



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER CO#135712

PAGE 1 OF 4

DATE: 06/22/2021

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE CONTROLS RELATED TO THE CALCULATION, ASSESSMENT, AND BILLING OF AGRICULTURAL ROLLBACK TAXES**

**\*\*\* CONSENT AGENDA \*\*\***

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court receive and file the Auditor's Report for the controls related to the calculation, assessment, and billing of agricultural rollback taxes.

**BACKGROUND:**

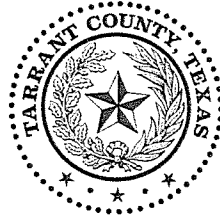
In accordance with Local Government Code, the Auditor's Office reviewed controls related to the calculation, assessment, and billing of agricultural rollback taxes for the eight months ending May 31, 2021. The Auditor's Office also determined whether the Tax Office staff had implemented recommendations made to the audit findings reported in May 2017.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell  
APPROVED BY:



## TARRANT COUNTY

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June 14, 2021

The Honorable Wendy Burgess, Tax Assessor-Collector  
The Honorable District Judges  
The Honorable Commissioners Court  
Tarrant County, Texas

RE: Auditor's Report – Tax Office Agricultural Rollback Taxes

### SUMMARY

In accordance with Local Government Code, the Auditor's Office reviewed controls related to the calculation, assessment, and billing of agricultural rollback taxes for the eight months ending May 31, 2021. During the review period, Tax Office staff billed 91 accounts totaling over \$3.05 million, including interest. We tested 50 of these accounts and found no exceptions.

We also determined whether the Tax Office staff had implemented recommendations made to the audit findings reported in May 2017. We observed that the Tax Office staff continues to independently review rollback tax statement calculations. Furthermore, SpindleMedia made system changes whereby the "Tax Statement Date" field remained static among taxing entities on accounts.

### BACKGROUND

The Tarrant Appraisal District (TAD) grants a special agricultural appraisal method to qualified open-space lands in accordance with Article 8., Sec. 1-d-1., of The Texas Constitution. Under this appraisal method, landowners receive a substantial tax savings for land devoted to farm, ranch, or wildlife management purposes based on the land's agricultural production. The law imposes a "rollback tax" on 1-d-1 land when removed from agricultural use. TAD determines whether a change of use has occurred and sends the landowner written notice of the determination. If the landowner does not protest the rollback, TAD provides written notification of the acres removed from agricultural purposes to the Tax Assessor-Collector.

It is the responsibility of the Tax Assessor-Collector to calculate, assess, and bill the rollback taxes. The rollback tax equals the difference between the taxes the landowner *actually paid* in the three years preceding the change of use and the taxes the landowner *would have paid* on the property's market value, including interest. The rollback tax could be imposed on the entire land or a portion of the land previously designated for agricultural use. Agricultural accounts are included on the Supplement/Adjustment Tax Roll tapes provided by TAD. The system automatically calculates the rollback tax and interest, and then generates a tax statement. The rollback tax is due when the rollback tax statement is mailed to the landowner. The rollback tax is delinquent on February 1 if it is 20 days after the statement is mailed.

TAD provides a certified roll every September which includes the number of accounts designated as agriculture property. As of September 30, 2020, there were 4,736 agriculture accounts appraised at \$21,412,945.

**CLOSING REMARKS**

We appreciate the cooperation of the Tax Office staff during our review. If you have any questions concerning this report, please do not hesitate to call.

Sincerely,



S. Renee Tidwell, CPA  
County Auditor

*Attachment:*  
Management's Response

*Distribution:*  
Tom Spencer, Chief Deputy  
Amelia Rice, Director of Property Tax

*Team:*  
Kim Trussell, Audit Manager  
Maki Brown, Senior Auditor



## TARRANT COUNTY TAX OFFICE

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In God We Trust

**WENDY BURGESS**  
Tax Assessor-Collector

June 15, 2021

Rene Tidwell, County Auditor  
The Honorable District Judges  
The Honorable Commissioner's Court  
Tarrant County, Texas

Subject: Response to Auditor's Report - Tax Office Agricultural Rollback Taxes

Tarrant County Auditors conducted a review of agricultural rollback taxes calculated by the Tax office during the most recent eight months.

Of the sample accounts tests, no exceptions were found. On behalf of my staff, I acknowledge, with great pride, the outstanding results of this review.

Agricultural rollback tax calculation is a very specialized section of property tax processing. Organizing the data and calculating the tax due is a tedious process. To be successful, the effort requires attention to detail as well as internal oversight.

I am equally pleased that the recommendations from the May 2017 audit finding have all been implemented by my staff. These changes required the combined effort of my staff and our software provider, Spindlemedia.

The fine results are the result of the hard work & dedication of each staff member, appropriate oversight, and the policies and procedures that define the process.

Our success is shared with the ongoing effort of Tarrant County Auditors.

Should you have any questions, please contact me or my Chief of Staff, Tom Spencer.

  
Wendy Burgess, PCC, CTOP, PCAC  
Tax Assessor-Collector

RECEIVED  
JUN 16 2021  
AUDITOR-YC