



Karnes County Appraisal District

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2021 Annual Report

Introduction

The Karnes County Appraisal District is a political subdivision of the state. The Constitution of the State of Texas, the Texas Property Tax Code, and the Rules of the Texas Comptroller's Property Tax Assistance Division govern the operations of the appraisal district.

Mission

The mission of Karnes County Appraisal District is to discover, list and appraise property as accurately, ethically and impartially as possible in order to estimate the market value of all property within the boundaries of the district for ad valorem tax purposes. The District must make sure that each taxpayer is given the same consideration, information and assistance as the next. This will be done by administering the laws under the property tax system and operating under the standards of:

- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD)
- The International Association of Assessing Officers (IAAO)
- The Uniform Standards of Professional Appraisal Practice (USPAP)

Governance

The Appraisal District is governed by a **Board of Directors** whose primary responsibilities are to:

- Appointing the Chief Appraiser
- Contracting with other appraisal offices, taxing units or private firms to perform appraisal functions;
- Adopting annual budgets for the operation of the Appraisal District
- Determining a method of financing the annual budget based on cost allocation among taxing units;
- Purchasing or leasing real property, as well as constructing improvements to establish the appraisal district office
- Ensuring preparation of annual audits by certified public accountants;
- Selecting a financial institution to deposit funds through bid solicitations;
- Entering contracts for appraisal functions, all for all expenditures, comply with the competitive bidding requirements established by law;
- Being a necessary party to lawsuits brought by property owners concerning appraisals;
- Approving the appointment of the Agricultural Advisory Board
- Appointing the members of the Appraisal Review Board and increasing the size of said board's membership when necessary;

- Develop a biennial written reappraisal plan for the District's appraisal activities
- Administering the District office in any other manner required by law.

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

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 (or actively working toward licensing) as a Registered Professional Appraiser (RPA) through the Texas Department of Licensing.

Members of the **Appraisal Review Board** are appointed by the local administrative district judge in which the appraisal district is established as per Tax Code Section 6.41(d). ARB members serve two-year staggered terms and they must be certified by the Texas Comptroller. Their responsibility is to settle value disputes between the taxpayer and the Chief Appraiser. Their decisions regarding value are binding to the Chief Appraiser for the tax years protested.

The **Ag Advisory Board** is appointed by the Board of Directors at the recommendation of the Chief Appraiser to aide him/her in determining typical practices and standards for agricultural activities in the district. They serve at the will of the Board of Directors.

Taxing Jurisdictions

The Karnes County Appraisal District is responsible for appraising all properties for each of the taxing jurisdictions that have territory located within Karnes County. Following are those tax jurisdictions with territory located in the district:

- Karnes County
- Karnes County Farm Road
- Karnes County Emergency Service District
- Karnes County Hospital District
- Karnes City ISD
- Falls City ISD
- Kenedy ISD
- Runge ISD
- City of Karnes City
- City of Falls City
- City of Kenedy
- City of Runge
- Eclecto Creek Watershed District
- Escondido Watershed Authority
- Hondo Watershed District
- Evergreen Underground Water Conservation District
- San Antonio River Authority
- Nixon-Smilely ISD
- Nordhem ISD
- Pawnee ISD
- Pettus ISD

Legislative Changes

For legislative changes to the Property Tax Code during 2021 that affected the Appraisal District's operations for 2021, please visit the Texas State Comptroller website at <http://www.window.state.tx.us/taxinfo/proptax/> for all the legislative changes and updates. Laws passed during the 2021 legislative session will have an effect on the 2022 appraisal records.

Property Types Appraised

The District is comprised of some 131,454 parcels. The following represents a summary of property types appraised by the District for 2021:

| PTAD Classification | Property Type | Parcel Count | Market Value |
|---------------------|--------------------------------|--------------|---------------|
| A | Single Family Homes | 3,319 | 182,884,910 |
| B | Multi Family Homes | 37 | 12,876,632 |
| C | Vacant Land | 1,566 | 7,098,817 |
| D1 | Qualified Open Space "Ag" Land | 5,614 | 28,018,151 |
| D2 | Non-Qualified "Ag" Land | 906 | 23,730,665 |
| E | Farm/Ranch Improvements | 3,495 | 231,197,605 |
| F1 | Commercial Real Property | 775 | 195,529,124 |
| F2 | Industrial Real Property | 25 | 420,529,550 |
| G | Oil/Gas/Minerals | 100,842 | 3,600,197,375 |
| J | Utilities | 667 | 369,726,610 |
| L1 | Commercial Personal Property | 795 | 58,368,762 |
| L2 | Industrial Personal Property | 498 | 384,046,820 |
| M1 | Mobile Homes | 824 | 23,535,095 |
| S | Dealer's Special Inventory | 10 | 2,188,404 |
| X | Exempt Property | 14,377 | 122,109,210 |

Ratio Study Analysis

Once every two years the Texas State Comptroller conducts a study to determine the uniformity of and the median level of appraisals by the District within each major category of property.

In 2021, the Comptroller of Public Accounts conducted an internal ratio study to validate the accuracy of the district's mass appraisal system with the following overall statistical results:

| Category | Number of Ratios ** | 2020 CAD Report Appraised Value | Median Level of Appr | Coefficient of Dispersion | % Ratios w/in (+/-) 10% of Median | % Ratios w/in (+/-) 25% of Median | Price-Related Differential |
|------------------------------------|---------------------|---------------------------------|----------------------|---------------------------|-----------------------------------|-----------------------------------|----------------------------|
| A. Single-Family Residences | 44 | 191,173,976 | * | * | * | * | * |
| B. Multi-Family Residences | 0 | 12,053,645 | * | * | * | * | * |
| C1. Vacant Lots | 0 | 11,932,466 | * | * | * | * | * |
| C2. Colonia lots | 0 | 0 | * | * | * | * | * |
| D2. Farm/Ranch Imp | 0 | 25,384,233 | * | * | * | * | * |
| E. Rural non-qualified | 61 | 239,892,148 | 0.96 | 18.34 | 33.03 | 77.08 | .094 |
| F1. Commercial Real | 27 | 219,849,663 | * | * | * | * | * |
| F2. Industrial Real | 0 | 428,261,710 | * | * | * | * | * |
| G. Oil, Gas, Minerals | 162 | 5,678,311,190 | 1.00 | 0.99 | 98.83 | 99.34 | 1.00 |
| J. Utilities | 5 | 401,992,810 | 0.89 | 4.49 | 53.40 | 93.00 | 1.04 |
| L1. Commercial Personal | 0 | 70,123,390 | * | * | * | * | * |
| L2. Industrial Personal | 0 | 437,914,200 | * | * | * | * | * |
| M. Other Personal | 0 | 22,725,120 | * | * | * | * | * |
| O. Residential Inventory | 0 | 0 | * | * | * | * | * |
| S. Special Inventory | 0 | 3,228,350 | * | * | * | * | * |
| Overall | 299 | 7,742,842,901 | 1.00 | 7.36 | 75.59 | 92.05 | 0.99 |

*Not calculated – Need a minimum of 5 ratios from either (A) categories representing at least 25% of total CAD category value or (B) 5 ISDs or half the ISDs in the CAD, whichever is less

**Statistical measures may not be reliable when the sample is small.

Based on the Mass Appraisal Standards by the International Association of Assessing Officers, the above statistics indicate that the district's mass appraisal system is accurately and uniformly appraising property.

Property Discovery

The District aggressively seeks to discover all newly constructed or added property each year through examination of:

- City/County building permits
- Filed Material/Mechanic's Liens
- Mobile home installation reports
- Septic tank permits
- Electric connection reports
- Advertisements
- Railroad Commission Reports (oil/gas)
- Field discovery
- Public "word of mouth"

Utilizing these discovery tools, a total market value of \$51,720,482 was added to the appraisal roll for 2021.

Exemption Data

Property owners may qualify for a variety of exemptions as provided by the Texas Constitution. Some of the most commonly occurring exemptions are described below. Other less commonly occurring exemptions are available and described in the Texas Property Tax Code, Chapter 11.

Residential Homestead

The following chart represents the total exemption amounts available to homeowners who qualify for this exemption on homesites with a maximum of 20 acres:

| Jurisdiction | General | Over 65 | Disability | 100% Disabled Veteran |
|-----------------------------|------------------------------|----------|------------|-----------------------|
| Karnes County | \$5,000 or 20% (the greater) | \$10,000 | \$10,000 | 100% |
| Karnes County Road & Bridge | \$5,000 or 20% (the greater) | \$10,000 | \$10,000 | 100% |
| Karnes County ESD | \$5,000 or 20% (the greater) | | | 100% |
| Karnes City ISD | \$25,000 | \$10,000 | \$10,000 | 100% |
| Kenedy ISD | \$25,000 | \$10,000 | \$10,000 | 100% |
| Falls City ISD | \$25,000 | \$10,000 | \$10,000 | 100% |
| Runge ISD | \$25,000 | \$10,000 | \$10,000 | 100% |
| Evergreen UWCD | | \$25,000 | \$25,000 | 100% |
| San Antonio River Authority | \$5,000 or ½% (the greater) | \$5,000 | \$5,000 | 100% |
| *Pawnee ISD | \$25,000 +20% (\$5,00 Min) | \$10,000 | \$10,000 | 100% |
| *Pettus ISD | \$25,000 | \$10,000 | \$10,000 | 100% |
| *Nixon-Smiley ISD | 20% (\$25,000 Min) | \$10,000 | \$10,000 | 100% |

| | | | | |
|---------------|---------------|-----------|----------|------|
| *Nordheim ISD | \$25,000 | \$10,000 | \$10,000 | 100% |
| *Overlap Area | Not Collected | By Karnes | County | |

For school tax purposes, the over 65, disability, and 100% disabled veteran residential homestead exemptions create a tax ceiling prohibiting increased taxes on the homestead on *existing buildings*. (Any new areas added to the homesite will cause the ceiling to be readjusted and set in the subsequent tax year.)

Although Texas law allows it, none of the other taxing jurisdictions have adopted tax ceilings for over 65 or disabled homeowners.

All homeowners who qualify for the residential homestead exemption are subject to the placement of a *homestead cap* on their qualifying property which prohibits the increase of taxable value on the homestead property to ten percent per year. However, the market value may still be reflective of the local real estate market.

Disabled Veterans

In addition to the residential homestead exemption allowable to disabled veterans with a 100% service connected disability (as described above), disabled veterans are allowed a general exemption on any property they own based upon the percentage rating as determined by the Department of Veteran’s Affairs. Current exemption amounts, as based upon these ratings, are:

| Percentage Disability | Exemption Amount |
|-----------------------|------------------|
| 10-29% | 5,000 |
| 30-49% | 7,500 |
| 50-69% | 10,000 |
| 70-100% | 12,000 |

Other Exemptions

Other commonly occurring exemptions are:

- Cemetery Exemptions
- Religious Organizations
- Primarily Charitable Organizations
- Veteran’s Organizations

Other less frequently occurring exemptions are allowable and described in Chapter 11, Property Tax Code.

Appeal Information

State law required the district to mail Notices of Appraised Value to property owners where:

- New property has been included for the first time on the appraisal roll
- There has been an ownership change
- There has been a change in taxable value of \$500 or more
- The property filed a rendition statement of the property
- The property has been annexed or de-annexed to a taxing jurisdiction

In compliance with these laws, the District prepared and delivered required notices for:

3,899 real estate parcels

26,988 mineral/utility/industrial parcels

From those notices, 6,300 parcels were protested with the following characteristics:

| Description | Parcel Count |
|---|--------------|
| Incorrect Appraised or Mkt Value of Land | 246 |
| Incorrect Market or Appraised Value | 6,210 |
| Value is unequal compared with other properties | 3,629 |
| Property should not be taxed | 344 |
| Failure to send required notice | 372 |
| Other | 1,592 |
| Exemption was denied, modified, or cancelled | 382 |
| Change of land use | 292 |
| Land use was denied, modified or cancelled | 115 |
| Owner's Name is Incorrect | 355 |
| Property should not be taxed in CAD or tax unit | 125 |
| Property Description Is Incorrect | 581 |

The final results of these protests were:

| Description | Parcel Count |
|---|--------------|
| Protest withdrawn | 4,602 |
| Protest settled | 4,237 |
| Case dismissed for failure (of taxpayer) to appear at hearing | 54 |
| ARB ordered no change to the appraisal record | 55 |
| ARB ordered a change to the appraisal record | 70 |

Certified Valued

The Chief Appraiser certified market and taxable values to each taxing jurisdiction on July 25, 2021, summarized as follows:

| Jurisdiction | Parcel Count | Market Value | Taxable Value |
|-----------------------------|--------------|---------------|---------------|
| Karnes County | 130,597 | 5,670,826,862 | 5,471,375,389 |
| Karnes County Rd & Bridge | 130,597 | 5,670,826,862 | 5,471,375,389 |
| City of Karnes City | 18,301 | 177,018,853 | 148,693,035 |
| City of Kenedy | 9,639 | 240,093,055 | 207,298,004 |
| City of Runge | 6,545 | 37,740,172 | 28,618,120 |
| City of Falls City | 825 | 33,266,431 | 28,381,843 |
| Falls City ISD | 21,513 | 638,272,058 | 617,504,513 |
| Kenedy ISD | 31,486 | 1,047,812,731 | 830,364,507 |
| Karnes City ISD | 70,833 | 3,450,633,257 | 3,379,108,925 |
| Runge ISD | 16,702 | 265,550,487 | 248,440,605 |
| Karnes County ESD #1 | 130,596 | 5,670,805,389 | 5,483,158,028 |
| Karnes County Hospital Dist | 130,596 | 5,670,805,389 | 5,533,512,587 |
| Evergreen UWCD | 130,596 | 5,670,805,389 | 5,504,669,167 |
| San Antonio River Authority | 130,596 | 5,670,805,389 | 5,514,372,941 |
| Escondido Watershed Dist | 31,971 | 1,023,882,455 | 961,826,561 |
| Ecleto Watershed District | 19,886 | 1,142,393,020 | 1,137,488,017 |
| Hondo Watershed | 1,356 | 61,030,021 | 49,987,793 |
| Pawnee ISD | 4,659 | 111,233,253 | 109,240,890 |
| Pettus ISD | 1,541 | 154,874,432 | 105,044,557 |
| Nixon-Smiley CISD | 172 | 1,413,660 | 1,257,531 |
| Nordheim ISD | 52 | 1,088,325 | 1,048,325 |

Tax Rates

Using the taxable values as certified by the Chief Appraiser(s) and following the requirements of the Truth in Taxation Laws, the taxing jurisdictions adopted the following tax rates (information obtained from tax assessor's office):

| Jurisdiction | 2021 Tax Rate | 2021 Tax Rate Breakdown |
|-----------------------------|---------------|------------------------------|
| Karnes County | 0.312371 | 0.312371 M&O |
| Karnes County Rd & Bridge | 0.063872 | 0.063872 M&O |
| Karnes County ESD #1 | 0.018933 | 0.018933 M&O |
| Karnes County Hospital Dis | 0.127371 | 0.127371 M&O |
| Falls City ISD | 1.443400 | 0.973400 M&O 0.470000 I&S |
| Kenedy ISD | 1.245367 | 0.963400 M&O 0.281967 I&S |
| Runge ISD | 1.423400 | 0.963400 M&O 0.460000 I&S |
| City of Karnes City | 0.662521 | 0.341466 M&O 0.321055 I&S |
| City of Falls City | 0.352365 | 0.352365 M&O |
| City of Kenedy | 0.301226 | 0.218000 M&O 0.083226 I&S |
| City of Runge | 0.369070 | 0.369070 M&O |
| Escondido Watershed | 0.050000 | 0.050000 M&O |
| Ecleto Watershed | 0.003634 | 0.003634 M&O |
| Hondo Watershed | 0.060000 | 0.060000 M&O |
| Evergreen UWCD | 0.006300 | 0.006300 M&O |
| San Antonio River Authority | 0.018580 | 0.018580 M&O |
| Karnes City ISD | 1.090200 | 0.963400 M&O 0.126800 I&S |
| Pawnee ISD | 1.198940 | 0.963400 M&O 0.235540 I&S |
| Pettus ISD | 1.301574 | 1.001600 M&O 0.299974 I&S |
| Nixon-Smiley ISD | 1.15000 | 0.973400 M&O 0.176600 I&S |
| Nordheim ISD | 1.157230 | 1.051700 M&O 0.105530 I&S |