

STEPHENS COUNTY APPRAISAL DISTRICT



2024 ANNUAL REPORT FOR THE STEPHENS COUNTY APPRAISAL DISTRICT

STEPHENS COUNTY APPRAISAL DISTRICT



December 1, 2024

RE: STEPHENS COUNTY APPRAISAL DISTRICT 2024 ANNUAL REPORT

With a sincere commitment to support an environment of transparency, I present the 2024 Annual Report of the Stephens County Appraisal District (hereinafter, “the CAD”). The Annual Report for 2024 provides summary information about the operations of the CAD.

The CAD’s mission is the development of a timely, accurate, complete and equitable appraisal roll that accurately reflects the “market value” of property in Stephens County. Taxing units use the roll to impose ad valorem taxes (property taxes) on property in the district in a fair and equitable manner to support the services provided by the county, city, hospital and school districts.

The CAD strives to complete the challenge in a courteous and efficient manner exhibiting fairness, transparency, consistency and accountability. We serve as a resource for information, data and map development for Stephens County and hope to make the property tax appraisal process easy to understand and tolerable for the property owner.

The CAD is working to improve the mass appraisal process, communication with the taxing entities and the public. We understand that taxation can be a difficult and frustrating process. We want the citizens of Stephens County to have confidence in our office staff and processes in hopes to limit the hassle, difficulty and frustration with property taxation.

It is our pleasure to serve the property owners of Stephens County.

Sincerely,

William W. Thompson
Chief Appraiser

STEPHENS COUNTY APPRAISAL DISTRICT



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STEPHENS COUNTY APPRAISAL DISTRICT



PURPOSE OF THIS REPORT

This report serves as the official 2024 Annual Appraisal Report for the Stephens County Appraisal District. It has been drafted in compliance with the International Association of Assessing Officers (IAAO) Standards on Public Relations. A copy of this report can be obtained from the district's website at www.stephenscad.com.

Local, state, and provincial agencies should prepare annual reports summarizing activities and accomplishments and providing statistical information. These reports can be used to maintain an historical record of property and property tax data, including:

- *Total number of parcels*
- *Total value*
- *Uses of property*
- *Types of property*
- *Exemption data*
- *Appeal data*
- *Ratio study analysis*
- *New construction*
- *Legislative changes*

Such a report can also include information describing increased efficiencies in the operations, achievement of higher degrees of professionalism, and a listing of the standards and policies adopted in the valuation and administrative process.

STEPHENS COUNTY APPRAISAL DISTRICT



DISTRICT OPERATIONS

GENERAL INFORMATION

The Stephens County Appraisal District (CAD) is a political subdivision of the State of Texas created January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirement of the appraisal district. State law requires one appraisal district per county to appraise all property within that county for the purpose of assessing property taxes for local entities.

Property tax in Texas is a locally assessed and locally administered tax. There is no state property tax. Property taxes provide more tax dollars for local services in Texas than any other source of revenue. These taxes pay for schools, roads, first responders, libraries, parks and other services provided by local governments.

The CAD appraises property located within Stephens County while local taxing units set tax rates. Stephens CAD serves four entities located exclusively inside Stephens County and five overlapping school districts.

Stephens County	Albany ISD
City of Breckenridge	Graham ISD
Breckenridge ISD	Moran ISD
Stephens Memorial Hospital	Ranger ISD
	Woodson ISD

BOARD OF DIRECTORS

The Board of Directors of the Stephens County Appraisal District (Board) consists of five voting members appointed by the taxing entities. Board Members must live within the district two years prior to serving. The Board hires the chief appraiser, assigns special committees (like the Ag advisory Board) and has general policy-making authority and primary responsibility for fiscal matters, including approval of significant contracts and adoption of the annual budget.

Jerry Toland	Chairman	Stephens County Commissioners Court	Term ends 2024
Gregg Goodall		Stephens Memorial Hospital	Term ends 2024
Rob Durham		City of Breckenridge	Term ends 2025
Roy Russell	Secretary	Breckenridge Independent School District	Term ends 2025
Parker Wiley		Breckenridge Independent School District	Term ends 2024
Christie Latham		Elected Tax Assessor/Collector	Ex Officio

DISTRICT PERSONNEL

The CAD employed four full-time individuals during 2024, including one new hire who replaced a retirement. The chief appraiser's position was covered by an interim contract with Gary Zeitler of Eagle Property Tax Appraisal and Consulting, Inc. The Chief Appraiser in Training, hired by the Board of Directors in January of 2021, successfully completed the level IV certification in 2024 and was named Chief Appraiser on November 15, 2024.

AG ADVISORY BOARD

The Ag Advisory Committee shall meet at the call of the Chief Appraiser at least once a year to advise the District on the valuation and use of land designated for agricultural use or that may be open space agricultural or timberland within the district. Members of the Ag Committee for 2024 were:

Roger Tonne	Kirk Knight	Jim Thompson
NRCS Representative	TPWD Representative	

STEPHENS COUNTY APPRAISAL DISTRICT



THIRD PARTY APPRAISAL CONTRACTS

Third party contracts are maintained by the district for the following services:

IT Services and CAMA Software
Interim Chief Appraiser Services
Appraisal of Real Property
Appraisal of Mineral and Industrial Property

Southwest Data Solutions
Eagle Consulting, Inc
Eagle Consulting, Inc.
Thomas Y Pickett, Inc.

APPRAISAL DISTRICT STANDING

The CAD received two audits from the Comptroller in 2024 – the regularly scheduled Method and Assistance Program (MAPS) review and a Targeted Appraisal Review Program (TARP) review. For the past four years, the appraisal district has not maintained the required 95-105% ratio of District appraisals against market value (sales) in the Breckenridge Independent School District area. This data is verified through an annual audit coordinated by the State Comptroller's Property Tax Assistance Division, known as the Property Value Study (PVS).

STEPHENS COUNTY APPRAISAL DISTRICT



TOTAL NUMBER OF PARCELS

All appraisals are completed by staff and through third-party contracts. All properties are appraised annually. One-third of the properties in the county are viewed and physically appraised each year. For 2024, properties in the west end of the county were physically appraised. In 2024, the appraisal district appraised 23,693 of the 25,542 parcels scheduled for appraisal. The short fall was in Real properties where 1365 of the 3214 scheduled were completed. The CAD visited with Eagle Appraisal about this issue in October of 2024. In December of 2024, Eagle shifted resources over to Stephens CAD to complete what was missed the previous year. The CAD also implemented new quality control procedures so that the monitoring of completed properties could be done in real time.

Properties in the district are broken down into 4 major categories: real, industrial, mineral and business personal property.

PARCELS	2024	2023	2022	2021	2020
REAL PROPERTY	11,710	11,700	11,758	11,730	11,797
INDUSTRIAL PROPERTY	330	326	323	190	197
BUSINESS PERSONAL PROPERTY	410	398	404	409	405
MINERAL PROPERTY	21,588	26,099	25,929	36,068	37,170
	34,038	38,523	38,414	48,397	49,569

Real Property

Land, improvements, and items capable of private ownership, including an estate or interest in real property, etc.

Industrial Property

Personal/business property that adds value to a product through development, manufacturing, processing or stage of that product

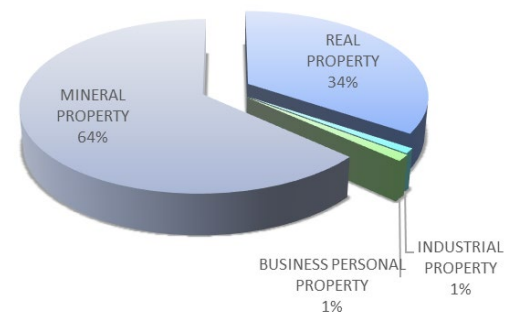
Mineral Property

Producing and non-producing minerals, including oil and gas interests, that have a value of greater than \$0

Business Personal Property

Tangible personal property can be seen, weighted, measured, felt or perceived by the senses and is utilized to produce income

**2024 Property Type
by Parcel Count**



This report reflects active mineral accounts and taxable values to better reflect the impact on the tax base

Mineral and real property make up 98% of the parcels and about 87% of the value in the district.

STEPHENS COUNTY APPRAISAL DISTRICT



COST OF THE DISTRICT

The cost of the district to the entities is generally evaluated two different ways.

Year	2024	2023	2022	2021	2020
Budget	\$ 521,024.00	\$ 512,722.26	\$ 456,812.00	\$ 365,000.00	\$ 365,867.00
Cost per parcel	\$ 15.31	\$ 13.31	\$ 11.89	\$ 7.54	\$ 7.38

The first method is the calculated cost per parcel (budget of the district divided by the total number of parcels evaluated). The cost per parcel has more than doubled over the last five years. This is due to four major factors:

- a large reduction in the number of mineral parcels that carry value greater than zero;
- the addition of one staff member, pictometry additional technology to better serve the CAD in creating an accurate and uniform appraisal process;
- mandates by the State through legislation, like required electronic communication and a taxpayer portal;
- and finally, the CAD has seen a drastic increase in health care coverage cost for employees.

At first glance this might be an alarming number, but the second way to look at cost of the district helps minimize that amount. The second method is the percent of levy. It is calculated by taking the budget of the district and dividing it by the total levy created from the appraised values.

Year	2024	2023	2022	2021	2020
Total Levy	\$ 16,712,824.00	\$ 16,178,901.00	\$ 14,457,448.00	\$ 13,630,881.00	\$ 13,403,646.00
Percent of Levy	3.12%	3.17%	3.16%	2.68%	2.73%

While the percentage has increased, there seems to be an acceptable range of 3% - 3.5% of the levy for appraisal districts that do not collect. Stephens CAD is the on the low end of that range.

STEPHENS COUNTY APPRAISAL DISTRICT



TOTAL VALUE

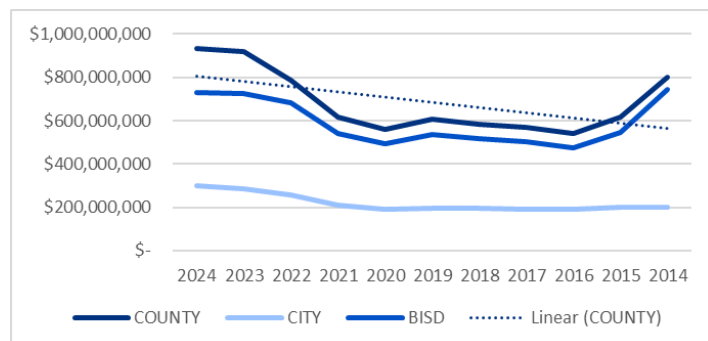
The CAD's annual cycle for appraisal activities concludes after the appraisal review board submits the certified appraisal roll to the chief appraiser. The appraisal roll was certified on July 25, 2024. The total taxable value in the county was approximately \$934,452,434 resulting in a total tax levy for all entities of approximately \$16,712,824, an increase of 3.30% percent from 2023.

2024 CERTIFIED TAXABLE VALUES					
ENTITY	REAL PROPERTY	MINERALS	INDUSTRIAL	BUSINESS PP	CERT TOTOAL
Stephens County	\$ 712,681,196	\$ 105,610,680	\$ 89,721,882	\$ 26,438,676	\$ 934,452,434
City of Breckenridge	\$ 238,442,153	\$ 5,610,060	\$ 32,821,202	\$ 22,502,191	\$ 299,375,606
Stephens Memorial Hospital	727,366,624	\$ 103,937,580	\$ 90,018,522	\$ 26,378,076	\$ 947,700,802
Breckenridge ISD	\$ 519,738,594	\$ 103,062,500	\$ 82,995,132	\$ 25,285,921	\$ 731,082,147
Albany ISD	\$ 1,758,496	\$ 127,800	\$ 186,320		\$ 2,072,616
Graham ISD	\$ 708,840	\$ 6,800	\$ 122,740		\$ 838,380
Moran ISD	\$ 5,197,954	\$ 1,317,300	\$ 316,750		\$ 6,832,004
Ranger ISD	\$ 5,184,208	\$ 201,940	\$ 5,393,430		\$ 10,779,578
Woodson ISD	\$ 7,975,142	\$ 894,350	\$ 1,003,750	\$ 4,200	\$ 9,877,442

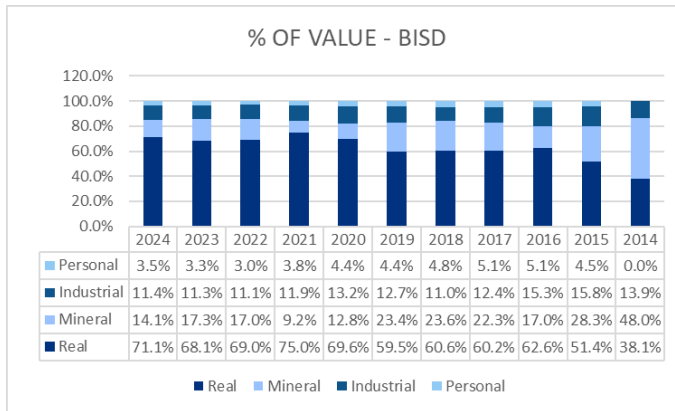
HISTORIC TAXABLE VALUES FOR COMPARISON					
ENTITY	2024 CERTIFIED	2023 CERTIFIED	2022 CERTIFIED	2021 CERTIFIED	2020 CERTIFIED
Stephens County	\$ 934,452,434	\$ 918,265,271	\$ 788,423,814	\$ 614,371,483	\$ 558,878,891
City of Breckenridge	\$ 299,375,606	\$ 283,363,231	\$ 257,613,426	\$ 210,353,345	\$ 189,426,374
Stephens Memorial Hospital	\$ 947,700,802	\$ 932,462,030	\$ 802,069,164	\$ 628,021,806	\$ 571,953,421
Breckenridge ISD	\$ 731,082,147	\$ 722,804,858	\$ 681,518,954	\$ 541,398,095	\$ 490,729,225
Albany ISD	\$ 2,072,616	\$ 2,246,350	\$ 1,845,400	\$ 1,438,266	\$ 1,254,008
Graham ISD	\$ 838,380	\$ 932,340	\$ 921,580	\$ 799,433	\$ 768,789
Moran ISD	\$ 6,832,004	\$ 9,193,195	\$ 6,705,770	\$ 5,295,057	\$ 4,564,123
Ranger ISD	\$ 10,779,578	\$ 11,789,990	\$ 10,967,518	\$ 8,898,053	\$ 7,547,260
Woodson ISD	\$ 9,877,442	\$ 7,342,460	\$ 7,412,020	\$ 5,476,274	\$ 5,169,600
Total Levy	\$ 2,943,011,009	\$ 2,888,399,725	\$ 2,557,477,646	\$ 2,016,051,812	\$ 1,830,291,691
Increase over previous year	1.89%	12.94%	26.86%	10.15%	

Due to the 2023 tax bill and lower mineral appraisals, almost all overlapping districts experienced reductions in value; however, all four main entities saw an increase from 2023.

Over the last ten years, all entities have seen a valley in tax values. A decline that occurred in 2015 remained relatively flat over the next 5 years, but since 2020, Stephens County has seen a 67% increase in taxable value. This is the fifth consecutive year of an increase in taxable value.

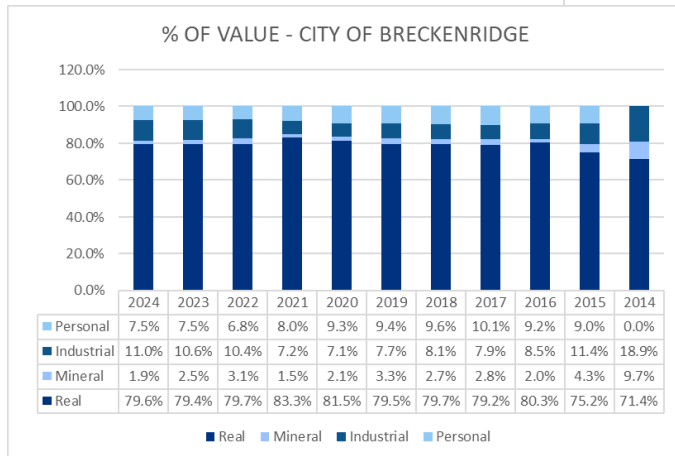


STEPHENS COUNTY APPRAISAL DISTRICT



Stephens County has seen a similar swap in the taxable base from mineral to real property values. Real property has shifted from comprising 40.5% of the taxable value to being 76.3% while minerals have shifted from 45.8% to just 11.3% in the same time period.

Much of the real property value shift is the result of rising land prices in the county, especially small tracts that are often sold with a house outside the city limits.

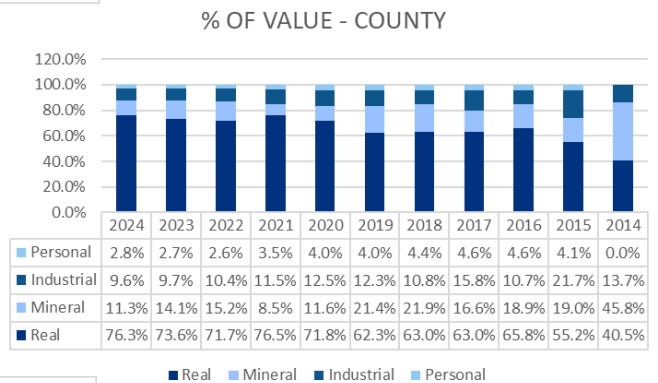


BISD SHIFTS

Taxable values of minerals in 2014 equaled \$357,745,784 compared to \$103,062,500 in 2024, or a 71.2% decline over ten years.

Real property value was \$284,039,427 in 2014 compared to \$519,738,594 in 2024, or a 83% increase in value over the same time period.

Business Personal Property and Industrial have stayed relatively flat.



The shifts inside the city limits have been less drastic. Mineral values did see a major shift between 2014 and 2015, but after that they have remained a consistent percentage of the tax base, as have personal and industrial values.

The shift inside the city limits of Breckenridge has been in real property, particularly in single-family residential properties.

In 2014, the Stephens County taxable value was \$799,531,112 compared to \$934,452,434 in 2024.

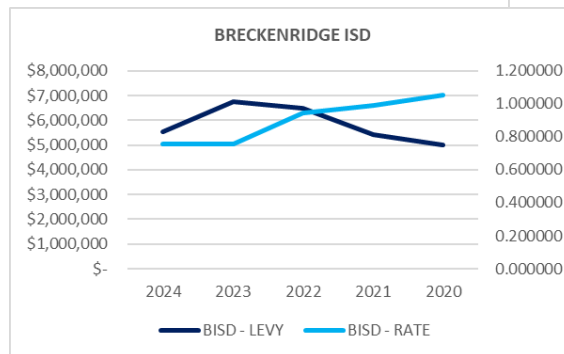
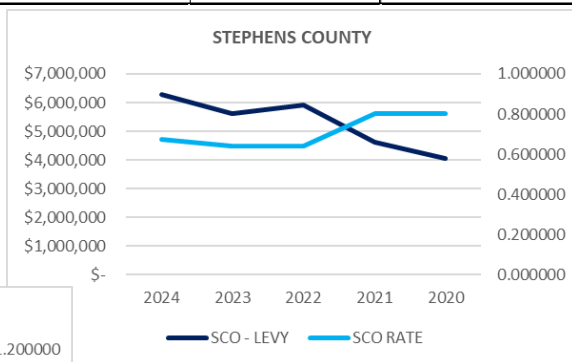
STEPHENS COUNTY APPRAISAL DISTRICT



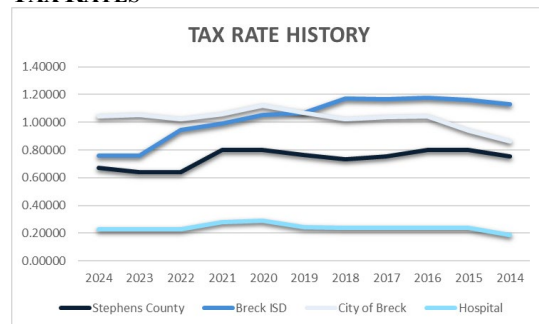
LEVY

Tax Levy History					
ENTITY	2024	2023	2022	2021	2020
SCO - LEVY	\$ 6,269,836	\$ 5,631,889	\$ 5,931,090	\$ 4,630,037	\$ 4,062,776
COB - LEVY	\$ 3,127,607	\$ 2,742,035	\$ 2,579,186	\$ 2,251,860	\$ 1,964,569
SMH - LEVY	\$ 2,168,553	\$ 2,115,567	\$ 2,214,993	\$ 1,829,111	\$ 1,401,814
BISD - LEVY	\$ 5,523,877	\$ 6,743,177	\$ 6,503,246	\$ 5,421,042	\$ 5,015,167
Overlapping School Districts	\$ 218,884	\$ 282,247	\$ 261,073	\$ 211,215	\$ 190,451

The county, hospital and city have all seen increases in levy with decreases in rates, which is the desired result. BISD saw a decrease in rate and levy due to the 2023 legislation that provided more state funding for schools and less burden on local property tax. The legislation included both an increase of homestead deduction and compression on over 65 homesteads in 2023 and those eligible for in it 2019.



TAX RATES



Tax rates have remained relatively consistent over the last 10 years. Breckenridge ISD began seeing a decreased tax rate starting in 2018. A significant decrease of school district rates occurred in 2023 due to the passing of a tax bill through the legislature which increased the school district deduction and recalculated the ceiling including compression for previous years.

The shift in school district rates changed the allocation funding by our entities significantly, an unforeseen issue in the tax bill. Our largest allocation is now Stephens County.

STEPHENS COUNTY APPRAISAL DISTRICT



USE OF PROPERTIES

“The highest & best use for appraisal or assessment purposes can be defined as that use or the succession of available, legal, and physically permitted uses with enough demand to produce the probable present value of a property. The highest and best use must be a use that generates the highest net return over a reasonable period of time.”

Properties in Stephens County designate highest and best use in several categories. This table provides a historical look at both parcel count and market values in each category. Shifts in use can be indicators of activity in the area, such as increases in manufacturing or commercial property paired with increases in residential properties as an indicator of economic growth and population.

CLASSIFICATION BY PTD CODES							
CODE	DESCRIPTION	STATISTIC	2024	2023	2022	2021	2020
A	Single Family Residential	Parcel Count	3,296	3,317	3,282	3,264	3,270
		Market Value	\$ 433,064,104	\$ 416,509,166	\$ 360,264,442	\$ 279,420,437	\$ 219,325,203
B	Multi-family Residential	Parcel Count	22	22	31	31	32
		Market Value	\$ 7,823,763	\$ 8,022,331	\$ 13,322,218	\$ 9,137,385	\$ 8,975,758
C	Vacant Lots	Parcel Count	930	1,024	1,085	1,108	1,126
		Market Value	\$ 14,247,420	\$ 12,172,980	\$ 10,344,920	\$ 9,931,825	\$ 8,592,015
D	Qualified Open Space	Parcel Count	5,544	5,466	5,546	5,588	5,664
		Market Value	\$ 1,718,025,585	\$ 1,404,964,765	\$ 1,150,103,355	\$ 1,161,571,295	\$ 945,612,045
E	Rural Land, Non Qualified	Parcel Count	1,877	2,343	2,297	2,342	2,239
		Market Value	\$ 271,056,135	\$ 250,720,937	\$ 207,412,897	\$ 152,836,200	\$ 116,990,370
F	Commercial & Industrial Real Estate	Parcel Count	494	464	443	494	501
		Market Value	\$ 77,845,402	\$ 71,264,038	\$ 62,416,374	\$ 54,395,031	\$ 53,202,623
G	Oil and Gas	Parcel Count	21,588	26,099	25,929	36,068	37,170
		Market Value	\$ 105,641,410	\$ 129,324,100	\$ 120,082,370	\$ 52,267,410	\$ 64,842,520
J	BPP/Utilities	Parcel Count	91	86	87	99	98
		Market Value	\$ 47,454,456	\$ 47,385,003	\$ 46,190,188	\$ 43,635,212	\$ 42,188,100
L	BPP/Commercial, Industrial & Manufacturing	Parcel Count	624	616	607	472	489
		Market Value	\$ 69,631,781	\$ 67,134,489	\$ 56,603,549	\$ 48,706,670	\$ 50,758,010
M	Mobile Homes/Other	Parcel Count	110	119	112	92	88
		Market Value	\$ 6,497,720	\$ 7,289,300	\$ 7,491,290	\$ 4,218,370	\$ 4,145,550
S	Special Inventories	Parcel Count	2	1	1	2	2
		Market Value	\$ 1,234,861	\$ 1,139,448	\$ 1,139,448	\$ 961,225	\$ 531,996
X	Exempt Properties	Parcel Count	580	568	554	556	555
		Market Value	\$ 89,161,800	\$ 81,024,920	\$ 59,342,700	\$ 57,346,020	\$ 55,616,680
	Unclassified	Parcel Count	46	57	102	35	20
		Market Value	\$ 5,740,880	\$ 7,110,290	\$ 11,265,280	\$ 1,713,740	\$ 1,121,010
	TOTALS	Parcel Count	35,204	40,182	40,076	50,151	51,254
		Market Value	\$ 2,847,425,317	\$ 2,504,061,767	\$ 2,105,979,031	\$ 1,876,140,820	\$ 1,571,901,880

*Use APR-CAD Totals for District

Single-family residential housing saw significant increases while vacant lots saw a decrease, possibly a result of the city's initiative to revitalize city lots with new residential housing.

Mineral saw a significant decrease both in value and in parcel count (parcels > \$0).

STEPHENS COUNTY APPRAISAL DISTRICT



AG PRODUCTION USE

Stephens CAD identifies land by the various highest and best use: residential, commercial, vacant lots, various uses of qualified open space, non-qualified open space, etc. Of interest to the CAD and the entities it serves is the migration of land to other uses. The following charts attempt to provide insight.

Qualified ag land has limited use in Stephens County. The primary use of the land in the area is cattle production, some sheep and recreational hunting. Native pasture is land that has had little to no improvement with the primary means of brush control being grazing. Improved pasture has been mechanically or chemically improved to enhance the grazing capacity of the land. Dry cropland is improved pasture that has been cultivated for crops. There is little irrigated cropland, as water is limited and cost is prohibitive.

The tax year 2024 saw significant increases in the market value of land; however, production value was decreased. For the past several years, Stephens CAD has been above PTD value on the PVS.

D1 Qualified		2024	2023	2022	2021	2020
Irrigated Cropland	Acres					
	Mkt Value					
	Prd Value					
Dry Cropland	Acres	30,354	30,234	29,625	29,059	29,613
	Mkt Value	130,249,561	104,272,698	62,110,430	59,906,905	49,868,458
	Prd Value	3,241,091	3,225,217	3,155,925	3,132,309	2,354,272
Barren/Wasteland	Acres			6,286	6,471	6,504
	Mkt Value			12,036,075	12,173,331	9,991,090
	Prd Value			31,428	32,392	33,838
Orchards	Acres					
	Mkt Value					
	Prd Value					
Improved Pasture	Acres	12,299	11,904	11,586	11,202	10,663
	Mkt Value	44,332,726	33,922,042	23,718,947	22,220,411	17,309,308
	Prd Value	883,530	858,787	738,227	725,544	706,643
Native Pasture	Acres	507,685	501,470	502,333	504,259	504,258
	Mkt Value	1,535,070,720	1,255,944,397	1,047,760,307	1,055,098,973	855,562,302
	Prd Value	31,836,567	32,069,411	31,763,518	28,915,428	24,229,141
Other Agriculture Land	Acres	1,841	1,929	1,887	1,845	1,908
	Mkt Value	8,525,918	7,529,658	5,090,966	5,623,715	4,753,667
	Prd Value	119,267	132,630	191,437	250,372	233,381
Total Production Acres		552,179	545,537	545,431	546,365	546,442
Total Mkt Value		1,718,178,925	1,401,668,795	1,150,716,725	1,155,023,335	937,484,825
Total Prd Value		36,080,455	36,286,045	35,880,535	33,056,045	27,557,275
Margin/Acre		3,046	2,503	2,044	2,054	1,665
Number of AC/Parcel		99.60	99.81	98.35	97.77	96.48
D1 Parcels		5544	5,466	5,546	5,588	5,664

STEPHENS COUNTY APPRAISAL DISTRICT



Interestingly, with the influx of people purchasing property in the area one might assume that the acreage per parcel might decrease; however, with new requirements to receive the ag values, like a minimum of 30 acres, the number of acres per parcel is seeing a slight increase. A better look for ag production might be acres per owner, but we currently do not have a way to determine that number.

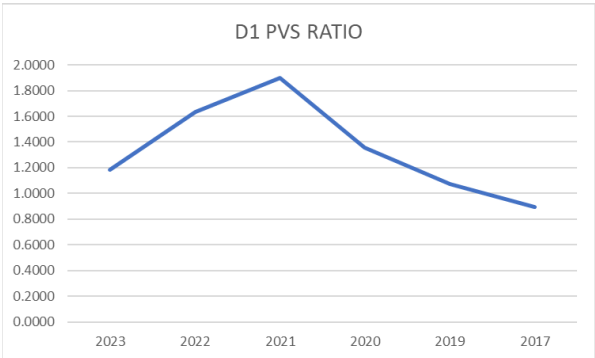
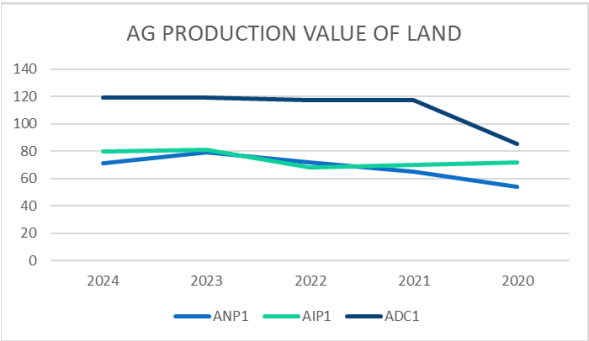
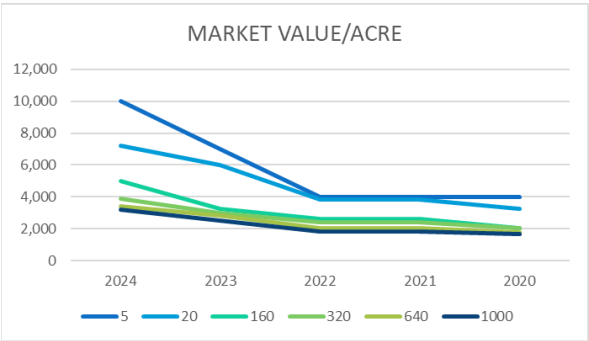
Another part of this might be from the effort of the CAD to verify ag applications for special value. Over the past few years, the CAD has initiated an audit of ag applications and are requiring individuals to update as necessary. The CAD also inspects the land to ensure the applicant is doing what was stated on the application. If the proper requirements are not met and updated, the ag special value is removed from the property.

Ag Production Value - Acres		2024	2023	2022	2021
D1 Verified	Parcels	4,055	3,645	1,467	1,272
	Acres	488,259	457,094	152,659	131,620
Wildlife Verified	Parcels	147	123	51	3
	Acres	15,303	9,356	2,847	144

**Only 3% of production value carries the wildlife designation in Stephens County*

An area the CAD continues to monitor is the shift of 1D1 lands from ag production to wildlife. This can be confusing, because wildlife focuses on the improvement of land for native species. High fenced ranches must be managing breeding of native or exotic wildlife to maintain the agricultural special value. Due to the breeding program, these animals are considered livestock when behind high fenced areas. High fence ranches that purchase and hunt game animals and do not have a managed breeding program, do not qualify for the special values.

Considerable increase in the market value of land has occurred since 2020, especially in the area of small acreage tracts. Tracts under 20 acres have shifted from \$4,000/acre to \$10,000/acre. As the number of acres increases, the amount of increase has been less drastic but still increasing. For instance, a 640-acre tract has shifted from \$1,800/ac in 2020 to \$3,400/ac in 2024.



Stephens CAD scored extremely high on the PVS for 2021 and 2022 years on Ag production values. The margin of error was closed in 2023 from both sides: the PTAD Ag value came up and the local value was reduced. Overall, ag values show little movement since 2020.

The CAD is also working on a way to measure the increase of platted lots for development in the county, or large acre tracts purchased and subdivided into small units for resale. The county seems to be seeing more development, but hard data is not available at this time.



EXEMPTION DATA

Texas offers a variety of partial or total, sometimes referred to as absolute, exemptions from appraised property values used to determine local property taxes. A partial exemption removes a percentage or a fixed dollar amount (by deduction) of a property's appraised value from taxation. A total exemption excludes the entire property's appraised value from taxation. Taxing units are required by the state to offer certain mandatory exemptions and have the option to decide locally on whether or not to offer others (local option).

Exemptions from property tax require applications in most circumstances. Applications for property tax exemptions are filed with the appraisal district in which the property is located.

HOMESTEAD EXEMPTIONS

A homestead exemption is generally defined as the home and land used as the owner's principal residence on January 1 of the tax year. A homestead exemption reduces the appraised value of the home through approved deductions and protects the home owner from increases in assessed (taxable) value. As a result, the homestead exemption lowers property taxes on your principal residence.

State	\$40,000 deduction from school district assessment Limits increase of assessed value by 10% per year
Local	None

OVER 65 EXEMPTIONS

Texas law requires school districts to offer additional protections for homesteads of individuals over 65 years of age and in certain cases a surviving spouse. These homeowners may also transfer the percent of tax paid, based on their ceiling, when they purchase another home and use it as their principal residence.

State	An additional \$10,000 deduction Tax ceiling on the amount paid in taxes when the taxpayer turns 65
Local	City of Breckenridge provides a \$3,000 deduction and a tax ceiling Stephens County provides a \$12,000 deduction and a tax ceiling

PROPERTY TAX EXEMPTIONS FOR DISABLED VETERANS

The law provides partial exemptions for any property owned by disabled veterans, surviving spouses and surviving children of deceased disabled veterans. The exemption amount is determined according to percentage of service-connected disability and may be up to 100 percent.

NON-PROFIT ORGANIZATIONS

Non-profit organizations that meet statutory requirements may seek property tax exemptions and must apply to their county appraisal district by April 1, 2024.

CIRCUIT BREAKER EXEMPTION

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of personal property inventory may elect to have the inventory appraised at its market value as of September 1st of the year proceeding the tax year to which

STEPHENS COUNTY APPRAISAL DISTRICT



the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1st.

Effective January 1, 2024, per Texas Property Tax Code Section 23.231, all real property accounts without a homestead exemption and an ownership change in the preceding 12 months and their market value is \$5,000,000 or less will now be subject to a twenty percent (20%) appraisal capped valuation (circuit breaker).

ANALYZING EXEMPTIONS

Examining the number of homesites and exemptions claimed can provide a tax entity insight to who is living in the community and who the entity is serving. Certain trends may indicate a shift in the culture of the community and even identify areas that will affect the tax base and levy of the entity.

Homesites +38
(Trending flat)

Homesteads
(Trending flat)

Over 65 +15

Vet Disabled +16

New Exempt Properties
Constitutional +12

CITY OF BRECKENRIDGE						
Year	2024	2023	2022	2021	2020	2019
Homesites	2271	2233	2260	2395	2406	2393
General HS						
>65	481	466	439	435	433	433
Disabled	86	88	87	87	81	80
Veteran Disabled	All	67	51	47	46	46
	General	21	20	18	17	16
	Frozen	27	20	19	10	16
	100% Homesite	19	11	10	19	14
Circuit Breaker	820					
Constitutional	314	302	305	324	346	356

Homesites -148
(Trending down)

Homesteads
(Trending up)

Over 65 +46

Vet Disabled +12

New Exempt Properties
Constitutional +112

STEPHENS COUNTY						
Year	2024	2023	2022	2021	2020	2019
Homesites	4972	5120	5189	5356	5341	5327
General HS						
>65	1144	1098	1041	1033	1018	1028
Disabled	144	132	139	141	129	126
Veteran Disabled	All	178	144	139	135	120
	General	59	59	58	58	51
	Frozen	69	47	46	45	44
	100% Homesite	50	38	35	32	36
Circuit Breaker	1596					
Constitutional	780	668	671	727	751	737

STEPHENS COUNTY APPRAISAL DISTRICT



BRECKENRIDGE ISD							
Year		2024	2023	2022	2021	2020	2019
Homesites (Trending down)	-119	4850	4969	5038	5204	5199	5183
Homesteads (Trending up)		2317	2279	2279	2247	2223	2232
Over 65		648	474	846	926	895	909
Vet Disabled		50	35	84	115	99	93
Exempt Properties Constitutional	ALL	130	101	117	119	115	107
	General	46	47	50	52	46	36
	Frozen	41	41	46	45	43	42
	100% Homesite	43	13	21	22	26	29
Circuit Breaker		1549					
Constitutional		756	652	655	711	734	720

*A homesite is a site and improvement that highest and best use is a single-family residential property

*County includes City of Breckenridge and Breckenridge ISD; Breckenridge ISD will include City of Breckenridge, but will not include all the county because of the overlapping school districts

CIRCUIT BREAK IMPACT

The new circuit breaker exemption had a significant impact on property value in the district.

Any property with a value under \$5,000,000 that did not have a homestead exemption was eligible for the exemption. The exemption limited the increase on taxable value (assessed value) to a 20% increase over the previous year. The table shows the number of properties that received the circuit breaker exemption and the total amount of value exempted for each entity.

Entity	STC	BISD	CBR	SMHD
Number of CB	1,596	1,549	820	1,595
Amount of CB	\$ 21,670,270	\$ 21,120,872	\$ 5,666,796	\$ 21,670,180

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APPEAL DATA

If the appraisal district appraises your property at a higher amount than in the previous year, Tax Code Section 25.19 requires the appraisal district to send a notice of appraised value by May 1, or by April 1 if your property is a residence homestead, or as soon as practical thereafter. The notice of appraised value includes information on how to file a protest as well as an explanation of the availability of an informal conference with the appraisal district prior to your formal ARB hearing.

If you are dissatisfied with your appraised value or if errors exist in the appraisal records regarding your property, you should file a Form 50-132, Notice of Protest (PDF) with the ARB. In most cases, you have until May 15 or 30 days from the date the appraisal district notice is delivered — whichever date is later.

CAD staff attempts to settle these disputes through an informal process. Tax payers are invited into the office to provide the CAD with more information and evidence about the property. The appraiser hearing the informal protest may make adjustments to the value of the property based on owner input. If an agreement is reached, the owner or agent may be asked to sign a “Settlement and Waiver” which states a mutual agreement has been reached and the protest has been settled. This ends the right of the taxpayer to appeal the value to a higher level in the process.

Should the appraiser and the taxpayer not reach an agreement, the protest will be referred to the Appraisal Review Board for a hearing.

APPRAISAL REVIEW BOARD

The Appraisal Review Board (ARB) is charged with providing an impartial review of the appraisal records prepared by the CAD. The ARB is empowered to equalize values of all properties in the CAD concerning the fair market value and hear taxpayer protests through scheduled hearings. To be eligible to serve on the ARB, an individual must have resided in the district for at least two years. Members apply through an open application process and are appointed by the local District Judge. The 2024 ARB members included:

Scott Harris	Chairman	Luke Grider	Member
Sally Satterwhite	Secretary	Pam Langford	Member

APPEALS

If a taxpayer is dissatisfied with the ARB's findings, he/she has the right to appeal the decision within 60 days of receiving the ARB's written order to binding arbitration. Instructions on how to do this are sent with the final determination of the ARB.

Binding arbitration is available for market or appraised value determinations by ARBs. Unequal appraisal determinations may also be the subject of a request for binding arbitration. Binding arbitration is available only if the property is:

- a residential homestead, regardless of value; or
- a property with an appraised value of \$5 million or less.

Some appeals may be filed through the local district court or SOAH. These dependent on several qualifying factors of the property outlined in the final determination from the ARB and online at the Property Tax Assistance Division of the Comptroller's Office.

*Stephens County Appraisal District does not have any open arbitration hearings,
SOAH hearings or suits filed in the district court at this time.*

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		2024	2023	2022	2021	2020
# OF PROTEST	REAL PROPERTY	405	640	663	175	150
	MINERAL PROPERTY	1879	12	4	18	29
	INDUSTRIAL PROPERTY	2401			9	45
	PERSONAL PROPERTY	7	8	2	5	2
PRELIMINARY VALUE	REAL PROPERTY	\$ 737,063,229	\$ 574,790,000	\$ 627,621,153	\$ 492,307,915	\$ 413,224,913
	MINERAL PROPERTY	\$ 97,302,000	\$ 123,565,000	\$ 104,481,000		
	INDUSTRIAL PROPERTY	\$ 84,897,000	\$ 78,273,000	\$ 67,354,000		
	PERSONAL PROPERTY	\$ 21,938,254	\$ 23,400,000	\$ 22,002,608		
CERTIFIED VALUE	REAL PROPERTY	\$ 712,681,196	\$ 791,022,450	\$ 565,615,669	\$ 469,803,740	\$ 401,548,094
	MINERAL PROPERTY	\$ 105,610,680	\$ 129,291,170	\$ 120,045,560	\$ 52,335,780	\$ 64,917,380
	INDUSTRIAL PROPERTY	\$ 89,721,882	\$ 88,893,509	\$ 81,870,594	\$ 70,700,980	\$ 92,737,106
	PERSONAL PROPERTY	\$ 26,438,676	\$ 24,669,901	\$ 20,891,991	\$ 21,528,632	
PERCENT CHANGE IN VALUE	REAL PROPERTY	-3.31%	37.62%	-9.88%	-4.57%	-2.83%
	MINERAL PROPERTY	8.54%	4.63%	14.90%		
	INDUSTRIAL PROPERTY	5.68%	13.57%	21.55%		
	PERSONAL PROPERTY	20.51%	5.43%	-5.05%		
SETTLED	Total # of Protest	2342	660	669	207	226
	Informally Settled	116	415	539	117	83
	Settled by Waiver	1574	10	48	43	63
	Withdrawn	553	171	62	19	58
	ARB as Joint Motion	67	40			
	Failure to Appear	7	8		8	3
	ARB Determination	22	3	20	20	19
PENDING	REAL PROPERTY	3	3			
	MINERAL PROPERTY					
	INDUSTRIAL PROPERTY					
	PERSONAL PROPERTY					

OBSERVATIONS:

- This was the first year the CAD tracked industrial and mineral protests, consequently, this year's numbers look much larger than previous years.
- Locally, the number of protests were down from the previous year. We believe this was due to little movement in values other than land, which was the leading complaint in the real property hearings we did have.
- Stephens CAD still manages to handle the great majority of the protests through informal settlement and waivers.
- We have also initiated the use of "Top Line Agreements" with agents. These agreements allow the agent to settle without eliminating the owner's rights to arbitration or court.

STEPHENS COUNTY APPRAISAL DISTRICT



RATIO STUDY ANALYSIS

PROPERTY VALUE STUDY

According to Chapter 5 of the Texas Tax Code and Section 403.302 of the Texas Government Code, the State Comptroller’s Property Tax Division (PTD) conducts property value study (PVS) of each Texas school district and each appraisal district every other year. As part of this study, the code requires the Comptroller to use sales and recognized auditing and sampling techniques; review each appraisal district’s appraisal methods, standards, and procedures to determine whether the district used recognized standards and practices (MAPS review); tests the validity of school district taxable values in each appraisal district and presumes the appraisal roll values are correct when values are valid; and, determines the level and uniformity of property tax appraisal in each appraisal district.

One independent school district has property solely in Stephens CAD and five others have overlapping property. Two of these have an amount sizeable enough to be evaluated in the PVS. The preliminary results of this study are released in February of the year following the year of evaluation. The results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) the following July of each year. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions. The final results of the 2023 Stephens CAD Property Value Study were released in August 2024 and can be viewed at: <https://comptroller.texas.gov/taxes/property-tax/pvs/2021f/index.php>.

School District	2024	2023	2022	2021	2020	2019	2017
Breckenridge	PASSED	FAILED	FAILED	FAILED	GRACE PD.	GRACE PD.	PASSED
Moran	NOT TESTED	PASSED	PASSED	FAILED	NOT TESTED	PASSED	PASSED
Woodson	NOT TESTED	PASSED	PASSED	FAILED	NOT TESTED	PASSED	PASSED

In 2020, the CAD was 25% low in CAT A in 2020 and corrected it in 2021 as sales were relatively flat. In late 2020 and throughout 2021, an aggressive statewide real estate market left the CAD behind. One of the challenges in the PVS model is that the CAD stops using sales data in January to set and create notices that go out in April; however, the Comptroller may use sales through June of the tax year in PVS reviews. This means the CAD has to determine a rate of increase in an aggressive market and attempt to predict how much sales may continue to increase in January through June or take the risk on taking a hit in the PVS by using current data up to the January 1 date. With limited sales data, Stephens CAD found it hard to make an accurate prediction for all classifications, so we took another hit.

In 2022, we established better sales information and attempted to close the margin of error, but thirty to forty percent increases essentially covered only the gap left by the increase in values, not the margin of error in the PVS. The CAD greatly increased values across the board for 2023 and appeared to close the gap tremendously.

Throughout this time period and study, one thing is evident. The E classification of properties continues to be a struggle for Stephens CAD. This is an interesting anomaly because the E properties study in Moran ISD and Woodson ISD score within margin, but for Stephens appear to be drastically low. In 2022, the CAD determined that part of the issue was lake properties, which could be classified as A or E properties depending on the CAD interpretation. Moving these properties to A properties and placing the value adjustments at the lake on the land and not the improvement has seemed to aid us in our pursuit of correct values.

The following chart shows a more detailed breakdown of the BISD PVS study by strata and year.

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BISD PTAD RATIOS						
CATEGORY	RATIO					
	2024	2023	2022	2021	2020	2019
A	0.9845	0.9427	0.8298	0.9537	0.7514	0.7680
STRATA 2	1.0015	1.0510	0.9228	0.9737	0.6529	0.6741
STRATA 3	1.0061	1.0085	0.9443	0.9736	0.7864	0.8680
STRATA 4	0.9548	0.8949	0.8206	0.9304	0.7072	0.7585
STRATA 5	0.9748	0.8861	0.7468	0.9424	0.8087	0.7675
D1	0.9792	1.1864	1.6326	1.8995	1.3573	1.0712
E	0.9128	0.7907	0.6892	0.7957	0.8673	0.7316
F1	0.9132	0.9585	0.9131	0.8244	0.8390	0.9532
STRATA 2	0.9285	0.9053	0.9088	0.0773	0.8623	
STRATA 3	0.8229	0.9669	0.9573	0.7253	0.7444	0.9407
STRATA 4	0.9521	0.9799	0.8261	0.8750	0.8577	0.8979
STRATA 5	0.9758	0.9643	0.9624	0.9315	0.8724	0.9705
G	0.9959	1.0155	1.0136	0.9727	1.0018	0.9779
STRATA 2	1.0013	1.0259	1.0037	0.9305	0.9941	
STRATA 3	1.0010	1.0221	1.0260	0.9773	0.9535	1.0078
STRATA 4	0.9885	1.0103	1.0102	0.9946	0.1013	1.0144
STRATA 5	0.9919	1.0072	1.0176	0.9853	1.0129	0.9717
J	n/a	n/a	n/a	1.3741	0.9447	n/a
<i>*B, C1, D2, L1, L2, M1, N, O and S not tested</i>						
RATIO		0.9060	0.8220	0.9228	0.8335	0.8256
Local Test Value	\$ 694,182,872	\$ 797,131,533	\$ 699,050,120	\$ 540,820,328	\$ 463,084,056	\$ 475,673,407
PTAD Value	\$ 728,180,356	\$ 879,806,664	\$ 850,379,117	\$ 586,062,782	\$ 555,581,925	\$ 576,127,244
Final Ratio	95.33%	90.60%	82.20%	92.28%	83.35%	82.56%

- Category A in margin; still a little low in high-end homes
- Category D1 in margin; work to be done in dry crop and improved pasture
- Category E continues to be the weakest link; while we score in margin for Woodson ISD and Moran ISD, this continues to be a challenging area for Breckenridge ISD
- Category F was low after being in margin the previous year
- Category G consistently meets in margin

STEPHENS COUNTY APPRAISAL DISTRICT



MAPS REVIEW

In addition to the Property Value Study, the Texas Comptroller of Public Accounts conducts a biannual review of the governance of each appraisal district, taxpayer assistance provided, and the operating and appraisal standards, procedures, and methodology used by the CAD.

Property Tax Division conducted an onsite MAPS Review the week of April 29 – May 3, 2024. While the results of the audit are much improved, the CAD fell short on a few items. It should be noted that the failure of Mandatory Requirement 1 is in error. The CAD did send the entities the preliminary budget for 2025 prior to the June 15, 2024 deadline. The MAPS inspector did not get the correct data in before the report was released on that item, but has promised it will be cleared in the follow up. This will be updated as soon as updated results are released.

Mandatory Requirements	PASS/FAIL
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?	FAIL
Does the appraisal district have up-to-date appraisal maps?	PASS
Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
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
Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS

Appraisal District Activities	RATING
Governance	Meets
Taxpayer Assistance	Meets
Operating Procedures	Meets
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

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	12	11	92
Operating Procedures	21	20	95
Appraisal Standards, Procedures and Methodology	25	25	100

STEPHENS COUNTY APPRAISAL DISTRICT



From: William Thompson
Sent: Friday, June 14, 2024 2:47 PM
To: Brian Roland <brian.roland@smhtx.com>; Christie Latham <c.latham@stephenscountytexas.gov>; Cynthia Northrop <cnorthrop@breckenridgetexas.gov>; Michael Roach <mroach@stephenscountytexas.gov>; Prairie Freeman <p.freeman@breckenridgeisd.org>; Jonathan Scott <jonathanscott@albanyschools.net>; Sonny Cruse <sonny.cruse@grahamisd.com>; John Denson <jdenson@moran.esc14.net>; Donald Hughes <dhughes@ranger.esc14.net>; Casey Adams <casey.adams@woodsonisd.net>
Cc: Stephens County Treasurer <treasurer@stephenscountytexas.gov>; Brittany Marks <brittany.marks@breckenridgeisd.org>; Diane Latham <dlatham@breckenridgetexas.gov>; Nadine Dunn <nadine.dunn@smhtx.com>; Angelyn Faith <angelyn@albanyschools.net>; Suzie Wilson <suzie.wilson@grahamisd.com>; Don Davis <don.h.davis@grahamisd.com>; Joy Felan <jfelan@ranger.esc14.net>; Melissa Vickers <melissa.vickers@woodsonisd.net>
Subject: Stephens County Appraisal District - 2025 Proposed Budget

The 2025 Proposed Budget for the Stephens County Appraisal District is attached for your review and comment. It reflects a 5% increase over 2024's approved budget.

Health insurance is probably our largest concern. We were kicked out of our pool insurance last October and had to secure insurance quickly from the open market. I am currently working to enroll in a pool in hopes to reduce our health benefit costs.

Please reach out if you have any questions, or better yet, ideas on where to cut our budget. We know that increases always go back to the taxpayer. Our goal is to maximize our benefit while minimizing our costs. Gratefully, while our expenses have increased, so has the taxable values and levy which help to spread the expense. And while we remain within the suggested range of 2.5 – 3.5% of the levy, we are moving towards the higher end of that scale. I hope to have the chance to visit with each of you and your boards/commissions and answer any questions you all may have.

Grateful to serve.

~wwt

William W. Thompson, Chief Appraiser in Training
Stephens County Appraisal District
Phone: 254-559-8233
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201 S. Rose Ave., Breckenridge, TX 76424



TARGETED APPRAISAL REVIEW PROCESS (TARPS)

Based on the MAPS 2020 and 2022 failure and the failed PVS, Stephens CAD received a TARP Review in March. Targeted reviews are a new step by the Comptroller and the CAD was in the first round of such reviews. The results of the TARP come in the form of recommendations to the CAD and should be released in January of 2025. This report will be updated with that information once provided.

STEPHENS COUNTY APPRAISAL DISTRICT



LEGISLATIVE CHANGES

The House of Representatives and the state Senate constitute the Texas Legislature. The legislature's duties include consideration of proposed laws and resolutions, consideration of proposed constitutional amendments for submission to the voters, and appropriation of all funds for the operation of state government. All bills for raising revenue considered by the legislature must originate in the House of Representatives. The House alone can bring impeachment charges against a statewide officer, which the Senate must try.

The Legislature of the State of Texas, operating under the biennial system, convenes its regular sessions at noon on the second Tuesday in January of odd-numbered years. The maximum duration of a regular session is 140 days. The governor is given authority under the state constitution to convene the legislature at other times during the biennium. Such sessions are called special sessions and reserved for legislation that the governor deems critically essential in state affairs. Called sessions are limited to 30 days, during which the legislature is permitted to pass laws only on subjects submitted by the governor in calling for the session.

THE 88TH SESSION OF THE TEXAS LEGISLATURE

- The \$321.3 billion spending plan that Texas lawmakers approved for the next two years is balanced
- The Texas Comptroller told lawmakers at the beginning of the session that they would have \$188.2 billion in general revenue to work within their budget process, including a historic \$32.7 billion surplus. The 2024-25 budget allocates some \$144 billion in state tax money
- Several constitutional amendments were proposed and passed — including a \$1.5 billion effort to expand broadband, a \$1 billion Texas Water Fund to pay for infrastructure, and potentially a homestead exemption if lawmakers agree on a property tax-relief plan; the remaining fills the state's emergency coffers and highway funds and makes payments toward stabilizing its retirement investment fund. It includes pay raises for employees of state agencies and retired teachers
- Another \$7 billion of the surplus toward current-cycle needs — such as replacements for the state's aging vehicle fleets, new parkland acquisition, flood mitigation projects, school safety measures, and mental health hospitals — the budgets leave \$10 billion in projected revenue unspent for the next two years. The supplemental bill was certified and sent to the governor Monday
- The spending plan is well below the constitutional requirement that lawmakers spend less than the \$188 million available. And at a 10.5% increase in tax spending over the current cycle, the budget comes in well under the state's constitutional and statutory caps on spending increases that state leaders set at 12.3%

The House passed the budget 124-22. Senators approved it 29-2.

NEW TEXAS PROPERTY TAX LAW

The centerpiece of the package is Senate Bill 2.

- lowers the school property tax rate for all homeowners and business properties. And Texas homeowners will also see their homestead exemption increase from \$40,000 to \$100,000. Homeowners over 65 and disabled will see their homestead exemption rise to \$110,000.
- includes a "circuit breaker" provision for non-homesteaded residential and commercial properties. This will limit the annual growth of tax bills for all such properties worth \$5 million or less to no more than 20 percent under a three-year pilot project.
- contains a provision that will let voters in counties of more than 75,000 people elect three members of their countywide appraisal boards starting in May 2024.
- SB 3 provides franchise tax relief for small business owners.
- the House and Senate approved House Joint Resolution 2, which will put a constitutional amendment to enact the property tax cuts on the November ballot.
- voters passed 13 of the 14 constitutional amendments proposed on the November election date