

PROPERTY VALUES DECREASE DUE TO MINERAL VALUE DROP

THE SIGNIFICANT PROPERTY VALUE LOSS IN SAN AUGUSTINE COUNTY WAS DUE TO THE DECREASE IN MINERAL VALUES.

TAXABLE VALUES ARE DIVIDED INTO THREE CATEGORIES: REAL(LAND AND STRUCTURES); PERSONAL AND UTILITIES(PERSONAL PROPERTY ISN'T ATTACHED TO A STRUCTURE OR LAND); AND MINERAL VALUES, WHICH CONSIDER NATURAL GAS AND OIL MARKETS AND PRODUCTION.

THE DECREASE IN MINERAL VALUES PRIMARILY STEMS FROM SIGNIFICANT CHANGES IN MARKET CONDITIONS AND PRODUCTION METRICS BETWEEN THE APPRAISAL DATES OF JANUARY 1, 2023 AND JANUARY 1, 2024.

KEY REASONS FOR THE DECREASE WERE A FLUCTUATION IN NATURAL GAS PRICES YEAR OVER YEAR AND A REDUCTION IN NATURAL GAS PRODUCTION YEAR OVER YEAR.

IN 2022, THE AVERAGE PRICE OF GAS WAS APPROXIMATELY \$4 PER MCF(OR THOUSAND CUBIC FEET). IN CONTRAST, DURING 2023, THE AVERAGE PRICE DROPPED TO \$2 PER MCF. THIS 50% DECREASE IN GAS PRICES DIRECTLY IMPACTS THE VALUATION OF GAS RESERVES AS PER SECTION 23.175 OF THE TEXAS PROPERTY TAX CODE, WHICH MANDATES ASSESSMENT BASED ON MARKET CONDITIONS.

REDUCTION IN PRODUCTION VOLUME FURTHER CONTRIBUTED TO THE DECREASE VALUE OF GAS RESERVES AS PER SECTION 23.175 OF THE TEXAS PROPERTY TAX CODE WHICH REQUIRES CONSIDERATION OF PRODUCTION METRICS IN VALUATION.

THESE FACTORS COLLECTIVELY LED TO A LOWER ASSESSED VALUE OF MINERALS AS OF JANUARY 1, REFLECTING THE DIMISHED MARKET PRICES AND REDUCTION LEVELS DURING THE PRECEDING YEAR.

SAN AUGUSTINE COUNTY APPRAISAL DISTRICT

2023-2024 COMPARABLE CERTIFIED TOTAL MARKET VALUES(BEFORE EXEMPTIONS)

ENTITY	2023 REAL ESTATE & PERSONAL MKT VALUE	2024 REAL ESTATE & PERSONAL MKT VALUE	2023 MINERAL-UTILITY INDUSTRIAL MKT VALUE	2024 MINERAL-UTILITY INDUSTRIAL MKT VALUE
SAN AUGUSTINE COUNTY	1,971,952,326	2,016,783,330	1,236,126,160	598,800,520
SAN AUGUSTINE CITY	105,705,290	111,684,590	7,852,340	6,850,540
BROADDUS ISD	649,261,572	675,792,410	457,945,140	130,439,250
BROOKELAND ISD	87,407,360	92,920,220	7,674,110	2,257,710
CHIRENO ISD	50,935,770	50,984,760	51,378,630	17,014,970
SAN AUGUSTINE ISD	1,184,347,624	1,197,085,940	719,127,790	449,086,340
SAN AUGUSTINE HOSP DIST	1,971,952,326	2,016,783,330	1,236,126,160	598,800,520