

Local

Riled property owners flood appraisal district

By Beth Wilson (Contact)

Originally published 05:53 a.m., July 15, 2007

Updated 05:53 a.m., July 15, 2007

Property values are up about 10 percent countywide, 12 percent in Corpus Christi and much more in Port Aransas and the school districts of West Oso and London, according to preliminary numbers from the appraisal district.

Property values are the basis for figuring local government and school tax rates. Two things must happen for an individual property's tax bill to increase:

1. The appraised value increases more than the average for the tax base, and, 2., the elected officials who determine tax rates decide to raise taxes. They can achieve a tax increase while lowering the tax rate when the overall appraisal increases.

The first is happening to the county's most valuable industrial properties, big time. Refineries are expected to increase as much as 25 percent.

Residential property owners upset over their increases are telephoning and showing up in droves at the Nueces County Appraisal District. Of the 115,000 owners who received notices, 4,500 to 5,000 people have protested their valuations. Each day since notices were mailed in May, the staff has fielded about 800 calls and 150 walk-ins a day at the district's offices downtown.

"It happens every year," chief appraiser Ollie Grant said. "For some reason, it's happening more this year."

The law requires the district to appraise properties based on sales prices from the previous year.

The appraisal district doesn't look at each property, but does mass appraisals for an area. If homes are selling for more in a neighborhood, then neighboring homes' values increase.

"Everything is sales-driven," Grant said.

Some homeowners aren't buying the district's valuations, complaining they couldn't sell their home for what the appraisal district says it's worth. Homeowners on Padre and Mustang islands have seen steep increases the past several years, and many say they can't continue to pay higher taxes that may come with these higher values.

Douglas Shaffer has lived on Padre Island for 12 years, but is considering moving in the next two years because of these higher valuations.

“They’re killing me with property taxes,” he said. Shaffer and about 30 other island residents took their complaints to Nueces County Commissioners Court last week to urge lower tax rates to offset the impact of these higher valuations.

Pointing to a verifiable nationwide trend, Shaffer said sales are down in price and numbers nationwide, and in his island neighborhood. The appraisals don’t reflect that, he said.

“We’re not in the real-world ballpark,” he said.

City leaders in Port Aransas have filed a mass protest of the values for single-family homes, claiming the island community is unfairly assessed to support the rest of the county. City officials can choose to control municipal tax bills by lowering the city property tax rate accordingly, but residents in Port Aransas and other areas that exceeded the county’s average valuation increase by several percentage points will see an increase in their county tax bill unless county officials cut taxes significantly.

Island residents may be seeing lot values drop, and be alarmed at higher valuations, but Assistant Chief Appraiser Jay Reynolds said there is a lag between the sales market and the appraisal data. State law requires the appraisals for 2007 be based on sales from 2006. Cooling values seen now will show up in 2008 valuations, he said.

Steve Sampson, an agent with Realty World Island Properties, said he still doesn’t understand how the district is setting such high values.

“I don’t see how they could use those (sales) numbers to get any justification for the figures they’re using,” he said.

He is sharing his information on home sales with other island residents to help with their appraisal protests.

Matthew Cravey, president of Cravey Real Estate Services, said sellers have benefited from the higher home prices and that translates into higher appraisals for all homeowners. Another factor in higher sales prices is increased construction costs, which mean it’s now cheaper to buy an existing home than build a new one.

“It appears to me if the appraisal district were smart they would hurry up and get these properties reappraised because I think in the next couple years, we’ll see them go down,” he said, adding the effects of a weakening economy could hit the area soon.

Significant increases also are expected in the county’s interior, with London Independent School District and West Oso ISD projected to increase 18 percent and 20 percent, respectively.

Vicki George, London ISD’s chief financial officer, said mineral rights have contributed to the district’s increases, as have rising values on current homes and the addition of new subdivisions.

She's waiting for a breakdown from the appraisal district, which will come with the certified values on July 25, to see how much of the increase may be attributed to mineral rights, subdivision growth, or residential value increases.

The district also saw a significant increase in mineral values about two years ago.

"That has held steady so far, but the mineral values can be very volatile and can drop as quickly as they rise," she said.

Banker Alan Wilson lives in Country Creek subdivision in London's taxing district. He has seen more homes go up since he moved there in the early 1990s.

"Ours went up a lot this year," he said. "They hadn't gone up in the last two or three years, so I guess they're catching up. As far as I can tell, the appraised value represents the market value."

Appraisals on the county's top taxpayers, Flint Hills Resources, Valero Refining and Citgo Refining and Chemicals Co., also are projected to increase, with Valero's increasing about 25 percent for the second year in a row. Preliminary numbers show Flint Hills with a 6 percent increase and Citgo with a 17 percent increase.

To those who complain about taxes, Grant and Reynolds throw up their hands.

"We don't have anything to do with taxes," they say in unison. "We have one function," Reynolds said, "to appraise property at market value."

Contact Beth Wilson at 886-3748 or wilsonb@caller.com