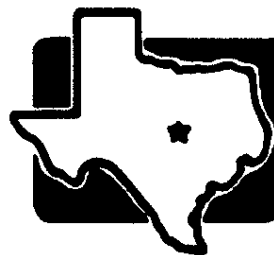


2023

# Annual Report

*Milam Appraisal*



*District*

*J. Ryan Nichols, RPA, CCA*

*Chief Appraiser*

# Milam Appraisal District

## 2023 Annual Report

The Property Tax Assistance Division of the Texas Comptroller’s office requires appraisal districts to publish an annual report. This report provides property owners, taxing units, and other interested parties information about total market and taxable values of a residence, new improvements, and exemptions at the time of certification of values to the taxing units.

Article 8 of The Texas Constitution defines five basic rules for property taxes:

- Property taxes must be equal and uniform.
- Generally, property must be taxed at market value defined as “the price at which a property would transfer for cash or its equivalent under prevailing market conditions”. There are limited exceptions to this rule, such as productivity value for agricultural land.
- Each property must have a single appraised value.
- All property is taxable unless federal or state law exempts it from taxation.
- Property owners have the right to reasonable notice of increases in the appraised value of their property.

In 1979 appraisal districts were created by the Texas Legislature to standardize the administration of local property taxes. Senate Bill 621, or the “Peveto Bill”, created our current property tax system. State law requires one appraisal district per county to appraise all property within that county. Appraisal districts are local government political subdivisions of the state responsible for appraising property within county boundaries. Appraisal districts are independent of the taxing units but are governed by a board elected by the taxing units elected officials.

By law, an appraisal district is to be managed by a professional staff with training and education prescribed by the State of Texas. Appraisers are registered with the Texas Department of Licensing and Registration and must complete courses and exams to become a Registered Professional Appraiser.

Appraisal practices are governed by the Texas Property Tax Code and rules established by the Texas Comptroller of Public Accounts. The property Tax Assistance Division conducts a Property Value Study and a Methods and Assistance Program review in alternating years. The results of both reviews are available on the Comptroller’s website.

### ***Entities Served (20)***

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<u>County</u>	<u>Cities</u>	<u>School Districts</u>	<u>Special Districts</u>
Milam	Buckholts Cameron Milano Rockdale Thorndale	Bartlett ISD Buckholts ISD Cameron ISD Gause ISD Holland ISD Lexington ISD Milano ISD Rockdale ISD Rogers ISD Rosebud/Lott ISD Thorndale ISD	Rockdale Hospital District Donahoe Watershed Elm Creek Watershed

## ***Board of Directors***

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The Board of Directors of the Milam Appraisal District consists of five voting members elected by the taxing units with property within the boundaries of Milam County. Those board members include:

- Tim Arledge (Chair)
- Travis Yoakum (Vice Chair)
- Lisa Gerthe (Secretary)
- Larry Patterson (Board Member)
- Michael Vance (Board Member)
- Sherry Mueck (TAC Non-Voting Member)

The board of directors has general policy-making authority and is primarily responsible for fiscal matters, including approval of significant contracts and adoption of the annual budget. The board also appoints the chief appraiser, the district's chief administrator. The Office of the Chief Appraiser is primarily responsible for planning, organizing, staffing, and controlling district operations as the Texas Property Tax Code requires.

## ***Appraisal Review Board***

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The Appraisal Review Board is a citizens' Board. 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. The board members are appointed by the local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county where the appraisal district is established. All applications submitted to the appraisal district seeking appointment as an appraisal review board member shall be delivered to the local administrative district judge. The appraisal district may provide the local administrative district judge with information regarding whether an applicant or a board member owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district. Members are charged with providing an impartial review of the appraisal records prepared by the District. The ARB is empowered to equalize the values of all properties in the District concerning the market value and hear taxpayer appeals through scheduled hearings for those who dispute their appraised value. The 2023 ARB members include:

- Julie Sulak (Chair)
- Stanley Garrison (Vice Chair)
- Henry Horelica (Secretary)
- Scott Heintze (Member)

## Certified Values

Milam Appraisal District Certified Totals History					
Category	2019	2020	2021	2022	2023
Parcels	28,251	27,710	28,077	30,774	33,289
Total Land Value	\$ 2,307,504,633	\$ 2,388,545,933	\$ 2,892,314,352	\$ 3,206,592,710	\$ 5,715,707,561
Total Improvements Value	\$ 1,269,696,060	\$ 1,326,810,209	\$ 1,356,676,971	\$ 1,686,437,438	\$ 2,101,192,638
Total Non Real Property Value	\$ 423,567,596	\$ 550,219,546	\$ 623,413,625	\$ 789,023,104	\$ 767,455,239
Market Value	\$ 4,000,768,289	\$ 4,265,575,688	\$ 4,872,404,948	\$ 5,682,053,252	\$ 8,584,355,438
Productivity Loss due to Ag use	\$ 1,990,121,708	\$ 2,073,943,007	\$ 2,522,617,446	\$ 2,775,417,001	\$ 5,048,701,442
Total Appraised Value	\$ 2,010,646,581	\$ 2,191,632,681	\$ 2,349,787,502	\$ 2,906,636,251	\$ 3,535,653,996
Homestead Cap	\$ 116,647,513	\$ 9,042,780	\$ 84,011,379	\$ 159,777,049	\$ 361,799,909
Assessed Value	\$ 1,893,999,068	\$ 2,101,589,901	\$ 2,265,776,123	\$ 2,746,859,202	\$ 3,173,854,087
Total Exemption Amount	\$ 192,942,649	\$ 199,677,580	\$ 197,808,346	\$ 255,935,056	\$ 285,460,483
Net Taxable	\$ 1,701,056,419	\$ 1,901,912,321	\$ 2,067,967,777	\$ 2,490,924,146	\$ 2,888,393,604

## Market Value by State Code

Milam Appraisal District 2023 State Category Breakdown					
State Code	Description	Count	New Value	Market Value	Taxable Value
A	Single Family Residence	6,946	\$ 11,909,791	\$ 1,004,601,176	\$ 781,414,681
B	Multifamily Residence	101	\$ -	\$ 18,213,130	\$ 18,099,240
C1	Vacant Lots and Land Tracts	1,502	\$ -	\$ 12,262,369	\$ 12,243,389
D1	Qualified Open-Space Land	8,281	\$ -	\$ 5,124,315,967	\$ 75,250,407
D2	Improvements on Qualified Open-Space Land	4,008	\$ 783,419	\$ 41,554,889	\$ 41,060,139
E	Non-Ag Land and Improvements	5,654	\$ 35,008,070	\$ 1,067,999,906	\$ 910,282,318
F1	Commercial Real	828	\$ 2,066,450	\$ 203,392,442	\$ 201,816,375
F2	Industrial Real	29	\$ -	\$ 27,395,640	\$ 27,395,640
G1	Oil and Gas	8,939	\$ -	\$ 232,337,864	\$ 232,337,864
J	Utilities	273	\$ -	\$ 250,567,350	\$ 250,567,350
L1	Commercial Personal	747	\$ -	\$ 50,431,930	\$ 50,431,930
L2	Industrial Personal	220	\$ -	\$ 225,040,000	\$ 225,040,000
M1	Mobile Homes	1,255	\$ 8,963,670	\$ 67,639,070	\$ 57,693,704
N	Intangible Personal Property	1	\$ -	\$ 292,820	\$ 292,820
S	Special Inventory	12	\$ -	\$ 4,467,750	\$ 4,467,750
X	Totally Exempt Property	2,278	\$ 1,551,700	\$ 253,843,135	\$ -
		<b>Totals</b>	<b>\$ 60,283,100</b>	<b>\$ 8,584,355,438</b>	<b>\$ 2,888,393,607</b>

## Exemption Breakdown

Milam Appraisal District 2023 Exemptions Breakdown				
Exemption	Count	Local	State	Total
AB	2	\$ -	\$ -	\$ -
DV1	89	\$ -	\$ 761,195	\$ 761,195
DV1S	4	\$ -	\$ 18,170	\$ 18,170
DV2	39	\$ -	\$ 347,120	\$ 347,120
DV3	56	\$ -	\$ 496,060	\$ 496,060
DV4	203	\$ -	\$ 1,703,883	\$ 1,703,883
DV4S	7	\$ -	\$ 39,300	\$ 39,300
DVHS	158	\$ -	\$ 27,055,910	\$ 27,055,910
DVHSS	7	\$ -	\$ 976,061	\$ 976,061
EX-XG	46	\$ -	\$ 10,754,460	\$ 10,754,460
EX-XI	5	\$ -	\$ 2,052,890	\$ 2,052,890
EX-XJ	3	\$ -	\$ 5,145,970	\$ 5,145,970
EX-XL	7	\$ -	\$ 380,720	\$ 380,720
EX-XN	61	\$ -	\$ 2,891,710	\$ 2,891,710
EX-XO	7	\$ -	\$ 54,450	\$ 54,450
EX-XR	54	\$ -	\$ 2,258,760	\$ 2,258,760
EX-XU	2	\$ -	\$ 25,200	\$ 25,200
EX-XV	1,073	\$ -	\$ 229,862,128	\$ 229,862,128
EX366	1,020	\$ -	\$ 416,847	\$ 416,847
MASSS	1	\$ -	\$ 166,148	\$ 166,148
SO	2	\$ 53,501	\$ -	\$ 53,501
<b>Totals</b>	<b>2,846</b>	<b>\$ 53,501</b>	<b>\$ 285,406,982</b>	<b>\$ 285,460,483</b>

## Internal Ratio Study

2023 Internal Ratio Study Results					
Category	Median Ratio	WT Mean Ratio	COD	PRD	Sales
Residential	1.0453	1.0242	18.8264	1.0996	218
Land	1.0000	0.9868	77.214	1.6502	49
Commercial	0.9254	0.889	53.9134	1.1863	13

## Protest and Appeals

<b>Property Appeals</b>					
	<i>Appraisal Year</i>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Appraisal Notices Mailed	21,424	21,663	27,043	28,721	31,190
<b>Results -</b>					
Telephone Calls	469	732	474	261	327
Walk-ins	474	16	67	26	4
<b>Total Inquiries</b>	<u>943</u>	<u>748</u>	<u>541</u>	<u>287</u>	<u>331</u>
<b>Protests -</b>					
By Property Owners	1,475	1,169	1,171	1,302	2,368
By Tax Agents	270	326	527	654	767
<b>Total Protest</b>	<u>1,745</u>	<u>1,495</u>	<u>1,698</u>	<u>1,956</u>	<u>3,135</u>
<b>Protests by Property Type -</b>					
Residential	1,045	699	744	898	1,725
Commercial	97	148	147	262	266
Business Personal Property	34	54	94	25	61
Land	9	22	90	69	424
Agricultural	263	194	353	260	232
Industrial/Utilities	195	204	159	241	202
Mineral	102	174	111	201	225
<b>Total Protest by Property Type</b>	<u>1,745</u>	<u>1,495</u>	<u>1,698</u>	<u>1,956</u>	<u>3,135</u>
<b>ARB Statistical Information -</b>					
ARB Hearing - Approved	304	97	40	54	313
ARB Hearing - Denied	132	72	115	212	149
Non-Attendance	268	258	189	253	337
Pending	10	3	-	87	73
Withdrawals	1,031	1,065	1,354	1,350	2,263
<b>Total Protest Results</b>	<u>1,745</u>	<u>1,495</u>	<u>1,698</u>	<u>1,956</u>	<u>3,135</u>
<b>Hearings Scheduled:</b>					
# of ARB Hearing Dates	19	15	16	17	28
Protests Scheduled	1,313	1,324	1,336	1,591	2,461
Reschedules	268	171	103	330	369

## Litigation

If a property is dissatisfied with the ARB's findings, they can appeal its decision to the state district court in Milam County. The following table shows the lawsuits that are active or closed during 2023.

<b>Name</b>	<b>Property ID</b>	<b>Tax Year</b>	<b>Date Closed</b>
Terry J. Adam, Jon Buck and Elis Buck	17702, 20524287	2021	6/7/2023
Nealy Elmo Estate c/o Jerry C. Adam and Russell D. Adam	20521655	2021	6/15/2023
Wal-Mart Real Estate Business Trust	16409	2021	8/8/2023
Patel's Townhouse Motel Inc.	13946	2021	10/11/2023
3234 Highway 487 LLC	20511201	2017 - 2021	

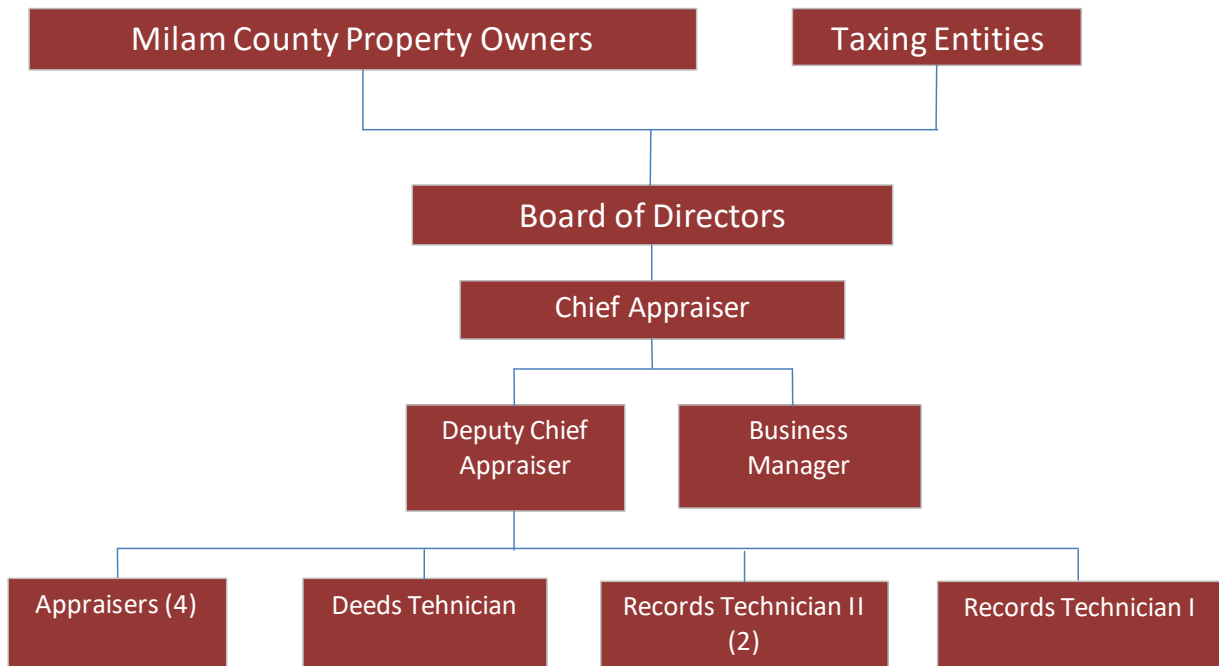
## Arbitration

Rather than filing a suit in state district court, property owners may appeal the Appraisal Review Board decision through binding arbitration. In 2023, the District received one request for arbitration. The Following table shows the arbitrations that were filed during 2023.

Name	Property ID	Notice Value	ARB Determined Value
Cameron Propco LLC	20515796	\$1,881,710	\$1,881,710

## Personnel

### Milam Appraisal District - Organizational Chart



## Legislative Changes

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Many bills were passed during the 2023, 88<sup>th</sup> Texas Legislative Session which affect appraisal district operations as well as taxpayer rights. Listed below are some of the changes:

- HB 1228 Relating to the right of a property owner or the owner's agent to receive on request a copy of the information used to appraise the owner's property for ad valorem tax purposes.
- HB 1911 Adds (1) current or former employees or contract staff members of a university health care provider at a corrections facility operated by the TDCJ or TJJD; and (2) current or former attorneys for the Department of Family and Protective Services to the list of eligible individuals whose home address can be made confidential in ad valorem tax appraisal records.
- HB 2354 Provides that a change of ownership does not end eligibility for appraisal as agricultural land if ownership of the land is transferred from the former to the surviving spouse of the former owner.
- HB 4077 Provides that if a person is turning 65 in the next tax year, they will receive the over-65 exemption without applying, if the appraisal district has information in its records or receives information from the Texas Department of Public Safety which shows they qualify.
- SB 617 Adds customs and border protection officers and patrol agents and their spouse, surviving spouse, or adult children to the list of property owners who may make their home address confidential in public appraisal records.
- SB 1191 Allows for late application for appraisal as agricultural land if the land was appraised as agricultural land in the preceding tax year, the former owner died during the preceding tax year, the application is filed not later than the delinquency date for the year for which the application is filed, and the application is filed by the surviving spouse or surviving child of decedent, the executor or administrator of the estate of the decedent or a fiduciary acting on behalf of a surviving spouse or surviving child of the decedent. Excuses the late filing application penalty if this section applies.
- SB 1381 Requires that the application form for Section 11.13 include the date of birth of the applicant's spouse. Provides that a surviving spouse is entitled to the exemption without applying if the appraisal district learns of the spouse's death and the surviving spouse is otherwise entitled to receive the exemption as shown by information in the appraisal district records or information provided by the Texas Department of Public Safety.
- SB 1525 Adds a current or former attorney for the Department of Family and Protective Services to the list of individuals who may make their home address information confidential on property tax appraisal records.
- SB 1801 Requires chief appraiser of an appraisal district to develop a program for the periodic review of each residence homestead exemption granted by the district under Section 11.13 to confirm that the recipient of the exemption still qualifies for the exemption at least once every five tax years. Allows the program to provide for the review to take place in phases, with a portion of the exemptions review in each tax year.
- SB 2355 Provides that a property owner desiring an appeal by binding arbitration files a request for arbitration with comptroller, rather than chief appraiser. Requires property owner filing arbitration request through an electronic system to make the arbitration deposit through that same system, otherwise it is paid by check or money order made out to comptroller. Requires property owner designation of agent to represent owner at arbitration to be made in writing on form prescribed by comptroller under Section 1.111. Requires agent to retain form and produce upon request of property owner, appraisal district, appraisal review board, the arbitrator, or the comptroller. Provides that a settlement reached by parties to an arbitration is considered to be final determination of an appeal under Subchapter C, Chapter 42.



SB 2      Some things included in SB 2 are:

Requires the maximum compressed tax rate for the 2023-2024 school year, (a) to be reduced by \$0.107, and (b) if the maximum compressed rate would be less than 90% of another school district's rate under (a), the tax rate is the value at which the district's maximum compressed tax rate would be equal to 90% of the other district's tax rate. Provides that this section expires 9-1-25.

Increases the residence homestead exemption for school districts from \$40,000 to \$100,000.

Prohibits the governing body of a school district, county, or city that adopted a local option residence homestead exemption for the 2022 tax year from reducing the amount or repealing the exemption through December 31, 2027.

Provides for the recalculation for tax ceilings for Property owners who qualified of an over-65 exemption in 2022/2023.

Creates a 20% "circuit breaker" (cap) on non-homestead real property, plus any new improvements (with limits based on new improvements due to casualty). Applies to properties with a value of \$5M or less for the 2024 tax year. It does not apply to property appraised under Chapter 23 Subchapter C, D, E, F, G, or H. The \$5 million threshold will increase/decrease with the 2025 tax year by an amount equal to \$5 million multiplied by the percentage increase or decrease in the consumer price index during preceding state fiscal year. Provides that this cap expires December 31, 2026.

Requires, for counties with a population of 75,000 or more, that three members of the Board of Directors for an appraisal district will be elected members, five will be appointed by taxing units, and one is the Tax Assessor-Collector in an ex officio capacity. The  $\frac{3}{4}$  Rule is eliminated for populous counties.

Provides that ARB members will be appointed by the BOD in counties with a population of 75,000 or more (the local administrative judge will appoint ARB members in district where Section 6.03 still applies). Appointments to the ARB by the BOD must be by majority vote with at least two members of the majority being elected members of the BOD. They will also appoint the ARB chair and secretary.