	5,654,597,041
B	Multifamily Residence	274	172,596,860
C	Vacant Lots	9,254	584,354,662
D1	Qualified Ag Land	6,085	5,721,548,072
D2	Non-Qualified Land	2,505	79,300,177
E	Farm & Ranch Imp	5,654	2,055,492,231
F1	Commercial Real Property	1,196	2,091,103,681
F2	Industrial Real Property	171	676,669,740

Classification	Property Type	Parcel County	Market Value
G1	Oil and Gas	3,006	9,688,723
G3	Minerals Non-Producing	22	46,219
J1	Water System	11	496,280
J2	Gas Distribution System	24	6,112,669
J3	Electric Company	75	52,256,180
J4	Telephone Company	143	15,933,538
J5	Railroad	70	29,064,410
J6	Pipeline Company	161	177,099,740
J7	Cable Television Company	24	14,411,450
J8	Other Type of Utility	13	1,402,250
L1	Commercial Personal Prop	1822	1,047,380,180
L2	Industrial Personal Property	95	321,572,760
M1	Tangible Other Personal, MH	1871	92,908,379
O	Residential Inventory	1700	120,231,309
S	Special Inventory Tax	27	19,738,830
X	Totally Exempt Property	4,342	757,078,966

Exemption Data

The Waller 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 Exemption. These exemptions include mandated homestead exemptions, optional homestead exemption, over-65 exemptions, disability exemptions, disabled veteran exemptions and 100% disabled exemptions. A property owner who acquires property after Jan. 1 may receive the residence homestead exemption for the applicable portion of that tax year immediately on qualification of the exemption if the previous owner did not receive the same exemption for the tax year. The property owner must occupy the property as the owner's primary residence and the residence homestead exemption cannot be claimed by the property owner on any other property. 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 District by April 30th. A property owner who turns 65 any time during the year qualifies for the Over 65 exemption 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 two years after the taxes become delinquent.

	TAXING JURISDICTIONS	HS/OP	HS/ST	X65/ST	DIS/ST	X65/OP	DIS/OP
County	Waller County	20%*				25,000	25,000
	Waller County FM	20%*	3,000			22,000	22,000
ISD's	Hempstead ISD		100,000	10,000	10,000		
	Katy ISD		100,000	10,000	10,000	10,000	
	Royal ISD	1%*	100,000	10,000	10,000		
	Waller ISD		100,000	10,000	10,000		
	TAXING JURISDICTIONS	HS/OP	HS/ST	X65/ST	DIS/ST	X65/OP	DIS/OP
Cities	City of Hempstead					30,000	
	City of Katy	20%*				100,000	100,000
	City of Brookshire					3,000	3,000
	City of Prairie View					5,000	5,000
	City of Waller	5%*				20,000	20,000
Other Entities	Brookshire-Katy Drainage District					20,000	20,000
	Waller-Harris ESD 200					100,000	100,000
	Willow Creek Farms MUD	3%*				10,000	10,000
	Waller County Rd. Imp Dist. #1						
	Katy West MUD						
	Harris Waller Counties MUD #2						
	Willow Point MUD						
	Brookshire MUD						
	Waller County Imp District #2						
	Harris Waller Counties MUD #3						
	Ft Bend-Waller County MUD #3						
	Fulshear MUD 3A						
	Waller County MUD 9B						
	Waller County MUD #19						
	Waller County MUD #33						
	Harris Waller Counties MUD #4						
	Harris Waller Counties MUD #5						
Waller County MUD #18							
Waller County MUD #37							
Waller County MUD #33							
Waller County MUD #35							

Waller County MUD #41						
Waller County MUD #18						
Harris Waller Counties MUD #7						
Southeast Regional Mgmt. Dist.						
Waller County MUD #34A						
Waller County MUD #38						
Waller Co Water Control Imp District #3						

Ratio Study Analysis – Property Value Study

The property tax code requires that the Property Tax Assistance Division of the 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 for the Comptroller to certify local value to the Commissioner of Education for school funding. For 2022, the Waller County Appraisal District was certified local value for all school districts within the boundaries of Waller County. The District will have another property value study performed in 2024.

Legislative Changes

The 2023, 88th Texas Legislature produced several pieces of legislation which affect the operation of appraisal districts as well as taxpayer exemptions and rights. Below is a list of the most significant changes:

HB1228

Section 1.085 amends this subsection (a) to define “communication” to mean a notice, rendition, application form, completed application, report, filing, statement, appraisal review board order, tax bill or other item of information required to be delivered can be delivered electronically if the property owner or owner’s agent elects to exchange communications electronically. Effective 1-1-2024

SB2

Section 6.03 amends the title of this section to read “Board of Directors in Less Populous Counties” that only applies to an appraisal district established in a county with a population of less than 75,000.

- Effective July 1, 2024 contingent on voter approval of HJR 2

Provides that an appraisal district subject to this section is governed by a board of nine directors. Five are appointed by the taxing units participating in the district and three directors are elected by a majority vote at the general election for state and county officers.

property located in a medical or biomedical manufacturing facility that a person owns or leases. This Members of the board of directors that are appointed by the taxing unit serve staggered four-year terms beginning on January 1 of every other even-numbered year. Elected members serve staggered four-year terms beginning on January 1 of every other odd-numbered year.

An application for a place on the ballot must be filed with the county judge accompanied by a filing fee of \$200 or a petition in lieu of the filing fee. Appraisal districts are responsible for any fees to be on the ballot.

HB 3207

Section 6.12 amends subsection (b) to remove the requirement that members of the agriculture advisory board be residents of the district for at least five years. They now just must own property in the county to serve on the board. Effective 9-1-2023

SB 2

Section 11.13 amends subsection (b) to provide for an increase in the residence homestead exemption from \$40,000 to \$100,000. Adds subsection (n-1) to prohibit the governing body of a school district, municipality, or a county from reducing or repealing a local option homestead exemption that was adopted for the 2022 tax year. Contingent on voter approval and applies beginning with the 2023 tax year.

SB 719

Amends subsection (d) to expand the property tax exemption for charitable organizations to include an organization providing services related to planning for the placement of or placing children in foster or adoptive homes or providing support or relief to women who are or may be pregnant and who are considering placing their unborn children for adoption. Effective 1-1-2024

SB2289

Adds a new section to grant a property tax exemption for owned or leased medical or biomedical bill defines "medical or biomedical property" as personal property stored, used, or consumed in the manufacturing or processing of medical or biomedical products. If that individual who acquires property after January 1 of a tax year may receive the exemption for the applicable portion of the tax year which the individual qualified. Effective 1-1-2024 contingent on voter approval.

SB 1381

Section 11.43 adds subsection (m-2) to provide that an eligible surviving spouse of an individual 65 years of age or older is entitled to continue to receive the exemption without applying for the exemption if the appraisal district learns of the person's death from any source and has information necessary to determine the surviving spouse's eligibility in the appraisal records. Effective 1-1-2024

Adds subsection (h-1) to require a chief appraiser to develop a program for the periodic review of residence homestead exemptions to confirm that the recipient continues to qualify for the exemption. The program must require the review of each residence homestead exemption at least once every five tax years, which may be done in phases with a portion of the exemptions reviewed each tax year. Effective 1-1-2023 The chief appraiser must develop and implement the program by 1-1-2024.

SB2

Pilot program. The circuit breaker limitation expires on Dec. 31, 2026

Adds Section 23.231 to provide a circuit breaker limitation on the appraised value of real property. This section only applies to real property with an appraised value of not more than \$5 million in 2024; required the Comptroller to adjust the value threshold annually by the percentage increase or decrease during the preceding state fiscal year in the consumer price index rounded to the nearest \$10,000. The amount in effect for a tax year is required to be published as soon as practicable after January 1 of each tax year. The limitation does not apply to residence homestead property or property receiving special appraisal (ag).

The appraisal office may increase the appraised value of qualified real property for a tax year to an amount not to exceed the lesser of the market value of the property for the most recent tax year that the market value was determined or the sum of 20 percent of the appraised value of the property for the preceding tax year.

The circuit breaker limitation takes effect as to a parcel of real property on January 1 of the tax year following the first tax year in which the owner owns the property on January 1. The limitation expires on January 1 of the tax year following the tax year in which the owner ceases to own the property. A person who acquired real property before the 2023 tax year is considered to have acquired the property on Jan 1, 2023. Effective 1-1-2024 contingent on voter approval.

SB 1191

Section 23.541

Adds subsection (a-1) to require a chief appraiser to approve or deny an application for open-space agriculture valuation after the deadline for filing has passed if:

- The land that was the subject of the application was appraised as open-space land in the preceding tax year.
- The ownership of the land changed because of the death of an owner of the land during the preceding tax year; and
- The application is filed not later than the delinquency date for the taxes on the land for the year in which the application is filed by the surviving spouse or surviving child of the decedent, the executor or administrator of the estate of the decedent, or a fiduciary acting on behalf of the surviving spouse or surviving child of the decedent.

Amends subsection (b) to provide that the penalty for a late filed application does not apply to an application filed under subsection (a-1) Effective 5-23-2023 applies beginning with the 2023 tax year.

HB 796

Section 41.13

Adds this section to require an appraisal district to create and maintain a publicly available and searchable on-line database containing the following information for each protest hearing conducted by the appraisal review board.

- The name of each appraisal review board member who attended the hearing.
- The date and time of hearing
- The account number and category of property subject to hearing
- The appraised value according to appraisal district and property owner's asserted value of the property subject to hearing
- The appraisal review board's determination of the protest, including the determination of value.

Effective Jan 1, 2024. Each chief appraiser is required to provide the Internet database by Jan 1, 2024.

2023 Protest Data

The Property Tax Code requires the Appraisal District to send a letter of 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 Waller County for 2023. Notices were mailed out on 38,096 parcels, a decrease of 143 (.37396%) from the previous year.

For 2023 the District has received fifty (50) lawsuits as of the date of this report and forty-two (42) arbitrations.

Attached is a more detailed spreadsheet by taxing units.

2023 Methods and Assistance Program

In 2009, the Texas Legislature enacted a new law that required the Comptroller of Public Accounts to review appraisal districts every two years. The reviews inspect the governance, taxpayer assistance, operating procedures and the appraisal standards, procedure, and methodology of each appraisal district. Mandatory requirements for each appraisal district include having up-to-date appraisal maps, onsite property inspections by the PTAD auditor match a district's property records, written procedures, and the PTAD auditor must be able to reproduce a district's values using a district's procedures and appraisal records, and the ability to timely produce requested data of over 200 items. To acquire an "Exceeds" score, a district needs to receive a rating of over 100% by having met all the mandatory and bonus requirements. The District will receive its next Methods and Assistance Audit in 2025.

