

COOKE COUNTY APPRAISAL DISTRICT

ANNUAL REPORT

2014

This Annual Report endeavors to provide some information about the operations of the CCAD. The report has been designed to provide the reader a summarization of information which is published and printed in many different formats by the appraisal district. It highlights the results of our appraisal operations, our collections operations, our taxpayer assistance programs, our financial stewardship, statistical comparisons in the appeals process in the last four years, and statistical comparisons from the Property Tax Assistance Division Property Value Study.

CCAD Mission Statement

- To uphold a professionalism fitting the dignity and honor of our profession
- To treat the public and co-workers with courtesy and respect
- To appraise property at market value in an equal and uniform manner using professional standards, practices and procedures
- To produce an appraisal roll
- To administer exemptions and special use valuation in an equal manner adhering to the law and guidelines we must follow

There are many functions within the appraisal district, other than appraising property, that help to produce an appraisal roll. These duties include staying current on deed changes, our GIS mapping system, state reports, required manuals and procedures as directed in Texas Property Tax Law and Comptrollers' Rules and tax collections. Unlike many "appraisal districts", Cooke CAD also collects the tax revenue that is generated through the appraisal processes. By having the collections as part of the appraisal district office it saves the taxpayer from going back and forth to different offices when questions arise. CCAD feels this saves the taxpayers money by having to fund only one office instead of two. It makes the whole system function better when you are able to apply homesteads, change addresses, ask questions, etc. at one office. A collection clerk is always available to greet you. CCAD strives to keep all our staff knowledgeable, courteous, and helpful.

In 2014 the CCAD once again successfully certified a timely and accurate appraisal roll. CCAD finished the 2014 year with a budget surplus and continually strives to be fiscally responsible. We believe it is our highest priority to not only efficiently serve our taxing units, but to humbly serve the citizens of Cooke County by providing a supportable estimate of market value that is also equal and uniform so that the tax burden can be equitably distributed.

GOVERNED BY THE STATE

Appraisal Districts were established in each county effective January 1, 1980. An “appraisal district” is a political subdivision of the state. Our state legislature set the laws and guidelines that appraisal districts are to follow. These laws may change and/or new sections added every 2 years when the legislature meets. The Property Tax Assistance Division of Glenn Hegar - Texas Comptroller of Public Accounts oversees the operations of appraisal districts.

The *Texas Property Tax Code*, *Texas Property Tax Law* and the *Comptrollers’ Rules* contain the property tax code and rules that appraisal district are required to follow. Please, remember that these are laws and no one in an appraisal district gets to pick and choose which laws they want to follow. These publications and others can be viewed on the state web site at: <http://www.window.state.tx.us/taxinfo/proptax/>

Cooke CAD is also required by law to adhere to the standard provided by the *Appraisal Foundation* and publication from *International Association of Appraisal Operations (IAAO)*. The *Appraisal Foundation* developed the standard practices for appraising properties, these includes fee appraisals and mass appraisal. These standards are found in of the *Uniform Standards of Professional Appraisal Practice (USPAP)* standard 6 applies to mass appraisal. Another organization that the appraisal district references to is *The Appraisal Institute*. *The Appraisal Institute* is a excellent source for appraisal publications. Cooke CAD is a member of IAAO.

Appraisal districts are not only governed by the Tax Code, Tax Law, and Comptrollers’ Rules but also: *Governmental Codes*, *Ethical Laws*, *Open Meeting Laws*, and *Open Records Laws to state a few*.

The state comptrollers’ office under chapter 5 of the Texas Property Tax Code is required to review appraisal districts every year. There are two different and distinct types of review:

Cooke CAD is reviewed on the even years with a **Property Value Study**. The “Property Value Study” looks at CCAD’s value on individual properties within each school district and compares that value to sold properties to determine a ratio. This ratio tells the comptroller and the appraisal district how closely the appraisal district is appraising properties to market value.

“Market Value” is defined in section 1.04 of the Texas Property Tax Code as;

The price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

Both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

When there are not enough sales within a school district the comptrollers' appraiser with randomly pull properties and do an appraisal on the property to compare their estimate of market value with CCAD's and determine a ratio. They compile the information into statistical studies. They look at the overall median level of appraisal and the coefficient of dispersion (COD). A COD tells the appraiser how closely similar properties are appraised to each other. A complete explanation can be found under Section 5.12 of the “Property Tax Code”. A copy of CCAD's “Property Value Study” can be found on the Texas Comptrollers' website:

<http://www.window.state.tx.us/propertytax/administration/pvs/findings/2013f/049index.html>

Cooke CAD is reviewed on the odd years with a **Methods and Assistance Program (MAP)** Review. CCAD is currently working on the 2015 Review and will not be available until January 2016. Under Section 5.102 of the Property Tax Code, “the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided, and operating and appraisal standards, procedures, and methodology used by each appraisal district. This information is to determine compliance with generally accepted standards, procedures, and methodology ...”. The 2013 MAPS Review can be found on the Texas Comptrollers' website:

<http://www.window.state.tx.us/taxinfo/proptax/map/2013/cooke-MAP.pdf>

BOARD OF DIRECTORS

The Cooke CAD **Board of Directors (BOD)** are individuals who are appointed by the taxing entities. These individuals are not compensated; they take on the job of a public servant. Their primary responsibilities are to:

- Establish an office
- Appoint a “Chief Appraiser”
- Appoint the Appraisal Review Board “ARB”
- Make General Policy
- Provide for Services
- Adopt a Budget

Additional information can be found on this website under: “Organization” – “Board Members”.

2014 BOD ADOPTED BUDGET

The chief appraiser prepares and submits two separate budgets (appraisal & collections) to the Board of Directors. The Board of Directors review, approve and adopt the budgets.

One budget is for funding the “appraisal district”. These costs are funded by all of the taxing entities. The appraisal budget is for performing the following functions:

- Updating Ownerships and Maps
- Appraising Property
- Administering Exemptions & Special Valuation
- Explaining Values & Funding the ARB
- Certifying Values to the Taxing Entities

APPRAISAL BUDGET

Total Salaries	556,572
Appraisal Review Board	9,000
Vehicle Expenses	19,000
Attorney, BOD & Auditors	9,620
Building Expenses	9,800
Computer Expenses	115,187
Miscellaneous Office Expenses	73,200
Taxes, Insurance, Benefits	184,050
Mineral & Utility Appraisal	61,120
Education, Dues & Memberships	19,000
Utilities	12,700
TOTAL	1,032,849

Number of Parcels / Accounts	59,206
Cost per Parcel	\$17.44

The second part of the budget is for the collection of taxes. The taxing entities can choose who they want to collect their portion of the tax revenue. Most all taxes for Cooke County are collected at the Cooke County Appraisal District unless the taxing entity where your property is part of a district which overlaps into another county's. Pilot Point ISD is a good example. The boundaries of Pilot Point ISD go through Cooke County, Denton County and Grayson County. Each appraisal district where the property is located will do the appraisal for your property. Pilot Point ISD may then choose who they want to collect **ALL** of the taxes for their jurisdiction. In their case it is the Denton County Tax Assessor Collector. The collection's department of CCAD performs the following functions:

- Provides information to the taxing entities to set their "effective" tax rate
- Creates & Mails the Tax Bills
- Collects the Tax Revenue and disburses to the Taxing Entities
- Works with the Delinquent Tax Attorneys

COLLECTIONS BUDGET

Total Salaries	134,975
Vehicle Expenses	1,500
Auditors	9,240
Building Expenses	4,250
Computer Expenses	22,000
Miscellaneous Office Expenses	32,850
Taxes, Insurance, Benefits	52,000
Education, Dues & Memberships	4,875
Utilities	5,500
TOTAL	269,190

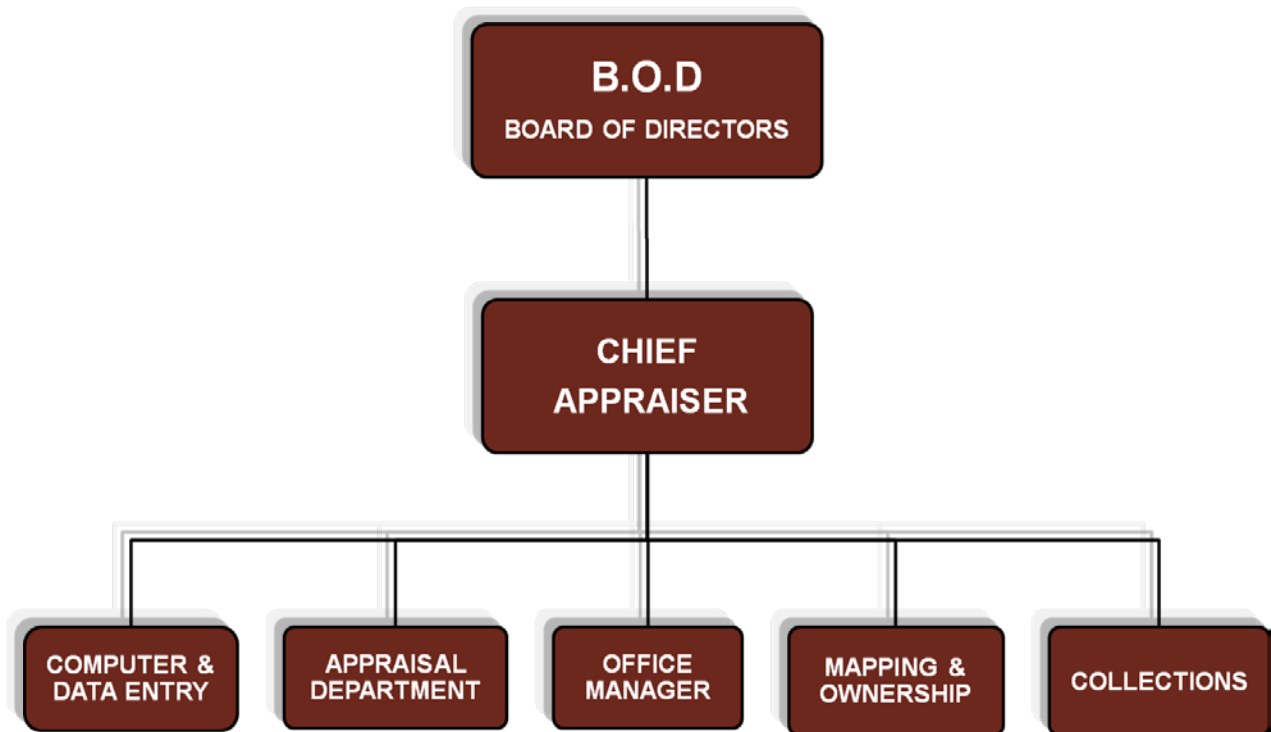
Number of Parcels / Accounts	59,206
Cost per Account	\$4.54

2014 AUDIT

A financial audit is performed at least once each year as required by the Property Tax Code Sec. 6.063. The audit is performed by an independent certified public accountant. A copy of the report shall be given to each taxing unit that is eligible to vote on the appointment of district directors, with copies available for review at the appraisal district office.

The report is designed to provide the citizens, taxpayers, customers, supporting tax units, creditors, and Cooke County Appraisal District Board of Directors with a general overview of the District's finances showing accountability for the money it receives. The 2014 audit will be completed in early 2015, and then given to the district board of directors for review.

ORGANIZATIONAL CHART



APPRAISAL STAFF:

Cooke CAD has a total of 7 appraisers of which 4 appraisers have obtained their **Registered Professional Appraiser (RPA)** designations. 1 of the appraiser is currently a "Level 3" appraiser, the other 2 appraisers are working toward their "Level 3."

An appraiser has a minimum 3 years and a maximum of 5 years to complete the required courses. The courses are developed by the Texas Comptroller's Office and administered by the Texas Department of Licensing and Regulations (TDLR).

Courses required are:

- Basics of Texas Property Tax System
- Professional Ethics
- Income Approach to Value
- Theory and Practice of Personal Property Appraisal
- Uniform Standards of Professional Appraisal Practices (USPAP)
- Theory and Practice of Appraisal of Real Property
- Analyzing Real Property Appraisal
- Texas Property Tax Law
- Mass Appraisal

Once you have obtained your RPA continuing education is required for recertification.

COLLECTION STAFF:

Cooke CAD currently has 2 employees with a **Registered Tax Assessor (RTA)** designation.

Anyone required to have the **RTA** designation has a minimum 3 years and a maximum of 5 years to complete the required courses.

Courses required are:

- Basics of Texas Property Tax System
- Professional Ethics
- Texas Property Tax Law
- Assessment and Collection
- Advanced Assessment and Collections
- Truth in Taxation

Continuing education is also required for this designation.

TAX CALENDAR

A copy of the tax calendar can be found on the Comptrollers' website:

<http://www.window.state.tx.us/taxinfo/proptax/taxcalendar/index.html>

ADDITIONAL INFORMATION

Cooke CAD's 2014-2015 **Reappraisal Plan** can be [viewed on this link](#).

Cooke CAD's **Mass Appraisal Report** can be [viewed on this link](#).

Cooke CAD has added PDF file **FORMS** for your convenience on this website. If you do not find the form that you are looking for you may contact the appraisal district or find the form on the Comptrollers' website: <http://www.window.state.tx.us/taxinfo/taxforms/02-forms.html>

APPRAISAL REVIEW BOARD

The **Appraisal Review Board (ARB)** is an independent board. They are appointed by the Cooke County Appraisal District's Board of Directors to serve in a judicial manner. The ARB is separate and apart from the Cooke CAD. The ARB in Cooke County has 5 members on their board. They are knowledgeable individuals who live in the county. They are compensated for the performance of their official duties. The primary responsibility of the ARB is to: Resolve **value** disputes between the property owner (or their agent) and the Cooke CAD – based on evidence. Below is a table summarizing the 2014 ARB hearings and protested property.

	2014	2013	2012	2011
Notices Mailed - Cooke CAD	16,157	23,099	23,099	18,220
Notices Mailed - Mineral	1,580	16,622	19,118	19,114
TOTAL Notices Mailed	17,737	39,721	37,338	35,126
Inquiries Opened	821	998	844	995
Protests - Real, Commercial, BPP	1,011	977	387	570
Protests - Mineral	585	482	450	508
TOTAL Protests	1,596	1,459	837	1,078
Protests Withdrawn	621	593	429	616
No Shows	312	151	184	80
Cases Heard	64	68	79	63
ARB Did NOT Change Value	47	32	48	38
ARB Changed Value	17	36	31	25

2014 CERTIFIED VALUES

Cooke CAD's **2014 Certified Values** can be [viewed by this link.](#)

TAXING ENTITIES

The taxing entities in Cooke CAD are comprised of the following:

- ➔ **Independent School Districts** - Callisburg, Collinsville, Era, Gainesville, Lindsay, Muenster, Pilot Point, Saint Jo, Sivells Bend, Slidell, Valley View, Walnut Bend, Whitesboro
- ➔ **Cities** – Callisburg, Gainesville, Lindsay, Muenster, Oakridge, Valley View
- ➔ **County** – Cooke
- ➔ **Hospital Districts** – Gainesville, Muenster
- ➔ **Water Districts** – Clear Creek, Muenster
- ➔ **College** – North Central Texas College

The taxing entity duties in relation to Cooke CAD include the following:

- Appoint the BOD members for Cooke CAD
- Approve or disapprove the Cooke CAD budget
- Set their budget to provide services
- Adopt a tax rate to satisfy their budget
- Receive & disperse the tax revenue

TAX RATES

Cooke CAD's **Current 2014 Tax Rates** can be [viewed on this link](#).

Cooke CAD's **History of Tax Rates** can be viewed on these links.

[2012](#)

[2011](#)

[2010](#)

[2009](#)

[2008](#)

[2007](#)

[2006](#)

[2005](#)

[2004](#)

[2003](#)

2002

2001

2000

While Cooke CAD is proud of our many accomplishments we are always striving to improve. We realize that we are stewards of the tax payer's money and that we are here to provide a service for all the property owners and taxing entities. Because "*improvements can always be made*", we welcome your ideas and suggestions. Thank you for allowing us to serve you!

Respectfully,

Doug Smithson

Chief Appraiser