

2023 & 2024 REAPPRAISAL PLAN



EL PASO CENTRAL APPRAISAL DISTRICT
5801 TROWBRIDGE DR, EL PASO, TX 79925

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Executive Summary

The El Paso Central Appraisal District (EPCAD) has prepared and published this reappraisal plan in accordance with Texas Property Tax Code Sections 6.05 (i) and 25.18, in order to comply with the requirements of developing a written plan, biennially, for the periodic reappraisal of all property within the boundaries of the district to ensure appraisal accuracy and uniformity. In addition, this reappraisal plan provides an understanding of EPCAD's operations, responsibilities, and detailed procedures of its anticipated reappraisal activities to be performed during tax years 2023- 2024 to the Board of Directors, taxing units, citizens and taxpayers.

EPCAD is responsible for local property tax appraisal and exemption administration for all taxing jurisdictions within the County of El Paso and as per Section 23.01 of the Texas Property Tax Code, all taxable property is appraised at its market value as of January 1, except as otherwise provided. The governing body of each local jurisdiction such as the county, city, school districts, hospitals, emergency service districts, etc., set the tax rate for that jurisdiction and when applied to the property values, generates the necessary property tax revenues. These revenues provide the largest source of money used by localities to fund the construction and expansion of schools, streets, roads, police, fire protection and many other services. Subsequently, Texas offers a variety of property tax exemptions such as the Residence Homestead, Age 65 or Older, Disabled Persons, Disabled Veterans, and Charitable or Religious Organizations which are administered by the EPCAD for processing and eligibility.

Enclosed is the reappraisal plan as required per Texas Property Tax Code, Section 25.18, and all statutory requirements for completing, reporting and approving this plan are found in Appendix A.

Dinah L. Kilgore, RPA

EPCAD Executive Director/Chief Appraiser

Texas Property Tax Code Requirements

Senate Bill 1652 (S.B. No. 1652) passed in 2005 amended Section 6.05, of the Texas Property Tax Code, by adding Subsection (i) to read as follows:

Sec. 6.05. Appraisal Office.

- (i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place for the hearing. Not later than September 15 of each even-numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

Sec. 25.18 Periodic Reappraisals.

- (a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
 - (1) identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
 - (2) identifying and updating relevant characteristics of each property in the appraisal records;
 - (3) defining market areas in the district;
 - (4) identifying property characteristics that affect property value in each market area, including:
 - (A) the location and market area of the property;
 - (B) physical attributes of property, such as size, age, and condition;
 - (C) legal and economic attributes; and
 - (D) easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

- (5) developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
 - (6) applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
 - (7) reviewing the appraisal results to determine value.
- (c) A taxing unit by resolution adopted by its governing body may require the appraisal office to appraise all property within the unit or to identify and appraise newly annexed territory and new improvements in the unit as of a date specified in the resolution. On or before the deadline requested by the taxing unit, which deadline may not be less than 30 days after the date the resolution is delivered to the appraisal office, the chief appraiser shall complete the appraisal and deliver to the unit an estimate of the total appraised value of property taxable by the unit as of the date specified in such resolution. The unit must pay the appraisal district for the cost of making the appraisal. The chief appraiser shall provide sufficient personnel to make the appraisals required by this subsection on or before the deadline requested by the taxing unit. An appraisal made pursuant to this subsection may not be used by a taxing unit as the basis for the imposition of taxes.

I. Performance Analysis

The assessment of performance compared to expectations is based on data from July 2022. The performance analysis serves to determine if the district's property values are equitable and consistent in the market. EPCAD uses ratio studies in addition to the bi-annual ratio study prepared by the Property Tax Assistance Division (available in January of each odd-numbered year) on each of the residential valuation neighborhoods and independent school districts to evaluate performance. A ratio study uses sales or independent reliable data to compare appraised values to market value.

The study judges the two primary aspects of mass appraisal accuracy level of appraisal and uniformity of value. The level of accuracy is the typical ratio at which properties are appraised while uniformity determines the fair and equitable treatment of the individual properties.

1.1 Uniformity

The methodology used in the property value study includes stratified samples to improve sample representativeness and techniques or procedures for measuring uniformity. This study utilizes statistical analysis of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting.

The data collected from ratio studies of all single family residential improved sales indicates that overall and school district uniformity is within tolerances. There are some neighborhoods that may need local adjustments.

1.2 Accuracy

For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and price-related differential (PRD) for properties overall and by state category (i.e., categories A, B, C, D and F1 are directly applicable to real property).

The data collected from ratio studies of all single family residential improved sales indicates that overall and school district uniformity is within tolerances. There are some neighborhoods that may need local adjustments.

1.3 Ratio Studies

Appraisal statistics of central tendency and dispersion generated from time-adjusted sales ratios are conducted on each market area. EPCAD defines a market area as an area of homogeneous group of properties of the same characteristics and effected by the same locational factor. A market area is typically a group of neighborhoods. However, the performance analysis looks at market areas, independent school districts as well as property categories. In cases where there are insufficient sales, data from similar neighborhood delineations are used to analyze results.

These summary statistics include, but are not limited to, the weighted mean, median, standard deviation, coefficient of variation, and coefficient of dispersion which provide the appraisers the tools by which to determine both the level and uniformity of appraised value on a stratified market area or neighborhood basis.

The level of appraised values is determined by the weighted mean for individual properties within a neighborhood, and a comparison of neighborhood weighted means reflects the general level of appraised value between comparable neighborhoods. Review of the coefficient of dispersion, price-related differential (PRD) and median level of appraisal discerns appraisal uniformity within and between stratified neighborhoods.

The Statistical Department, through the sales ratio analysis process, reviews every neighborhood annually. The first phase involves neighborhood ratio studies that compare the recent sales prices of neighborhood properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. The analyst, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level in a neighborhood needs to be updated in an upcoming reappraisal, or whether the level of market value in a neighborhood is at an acceptable level.

Neighborhood factors, or market area adjustments, are developed from appraisal statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. The district’s primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not specified in the cost model.

The following equation denotes the hybrid model used:

$$MV = LV + [(RCN-D) * MA]$$

Whereas, the market value (MV) equals the land value (LV) plus the replacement cost new (RCN) of any improvements minus normal depreciation (D) times the market adjustment factor (MA).

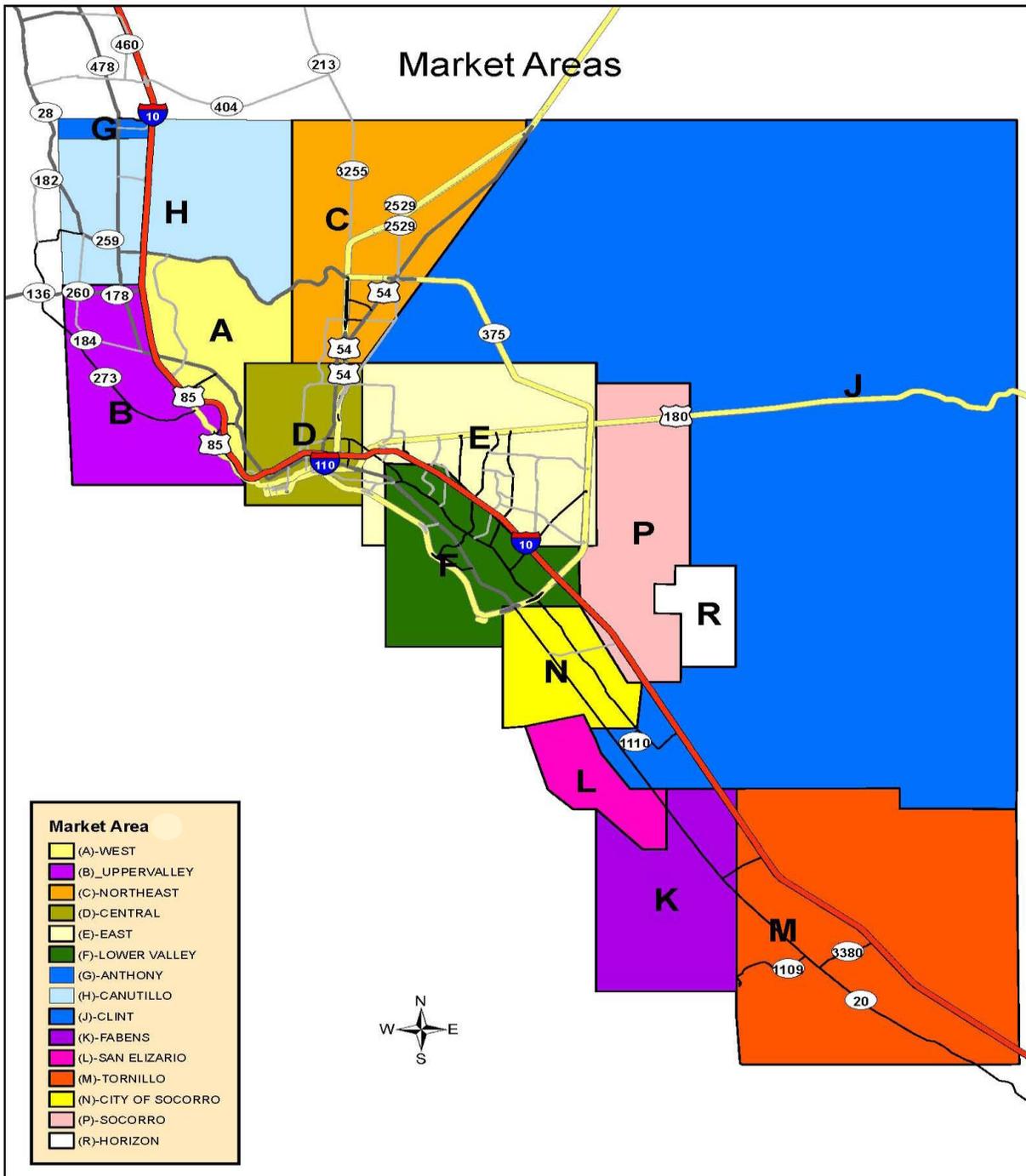
As the cost approach separately estimates both land and building values and uses depreciated replacement costs, which reflect only the supply side of the market, it is expected that adjustments to the cost values are needed to bring the level of appraisal to an acceptable standard. Market or location adjustments are applied uniformly within neighborhoods to account for variances in location between market areas or across a jurisdiction.

Please refer to Figure 1.1 for Market Areas, Figure 1.2 for a map of the Market Areas and Appendix B for a list of Neighborhoods.

Figure 1.1 Market Areas

MARKET AREAS					
A	West Area	F	Lower Valley	L	San Elizario
B	Upper Valley Area	G	Anthony	M	Tornillo
C	Northeast Area	H	Canutillo	N	City of Socorro
D	Central Area	J	Clint	P	Socorro
E	East Area	K	Fabens	R	City of Horizon

Figure 1.2 Market Areas Map



A cost-to-sale ratio is compared to the appraisal-to-sale ratio to determine the market adjustment factor for each neighborhood. This market adjustment factor is used to trend the values obtained through the cost approach closer to the actual market evidenced by recent sales prices within a given neighborhood. The sales used to determine the market adjustment factor would reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values.

The market adjustment factor calculated for each updated neighborhood is applied uniformly to all properties within a neighborhood. Once the market-trend factors are applied, a second set of ratio studies is generated that compares recent sale prices with the proposed appraised values for these sold properties. From this set of ratio studies, the analyst judges the appraisal level and uniformity in both updated and non-updated neighborhoods, and finally, for the school district as a whole.

In 2023 and 2024, this analysis will be used to develop the starting point for establishing the level and accuracy of appraisal performance. This process complies with the requirements of Texas Property Tax Code 25.18(b).

1.4 Property Value Study

The bi-annual Property Value Study (PVS) is conducted by the Texas Comptroller of Public Accounts, Property Tax Division. There are nine independent school districts in El Paso CAD for which appraisal rolls are developed annually. The preliminary results of this study are released in January of each odd-numbered year. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) in the following July. This ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

The PVS's equalized values are analyzed along with ratio studies to determine appraisal accuracy and appraisal uniformity overall and by market area within state property reporting categories. Ratio studies are conducted in compliance with the current Standards on Ratio Studies from the International Association of Assessing Officers. Mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal (appraisal accuracy). The mean ratio is calculated in each market area to indicate the level of appraisal by property reporting category.

The district will conduct ratio studies on commercial and business personal properties where there are sufficient sales to provide a large enough sample. All commercial accounts are inspected annually either by field checks or using orthophotography and oblique photography. Business personal property accounts must render for taxation all tangible personal property used for the production of income as per Section 22.01 of the Texas Property Tax Code. In addition, commercial appraisers inform the business personal property department of new businesses and business expansions in order to maintain the data of business personal property.

1.5 Standards Compliance

New and/or revised mass appraisal models are tested on randomly selected market areas. These modeling tests or sales ratio studies are conducted each tax year. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested.

The procedures used for model specification and model calibration comply with Uniform Standards of Professional Appraisal Practice, Standard Rule 6-1 and 6-2.

Effective 2010, all appraisal districts are subject to a bi-annual performance review performed by the Property Tax Assistance Division under Section 5.102 (a), *“At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller. After consultation with the property tax administration advisory board, the comptroller by rule may establish procedures and standards for conducting and scoring the review.”*

The program described above is known as the Methods and Assistance Program. EPCAD underwent an extremely successful review in 2021, achieving a perfect score. In anticipation all policies and procedures, manuals and processes have been audited in preparation for the next review in 2023.

In 2012, the EPCAD was awarded the Certificate of Excellence in Assessment Administration by the International Association of Assessing Officers (IAAO), which has quickly become the standard in assessment administration. This certification requires the IAAO to review all aspects of the assessment process and administration for compliance with IAAO published standards. It also seeks to identify best practices within the district that may assist other similar organizations.

In 2012, this international award was held by only 12 entities but as of May 2022, that number has grown to fifty-five. EPCAD recertified the Certificate of Excellence in Assessment Administration by the International Association of Assessing Officers (IAAO) in 2018.

II. Revaluation Decision

EPCAD is mandated to reappraise all property in the district at least once every three years. The reappraisal year is a complete appraisal of all properties in the district. A non-reappraisal year is used to pick up new construction, adjust for zoning changes and changes in property characteristics that affect value, and adjust previous year values for equalization.

➤ Tax Year 2023

Tax year 2023 is a non-reappraisal year unless there is a significant change in the market, therefore all residential classes will be subject to reappraisal based on market conditions. Nonetheless, EPCAD plans to review and reappraise the following properties in 2023:

1. Market area A (West) – Condominiums and town homes, 1,698 properties;
2. Market area A, B, G and H (West, Upper Valley, Anthony and Canutillo) – All residential properties with a classification code R1, 389 properties;
3. Market area C (Northeast) – Sandstone (Geo prefix S137), 1,150 properties;
4. Market area C (Northeast) – Terrace Hills (Geo prefix T172), 498 properties;
5. Market area E (East) – Desert Sands Units 1, 2 and 3 (Geo prefix D451), 518 properties;
6. Market area E (East) – Tres Suenos Unit 16, 17, and 21 (Geo prefix T820), 257 properties;
7. Market area G (Anthony) – All residential improvements, 1,293 properties;
8. Market area K (Fabens) – Mesa del Norte (Geo prefix M326), 501 properties; and
9. Market area N (City of Socorro) – Moon Addition (Geo prefix M772Z), 306 properties.

(Please refer to Figure 1.1 for all market areas and to Appendix B for a list of neighborhoods).

➤ Tax Year 2024

Tax year 2024 is a reappraisal year for regulatory compliance values, all residential classes will be reappraised. In addition, EPCAD plans to review and reappraise the following properties in 2024:

1. Market area A (West) – Chaparral Park (Geo prefix C340), all residential properties with a classification code R4 and R5;
2. Market area C (Northeast) Apollo (Geo prefix A642), 1,200 properties;
3. Market area C (Northeast) – Sherman (Geo prefix S363), 651 properties;
4. Market area D (Central) – Grandview (Geo prefix G686), entire residential classification review, 1,700 properties;
5. Market area E (East) – Gateway Estates (Geo prefix G195), 462 properties;
6. Market area E (East) – Tierra del Este Unit 23 (Geo prefix T287), 144 properties;
7. Market area F (Lower Valley) – Lancaster (Geo prefix L198), 172 properties;
8. Market area H (Canutillo) – La Puesta del Sol (Geo prefix L070), all residential properties with a classification code R3 and R4;

9. Market area J (Clint) – Horizon City Units 48, 49, 51, 63, 90 and 91 (Geo prefix H779), 925 properties;

(Please refer to Figure 1.1 for all market areas and to Appendix B for a list of neighborhoods).

Properties to be appraised will be identified by reliable means of identification, including but not limited to deed records, building permits, renditions or other legal documents, orthogonal imagery and oblique imagery, land-based photographs, surveys, maps, property sketches, and construction plans.

In addition, market areas have been identified through the analysis of ratio studies.

III. Analysis of Available Resources

3.1 Staffing

The Executive Director/Chief Appraiser is responsible for the overall planning, organizing, staffing, coordinating, and overseeing of district operations. The administration department's function is to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services.

Three appraisal departments are responsible for the valuation of all real and personal property accounts. The commercial department oversees commercial and industrial real property, the business personal property department oversees tangible personal property used for the production of income, and the residential department is responsible for residential, manufactured homes and open space/agricultural properties. The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with The Texas Department of Licensing and Regulation.

Ownership and exemptions are administered in the deeds and exemptions department. The mapping and GIS department maintains property identification, legal descriptions and a complex mapping system for the County. Support functions include records maintenance and assistance to property owners. The district also provides support staff for the Appraisal Review Board (ARB). Pressure continues on fiscal resources in the form of fees to litigate appeals of ARB determinations either to arbitration or district court. Property owners or their tax agents are increasingly filing lawsuits under the equity provision of the Property Tax Code, Section 42.26. This section allows them to bypass the market value argument.

The district has budgeted for a staff of 151 employees including the Executive Director/Chief Appraiser and Taxpayer Liaison Officer. This reflects the flexibility achieved by automation and being able to meet the needs of the public in a more efficient, automated manner.

Over the past ten years the district has moved away from data entry as a department to having employees update the system directly. This has required higher levels of computer skills, creation of database monitors for quality control and statistical analysis. No additional staffing has been added but an increased concentration on training has allowed the district to improve all skill levels, requiring new job classifications while eliminating others.

This trend is likely to continue into the plan years as the district strives to meet the needs of the entities and the public it serves. The district's Organization Chart appears in Appendix D and is effective until replaced. The staffing breakdown as currently budgeted for 2022-2023 is shown in Figure 3.1.

Figure 3.1 Staffing

Executive (7)		Appraisers & Technicians (49)	
Executive Director/Chief Appraiser	1	Training Facilitator	1
Assistant Chief Appraiser	1	Appraiser II	18
Director of Administrative Services	1	Appraiser III	5
Director of Litigation Services	1	Entry Level Appraiser IV	1
Director of Appraisal Services	1	Appraiser IV	9
Chief Financial Officer	1	Lead Appraiser IV	7
Chief Human Resource Officer	1	GIS Specialist I	3
Managers and Supervisors (22)		GIS Specialist II	3
Business Personal Property Manager	1	Lead GIS Specialist	1
Business Personal Property Asst. Manager	1	Litigation Lead Appraiser IV	1
Commercial Manager	1	Administrative Support (44)	
Commercial Property Asst. Manager	1	Fleet Facilities Maintenance Lead	1
Residential Property Manager	1	Fleet Facilities Maintenance II	1
Residential Property Asst. Manager	1	Environmental Services	1
GIS Manager	1	Customer Service Representative I	2
GIS Asst. Manager	1	Customer Service Representative II	1
IT Manager	1	HR Specialist	1
Application Support Manager	1	Administrative Specialist I	10
Application Support Asst. Manager	1	Administrative Specialist II	14
Human Resources Manager	1	Lead Administrative Specialist	2
ARB Procedures Manager	1	Fiscal Clerk II	2
ARB Asst. Manager	1	Fiscal Clerk I	1
Litigation Resource Manager	1	Executive Assistant	1
Statistical Coordinator	1	Field Specialist	4
Statistical Asst. Coordinator	1	Financial Specialist	1
Records Supervisor	1	Legal Assistant	1
Deeds & Exemptions Coordinator	1	Litigation Specialist II	1
Deeds & Exemptions Asst. Coordinator	1		
Project Coordinator/HR Assistant	1		
Administrative Coordinator	1		
Professional (14)		Information Systems (5)	
Data Analyst	3	Application Support Specialist I	1
Senior Software Engineer	1	Application Support Specialist II	2
Developer Operations Administrator	1	Desktop Support Technician II	1
Software Developer	2	Administrative IT Support Technician	1
Business Analyst	5		
System Security Administrator	1		
Taxpayer Liaison	1		

3.2 Fiscal Resources

Staffing and budget requirements for tax year 2022 are detailed in the 2021- 2022 Appraisal District's Budget, as adopted by the Board of Directors and attached to the written plan by reference (see Appendix F). This plan reflects the available staffing for the tax year as budgeted for 2021-2022. This may change as the emphasis on automation increases but it is unclear at this time as to the extent of change on staffing because of software or hardware upgrades.

3.3 Information Systems

The CAMA system, PACS, has served the district since its implementation in 2009. The technology of the software is aging, but no materially better option is currently available. The software is sufficient to cover our needs through 2024.

The use of orthogonal imagery and oblique imagery was implemented in 2011. The aerial photography contract was renewed in 2021 and will be renewed again in 2023. Orthogonal imagery and oblique imagery allow the district to identify omitted improvements in properties outside the city limits. Appraisers are able to use this tool to identify changes to existing properties as part of the review process and to comply with USPAP requirements.

The district extensively uses scanned imagery to improve accessibility of data and avoid the proliferation of hard copy documents. We back-up computer data locally and to the cloud (offsite).

See Section VI for more detailed description of information systems throughout the district.

3.4 Contracted Appraisals

Wardlaw Appraisal Group appraises approximately 667 industrial, business personal property and utility accounts. The commercial, industrial and business personal property departments work the remaining accounts. The Wardlaw Appraisal Group Reappraisal Plan 2022- 2023 is included in Appendix G.

3.5 Impact of Legislation

The Texas Legislature meets every two years during the odd-numbered years from January to May. In addition, the governor may call a special session. The EPCAD's staff monitors the process carefully and informs the chief appraiser of the status of proposed legislation during the legislative session.

The chief appraiser, assistant chief appraiser and directors monitor all sources for legal developments affecting EPCAD. In addition, the Texas Association of Appraisal Districts (TAAD) provides weekly updates via the *Legislative Tracking List* on their website while the legislature is in session. The staff uses this list to revise the weekly *Legislative Progress Report* to the chief appraiser with highlights to show the changes and additions.

Managerial staff monitors the internet sites for changes in legislation affecting other operations of the district such as human resources, fiscal operations, open records, records management, etc. Periodic in-service training is held as changes in codes occur, presented in-house, by the district's attorney, local attorneys, or by webinar.

As 2023 is a legislative year, this plan reflects existing legislation but with systems in place to implement changes as needed at the conclusion of the legislative session(s). Section 23.013(e) of the Texas Property Tax Code states that the Chief Appraiser must consider restrictions placed on designated historical districts for valuation purposes. One of the necessary steps in this process is identifying these designated historical districts. EPCAD has identified these designated historical districts to the best of its ability.

IV. Planning and Organization

4.1 Parcel Count

EPCAD's Reappraisal Plan will be coupled with an extensive public information education effort geared to affording the tax paying citizen an opportunity to be aware of the program's goals. EPCAD projects that by 2023, the district will have an estimated 446,469 accounts to be appraised and 457,660 in 2024. The anticipated breakdown of these parcels is shown in Figure 4.1. Budget figures have been proposed accordingly and administration procedures will be instituted to insure that the mapping, data collection, valuation, and all other phases are complete for all parcel changes on schedule. Due to this parcel expansion in El Paso County, EPCAD plans to add ten additional staff members. They will be a mix of appraisal and support staff.

Figure 4.1 Parcel Count

Category	Description	2021	2022	2023	2024
A	Real Property: Single-family Residential	227,436	231,358	237,157	243,101
B	Real Property: Multifamily Residential	8,293	8,234	8,440	8,652
C1	Real Property: Vacant Lots and Tracts	12,743	10,059	10,311	10,570
C2	Real Property: Colonial Lots and Tracts	96,591	99,669	102,167	104,728
D1	Real Property: Qualified Open-space Land	3,013	2,488	2,550	2,614
D2	Real Property: Farm and Ranch Improvements on Qualified Open-space Land	108	96	98	101
E	Real Property: Rural Land, not Qualified for Open-space Appraisal, and Residential Improvements	8,363	7,771	7,966	8,165
F1	Real Property: Commercial	11,444	11,449	11,736	12,030
F2	Real Property: Industrial	235	236	242	248
G	Real Property: Oil and Gas, Minerals and Other Subsurface Interests	1	3	3	3
H1	Tangible Personal Property: Personal Vehicles, Not Used for Business Purposes	53	41	42	43
H2	Tangible Personal Property: Goods in Transit				
J1	Real and Personal Property: Utilities; Water System	-	1	1	1
J2	Real and Personal Property: Utilities; Gas Companies	109	114	117	120
J3	Real and Personal Property: Utilities; Electric Companies	281	280	287	294
J4	Real and Personal Property: Utilities; Telephone Companies	195	157	161	165
J5	Real and Personal Property: Utilities; Railroads	32	32	33	34
J6	Real and Personal Property: Utilities; Pipelines	118	122	125	128
J7	Real and Personal Property: Utilities; Cable	44	34	35	36
J8	Real and Personal Property: Utilities; Radio and TV	1	1	1	1
L1	Personal Property: Commercial	23,100	24,971	25,597	26,238
L2	Personal Property: Industrial and Manufacturing	406	343	352	360
M	Mobile Homes and Other Tangible Personal Property	15,819	15,993	16,394	16,805
O	Real Property: Residential Inventory	7,504	7,276	7,458	7,645
S	Special Inventory	615	768	787	807
X	Exempt Property	15,323	14,056	14,408	14,769
	Total	431,827	435,552	446,469	457,660

4.2 Production Standards

It is estimated that the reappraisal program can be completed if the EPCAD can maintain maximum staffing for each of its positions. As directed by the Executive Director/Chief Appraiser, each department manager is responsible for the productivity and performance of their staff. Progress reports are maintained by managers for purposes of reviewing performance and identifying areas for improvements.

4.3 Calendar of Events

Figure 4.2 Calendar of Events

Event	Begin	End
1. ORGANIZATIO AND PLANNING	ONGOING	
A. Work plan development	August	December
B. Progress monitoring and reporting	Ongoing	
2. DATA SYSTEM DESIGN	AUGUST	JANUARY
A. Hardware & software modifications	September	January
B. Forms reviews	November	December
C. Procedure reviews	Ongoing	
3. RESEARCH AND ANALYSIS	ONGOING	
A. Sales file development	Ongoing	
B. Data/documentation collection	Ongoing	
C. Cost table analysis	August	March
D. Model analysis	August	March
E. Depreciation guidelines analysis	August	March
F. Neighborhood model analysis	August	March
G. Ratio study production and analysis	July	March
H. Agriculture use valuation	November	January
4. DATA COLLECTION	JULY	MARCH
A. Training and orientation	July	August
B. Field work	August	March
C. Parcel inventory control	August	March
D. Monitoring and quality control	Ongoing	
E. Re-inspection	September	February
5. VALUATION REVIEW	AUGUST	MARCH
A. Land valuation analysis	August	February
B. Rendition processing	January	May
C. Apply cost tables	January	February
D. Produce sale listings and ratios	October	March
E. Apply valuation models	December	February
F. Produce edit reports	November	April
G. Process corrections	Ongoing	
H. Quality control	Ongoing	
6. NOTIFICATION AND APPEALS	JANUARY	AUGUST
A. File calculations	January	February
B. File creation	May	June
C. Totals report production	May	June
D. Staff training	Ongoing	
E. Mail notices	March	June
F. Hold informal and ARB hearings	April	August

A calendar of key events, shown in Figure 4.2, is an overview of the EPCAD's activities. A detailed breakdown has been prepared and is included at the end of the report, Appendix E. EPCAD also observes the Tax Calendar.

The calendar for tax year 2023 will be the same for 2024 and any exceptions for each of the applicable years will be listed separately in the same location, Appendix E.

4.4 Performance Objectives

OBJECTIVE NO. 1

No phase of the program will be undertaken unless preceded by proper and thorough program planning and design, as evaluated annually.

OBJECTIVE NO. 2

EPCAD will complete the field review portion of the program by early March. The appeals process and certified values will be completed in compliance with Property Tax Code 41.12.

OBJECTIVE NO. 3

EPCAD will maximize the use of professional and technical advice in all phases of its reappraisal program to assure application of current procedures and techniques that are reflective of standard appraisal practice as required by law, and to guarantee an economical and effective effort.

The Reappraisal Plan will upon completion, leave in place an on-going system that will effectively maintain current property values in future years as required by legislation. It will also leave in place professional appraisers that can effectively defend the appraised values placed on the properties using the CAMA system. Our Reappraisal Plan will be undertaken by use of in-house personnel with some contracting, as necessary. Wardlaw Appraisal Group is presently contracted to assist in appraising some industrial properties.

V. Systems Development

5.1 Information Systems

The CAMA system, PACS, was implemented for the 2009 reappraisal. All forms are reviewed from August through February for regulatory compliance and system compatibility.

The use of orthophotography and oblique photography was implemented in 2011. The aerial photography contract was renewed in 2021 and will be renewed again in 2023. Orthophotography and oblique imagery allow the district to identify omitted improvements in properties outside the city limits. Appraisers are able to use this tool to identify changes to existing properties as part of the review process and to comply with USPAP requirements.

5.2 Appraisal Practices

Existing appraisal practices, which continue from year to year, are identified in the district's policies and procedures manuals as well as appraisal department manuals and cost tables. Manuals

are kept current by annual reviews of the content and bi-annual revisions of policies and procedures to accommodate new legislation, supplemented by revisions to address current issues.

Additions to current procedures have been created to complement system user guides and address new issues. Additional revisions required to comply with new legislation in 2021 were added. Real property appraisal depreciation tables and cost tables are tested against verified sales data to ensure that they represent current market data.

The cap rate study by commercial real property type is updated annually from current market data and market rents that are reviewed and updated from local and published data. Actual appraisals by contract fee appraisers also assist in the commercial and residential property valuation process. Personal property density schedules are tested and analyzed based on rendition and prior year documentation.

Forms are reviewed from August to February of each year and in conjunction with procedure and legislative revisions. Each department's procedures are audited each year. A group of procedures is reviewed each year and the remainder are reviewed during the legislative year. Procedures created or revised three years prior to the current year are reviewed if not already included in the legislative update. Procedures from 2019 will be reviewed in 2022 and those from 2020 in 2023.

In 2023, this revision process will begin with a compilation of Property Tax Codes that have been added or changed. This list is compared to the database of codes controlling the existing procedures. In this way, the district is able to identify those procedures that must be revised or created to meet the legislative requirements. The schedule for completion of this work complements the effective date of the new legislation.

Property characteristic data on new construction is updated through an annual field effort; existing property data is maintained through a field review that is prioritized by last field inspection date. Sales are routinely validated during a separate field effort; however, numerous sales are validated as part of the new construction and data review field activities.

General trends in employment, interest rates, new construction, zoning changes, cost and market data are acquired through various sources, including internally generated questionnaires to buyers and sellers, university research centers, fee appraisers and market data centers and vendors.

The district's website makes a broad range of information available for public access, including but not limited to:

- Appraisal Roll
- Budget
- Forms
- FAQ and How-To's
- Property Tax Code
- Reappraisal Plan
- Taxpayer Information

- Tax Calendar
- Training Video Links
- Links to local entities, state appraisal districts, professional organizations, and the state website

5.3 Data Collection and Processing Needs

Collection of data regarding sales, income and expense, as well as cost and depreciation are discussed in depth in Section VIII.

5.3.1 Computer Assisted Mass Appraisal System

EPCAD maintains data in a computer assisted mass appraisal system (CAMA) identified in this document as PACS. Property data is collected and maintained to provide accurate information such as property ownership, location, size, use, physical characteristics and sales prices when available. Information concerning commercial properties includes business type, characteristics, income, rents, costs and operating expenses.

5.3.2 Geographic Data

The district uses a geographic information system (GIS) to maintain accurate, up-to-date cadastral maps for the entire district. A unique parcel identifier number is tied to a geographic number, known as a GEO ID that reflects the location of the parcel. The system allows staff to display data to permit a high-level analysis of sales, neighborhoods and market trends.

5.3.3 Property Characteristics Data

Field and office review procedures are reviewed and revised as required for data collection. Properties scheduled for review each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific cycle of three years as explained in Section 7.1.2.

The current CAMA system as supported by the GIS system, orthogonal imagery and oblique imagery is deemed sufficient for the needs through 2024.

New construction, field and office review procedures are identified in the district's policies and procedures manuals and revised as required. Field production standards are established and monitored by the department managers using daily logs. The sources of building permits are confirmed and system input procedures are identified. In addition, the district uses aerial photography to identify changes to improvements in the property record.

5.4 Real Property Valuation

Revisions to cost models, income models, and market models are specified, updated and tested each tax year.

Cost schedules are tested with market data (sales) to insure that the appraisal district complies with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders, such as Marshall & Swift.

Land tables are updated using current market data (sales) and then tested with ratio study tools. Value modifiers are developed for property categories by market area and tested on a pilot basis with ratio study tools.

When a neighborhood is to be updated, the appraiser uses a ratio study that compares recent sales prices of properties appropriately adjusted for the effects of time within a delineated neighborhood. The calculated ratio derived from the sum of the sold properties cost value divided by the sum of the sales prices indicates the neighborhood level of value. This cost-to-sale ratio is compared to the appraisal-to-sale ratio to determine the market adjustment factor for each neighborhood. This market adjustment factor is needed to trend the values obtained through the cost approach closer to the actual market evidenced by recent sales prices within a given neighborhood.

5.5 Personal Property Valuation

Density schedules are updated using data received during the previous tax year from renditions and hearing documentation. These schedules are compared to State published density schedules and/or nearby appraisal district schedules. Valuation procedures are reviewed and modified as needed and then tested to validate the modifications.

5.6 Notices

Notice of Appraised Value forms are updated by the CAMA provider. All enclosures for both notices and appointment letters are reviewed including the latest copy of the State Comptroller's publication, "Property Taxpayer Remedies."

5.7 Hearing Process

Protest hearing scheduling for informal and formal ARB hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as required. The district's hearing documentation is reviewed and updated to reflect the current valuation process. Production of documentation is tested and compliance with Texas Property Tax Code, Section 41.67 is insured.

5.8 Mapping and GIS

The district has a geographic information system (GIS) that maintains cadastral maps and various layers of data, including aerial photography. The district is responsible for establishing and maintaining what is estimated to be 435,552 real and personal property accounts, taxable and exempt, covering 1,054 square miles within El Paso County. This parcel count is expected to reach approximately 457,660 by 2024. This data includes property characteristic, ownership and exemption information.

VI. Pilot Study

Pilot studies are conducted in areas of the district where major changes have occurred requiring revision of procedures. Procedures are tested to determine if the results are as anticipated and produce accurate and reliable values. This is normally done in areas where a ratio study can be performed. This requires adequate sales to provide an acceptable population of data.

In August 2022, this step will be used in order to run ratio study reports. The ratio study will be repeated following the re-inspection of properties. Analysis of these ratio study results may lead

to adjustments of 2023 schedules and in some cases a revision of procedures. The ratio study is then repeated to determine if the adjustments produced the accuracy and reliability envisioned in the change. The work is to be completed after this document is approved.

VII. Data Collection

7.1 Data Collection Process

As indicated earlier, data collection begins immediately following certification of the appraisal roll in August of the preceding year and continues through March of the tax year.

Data is collected by field specialists and entered into PACS in both the residential and business personal property departments. The commercial department uses seasoned appraisers for this task. Data is then entered into the CAMA system. Data is also collected from building permits, new subdivision plats and information collected during the equalization phase. In addition, experienced appraisers use the technology of orthophotography and oblique photography to reappraise properties not appraised in the field. The ability to identify changes in improvements through the use of the change finder feature of the software assists the appraiser.

7.1.1 New Construction/Demolition

New construction, field and office review procedures are identified in the district's policies and procedures manuals and revised as required. The sources of building permits are confirmed and system input procedures are identified. In addition, the district uses aerial photography to identify changes to improvements in the property record.

Real property market areas, by property classification, are tested for the following:

- Low or high sales ratios
- High coefficient of dispersion

Market areas that fail any of these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified. In the absence of adequate market data, neighborhood delineation is verified and neighborhood clusters are identified.

7.1.2 Re-Inspection of the Universe of Properties

Section 25.18 of the Texas Property Tax Code requires periodic re-appraisal of properties at least every three years. The district meets this requirement by means of identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, orthophotography and oblique photography, the change finder, building permits, land-based photographs, surveys, maps, property sketches and information gleaned during the equalization phase.

Properties to be field inspected are identified through sales and permit information, rechecks prompted by the previous year's appeals process, changes noted via aerial photography and ratio studies that indicate a change in the characteristics of a neighborhood.

7.1.3 Field or Office Verification of Sales Data and Property Characteristics

Sales information is verified and property characteristics are captured as of the date of sale. The sales ratio tools require that the characteristics of the sold property equal those of the appraised property in order for the statistical results to be valid.

7.2 Sales Data

Texas is a non-disclosure state; sales are not a matter of public record. As a result, EPCAD uses other methods of gathering sales information. EPCAD collects sales information from a variety of sources, including sales questionnaires mailed to buyers and sellers by EPCAD and The Texas Comptroller of Public Accounts, field discovery, renditions, protest hearings, builders, deeds filed with the county, fee appraisers and realtors. EPCAD also uses vendors such as CoStar and LoopNet.

EPCAD gathers and enters all sales information into PACS. PACS then automatically assigns each sale a unique number, called a sales ID that expedites retrieval. Actual appraisals by contract fee appraisers also assist in the commercial and residential property valuation process.

The reliability of value estimates or ratio study results depends on the quantity and quality of the sales data. EPCAD verifies sales to determine if they reflect the market value of the real property and no other interest. We exclude sales if they fail to meet the criteria for an arm's length or market transaction.

For commercial property sales, the distribution of the value is extremely difficult to establish. However, if the district determines that an allocation is appropriate, we make a manual distribution of value. EPCAD uses paired sales analysis to determine time adjustments. The district examines properties that have sold twice within a given time period. It verifies similarities and differences between the two sales covering information such as type of financing, amount down, interest rates, and term. This also includes any additional improvements or demolitions. When the same property sells twice the time adjustment indicated would be ideal.

If both sales are similar, EPCAD calculates a monthly and annual percentage change. If there are differences, then it does not use the property in question or it may adjust to one or both of the sales to be relatively equal to the other. The District then compares the adjusted and/or raw sales prices and calculates an annual percentage change. If the difference is significant, it will add a time adjustment factor to the sales file in order to more accurately forecast the market as of the appraisal date. PACS allows for time adjustments within the sales information.

7.3 Income and Expense Data

The income approach requires gathering and reviewing income and expense, and sales information. EPCAD uses the income approach to value most property types when income information is available with the exception of new construction when income information is not available or has not been established. Texas is a non-disclosure state and as such state law does not require property owners to furnish sales or income information to EPCAD.

The district derives market data from publications, TREPP, Real Capital Analytics, Axiometrics, field inspections, local MAI fee appraiser and any information obtained during the appeals process. The district also gets this information in interviews with tenants, and from fee simple appraisals. The slicer is used to assist with data processing. At the end of the certification process, when the final values have been determined, the district uses PACS' query system to access all information and process it into the appropriate stratum in property identification number (PID) order.

The source of income information for the larger industrial properties is Grub and Ellis, along with information gathered during the equalization phase. The district takes advantage of the CoStar service as a supporting source to the Grub and Ellis. It not only uses CoStar for industrial properties but also for providing income and expense data for a variety of property types. Actual appraisals by contract fee appraisers also assist in the commercial property valuation process.

7.4 Cost and Depreciation Data

Marshall and Swift Valuation Service helps in the construction of cost models to determine value for property when sufficient sale and income and expense information is unavailable. The district updates the cost tables every year to comply with the State requirement to be at market value as of January 1 of each year.

The district applies the local cost multiplier for the various construction classes to adjust to the El Paso market. The district collects cost information from local contractors. However, trying to gather this information becomes very difficult because of the companies' proprietary concerns.

The staff considers the observed conditions, economic obsolescence, and functional obsolescence in estimating total depreciation. Staff performs the depreciation function during a field inspection of the properties or during the discovery phase updating the appraisal rolls.

Field inspections generally are the results of permit, or digital orthophotography and oblique photography reviews, or rechecks of reported deficiencies during the equalization phase. The field appraiser evaluates the property as to all categories of depreciation. This requires the appraiser to physically inspect the property and take notes of general physical condition; more specifically to look for any deferred maintenance, leakage, and cracks. The absence of customers at the business's parking lot, or road construction on the access road may suggest temporary economic issues.

7.5 Data Edits and Testing

The data is then reviewed by appraisers assigned by market area. The data is subject to system review using edit reports, and error reports. Ratio studies are run on a regular basis by neighborhood to identify possible errors. Field checks are scheduled to review these properties to correct inequities or suspect values.

Error reports are run and provided to the department managers for follow up. Managers use monitors to review the progress of work to ensure timely completion of data collection. All data is reviewed prior to the release of notices of appraised value and where data is suspect or incomplete, accounts are flagged to prevent the release of the notice until the data is correct.

At the same time addresses are “scrubbed” or sent to our contract mailer to validate, standardize and certify the addresses for our bulk mailing permit. Address scrubs are performed every three months.

VIII. Production of Values

8.1 Overview

Using market analysis of comparable sales and locally tested cost data, market and specific income and expense data, valuation models are specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers (IAAO) and the Uniform Standards of Professional Appraisal Practice (USPAP). The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those established by the IAAO Standard on Ratio Studies.

Appraisal departments review the previous bi-annual property value study conducted by the Property Tax Assistance Division of the Texas Comptroller’s Office. Analysts use the same properties selected by the Property Tax Assistance Division in the previous study and any additional sales obtained.

The review and analysis is used to calculate new ratios and coefficients of dispersion for notice values and certified values of the current year. Time adjustments are made to these sales and values to anticipate appreciating or depreciating markets. The purpose of the study is to identify the strengths and more importantly the weaknesses that must be addressed during the appraisal phase by school district and category.

8.2 Valuation Models

The Texas State Legislature through the comptroller’s office regulates the operations of the Texas appraisal districts. Texas Property Tax Code, Section 1.04. Definitions, defines the market value the district must use when valuing properties and Section 23.01. Appraisals Generally, establishes the effective date of the appraisal. The district complies with USPAP Standard 5 and Standard 6 unless the law requires deviation.

Market areas with extensive improvement and remodeling are identified and verified to update property characteristic data. Information gathered through the previous year’s hearings is combined with permit information and field activities. The results are tested with ratio studies before being finalized in the valuation modeling process.

Models are calibrated by adjusting mass appraisal formulas, tables and schedules to the current market. Calibration of models differs in each approach to value. Additionally, Texas Property Tax Code, Section 23.01. Appraisals Generally, requires that staff take into account the individual characteristics affecting the property’s market value. This requirement reestablishes the need to review each individual reappraised/re-inspected record to determine if the district may or may not make a value adjustment to a property. The district then makes a judgment by reviewing the notes in the property record.

The district also monitors whether a settlement, waiver, or ARB order determined a property value because the records are rolled over to the next year between August and October. If the ARB adjusted the property after the rollover date, then the incorrect value may appear on the record. This requires a review of the information presented to determine if there is justification for an adjustment.

8.3 The Cost Approach

The residential department uses the cost approach to value mobile homes and support values of new construction. The district values all residential parcels from construction cost guidelines using a comparative unit method. The customized residential value schedules, originally adopted from a private mass appraisal firm, are designed to fit El Paso County local residential building and labor market. The district reviews the value schedules regularly because of State Legislation requiring that the district value schedules be within a range of plus or minus five percent of market value.

The district performed an extensive review and revision of the residential value schedules for the 2022 tax year. Staff verified the property data characteristics of newly constructed properties and took photographs of the samples.

Appraisers compared the dwelling values against Marshall & Swift, a nationally recognized cost estimator. This process included correlation of quality of construction factors from the district and Marshall & Swift. Staff analyzed the results of this comparison using statistical measures, including stratification by quality and reviewing estimated building costs plus land sales prices.

The district determined no need for a new regional multiplier in the development of the cost process. It did not use any adjustment to the value schedule. This unadjusted value schedule complies with the State Legislative mandate described above. This decision is reviewed annually.

In addition to the CAMA value schedules, the district created applications to address unique appraisal situations, such as different levels of remodeling and atypical housing features not normally accounted for in the CAMA benchmark value system. The district develops neighborhood, or market adjustment, factors from appraisal statistics provided from ratio studies and uses them to ensure that estimated values are consistent with the market.

The primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not specified in the cost model. The following equation denotes the hybrid model used:

$$MV = LV + [(RCN-D) * MA]$$

Whereas, the market value (MV) equals the land value (LV) plus the replacement cost new (RCN) of any improvements minus normal depreciation (D) times the market adjustment factor (MA).

The district places properties that are valued using the cost approach into strata. In the case of the fast food restaurants, the key the district uses for stratification is whether it is a nationally recognized fast food restaurant or a local fast food restaurant. We categorize other classes of properties by their type and/or if they have multiple classes of property on the same property

record. Another component of the strata selection may be the land because of the process the district uses to value the land.

As the cost approach separately estimates both land and building values and uses depreciated replacement costs that reflect only the supply side of the market, the district expects to adjust the cost values to bring the level of appraisal to an acceptable standard.

EPCAD typically measures functional and economic obsolescence by comparing market income against actual income. When comparing incomes, the staff determines if any loss of income is due to a management decision. If no management issue exists, the district identifies the reason for the lost income. Once the district isolates the reason, it converts the loss of income to a percentage and makes the necessary adjustments to the record.

The district applies market or location adjustments uniformly within neighborhoods to account for location variances among market areas or across a jurisdiction. In updating a neighborhood, the appraiser uses a cost ratio study that compares recent sales prices of properties appropriately adjusted for the effects of time within a delineated neighborhood with the actual cost value of the properties. The calculated ratio derived from the sum of the cost value of the sold properties divided by the sum of the sales prices indicates the neighborhood level of value based on the unadjusted cost value for the sold properties.

The district compares this cost-to-sale ratio to the appraisal-to-sale ratio to determine the market adjustment factor for each neighborhood. The district needs this market adjustment factor to trend the values obtained through the cost approach closer to the actual market evidenced by recent sales prices within a given neighborhood. The sales used to determine the market adjustment factor would reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values.

The district applies the market adjustment factor calculated for each updated neighborhood uniformly to all properties within a neighborhood. Once the appraisers apply the market-trend factors, they generate a second set of ratio studies that compares recent sale prices with the proposed appraised values for these sold properties. From this set of ratio studies, the appraisers judge the appraisal level and uniformity in both update and non-update neighborhoods, and finally, for the school district as a whole.

8.4 The Sales Comparison Approach

The sales approach is the primary method of valuing residential property. The district conducts residential valuation and neighborhood analysis on each of the political entities known as independent school districts or ISDs. If there are not enough sales in a particular neighborhood, then the appraisers use sales in comparable neighborhoods to determine market value for the neighborhood in question.

Once staff identifies a neighborhood, the next step is to define or delineate its boundaries. Some factors in neighborhood delineation include:

- location
- sales price range

- lot size
- age of dwelling
- quality of construction and condition of dwellings
- square footage of living area
- story height

Delineation can involve the physical drawing of neighborhood boundary lines on a map, but it can also include statistical separation or stratification based on attribute analysis. Part of neighborhood analysis is the consideration of discernible patterns of growth that influence a neighborhood's individual market. Few neighborhoods have a fixed character.

Each neighborhood may be in a stage of growth, stability or decline. The growth period is a time of development and construction. As new neighborhoods in a community develop, they compete with existing neighborhoods. An added supply of new homes tends to induce population shift from older homes to newer homes. In the period of stability, or equilibrium, the forces of supply and demand are about equal.

Generally, in the stage of equilibrium, older neighborhoods are more desirable due to their stability of residential character and proximity to the workplace and other community facilities. The period of decline reflects diminishing demand or desirability.

During decline, general property use may change from residential to a mix of residential and commercial uses. Declining neighborhoods may also experience renewal, reorganization, rebuilding, or restoration that promotes increased demand and economic desirability.

Neighborhood identification and delineation are the cornerstones of the residential valuation system at EPCAD. All the residential analysis work done in association with the residential valuation process is neighborhood specific. Neighborhoods are field-inspected and delineated based on observable aspects of homogeneity. Staff periodically reviews neighborhoods to determine if it warrants further neighborhood delineation. Whereas neighborhoods incorporate similar properties in the same location, a neighborhood group integrates similar neighborhoods in similar locations.

The district assigns each residential neighborhood to a neighborhood group based on observable aspects of homogeneity among neighborhoods. Neighborhood grouping is highly beneficial in cost-derived areas of limited or no sales or use in direct sales comparison analysis. Neighborhood groups or clustered neighborhoods, increase the available market data by linking comparable properties outside a given neighborhood. The district performs sales ratio analysis on a neighborhood basis and in soft sale areas on a neighborhood group basis.

EPCAD's residential appraisal staff reviews the property record for accuracy prior to generation of the final value. This includes quality of construction, condition, physical, functional, and economic obsolescence, percent complete, special features, and improvement additives such as porches, garages, carport and swimming pools and other factors significantly affecting the market value of the property.

After preliminary estimates of value have been determined in targeted areas, the appraisers take valuation documents to the field to test the computer-assisted values against their own appraisal judgment. During this review, the appraisers are able to physically inspect both sold properties and unsold properties for comparability and consistency of values. The appraisal staff also reviews similar properties in the same neighborhood as the subject to insure relative equity.

The appraisal staff may also use sales and equity comparable grids to insure market accuracy. For more complex or higher value properties, a senior appraiser reviews of the property to insure the final value is appropriate. The district releases the estimates of value for notices of appraised value once the appraisers are satisfied with the level and uniformity of value for each neighborhood within their area of responsibility.

PACS' comparable program uses a point system that derives a score. This score measures how well the comparable rates relative to the subject. The higher the comparable scores, the more comparable it is to the subject.

For being in the same school district, the comparable program rates thirty-five points. For having the same class, the comparable program rates fifteen points. For being in the same neighborhood, the comparable program rates thirty points. For being on the same street, the comparable program rates twenty points. The comparable program adds a maximum of twenty-five points for similar living area and deducts five points for every one-hundred square feet of difference. The comparable program adds a maximum of ten points for similar year built and deducts three points for every one year of difference. The maximum score is one-hundred.

Many factors adjust the comparable to the subject. The residential sales comparable system adjusts for every component. The class adjustment takes the comparable living area and multiplies it by the difference in the qualities. The land adjustment is the difference in land value.

The district adjusts for garages, pools, jacuzzis, open porches, balconies, storage structures, and so forth, dependent on the attributes. If both the subject and the comparable have these components, the system will take the difference of each value. If the subject has a component and the comparable does not, the system will add the value of the subject component to the comparable.

Due to the limited number of commercial sales, EPCAD only applies this approach to commercial property types when sales information is adequate. Issues of equity arise when the district gives more weight to the sales comparison over the income or the cost approaches to value. This issue restricts the use of the sales comparison approach on income producing properties.

For commercial properties, the district uses the debt to equity ratio study to establish a probable sale amount. We send sales questionnaires but receive a less than one percent response. The attempts to confirm sales by phone are even less productive due to property owner's unwillingness to disclose sales information. Other sources of sales are obtained from sale service organizations and property owners during the equalization phase.

The district maintains land valuation tables, sales comparison adjustments such as physical and location differences. We use multiple regression analysis in the sales comparison approach to value. A multiple regression analysis allows us to factor multiple elements contributing to value.

8.5 The Income Approach

The district uses the income approach to appraise apartments, multi-tenant retail, large warehouses, hotels/motels, office warehouses, and multi-tenant office buildings. The district places these classes of property into a stratum with their incomes as the primary selection criteria. Although the district values these selected properties by using the income approach, other classes of properties are constantly under review for possible use of the income approach to value.

At the end of the certification process, when the final values have been determined, the district uses PACS' query system to access all information and process it into the appropriate stratum in property identification number (PID) order. The district then transfers the data to a spreadsheet for income and expense information.

The district then reviews individual records to see if it can use the information to establish value. We also review the information in the appropriate strata for consistency. If there are at least three years of information for a specific property and we considered it an outlier in its current strata, we then transfer that property to a different stratum. Actual appraisals by contract fee appraisers also assist in the commercial property valuation process.

If there are sufficient sales to develop and calibrate the cap rates, then the district uses the debt coverage ratio (DCR), and mortgage equity band of investment (BOI) to develop the capitalization rate. If there are insufficient sales, then we perform the DCR capitalization rate method and use the mortgage equity band of investment as supporting documentation for the DCR capitalization rate. The primary document for development of the DCR and BOI is from realtyrates.com web site. Beginning in 2017 and continuing through 2022, a cap rate study was done by a local MAI and we are highly likely to contract a cap rate study for 2023 and 2024.

EPCAD has defined separate market areas or neighborhoods for income producing properties. The district designated the effective gross income (EGI), expenses, and net operating income (NOI) as the key determinants for strata location for properties it values using the income approach.

Texas Property Tax Code, Section 23.24. Furniture, Fixtures, and Equipment, requires that the district disregard personal property value for tax purposes if it used the income approach to value. The staff creates a personal property account with the appropriate value annotated on the account and maintains this account as inactive for tax purposes. If they value the property using the cost approach and the information is available, then they make the appropriate adjustment to the record.

The commercial department has procedures set up to identify income producing properties within market areas. Some of the components to determine homogeneity in the strata are size, age, income information, use, and physical location. The Effective Gross Income (EGI), expenses, and Net Operating Income (NOI) figures are used from the stratified income and expense information as the primary component to conclude if the property fits into the strata. This results because there may be gaps in the evidence, such as, potential gross rent (PGR) or vacancy and collection (V&C) information.

Clearly secondary incomes, V&C, along with the PGR are important, however, the district considers it important to maintain strata cohesion by concentrating on the income that the property produces. Additionally, there may be more than one similar economic location within the county.

If so, the district places similar income producing properties in the same strata to classify a comparable economic area. Such a profile and the subject area under study must be within plus or minus of five percent.

8.6 Land Valuation

The commercial department uses specific mass appraisal techniques through our CAMA system in conformity with Standard 5 and Standard 6 of the Uniform Standards of Professional Appraisal Practice (USPAP). The specific mass appraisal techniques incorporate land use classification and comparable land sales analysis. EPCAD has land tables for unit value by sales comparison/analysis. The district applies adjustments to adjust parcels outside the neighborhood norm for such factors as view, shape, size, and topography, among others, where necessary. The standard procedure for the calculation of land value is a basic formula:

Land Size X Base Land Rate X Adjustment Factor (if applicable)

Both the base land rate and the adjustment factors are automated table driven to select base land rate from a table based on the market code from which we select the adjustment factor.

The district stratifies land for analysis and value using a land segment classification coding. The process entails assigning a market code to each land segment of a parcel. The market code consists of the neighborhood, the land use code, the rating code, and the segment code. The first three characters of the six-character code represent the commercial neighborhood location code as defined by the market data. This serves as the location variable for sales stratification or comparable sales analysis.

The land use code occupies the fourth position indicating the highest and best use of the segment, that is, primary, secondary, interstate highway; also classification codes for medical, office, retail, industrial, apartment, and mix-use districts. The rating code occupies the fifth position that describes either above average, average, or below average. The segment code occupies the sixth position, that is, pad-site, corner, interior frontage, and interior rear. The district expands intersection streets to include primary, secondary, and tertiary corners.

The district generates the indicated valuation for the specific classification from the automated base land rate tables from the sales base. The automated land code tables provide a basic, median land-price range that is adjusted by the medium, land size range yielding an adjusted per unit value indication for the selected parcel's highest and best use/size relationship.

EPCAD uses multiple strata for multiple neighborhood and classification groupings. This process employs land segmentation and coding, delineating, and defining various segments within a parcel. Highest and best use analysis, supported by the sales data, defines the classification for various parcels. The sales data indicate differing land values for primary arterials, secondary arterials, interstate highway, also medical, office, retail, industrial, apartment, and mix-use districts.

The process of stratification consists of grouping properties within a specific street classification or land classification and then assigning a market code to each land segment. The district applies adjustment codes where necessary. Grouping or stratification simplifies the coding of land segments.

In the residential department, the highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and productive to its maximum. The highest and best use of residential property is normally its current use. This is due in part to the fact that residential development, in many areas, through use of deed restrictions and zoning, precludes other land uses.

The district stratifies parcels first by zoning or use and then by location. It also classifies parcels by school district, region, and neighborhood. The largest stratification is by school district followed by the region. The smallest is the neighborhood. There is also a subdivision demarcation that is generally larger than a neighborhood demarcation. However, because the neighborhood demarcation is more detailed than the subdivision, the district does not use it.

The school district demarcation is an actual school district boundary. The state uses it to audit appraisal district performance. It is the largest of the demarcations. The region demarcation is a geographic area of El Paso County. This region is very similar to the Greater El Paso Association of Realtors Market Area. It is larger than a neighborhood demarcation.

The neighborhood demarcation is the smallest demarcation. The definition of a “neighborhood” for analysis purposes is the largest geographic grouping of properties where the property is physical, economic, governmental, and social forces are generally similar and uniform. This geographic stratification accommodates the local supply and demand factors that vary across a jurisdiction.

Once the district identifies a neighborhood, the next step is to define or delineate its boundaries. Some factors in neighborhood delineation include location, sales price range, lot size, age of dwelling, quality of construction and condition of dwellings, square footage of living area, and story height. Delineation can include the physical drawing of neighborhood boundary lines on a map but it can also involve statistical separation or stratification based on attribute analysis. Part of neighborhood analysis is the consideration of discernible patterns of growth that influence a neighborhood’s individual market.

8.7 Considerations by Property Type

Properties are appraised using the most applicable approach to value by category of property; sales comparison, cost or income approach. Figure 8.1 represents the various categories of property, the method of appraisal used for each category and the percentage of frequency of each method.

Figure 8.1: Considerations by Property Type

Category	Description	Approach to Value			Comment
		SALES	COST	INCOME	
A	Residential	90	10	0	Market comparison with cost approach to support
B1	Residential Multi-family	90	10	0	Market comparison with cost approach to support
B2	Commercial Multi-family	0	2	98	Income used backed by sales. Cost used when other data not available.
C	Residential Land + Commercial Land	100	0	0	
D	Rural Land	100	0	0	Agricultural open space value on productivity value
E	Agricultural Improved	90	10	0	Market comparison with cost approach to support
F1	Commercial	0	67	33	Income used backed by sales. Cost used when other data not available.
F2	Industrial	0	63	37	Consideration given to units of production
G1	Non-producing Mineral	100	0	0	
J	Utilities	5	90	5	Consideration given to units of production
L1	Business Personal Property	0	100	0	Information received from renditions
L2	Industrial Personal Property	0	100	0	Information received from renditions
M	Manufactured Homes	0	100	0	Cost approach using NADA pricing guide for support
O	Inventory	0	100	0	Builders' inventory based on builders' data.
S	Special Inventory	0	100	0	Information from monthly dealers' inventory reports
X	Exempt				Dependent upon type of property

IX. Preparation of Appraisal Roll

Preparation of the appraisal roll requires the district to mail notices of applications for exemptions, agricultural or special use values and then process the responses. The district publishes notices in the local media of these application requirements.

The records are reviewed for accuracy and equity. In early March, departments flag records that are incomplete. This includes any records that are contracted for appraisal by our outside appraisal firm, Wardlaw Appraisal Group. As the work is completed, the flags are released.

Records are listed in their entirety to include the identity of the property owner, their address, market value of land and improvements separately, as well as the taxable value and the situs or location of the property. The exception to this is the identity of certain property owners who by law have been permitted to keep their address confidential.

EPCAD sends a notice of appraised value to all properties whose accounts have been released. In 2023 and 2024, only properties meeting the requirements under Section 25.19 (a), of the Texas Property Tax Code, will receive a notice.

Sec. 25.19. Notice of Appraised Value.

(a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property, the chief appraiser shall deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if:

- (1) the appraised value of the property is greater than it was in the preceding year;
- (2) the appraised value of the property is greater than the value rendered by the property owner;
- (3) the property was not on the appraisal roll in the preceding year; or
- (4) an exemption or partial exemption approved for the property for the preceding year was canceled or reduced for the current year.

As per Section 25.19, of the Texas Property tax code, notices for single-family residential properties that qualify for exemption under Section 11.13 of the Texas Property Tax Code, are mailed by April 1 or as soon thereafter as practicable. The remainder are mailed by May 1 or as soon thereafter as practicable. Additional notices are sent as the accounts are released.

By May 15 the district submits the appraisal roll to the ARB for review and determination of hearings in the form and content as required by Section 25.01 and 25.02 of the Texas Property Tax Code. The chief appraiser submits an affidavit that the records are complete in as much as can be determined. The affidavit also states that the values have been determined as required by law.

Once the roll has been submitted to the ARB, changes to the roll require submission of a motion to the ARB for approval, under Section 41.10. of the Texas Property Tax Code. If the change will result in an increase in tax liability, a 41.11 Notice to Property Owner of Change in Records, is required to be sent to the property owner informing them of their right to protest the change.

The law requires the ARB to complete their work and approve the records by July 20 or as soon as possible thereafter. Their duties include hearing and determining protests and challenges. The law accepts a level of completion as 95% of the total value of the properties in the district. This action is referred to as certifying the roll. This certified roll constitutes the appraisal roll for the district in accordance with Texas Property Tax Code, Section 25.24.

X. Defense of Values

Evidence used in informal hearings is garnered from information available within the CAMA system and photos on file. Evidence to be used to meet the burden of proof in formal hearings includes information from the property owner presented during informal hearings and the information specified under Figure 10.1. Information to assist residential property owners in preparing for a hearing for unequal value is available upon request.

Figure 10.1 Value Defense

Category	Description	Evidence Used in Value Defense
A	Residential	Confirmed sales of similar properties, district ratio and equity studies
B1	Residential Multi-family	Confirmed sales of similar properties, district ratio and equity studies
B2	Commercial Multi-family	Cost tables from Marshall & Swift, income models derived from income and sales
C	Residential Land + Commercial Land	Confirmed sales of similar properties, district ratio and equity studies
D	Rural Land	Confirmed sales of similar properties, district ratio and equity studies, agricultural and open space land uses productivity value in order to support price per acre
E	Agricultural Improved	Confirmed sales of similar properties, district ratio and equity studies
F1	Commercial	Cost tables from Marshall & Swift, income models derived from income and sales, actual appraisals by contract fee appraisers
F2	Industrial	Cost tables from Marshall & Swift, industry standards
G1	Non-producing Mineral	Sales when available
J	Utilities	Cost tables from Marshall & Swift, industry standards
L1	Business Personal Property	Cost less depreciation from renditions
L2	Industrial Personal Property	Cost less depreciation from renditions
M	Manufactured Homes	Confirmed sales of similar properties, information from NADA pricing guide.
O	Inventory	Information provided by owner, information on similar properties
S	Special Inventory	Dealer monthly inventory reports
X	Exempt	Dependent upon type of property

XI. Maintenance of Property Data

The ARB will issue an Order Determining Protest to advise the property owner of the result of their hearing. The district must change the appraisal roll to reflect these changes. Any changes that are required after the roll has been certified must be supplemented and submitted to the ARB in order to maintain the integrity of the records.

A property owner may appeal the decision of the ARB to an arbitrator or to the District Court. Any decisions to change the records coming from a decision from these venues or from a settlement agreement entered into by the property owner and the district, must also be supplemented.

After certification the district will run new ratio studies to measure and evaluate the accuracy and uniformity of the new values. This study is part of a summary of the achievements of the appraisal activities and become the starting point to determine the extent of the work in the next appraisal cycle. The activities include capturing data on new construction, data from building permits, new utility installations and subdivision plats in addition to the routine rechecks done using orthophotography, oblique photography and/or field inspection.

Tax year 2024 is a reappraisal year for regulatory compliance. It will also address regular data collection activities as well as address market areas where values do not meet acceptable standards.

Values are also updated as a result of ratio studies, ongoing market analysis to identify trending factors based on size, location, age and other market influences. Supporting tables are adjusted to reflect the new information.

It should be noted that in 2023 the Texas Legislature meets and may enact new legislation that may change the manner, substance and or content of this document. Section 23.013(e) of the Texas Property Tax Code states that the Chief Appraiser must consider restrictions placed on designated historical districts for valuation purposes. One of the necessary steps in this process is identifying these designated historical districts. EPCAD has identified these designated historical districts to the best of its ability.

XII. Mass Appraisal and Annual Reports

The Mass Appraisal Report will be attached to this document in Appendix C, after the completion of each appraisal year covered by this plan. This report is a recap of the reappraisal year. The 2023 Mass Appraisal Report will be available in 2023 and the 2024 Mass Appraisal Report will be available in 2024.

The Annual Report summarizes the statistical results of the year and highlights special activities of interest to the public and the governing bodies of the entities we serve. It is normally available at the same time as the Mass Appraisal Report and is posted to the district's website.

Appendix A: Statutes

Tax Code

CHAPTER 1 General Provisions

Sec. 1.04. Definitions.

In this title:

(1) "Property" means any matter or thing capable of private ownership.

(2) "Real property" means:

(A) land;

(B) an improvement;

(C) a mine or quarry;

(D) a mineral in place;

(E) standing timber; or

(F) an estate or interest, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated in Paragraphs (A) through (E) of this subdivision.

(3) "Improvement" means:

(A) a building, structure, fixture, or fence erected on or affixed to land;

(B) a transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily; or

(C) for purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the:

(i) subdivision of land by plat;

(ii) installation of water, sewer, or drainage lines; or

(iii) paving of undeveloped land.

(3-a) Notwithstanding anything contained herein to the contrary, a manufactured home is an improvement to real property only if the owner of the home has elected to treat the manufactured home as real property pursuant to Section 1201.2055, Occupations Code, and a copy of the statement of ownership has been filed with the real property records of the county in which the home is located as provided in Section 1201.2055(d), Occupations Code.

(4) "Personal property" means property that is not real property.

(5) "Tangible personal property" means personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

(6) "Intangible personal property" means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, franchise, license or permit, demand or time deposit, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill.

(7) "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) 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

(C) 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.

(8) "Appraised value" means the value determined as provided by Chapter 23 of this code.

(9) "Assessed value" means, for the purposes of assessment of property for taxation, the amount determined by multiplying the appraised value by the applicable assessment ratio, but, for the purposes of determining the debt limitation imposed by Article III, Section 52, of the Texas Constitution, shall mean the market value of the property recorded by the chief appraiser.

(10) "Taxable value" means the amount determined by deducting from assessed value the amount of any applicable partial exemption.

(11) "Partial exemption" means an exemption of part of the value of taxable property.

(12) "Taxing unit" means a county, an incorporated city or town (including a home-rule city), a school district, a special district or authority (including a junior college district, a hospital district, a district created by or pursuant to the Water Code, a mosquito control district, a fire prevention district, or a noxious weed control district), or any other political unit of this state, whether created by or pursuant to the constitution or a local, special, or general law, that is authorized to impose and is imposing ad valorem taxes on property even if the governing body of another political unit determines the tax rate for the unit or otherwise governs its affairs.

(13) "Tax year" means the calendar year.

(14) "Assessor" means the officer or employee responsible for assessing property taxes as provided by Chapter 26 of this code for a taxing unit by whatever title he is designated.

(15) "Collector" means the officer or employee responsible for collecting property taxes for a taxing unit by whatever title he is designated.

(16) "Possessory interest" means an interest that exists as a result of possession or exclusive use or a right to possession or exclusive use of a property and that is unaccompanied by ownership of a fee simple or life estate in the property. However, "possessory interest" does not include an interest, whether of limited or indeterminate duration, that involves a right to exhaust a portion of a real property.

(17) "Conservation and reclamation district" means a district created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution, or under a statute enacted under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution.

(18) "Clerical error" means an error:

(A) that is or results from a mistake or failure in writing, copying, transcribing, entering or retrieving computer data, computing, or calculating; or

(B) that prevents an appraisal roll or a tax roll from accurately reflecting a finding or determination made by the chief appraiser, the appraisal review board, or the assessor; however, "clerical error" does not include an error that is or results from a mistake in judgment or reasoning in the making of the finding or determination.

(19) "Comptroller" means the Comptroller of Public Accounts of the State of Texas.

(20) "Heir property" means real property:

(A) owned by one or more individuals, at least one of whom claims the property as the individual's residence homestead; and

(B) acquired by the owner or owners by will, transfer on death deed, or intestacy, regardless of whether the interests of the owners are recorded in the real property records of the county in which the property is located.

(21) "Heir property owner" means an owner of heir property who claims the property as the individual's residence homestead.

CHAPTER 5

State Administration

Sec. 5.03. Powers and Duties Generally.

(a) The comptroller shall adopt rules establishing minimum standards for the administration and operation of an appraisal district. The minimum standards may vary according to the number of parcels and the kinds of property the district is responsible for appraising.

(b) The comptroller may require from each district engaged in appraising property for taxation an annual report on a form prescribed by the comptroller on the administration and operation of the appraisal office.

(c) The comptroller may contract with consultants to assist in performance of the duties imposed by this chapter.

(d) Notwithstanding any other provision of this title, the comptroller may, after providing notice, require a document, payment, notice, report, or other item required to be submitted to the comptroller under this title to be submitted electronically and may send a document, payment, notice, report or other item the comptroller is required to send under this title electronically. The comptroller may adopt rules to administer this subsection, including rules specifying the format of an item electronically submitted to or sent by the comptroller.

Sec. 5.041. Training of Appraisal Review Board Members.

(a) The comptroller shall:

(1) approve curricula and provide materials for use in training and educating members of an appraisal review board;

(2) supervise a comprehensive course for training and education of appraisal review board members and issue certificates indicating course completion;

(3) make all materials for use in training and educating members of an appraisal review board freely available online;

(4) establish and maintain a toll-free telephone number that appraisal review board members may call for answers to technical questions relating to the duties and responsibilities of appraisal review board members and property appraisal issues; and

(5) provide, as feasible, online technological assistance to improve the operations of appraisal review boards and appraisal districts.

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least eight hours of classroom or distance training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(b-1) At the conclusion of a course established under Subsection (a), each member of an appraisal review board in attendance shall complete a statement, on a form prescribed by the comptroller, indicating that the member will comply with the requirements of this title in conducting hearings.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

(d) The course material for the course required under Subsection (a) is the comptroller's Appraisal Review Board Manual in use on the effective date of this section. The manual shall be updated regularly. It may be revised on request, in writing, to the comptroller. The revision language must be approved on the unanimous agreement of a committee selected by the comptroller and representing, equally, taxpayers and chief appraisers. The person requesting the revision shall pay the costs of mediation if the comptroller determines that mediation is required.

(e) Notwithstanding the provisions of Subsection (b), an appraisal review board member appointed after a course offering may continue to serve until the completion of the subsequent course offering.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least four hours of classroom or distance training and education. The curricula and materials must include information regarding:

- (1) the cost, income, and market data comparison methods of appraising property;
- (2) the appraisal of business personal property;
- (3) the determination of capitalization rates for property appraisal purposes;
- (4) the duties of an appraisal review board;
- (5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- (6) the prohibitions against ex parte communications applicable to appraisal review board members;
- (7) the Uniform Standards of Professional Appraisal Practice;
- (8) the duty of the appraisal district to substantiate the district's determination of the value of property;
- (9) the requirements regarding the equal and uniform appraisal of property;
- (10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and

(11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

(e-2) During the second year of an appraisal review board member's term of office, the member must successfully complete the course established under Subsection (e-1). At the conclusion of the course, the member must complete a statement described by Subsection (b-1). A person may not participate in a hearing conducted by the board, vote on a determination of a protest, or be reappointed to an additional term on the board until the person has completed the course established under Subsection (e-1) and has received a certificate of course completion. If the person is reappointed to an additional term on the appraisal review board, the person must successfully complete the course established under Subsection (e-1) and comply with the other requirements of this subsection in each year the member continues to serve.

(e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the course required by that subsection may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed \$50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 for each person trained.

(f) The comptroller may not advise a property owner, a property owner's agent, or the chief appraiser or another employee of an appraisal district on a matter that the comptroller knows is the subject of a protest to the appraisal review board. The comptroller may provide advice to an appraisal review board member as authorized by Subsection (a)(4) of this section or Section 5.103 and may communicate with the chairman of an appraisal review board or a taxpayer liaison officer concerning a complaint filed under Section 6.052.

(g) Except during a hearing or other appraisal review board proceeding and as provided by Subsection (h) and Section 6.411(c-1), the following persons may not communicate with a member of an appraisal review board about a course provided under this section or any matter presented or discussed during the course:

- (1) the chief appraiser of the appraisal district for which the appraisal review board is established;
- (2) another employee of the appraisal district for which the appraisal review board is established;
- (3) a member of the board of directors of the appraisal district for which the appraisal review board is established;
- (4) an officer or employee of a taxing unit that participates in the appraisal district for which the appraisal review board is established; and
- (5) an attorney who represents or whose law firm represents the appraisal district or a taxing unit that participates in the appraisal district for which the appraisal review board is established.

(h) An appraisal review board may retain an appraiser certified by the Texas Appraiser Licensing and Certification Board to instruct the members of the appraisal review board on valuation methodology if the appraisal district provides for the instruction in the district's budget.

(i) The comptroller may adopt rules to implement this section, including rules establishing criteria for course availability and for demonstrating course completion.

Sec. 5.10. Ratio Studies.

(a) At least once every two years, the comptroller shall conduct a study in each appraisal district to determine the degree of uniformity of and the median level of appraisals by the appraisal district within each major category of property. The comptroller shall publish a report of the findings of the study, including in the report the median levels of appraisal for each major category of property, the coefficient of dispersion around the median level of appraisal for each major category of property, and any other standard statistical measures that the comptroller considers appropriate. In conducting the study, the comptroller shall apply appropriate standard statistical analysis techniques to data collected as part of the study of school district taxable values required by Section 403.302, Government Code.

(b) The published findings of a ratio study conducted by the comptroller shall be distributed to all members of the legislature and to all appraisal districts.

(c) In conducting a study under this section, the comptroller or the comptroller's authorized representative may enter the premises of a business, trade, or profession and inspect the property to determine the existence and market value of property used for the production of income. An inspection under this subsection must be made during normal business hours or at a time mutually agreeable to the comptroller or the comptroller's authorized representative and the person in control of the premises.

Sec. 5.102. Review of Appraisal Districts.

(a) At least once every two years, the comptroller shall review the governance of each appraisal district, the taxpayer assistance provided by each appraisal district, and the operating and appraisal standards, procedures, and methodology used by each appraisal district, to determine compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller. After consultation with the property tax administration advisory board, the comptroller by rule may establish procedures and standards for conducting and scoring the review.

(a-1) The comptroller may conduct a limited-scope review in place of the review required by Subsection (a) if:

(1) the appraisal district is established in a county located wholly or partly in an area declared by the governor to be a disaster area during the tax year in which the review is required;

(2) the chief appraiser of the appraisal district requests that the review conducted be a limited-scope review; and

(3) the comptroller determines that one of the following circumstances exists and was caused by the disaster:

(A) a building used by the appraisal district to conduct business is destroyed or is inaccessible or damaged to the extent that it is unusable for at least 30 days;

(B) the appraisal district's records are destroyed or are unusable for at least 30 days;

(C) the appraisal district's computer system is destroyed or is unusable for at least 30 days; or

(D) due to extraordinary circumstances, the appraisal district does not have the resources to undergo a review under this section unless the review is limited in scope.

(a-2) After consultation with the advisory committee created under Section 403.302, Government Code, the comptroller by rule may establish procedures and standards for conducting and scoring a review under this section.

(b) In conducting the review, the comptroller is entitled to access to all records and reports of the appraisal district, to copy or print any record or report of the appraisal district, and to the assistance of the appraisal district's officers and employees.

(c) At the conclusion of the review, the comptroller shall, in writing, notify the appraisal district concerning its performance in the review. If the review results in a finding that an appraisal district is not in compliance with generally accepted standards, procedures, and methodology, including compliance with standards, procedures, and methodology prescribed by any appraisal manuals required by law to be prepared and issued by the comptroller, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

- (1) the appraisal district's chief appraiser and board of directors; and
- (2) the superintendent and board of trustees of each school district participating in the appraisal district.

(d) If the appraisal district fails to comply with the recommendations in the report and the comptroller finds that the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation in the report before the first anniversary of the date the report was issued, the comptroller shall notify the Texas Department of Licensing and Regulation, or a successor to the department, which shall take action necessary to ensure that the recommendations in the report are implemented as soon as practicable.

(e) Before February 1 of the year following the year in which the Texas Department of Licensing and Regulation, or its successor, takes action under Subsection (d), and with the assistance of the comptroller, the department shall determine whether the recommendations in the most recent report have been substantially implemented. The executive director of the department shall notify the chief appraiser and the board of directors of the appraisal district in writing of the department's determination.

Sec. 5.103. Appraisal Review Board Oversight.

(a) The comptroller shall prepare model hearing procedures for appraisal review boards.

(b) The model hearing procedures shall address:

- (1) the statutory duties of an appraisal review board;
- (2) the process for conducting a hearing;
- (3) the scheduling of hearings;
- (4) the postponement of hearings;
- (5) the notices required under this title;
- (6) the determination of good cause under Section 41.44(b);
- (7) the determination of good cause under Sections 41.45(e) and (e-1);
- (8) a party's right to offer evidence and argument;
- (9) a party's right to examine or cross-examine witnesses or other parties;
- (10) a party's right to appear by an agent;
- (11) the prohibition of an appraisal review board's consideration of information not provided at a hearing;
- (12) ex parte and other prohibited communications;
- (13) the exclusion of evidence at a hearing as required by Section 41.67(d);
- (14) the postponement of a hearing as required by Section 41.66(h);
- (15) conflicts of interest;
- (16) the process for the administration of applications for membership on an appraisal review board; and
- (17) any other matter related to fair and efficient appraisal review board hearings.

(c) The comptroller may:

- (1) categorize appraisal districts based on the size of the district, the number of protests filed in the district, or similar characteristics; and
- (2) develop different model hearing procedures for different categories of districts.

(d) An appraisal review board shall incorporate the model hearing procedures prepared by the comptroller when adopting the board's procedures for hearings as required by Section 41.01(c). An appraisal review board may adopt procedures that supplement the model hearing procedures, provided that the supplemental procedures do not contradict or circumvent the model hearing procedures.

(e) Each year the comptroller shall review the hearing procedures adopted by each appraisal review board to determine whether the hearing procedures incorporate the model hearing procedures prepared by the comptroller under this section.

(f) [Repealed.]

Sec. 5.104. Appraisal Review Board Survey; Report.

(a) The comptroller shall:

- (1) prepare an appraisal review board survey that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board;
 - (2) prepare instructions for completing and submitting the survey; and
 - (3) implement and maintain a method that allows an individual described by Subsection (b) to electronically complete and submit the survey through a uniform resource locator (URL) address.
- (b) The following individuals who attend a hearing in person or by telephone conference call on a motion filed under Section 25.25 to correct the appraisal roll or a protest under Chapter 41 may complete and submit a survey under this section:
- (1) a property owner whose property is the subject of the motion or protest;
 - (2) the designated agent of the owner; or
 - (3) a designated representative of the appraisal district in which the motion or protest is filed.
- (c) The survey must allow an individual to submit comments and suggestions regarding:
- (1) the matters listed in Section 5.103(b); and
 - (2) any other matter related to the fairness and efficiency of the appraisal review board.
- (d) An appraisal district must provide to each property owner or designated agent of the owner who is authorized to submit a survey under this section a notice that states that the owner or agent:
- (1) is entitled to complete and submit the survey;
 - (2) may submit the survey to the comptroller:
 - (A) in person;
 - (B) by mail;
 - (C) by electronic mail; or
 - (D) through the uniform resource locator (URL) address described by Subsection (a)(3);
- and
- (3) may obtain a paper copy of the survey and instructions for completing the survey at the appraisal office.
- (e) The notice described by Subsection (d) must include the uniform resource locator (URL) address described by Subsection (a)(3).
- (f) An appraisal district must provide the notice described by Subsection (d) to a property owner or the designated agent of the owner:
- (1) at or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board; and
 - (2) with each order under Section 25.25 or 41.47 determining a motion or protest, as applicable, delivered by the board or a panel of the board.
- (g) At or before the first hearing on the motion or protest described by Subsection (b) by the appraisal review board established for the appraisal district or by a panel of the board, the board or panel must provide verbal notice to the property owner or designated agent of the owner of the owner or agent's right to complete and submit the survey.
- (h) Notwithstanding Subsections (d), (f), and (g), if an appraisal district provides the notice described by Subsection (d), or an appraisal review board provides the verbal notice required by Subsection (g), to a property owner or the designated agent of the owner at or before a hearing on a motion or protest described by Subsection (b), the appraisal district or board, as applicable, is not required to provide another notice in the same manner to the owner or agent at or before another hearing on a motion or protest held on the same day.
- (i) An individual who elects to submit the survey must submit the survey to the comptroller as provided by this section. An individual may submit only one survey for each hearing.
- (j) The comptroller shall allow an individual to submit a survey to the comptroller in the following manner:
- (1) in person;
 - (2) by mail;
 - (3) by electronic mail; or
 - (4) through the uniform resource locator (URL) address described by Subsection (a)(3).
- (k) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey at the appraisal office.
- (l) The comptroller shall issue an annual report that summarizes the information included in the surveys submitted during the preceding tax year. The report must also include a summary of the comments, complaints, and suggestions forwarded to the comptroller during the preceding tax year by taxpayer liaison officers under Section 6.052(a), the results of the comptroller's review of appraisal review board hearing procedures during the preceding tax year under Section 5.103(e), and the results of requests for limited binding arbitration filed with the comptroller during the preceding tax year under Section 41A.015. The report may not disclose the identity of an individual who submitted a survey, comment, complaint, suggestion, or request for arbitration.
- (m) The comptroller may adopt rules necessary to implement this section.

CHAPTER 6 Local Administration

Sec. 6.03. Board of Directors.

(a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Members of the board of directors other than a county assessor-collector serving as a nonvoting director serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

- (1) to the county judge and each commissioner of the county served by the appraisal district;
- (2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager;
- (3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and
- (4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

(f) The chief appraiser shall calculate the number of votes to which each conservation and reclamation district entitled to vote for district directors is entitled and shall deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-numbered year.

(g) Each taxing unit other than a conservation and reclamation district that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the chief appraiser before October 15.

(h) Each conservation and reclamation district entitled to vote may nominate by resolution adopted by its governing body one candidate for the district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year. Before August 1, the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district. The board of directors of each district shall determine its vote by resolution and submit it to the chief appraiser before August 15. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(i) If no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h), the chief appraiser, before September 1, shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. Each

conservation and reclamation district may submit a nominee by September 15 to the chief appraiser as provided by Subsection (h). The chief appraiser shall submit a second nominating ballot by October 1 to the conservation and reclamation districts as provided by Subsection (h). The conservation and reclamation districts shall submit their votes for nomination before October 15 as provided by Subsection (h). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(j) Before October 30, the chief appraiser shall prepare a ballot, listing the candidates whose names were timely submitted under Subsections (g) and, if applicable, (h) or (i) alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) **[Effective January 1, 2022]** Except as provided by Subsection (k-1), the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k-1) **[Effective January 1, 2022]** This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The governing body of each taxing unit entitled to cast at least five percent of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) [Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008.]

Sec. 6.035. Restrictions on Eligibility and Conduct of Board Members and Chief Appraisers and Their Relatives.

(a) An individual is ineligible to serve on an appraisal district board of directors and is disqualified from employment as chief appraiser if the individual:

(1) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district; or

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

(A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or

(B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065.

(a-1) An individual is ineligible to serve on the board of directors of an appraisal district if the individual:

(1) has served as a member of the board of directors for all or part of five terms, unless:

(A) the individual was the county assessor-collector at the time the individual served as a board member; or

(B) the appraisal district is established in a county with a population of less than 120,000;

(2) has engaged in the business of appraising property for compensation for use in proceedings under this title at any time during the preceding three years;

(3) has engaged in the business of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding three years; or

(4) has been an employee of the appraisal district at any time during the preceding three years.

(b) A member of an appraisal district board of directors or a chief appraiser commits an offense if the board member continues to hold office or the chief appraiser remains employed knowing that an individual related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to the board member or chief appraiser is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal

district in which the member serves or the chief appraiser is employed. An offense under this subsection is a Class B misdemeanor.

(c) A chief appraiser commits an offense if the chief appraiser refers a person, whether gratuitously or for compensation, to another person for the purpose of obtaining an appraisal of property, whether or not the appraisal is for ad valorem tax purposes. An offense under this subsection is a Class B misdemeanor.

(d) An appraisal performed by a chief appraiser in a private capacity or by an individual related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to the chief appraiser may not be used as evidence in a protest or challenge under Chapter 41 or an appeal under Chapter 42 concerning property that is taxable in the appraisal district in which the chief appraiser is employed.

Sec. 6.052. Taxpayer Liaison Officer.

(a) The board of directors for an appraisal district created for a county with a population of more than 120,000 shall appoint a taxpayer liaison officer who shall serve at the pleasure of the board. The taxpayer liaison officer shall administer the public access functions required by Sections 6.04(d), (e), and (f), and is responsible for resolving disputes not involving matters that may be protested under Section 41.41. In addition, the taxpayer liaison officer is responsible for receiving, and compiling a list of, comments, complaints, and suggestions filed by the chief appraiser, a property owner, or a property owner's agent concerning the matters listed in Section 5.103(b) or any other matter related to the fairness and efficiency of the appraisal review board established for the appraisal district. The taxpayer liaison officer shall forward to the comptroller comments, complaints, and suggestions filed under this subsection in the form and manner prescribed by the comptroller not later than December 31 of each year.

(b) The taxpayer liaison officer shall provide to the public information and materials designed to assist property owners in understanding the appraisal process, protest procedures, the procedure for filing comments, complaints, and suggestions under Subsection (a) of this section or a complaint under Section 6.04(g), and other matters. Information concerning the process for submitting comments, complaints, and suggestions to the comptroller concerning an appraisal review board shall be provided at each protest hearing.

(c) The taxpayer liaison officer shall report to the board at each meeting on the status of all comments, complaints, and suggestions filed with the officer under Subsection (a) of this section and all complaints filed with the board under Section 6.04(g).

(d) The taxpayer liaison officer is entitled to compensation as provided by the budget adopted by the board of directors.

(e) The chief appraiser or any other person who performs appraisal or legal services for the appraisal district for compensation is not eligible to be the taxpayer liaison officer.

(f) The taxpayer liaison officer is responsible for providing clerical assistance to the local administrative district judge in the selection of appraisal review board members. The officer shall deliver to the local administrative district judge any applications to serve on the board that are submitted to the officer and shall perform other duties as requested by the local administrative district judge. The officer may not influence the process for selecting appraisal review board members.

(g) Notwithstanding any other provision of this chapter, a taxpayer liaison officer does not commit an offense under this chapter if the officer communicates with the chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board established for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, a property owner, an agent of a property owner, or another person if the communication is made in the good faith exercise of the officer's statutory duties.

Sec. 6.054. Restriction on Employment by Appraisal District.

An individual may not be employed by an appraisal district if the individual:

- (1) is an officer of a taxing unit that participates in the appraisal district;
- (2) is an employee of a taxing unit that participates in the appraisal district; or
- (3) has served as a member of the appraisal review board for the appraisal district at any time during the preceding two years.

Sec. 6.155. Certain Communications by Taxing Units Prohibited; Penalty. [Effective January 1, 2022]

(a) A member of the governing body, officer, or employee of a taxing unit commits an offense if the person directly or indirectly communicates with the chief appraiser or another employee of the appraisal district in which the taxing unit participates for the purpose of influencing the value at which property in the district is appraised unless the person owns or leases the property that is the subject of the communication.

(b) An offense under this section is a Class A misdemeanor.

Sec. 6.41. Appraisal Review Board.

(a) The appraisal review board is established for each appraisal district.

(b) Except as provided by Subsection (b-1) or (b-2), an appraisal review board consists of three members.

(b-1) An appraisal district board of directors by resolution of a majority of the board's members may increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate.

(b-2) An appraisal district board of directors for a district established in a county with a population of one million or more by resolution of a majority of the board's members shall increase the size of the district's appraisal review board to the number of members the board of directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

(c) To be eligible to serve on the board, an individual must be a resident of the district and must have resided in the district for at least two years.

(d) Members of the board are appointed by the local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which the appraisal district is established. A vacancy on the board is filled in the same manner for the unexpired portion of the term.

(d-1) All applications submitted to the appraisal district or to the appraisal review board from persons seeking appointment as a member of the appraisal review board 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 for appointment to or a member of the board owes any delinquent ad valorem taxes to a taxing unit participating in the appraisal district.

(d-2) A local administrative district judge may make appointments to the board directly or may, by written order, appoint from three to five persons to perform the duties of appraisal review board commissioner. If the local administrative district judge chooses to appoint appraisal review board commissioners, each commissioner shall possess the same qualifications as those required of an appraisal review board member.

(d-3) The local administrative judge shall cause the proper officer to notify appointees to the board of their appointment, and when and where they are to appear.

(d-4) If appraisal review board commissioners are appointed under Subsection (d-2), they shall meet as directed by the local administrative district judge in order to complete their duties.

(d-5) The appraisal district of the county shall provide to the local administrative district judge, or to the appraisal review board commissioners, as the case may be, the number of appraisal review board positions that require appointment and shall provide whatever reasonable assistance is requested by the local administrative district judge or the commissioners.

(d-6) An appraisal review board commissioner is not disqualified from serving as a member of the appraisal review board.

(d-7) If appraisal review board commissioners are appointed under this section, the commissioners shall return a list of proposed appraisal review board members to the local administrative district judge at a time directed by such local administrative judge, but in no event later than January 1 of each year. Such list shall be composed of no less than five (5) names in excess of the number of appraisal review board positions to be filled by the local administrative district judge. The local administrative judge may accept the proposed names, or reject the proposed list and return the proposed list to the commissioners upon which the commissioners shall propose a revised list until the local administrative judge accepts the list.

(d-8) Any appraisal review board commissioners appointed pursuant to this section shall hold office for a term of one year beginning January 1. A commissioner may be appointed to successive terms at the discretion of the local administrative district judge.

(d-9) In selecting individuals who are to serve as members of the appraisal review board for an appraisal district described by Subsection (b-2), the local administrative district judge shall select an adequate number of qualified individuals to permit the chairman of the appraisal review board to fill the positions on each special panel established under Section 6.425.

(d-10) Upon selection of the individuals who are to serve as members of the appraisal review board, the local administrative district judge shall enter an appropriate order designating such members and setting each member's respective term of office, as provided elsewhere in this section.

(e) Members of the board hold office for terms of two years beginning January 1. The appraisal district board of directors by resolution shall provide for staggered terms, so that the terms of as close to one-half of the members as possible expire each year. In making the initial or subsequent appointments, the local administrative district judge or the judge's designee shall designate those members who serve terms of one year as needed to comply with this subsection.

NOTE: SB 63 and HB 2941 amend Sec. 6.41(f). Below is a combination of both bills.

(f) A member of the appraisal review board may be removed from the board by the local administrative district judge or the judge's designee. Not later than the 90th day after the date the board of directors, local administrative district judge, or judge's designee that appointed a member of the appraisal review board learns of a potential ground for removal of the member, the board of directors, local administrative district judge, or judge's designee, as applicable, shall remove the member or find by official action that the member's removal is not warranted. Grounds for removal are:

- (1) a violation of Section 6.412, 6.413, 41.66(f), or 41.69;
- (2) good cause relating to the attendance of members at called meetings of the board as established by written policy adopted by a majority of the appraisal district board of directors; or
- (3) evidence of repeated bias or misconduct.

(g) Subsection (a) does not preclude the boards of directors of two or more adjoining appraisal districts from providing for the operation of a consolidated appraisal review board by interlocal contract. Members of a consolidated

appraisal review board are appointed jointly by the local administrative district judges in the counties in which the appraisal districts that are parties to the contract are established.

(h) When adjoining appraisal districts by interlocal contract have provided for the operation of a consolidated appraisal review board:

(1) a reference in this or another section of this code to the appraisal district means the adjoining appraisal districts;

(2) a reference in this or another section of this code to the appraisal district board of directors means the boards of directors of the adjoining appraisal districts;

(3) a provision of this code that applies to an appraisal review board also applies to the consolidated appraisal review board; and

(4) a reference in this code to the appraisal review board shall be construed to also refer to the consolidated appraisal review board.

(i) A chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, a property tax consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district judge regarding the appointment of appraisal review board members. This subsection does not apply to:

(1) a communication between a member of the appraisal review board and the local administrative district judge regarding the member's reappointment to the board;

(2) a communication between the taxpayer liaison officer for the appraisal district and the local administrative district judge in the course of the performance of the officer's clerical duties so long as the officer does not offer an opinion or comment regarding the appointment of appraisal review board members;

(3) a communication between a chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge regarding information relating to or described by Subsection (d-1), (d-5), or (f) of this section or Section 411.1296, Government Code;

(4) a communication between a property tax consultant or a property owner or an agent of the property owner and the taxpayer liaison officer for the appraisal district regarding information relating to or described by Subsection (f). The taxpayer liaison officer for the appraisal district shall report the contents of the communication relating to or described by Subsection (f) to the local administrative district judge; or

(5) a communication between a property tax consultant or a property owner or an agent of the property owner and the local administrative district judge regarding information relating to or described by Subsection (f).

(j) A chief appraiser or another employee or agent of an appraisal district commits an offense if the person communicates with a member of the appraisal review board for the appraisal district, a member of the board of directors of the appraisal district, or the local administrative district judge regarding a ranking, scoring, or reporting of the percentage by which the appraisal review board or a panel of the board reduces the appraised value of property.

(k) An offense under Subsection (i) or (j) is a Class A misdemeanor.

Sec. 6.412. Restrictions on Eligibility of Board Members.

(a) An individual is ineligible to serve on an appraisal review board if the individual:

(1) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district for which the appraisal review board is established;

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

(A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or

(B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065; or

(3) is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573, Government Code, to a member of:

(A) the appraisal district's board of directors; or

(B) the appraisal review board.

(b) A member of an appraisal review board commits an offense if the board member continues to hold office knowing that an individual related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to the board member is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district for which the appraisal review board is established. An offense under this subsection is a Class B misdemeanor.

(c) A person is ineligible to serve on the appraisal review board if the person is a member of the board of directors, an officer, or employee of the appraisal district, an employee of the comptroller, or a member of the governing body, officer, or employee of a taxing unit.

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county with a population of 120,000 or more if the person:

(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

(2) served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer;

(3) appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed; or

(4) served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

(e) [Repealed.]

(f) [Repealed by Acts 2013, 83rd Leg., ch. 632 (H.B. 326), § 2, effective June 14, 2013.]

CHAPTER 11 Taxable Property and Exemptions

Sec. 11.131. Residence Homestead of 100 Percent or Totally Disabled Veteran.

(a) In this section:

(1) "Disabled veteran" has the meaning assigned by Section 11.22.

(2) "Residence homestead" has the meaning assigned by Section 11.13.

(3) "Surviving spouse" means the individual who was married to a disabled veteran at the time of the veteran's death.

(b) **[Effective January 1, 2022]** A disabled veteran who has been awarded by the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

(c) The surviving spouse of a disabled veteran who qualified for an exemption under Subsection (b) when the disabled veteran died, or of a disabled veteran who would have qualified for an exemption under that subsection if that subsection had been in effect on the date the disabled veteran died, is entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied, or to which the disabled veteran's exemption would have applied if the exemption had been authorized on the date the disabled veteran died, if:

(1) the surviving spouse has not remarried since the death of the disabled veteran; and

(2) the property:

(A) was the residence homestead of the surviving spouse when the disabled veteran died;

and

(B) remains the residence homestead of the surviving spouse.

(d) If a surviving spouse who qualifies for an exemption under Subsection (c) subsequently qualifies a different property as the surviving spouse's residence homestead, the surviving spouse is entitled to an exemption from taxation of the subsequently qualified homestead in an amount equal to the dollar amount of the exemption from taxation of the former homestead under Subsection (c) in the last year in which the surviving spouse received an exemption under that subsection for that homestead if the surviving spouse has not remarried since the death of the disabled veteran. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the former residence homestead was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

Sec. 11.133. Residence Homestead of Surviving Spouse of Member of Armed Services Killed in Line of Duty. [Effective January 1, 2022]

(a) In this section:

(1) "Residence homestead" has the meaning assigned by Section 11.13.

(2) "Surviving spouse" means the individual who was married to a member of the armed services of the United States at the time of the member's death.

(b) **[Effective January 1, 2022]** The surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the member of the armed services.

(c) A surviving spouse who receives an exemption under Subsection (b) for a residence homestead is entitled to receive an exemption from taxation of a property that the surviving spouse subsequently qualifies as the surviving spouse's residence homestead in an amount equal to the dollar amount of the exemption from taxation of the first property for which the surviving spouse received the exemption under Subsection (b) in the last year in which the surviving spouse received that exemption if the surviving spouse has not remarried since the death of the

member of the armed services. The surviving spouse is entitled to receive from the chief appraiser of the appraisal district in which the first property for which the surviving spouse claimed the exemption was located a written certificate providing the information necessary to determine the amount of the exemption to which the surviving spouse is entitled on the subsequently qualified homestead.

Sec. 11.145. Income-Producing Tangible Personal Property Having Value of Less Than \$2,500. [Effective January 1, 2022]

(a) [Effective January 1, 2022] A person is entitled to an exemption from taxation of the tangible personal property the person owns that is held or used for the production of income if that property has a taxable value of less than \$2,500.

(b) The exemption provided by Subsection (a) applies to each separate taxing unit in which a person holds or uses tangible personal property for the production of income, and, for the purposes of Subsection (a), all property in each taxing unit is aggregated to determine taxable value.

Sec. 11.18. Charitable Organizations.

(a) An organization that qualifies as a charitable organization as provided by this section is entitled to an exemption from taxation of:

- (1) the buildings and tangible personal property that:
 - (A) are owned by the charitable organization; and
 - (B) except as permitted by Subsection (b), are used exclusively by qualified charitable organizations; and
- (2) the real property owned by the charitable organization consisting of:
 - (A) an incomplete improvement that:
 - (i) is under active construction or other physical preparation; and
 - (ii) is designed and intended to be used exclusively by qualified charitable organizations; and
 - (B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement by qualified charitable organizations.

(b) Use of exempt property by persons who are not charitable organizations qualified as provided by this section does not result in the loss of an exemption authorized by this section if the use is incidental to use by qualified charitable organizations and limited to activities that benefit the beneficiaries of the charitable organizations that own or use the property.

(c) To qualify as a charitable organization for the purposes of this section, an organization, whether operated by an individual, or as a corporation, foundation, trust, or association, must meet the applicable requirements of Subsections (d), (e), (f), and (g).

(d) A charitable organization must be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) and (i), engage exclusively in performing one or more of the following charitable functions:

- (1) providing medical care without regard to the beneficiaries' ability to pay, which in the case of a nonprofit hospital or hospital system means providing charity care and community benefits in accordance with Section 11.1801;
- (2) providing support or relief to orphans, delinquent, dependent, or handicapped children in need of residential care, abused or battered spouses or children in need of temporary shelter, the impoverished, or victims of natural disaster without regard to the beneficiaries' ability to pay;
- (3) providing support without regard to the beneficiaries' ability to pay to:
 - (A) elderly persons, including the provision of:
 - (i) recreational or social activities; and
 - (ii) facilities designed to address the special needs of elderly persons; or
 - (B) the handicapped, including training and employment:
 - (i) in the production of commodities; or
 - (ii) in the provision of services under 41 U.S.C. Sections 8501-8506;
- (4) preserving a historical landmark or site;
- (5) promoting or operating a museum, zoo, library, theater of the dramatic or performing arts, or symphony orchestra or choir;
- (6) promoting or providing humane treatment of animals;
- (7) acquiring, storing, transporting, selling, or distributing water for public use;
- (8) answering fire alarms and extinguishing fires with no compensation or only nominal compensation to the members of the organization;
- (9) promoting the athletic development of boys or girls under the age of 18 years;
- (10) preserving or conserving wildlife;
- (11) promoting educational development through loans or scholarships to students;
- (12) providing halfway house services pursuant to a certification as a halfway house by the parole division of the Texas Department of Criminal Justice;

(13) providing permanent housing and related social, health care, and educational facilities for persons who are 62 years of age or older without regard to the residents' ability to pay;

(14) promoting or operating an art gallery, museum, or collection, in a permanent location or on tour, that is open to the public;

(15) providing for the organized solicitation and collection for distributions through gifts, grants, and agreements to nonprofit charitable, education, religious, and youth organizations that provide direct human, health, and welfare services;

(16) performing biomedical or scientific research or biomedical or scientific education for the benefit of the public;

(17) operating a television station that produces or broadcasts educational, cultural, or other public interest programming and that receives grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended;

(18) providing housing for low-income and moderate-income families, for unmarried individuals 62 years of age or older, for handicapped individuals, and for families displaced by urban renewal, through the use of trust assets that are irrevocably and, pursuant to a contract entered into before December 31, 1972, contractually dedicated on the sale or disposition of the housing to a charitable organization that performs charitable functions described by Subdivision (9);

(19) providing housing and related services to persons who are 62 years of age or older in a retirement community, if the retirement community provides independent living services, assisted living services, and nursing services to its residents on a single campus:

(A) without regard to the residents' ability to pay; or

(B) in which at least four percent of the retirement community's combined net resident revenue is provided in charitable care to its residents;

(20) providing housing on a cooperative basis to students of an institution of higher education if:

(A) the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by being listed as an exempt entity under Section 501(c)(3) of that code;

(B) membership in the organization is open to all students enrolled in the institution and is not limited to those chosen by current members of the organization;

(C) the organization is governed by its members; and

(D) the members of the organization share the responsibility for managing the housing;

(21) acquiring, holding, and transferring unimproved real property under an urban land bank demonstration program established under Chapter 379C, Local Government Code, as or on behalf of a land bank;

(22) acquiring, holding, and transferring unimproved real property under an urban land bank program established under Chapter 379E, Local Government Code, as or on behalf of a land bank;

(23) providing housing and related services to individuals who:

(A) are unaccompanied and homeless and have a disabling condition; and

(B) have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years;

(24) operating a radio station that broadcasts educational, cultural, or other public interest programming, including classical music, and that in the preceding five years has received or been selected to receive one or more grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended; or

(25) providing, without regard to the beneficiaries' ability to pay, tax return preparation services and assistance with other financial matters.

(e) A charitable organization must be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain and, if the organization performs one or more of the charitable functions specified by Subsection (d) other than a function specified by Subdivision (1), (2), (8), (9), (12), (16), or (18), be organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes).

(f) A charitable organization must:

(1) use its assets in performing the organization's charitable functions or the charitable functions of another charitable organization; and

(2) by charter, bylaw, or other regulation adopted by the organization to govern its affairs direct that on discontinuance of the organization by dissolution or otherwise:

(A) the assets are to be transferred to this state, the United States, or an educational, religious, charitable, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986, as amended; or

(B) if required for the organization to qualify as a tax-exempt organization under Section 501(c)(12), Internal Revenue Code of 1986, as amended, the assets are to be transferred directly to the organization's members, each of whom, by application for an acceptance of membership in

the organization, has agreed to immediately transfer those assets to this state or to an educational, religious, charitable, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1986, as amended, as designated in the bylaws, charter, or regulation adopted by the organization.

- (g) A charitable organization that performs a charitable function specified by Subsection (d)(15) must:
- (1) be affiliated with a state or national organization that authorizes, approves, or sanctions volunteer charitable fundraising organizations;
 - (2) qualify for exemption under Section 501(c)(3), Internal Revenue Code of 1986, as amended;
 - (3) be governed by a volunteer board of directors; and
 - (4) distribute contributions to at least five other associations to be used for general charitable purposes, with all recipients meeting the following criteria:
 - (A) be governed by a volunteer board of directors;
 - (B) qualify for exemption under Section 501(c)(3), Internal Revenue Code of 1986, as amended;
 - (C) receive a majority of annual revenue from private or corporate charitable gifts and government agencies; and
 - (D) provide services without regard to the ability of persons receiving the services to pay for the services.

(h) Performance of noncharitable functions by a charitable organization that owns or uses exempt property does not result in loss of an exemption authorized by this section if those other functions are incidental to the organization's charitable functions. The division of responsibilities between an organization that qualifies as a charitable organization under Subsection (c) and another organization will not disqualify the organizations or any property owned or used by either organization from receiving an exemption under this section if the collaboration furthers the provision of one or more of the charitable functions described in Subsection (d) and if the other organization:

- (1) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;
- (2) meets the criteria for a charitable organization under Subsections (e) and (f); and
- (3) is under common control with the charitable organization described in this subsection.

(i) In this section, "building" includes the land that is reasonably necessary for use of, access to, and ornamentation of the building.

(j) The exemption of an organization preserving or conserving wildlife is limited to land and improvements and may not exceed 1,000 acres in any one county.

(k) In connection with a nursing home or retirement community, for purposes of Subsection (d):

(1) "Assisted living services" means responsible adult supervision of or assistance with routine living functions of an individual in instances where the individual's condition necessitates that supervision or assistance.

(2) "Charity care," "government-sponsored indigent health care," and "net resident revenue" are determined in the same manner for a retirement community or nursing home as for a hospital under Section 11.1801(a)(2).

(3) "Nursing care services" includes services provided by nursing personnel, including patient observation, the promotion and maintenance of health, prevention of illness or disability, guidance and counseling to individuals and families, and referral of patients to physicians, other health care providers, or community resources if appropriate.

(4) "Retirement community" means a collection of various types of housing that are under common ownership and designed for habitation by individuals over the age of 62.

(5) "Single campus" means a facility designed to provide multiple levels of retirement housing that is geographically situated on a site at which all levels of housing are contiguous to each other on a single property.

(l) A charitable organization described by Subsection (d)(3) that provides support to elderly persons must engage primarily in performing charitable functions described by Subsection (d)(3), but may engage in other activities that support or are related to its charitable functions.

(m) A property may not be exempted under Subsection (a)(2) for more than three years.

(n) For purposes of Subsection (a)(2), an incomplete improvement is under physical preparation if the charitable organization has:

- (1) engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement; or
- (2) conducted an environmental or land use study relating to the construction of the improvement.

(o) For purposes of Subsection (a)(2), real property acquired, held, and transferred by an organization that performs the function described by Subsection (d)(21) or (22) is considered to be used exclusively by the qualified charitable organization to perform that function.

(p) **[Effective January 1, 2022]** The exemption authorized by Subsection (d)(23) applies only to property that:

- (1) is owned by a charitable organization that has been in existence for at least:
 - (A) 20 years if the property is located in a county described by Subdivision (4)(A); or
 - (B) two years if the property is located in a municipality described by Subdivision (4)(B);
- (2) is located on a tract of land that:
 - (A) is at least 15 acres in size; and
 - (B) was either:
 - (i) owned by the organization on July 1, 2021; or
 - (ii) acquired by donation and owned by the organization on January 1, 2023;
- (3) is used to provide permanent housing and related services to individuals described by that subsection; and
- (4) is located in:
 - (A) a county with a population of more than one million and less than 1.5 million; or
 - (B) a municipality with a population of more than 100,000 and less than 150,000 at least part of which is located in a county with a population of less than 5,000.

(p-1) Notwithstanding Subsection (a)(1), the exemption authorized by Subsection (d)(23) applies to real property regardless of whether the real property is considered to constitute a building within the meaning of this section.

(q) Real property owned by a charitable organization and leased to an institution of higher education, as defined by Section 61.003, Education Code, is exempt from taxation to the same extent as the property would be exempt if the property were owned by the institution.

Sec. 11.20. Religious Organizations.

(a) An organization that qualifies as a religious organization as provided by Subsection (c) is entitled to an exemption from taxation of:

- (1) the real property that is owned by the religious organization, is used primarily as a place of regular religious worship, and is reasonably necessary for engaging in religious worship;
- (2) the tangible personal property that is owned by the religious organization and is reasonably necessary for engaging in worship at the place of worship specified in Subdivision (1);
- (3) the real property that is owned by the religious organization and is reasonably necessary for use as a residence (but not more than one acre of land for each residence) if the property:
 - (A) is used exclusively as a residence for those individuals whose principal occupation is to serve in the clergy of the religious organization; and
 - (B) produces no revenue for the religious organization;
- (4) the tangible personal property that is owned by the religious organization and is reasonably necessary for use of the residence specified by Subdivision (3);
- (5) the real property owned by the religious organization consisting of:
 - (A) an incomplete improvement that is under active construction or other physical preparation and that is designed and intended to be used by the religious organization as a place of regular religious worship when complete; and
 - (B) the land on which the incomplete improvement is located that will be reasonably necessary for the religious organization's use of the improvement as a place of regular religious worship;
- (6) the land that the religious organization owns for the purpose of expansion of the religious organization's place of regular religious worship or construction of a new place of regular religious worship if:
 - (A) the religious organization qualifies other property, including a portion of the same tract or parcel of land, owned by the organization for an exemption under Subdivision (1) or (5); and
 - (B) the land produces no revenue for the religious organization; and
- (7) the real property owned by the religious organization that is leased to another person and used by that person for the operation of a school that qualifies as a school under Section 11.21(d).

(b) An organization that qualifies as a religious organization as provided by Subsection (c) of this section is entitled to an exemption from taxation of those endowment funds the organization owns that are used exclusively for the support of the religious organization and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(c) To qualify as a religious organization for the purposes of this section, an organization (whether operated by an individual, as a corporation, or as an association) must:

- (1) be organized and operated primarily for the purpose of engaging in religious worship or promoting the spiritual development or well-being of individuals;
- (2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain;

(3) use its assets in performing the organization's religious functions or the religious functions of another religious organization; and

(4) by charter, bylaw, or other regulation adopted by the organization to govern its affairs direct that on discontinuance of the organization by dissolution or otherwise the assets are to be transferred to this state, the United States, or a charitable, educational, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code of 1954, as amended.

(d) Use of property that qualifies for the exemption prescribed by Subsection (a)(1) or (2) or by Subsection (h)(1) for occasional secular purposes other than religious worship does not result in loss of the exemption if the primary use of the property is for religious worship and all income from the other use is devoted exclusively to the maintenance and development of the property as a place of religious worship.

(e) For the purposes of this section, "religious worship" means individual or group ceremony or meditation, education, and fellowship, the purpose of which is to manifest or develop reverence, homage, and commitment in behalf of a religious faith.

(f) A property may not be exempted under Subsection (a)(5) for more than three years.

(g) For purposes of Subsection (a)(5), an incomplete improvement is under physical preparation if the religious organization has engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the improvement or has conducted an environmental or land use study relating to the construction of the improvement.

(h) Property owned by this state or a political subdivision of this state, including a leasehold or other possessory interest in the property, that is held or occupied by an organization that qualifies as a religious organization as provided by Subsection (c) is entitled to an exemption from taxation if the property:

(1) is used by the organization primarily as a place of regular religious worship and is reasonably necessary for engaging in religious worship; or

(2) meets the qualifications for an exemption under Subsection (a)(5).

(i) For purposes of the exemption provided by Subsection (h), the religious organization may apply for the exemption and take other action relating to the exemption as if the organization owned the property.

(j) **[Effective January 1, 2022]** A tract of land that is contiguous to the tract of land on which the religious organization's place of regular religious worship is located may not be exempted under Subsection (a)(6) for more than 10 years. A tract of land that is not contiguous to the tract of land on which the religious organization's place of regular religious worship is located may not be exempted under Subsection (a)(6) for more than three years. For purposes of this subsection, a tract of land is considered to be contiguous with another tract of land if the tracts are divided only by a road, railroad track, river, or stream.

(k) For purposes of Subsection (a)(6), an application or statement accompanying an application for the exemption stating that the land is owned for the purposes described by Subsection (a)(6) and signed by an authorized officer of the organization is sufficient to establish that the land is owned for those purposes.

Sec. 11.211. Real Property Leased to Certain Schools. [Effective January 1, 2022]

The portion of real property that is leased to an independent school district, community college district, or open-enrollment charter school authorized by Subchapter C, D, or E, Chapter 12, Education Code, is qualified and exempt from taxation pursuant to Sections 11.11 and 11.21 of this code if the portion of the real property that is leased to the public school is:

(1) used exclusively by the public school for the operation or administration of the school or the performance of other educational functions of the school; and

(2) reasonably necessary for a purpose described in Subdivision (1) as found by the school's governing body.

Sec. 11.252. Motor Vehicles Leased for Use Other than Production of Income.

(a) The owner of a motor vehicle that is subject to a lease is entitled to an exemption from taxation of the vehicle if:

(1) the lessee does not hold the vehicle for the production of income; and

(2) the vehicle is used primarily for activities that do not involve the production of income.

(b) For purposes of this section, a motor vehicle is presumed to be used primarily for activities that do not involve the production of income if:

(1) 50 percent or more of the miles the motor vehicle is driven in a year are for non-income producing purposes;

(2) the motor vehicle is leased to this state or a political subdivision of this state; or

(3) the motor vehicle:

(A) is leased to an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code; and

(B) would be exempt from taxation if the vehicle were owned by the organization.

(c) The comptroller by rule shall establish exemption application requirements and appropriate procedures to determine whether a motor vehicle subject to a lease qualifies for an exemption under Subsection (a).

(d) **[Effective January 1, 2022]** In connection with the requirements and procedures under Subsection (c), the comptroller by rule shall adopt a form to be completed by the lessee of a motor vehicle for which the owner of the vehicle may apply for an exemption under Subsection (a). The form shall require a lessee who is an individual to provide the lessee's name, address, and driver's license or personal identification certificate number. The form shall require a lessee that is an entity described by Subsection (b) to provide the lessee's name, address, and, if applicable, federal tax identification number. The form shall require a lessee who is an individual, or the authorized representative of a lessee that is an entity described by Subsection (b), to certify, either under oath or by written, unsworn declaration, that the lessee does not hold the vehicle for the production of income and that the vehicle is used primarily for activities that do not involve the production of income. The comptroller shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making a false statement on the form.

(e) The owner of a motor vehicle that is subject to a lease shall maintain the form, an electronic image of the form, or a certified copy of the form completed by the lessee of the vehicle and make the form, electronic image, or certified copy available for inspection and copying by the chief appraiser of the applicable appraisal district at all reasonable times. If the owner does not maintain a completed form, electronic image of the completed form, or certified copy of the completed form relating to the vehicle, the owner:

(1) must render the vehicle for taxation in the applicable rendition statement or property report filed by the owner under Chapter 22; and

(2) may not file an application for an exemption under Subsection (a) for the vehicle.

(f) The governing body of a municipality by ordinance adopted before January 1, 2002, may provide for the taxation of leased motor vehicles otherwise exempted under Subsection (a). If the governing body of a municipality provides for the taxation of leased motor vehicles under this subsection, the exemption provided by Subsection (a) does not apply to that municipality.

(g) [Repealed by Acts 2003, 78th Leg., ch. 866 (S.B. 658), § 1, effective June 20, 2003.]

(h) In this section:

(1) "Lease" has the meaning assigned by Section 152.001(6).

(2) "Motor vehicle" means a passenger car or truck with a shipping weight of not more than 9,000 pounds.

(i) In addition to the requirements of Subsections (c) and (d), the comptroller by rule shall prescribe a property report form to be completed by the lessor describing the leased motor vehicles that the lessor owns. The property report form shall require the lessor to list each leased vehicle the lessor owns on January 1, to provide the year, make, model, and vehicle identification number of each leased vehicle, and to provide the name of the lessee, the address at which the vehicle is kept, and an indication of whether the lessee has designated the vehicle as not held for the production and not used for the production of income.

(j) The lessor shall provide the chief appraiser with the completed property report form adopted by the comptroller in the manner provided by Subchapter B, Chapter 22.

Sec. 11.253. Tangible Personal Property in Transit.

(a) In this section:

(1) "Dealer's motor vehicle inventory," "dealer's vessel and outboard motor inventory," "dealer's heavy equipment inventory," and "retail manufactured housing inventory" have the meanings assigned by Subchapter B, Chapter 23.

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in this state that are not in any way owned or controlled by the owner of the personal property for the account of the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

(3) "Location" means a physical address.

(4) "Petroleum product" means a liquid or gaseous material that is an immediate derivative of the refining of oil or natural gas.

(5) "Bailee" and "warehouse" have the meanings assigned by Section 7.102, Business & Commerce Code.

(6) "Public warehouse operator" means a person that:

(A) is both a bailee and a warehouse; and

(B) stores under a contract of bailment, at one or more public warehouse facilities, tangible personal property that is owned by other persons solely for the account of those persons and not for the operator's account.

(b) A person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit.

(c) The exemption provided by Subsection (b) is subtracted from the market value of the property determined under Section 23.01 or 23.12, as applicable, to determine the taxable value of the property.

(d) Except as provided by Subsections (f) and (g), the chief appraiser shall determine the appraised value of goods-in-transit under this subsection. The chief appraiser shall determine the percentage of the market value of tangible personal property owned by the property owner and used for the production of income in the preceding calendar year that was contributed by goods-in-transit. For the first year in which the exemption applies to a taxing unit, the chief appraiser shall determine that percentage as if the exemption applied in the preceding year. The chief appraiser shall apply that percentage to the market value of the property owner's tangible personal property used for the production of income for the current year to determine the appraised value of goods-in-transit for the current year.

(e) In determining the market value of goods-in-transit that in the preceding year were stored in this state, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held by the owner of the component parts during the preceding year at a location in this state that was not owned by or under the control of the owner of the component parts in determining whether the component parts were transported to another location in this state or outside this state before the expiration of 175 days.

(f) If the property owner was not engaged in transporting goods-in-transit to another location in this state or outside this state for the entire preceding year, the chief appraiser shall calculate the percentage of the market value described in Subsection (d) for the portion of the year in which the property owner was engaged in transporting goods-in-transit to another location in this state or outside this state.

(g) If the property owner or the chief appraiser demonstrates that the method provided by Subsection (d) significantly understates or overstates the market value of the property qualified for an exemption under Subsection (b) in the current year, the chief appraiser shall determine the market value of the goods-in-transit to be exempt by determining, according to the property owner's records and any other available information, the market value of those goods-in-transit owned by the property owner on January 1 of the current year, excluding the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state.

(h) The chief appraiser by written notice delivered to a property owner who claims an exemption under this section may require the property owner to provide copies of property records so the chief appraiser can determine the amount and value of goods-in-transit and that the location in this state where the goods-in-transit were detained for storage was not owned by or under the control of the owner of the goods-in-transit. If the property owner fails to deliver the information requested in the notice before the 31st day after the date the notice is delivered to the property owner, the property owner forfeits the right to claim or receive the exemption for that year.

(i) Property that meets the requirements of this section constitutes goods-in-transit regardless of whether the person who owns the property on January 1 is the person who transports the property to another location in this state or outside this state.

(j) The governing body of a taxing unit, in the manner required for official action by the governing body, may provide for the taxation of goods-in-transit exempt under Subsection (b) and not exempt under other law. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit, or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-1) Notwithstanding Subsection (j) or official action that was taken under that subsection before October 1, 2011, to tax goods-in-transit exempt under Subsection (b) and not exempt under other law, a taxing unit may not tax such goods-in-transit in a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes action on or after October 1, 2011, in the manner required for official action by the governing body, to provide for the taxation of the goods-in-transit. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-2) Notwithstanding Subsection (j-1), if under Subsection (j) the governing body of a taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, the tax officials of the taxing unit may continue to impose the taxes against the goods-in-transit until the debt is discharged, if cessation of the imposition would impair the obligation of the contract by which the debt was created.

(k) A property owner who receives the exemption from taxation provided by Subsection (b) is not eligible to receive the exemption from taxation provided by Section 11.251 for the same property.

(l) **[Effective January 1, 2022]** [Expires December 31, 2025] This subsection applies only to a taxing unit any part of which is located in an area designated a disaster area by a disaster declaration issued under Section 418.014 or 418.108, Government Code, on or after January 1, 2020. Notwithstanding Subsections (a)(2)(C), (e), and (g), the governing body of a taxing unit, in the manner provided by law for official action, may extend the date by which goods-in-transit must be transported to another location in this state or outside this state to a date not later than the 270th day after the date the person acquired the property in or imported the property into this state. An extension adopted by official action under this subsection applies only to:

- (1) the exemption from ad valorem taxation by the taxing unit adopting the extension; and
- (2) the tax year in which the extension is adopted.

(m) **[Effective January 1, 2022]** [Expires December 31, 2025] This subsection and Subsection (l) expire December 31, 2025.

Sec. 11.27. Solar and Wind-Powered Energy Devices.

(a) A person is entitled to an exemption from taxation of the amount of appraised value of real property owned by the person that arises from the installation or construction on the property of a solar or wind-powered energy device that is primarily for production and distribution of energy for on-site use.

(a-1) A person is entitled to an exemption from taxation of the appraised value of a solar or wind-powered energy device owned by the person that is installed or constructed on real property and is primarily for production and distribution of energy for on-site use regardless of whether the person owns the real property on which the device is installed or constructed.

(b) The comptroller, with the assistance of the Texas Energy and Natural Resources Advisory Council, or its successor, shall develop guidelines to assist local officials in the administration of this section.

(c) In this section:

(1) "Solar energy device" means an apparatus designed or adapted to convert the radiant energy from the sun, including energy imparted to plants through photosynthesis employing the bioconversion processes of anaerobic digestion, gasification, pyrolysis, or fermentation, but not including direct combustion, into thermal, mechanical, or electrical energy; to store the converted energy, either in the form to which originally converted or another form; or to distribute radiant solar energy or the energy to which the radiant solar energy is converted.

(2) "Wind-powered energy device" means an apparatus designed or adapted to convert the energy available in the wind into thermal, mechanical, or electrical energy; to store the converted energy, either in the form to which originally converted or another form; or to distribute the converted energy.

Sec. 11.35. Temporary Exemption for Qualified Property Damaged by Disaster.

(a) In this section:

(1) "Damage" means physical damage.

(2) "Qualified property" means property that:

(A) consists of:

(i) tangible personal property used for the production of income;

(ii) an improvement to real property; or

(iii) a manufactured home as that term is defined by Section 1201.003, Occupations Code, that is used as a dwelling, regardless of whether the owner of the manufactured home elects to treat the manufactured home as real property under Section 1201.2055, Occupations Code;

(B) is located in an area declared by the governor to be a disaster area following a disaster;

(C) is at least 15 percent damaged by the disaster, as determined by the chief appraiser under this section; and

(D) for property described by Paragraph (A)(i), is the subject of a rendition statement or property report filed by the property owner under Section 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred.

(b) A person is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of qualified property that the person owns in an amount determined under Subsection (h).

(c) [Repealed.]

(d) [Repealed.]

(e) [Repealed.]

(f) On receipt of an application for the exemption authorized by this section, the chief appraiser shall determine whether any item of qualified property that is the subject of the application is at least 15 percent damaged by the disaster and assign to each such item of qualified property a damage assessment rating of Level I, Level II, Level III, or Level IV, as appropriate, as provided by Subsection (g). In determining the appropriate damage assessment rating, the chief appraiser may rely on information provided by a county emergency management authority, the Federal Emergency Management Agency, or any other source the chief appraiser considers appropriate.

(g) The chief appraiser shall assign to an item of qualified property:

(1) a Level I damage assessment rating if the property is at least 15 percent, but less than 30 percent, damaged, meaning that the property suffered minimal damage and may continue to be used as intended;

(2) a Level II damage assessment rating if the property is at least 30 percent, but less than 60 percent, damaged, which, for qualified property described by Subsection (a)(2)(A)(ii) or (iii), means that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;

(3) a Level III damage assessment rating if the property is at least 60 percent damaged but is not a total loss, which, for qualified property described by Subsection (a)(2)(A)(ii) or (iii), means that the property has suffered significant structural damage requiring extensive repair due to the failure or partial failure of structural elements, wall elements, or the foundation, or the waterline is at least 18 inches above the floor; or

(4) a Level IV damage assessment rating if the property is a total loss, meaning that repair of the property is not feasible.

(h) Subject to Subsection (i), the amount of the exemption authorized by this section for an item of qualified property is determined by multiplying the appraised value, determined for the tax year in which the disaster occurred, of the property by:

(1) 15 percent, if the property is assigned a Level I damage assessment rating;

(2) 30 percent, if the property is assigned a Level II damage assessment rating;

(3) 60 percent, if the property is assigned a Level III damage assessment rating; or

(4) 100 percent, if the property is assigned a Level IV damage assessment rating.

(i) If a person qualifies for the exemption authorized by this section after the beginning of the tax year, the amount of the exemption is calculated by multiplying the amount determined under Subsection (h) by a fraction, the denominator of which is 365 and the numerator of which is the number of days remaining in the tax year after the day on which the governor first declares the area in which the person's qualified property is located to be a disaster area, including the day on which the governor makes the declaration.

(j) If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each applicable taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due. No interest is due on an amount refunded under this subsection.

(k) The exemption authorized by this section expires as to an item of qualified property on January 1 of the first tax year in which the property is reappraised under Section 25.18.

Sec. 11.43. Application for Exemption.

(a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.141, 11.145, 11.146, 11.15, 11.16, 11.161, or 11.25, must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs.

(b) Except as provided by Subsection (c) and by Sections 11.184 and 11.437, a person required to apply for an exemption must apply each year the person claims entitlement to the exemption.

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, or 11.35, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

(d) **[Effective January 1, 2022]** To receive an exemption the eligibility for which is determined by the claimant's qualifications on January 1 of the tax year, a person required to claim an exemption must file a completed exemption application form before May 1 and must furnish the information required by the form. A person who after January 1 of a tax year acquires property that qualifies for an exemption covered by Section 11.42(d) or (f) must apply for the exemption for the applicable portion of that tax year before the first anniversary of the date the person acquires the property. For good cause shown the chief appraiser may extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days.

(e) Except as provided by Section 11.422, 11.431, 11.433, 11.434, 11.435, or 11.439, or 11.4391, if a person required to apply for an exemption in a given year fails to file timely a completed application form, the person may not receive the exemption for that year.

(f) The comptroller, in prescribing the contents of the application form for each kind of exemption, shall ensure that the form requires an applicant to furnish the information necessary to determine the validity of the exemption claim. The form must require an applicant to provide the applicant's name and driver's license number, personal identification certificate number, or social security account number. If the applicant is a charitable organization with a federal tax identification number, the form must allow the applicant to provide the organization's federal tax identification number in lieu of a driver's license number, personal identification certificate number, or social security account number. The comptroller shall include on the forms a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The comptroller shall include, on application forms for exemptions that do not have to be claimed annually, a statement explaining that the application need not be made annually and that if the exemption is allowed, the applicant has a duty to notify the chief appraiser when the applicant's entitlement to the exemption ends. In this subsection:

(1) "Driver's license" has the meaning assigned that term by Section 521.001, Transportation Code.

(2) "Personal identification certificate" means a certificate issued by the Department of Public Safety under Subchapter E, Chapter 521, Transportation Code.

(g) A person who receives an exemption that is not required to be claimed annually shall notify the appraisal office in writing before May 1 after his entitlement to the exemption ends.

(h) If the chief appraiser learns of any reason indicating that an exemption previously allowed should be canceled, the chief appraiser shall investigate. Subject to Subsection (q), if the chief appraiser determines that the property should not be exempt, the chief appraiser shall cancel the exemption and deliver written notice of the cancellation within five days after the date the exemption is canceled.

(i) If the chief appraiser discovers that an exemption that is not required to be claimed annually has been erroneously allowed in any one of the five preceding years, the chief appraiser shall add the property or appraised value that was erroneously exempted for each year to the appraisal roll as provided by Section 25.21 of this code for other property that escapes taxation. If an exemption that was erroneously allowed did not apply to all taxing units in which the property was located, the chief appraiser shall note on the appraisal records, for each prior year, the taxing units that gave the exemption and are entitled to impose taxes on the property or value that escaped taxation.

(j) In addition to the items required by Subsection (f), an application for a residence homestead exemption prescribed by the comptroller and authorized by Section 11.13 must:

(1) list each owner of the residence homestead and the interest of each owner;

(2) state that the applicant does not claim an exemption under that section on another residence homestead in this state or claim a residence homestead exemption on a residence homestead outside this state;

(3) state that each fact contained in the application is true;

(4) include a copy of the applicant's driver's license or state-issued personal identification certificate unless the applicant:

(A) is a resident of a facility that provides services related to health, infirmity, or aging; or

(B) is certified for participation in the address confidentiality program administered by the attorney general under Subchapter B, Chapter 58, Code of Criminal Procedure;

(5) state that the applicant has read and understands the notice of the penalties required by Subsection (f); and

(6) be signed by the applicant.

(k) A person who qualifies for an exemption authorized by Section 11.13(c) or (d) or 11.132 must apply for the exemption no later than the first anniversary of the date the person qualified for the exemption.

(l) The form for an application under Section 11.13 must include a space for the applicant to state the applicant's date of birth. Failure to provide the date of birth does not affect the applicant's eligibility for an exemption under that section, other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older.

(m) Notwithstanding Subsections (a) and (k), a person who receives an exemption under Section 11.13, other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older, in a tax year is entitled to receive an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older in the next tax year on the same property without applying for the exemption if the person becomes 65 years of age in that next year as shown by:

(1) information in the records of the appraisal district that was provided to the appraisal district by the individual in an application for an exemption under Section 11.13 on the property or in correspondence relating to the property; or

(2) the information provided by the Texas Department of Public Safety to the appraisal district under Section 521.049, Transportation Code.

(m-1) Subsection (m) does not apply if the chief appraiser determines that the individual is no longer entitled to any exemption under Section 11.13 on the property.

(n) Except as provided by Subsection (p), a chief appraiser may not allow an applicant an exemption provided by Section 11.13 if the applicant is required under Subsection (j) to provide a copy of the applicant's driver's license or state-issued personal identification certificate unless the address listed on the driver's license or state-issued personal identification certificate provided by the applicant corresponds to the address of the property for which the exemption is claimed.

(o) The application form for a residence homestead exemption must require an applicant who is not specifically identified on a deed or other appropriate instrument recorded in the real property records of the county in which the property is located as an owner of the residence homestead, including an heir property owner, to provide:

(1) an affidavit establishing the applicant's ownership of an interest in the property;

(2) a copy of the death certificate of the prior owner of the property, if the applicant is an heir property owner;

(3) a copy of the most recent utility bill for the property, if the applicant is an heir property owner;

and

(4) a citation of any court record relating to the applicant's ownership of the property if available.

(o-1) The application form for a residence homestead exemption may not require an heir property owner to provide a copy of an instrument recorded in the real property records of the county in which the property is located.

(o-2) The application form for a residence homestead exemption must require:

(1) an applicant who is an heir property owner to state that the property for which the application is submitted is heir property; and

(2) each owner of an interest in heir property who occupies the property as the owner's principal residence, other than the applicant, to provide an affidavit that authorizes the submission of the application.

(p) A chief appraiser may waive the requirement provided by Subsection (n) that the address of the property for which the exemption is claimed correspond to the address listed on the driver's license or state-issued personal identification certificate provided by the applicant under Subsection (j) if the applicant:

(1) is an active duty member of the armed services of the United States or the spouse of an active duty member and the applicant includes with the application a copy of the applicant's or spouse's military identification card and a copy of a utility bill for the property subject to the claimed exemption in the applicant's or spouse's name; or

(2) holds a driver's license issued under Section 521.121(c) or 521.1211, Transportation Code, and includes with the application a copy of the application for that license provided to the Texas Department of Transportation.

(q) A chief appraiser may not cancel an exemption under Section 11.13 that is received by an individual who is 65 years of age or older without first providing written notice of the cancellation to the individual receiving the exemption. The notice must include a form on which the individual may indicate whether the individual is qualified to receive the exemption and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser. The chief appraiser shall consider the individual's response on the form in determining whether to continue to allow the exemption. If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser may cancel the exemption on or after the 30th day after the expiration of the 60-day period, but only after making a reasonable effort to locate the individual and determine whether the individual is qualified to receive the exemption. For purposes of this subsection, sending an additional notice of cancellation that includes, in bold font equal to or greater in size than the surrounding text, the date on which the chief appraiser is authorized to cancel the exemption to the individual receiving the exemption immediately after the expiration of the 60-day period by first class mail in an envelope on which is written, in all capital letters, "RETURN SERVICE REQUESTED," or another appropriate statement directing the United States Postal Service to return the notice if it is not deliverable as addressed, or providing the additional notice in another manner that the chief appraiser determines is appropriate, constitutes a reasonable effort on the part of the chief appraiser. This subsection does not apply to an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older that is canceled because the chief appraiser determines that the individual receiving the exemption no longer owns the property subject to the exemption.

(r) The chief appraiser may not require a person allowed an exemption under Section 11.131 to file a new application to determine the person's current qualification for the exemption if the person has a permanent total disability determined by the United States Department of Veterans Affairs under 38 C.F.R. Section 4.15.

(s) A person who qualifies for an exemption under Section 11.35(b) must apply for the exemption not later than the 105th day after the date the governor declares the area in which the person's qualified property is located to be a disaster area. The chief appraiser may extend the deadline prescribed by this subsection for good cause shown.

Sec. 11.431. Late Application for Homestead Exemption.

(a) [Effective January 1, 2022] Except as provided by Section 11.439, the chief appraiser shall accept and approve or deny an application for a residence homestead exemption after the deadline for filing it has passed if it is filed not later than two years after the delinquency date for the taxes on the homestead.

(b) If a late application is approved after approval of the appraisal records by the appraisal review board, the chief appraiser shall notify the collector for each unit in which the residence is located not later than the 30th day after the date the late application is approved. The collector shall deduct from the person's tax bill the amount of tax imposed on the exempted amount if the tax has not been paid. If the tax has been paid, the collector shall refund to the person who was the owner of the property on the date the tax was paid the amount of tax imposed on the exempted amount. The collector shall pay the refund not later than the 60th day after the date the chief appraiser notifies the collector of the approval of the exemption. A person is not required to apply for a refund under this subsection to receive the refund.

Sec. 11.439. Late Applications for Disabled Veterans Exemptions. [Effective January 1, 2022]

(a) [Effective January 1, 2022] The chief appraiser shall accept and approve or deny an application for an exemption under Section 11.131 or 11.132 for the residence homestead of a disabled veteran but not the surviving spouse of the disabled veteran or Section 11.22 after the filing deadline provided by Section 11.43 if the application is filed not later than five years after the delinquency date for the taxes on the property.

(b) If a late application is approved after approval of the appraisal records for the year for which the exemption is granted, the chief appraiser shall notify the collector for each taxing unit in which the property was taxable in that year not later than the 30th day after the date the late application is approved. The collector shall correct the taxing unit's tax roll to reflect the amount of tax imposed on the property after applying the exemption and shall deduct from the person's tax bill the amount of tax imposed on the exempted portion of the property for that year. If the tax and any related penalties and interest have been paid, the collector shall pay to the person who was the owner of the property on the date the tax was paid a refund of the tax imposed on the exempted portion of the property and the corresponding portion of any related penalties and interest paid. The collector shall pay the refund not later than the 60th day after the date the chief appraiser notifies the collector of the approval of the exemption.

Sec. 11.45. Action on Exemption Applications.

(a) The chief appraiser shall determine separately each applicant's right to an exemption. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the applicant first qualifies for the exemption or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to the exemption, as the law and facts warrant:

- (1) approve the application and allow the exemption;
- (2) modify the exemption applied for and allow the exemption as modified;
- (3) disapprove the application and request additional information from the applicant in support of the claim; or
- (4) deny the application.

(b) If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information the applicant must provide to the chief appraiser before the chief appraiser can determine the applicant's right to the exemption. The applicant must furnish the information not later than the 30th day after the date of the request or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for exemption filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser modifies or denies an application, the chief appraiser shall deliver a written notice of the modification or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must state and fully explain each reason the chief appraiser modified or denied the application. The notice must include a brief explanation of the procedures for protesting the modification or denial.

(e) If the chief appraiser approves, modifies, or denies an application for an exemption under Section 11.35, the chief appraiser shall deliver a written notice of the approval, modification, or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must include the damage assessment rating assigned by the chief appraiser to each item of qualified property that is the subject of the application and a brief explanation of the procedures for protesting the chief appraiser's determination. If the chief appraiser modifies or denies the application, the notice must state and fully explain each reason the chief appraiser modified or denied the application. The notice required under this subsection is in lieu of any notice that would otherwise be required under Subsection (d).

Sec. 11.50. Provision of Names of Individuals Receiving Residence Homestead Exemption to Another Chief Appraiser.

(a) The chief appraiser of an appraisal district may request that the chief appraiser of another appraisal district provide to the requesting chief appraiser a list of the names of all individuals who currently receive an exemption for a residence homestead in the appraisal district for which the request is made.

(b) A chief appraiser who receives a request under Subsection (a) shall provide the list to the requesting chief appraiser as soon as practicable.

(c) A provision of law making information described by Subsection (a) confidential does not apply to the disclosure of that information under this section to another chief appraiser.

CHAPTER 21 Taxable Situs

Sec. 21.021. Vessels and Other Watercraft.

(a) **[Effective January 1, 2022]** Except as otherwise provided by Section 21.031(b-2), a vessel or other watercraft used as an instrumentality of commerce, as defined by Section 21.031, is taxable pursuant to Section 21.02.

(b) **[Effective January 1, 2022]** A special-purpose vessel or other watercraft not used as an instrumentality of commerce, as defined by Section 21.031, is deemed to be located on January 1 for more than a temporary period for purposes of Section 21.02 in the taxing unit in which it was physically located during the year preceding the tax year. If the vessel or watercraft was physically located in more than one taxing unit during the year preceding the tax year, it is deemed to be located for more than a temporary period for purposes of Section 21.02 in the taxing unit in which it was physically located for the longest period during the year preceding the tax year or for 30 days, whichever is longer. If a vessel or other watercraft is not deemed to be located in any taxing unit on January 1 for more than a temporary period pursuant to this subsection, the property is taxable as provided by Sections 21.02(a)(2) through (4).

(c) This section applies solely to a determination of taxable situs and does not apply to a determination of jurisdiction to tax under Section 11.01 of this code.

Sec. 21.031. Allocation of Taxable Value of Vessels and Other Watercraft Used Outside This State.

(a) If a vessel or other watercraft that is taxable by a taxing unit is used continually outside this state, whether regularly or irregularly, the appraisal office shall allocate to this state the portion of the total market value of the vessel or watercraft that fairly reflects its use in this state. The appraisal office shall not allocate to this state the portion of the total market value of the vessel or watercraft that fairly reflects its use in another state or country, in international waters, or beyond the Gulfward boundary of this state.

(b) **[Effective January 1, 2022]** The appraisal office shall make the allocation as provided by Subsections (b-1), (b-2), and (b-3).

(b-1) **[Effective January 1, 2022]** Except as provided by Subsection (b-2), the allocable portion of the total fair market value of a vessel or other watercraft used as an instrumentality of commerce that is taxable in this state is determined by multiplying the total fair market value by a fraction, the numerator of which is the number of miles the vessel or watercraft was operated in this state during the year preceding the tax year and the denominator of which is the total number of miles the vessel or watercraft was operated during the year preceding the tax year.

(b-2) **[Effective January 1, 2022]** A property owner that operates a fleet of vessels or other watercraft that are used as instrumentalities of commerce may elect in writing submitted to the appraisal office to have the appraisal office make the allocation under this subsection. If the property owner makes the election, the allocable portion of the total fair market value of a vessel or other watercraft that is part of the property owner's fleet, is used as an instrumentality of commerce, is taxable in this state, and has taxable situs at a location in the appraisal district is determined by multiplying the total fair market value of the vessel or other watercraft by a fraction, the numerator of which is the number of miles that all the vessels or other watercraft of the property owner's fleet that are used as instrumentalities of commerce, are taxable in this state, and have taxable situs at a location in the same appraisal district as the vessel or other watercraft the value of which is allocated under this subsection were operated in this state during the year preceding the tax year and the denominator of which is the total number of miles that all the vessels or other watercraft of the property owner's fleet that are used as instrumentalities of commerce, are taxable in this state, and have taxable situs at a location in the same appraisal district as the vessel or other watercraft the value of which is allocated under this subsection were operated during the year preceding the tax year. Notwithstanding Sections 21.02 and 21.021, a property owner that elects to have the appraisal office make the allocation of the property owner's fleet under this subsection may designate the location of the property owner's principal place of business as the taxable situs of the fleet.

(b-3) **[Effective January 1, 2022]** The allocable portion of the total fair market value of a special-purpose vessel or other watercraft not used as an instrumentality of commerce is determined by multiplying the total fair market value by a fraction, the numerator of which is the number of days the vessel or watercraft was physically located in this state during the year preceding the tax year and the denominator of which is 365.

(c) A vessel or other watercraft used as an instrumentality of commerce or a special-purpose vessel or other watercraft not used as an instrumentality of commerce that is used outside this state and is in this state solely to be converted, repaired, stored, or inspected is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02.

(d) If the allocation provisions of this section do not fairly reflect the use of a vessel or other watercraft in this state, an alternate allocation formula shall be utilized if the property owner or appraisal office demonstrates that:

(1) the allocation formula specified in this section is arbitrary and unreasonable as applied to the vessel or watercraft; and

(2) the formula or indication of use proposed by the property owner or appraisal office more fairly reflects the vessel or watercraft's use in this state than that specified in this section.

(e) To receive an allocation of value under this section, a property owner must apply for the allocation on a form that substantially complies with the form prescribed by the comptroller. The application must be filed with the chief appraiser for the district in which the property to which the application applies is taxable before the approval of the appraisal records by the appraisal review board as provided by Section 41.12 of this code.

(f) The comptroller shall promulgate forms and may adopt rules consistent with the provisions of this section.

(g) A vessel or other watercraft to be used as an instrumentality of commerce or a special-purpose vessel or other watercraft not to be used as an instrumentality of commerce that is under construction in this state is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02.

(h) Tangible personal property in this state is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02 if the owner demonstrates to the chief appraiser that the owner intends to incorporate the property in or attach the property to an identified vessel or other watercraft described by Subsection (c) or (g).

(i) **[Effective January 1, 2022]** For purposes of this section:

(1) "Special-purpose vessel or other watercraft not used as an instrumentality of commerce" means a vessel or other watercraft that:

(A) is designed to be transient and customarily is moved from location to location on a more or less regular basis;

(B) is economically employed when operated in a localized area or in a fixed place; and

(C) is not primarily employed to transport cargo, passengers, and equipment but rather to perform some specialized function or operation not requiring constant movement from point to point.

(2) "Vessel or other watercraft used as an instrumentality of commerce" means a vessel or other watercraft that is primarily employed in the transportation of cargo, passengers, or equipment, and that is economically employed when it is moving from point to point as a means of transportation.

CHAPTER 22 Renditions and Other Reports

Sec. 22.01. Rendition Generally.

(a) Except as provided by Chapter 24, a person shall render for taxation all tangible personal property used for the production of income that the person owns or that the person manages and controls as a fiduciary on January 1. A rendition statement shall contain:

(1) the name and address of the property owner;

(2) a description of the property by type or category;

(3) if the property is inventory, a description of each type of inventory and a general estimate of the quantity of each type of inventory;

(4) the physical location or taxable situs of the property; and

(5) the property owner's good faith estimate of the market value of the property or, at the option of the property owner, the historical cost when new and the year of acquisition of the property.

(b) When required by the chief appraiser, a person shall render for taxation any other taxable property that he owns or that he manages and controls as a fiduciary on January 1.

(c) A person may render for taxation any property that he owns or that he manages and controls as a fiduciary on January 1, although he is not required to render it by Subsection (a) or (b) of this section.

(c-1) In this section:

(1) "Secured party" has the meaning assigned by Section 9.102, Business & Commerce Code.

(2) "Security interest" has the meaning assigned by Section 1.201, Business & Commerce Code.

(c-2) With the consent of the property owner, a secured party may render for taxation any property of the property owner in which the secured party has a security interest on January 1, although the secured party is not required to render the property by Subsection (a) or (b). This subsection applies only to property that has a historical cost when new of more than \$50,000.

(d) A fiduciary who renders property shall indicate his fiduciary capacity and shall state the name and address of the owner.

(d-1) A secured party who renders property under Subsection (c-2) shall indicate the party's status as a secured party and shall state the name and address of the property owner. A secured party is not liable for inaccurate information included on the rendition statement if the property owner supplied the information or for failure to timely

file the rendition statement if the property owner failed to promptly cooperate with the secured party. A secured party may rely on information provided by the property owner with respect to:

- (1) the accuracy of information in the rendition statement;
- (2) the appraisal district in which the rendition statement must be filed; and
- (3) compliance with any provisions of this chapter that require the property owner to supply additional information.

(e) Notwithstanding Subsections (a) and (b), a person is not required to render for taxation cotton that:

- (1) the person manages and controls as a fiduciary;
- (2) is stored in a warehouse for which an exemption for cotton has been granted under Section 11.437; and

(3) the person intends to transport outside of the state within the time permitted by Article VIII, Section 1-j, of the Texas Constitution for cotton to qualify for an exemption under that section.

(f) Notwithstanding Subsections (a) and (b), a rendition statement of a person who owns tangible personal property used for the production of income located in the appraisal district that, in the owner's opinion, has an aggregate value of less than \$20,000 is required to contain only:

- (1) the name and address of the property owner;
- (2) a general description of the property by type or category; and
- (3) the physical location or taxable situs of the property.

(g) A person's good faith estimate of the market value of the property under Subsection (a)(5) is solely for the purpose of compliance with the requirement to render tangible personal property and is inadmissible in any subsequent protest, hearing, appeal, suit, or other proceeding under this title involving the property, except for:

- (1) a proceeding to determine whether the person complied with this section;
- (2) a proceeding under Section 22.29(b); or
- (3) a protest under Section 41.41.

(h) If the property that is the subject of the rendition is regulated by the Public Utility Commission of Texas, the Railroad Commission of Texas, the federal Surface Transportation Board, or the Federal Energy Regulatory Commission, the owner of the property is considered to have complied with the requirements of this section if the owner provides to the chief appraiser, on written request of the chief appraiser, a copy of the annual regulatory report covering the property and sufficient information to enable the chief appraiser to allocate the value of the property among the appropriate taxing units for which the appraisal district appraises property.

(i) Subsection (a) does not apply to a property owner whose property is subject to appraisal by a third party retained by the appraisal district if the property owner provides information substantially equivalent to that required by Subsection (a) regarding the property directly to the third party appraiser.

(j) Subsection (a) does not apply to property that is exempt from taxation.

(k) Notwithstanding Subsections (a) and (b), an individual who has been granted or has applied for an exemption from taxation under Section 11.254 for a motor vehicle the individual owns is not required to render the motor vehicle for taxation.

(l) If the information contained in the most recent rendition statement filed by a person in a prior tax year is accurate with respect to the current tax year, the person may comply with the requirements of Subsection (a) by filing a rendition statement on a form prescribed or approved by the comptroller under Section 22.24(c) on which the person has checked the appropriate box to affirm that the information continues to be complete and accurate.

(m) Notwithstanding Subsections (a) and (b), a person is not required to render for taxation personal property appraised under Section 23.24.

CHAPTER 23

Appraisal Methods and Procedures

Sec. 23.01. Appraisals Generally.

(a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.

(b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be taken into account in determining the property's market value.

(c) Notwithstanding Section 1.04(7)(C), in determining the market value of a residence homestead, the chief appraiser may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead being appraised and would otherwise be considered in appraising the residence homestead because the other residential property:

(1) was sold at a foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood; or

(2) has a market value that has declined because of a declining economy.

(d) The market value of a residence homestead shall be determined solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.

(e) Notwithstanding any provision of this subchapter to the contrary, if the appraised value of property in a tax year is lowered under Subtitle F, the appraised value of the property as finally determined under that subtitle is considered to be the appraised value of the property for that tax year. In the next tax year in which the property is appraised, the chief appraiser may not increase the appraised value of the property unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole. If the appraised value is finally determined in a protest under Section 41.41(a)(2) or an appeal under Section 42.26, the chief appraiser may satisfy the requirement to reasonably support by clear and convincing evidence an increase in the appraised value of the property in the next tax year in which the property is appraised by presenting evidence showing that the inequality in the appraisal of property has been corrected with regard to the properties that were considered in determining the value of the subject property. The burden of proof is on the chief appraiser to support an increase in the appraised value of property under the circumstances described by this subsection.

(f) The selection of comparable properties and the application of appropriate adjustments for the determination of an appraised value of property by any person under Section 41.43(b)(3) or 42.26(a)(3) must be based on the application of generally accepted appraisal methods and techniques. Adjustments must be based on recognized methods and techniques that are necessary to produce a credible opinion.

(g) Notwithstanding any other provision of this section, property owners representing themselves are entitled to offer an opinion of and present argument and evidence related to the market and appraised value or the inequality of appraisal of the owner's property.

(h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title:

(1) the Appraisal of Real Estate published by the Appraisal Institute;

(2) the Dictionary of Real Estate Appraisal published by the Appraisal Institute;

(3) the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and

(4) a publication that includes information related to mass appraisal.

Sec. 23.011. Cost Method of Appraisal.

If the chief appraiser uses the cost method of appraisal to determine the market value of real property, the chief appraiser shall:

(1) use cost data obtained from generally accepted sources;

(2) make any appropriate adjustment for physical, functional, or economic obsolescence;

(3) make available to the public on request cost data developed and used by the chief appraiser as applied to all properties within a property category and may charge a reasonable fee to the public for the data;

(4) clearly state the reason for any variation between generally accepted cost data and locally produced cost data if the data vary by more than 10 percent; and

(5) make available to the property owner on request all applicable market data that demonstrate the difference between the replacement cost of the improvements to the property and the depreciated value of the improvements.

Sec. 23.012. Income Method of Appraisal.

(a) If the income method of appraisal is the most appropriate method to use to determine the market value of real property, the chief appraiser shall:

(1) analyze comparable rental data available to the chief appraiser or the potential earnings capacity of the property, or both, to estimate the gross income potential of the property;

(2) analyze comparable operating expense data available to the chief appraiser to estimate the operating expenses of the property;

(3) analyze comparable data available to the chief appraiser to estimate rates of capitalization or rates of discount; and

(4) base projections of future rent or income potential and expenses on reasonably clear and appropriate evidence.

(b) In developing income and expense statements and cash-flow projections, the chief appraiser shall consider:

(1) historical information and trends;

(2) current supply and demand factors affecting those trends; and

- (3) anticipated events such as competition from other similar properties under construction.

Sec. 23.013. Market Data Comparison Method of Appraisal.

(a) If the chief appraiser uses the market data comparison method of appraisal to determine the market value of real property, the chief appraiser shall use comparable sales data and shall adjust the comparable sales to the subject property.

(b) A sale is not considered to be a comparable sale unless the sale occurred within 24 months of the date as of which the market value of the subject property is to be determined, except that a sale that did not occur during that period may be considered to be a comparable sale if enough comparable properties were not sold during that period to constitute a representative sample.

(b-1) Notwithstanding Subsection (b), for a residential property in a county with a population of more than 150,000, a sale is not considered to be a comparable sale unless the sale occurred within 36 months of the date as of which the market value of the subject property is to be determined, regardless of the number of comparable properties sold during that period.

(c) A sale of a comparable property must be appropriately adjusted for any change in the market value of the comparable property during the period between the date of the sale of the comparable property and the date as of which the market value of the subject property is to be determined.

(d) Whether a property is comparable to the subject property shall be determined based on similarities with regard to location, square footage of the lot and improvements, property age, property condition, property access, amenities, views, income, operating expenses, occupancy, and the existence of easements, deed restrictions, or other legal burdens affecting marketability.

(e) **[Effective January 1, 2022]** In this subsection, “designated historic district” means an area that is zoned or otherwise designated as a historic district under municipal, state, or federal law. In determining the market value of residential real property located in a designated historic district, the chief appraiser shall consider the effect on the property’s value of any restriction placed by the historic district on the property owner’s ability to alter, improve, or repair the property.

Sec. 23.014. Exclusion of Property As Real Property.

Except as provided by Section 23.24(b), in determining the market value of real property, the chief appraiser shall analyze the effect on that value of, and exclude from that value the value of, any:

- (1) tangible personal property, including trade fixtures;
- (2) **[Effective January 1, 2022]** intangible personal property;
- (3) **[Effective January 1, 2022]** chicken coops or rabbit pens used for the noncommercial production of food for personal consumption; or
- (4) **[Effective January 1, 2022]** other property that is not subject to appraisal as real property.

Sec. 23.121. Dealer’s Motor Vehicle Inventory; Value.

(a) In this section:

(1) “Chief appraiser” means the chief appraiser for the appraisal district in which a dealer’s motor vehicle inventory is located.

(2) “Collector” means the county tax assessor-collector in the county in which a dealer’s motor vehicle inventory is located.

(3) “Dealer” means a person who holds a dealer’s general distinguishing number issued by the Texas Department of Motor Vehicles under the authority of Chapter 503, Transportation Code, or who is legally recognized as a motor vehicle dealer pursuant to the law of another state and who complies with the terms of Section 152.063(f). The term does not include:

(A) a person who holds a manufacturer’s license issued under Chapter 2301, Occupations Code;

(B) an entity that is owned or controlled by a person who holds a manufacturer’s license issued under Chapter 2301, Occupations Code;

(C) a dealer whose general distinguishing number issued by the Texas Department of Motor Vehicles under the authority of Chapter 503, Transportation Code, prohibits the dealer from selling a vehicle to any person except a dealer; or

(D) a dealer who:

(i) does not sell motor vehicles described by Section 152.001(3)(A);

(ii) meets either of the following requirements:

(a) the total annual sales from the dealer’s motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent sales, for the 12-month period corresponding to the preceding tax year are 25 percent or less of the dealer’s total revenue from all sources during that period; or

- (b) the dealer did not sell a motor vehicle to a person other than another dealer during the 12-month period corresponding to the preceding tax year and the dealer estimates that the dealer's total annual sales from the dealer's motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent sales, for the 12-month period corresponding to the current tax year will be 25 percent or less of the dealer's total revenue from all sources during that period;
- (iii) not later than August 31 of the preceding tax year, filed with the chief appraiser and the collector a declaration on a form prescribed by the comptroller stating that the dealer elected not to be treated as a dealer under this section in the current tax year; and
- (iv) renders the dealer's motor vehicle inventory in the current tax year by filing a rendition with the chief appraiser in the manner provided by Chapter 22.
- (4) "Dealer's motor vehicle inventory" means all motor vehicles held for sale by a dealer.
- (5) "Dealer-financed sale" means the sale of a motor vehicle in which the seller finances the purchase of the vehicle, is the sole lender in the transaction, and retains exclusively the right to enforce the terms of the agreement evidencing the sale.
- (6) "Declaration" means the dealer's motor vehicle inventory declaration form promulgated by the comptroller as required by this section.
- (7) "Fleet transaction" means the sale of five or more motor vehicles from a dealer's motor vehicle inventory to the same person within one calendar year.
- (8) "Motor vehicle" means a towable recreational vehicle or a fully self-propelled vehicle with at least two wheels which has as its primary purpose the transport of a person or persons, or property, whether or not intended for use on a public street, road, or highway. The term does not include:
- (A) a vehicle with respect to which the certificate of title has been surrendered in exchange for a salvage certificate in the manner provided by law; or
- (B) equipment or machinery designed and intended to be used for a specific work-related purpose other than the transporting of a person or property.
- (9) "Owner" means a dealer who owes current year vehicle inventory taxes levied against a dealer's motor vehicle inventory.
- (10) "Person" means a natural person, corporation, partnership, or other legal entity.
- (11) "Sales price" means the total amount of money paid or to be paid for the purchase of a motor vehicle as set forth as "sales price" in the form entitled "Application for Texas Certificate of Title" promulgated by the Texas Department of Motor Vehicles. In a transaction that does not involve the use of that form, the term means an amount of money that is equivalent, or substantially equivalent, to the amount that would appear as "sales price" on the Application for Texas Certificate of Title if that form were involved.
- (12) "Subsequent sale" means a dealer-financed sale of a motor vehicle that, at the time of the sale, has been the subject of a dealer-financed sale from the same dealer's motor vehicle inventory in the same calendar year.
- (13) "Total annual sales" means the total of the sales price from every sale from a dealer's motor vehicle inventory for a 12-month period.
- (14) "Towable recreational vehicle" means a nonmotorized vehicle that is designed for temporary human habitation for recreational, camping, or seasonal use and:
- (A) is titled and registered with the Texas Department of Motor Vehicles through the office of the collector;
- (B) is permanently built on a single chassis;
- (C) contains one or more life support systems; and
- (D) is designed to be towable by a motor vehicle.
- (a-1) A dealer who has elected to file the declaration described by Subsection (a)(3)(D)(iii) and to render the dealer's motor vehicle inventory as provided by Subsection (a)(3)(D)(iv) must continue to file the declaration and render the dealer's motor vehicle inventory so long as the dealer meets the requirements of Subsection (a)(3)(D)(ii)(a) or (b).
- (b) For the purpose of the computation of property tax, the market value of a dealer's motor vehicle inventory on January 1 is the total annual sales from the dealer's motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent sales, for the 12-month period corresponding to the prior tax year, divided by 12.
- (c) For the purpose of the computation of property tax, the market value of the dealer's motor vehicle inventory of an owner who was not a dealer on January 1 of the prior tax year, the chief appraiser shall estimate the market value of the dealer's motor vehicle inventory. In making the estimate required by this subsection the chief appraiser shall extrapolate using sales data, if any, generated by sales from the dealer's motor vehicle inventory in the prior tax year.
- (d) Except for dealer's motor vehicle inventory, personal property held by a dealer is appraised as provided by other sections of this code. In the case of a dealer whose sales from dealer's motor vehicle inventory are made predominately to dealers, the chief appraiser shall appraise the dealer's motor vehicle inventory as provided by Section 23.12 of this code.

(e) A dealer is presumed to be an owner of a dealer's motor vehicle inventory on January 1 if, in the 12-month period ending on December 31 of the immediately preceding year, the dealer sold a motor vehicle to a person other than a dealer. The presumption created by this subsection is not rebutted by the fact that a dealer has no motor vehicles physically on hand for sale from dealer's motor vehicle inventory on January 1.

(f) The comptroller shall promulgate a form entitled Dealer's Motor Vehicle Inventory Declaration. Except as provided by Section 23.122(f), not later than February 1 of each year, or, in the case of a dealer who was not in business on January 1, not later than 30 days after commencement of business, each dealer shall file a declaration with the chief appraiser and file a copy with the collector. For purposes of this subsection, a dealer is presumed to have commenced business on the date of issuance to the dealer of a dealer's general distinguishing number as provided by Chapter 503, Transportation Code. Notwithstanding the presumption created by this subsection, a chief appraiser may, at his or her sole discretion, designate as the date on which a dealer commenced business a date other than the date of issuance to the dealer of a dealer's general distinguishing number. The declaration is sufficient to comply with this subsection if it sets forth the following information:

- (1) the name and business address of each location at which the dealer owner conducts business;
- (2) each of the dealer's general distinguishing numbers issued by the Texas Department of Motor Vehicles;
- (3) a statement that the dealer owner is the owner of a dealer's motor vehicle inventory; and
- (4) the market value of the dealer's motor vehicle inventory for the current tax year as computed under Section 23.121(b).

(g) Under the terms provided by this subsection, the chief appraiser may examine the books and records of the holder of a general distinguishing number issued by the Texas Department of Motor Vehicles. A request made under this subsection must be made in writing, delivered personally to the custodian of the records, at the location for which the general distinguishing number has been issued, must provide a period not less than 15 days for the person to respond to the request, and must state that the person to whom it is addressed has the right to seek judicial relief from compliance with the request. In a request made under this section the chief appraiser may examine:

- (1) the document issued by the Texas Department of Motor Vehicles showing the person's general distinguishing number;
- (2) documentation appropriate to allow the chief appraiser to ascertain the applicability of this section and Section 23.122 to the person;
- (3) sales records to substantiate information set forth in the dealer's declaration filed by the person.

(h) If a dealer fails to file a declaration as required by this section, the chief appraiser may report the dealer to the Texas Department of Motor Vehicles to initiate cancellation of the dealer's general distinguishing number. The chief appraiser shall include with the report written verification that the chief appraiser informed the dealer of the requirement to file a declaration under this section.

(h-1) If, on the declaration required by this section, a dealer reports the sale of fewer than five motor vehicles in the prior year, the chief appraiser shall report the dealer to the Texas Department of Motor Vehicles to initiate cancellation of the dealer's general distinguishing number. The chief appraiser shall include with the report a copy of a declaration indicating the sale by a dealer of fewer than five motor vehicles in the prior year. A report by a chief appraiser to the Texas Department of Motor Vehicles as provided by this subsection is prima facie grounds for the cancellation of the dealer's general distinguishing number under Section 503.038(a)(9), Transportation Code, or for refusal by the Texas Department of Motor Vehicles to renew the dealer's general distinguishing number.

(i) A dealer who fails to file a declaration required by this section commits an offense. An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$500. Each day during which a dealer fails to comply with the terms of this subsection is a separate violation.

(j) A dealer who violates Subsection (g) of this section commits an offense. An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$500. Each day during which a person fails to comply with the terms of Subsection (g) of this section is a separate violation.

(k) In addition to other penalties provided by law, a dealer who fails to file or fails to timely file a declaration required by this section shall forfeit a penalty. A tax lien attaches to the dealer's business personal property to secure payment of the penalty. The appropriate district attorney, criminal district attorney, county attorney, chief appraiser, or person designated by the chief appraiser shall collect the penalty established by this section in the name of the chief appraiser. Venue of an action brought under this subsection is in the county in which the violation occurred or in the county in which the owner maintains the owner's principal place of business or residence. A penalty forfeited under this subsection is \$1,000 for each month or part of a month in which a declaration is not filed or timely filed after it is due.

Sec. 23.21. Property Used to Provide Affordable Housing.

(a) In appraising real property that is rented or leased to a low-income individual or family meeting income-eligibility standards established by the owner of the property under regulations or restrictions limiting to a percentage of the individual's or the family's income the amount that the individual or family may be required to pay for the rental or lease of the property, the chief appraiser shall take into account the extent to which that use and limitation reduce the market value of the property.

(b) In appraising real property that is rented or leased to a low-income individual or family meeting income-eligibility standards established by a governmental entity or under a governmental contract for affordable housing limiting the amount that the individual or family may be required to pay for the rental or lease of the property, the chief appraiser shall take into account the extent to which that use and limitation reduce the market value of the property.

(c) In appraising land that is leased by a community land trust created or designated under Section 373B.002, Local Government Code, to a family meeting the income-eligibility standards established by Section 373B.006 of that code under regulations or restrictions limiting the amount that the family may be required to pay for the rental or lease of the property, the chief appraiser shall use the income method of appraisal as described by Section 23.012 to determine the appraised value of the property. The chief appraiser shall use that method regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property. In appraising the property, the chief appraiser shall:

(1) take into account the uses and limitations applicable to the property, including the terms of the lease applicable to the property, for purposes of computing the actual rental income from the property and projecting future rental income; and

(2) use the same capitalization rate that the chief appraiser uses to appraise other rent-restricted properties.

(c-1) In appraising a housing unit that is leased by a community land trust created or designated under Section 373B.002, Local Government Code, to a family meeting the income-eligibility standards established by Section 373B.006 of that code under regulations or restrictions limiting the amount that the family may be required to pay for the rental or lease of the property, the chief appraiser shall use the income method of appraisal as described by Section 23.012 to determine the appraised value of the property. The chief appraiser shall use that method regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property. In appraising the property, the chief appraiser shall:

(1) take into account the uses and limitations applicable to the property, including the terms of the lease applicable to the property, for purposes of computing the actual rental income from the property and projecting future rental income; and

(2) use the same capitalization rate that the chief appraiser uses to appraise other rent-restricted properties.

(d) In appraising a housing unit that the owner or a predecessor of the owner acquired from a community land trust created or designated under Section 373B.002, Local Government Code, and that is located on land owned by the trust and leased by the owner of the housing unit, the chief appraiser shall take into account the extent to which any regulations or restrictions limiting the right of the owner of the housing unit to sell the housing unit, including any limitation on the price for which the housing unit may be sold, reduce the market value of the housing unit. If the sale of the housing unit is subject to an eligible land use restriction, the chief appraiser may not appraise the housing unit in a tax year for an amount that exceeds the price for which the housing unit may be sold under the eligible land use restriction in that tax year. For purposes of this subsection, "eligible land use restriction" means an agreement, deed restriction, or restrictive covenant applicable to the housing unit that:

(1) is recorded in the real property records;

(2) has a term of at least 40 years;

(3) restricts the price for which the housing unit may be sold to a price that is equal to or less than the market value of the housing unit; and

(4) restricts the sale of the housing unit to a family meeting the income-eligibility standards established by Section 373B.006, Local Government Code.

(e) In appraising real property that was previously owned by an organization that received an exemption for the property under Section 11.181(a) and that was sold to a low-income individual or family meeting income eligibility standards established by the organization under regulations or restrictions limiting to a percentage of the individual's or the family's income the amount that the individual or family was required to pay for purchasing the property, the chief appraiser shall take into account the extent to which that use and limitation and any resale restrictions or conditions applicable to the property established by the organization reduce the market value of the property.

Sec. 23.215. Appraisal of Certain Nonexempt Property Used for Low-Income or Moderate-Income Housing.

(a) This section applies only to real property owned by an organization:

(1) for the purpose of renting the property to a low-income or moderate-income individual or family satisfying the organization's income eligibility requirements;

(2) that is or will be financed under the low income housing tax credit program under Subchapter DD, Chapter 2306, Government Code, and subject to a land use restriction agreement under that subchapter;

(3) that does not receive an exemption under Section 11.182 or 11.1825; and

(4) the owner of which has not entered into an agreement with any taxing unit to make payments to the taxing unit instead of taxes on the property.

(b) In appraising property that is under construction or that has not reached stabilized occupancy on January 1 of the tax year in which the property is appraised, the chief appraiser shall determine the value of the property in the manner provided by Section 11.1825(q) using the property's projected income and expenses for the first full year of

operation as established and utilized in the underwriting report pertaining to the property prepared by the Texas Department of Housing and Community Affairs under Subchapter DD, Chapter 2306, Government Code, and adjust that value as provided by this subsection to determine the appraised value of the property. For a property under construction on January 1, the chief appraiser shall adjust the value to reflect the percentage of the construction that is complete on January 1. For a property on which construction is complete but that has not reached stabilized occupancy on January 1, the chief appraiser shall adjust the value to reflect the actual occupancy of the property on January 1. For purposes of this subsection, a property is not considered to be under construction if the purpose of the work being performed on the property is the maintenance or rehabilitation of the property.

(c) In appraising property for the first tax year following the year in which construction on the property is complete and occupancy of the property has stabilized and any tax year subsequent to that year, the chief appraiser shall determine the appraised value of the property in the manner provided by Section 11.1825(q).

Sec. 23.24. Furniture, Fixtures, and Equipment.

(a) If real property is appraised by a method that takes into account the value of furniture, fixtures, and equipment in or on the real property, the furniture, fixtures, and equipment shall not be subject to additional appraisal or taxation as personal property.

(b) In determining the market value of the real property appraised on the basis of rental income, the chief appraiser may not separately appraise or take into account any personal property valued as a portion of the income of the real property, and the market value of the real property must include the combined value of the real property and the personal property.

Sec. 23.44. Action on Application.

(a) The chief appraiser shall determine individually each claimant's right to the agricultural designation. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for the agricultural designation or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to the agricultural designation, as the law and facts warrant:

(1) approve the application and designate the land for agricultural use;

(2) disapprove the application and request additional information from the claimant in support of the claim; or

(3) deny the application.

(b) If the chief appraiser requires additional information from a claimant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the claimant specifying the additional information the claimant must provide to the chief appraiser before the chief appraiser can determine the applicant's right to the agricultural designation. The claimant must furnish the information not later than the 30th day after the date of the request or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing additional information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for agricultural designation filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser denies an application, the chief appraiser shall deliver a written notice of the denial to the claimant not later than the fifth day after the date of denial. The notice must state and fully explain each reason the chief appraiser denied the application. The notice must include a brief explanation of the procedures for protesting the denial.

Sec. 23.46. Additional Taxation.

(a) When appraising land designated for agricultural use, the chief appraiser also shall appraise the land at its market value and shall record both the market value and the value based on its capacity to produce agricultural products in the appraisal records.

(b) Property taxes imposed on land designated for agricultural use are based on the land's agricultural use value determined as provided by Section 23.41 of this code after the appropriate assessment ratio has been applied to that value. When an assessor calculates the amount of tax due on the land, however, he shall also calculate the amount of tax that would have been imposed had the land not been designated for agricultural use. The difference in the amount of tax imposed and the amount that would have been imposed is the amount of additional tax for that year, and the assessor shall enter that amount in his tax records relating to the property.

(c) If land that has been designated for agricultural use in any year is sold or diverted to a nonagricultural use, the total amount of additional taxes for the three years preceding the year in which the land is sold or diverted plus interest at the rate provided for delinquent taxes becomes due. Subject to Subsection (f), a determination that the land has been diverted to a nonagricultural use is made by the chief appraiser. For purposes of this subsection, the chief appraiser may not consider any period during which land is owned by the state in determining whether the land has been diverted to a nonagricultural use. The chief appraiser shall deliver a notice of the determination to the owner of the land as soon as possible after making the determination and shall include in the notice an explanation of

the owner's right to protest the determination. If the owner does not file a timely protest or if the final determination of the protest is that the additional taxes are due, the assessor for each taxing unit shall prepare and deliver a bill for the additional taxes plus interest as soon as practicable after the change of use occurs. If the additional taxes are due because of a sale of the land, the assessor for each taxing unit shall prepare and deliver the bill as soon as practicable after the sale occurs. The taxes and interest are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the land.

(d) A tax lien attaches to the land on the date the sale or change of use occurs to secure payment of the additional tax and interest imposed by Subsection (c) of this section and any penalties incurred. The lien exists in favor of all taxing units for which the additional tax is imposed.

(e) Land is not diverted to nonagricultural use for purposes of Subsection (c) of this section solely because the owner of the land claims it as part of his residence homestead for purposes of Section 11.13 of this code.

(e-1) A portion of a parcel of land is not diverted to nonagricultural use for purposes of Subsection (c) because the portion is subject to a right-of-way that is less than 200 feet wide and that was taken by condemnation if the remainder of the parcel of land qualifies for appraisal under this subchapter.

(f) If land designated for agricultural use under this subchapter is owned by an individual 65 years of age or older, before making a determination that the land has been diverted to a nonagricultural use, the chief appraiser shall deliver a written notice to the owner stating that the chief appraiser believes the land may have been diverted to a nonagricultural use. The notice must include a form on which the owner may indicate that the owner remains entitled to have the land designated for agricultural use and a self-addressed postage prepaid envelope with instructions for returning the form to the chief appraiser. The chief appraiser shall consider the owner's response on the form in determining whether the land has been diverted to a nonagricultural use. If the chief appraiser does not receive a response on or before the 60th day after the date the notice is mailed, the chief appraiser must make a reasonable effort to locate the owner and determine whether the owner remains entitled to have the land designated for agricultural use before determining that the land has been diverted to a nonagricultural use. For purposes of this subsection, sending an additional notice to the owner immediately after the expiration of the 60-day period by first class mail in an envelope on which is written, in all capital letters, "RETURN SERVICE REQUESTED," or another appropriate statement directing the United States Postal Service to return the notice if it is not deliverable as addressed, or providing the additional notice in another manner that the chief appraiser determines is appropriate, constitutes a reasonable effort on the part of the chief appraiser.

(g) If the additional taxes are due because the land has been diverted to a nonagricultural use as a result of a condemnation, the additional taxes and interest imposed by this section are the personal obligation of the condemning entity and not the property owner from whom the property was taken.

Sec. 23.55. Change of Use of Land.

(a) If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years. For purposes of this subsection, the chief appraiser may not consider any period during which land is owned by the state in determining whether a change in the use of the land has occurred.

(b) A tax lien attaches to the land on the date the change of use occurs to secure payment of the additional tax imposed by this section and any penalties and interest incurred if the tax becomes delinquent. The lien exists in favor of all taxing units for which the additional tax is imposed.

(c) The additional tax imposed by this section does not apply to a year for which the tax has already been imposed.

(d) If the change of use applies to only part of a parcel that has been appraised as provided by this subchapter, the additional tax applies only to that part of the parcel and equals the difference between the taxes imposed on that part of the parcel and the taxes that would have been imposed had that part been taxed on the basis of market value.

(e) Subject to Section 23.551, a determination that a change in use of the land has occurred is made by the chief appraiser. The chief appraiser shall deliver a notice of the determination to the owner of the land as soon as possible after making the determination and shall include in the notice an explanation of the owner's right to protest the determination. If the owner does not file a timely protest or if the final determination of the protest is that the additional taxes are due, the assessor for each taxing unit shall prepare and deliver a bill for the additional taxes as soon as practicable. The taxes are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the land.

(f) The sanctions provided by Subsection (a) do not apply if the change of use occurs as a result of:

- (1) a sale for right-of-way;
- (2) a condemnation;
- (3) a transfer of the property to the state or a political subdivision of the state to be used for a public purpose; or

(4) a transfer of the property from the state, a political subdivision of the state, or a nonprofit corporation created by a municipality with a population of more than one million under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code) to an individual or a business entity for purposes of economic development if the comptroller determines that the economic development is likely to generate for deposit in the general revenue fund during the next two fiscal bienniums an amount of taxes and other revenues that equals or exceeds 20 times the amount of additional taxes that would have been imposed under Subsection (a) had the sanctions provided by that subsection applied to the transfer.

(g) If the use of the land changes to a use that qualifies under Subchapter E of this chapter, the sanctions provided by Subsection (a) of this section do not apply.

(h) Additional taxes, if any, for a year in which land was designated for agricultural use as provided by Subchapter C of this chapter (or Article VIII, Section 1-d, of the constitution) are determined as provided by that subchapter, and the additional taxes imposed by this section do not apply for that year.

(i) The use of land does not change for purposes of Subsection (a) of this section solely because the owner of the land claims it as part of his residence homestead for purposes of Section 11.13 of this code.

(j) The sanctions provided by Subsection (a) do not apply to a change in the use of land if:

(1) the land is located in an unincorporated area of a county with a population of less than 100,000;

(2) the land does not exceed five acres;

(3) the land is owned by a not-for-profit cemetery organization;

(4) the cemetery organization dedicates the land for a cemetery purpose;

(5) the cemetery organization has not dedicated more than five acres of land in the county for a cemetery purpose in the five years preceding the date the cemetery organization dedicates the land for a cemetery purpose; and

(6) the land is adjacent to a cemetery that has been in existence for more than 100 years.

(k) In Subsection (j), "cemetery," "cemetery organization," and "cemetery purpose" have the meanings assigned those terms by Section 711.001, Health and Safety Code.

(l) The sanctions provided by Subsection (a) of this section do not apply to land owned by an organization that qualifies as a religious organization under Section 11.20(c) of this code if the organization converts the land to a use for which the land is eligible for an exemption under Section 11.20 of this code within five years.

(m) For purposes of determining whether a transfer of land qualifies for the exemption from additional taxes provided by Subsection (f)(4), on an application of the entity transferring or proposing to transfer the land or of the individual or entity to which the land is transferred or proposed to be transferred, the comptroller shall determine the amount of taxes and other revenues likely to be generated as a result of the economic development for deposit in the general revenue fund during the next two fiscal bienniums. If the comptroller determines that the amount of those revenues is likely to equal or exceed 20 times the amount of additional taxes that would be imposed under Subsection (a) if the sanctions provided by that subsection applied to the transfer, the comptroller shall issue a letter to the applicant stating the comptroller's determination and shall send a copy of the letter by regular mail to the chief appraiser.

(n) Within one year of the conclusion of the two fiscal bienniums for which the comptroller issued a letter as provided under Subsection (m), the board of directors of the appraisal district, by official board action, may direct the chief appraiser to request the comptroller to determine if the amount of revenues was equal to or exceeded 20 times the amount of taxes that would have been imposed under Subsection (a). The comptroller shall issue a finding as to whether the amount of revenue met the projected increases. The chief appraiser shall review the results of the comptroller's finding and shall make a determination as to whether sanctions under Subsection (a) should be imposed. If the chief appraiser determines that the sanctions provided by Subsection (a) shall be imposed, the sanctions shall be based on the date of the transfer of the property under Subsection (f)(4).

(o) The sanctions provided by Subsection (a) do not apply to land owned by an organization that qualifies as a charitable organization under Section 11.18(c), is organized exclusively to perform religious or charitable purposes, and engages in performing the charitable functions described by Section 11.18(d)(19), if the organization converts the land to a use for which the land is eligible for an exemption under Section 11.18(d)(19) within five years.

(p) The sanctions provided by Subsection (a) do not apply to real property transferred to an organization described by Section 11.181(a) if the organization converts the real property to a use for which the real property is eligible for an exemption under Section 11.181(a). This subsection does not apply to the sanctions provided by Subsection (a) in connection with a change in use described by this subsection that are due to a county or school district unless the governing body of the county or school district, as applicable, waives the sanctions in the manner required by law for official action by the body.

(q) The sanctions provided by Subsection (a) do not apply to land owned by an organization that qualifies as a school under Section 11.21(d) if the organization converts the land to a use for which the land is eligible for an exemption under Section 11.21 within five years.

Sec. 23.57. Action on Applications.

(a) The chief appraiser shall determine separately each applicant's right to have the applicant's land appraised under this subchapter. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first

eligible for appraisal under this subchapter or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to have the applicant's land appraised under this subchapter, as the law and facts warrant:

- (1) approve the application and allow appraisal under this subchapter;
- (2) disapprove the application and request additional information from the applicant in support of the claim; or
- (3) deny the application.

(b) If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information the applicant must provide to the chief appraiser before the chief appraiser can determine the applicant's right to have the applicant's land appraised under this subchapter. The applicant must furnish the information not later than the 30th day after the date of the request or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for appraisal under this subchapter filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser denies an application, the chief appraiser shall deliver a written notice of the denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must state and fully explain each reason the chief appraiser denied the application. The notice must include a brief explanation of the procedures for protesting the denial.

Sec. 23.58. Loan Secured by Lien on Open-Space Land.

(a) A lender may not require as a condition to granting or amending the terms of a loan secured by a lien in favor of the lender on land appraised according to this subchapter that the borrower waive the right to the appraisal or agree not to apply for or receive the appraisal.

(b) A provision in an instrument pertaining to a loan secured by a lien in favor of the lender on land appraised according to this subchapter is void to the extent that the provision attempts to require the borrower to waive the right to the appraisal or to prohibit the borrower from applying for or receiving the appraisal.

(c) A provision in an instrument pertaining to a loan secured by a lien in favor of the lender on land appraised according to this subchapter that requires the borrower to make a payment to protect the lender from loss because of the imposition of additional taxes under Section 23.55 is void unless the provision:

- (1) requires the borrower to pay into an escrow account established by the lender an amount equal to the additional taxes that would be due under Section 23.55 if a change of use occurred on January 1 of the year in which the loan is granted or amended;
- (2) requires the escrow account to bear interest to be credited to the account monthly;
- (3) permits the lender to apply money in the escrow account to the payment of a bill for additional taxes under Section 23.55 before the loan is paid and requires the lender to refund the balance remaining in the escrow account after the bill is paid to the borrower; and
- (4) requires the lender to refund the money in the escrow account to the borrower on the payment of the loan.

(d) On the request of the borrower or the borrower's representative, the assessor for each taxing unit shall compute the additional taxes that would be due that taxing unit under Section 23.55 if a change of use occurred on January 1 of the year in which the loan is granted or amended. The assessor may charge a reasonable fee not to exceed the actual cost of making the computation.

(e) In this section, "lender" has the meaning assigned by Section 23.47(e).

Sec. 23.76. Change of Use of Land.

(a) If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years.

(b) A tax lien attaches to the land on the date the change of use occurs to secure payment of the additional tax imposed by this section and any penalties and interest incurred if the tax becomes delinquent. The lien exists in favor of all taxing units for which the additional tax is imposed.

(c) The additional tax imposed by this section does not apply to a year for which the tax has already been imposed.

(d) If the change of use applies to only part of a parcel that has been appraised as provided by this subchapter, the additional tax applies only to that part of the parcel and equals the difference between the taxes imposed on that part of the parcel and the taxes that would have been imposed had that part been taxed on the basis of market value.

(e) A determination that a change in use of the land has occurred is made by the chief appraiser. The chief appraiser shall deliver a notice of the determination to the owner of the land as soon as possible after making the

determination and shall include in the notice an explanation of the owner's right to protest the determination. If the owner does not file a timely protest or if the final determination of the protest is that the additional taxes are due, the assessor for each taxing unit shall prepare and deliver a bill for the additional taxes as soon as practicable after the change of use occurs. The taxes are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the land.

(f) The sanctions provided by Subsection (a) do not apply if the change of use occurs as a result of:

- (1) a sale for right-of-way;
- (2) a condemnation; or
- (3) a transfer of the land to this state or a political subdivision of this state to be used for a public purpose.

(g) If the use of the land changes to a use that qualifies under Subchapter C, D, or H of this chapter, the sanctions provided by Subsection (a) of this section do not apply.

(h) The use of land does not change for purposes of Subsection (a) solely because the owner of the land claims it as part of the owner's residence homestead for purposes of Section 11.13.

(i) The sanctions provided by Subsection (a) do not apply to land owned by an organization that qualifies as a religious organization under Section 11.20(c) if the organization converts the land to a use for which the land is eligible for an exemption under Section 11.20 within five years.

(j) The sanctions provided by Subsection (a) do not apply to a change in the use of land if:

- (1) the land is located in an unincorporated area of a county with a population of less than 100,000;
- (2) the land does not exceed five acres;
- (3) the land is owned by a not-for-profit cemetery organization;
- (4) the cemetery organization dedicates the land for a cemetery purpose;
- (5) the cemetery organization has not dedicated more than five acres of land in the county for a cemetery purpose in the five years preceding the date the cemetery organization dedicates the land for a cemetery purpose; and
- (6) the land is adjacent to a cemetery that has been in existence for more than 100 years.

(k) In Subsection (j), "cemetery," "cemetery organization," and "cemetery purpose" have the meanings assigned those terms by Section 711.001, Health and Safety Code.

Sec. 23.79. Action on Applications.

(a) The chief appraiser shall determine separately each applicant's right to have the applicant's land appraised under this subchapter. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for appraisal under this subchapter or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to have the applicant's land appraised under this subchapter, as the law and facts warrant:

- (1) approve the application and allow appraisal under this subchapter;
- (2) disapprove the application and request additional information from the applicant in support of the claim; or
- (3) deny the application.

(b) If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information the applicant must provide to the chief appraiser before the chief appraiser can determine the applicant's right to have the applicant's land appraised under this subchapter. The applicant must furnish the information not later than the 30th day after the date of the request or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for appraisal under this subchapter filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser denies an application, the chief appraiser shall deliver a written notice of the denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must state and fully explain each reason the chief appraiser denied the application. The notice must include a brief explanation of the procedures for protesting the denial.

Sec. 23.85. Action on Application.

(a) The chief appraiser shall determine individually each claimant's right to appraisal under this subchapter. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for appraisal under this subchapter or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to appraisal under this subchapter, as the law and facts warrant:

- (1) approve the application and allow appraisal under this subchapter;

(2) disapprove the application and request additional information from the claimant in support of the claim; or

(3) deny the application.

(b) If the chief appraiser requires additional information from a claimant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the claimant specifying the additional information the claimant must provide to the chief appraiser before the chief appraiser can determine the claimant's right to appraisal under this subchapter. The claimant must furnish the information not later than the 30th day after the date of the request or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing additional information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for appraisal under this subchapter filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser denies an application, the chief appraiser shall deliver a written notice of the denial to the claimant not later than the fifth day after the date of denial. The notice must state and fully explain each reason the chief appraiser denied the application. The notice must include a brief explanation of the procedures for protesting the denial.

Sec. 23.86. Additional Taxation for Preceding Years.

(a) If land that has been appraised under this subchapter is no longer subject to a deed restriction or is diverted to a use other than recreational, park, or scenic uses, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs or the deed restriction expires that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land not been restricted to recreational, park, or scenic uses in each of those years.

(b) A tax lien attaches to the land on the date the change of use occurs or the deed restriction expires to secure payment of the additional tax imposed by this section and any penalties and interest incurred if the tax becomes delinquent. The lien exists in favor of all taxing units for which the additional tax is imposed.

(c) The assessor shall prepare and deliver a statement for the additional taxes as soon as practicable after the change of use occurs or the deed restriction expires. The taxes become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next date on which the unit's taxes become delinquent that is more than 10 days after the date the statement is delivered.

(d) The sanctions provided by Subsection (a) of this section do not apply if the change of use occurs as a result of a sale for right-of-way or a condemnation.

Sec. 23.95. Action on Application.

(a) The chief appraiser shall determine individually each claimant's right to appraisal under this subchapter. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for appraisal under this subchapter or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to appraisal under this subchapter, as the law and facts warrant:

(1) approve the application and allow appraisal under this subchapter;

(2) disapprove the application and request additional information from the claimant in support of the claim; or

(3) deny the application.

(b) If the chief appraiser requires additional information from a claimant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the claimant specifying the additional information the claimant must provide to the chief appraiser before the chief appraiser can determine the claimant's right to appraisal under this subchapter. The claimant must furnish the information not later than the 30th day after the date of the request or before April 15, whichever is earlier, or the application is denied. However, for good cause shown the chief appraiser may extend the deadline for furnishing additional information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for appraisal under this subchapter filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser denies an application, the chief appraiser shall deliver a written notice of the denial to the claimant not later than the fifth day after the date of denial. The notice must state and fully explain each reason the chief appraiser denied the application. The notice must include a brief explanation of the procedures for protesting the denial.

Sec. 23.96. Taxation for Preceding Years.

(a) If airport property that has been appraised under this subchapter is no longer subject to a deed restriction, an additional tax is imposed on the property equal to the difference between the taxes imposed on the

property for each of the three years preceding the year in which the deed restriction expires that the property was appraised as provided by this subchapter and the tax that would have been imposed had the property not been restricted to use as public access airport property in each of those years.

(b) A tax lien attaches to the property on the date the deed restriction expires to secure payment of the additional tax imposed by this section and any penalties and interest incurred if the tax becomes delinquent. The lien exists in favor of all taxing units for which the additional tax is imposed.

(c) The assessor shall prepare and deliver a statement for the additional taxes as soon as practicable after the deed restriction expires. The taxes become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next date on which the unit's taxes become delinquent that is more than 10 days after the date the statement is delivered.

(d) The sanctions provided by Subsection (a) of this section do not apply if the change of use occurs as a result of a sale for right-of-way or a condemnation.

Sec. 23.9805. Action on Application.

(a) The chief appraiser shall determine separately each applicant's right to have the applicant's land appraised under this subchapter. After considering the application and all relevant information, the chief appraiser shall, as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for appraisal under this subchapter or the date the applicant provides to the chief appraiser the information necessary for the chief appraiser to determine the applicant's right to have the applicant's land appraised under this subchapter, based on the law and facts:

(1) approve the application and allow appraisal under this subchapter;

(2) disapprove the application and request additional information from the applicant in support of the claim; or

(3) deny the application.

(b) If the chief appraiser requires additional information from an applicant, the chief appraiser shall, as soon as practicable but not later than the 30th day after the date the application is filed with the chief appraiser, deliver a written notice to the applicant specifying the additional information the applicant must provide to the chief appraiser before the chief appraiser can determine the applicant's right to have the applicant's land appraised under this subchapter. The applicant must furnish the information not later than the 30th day after the date of the request or the chief appraiser shall deny the application. However, for good cause shown, the chief appraiser may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days.

(c) The chief appraiser shall determine the validity of each application for appraisal under this subchapter filed with the chief appraiser before the chief appraiser submits the appraisal records for review and determination of protests as provided by Chapter 41.

(d) If the chief appraiser denies an application, the chief appraiser shall deliver a written notice of the denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must state and fully explain each reason the chief appraiser denied the application. The chief appraiser shall include with the notice a brief explanation of the procedures for protesting the denial.

Sec. 23.9807. Change of Use of Land.

(a) If the use of land that has been appraised as provided by this subchapter changes to a use that qualifies the land for appraisal under Subchapter E, an additional tax is imposed on the land equal to the difference between:

(1) the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter; and

(2) the taxes that would have been imposed had the land been appraised under Subchapter E in each of those years.

(b) If the use of land that has been appraised as provided by this subchapter changes to a use that does not qualify the land for appraisal under Subchapter E or under this subchapter, an additional tax is imposed on the land equal to the difference between:

(1) the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter; and

(2) the taxes that would have been imposed had the land been taxed on the basis of market value in each of those years.

(c) A tax lien attaches to the land on the date the change of use occurs to secure payment of the additional tax imposed by this section and any penalties and interest incurred if the tax becomes delinquent. The lien exists in favor of all taxing units for which the additional tax is imposed.

(d) The additional tax imposed by this section does not apply to a year for which the tax has already been imposed.

(e) If the change of use applies to only part of a parcel that has been appraised as provided by this subchapter, the additional tax applies only to that part of the parcel.

(f) A determination that a change in use of the land has occurred is made by the chief appraiser. The chief appraiser shall deliver a notice of the determination to the owner of the land as soon as possible after making the determination and shall include in the notice an explanation of the owner's right to protest the determination. If the

owner does not file a timely protest or if the final determination of the protest is that the additional taxes are due, the assessor for each taxing unit shall prepare and deliver a bill for the additional taxes as soon as practicable after the change of use occurs. The taxes are due and become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next February 1 that is at least 20 days after the date the bill is delivered to the owner of the land.

(g) The harvesting of timber from the land before the expiration of the period provided by Section 23.9802(c) constitutes a change of use of the land for purposes of this section.

(h) The sanction provided by Subsection (a) or (b) does not apply if the change of use occurs as a result of a:

- (1) sale for right-of-way;
- (2) condemnation; or
- (3) change in law.

CHAPTER 25

Local Appraisal

Sec. 25.01. Preparation of Appraisal Records.

(a) By May 15 or as soon thereafter as practicable, the chief appraiser shall prepare appraisal records listing all property that is taxable in the district and stating the appraised value of each.

(b) The chief appraiser with the approval of the board of directors of the district may contract with a private appraisal firm to perform appraisal services for the district, subject to his approval. A contract for private appraisal services is void if the amount of compensation to be paid the private appraisal firm is contingent on the amount of or increase in appraised, assessed, or taxable value of property appraised by the appraisal firm.

(c) A contract for appraisal services for an appraisal district is invalid if it does not provide that copies of the appraisal, together with supporting data, must be made available to the appraisal district and such appraisals and supporting data shall be public records. "Supporting data" shall not be construed to include personal notes, correspondence, working papers, thought processes, or any other matters of a privileged or proprietary nature.

Sec. 25.02. Form and Content.

(a) The appraisal records shall be in the form prescribed by the comptroller and shall include:

- (1) the name and address of the owner or, if the name or address is unknown, a statement that it is unknown;
- (2) real property;
- (3) separately taxable estates or interests in real property, including taxable possessory interests in exempt real property;
- (4) personal property;
- (5) the appraised value of land and, if the land is appraised as provided by Subchapter C, D, E, or H, Chapter 23, the market value of the land;
- (6) the appraised value of improvements to land;
- (7) the appraised value of a separately taxable estate or interest in land;
- (8) the appraised value of personal property;
- (9) the kind of any partial exemption the owner is entitled to receive, whether the exemption applies to appraised or assessed value, and, in the case of an exemption authorized by Section 11.23, the amount of the exemption;
- (10) the tax year to which the appraisal applies; and
- (11) an identification of each taxing unit in which the property is taxable.

(b) A mistake in the name or address of an owner does not affect the validity of the appraisal records, of any appraisal or tax roll based on them, or of the tax imposed. The mistake may be corrected as provided by this code.

(c) **[Effective January 1, 2022]** Each appraisal record must have a unique account number. If an appraisal district changes the account number of an appraisal record, the appraisal district must provide written notice of the change to the property owner as soon as practicable after the change and provide notice of the change in the next notice of appraised value of the property included in the record that is delivered to the property owner under Section 25.19.

(d) **[Effective January 1, 2022]** This subsection does not apply to an appraisal record for a residential property, for an improvement only, or for a property on which a delinquent tax is due. On the written request of a property owner, the chief appraiser shall combine contiguous parcels or tracts of the owner's real property into a single appraisal record. On the written request of a property owner, the chief appraiser shall separate identifiable segments of the owner's parcel or tract of real property into individual appraisal records.

(e) **[Effective January 1, 2022]** A property owner must make a request under Subsection (d) before January 1 of the tax year for which the requested change to the appraisal records is to be made. The request must contain a legal description as contained in a deed sufficient to describe the property subject to the request.

(f) **[Effective January 1, 2022]** If a chief appraiser refuses to combine parcels or tracts, or separate a parcel or tract, on request of a property owner under Subsection (d), the appraisal review board may order the requested change on a motion filed by the property owner under Section 25.25 or a protest filed under Chapter 41.

(g) **[Effective January 1, 2022]** The combination of contiguous parcels or tracts of real property into a single appraisal record or the separation of identifiable segments of a parcel or tract of real property into individual appraisal records under this section does not affect the application of generally accepted appraisal methods and techniques to the appraisal of real property associated with those appraisal records, including real property that is part of the same economic unit as real property contained in the same or another appraisal record.

Sec. 25.025. Confidentiality of Certain Home Address Information.

(a) This section applies only to:

- (1) a current or former peace officer as defined by Article 2.12, Code of Criminal Procedure, and the spouse or surviving spouse of the peace officer;
- (2) the adult child of a current peace officer as defined by Article 2.12, Code of Criminal Procedure;
- (3) a current or honorably retired county jailer as defined by Section 1701.001, Occupations Code;
- (4) an employee of the Texas Department of Criminal Justice;
- (5) a commissioned security officer as defined by Section 1702.002, Occupations Code;
- (6) an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of family violence as defined by Section 71.004, Family Code, by providing:
 - (A) a copy of a protective order issued under Chapter 85, Family Code, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or
 - (B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of family violence;
- (7) an individual who shows that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons by providing:
 - (A) a copy of a protective order issued under Subchapter A or B, Chapter 7B, Code of Criminal Procedure, or a magistrate's order for emergency protection issued under Article 17.292, Code of Criminal Procedure; or
 - (B) other independent documentary evidence necessary to show that the individual, the individual's child, or another person in the individual's household is a victim of sexual assault or abuse, stalking, or trafficking of persons;
- (8) a participant in the address confidentiality program administered by the attorney general under Subchapter B, Chapter 58, Code of Criminal Procedure, who provides proof of certification under Article 58.059, Code of Criminal Procedure;
- (9) a federal judge, a federal bankruptcy judge, a marshal of the United States Marshals Service, a state judge, or a family member of a federal judge, a federal bankruptcy judge, a marshal of the United States Marshals Service, or a state judge;
- (10) a current or former district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;
- (11) a current or former employee of a district attorney, criminal district attorney, or county or municipal attorney whose jurisdiction includes any criminal law or child protective services matters;
- (12) an officer or employee of a community supervision and corrections department established under Chapter 76, Government Code, who performs a duty described by Section 76.004(b) of that code;
- (13) a criminal investigator of the United States as described by Article 2.122(a), Code of Criminal Procedure;
- (14) a current or honorably retired police officer or inspector of the United States Federal Protective Service;
- (15) a current or former United States attorney, assistant United States attorney, federal public defender, deputy federal public defender, or assistant federal public defender and the spouse and child of the attorney or public defender;
- (16) a current or former employee of the office of the attorney general who is or was assigned to a division of that office the duties of which involve law enforcement;
- (17) a medical examiner or person who performs forensic analysis or testing who is employed by this state or one or more political subdivisions of this state;
- (18) a current or former member of the United States armed forces who has served in an area that the president of the United States by executive order designates for purposes of 26 U.S.C. Section 112 as an area in which armed forces of the United States are or have engaged in combat;
- (19) a current or former employee of the Texas Juvenile Justice Department or of the predecessors in function of the department;
- (20) a current or former juvenile probation or supervision officer certified by the Texas Juvenile Justice Department, or the predecessors in function of the department, under Title 12, Human Resources Code;

(21) a current or former employee of a juvenile justice program or facility, as those terms are defined by Section 261.405, Family Code;

(22) a current or former employee of the Texas Civil Commitment Office or the predecessor in function of the office or a division of the office;

(23) a current or former employee of a federal judge or state judge;

(24) a current or former child protective services caseworker, adult protective services caseworker, or investigator for the Department of Family and Protective Services or a current or former employee of a department contractor performing child protective services caseworker, adult protective services caseworker, or investigator functions for the contractor on behalf of the department;

(25) an elected public officer; and

(26) a firefighter or volunteer firefighter or emergency medical services personnel as defined by Section 773.003, Health and Safety Code.

(a-1) In this section:

(1) "Family member" has the meaning assigned by Section 31.006, Finance Code.

(1-a) "Honorably retired" means, with respect to a position, an individual who:

(A) previously served but is not currently serving in the position;

(B) did not retire in lieu of any disciplinary action;

(C) was eligible to retire from the position or was ineligible to retire only as a result of an injury received in the course of the individual's employment in the position; and

(D) is eligible to receive a pension or annuity for service in the position or is ineligible to receive a pension or annuity only because the entity that employed the individual does not offer a pension or annuity to its employees.

(2) "Federal judge" means:

(A) a judge, former judge, or retired judge of a United States court of appeals;

(B) a judge, former judge, or retired judge of a United States district court;

(C) a judge, former judge, or retired judge of a United States bankruptcy court; or

(D) a magistrate judge, former magistrate judge, or retired magistrate judge of a United States district court.

(2-a) "Honorably retired" means, with respect to a position, an individual who:

(A) previously served but is not currently serving in the position;

(B) did not retire in lieu of any disciplinary action;

(C) was eligible to retire from the position or was ineligible to retire only as a result of an injury received in the course of the individual's employment in the position; and

(D) is eligible to receive a pension or annuity for service in the position or is ineligible to receive a pension or annuity only because the entity that employed the individual does not offer a pension or annuity to its employees.

(3) "State judge" means:

(A) a judge, former judge, or retired judge of an appellate court, a district court, a statutory probate court, a constitutional county court, or a county court at law of this state;

(B) an associate judge appointed under Chapter 201, Family Code, or Chapter 54A, Government Code, or a retired associate judge or former associate judge appointed under either law;

(C) a justice of the peace;

(D) a master, magistrate, referee, hearing officer, or associate judge appointed under Chapter 54, Government Code; or

(E) a municipal court judge.

(b) Information in appraisal records under Section 25.02 is confidential and is available only for the official use of the appraisal district, this state, the comptroller, and taxing units and political subdivisions of this state if:

(1) the information identifies the home address of a named individual to whom this section applies;

and

(2) the individual:

(A) chooses to restrict public access to the information on the form prescribed for that purpose by the comptroller under Section 5.07; or

(B) is a federal or state judge, or the spouse of a federal or state judge, beginning on the date the Office of Court Administration of the Texas Judicial System notifies the appraisal district of the judge's qualification for the judge's office.

(c) A choice made under Subsection (b) remains valid until rescinded in writing by the individual.

(d) This section does not prohibit the public disclosure of information in appraisal records that identifies property according to an address if the information does not identify an individual who has made an election under Subsection (b) in connection with the individual's address.

Sec. 25.07. Leasehold and Other Possessory Interests in Exempt Property.

(a) Except as provided by Subsection (b) of this section, a leasehold or other possessory interest in real property that is exempt from taxation to the owner of the estate or interest encumbered by the possessory interest shall be listed in the name of the owner of the possessory interest if the duration of the interest may be at least one year.

(b) Except as provided by Sections 11.11(b) and (c), a leasehold or other possessory interest in exempt property may not be listed if:

- (1) the property is permanent university fund land;
- (2) the property is county public school fund agricultural land;
- (3) the property is a part of a public transportation facility owned by a municipality or county and:
 - (A) is an airport passenger terminal building or a building used primarily for maintenance of aircraft or other aircraft services, for aircraft equipment storage, or for air cargo;
 - (B) is an airport fueling system facility;
 - (C) is in a foreign-trade zone:
 - (i) that has been granted to a joint airport board under Subchapter C, Chapter 681, Business & Commerce Code;
 - (ii) the area of which in the portion of the zone located in the airport operated by the joint airport board does not exceed 2,500 acres; and
 - (iii) that is established and operating pursuant to federal law; or
 - (D)
 - (i) is in a foreign trade zone established pursuant to federal law after June 1, 1991, that operates pursuant to federal law;
 - (ii) is contiguous to or has access via a taxiway to an airport located in two counties, one of which has a population of 500,000 or more according to the federal decennial census most recently preceding the establishment of the foreign trade zone; and
 - (iii) is owned, directly or through a corporation organized under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code), by the same municipality that owns the airport;
- (4) the interest is in a part of:
 - (A) a park, market, fairground, or similar public facility that is owned by a municipality; or
 - (B) a convention center, visitor center, sports facility with permanent seating, concert hall, arena, or stadium that is owned by a municipality as such leasehold or possessory interest serves a governmental, municipal, or public purpose or function when the facility is open to the public, regardless of whether a fee is charged for admission;
- (5) the interest involves only the right to use the property for grazing or other agricultural purposes;
- (6) the property is:
 - (A) owned by a municipality, a public port, or a navigation district created or operating under Section 59, Article XVI, Texas Constitution, or under a statute enacted under Section 59, Article XVI, Texas Constitution; and
 - (B) used as an aid or facility incidental to or useful in the operation or development of a port or waterway or in aid of navigation-related commerce; or
- (7) the property is part of a rail facility owned by a rural rail transportation district operating under Chapter 172, Transportation Code.

(c) Subsection (a) does not apply to:

(1) any portion of a facility owned by the Texas Department of Transportation that is a rail facility or system or is a highway in the state highway system and that is licensed or leased to a private entity by that department under Chapter 91 or 223, Transportation Code; or

(2) a leasehold or other possessory interest granted by the Texas Department of Transportation in a facility owned by that department that is a rail facility or system or is a highway in the state highway system.

(d) For purposes of Subsection (b)(6)(B) of this section, property is used as an aid or facility incidental to or useful in the operation or development of a port or waterway or in aid of navigation-related commerce if the property:

- (1) is leased to a person:
 - (A) engaged in the business of navigation-related commerce; or
 - (B) for a purpose described by Section 60.101, 61.162, or 63.153, Water Code, or for the placement on the property of an improvement described by those sections;
- (2) is located:
 - (A) adjacent to a federal navigation project; or
 - (B) in a foreign trade zone established and operated under federal law; or
- (3) includes part of a rail facility that serves the tenants and users of the port or waterway.

(e) In this section, "navigation-related commerce" includes the following if engaged in by a person:

- (1) an activity that requires the person to hold a maritime-related license or permit issued by a navigation district, including providing stevedoring, steamship agency, towing, tugboat, or line handling services;
- (2) an activity that requires the person to hold a franchise issued by a navigation district;
- (3) possessing a leasehold interest in property owned by a navigation district that connects infrastructure to a public dock;
- (4) hauling cargo into or across a public dock;
- (5) commercial fishing;
- (6) constructing, fabricating, cleaning, repairing, dismantling, or recycling vessels;
- (7) pilotage; or
- (8) an activity described by Section 60.101, 61.162, or 63.153, Water Code.

Sec. 25.18. Periodic Reappraisals.

(a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05(i).

(b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:

- (1) identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
- (2) identifying and updating relevant characteristics of each property in the appraisal records;
- (3) defining market areas in the district;
- (4) identifying property characteristics that affect property value in each market area, including:
 - (A) the location and market area of property;
 - (B) physical attributes of property, such as size, age, and condition;
 - (C) legal and economic attributes; and
 - (D) easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;
- (5) developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
- (6) applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
- (7) reviewing the appraisal results to determine value.

(c) A taxing unit by resolution adopted by its governing body may require the appraisal office to appraise all property within the unit or to identify and appraise newly annexed territory and new improvements in the unit as of a date specified in the resolution. On or before the deadline requested by the taxing unit, which deadline may not be less than 30 days after the date the resolution is delivered to the appraisal office, the chief appraiser shall complete the appraisal and deliver to the unit an estimate of the total appraised value of property taxable by the unit as of the date specified in such resolution. The unit must pay the appraisal district for the cost of making the appraisal. The chief appraiser shall provide sufficient personnel to make the appraisals required by this subsection on or before the deadline requested by the taxing unit. An appraisal made pursuant to this subsection may not be used by a taxing unit as the basis for the imposition of taxes.

Sec. 25.19. Notice of Appraised Value.

(a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property, the chief appraiser shall deliver a clear and understandable written notice to a property owner of the appraised value of the property owner's property if:

- (1) the appraised value of the property is greater than it was in the preceding year;
- (2) the appraised value of the property is greater than the value rendered by the property owner;
- (3) the property was not on the appraisal roll in the preceding year; or
- (4) an exemption or partial exemption approved for the property for the preceding year was canceled or reduced for the current year.

(b) The chief appraiser shall separate real from personal property and include in the notice for each:

- (1) a list of the taxing units in which the property is taxable;
- (2) the appraised value of the property in the preceding year;
- (3) the taxable value of the property in the preceding year for each taxing unit taxing the property;
- (4) the appraised value of the property for the current year, the kind and amount of each exemption and partial exemption, if any, approved for the property for the current year and for the preceding year, and, if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year, the amount of the exemption or partial exemption canceled or reduced;

(5) **[Effective January 1, 2022]** in italic typeface, the following statement: “The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials”;

(6) **[Effective January 1, 2022]** a detailed explanation of the time and procedure for protesting the value;

(7) **[Effective January 1, 2022]** the date and place the appraisal review board will begin hearing protests;

(8) **[Effective January 1, 2022]** an explanation of the availability and purpose of an informal conference with the appraisal office before a hearing on a protest; and

(9) a brief explanation that the governing body of each taxing unit decides whether or not taxes on the property will increase and the appraisal district only determines the value of the property.

(b-1) For real property, in addition to the information required by Subsection (b), the chief appraiser shall state in a notice required to be delivered under Subsection (a), the difference, expressed as a percent increase or decrease, as applicable, in the appraised value of the property for the current tax year as compared to the fifth tax year before the current tax year.

(b-2) [Repealed.]

(b-3) This subsection applies only to an appraisal district described by Section 6.41(b-2). In addition to the information required by Subsection (b), the chief appraiser shall state in a notice of appraised value of property described by Section 6.425(b) that the property owner has the right to have a protest relating to the property heard by a special panel of the appraisal review board.

(b-4) Subsection (b)(5) applies only to a notice of appraised value required to be delivered by the chief appraiser of an appraisal district established in a county with a population of less than 120,000. This subsection expires January 1, 2022.

(c) In the case of the residence homestead of a person 65 years of age or older or disabled that is subject to the limitation on a tax increase over the preceding year for school tax purposes, the chief appraiser shall indicate on the notice that the preceding year’s taxes may not be increased.

(d) Failure to receive a notice required by this section does not affect the validity of the appraisal of the property, the imposition of any tax on the basis of the appraisal, the existence of any tax lien, the deadline for filing an application for a residence homestead exemption, or any proceeding instituted to collect the tax.

(e) The chief appraiser, with the approval of the appraisal district board of directors, may dispense with the notice required by Subsection (a)(1) if the amount of increase in appraised value is \$1,000 or less.

(f) In the notice of appraised value for real property, the chief appraiser shall list separately:

(1) the market value of the land; and

(2) the total market value of the structures and other improvements on the property.

(g) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with any other property, the chief appraiser shall deliver a written notice to the owner of each property not included in a notice required to be delivered under Subsection (a), if the property was reappraised in the current tax year, if the ownership of the property changed during the preceding year, or if the property owner or the agent of a property owner authorized under Section 1.111 makes a written request for the notice. The chief appraiser shall separate real from personal property and include in the notice for each property:

(1) the appraised value of the property in the preceding year;

(2) the appraised value of the property for the current year and the kind of each partial exemption, if any, approved for the current year;

(3) a detailed explanation of the time and procedure for protesting the value; and

(4) the date and place the appraisal review board will begin hearing protests.

(h) A notice required by Subsection (a) or (g) must be in the form of a letter.

(i) Delivery with a notice required by Subsection (a) or (g) of a copy of the pamphlet published by the comptroller under Section 5.06 or a copy of the notice published by the chief appraiser under Section 41.70 is sufficient to comply with the requirement that the notice include the information specified by Subsection (b)(7) or (g)(3), as applicable.

(j) The chief appraiser shall include with a notice required by Subsection (a) or (g):

(1) a copy of a notice of protest form as prescribed by the comptroller under Section 41.44(d); and

(2) instructions for completing and mailing the form to the appraisal review board and requesting a hearing on the protest.

(k) Notwithstanding any other provision of this section, the chief appraiser may not deliver a written notice concerning property that is required to be rendered or reported under Chapter 22 until after the applicable deadline for filing the rendition statement or property report.

(l) In addition to the information required by Subsection (b), the chief appraiser shall include with a notice required by Subsection (a) a brief explanation of each total or partial exemption of property from taxation required or authorized by this title that is available to:

(1) a disabled veteran or the veteran’s surviving spouse or child;

(2) an individual who is 65 years of age or older or the individual’s surviving spouse;

- (3) an individual who is disabled or the individual's surviving spouse;
- (4) the surviving spouse of a member of the armed services of the United States who is killed in action; or
- (5) the surviving spouse of a first responder who is killed or fatally injured in the line of duty.

(m) **[2 Versions: As added by Acts 2021, 87th Leg., ch. 209 (HB 2723)]** A notice required by Subsection (a) or (g) must include the following statement: "Beginning August 7th, visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes."

(m) **[Effective January 1, 2022] [2 Versions: As added by Acts 2021, 87th Leg., ch. 644 (HB 988)]** The chief appraiser may not deliver a corrected or amended notice of appraised value later than June 1 for property for which a person files a rendition statement or property report as required by Chapter 22 unless the purpose of the notice is to:

- (1) include omitted property; or
- (2) correct a clerical error.

(n) **[Effective January 1, 2022]** As soon as practicable after delivering a notice required by this section to a property owner, the chief appraiser shall post the notice on the appraisal district's Internet website, if the appraisal district maintains a website, as part of the appraisal record pertaining to the property.

Sec. 25.193. Notice of Certain Canceled or Reduced Exemptions.

(a) By April 1 or as soon thereafter as practicable if the property is a single-family residence that qualifies for an exemption under Section 11.13, or by May 1 or as soon thereafter as practicable in connection with residential property that does not qualify for an exemption under Section 11.13, the chief appraiser shall deliver a clear and understandable written notice to a property owner if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year.

(b) If a property owner has elected to receive notices by e-mail as provided by Section 1.086, the notice required by this section must be sent in that manner regardless of whether the information was also included in a notice under Section 25.19 and must be sent separately from any other notice sent to the property owner by the chief appraiser.

Sec. 25.21. Omitted Property.

(a) If the chief appraiser discovers that real property was omitted from an appraisal roll in any one of the three preceding tax years or that personal property was omitted from an appraisal roll in one of the two preceding tax years, the chief appraiser shall appraise the property as of January 1 of each tax year that it was omitted and enter the property and its appraised value in the appraisal records.

(b) The entry shall show that the appraisal is for property that was omitted from an appraisal roll in a prior year and shall indicate the year and the appraised value for each year.

Sec. 25.24. Appraisal Roll.

The appraisal records, as changed by order of the appraisal review board and approved by that board, constitute the appraisal roll for the district.

Sec. 25.25. Correction of Appraisal Roll.

(a) Except as provided by Chapters 41 and 42 of this code and by this section, the appraisal roll may not be changed.

(b) The chief appraiser may change the appraisal roll at any time to correct a name or address, a determination of ownership, a description of property, multiple appraisals of a property, an erroneous denial or cancellation of any exemption authorized by Section 11.13 if the applicant or recipient is disabled or is 65 or older or an exemption authorized by Section 11.13(q), 11.131, or 11.22, or a clerical error or other inaccuracy as prescribed by board rule that does not increase the amount of tax liability. Before the 10th day after the end of each calendar quarter, the chief appraiser shall submit to the appraisal review board and to the board of directors of the appraisal district a written report of each change made under this subsection that decreases the tax liability of the owner of the property. The report must include:

- (1) a description of each property; and
- (2) the name of the owner of that property.

(c) The appraisal review board, on motion of the chief appraiser or of a property owner, may direct by written order changes in the appraisal roll for any of the five preceding years to correct:

- (1) clerical errors that affect a property owner's liability for a tax imposed in that tax year;
- (2) multiple appraisals of a property in that tax year;
- (3) the inclusion of property that does not exist in the form or at the location described in the

appraisal roll; or

(4) an error in which property is shown as owned by a person who did not own the property on January 1 of that tax year.

(c-1) The appraisal review board, on motion of the chief appraiser or of a property owner, may direct by written order changes in the appraisal roll or related appraisal records for the current tax year and for either of the two preceding tax years to correct an inaccuracy in the appraised value of the owner's tangible personal property that is the result of an error or omission in a rendition statement or property report filed under Chapter 22 for the applicable tax year. The roll may not be changed under this subsection for any tax year in which:

(1) the property owner failed to timely file the rendition statement or property report in accordance with Section 22.23 and was assessed a penalty under Section 22.28;

(2) the property was the subject of a protest brought by the property owner under Chapter 41, a hearing on the protest was conducted in which the owner offered evidence or argument, and the appraisal review board made a determination of the protest on the merits;

(3) the property was the subject of a previous motion filed by the property owner under this section and the chief appraiser and the owner agreed to the correction, the appraisal review board determined the motion, or the appraisal review board determined that the owner forfeited the right to a final determination of the motion for failing to comply with the prepayment requirements of Section 25.26; or

(4) the appraised value of the property was established as a result of a written agreement between the property owner or the owner's agent and the appraisal district.

(d) At any time prior to the date the taxes become delinquent, a property owner or the chief appraiser may file a motion with the appraisal review board to change the appraisal roll to correct an error that resulted in an incorrect appraised value for the owner's property. However, the error may not be corrected unless it resulted in an appraised value that exceeds by more than:

(1) one-fourth the correct appraised value, in the case of property that qualifies as the owner's residence homestead under Section 11.13; or

(2) one-third the correct appraised value, in the case of property that does not qualify as the owner's residence homestead under Section 11.13.

(d-1) If the appraisal roll is changed under Subsection (d), the property owner must pay to each affected taxing unit a late-correction penalty equal to 10 percent of the amount of taxes as calculated on the basis of the corrected appraised value. Payment of the late-correction penalty is secured by the lien that attaches to the property under Section 32.01 and is subject to enforced collection under Chapter 33. The roll may not be changed under Subsection (d) if:

(1) the property was the subject of a protest brought by the property owner under Chapter 41, a hearing on the protest was conducted in which the property owner offered evidence or argument, and the appraisal review board made a determination of the protest on the merits; or

(2) the appraised value of the property was established as a result of a written agreement between the property owner or the owner's agent and the appraisal district.

NOTE: SB63 and SB 1421 amend Sec. 25.25 (e). Below is a combination of both bills.

(e) If the chief appraiser and the property owner do not agree to the correction before the 15th day after the date the motion is filed, a party bringing a motion under Subsection (c), (c-1), or (d) is entitled on request to a hearing on and a determination of the motion by the appraisal review board. A party bringing a motion under this section must describe the error or errors that the motion is seeking to correct. If a request for hearing is made on or after January 1 but before September 1, the appraisal review board shall schedule the hearing to be held as soon as practicable but not later than the 90th day after the date the board approves the appraisal records as provided by Section 41.12. If a request for hearing is made on or after September 1 but before January 1 of the following tax year, the appraisal review board shall schedule the hearing to be held as soon as practicable but not later than the 90th day after the date the request for the hearing is made. Not later than 15 days before the date of the hearing, the board shall deliver written notice of the date, time, and place of the hearing to the chief appraiser, the property owner, and the presiding officer of the governing body of each taxing unit in which the property is located. The chief appraiser, the property owner, and each taxing unit are entitled to present evidence and argument at the hearing and to receive written notice of the board's determination of the motion. The property owner is entitled to elect to present the owner's evidence and argument before, after, or between the cases presented by the chief appraiser and each taxing unit. A property owner who files the motion must comply with the payment requirements of Section 25.26 or forfeit the right to a final determination of the motion.

(f) The chief appraiser shall certify each change made as provided by this section to the assessor for each unit affected by the change within five days after the date the change is entered.

(g) Within 60 days after receiving notice of the appraisal review board's determination of a motion under this section or of a determination of the appraisal review board that the property owner has forfeited the right to a final determination of a motion under this section for failing to comply with the prepayment requirements of Section 25.26, the property owner or the chief appraiser may file suit to compel the board to order a change in the appraisal roll as required by this section. A taxing unit may not be made a party to a suit filed by a property owner or chief appraiser under this subsection.

(g-1) In a suit filed under Subsection (g), if a hearing to review and determine compliance with Section 25.26 is requested, the movant must mail notice of the hearing by certified mail, return receipt requested, to the collector for each taxing unit that imposes taxes on the property not later than the 45th day before the date of the hearing.

(g-2) Regardless of whether the collector for the taxing unit receives a notice under Subsection (g-1), a taxing unit that imposes taxes on the property may intervene in a suit filed under Subsection (g) and participate in the proceedings for the limited purpose of determining whether the property owner has complied with Section 25.26. The taxing unit is entitled to process for witnesses and evidence and to be heard by the court.

(h) The appraisal review board, on the joint motion of the property owner and the chief appraiser filed at any time prior to the date the taxes become delinquent, shall by written order correct an error that resulted in an incorrect appraised value for the owner's property.

(i) A person who acquires property after January 1 of the tax year at issue is entitled to file any motion that this section authorizes the person who owned the property on January 1 of that year to file, if the deadline for filing the motion has not passed.

(j) If during the pendency of a motion under this section the ownership of property subject to the motion changes, the new owner of the property is entitled to proceed with the motion in the same manner as the property owner who filed the motion.

(k) The chief appraiser shall change the appraisal records and school district appraisal rolls promptly to reflect the detachment and annexation of property among school districts under Subchapter C or G, Chapter 49, Education Code.

(l) A motion may be filed under Subsection (c) regardless of whether, for a tax year to which the motion relates, the owner of the property protested under Chapter 41 an action relating to the value of the property that is the subject of the motion.

(m) The hearing on a motion under Subsection (c), (c-1), or (d) shall be conducted in the manner provided by Subchapter C, Chapter 41.

(n) After a chief appraiser certifies a change under Subsection (b) that corrects multiple appraisals of a property, the liability of a taxing unit for a refund of taxes under Section 26.15(f), and any penalty or interest on those taxes, is limited to taxes paid for the tax year in which the appraisal roll is changed and the four tax years preceding that year.

(o) The failure or refusal of a chief appraiser to change an appraisal roll under Subsection (b) is not:

- (1) an action that the appraisal review board is authorized to determine under this section;
- (2) an action that may be the subject of a suit to compel filed under Subsection (g);
- (3) an action that a property owner is entitled to protest under Section 41.41; or
- (4) an action that may be appealed under Chapter 42.

(p) Not later than the 45th day after the date a dispute or error described by Section 72.010(c), Local Government Code, is resolved by an agreement between the taxing units under Section 31.112(c) of this code or by a final order of the supreme court entered under Section 72.010, Local Government Code, the chief appraiser of each applicable appraisal district shall correct the appraisal roll and other appropriate records as necessary to reflect the agreement or order.

CHAPTER 41 **Local Review**

Sec. 41.01. Duties of Appraisal Review Board.

(a) The appraisal review board shall:

- (1) determine protests initiated by property owners;
- (2) determine challenges initiated by taxing units;
- (3) correct clerical errors in the appraisal records and the appraisal rolls;
- (4) act on motions to correct appraisal rolls under Section 25.25;
- (5) determine whether an exemption or a partial exemption is improperly granted and whether land

is improperly granted appraisal as provided by Subchapter C, D, E, or H, Chapter 23; and

- (6) take any other action or make any other determination that this title specifically authorizes or requires.

(b) The board may not review or reject an agreement between a property owner or the owner's agent and the chief appraiser under Section 1.111(e).

(c) The appraisal review board by rule shall adopt procedures for hearings the board conducts under this subchapter and Subchapter C. Before adopting the hearing procedures, the board shall hold a public hearing to consider the hearing procedures proposed for adoption by the board. Not later than May 15 of each year, the board shall hold the hearing, make any amendments to the proposed hearing procedures the board determines are necessary, and by resolution finally adopt the hearing procedures. The board must comply with Section 5.103(d) when adopting the hearing procedures. The chairman of the board is responsible for the administration of hearing procedures adopted by the board.

(d) The appraisal review board shall distribute copies of the hearing procedures adopted by the board to the board of directors of, and the taxpayer liaison officer for, the appraisal district for which the appraisal review board is established and to the comptroller not later than the 15th day after the date the board adopts the hearing procedures.

(e) The appraisal review board shall post a copy of the hearing procedures adopted by the board:

(1) in a prominent place in each room in which the board conducts hearings under this subchapter and Subchapter C; and

(2) if the appraisal district for which the board is established maintains an Internet website, on the appraisal district's website.

Sec. 41.10. Correction of Records on Recommendation of Chief Appraiser.

At any time before approval of the appraisal records as provided by Section 41.12 of this code, the chief appraiser may submit written recommendations to the appraisal review board for corrections in the records. If the board approves a recommended correction and it will not result in an increase in the tax liability of a property owner, the board may make the correction by written order.

Sec. 41.12. Approval of Appraisal Records by Board.

(a) By July 20, the appraisal review board shall:

(1) hear and determine all or substantially all timely filed protests;

(2) determine all timely filed challenges;

(3) submit a list of its approved changes in the records to the chief appraiser; and

(4) approve the records.

(b) The appraisal review board must complete substantially all timely filed protests before approving the appraisal records and may not approve the records if the sum of the appraised values, as determined by the chief appraiser, of all properties on which a protest has been filed but not determined is more than five percent of the total appraised value of all other taxable properties.

(c) The board of directors of an appraisal district established for a county with a population of at least one million by resolution may:

(1) postpone the deadline established by Subsection (a) for the performance of the functions listed in that subsection to a date not later than August 30; or

(2) provide that the appraisal review board may approve the appraisal records if the sum of the appraised values, as determined by the chief appraiser, of all properties on which a protest has been filed but not determined does not exceed 10 percent of the total appraised value of all other taxable properties.

Sec. 41.41. Right of Protest.

(a) A property owner is entitled to protest before the appraisal review board the following actions:

(1) determination of the appraised value of the owner's property or, in the case of land appraised as provided by Subchapter C, D, E, or H, Chapter 23, determination of its appraised or market value;

(2) unequal appraisal of the owner's property;

(3) inclusion of the owner's property on the appraisal records;

(4) denial to the property owner in whole or in part of a partial exemption;

(5) determination that the owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23;

(6) identification of the taxing units in which the owner's property is taxable in the case of the appraisal district's appraisal roll;

(7) determination that the property owner is the owner of property;

(8) a determination that a change in use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred; or

(9) any other action of the chief appraiser, appraisal district, or appraisal review board that applies to and adversely affects the property owner.

(b) Each year the chief appraiser for each appraisal district shall publicize in a manner reasonably designed to notify all residents of the district:

(1) the provisions of this section; and

(2) the method by which a property owner may protest an action before the appraisal review board.

(c) Notwithstanding Subsection (a), a property owner is entitled to protest before the appraisal review board only the following actions of the chief appraiser in relation to an exemption under Section 11.35:

(1) the modification or denial of an application for an exemption under that section; or

(2) the determination of the appropriate damage assessment rating for an item of qualified property under that section.

(d) An appraisal district or the appraisal review board for an appraisal district may not require a property owner to pay a fee in connection with a protest filed by the owner with the board.

Sec. 41.413. Protest by Person Leasing Property.

(a) A person leasing tangible personal property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to protest before the appraisal review board a determination of the appraised value of the property if the property owner does not file a protest relating to the property.

(b) A person leasing real property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to protest before the appraisal review board a determination of the appraised value of the property if the property owner does not file a protest relating to the property. The protest provided by this subsection is limited to a single protest by either the property owner or the lessee.

(c) A person bringing a protest under this section is considered the owner of the property for purposes of the protest. The appraisal review board shall deliver a copy of any notice relating to the protest and of the order determining the protest to the owner of the property and the person bringing the protest.

(d) An owner of real property shall send to a person leasing property under a contract described by Subsection (b) a copy of any notice of appraised value of the property received by the property owner. The property owner must send the notice not later than the 10th day after the date the property owner receives the notice. Failure of the property owner to send a copy of the notice to the person leasing the property does not affect the time within which the person leasing the property may protest the appraised value. This subsection does not apply if the property owner and the person leasing the property have agreed in the contract to waive the requirements of this subsection or that the person leasing the property will not protest the appraised value of the property.

(e) A person leasing real property under a contract described by Subsection (b) may request that the chief appraiser of the appraisal district in which the property is located send the notice described by Subsection (d) to the person. Except as provided by Subsection (f), the chief appraiser shall send the notice to the person leasing the property not later than the fifth day after the date the notice is sent to the property owner if the person demonstrates that the person is contractually obligated to reimburse the property owner for the taxes imposed on the property.

(f) A chief appraiser who receives a request under Subsection (e) is not required to send the notice requested under that subsection if the appraisal district in which the property that is the subject of the notice is located posts the appraised value of the property on the district's Internet website not later than the fifth day after the date the notice is sent to the property owner.

(g) A person leasing property under a contract described by this section may designate another person to act as the agent of the lessee for any purpose under this title. The lessee must make the designation in the manner provided by Section 1.111. An agent designated under this subsection has the same authority and is subject to the same limitations as an agent designated by a property owner under Section 1.111.

Sec. 41.43. Protest of Determination of Value or Inequality of Appraisal.

(a) Except as provided by Subsections (a-1), (a-3), and (d), in a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing. If the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-1) If in the protest relating to a property with a market or appraised value of \$1 million or less as determined by the appraisal district the property owner files with the appraisal review board and, not later than the 14th day before the date of the first day of the hearing, delivers to the chief appraiser a copy of an appraisal of the property performed not later than the 180th day before the date of the first day of the hearing by an appraiser certified under Chapter 1103, Occupations Code, that supports the appraised or market value of the property asserted by the property owner, the appraisal district has the burden of establishing the value of the property by clear and convincing evidence presented at the hearing. If the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-2) To be valid, an appraisal filed under Subsection (a-1) must be attested to before an officer authorized to administer oaths and include:

- (1) the name and business address of the certified appraiser;
- (2) a description of the property that was the subject of the appraisal;
- (3) a statement that the appraised or market value of the property:
 - (A) was, as applicable, the appraised or market value of the property as of January 1 of the current tax year; and
 - (B) was determined using a method of appraisal authorized or required by Chapter 23;

and

(4) a statement that the appraisal was performed in accordance with the Uniform Standards of Professional Appraisal Practice.

(a-3) In a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by clear and convincing evidence presented at the hearing if:

- (1) the appraised value of the property was lowered under this subtitle in the preceding tax year;
- (2) the appraised value of the property in the preceding tax year was not established as a result of a written agreement between the property owner or the owner's agent and the appraisal district under Section 1.111(e); and

(3) not later than the 14th day before the date of the first day of the hearing, the property owner files with the appraisal review board and delivers to the chief appraiser:

(A) information, such as income and expense statements or information regarding comparable sales, that is sufficient to allow for a determination of the appraised or market value of the property if the protest is authorized by Section 41.41(a)(1); or

(B) information that is sufficient to allow for a determination of whether the property was appraised unequally if the protest is authorized by Section 41.41(a)(2).

(a-4) If the appraisal district has the burden of establishing the value of property by clear and convincing evidence presented at the hearing on a protest as provided by Subsection (a-3) and the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-5) Subsection (a-3)(3) does not impose a duty on a property owner to provide any information in a protest authorized by Section 41.41(a)(1) or (2). That subdivision is merely a condition to the applicability of the standard of evidence provided by Subsection (a-3).

(b) A protest on the ground of unequal appraisal of property shall be determined in favor of the protesting party unless the appraisal district establishes that:

(1) the appraisal ratio of the property is equal to or less than the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;

(2) the appraisal ratio of the property is equal to or less than the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as, the property subject to the protest; or

(3) the appraised value of the property is equal to or less than the median appraised value of a reasonable number of comparable properties appropriately adjusted.

(c) For purposes of this section, evidence includes the data, schedules, formulas, or other information used to establish the matter at issue.

(d) If the property owner fails to deliver, before the date of the hearing, a rendition statement or property report required by Chapter 22 or a response to the chief appraiser's request for information under Section 22.07(c), the property owner has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing. If the property owner fails to meet that standard, the protest shall be determined in favor of the appraisal district.

Sec. 41.44. Notice of Protest.

(a) Except as provided by Subsections (b), (c), (c-1), and (c-2), to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a written notice of the protest with the appraisal review board having authority to hear the matter protested:

(1) not later than May 15 or the 30th day after the date that notice to the property owner was delivered to the property owner as provided by Section 25.19, whichever is later;

(2) in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A of this chapter or by Chapter 25, not later than the 30th day after the date notice of the change is delivered to the property owner;

(3) in the case of a determination that a change in the use of land appraised under Subchapter C, D, E, or H, Chapter 23, has occurred, not later than the 30th day after the date the notice of the determination is delivered to the property owner;

(4) in the case of a determination of eligibility for a refund under Section 23.1243, not later than the 30th day after the date the notice of the determination is delivered to the property owner; or

(5) in the case of a protest of the modification or denial of an application for an exemption under Section 11.35, or the determination of an appropriate damage assessment rating for an item of qualified property under that section, not later than the 30th day after the date the property owner receives the notice required under Section 11.45(e).

(b) A property owner who files his notice of protest after the deadline prescribed by Subsection (a) of this section but before the appraisal review board approves the appraisal records is entitled to a hearing and determination of the protest if he shows good cause as determined by the board for failure to file the notice on time.

(b-1) [Repealed.]

(c) A property owner who files notice of a protest authorized by Section 41.411 is entitled to a hearing and determination of the protest if the property owner files the notice prior to the date the taxes on the property to which the notice applies become delinquent. An owner of land who files a notice of protest under Subsection (a)(3) is entitled to a hearing and determination of the protest without regard to whether the appraisal records are approved.

(c-1) A property owner who files a notice of protest after the deadline prescribed by Subsection (a) but before the taxes on the property to which the notice applies become delinquent is entitled to a hearing and determination of the protest if the property owner was continuously employed in the Gulf of Mexico, including employment on an offshore drilling or production facility or on a vessel, for a period of not less than 20 days during which the deadline prescribed by Subsection (a) passed, and the property owner provides the appraisal review board with evidence of that fact through submission of a letter from the property owner's employer or supervisor or, if the property owner is self-employed, a sworn affidavit.

(c-2) A property owner who files a notice of protest after the deadline prescribed by Subsection (a) but before the taxes on the property to which the notice applies become delinquent is entitled to a hearing and determination of the protest if the property owner was serving on full-time active duty in the United States armed forces outside the United States on the day on which the deadline prescribed by Subsection (a) passed and the property owner provides the appraisal review board with evidence of that fact through submission of a valid military identification card from the United States Department of Defense and a deployment order.

(c-3) Notwithstanding Subsection (c), a property owner who files a protest under Section 41.411 on or after the date the taxes on the property to which the notice applies become delinquent, but not later than the 125th day after the property owner, in the protest filed, claims to have first received written notice of the taxes in question, is entitled to a hearing solely on the issue of whether one or more taxing units timely delivered a tax bill. If at the hearing the appraisal review board determines that all of the taxing units failed to timely deliver a tax bill, the board shall determine the date on which at least one taxing unit first delivered written notice of the taxes in question, and for the purposes of this section the delinquency date is postponed to the 125th day after that date.

NOTE: SB 63 and HB 988 amend Sec. 41.44(d). Below is a combination of both bills.

(d) A notice of protest is sufficient if it identifies the protesting property owner, including a person claiming an ownership interest in the property even if that person is not listed on the appraisal records as an owner of the property, identifies the property that is the subject of the protest, and indicates apparent dissatisfaction with some determination of the appraisal office. The notice need not be on an official form, but the comptroller shall prescribe a form that provides for more detail about the nature of the protest. The form must permit a property owner to include each property in the appraisal district that is the subject of a protest. If the form includes boxes a property owner is required to select from to indicate the reason the owner is filing a protest, the form must permit a property owner who believes that the owner's property was appraised at a value that exceeds its appraised value, was appraised unequally, or both, to select a single box to indicate that the owner is filing a protest for either or both reasons. The form must permit a property owner to request that the protest be heard by a special panel established under Section 6.425 if the protest will be determined by an appraisal review board to which that section applies and the property is included in a classification described by Section 6.425(b). The form must permit a property owner to request that the protest be heard by a single-member panel authorized by Section 41.45(b-4). The comptroller, each appraisal office, and each appraisal review board shall make the forms readily available and deliver one to a property owner on request.

(e) Notwithstanding any other provision of this section, a notice of protest may not be found to be untimely or insufficient based on a finding of incorrect ownership if the notice:

- (1) identifies as the property owner a person who is, for the tax year at issue:
 - (A) an owner of the property at any time during the tax year;
 - (B) the person shown on the appraisal records as the owner of the property, if that person filed the protest;
 - (C) a lessee authorized to file a protest; or
 - (D) an affiliate of or entity related to a person described by this subdivision; or
- (2) uses a misnomer of a person described by Subdivision (1).

Sec. 41.445. Informal Conference Before Hearing on Protest. [Effective January 1, 2022]

The appraisal office shall hold an informal conference with each property owner who files a notice of protest with the appraisal review board and requests an informal conference. An informal conference must be held before the hearing on the protest.

Sec. 41.45. Hearing on Protest.

(a) On the filing of a notice as required by Section 41.44, the appraisal review board shall schedule a hearing on the protest. The appraisal review board shall schedule the hearing to be held as soon as practicable but not later than the 90th day after the date the board approves the appraisal records as provided by Section 41.12. If more than one protest is filed relating to the same property, the appraisal review board shall schedule a single hearing on all timely filed protests relating to the property. A hearing for a property that is owned in undivided or fractional interests, including separate interests in a mineral in place, shall be scheduled to provide for participation by all owners who have timely filed a protest.

(b) A property owner initiating a protest is entitled to appear to offer evidence or argument. A property owner may offer evidence or argument by affidavit without personally appearing and may appear by telephone conference call or videoconference to offer argument. A property owner who appears by telephone conference call or videoconference must offer any evidence by affidavit. A property owner must submit an affidavit described by this subsection to the board hearing the protest before the board begins the hearing on the protest. On receipt of an affidavit, the board shall notify the chief appraiser. The chief appraiser may inspect the affidavit and is entitled to a copy on request.

NOTE: SB 1919 and HB 988 amend Sec. 41.45(b-1). Below is a combination of both bills.

(b-1) An appraisal review board shall conduct a hearing on a protest by telephone conference call or by videoconference, as specified by the property owner at the owner's election, if the property owner notifies the board

that the property owner intends to appear by telephone conference call or videoconference in the owner's notice of protest or by written notice filed with the board not later than the 10th day before the date of the hearing.

(b-2) If a property owner elects to have a hearing on a protest conducted by telephone conference call or videoconference, the appraisal review board shall:

(1) provide:

(A) a telephone number for the property owner to call to participate in the hearing, if the hearing is to be conducted by telephone conference call; or

(B) an Internet location or uniform resource locator (URL) address for the property owner to use to participate in the hearing, if the hearing is to be conducted by videoconference; and

(2) hold the hearing in a location equipped with equipment that allows each board member and the other parties to the protest who are present at the hearing to hear and, if applicable, see the property owner offer argument.

(b-3) A property owner is responsible for providing access to a hearing on a protest conducted by telephone conference call or videoconference to another person that the owner invites to participate in the hearing.

(b-4) **[2 Versions: As added by Acts 2021, 87th Leg., ch. 965 (SB 1919)]** Notwithstanding any other provision of this section, an appraisal review board is not required to conduct a hearing by videoconference if the board:

(1) is established for a county with a population of less than 100,000; and

(2) lacks the technological capability to conduct a videoconference.

(b-4) **[Effective January 1, 2022] [2 Versions: As added by Acts 2021, 87th Leg., ch. 644 (HB 988)]** An appraisal review board shall sit in a single-member panel to conduct a protest hearing under this section if the property owner requests that the hearing be conducted by a single-member panel:

(1) in the notice of protest; or

(2) in writing submitted to the board not later than the 10th day before the date of the hearing.

(b-5) **[Effective January 1, 2022]** If the recommendation of a single-member panel that conducts a hearing under Subsection (b-4) is not accepted by the appraisal review board, the board may refer the matter for rehearing to a single-member panel composed of a member who did not hear the original protest or the board may determine the protest.

(c) The chief appraiser shall appear at each protest hearing before the appraisal review board to represent the appraisal office.

(d) **[Effective until January 1, 2022]** This subsection does not apply to a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original protest or, if there are not at least three members who did not hear the original protest, the board may determine the protest.

(d) **[Effective January 1, 2022]** This subsection does not apply to a single-member panel established under Subsection (b-4) of this section or a special panel established under Section 6.425. An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. If the recommendation of a panel is not accepted by the board, the board may refer the matter for rehearing to a panel composed of members who did not hear the original protest or, if there are not at least three members who did not hear the original protest, the board may determine the protest.

(d-1) An appraisal review board to which Section 6.425 applies shall sit in special panels established under that section to conduct protest hearings. A special panel may conduct a protest hearing relating to property only if the property is described by Section 6.425(b) and the property owner has requested that a special panel conduct the hearing or if the protest is assigned to the special panel under Section 6.425(f). If the recommendation of a special panel is not accepted by the board, the board may refer the matter for rehearing to another special panel composed of members who did not hear the original protest or, if there are not at least three other special panel members who did not hear the original protest, the board may determine the protest.

(d-2) **[Effective January 1, 2022]** The determination of a protest heard by a panel under Subsection (b-4), (d), or (d-1) must be made by the board.

(d-3) **[Effective January 1, 2022]** The board must deliver notice of a hearing or meeting to determine a protest heard by a panel, or to rehear a protest, under Subsection (b-4), (d), or (d-1) in accordance with the provisions of this subchapter.

(e) On request made to the appraisal review board before the date of the hearing, a property owner who has not designated an agent under Section 1.111 to represent the owner at the hearing is entitled to one postponement of the hearing to a later date without showing cause. In addition and without limitation as to the number of postponements, the board shall postpone the hearing to a later date if the property owner or the owner's agent at any time shows good cause for the postponement or if the chief appraiser consents to the postponement. The hearing may not be postponed to a date less than five or more than 30 days after the date scheduled for the hearing when the postponement is sought unless the date and time of the hearing as postponed are agreed to by the chairman of the appraisal review board or the chairman's representative, the property owner, and the chief appraiser. A request by a property owner for a postponement under this subsection may be made in writing, including by facsimile transmission or electronic mail, by telephone, or in person to the appraisal review board, a panel of the board, or the chairman of

the board. The chairman or the chairman's representative may take action on a postponement under this subsection without the necessity of action by the full board if the hearing for which the postponement is requested is scheduled to occur before the next regular meeting of the board. The granting by the appraisal review board, the chairman, or the chairman's representative of a postponement under this subsection does not require the delivery of additional written notice to the property owner.

(e-1) A property owner or a person designated by the property owner as the owner's agent to represent the owner at the hearing who fails to appear at the hearing is entitled to a new hearing if the property owner or the owner's agent files, not later than the fourth day after the date the hearing occurred, a written statement with the appraisal review board showing good cause for the failure to appear and requesting a new hearing.

(e-2) For purposes of Subsections (e) and (e-1), "good cause" means a reason that includes an error or mistake that:

- (1) was not intentional or the result of conscious indifference; and
- (2) will not cause undue delay or other injury to the person authorized to extend the deadline or grant a rescheduling.

(f) A property owner who has been denied a hearing to which the property owner is entitled under this chapter may bring suit against the appraisal review board by filing a petition or application in district court to compel the board to provide the hearing. If the property owner is entitled to the hearing, the court shall order the hearing to be held and may award court costs and reasonable attorney fees to the property owner.

(g) In addition to the grounds for a postponement under Subsection (e), the board shall postpone the hearing to a later date if:

- (1) the owner of the property or the owner's agent is also scheduled to appear at a hearing on a protest filed with the appraisal review board of another appraisal district;
- (2) the hearing before the other appraisal review board is scheduled to occur on the same date as the hearing set by the appraisal review board from which the postponement is sought;
- (3) the notice of hearing delivered to the property owner or the owner's agent by the other appraisal review board bears an earlier postmark than the notice of hearing delivered by the board from which the postponement is sought or, if the date of the postmark is identical, the property owner or agent has not requested a postponement of the other hearing; and
- (4) the property owner or the owner's agent includes with the request for a postponement a copy of the notice of hearing delivered to the property owner or the owner's agent by the other appraisal review board.

(h) Before the hearing on a protest or immediately after the hearing begins, the chief appraiser and the property owner or the owner's agent shall each provide the other with a copy of any written material or material preserved on a portable device designed to maintain a reproduction of a document or image that the person intends to offer or submit to the appraisal review board at the hearing. Each person must provide the copy of material in the manner and form prescribed by comptroller rule.

(i) To be valid, an affidavit offered under Subsection (b) must be attested to before an officer authorized to administer oaths and include:

- (1) the name of the property owner initiating the protest;
- (2) a description of the property that is the subject of the protest; and
- (3) evidence or argument.

(j) A statement from the property owner that specifies the determination or other action of the chief appraiser, appraisal district, or appraisal review board relating to the subject property from which the property owner seeks relief constitutes sufficient argument under Subsection (i).

(k) The comptroller shall prescribe a standard form for an affidavit offered under Subsection (b). Each appraisal district shall make copies of the affidavit form available to property owners without charge.

(l) A property owner is not required to use the affidavit form prescribed by the comptroller when offering an affidavit under Subsection (b).

(m) If the protest relates to a taxable leasehold or other possessory interest in real property that is owned by this state or a political subdivision of this state, the attorney general or a representative of the state agency that owns the land, if the real property is owned by this state, or a person designated by the political subdivision that owns the real property, as applicable, is entitled to appear at the hearing and offer evidence and argument.

(n) A property owner does not waive the right to appear in person at a protest hearing by submitting an affidavit to the appraisal review board or by electing to appear by telephone conference call or videoconference. The board may consider an affidavit submitted under this section only if the property owner does not appear in person at the hearing. For purposes of scheduling the hearing, the property owner must state in the affidavit that the property owner does not intend to appear at the hearing or that the property owner intends to appear at the hearing in person or by telephone conference call or videoconference and that the affidavit may be used only if the property owner does not appear at the hearing in person. If the property owner does not state in the affidavit whether the owner intends to appear at the hearing and has not elected to appear by telephone conference call or videoconference, the board shall consider the submission of the affidavit as an indication that the property owner does not intend to appear at the hearing. If the property owner states in the affidavit that the owner does not intend to appear at the hearing or does not state in the affidavit whether the owner intends to appear at the hearing and has not elected to appear by

telephone conference call or videoconference, the board is not required to consider the affidavit at the scheduled hearing and may consider the affidavit at a hearing designated for the specific purpose of processing affidavits.

(o) If the chief appraiser uses audiovisual equipment at a hearing on a protest, the appraisal office shall provide audiovisual equipment of the same general type, kind, and character, as prescribed by comptroller rule, for use during the hearing by the property owner or the property owner's agent.

(p) The comptroller by rule shall prescribe:

(1) the manner and form, including security requirements, in which a person must provide a copy of material under Subsection (h), which must allow the appraisal review board to retain the material as part of the board's hearing record; and

(2) specifications for the audiovisual equipment provided by an appraisal district for use by a property owner or the property owner's agent under Subsection (o).

Sec. 41.46. Notice of Protest Hearing.

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest not later than the 15th day before the date of the hearing. The notice must include:

(1) the date, time, and place of the hearing;

(2) a description of the subject matter of the hearing that is sufficient to identify the specific action being protested, such as:

(A) the determination of the appraised value of the property owner's property;

(B) the denial to the property owner in whole or in part of a partial exemption; or

(C) the determination that the property owner's land does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23; and

(3) a statement that the property owner is entitled to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing.

(b) The board shall give the chief appraiser advance notice of the date, time, place, and subject matter of each protest hearing.

(c) If the protest relates to a taxable leasehold or other possessory interest in real property that is owned by this state or a political subdivision of this state, the board shall deliver notice of the hearing as provided by Subsection (a) to:

(1) the attorney general and the state agency that owns the real property, in the case of real property owned by this state; or

(2) the governing body of the political subdivision, in the case of real property owned by a political subdivision.

(d) The appraisal review board shall deliver notice of the hearing by certified mail if, in the notice of protest under Section 41.44, the property owner requests delivery by certified mail. The board may require the property owner to pay the cost of postage under this subsection.

(e) Notwithstanding Section 1.085, the appraisal review board shall deliver notice of the hearing by electronic mail if, in the notice of protest under Section 41.44, the property owner requests delivery by electronic mail and provides a valid electronic mail address.

(f) This subsection applies only to the appraisal review board of an appraisal district established in a county with a population of 120,000 or more. In addition to the notice required by Subsection (a), on written request of the property owner initiating the protest, the appraisal review board shall deliver to the property owner an electronic reminder stating the date, time, and place of the protest hearing that is the subject of the notice. The property owner may request that delivery of the electronic reminder be made by e-mail or text message. The property owner must provide in the request the e-mail address or telephone number, as applicable, to which the appraisal review board must send the reminder. The appraisal review board must deliver the electronic reminder to the property owner not earlier than the seventh day after the date the appraisal review board delivers the notice required by Subsection (a) and not later than the day before the date of the hearing. Failure to deliver the electronic reminder required by this subsection is not considered a failure to provide or deliver notice under Section 41.411.

Sec. 41.461. Notice of Certain Matters Before Hearing; Delivery of Requested Information.

(a) At least 14 days before a hearing on a protest, the chief appraiser shall:

(1) deliver a copy of the pamphlet prepared by the comptroller under Section 5.06 to the property owner initiating the protest, or to an agent representing the owner if requested by the agent;

(2) inform the property owner that the owner or the agent of the owner is entitled on request to a copy of the data, schedules, formulas, and all other information the chief appraiser will introduce at the hearing to establish any matter at issue; and

(3) deliver a copy of the hearing procedures adopted by the appraisal review board under Section 41.01 to the property owner.

(b) The chief appraiser may not charge a property owner or the designated agent of the owner for copies provided to the owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered.

(c) A chief appraiser shall deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;

(2) in an electronic format as provided by an agreement under Section 1.085; or

(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the designated agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

Sec. 41.47. Determination of Protest.

(a) The appraisal review board hearing a protest shall determine the protest and make its decision by written order.

(b) If on determining a protest the board finds that the appraisal records are incorrect in some respect raised by the protest, the board by its order shall correct the appraisal records by changing the appraised value placed on the protesting property owner's property or by making the other changes in the appraisal records that are necessary to conform the records to the requirements of law. If the appraised value of a taxable property interest, other than an interest owned by a public utility or by a cooperative corporation organized to provide utility service, is changed as the result of a protest or challenge, the board shall change the appraised value of all other interests, other than an interest owned by a public utility or by a cooperative corporation organized to provide utility service, in the same property, including a mineral in place, in proportion to the ownership interests.

(c) **[Effective January 1, 2022]** If the protest is of the determination of the appraised value of the owner's property, the appraisal review board must state in the order the appraised value of the property, listed separately in the case of real property as the appraised value of the land and the appraised value of any improvement to the land as allocated by the chief appraiser:

(1) as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23; and

(2) as finally determined by the board.

(c-1) If, in the case of a determination of eligibility for a refund requested under Section 23.1243, the appraisal review board determines that the dealer is entitled to a refund in excess of the amount, if any, to which the chief appraiser determined the dealer to be entitled, the board shall order the chief appraiser to deliver written notice of the board's determination to the collector and the dealer in the manner provided by Section 23.1243(c).

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23, except as requested and agreed to by the property owner. This subsection does not apply if the action being protested is the cancellation, modification, or denial of an exemption or the determination that the property does not qualify for appraisal as provided by Subchapter C, D, E, or H, Chapter 23.

(d) The board shall deliver by certified mail:

(1) a notice of issuance of the order and a copy of the order to the property owner and the chief appraiser; and

(2) a copy of the appraisal review board survey prepared under Section 5.104 and instructions for completing and submitting the survey to the property owner.

(d-1) **[Effective January 1, 2022]** This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The requirements of this subsection are in addition to the requirements of Subsection (d). On written request submitted to the chief appraiser, the chief appraiser shall deliver by e-mail, in the manner provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) if the property subject to the order is not the subject of an agreement under Section 1.085. A request under this subsection may be submitted only by the property owner whose property is subject to the protest for which the order is issued, an attorney representing the property owner, or an individual designated by the property owner under Section 1.111. A person may include in a single request more than one property owned by the same property owner or multiple properties owned by multiple property owners. A person may submit more than one request. A person submitting a request must indicate in the request that the chief appraiser must make the delivery to the property owner, an attorney representing the property owner, an individual designated by the property owner under Section 1.111, or a combination of those persons. A person must submit a request before the protest hearing relating to each property included in the request. The chief appraiser shall deliver, as provided by this subsection, a copy of the notice of issuance of the order and a copy of the order required by Subsection (d) not later than the 21st day after the date the appraisal review board issues the order.

(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board to district court. The statement must describe the deadline prescribed by Section 42.06(a) for filing a written notice of appeal and the deadline prescribed by Section 42.21(a) for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than:

(1) the 30th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of less than four million; or

(2) the 45th day after the date the hearing on the protest is concluded, if the board is established for an appraisal district located in a county with a population of four million or more.

(g) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

(g-1) The chief appraiser and the property owner or the designated agent of the owner may file a joint motion with the appraisal review board notifying the board that the chief appraiser and the property owner or the designated agent of the owner have agreed to a disposition of the protest and requesting the board to issue an agreed order. The joint motion must contain the terms of the disposition of the protest. The chairman of the board shall issue the agreed order not later than the fifth day after the date on which the joint motion is filed with the board. If the chairman is unable to issue the agreed order within the five-day period, the board shall issue the agreed order not later than the 30th day after the date on which the joint motion is filed with the board. The chief appraiser and the property owner or the designated agent of the owner may provide in the joint motion that the agreed order is appealable in the same manner as any other order issued by the board under this section.

Sec. 41.66. Hearing Procedures.

(a) The appraisal review board shall conduct hearings in accordance with the hearing procedures adopted by the appraisal review board under Section 41.01(c). On request made by a property owner in the owner's notice of protest or in a separate writing delivered to the appraisal review board on or before the date the notice of protest is filed, the property owner is entitled to a copy of the hearing procedures. The copy of the hearing procedures shall be delivered to the property owner not later than the 10th day before the date the hearing on the protest begins and may be delivered with the notice of the protest hearing required under Section 41.46(a). The notice of protest form prescribed by the comptroller under Section 41.44(d) or any other notice of protest form made available to a property owner by the appraisal review board or the appraisal office shall provide the property owner an opportunity to make or decline to make a request under this subsection.

(b) Hearing procedures to the greatest extent practicable shall be informal. Each party to a hearing is entitled to offer evidence, examine or cross-examine witnesses or other parties, and present argument on the matters subject to the hearing. A property owner who is a party to a protest is entitled to elect to present the owner's case at a hearing on the protest either before or after the appraisal district presents the district's case.

(c) A property owner who is entitled as provided by this chapter to appear at a hearing may appear by himself or by his agent. A taxing unit may appear by a designated agent.

(d) Except as provided by Subsection (d-1), hearings conducted as provided by this chapter are open to the public.

(d-1) Notwithstanding Chapter 551, Government Code, the appraisal review board shall conduct a hearing that is closed to the public if the property owner or the chief appraiser intends to disclose proprietary or confidential information at the hearing that will assist the review board in determining the protest. The review board may hold a closed hearing under this subsection only on a joint motion by the property owner and the chief appraiser.

(d-2) Information described by Subsection (d-1) is considered information obtained under Section 22.27.

(e) The appraisal review board may not consider any appraisal district information on a protest that was not presented to the appraisal review board during the protest hearing.

(f) A member of the appraisal review board may not communicate with another person concerning:

(1) the evidence, argument, facts, merits, or any other matters related to an owner's protest, except during the hearing on the protest; or

(2) a property that is the subject of the protest, except during a hearing on another protest or other proceeding before the board at which the property is compared to other property or used in a sample of properties.

(g) At the beginning of a hearing on a protest, each member of the appraisal review board hearing the protest must sign an affidavit stating that the board member has not communicated with another person in violation of Subsection (f). If a board member has communicated with another person in violation of Subsection (f), the member must be recused from the proceeding and may not hear, deliberate on, or vote on the determination of the protest. The board of directors of the appraisal district shall adopt and implement a policy concerning the temporary

replacement of an appraisal review board member who has communicated with another person in violation of Subsection (f).

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may file more than one request under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

(j-2) An appraisal review board must schedule a hearing on a protest filed by a property owner who is 65 years of age or older, disabled, a military service member, a military veteran, or the spouse of a military service member or military veteran before scheduling a hearing on a protest filed by a designated agent of a property owner.

(k) This subsection does not apply to a special panel established under Section 6.425. If an appraisal review board sits in panels to conduct protest hearings, protests shall be randomly assigned to panels, except that the board may consider the type of property subject to the protest or the ground of the protest for the purpose of using the expertise of a particular panel in hearing protests regarding particular types of property or based on particular grounds. If a protest is scheduled to be heard by a particular panel, the protest may not be reassigned to another panel without the consent of the property owner or the designated agent of the owner. If the appraisal review board has cause to reassign a protest to another panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.

(k-1) On the request of a property owner or the designated agent of the owner, an appraisal review board to which Section 6.425 applies shall assign a protest relating to property described by Section 6.425(b) to a special panel. In addition, the chairman of the appraisal review board may assign a protest relating to property not described by Section 6.425(b) to a special panel as authorized by Section 6.425(f), but only if the assignment is requested or consented to by the property owner or the designated agent of the owner. Protests assigned to special panels shall be randomly assigned to those panels. If a protest is scheduled to be heard by a particular special panel, the protest may not be reassigned to another special panel without the consent of the property owner or the designated agent of the owner. If the board has cause to reassign a protest to another special panel, a property owner or the designated agent of the owner may agree to reassignment of the protest or may request that the hearing on the protest be postponed. The board shall postpone the hearing on that request. A change of members of a special panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another special panel.

(l) A property owner, attorney, or agent offering evidence or argument in support of a protest brought under Section 41.41(a)(1) or (2) of this code is not subject to Chapter 1103, Occupations Code, unless the person offering the evidence or argument states that the person is offering evidence or argument as a person holding a license or certificate under Chapter 1103, Occupations Code. A person holding a license or certificate under Chapter 1103, Occupations Code, shall state the capacity in which the person is appearing before the appraisal review board.

(m) An appraisal district or appraisal review board may not make decisions with regard to membership on a panel or chairmanship of a panel based on a member's voting record in previous protests.

(n) A request for postponement of a hearing must contain the mailing address and e-mail address of the person requesting the postponement. An appraisal review board shall respond in writing or by e-mail to a request for postponement of a hearing not later than the seventh day after the date of receipt of the request.

(o) The chairman of an appraisal review board or a member designated by the chairman may make decisions with regard to the scheduling or postponement of a hearing. The chief appraiser or a person designated by the chief appraiser may agree to a postponement of an appraisal review board hearing.

(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

(q) A person who owns property in an appraisal district or the chief appraiser of an appraisal district may file a complaint with the taxpayer liaison officer for the appraisal district alleging that the appraisal review board established for the appraisal district has adopted or is implementing hearing procedures that are not in compliance with the model hearing procedures prepared by the comptroller under Section 5.103 or is not complying with procedural requirements under this chapter. The taxpayer liaison officer shall investigate the complaint and report the findings of the investigation to the board of directors of the appraisal district. The board of directors shall direct the chairman of the appraisal review board to take remedial action if, after reviewing the taxpayer liaison officer's report, the board of directors determines that the allegations contained in the complaint are true. The board of directors may remove the member of the appraisal review board serving as chairman of the appraisal review board from that member's position as chairman if the board determines that the chairman has failed to take the actions necessary to bring the appraisal review board into compliance with Section 5.103(d) or this chapter, as applicable.

Sec. 41.67. Evidence.

(a) A member of the appraisal review board may swear witnesses who testify in proceedings under this chapter. All testimony must be given under oath.

(b) Documentary evidence may be admitted in the form of a copy if the appraisal review board conducting the proceeding determines that the original document is not readily available. A party is entitled to an opportunity to compare a copy with the original document on request.

(c) Official notice may be taken of any fact judicially cognizable. A party is entitled to an opportunity to contest facts officially noticed.

(d) Information that was previously requested under Section 41.461 by the protesting party that was not delivered to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony. This subsection does not apply to information offered to rebut evidence or argument presented at the hearing by the protesting party or that party's designated agent.

(e) The chief appraiser may not offer evidence or argument at a hearing on a protest in support of a reason for modifying or denying an application other than a reason stated in a notice delivered to the applicant under Section 11.45(d) or (e), 23.44(d), 23.57(d), 23.79(d), 23.85(d), 23.95(d), or 23.9805(d) unless the chief appraiser:

(1) provides written notice to the property owner of the additional reason for modifying or denying the application not later than the 14th day before the date of the hearing; and

(2) establishes that the additional reason was not known to the chief appraiser at the time the chief appraiser delivered to the applicant the notice under Section 11.45(d) or (e), 23.44(d), 23.57(d), 23.79(d), 23.85(d), 23.95(d), or 23.9805(d).

CHAPTER 41A Appeal Through Binding Arbitration

Sec. 41A.015. Limited Binding Arbitration to Compel Compliance with Certain Procedural Requirements Related to Protests.

(a) A property owner who has filed a notice of protest under Chapter 41 may file a request for limited binding arbitration under this section to compel the appraisal review board or chief appraiser, as appropriate, to:

(1) rescind procedural rules adopted by the appraisal review board that are not in compliance with the model hearing procedures prepared by the comptroller under Section 5.103;

(2) schedule a hearing on a protest as required by Section 41.45;

(3) deliver information to the property owner in the manner required by Section 41.461;

(4) allow the property owner to offer evidence, examine or cross-examine witnesses or other parties, and present arguments as required by Section 41.66(b);

(5) set a hearing for a time and date certain and postpone a hearing that does not begin within two hours of the scheduled time as required by Section 41.66(i);

(6) schedule hearings on protests concerning multiple properties identified in the same notice of protest on the same day at the request of the property owner or the property owner's designated agent as required by Section 41.66(j); or

(7) refrain from using or offering as evidence information requested by the property owner under Section 41.461 that was not delivered to the property owner at least 14 days before the hearing as required by Section 41.67(d).

(b) A property owner may not file a request for limited binding arbitration under this section unless:

- (1) the property owner has delivered written notice to the chairman of the appraisal review board, the chief appraiser, and the taxpayer liaison officer for the applicable appraisal district by certified mail, return receipt requested, of the procedural requirement with which the property owner alleges the appraisal review board or chief appraiser failed to comply on or before the fifth business day after the date the appraisal review board or chief appraiser was required to comply with the requirement; and

(2) the chairman of the appraisal review board or chief appraiser, as applicable, fails to deliver to the property owner on or before the 10th day after the date the notice is delivered a written statement confirming that the appraisal review board or chief appraiser, as applicable, will comply with the requirement or cure a failure to comply with the requirement.

(c) Except as otherwise provided by this subtitle, the failure to comply with a procedural requirement listed under Subsection (a) is not a ground for postponement of a hearing on a protest. An appraisal review board may cure an alleged failure to comply with a procedural requirement that occurred during a hearing by rescinding the order determining the protest for which the hearing was held and scheduling a new hearing on the protest.

(d) A property owner must request limited binding arbitration under this section by filing a request with the comptroller. The property owner may not file the request earlier than the 11th day or later than the 30th day after the date the property owner delivers the notice required by Subsection (b)(1) to the chairman of the appraisal review board, the chief appraiser, and the taxpayer liaison officer for the applicable appraisal district.

(e) A request for limited binding arbitration under this section must be in a form prescribed by the comptroller and be accompanied by an arbitration deposit payable to the comptroller in the amount of:

(1) \$450, if the property that is the subject of the protest to which the arbitration relates qualifies as the property owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the appraisal district for the most recent tax year; or

(2) \$550, for property other than property described by Subdivision (1).

(f) The comptroller shall prescribe the form to be used for submitting a request for limited binding arbitration under this section. The form must require the property owner to provide:

- (1) a statement that the property owner has provided the written notice required by Subsection (b);
- (2) a statement that the property owner has made the arbitration deposit required by this section;
- (3) a brief statement identifying the procedural requirement with which the property owner alleges the appraisal review board or chief appraiser, as applicable, has failed to comply;
- (4) a description of the action taken or not taken by the appraisal review board or chief appraiser regarding the procedural requirement identified under Subdivision (3);
- (5) a description of the property to which the award will apply; and
- (6) any other information reasonably necessary for the comptroller to appoint an arbitrator.

(g) On receipt of the request and deposit under this section, the comptroller shall appoint an arbitrator from the registry maintained under Section 41A.06 who is eligible to serve as an arbitrator under Subsection (p) of this section. Section 41A.07(h) does not apply to the appointment of an arbitrator under this section.

(h) The appraisal review board, the chief appraiser, and the property owner are parties to a limited binding arbitration conducted under this section. The appraisal review board may appear by counsel, by the chairman, or by a person designated by the chairman. The chief appraiser may appear by counsel, in person, or by a designated employee. The property owner may appear in the manner provided by Section 41A.08(b)(2), (3), (4), or (5).

(i) The arbitrator shall make an arbitration award and deliver an electronic copy of the award to:

- (1) the property owner;
- (2) the chairman of the appraisal review board;
- (3) the chief appraiser; and
- (4) the comptroller.

(j) An award under this section:

(1) shall include a determination of whether the appraisal review board or chief appraiser failed to comply with a procedural requirement as alleged in the request for limited binding arbitration;

(2) if the arbitrator determines that the appraisal review board or chief appraiser failed to comply with a procedural requirement as alleged in the request, shall direct the appraisal review board or chief appraiser, as applicable, to:

- (A) comply with the procedural requirement; or
 - (B) if the hearing on the protest has been held and the appraisal review board has issued an order determining the protest, rescind the order and hold a new hearing on the protest that complies with the procedural requirement;
- (3) shall specify the arbitrator's fee;
 - (4) is final and may not be appealed; and

(5) is enforceable as provided by Section 41A.09.

(k) If the arbitrator determines that the appraisal review board or chief appraiser failed to comply with the procedural requirement that was the subject of the limited binding arbitration:

- (1) the comptroller, on receipt of a copy of the award, shall refund the property owner's arbitration deposit, less the amount retained by the comptroller under Section 41A.05(b); and
- (2) the appraisal district shall pay the arbitrator's fee.

(l) If the arbitrator determines that the appraisal review board or chief appraiser complied with the procedural requirement that was the subject of the limited binding arbitration, the comptroller shall:

- (1) pay the arbitrator's fee out of the owner's arbitration deposit; and
- (2) refund to the owner the owner's arbitration deposit, less the arbitrator's fee and the amount retained by the comptroller under Section 41A.05(b).

(m) As soon as practicable after receiving notice of an award, the appraisal review board or the chief appraiser shall:

- (1) take any action required to comply with the requirements of the award; and
- (2) if the award requires the appraisal review board to conduct a new hearing under Chapter 41, schedule and conduct the hearing.

(n) An award under this section does not affect the property owner's right to:

- (1) appeal the final determination of a protest by the appraisal review board under Chapter 42; or
- (2) pursue any other legal or statutory remedy available to the property owner.

(o) A property owner may request a single limited binding arbitration under this section that covers more than one property, more than one protest hearing, or an allegation of the failure by the appraisal review board or chief appraiser to comply with more than one procedural requirement so long as the requirements of Subsection (b) are met with regard to each alleged failure to comply. The amount of the arbitration deposit and the amount of the arbitrator's fee are computed as if a single property were the subject of the arbitration. If the arbitration involves property described by Subsection (e)(1) and property described by Subsection (e)(2), the amount of the arbitration deposit and the amount of the arbitrator's fee are computed as if only the property described by Subsection (e)(2) were the subject of the arbitration. If the arbitration involves an allegation of the failure by the appraisal review board or chief appraiser to comply with more than one procedural requirement, Subsection (k) applies if the arbitrator determines that the appraisal review board or chief appraiser failed to comply with one or more of the procedural requirements that were the subject of the arbitration and Subsection (l) applies if the arbitrator determines that the appraisal review board or chief appraiser complied with all of the procedural requirements that were the subject of the arbitration.

(p) Section 41A.06 applies to the registration and qualification of an arbitrator under this section except that an arbitrator under this section must:

- (1) be a licensed attorney; and
- (2) agree to conduct an arbitration for a fee that is not more than:
 - (A) \$400 if the property is described by Subsection (e)(1); or
 - (B) \$500 if the property is described by Subsection (e)(2).

(q) Except as otherwise provided by this section, the provisions of this chapter apply to a limited binding arbitration under this section. In the event of a conflict between this section and another provision of this chapter, this section controls.

Sec. 41A.10. Payment of Taxes Pending Appeal.

(a) The pendency of an appeal under this chapter does not affect the delinquency date for the taxes on the property subject to the appeal. Except for a property owner who has elected to defer the collection of taxes under Section 33.06 or 33.065 on the property subject to the appeal and for which the deferral is still in effect, a property owner who appeals an appraisal review board order under this chapter shall pay taxes on the property subject to the appeal in an amount equal to the amount of taxes due on the portion of the taxable value of the property that is not in dispute. If the final determination of an appeal under this chapter decreases the property owner's tax liability to less than the amount of taxes paid, the taxing unit shall refund to the property owner the difference between the amount of taxes paid and the amount of taxes for which the property owner is liable.

(b) A property owner may not file an appeal under this chapter if the taxes on the property subject to the appeal are delinquent. An arbitrator who determines that the taxes on the property subject to an appeal are delinquent shall dismiss the pending appeal with prejudice. If an appeal is dismissed under this subsection, the comptroller shall refund the property owner's arbitration deposit, less the amount retained by the comptroller under Section 41A.05(b).

(c) For the purposes of Subsection (b) of this section, taxes are not considered delinquent on property subject to an appeal if the property owner has elected to defer the collection of taxes on the property under Section 33.06 or 33.065 and the deferral is still in effect.

CHAPTER 42 Judicial Review

Sec. 42.015. Appeal by Person Leasing Property.

(a) A person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to appeal an order of the appraisal review board determining a protest relating to the property:

- (1) brought by the person under Section 41.413; or
- (2) brought by the property owner if the property owner does not appeal the order.

(b) A person appealing an order of the appraisal review board under this section is considered the owner of the property for purposes of the appeal. The chief appraiser shall deliver a copy of any notice relating to the appeal to the owner of the property and to the person bringing the appeal.

Sec. 42.23. Scope of Review.

(a) Review is by trial de novo. The district court shall try all issues of fact and law raised by the pleadings in the manner applicable to civil suits generally.

(b) The court may not admit in evidence the fact of prior action by the appraisal review board or comptroller, except to the extent necessary to establish its jurisdiction.

(c) Any party is entitled to trial by jury on demand.

(d) Each party to an appeal is considered a party seeking affirmative relief for the purpose of discovery regarding expert witnesses under the Texas Rules of Civil Procedure if, on or before the 120th day after the date the appeal is filed, the property owner:

- (1) makes a written offer of settlement;
- (2) requests alternative dispute resolution; and
- (3) designates, in response to an appropriate written discovery request, which cause of action under this chapter is the basis for the appeal.

(e) For purposes of Subsection (d), a property owner may designate a cause of action under Section 42.25 or 42.26 as the basis for an appeal, but may not designate a cause of action under both sections as the basis for the appeal. Discovery regarding a cause of action that is not specifically designated by the property owner under Subsection (d) shall be conducted as provided by the Texas Rules of Civil Procedure. A court may not enter an order, including a protective order under Rule 192.6 of the Texas Rules of Civil Procedure, that conflicts with Subsection (d).

(f) For purposes of a no-evidence motion for summary judgment filed by a party to an appeal under this chapter, the offer of evidence, including an affidavit or testimony, by any person, including the appraisal district, the property owner, or the owner's agent, that was presented at the hearing on the protest before the appraisal review board constitutes sufficient evidence to deny the motion.

(g) For the sole purpose of admitting expert testimony to determine the value of chemical processing property or utility property in an appeal brought under this chapter and for no other purpose under this title, including the rendition of property under Chapter 22, the property is considered to be personal property.

(h) Evidence, argument, or other testimony offered at an appraisal review board hearing by a property owner or agent is not admissible in an appeal under this chapter unless:

- (1) the evidence, argument, or other testimony is offered to demonstrate that there is sufficient evidence to deny a no-evidence motion for summary judgment filed by a party to the appeal or is necessary for the determination of the merits of a motion for summary judgment filed on another ground;
- (2) the property owner or agent is designated as a witness for purposes of trial and the testimony offered at the appraisal review board hearing is offered for impeachment purposes; or
- (3) the evidence is the plaintiff's testimony at the appraisal review board hearing as to the value of the property.

(i) [Repealed]

Sec. 42.26. Remedy for Unequal Appraisal.

(a) The district court shall grant relief on the ground that a property is appraised unequally if:

- (1) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;
- (2) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as, the property subject to the appeal; or
- (3) the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted.

(b) If a property owner is entitled to relief under Subsection (a)(1), the court shall order the property's appraised value changed to the value as calculated on the basis of the median level of appraisal according to Subsection (a)(1). If a property owner is entitled to relief under Subsection (a)(2), the court shall order the property's appraised value changed to the value calculated on the basis of the median level of appraisal according to Subsection (a)(2). If a property owner is entitled to relief under Subsection (a)(3), the court shall order the property's appraised value changed to the value calculated on the basis of the median appraised value according to Subsection (a)(3). If a property owner is entitled to relief under more than one subdivision of Subsection (a), the court shall order

the property's appraised value changed to the value that results in the lowest appraised value. The court shall determine each applicable median level of appraisal or median appraised value according to law, and is not required to adopt the median level of appraisal or median appraised value proposed by a party to the appeal. The court may not limit or deny relief to the property owner entitled to relief under a subdivision of Subsection (a) because the appraised value determined according to another subdivision of Subsection (a) results in a higher appraised value.

(c) For purposes of establishing the median level of appraisal under Subsection (a)(1), the median level of appraisal in the appraisal district as determined by the comptroller under Section 5.10 is admissible as evidence of the median level of appraisal of a reasonable and representative sample of properties in the appraisal district for the year of the comptroller's determination, subject to the Texas Rules of Evidence and the Texas Rules of Civil Procedure.

(d) For purposes of this section, the value of the property subject to the suit and the value of a comparable property or sample property that is used for comparison must be the market value determined by the appraisal district when the property is a residence homestead subject to the limitation on appraised value imposed by Section 23.23.

CHAPTER 312

Property Redevelopment and Tax Abatement Act [Expires September 1, 2029]

Sec. 312.005. State Administration.

(a) The comptroller shall maintain a central registry of reinvestment zones designated under this chapter and of ad valorem tax abatement agreements executed under this chapter. The chief appraiser of each appraisal district that appraises property for a taxing unit that has designated a reinvestment zone or executed a tax abatement agreement under this chapter shall deliver to the comptroller before July 1 of the year following the year in which the zone is designated or the agreement is executed a report providing the following information:

(1) for a reinvestment zone, a general description of the zone, including its size, the types of property located in it, its duration, and the guidelines and criteria established for the reinvestment zone under Section 312.002, including subsequent amendments and modifications of the guidelines or criteria;

(2) a copy of each tax abatement agreement to which a taxing unit that participates in the appraisal district is a party;

(3) the information described by Section 312.205(a)(1) in connection with each tax abatement agreement described by Subdivision (2) of this subsection; and

(4) any other information required by the comptroller to administer this section.

(a-1) For each of the first three tax years following the expiration of a tax abatement agreement executed under this chapter, the chief appraiser shall deliver to the comptroller a report containing the appraised value of the property that was the subject of the agreement.

(b) The comptroller may provide assistance to a taxing unit on request of its governing body or the presiding officer of its governing body relating to the administration of this chapter. The Texas Department of Commerce and the comptroller may provide technical assistance to a local governing body regarding the designation of reinvestment zones, the adoption of tax abatement guidelines, and the execution of tax abatement agreements.

(c) Not later than December 31 of each even-numbered year, the comptroller shall submit a report to the legislature and to the governor on reinvestment zones designated under this chapter and on tax abatement agreements adopted under this chapter, including a summary of the information reported under this section.

Sec. 312.210. Agreement by Taxing Units Relating to Property in Certain School Districts.

(a) This section applies only to a tax abatement agreement applicable to property located in a reinvestment zone with respect to which a municipality, county, and junior college district have entered into a joint agreement to offer tax abatements exempting from taxation a specified portion of the value of the property in the reinvestment zone.

(b) A tax abatement agreement with the owner of real property or tangible personal property that is located in the reinvestment zone described by Subsection (a) and in a school district that has a local revenue level that does not exceed the level established under Section 48.257, Education Code, must exempt from taxation:

(1) the portion of the value of the property in the amount specified in the joint agreement among the municipality, county, and junior college district; and

(2) an amount equal to 10 percent of the maximum portion of the value of the property that may under Section 312.204(a) be otherwise exempted from taxation.

(c) [Repealed.]

Government Code

CHAPTER 403

Comptroller of Public Accounts

Sec. 403.302. DETERMINATION OF SCHOOL DISTRICT PROPERTY VALUES.

(a) The comptroller shall conduct a study using comparable sales and generally accepted auditing and sampling techniques to determine the total taxable value of all property in each school district. The study shall determine the taxable value of all property and of each category of property in the district and the productivity value of all land that qualifies for appraisal on the basis of its productive capacity and for which the owner has applied for and received a productivity appraisal. The comptroller shall make appropriate adjustments in the study to account for actions taken under Chapter 49, Education Code.

(a-1) The comptroller shall conduct a study:

(1) at least every two years in each school district for which the most recent study resulted in a determination by the comptroller that the school district's local value was valid; and

(2) each year in a school district for which the most recent study resulted in a determination by the comptroller that the school district's local value was not valid.

(a-2) If in any year the comptroller does not conduct a study, the school district's local value for that year is considered to be valid.

(b) In conducting the study, the comptroller shall determine the taxable value of property in each school district:

(1) using, if appropriate, samples selected through generally accepted sampling techniques;

(2) according to generally accepted standard valuation, statistical compilation, and analysis techniques;

(3) ensuring that different levels of appraisal on sold and unsold property do not adversely affect the accuracy of the study; and

(4) ensuring that different levels of appraisal resulting from protests determined under Section 41.43, Tax Code, are appropriately adjusted in the study.

(c) If after conducting the study the comptroller determines that the local value for a school district is valid, the local value is presumed to represent taxable value for the school district. In the absence of that presumption, taxable value for a school district is the state value for the school district determined by the comptroller under Subsections (a) and (b) unless the local value exceeds the state value, in which case the taxable value for the school district is the district's local value. In determining whether the local value for a school district is valid, the comptroller shall use a margin of error that does not exceed five percent unless the comptroller determines that the size of the sample of properties necessary to make the determination makes the use of such a margin of error not feasible, in which case the comptroller may use a larger margin of error.

(c-1) This subsection applies only to a school district whose central administrative office is located in a county with a population of 9,000 or less and a total area of more than 6,000 square miles. If after conducting the study for a tax year the comptroller determines that the local value for a school district is not valid, the comptroller shall adjust the taxable value determined under Subsections (a) and (b) as follows:

(1) for each category of property sampled and tested by the comptroller in the school district, the comptroller shall use the weighted mean appraisal ratio determined by the study, unless the ratio is more than four percentage points lower than the weighted mean appraisal ratio determined by the comptroller for that category of property in the immediately preceding study, in which case the comptroller shall use the weighted mean appraisal ratio determined in the immediately preceding study minus four percentage points;

(2) the comptroller shall use the category weighted mean appraisal ratios as adjusted under Subdivision (1) to establish a value estimate for each category of property sampled and tested by the comptroller in the school district; and

(3) the value estimates established under Subdivision (2), together with the local tax roll value for any categories not sampled and tested by the comptroller, less total deductions determined by the comptroller, determine the taxable value for the school district.

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter [311](#), Tax Code, under a reinvestment zone financing plan approved under Section [311.011](#)(d), Tax Code, on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter [311](#), Tax Code;

(5) the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone:

(i) created on or before December 31, 2008, by a municipality with a population of less than 18,000; and

(ii) the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;

(B) generates school district taxes that are paid into a tax increment fund created under Chapter [311](#), Tax Code; and

(C) is eligible for tax increment financing under Chapter [311](#), Tax Code;

(6) the total dollar amount of any exemptions granted under Section [11.251](#) or [11.253](#), Tax Code;

(7) the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

(8) the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section [11.26](#), Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(9) a portion of the market value of property not otherwise fully taxable by the district at market value because of action required by statute or the constitution of this state, other than Section [11.311](#), Tax Code, that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted;

(10) the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(11) the appraised value of property the collection of delinquent taxes on which is deferred under Section [33.06](#), Tax Code;

(12) the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section [33.065](#), Tax Code;

(13) the amount by which the market value of a residence homestead to which Section [23.23](#), Tax Code, applies exceeds the appraised value of that property as calculated under that section; and

(14) the total dollar amount of any exemptions granted under Section [11.35](#), Tax Code.

(d-1) For purposes of Subsection (d), a residence homestead that receives an exemption under Section [11.131](#), [11.133](#), or [11.134](#), Tax Code, in the year that is the subject of the study is not considered to be taxable property.

(e) The total dollar amount deducted in each year as required by Subsection (d)(4) in a reinvestment zone created after January 1, 1999, may not exceed the captured appraised value estimated for that year as required by Section [311.011](#)(c)(8), Tax Code, in the reinvestment zone financing plan approved under Section [311.011](#)(d), Tax Code, before September 1, 1999. The number of years for which the total dollar amount may be deducted under Subsection (d)(4) shall for any zone, including those created on or before January 1, 1999, be limited to the duration of the zone as specified as required by Section [311.011](#)(c)(9), Tax Code, in the reinvestment zone financing plan approved under Section [311.011](#)(d), Tax Code, before September 1, 1999. The total dollar amount deducted under Subsection (d)(4) for any zone, including those created on or before January 1, 1999, may not be increased by any reinvestment zone financing plan amendments that occur after August 31, 1999. The total dollar amount deducted under Subsection (d)(4) for any zone, including those created on or before January 1, 1999, may not be increased by a change made after August 31, 1999, in the portion of the tax increment retained by the school district.

(e-1) This subsection applies only to a reinvestment zone created by a municipality that has a population of 70,000 or less and is located in a county in which all or part of a military installation is located. Notwithstanding Subsection (e), if on or after January 1, 2017, the municipality adopts an ordinance designating a termination date for the zone that is later than the termination date designated in the ordinance creating the zone, the number of years for which the total dollar amount may be deducted under Subsection (d)(4) is limited to the duration of the zone as determined under Section [311.017](#), Tax Code.

(f) The study shall determine the values as of January 1 of each year:

(1) for a school district in which a study was conducted according to the results of the study; and

(2) for a school district in which a study was not conducted according to the market value determined by the appraisal district that appraises property for the district, less the amounts specified by Subsection (d).

(g) The comptroller shall publish preliminary findings, listing values by district, before February 1 of the year following the year of the study. Preliminary findings shall be delivered to each school district and shall be certified to the commissioner of education.

(h) On request of the commissioner of education or a school district, the comptroller may audit the total taxable value of property in a school district and may revise the study findings. The request for audit is limited to corrections and changes in a school district's appraisal roll that occurred after preliminary certification of the study findings by the comptroller. Except as otherwise provided by this subsection, the request for audit must be filed with the comptroller not later than the third anniversary of the date of the final certification of the study findings. The request for audit may be filed not later than the first anniversary of the date the chief appraiser certifies a change to the appraisal roll if the chief appraiser corrects the appraisal roll under Section [25.25](#) or [42.41](#), Tax Code, and the change results in a material reduction in the total taxable value of property in the school district. The comptroller shall certify the findings of the audit to the commissioner of education.

(i) If the comptroller determines in the study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(13) subtract from the market value as determined by the appraisal district of residence homesteads to which Section [23.23](#), Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section [23.23](#), Tax Code. If the comptroller determines in the study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is not valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(13) subtract from the market value as estimated by the comptroller of residence homesteads to which Section [23.23](#), Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section [23.23](#), Tax Code.

(j) The comptroller shall certify the final taxable value for each school district, appropriately adjusted to give effect to certain provisions of the Education Code related to school funding, to the commissioner of education as provided by the terms of a memorandum of understanding entered into between the comptroller, the Legislative Budget Board, and the commissioner of education.

Text of subsection effective on January 01, 2023

(j-1) In the final certification of the study under Subsection (j), the comptroller shall separately identify the final taxable value for each school district as adjusted to account for the reduction of the amount of the limitation on tax increases provided by Sections [11.26\(a-4\)](#), (a-5), (a-6), (a-7), (a-8), (a-9), and (a-10), Tax Code, as applicable.

(k) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid, the comptroller shall provide notice of the comptroller's determination to the board of directors of the appraisal district. The board of directors of the appraisal district shall hold a public meeting to discuss the receipt of notice under this subsection.

(k-1) If the comptroller determines in the final certification of the study that the school district's local value as determined by the appraisal district that appraises property for the school district is not valid for three consecutive years, the comptroller shall conduct an additional review of the appraisal district under Section [5.102](#), Tax Code, and provide recommendations to the appraisal district regarding appraisal standards, procedures, and methodologies. The comptroller may contract with a third party to assist the comptroller in conducting the additional review and providing the recommendations required under this subsection. If the appraisal district fails to comply with the recommendations provided under this subsection and the comptroller finds that the board of directors of the appraisal district failed to take remedial action reasonably designed to ensure substantial compliance with each recommendation before the first anniversary of the date the recommendations were made, the comptroller shall notify the Texas Department of Licensing and Regulation, or a successor to the department, which shall take action necessary to ensure that the recommendations are implemented as soon as practicable. Before February 1 of the year following the year in which the Texas Department of Licensing and Regulation, or a successor to the department, takes action under this subsection, the department, with the assistance of the comptroller, shall determine whether the recommendations have been substantially implemented and notify the chief appraiser and the board of directors of the appraisal district of the determination. If the department determines that the recommendations have not been substantially implemented, the board of directors of the appraisal district must, within three months of the determination, consider whether the failure to implement the recommendations was under the current chief appraiser's control and whether the chief appraiser is able to adequately perform the chief appraiser's duties.

(l) If after conducting the study for a year the comptroller determines that a school district is an eligible school district, for that year and the following year the taxable value for the school district is the district's local value.

(m) Repealed by Acts 2019, 86th Leg., R.S., Ch. 943 (H.B. [3](#)), Sec. 4.001(b), eff. September 1, 2019.

(m-1) Repealed by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 91(1), eff. January 1, 2020.

(n) Repealed by Acts 2019, 86th Leg., R.S., Ch. 944 (S.B. [2](#)), Sec. 91(1), eff. January 1, 2020.

(o) The comptroller shall adopt rules governing the conduct of the study after consultation with the comptroller's property tax administration advisory board.

Appendix B: Neighborhoods

Residential Neighborhoods

A008400000	AC31930280	AC80911215	AF26810600	AL21612160	AO12023625	AS10216210
A016900000	AC34008280	AC80916200	AF28228300	AL22435725	AO12023725	AS17109220
A01MH00000	AC34009430	AC80916210	AF28228400	AL26210500	AO18500000	AS33016280
A02MH00000	AC34010410	AC80918340	AF31511180	AL62414170	AO19400000	AS33212280
A031800000	AC34011280	AC81116210	AF31511220	AL62608450	AP01306160	AS33215595
A037000000	AC34012280	AC81200000	AF55000000	AL62610500	AP32700000	AS37307340
A04MH00000	AC34013300	AC81325440	AF60908650	AL62611500	AP32716860	AS37308355
A081900000	AC34013385	AC81512440	AF60908700	AL62612500	AP32718425	AS37500000
A082000000	AC34013450	AC81811180	AF60910700	AL71400000	AP32718800	AS38008280
A082100000	AC34013550	AC81811230	AF60910800	AL71409650	AP32718850	AS38008375
A082200000	AC34014260	AC81816230	AF60912650	AL77735235	AP32718900	AS38009375
A082400000	AC34014290	AC81820230	AF60912850	AL78100000	AP32729425	AS38010375
A082500000	AC34014300	AC82313230	AF60913450	AM08535115	AP32729800	AS43000000
A082600000	AC34014365	AC83411440	AF60914700	AM32711280	AP58804275	AS43001630
A199300000	AC34014500	AC83412440	AF60916700	AM32837250	AP78314230	AS43001660
A199400000	AC34014600	AC83728390	AF60918800	AM34400000	AP85337990	AS43100000
A95MH00000	AC34016260	AC83908700	AF61218800	AM34407360	AP90816210	AS43101630
A97MH00000	AC34016340	AC84011220	AF82800000	AM34408360	AR29809400	AS43200000
A98MH00000	AC34016550	AC84014200	AF84131150	AM34426280	AR33009250	AS43201630
AA09016210	AC34019270	AC84400000	AG15700000	AM34431280	AR33714225	AS49011995
AA12200000	AC53909825	AC84812350	AG40032100	AM34500000	AR34000000	AS49013130
AA47008460	AC53911800	AC94212220	AH29020550	AM34818225	AR34311850	AS49013995
AA49116210	AC53915700	AC97614240	AH29020600	AM39014490	AR45719175	AS49016475
AA69806280	AC54009575	AC97900000	AH41005550	AM57600000	AR45727175	AS49016550
AB19000000	AC54011575	AC97908750	AH41512325	AM57623210	AR46008310	AS49033550
AB20105500	AC54011990	AC97914450	AH45412400	AM64900000	AR46009310	AS52800000
AB36509430	AC54208600	AC97914560	AH45414350	AM64903000	AR46009400	AS52801160
AB69601150	AC54508600	AC97926560	AH45414400	AM64917300	AR46010310	AS61800000
AB70200000	AC54611575	AD31813875	AH45428320	AM64917300	AR46010400	AS62100000
AB80008160	AC71400000	AD46110280	AH59831280	AM74000000	AR46013380	AS81407425
AC00131355	AC71420660	AD46507425	AH80400000	AM74035100	AR46014260	AS82706160
AC00702115	AC76500000	AD46507500	AI43000000	AM79118500	AR46014340	AS85508920
AC00714115	AC76502450	AD48200000	AI60000000	AM79126400	AR46014360	AS97908255
AC00714310	AC79000000	AD48500000	AK21600000	AM79126670	AR46014400	AS99123440
AC00717400	AC79511290	AD48520550	AK21612300	AM79137470	AR46015320	AS99132340
AC00807450	AC80100000	AD50015300	AK21612380	AM79816565	AR46021320	AS99500000
AC00900000	AC80108655	AE82500000	AK21612450	AM80000000	AR46024355	AT20810575
AC01800000	AC80109750	AE91500000	AK22033190	AM81508500	AR46025275	AT20811575
AC01900000	AC80126340	AE94000000	AL01100000	AM86200000	AR70836625	AT20900000
AC02100000	AC80131340	AE95722630	AL01116050	AM86237070	AR87404450	AT21016550
AC12023725	AC80131450	AF16900000	AL03500000	AM94608255	AS04805160	AT21308375
AC21400000	AC80131625	AF16901630	AL07007500	AN09900000	AS06927560	AT21313350
AC21405800	AC80231340	AF16909200	AL07008600	AN48000000	AS06933625	AT21314250
AC21422320	AC80231730	AF16917325	AL21211265	AN60000000	AS10200000	AT21613320

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AT21613375	AX23700000	B199400000	BC88135180	BJ66800000	BM76407425	BR58020150
AT25109220	AX24200000	B95MH00000	BC88226250	BJ66816140	BM76513250	BR58020180
AT25200000	AX24400000	B96MH00000	BC88300000	BK40831180	BM76931350	BR70134100
AT25426525	AX25300000	B97MH00000	BC88326250	BK63500000	BM76931395	BR85400000
AT25918340	AX25400000	B98MH00000	BC96116150	BL01116050	BM77906535	BR87500000
AT26216340	AX25600000	B99MH00000	BD69032075	BL06909225	BM86237070	BS04000000
AT26600000	AX25700000	BA49214400	BD69500000	BL07127175	BM92900000	BS04805160
AT28115265	AX25800000	BA51200000	BD76400000	BL07627175	BM92924100	BS15900000
AT95727675	AX25900000	BA53432625	BD88010250	BL13017525	BO16416200	BS15908200
AU81900000	AX25914250	BA76713588	BE06731300	BL13117525	BO19700000	BS15910370
AU850R18	AX25916250	BA87031340	BE06731350	BL21031440	BO20032450	BS15910500
AV44010850	AX25931250	BB14008125	BE22724060	BL21400000	BO40424435	BS17109220
AV66200000	AX26000000	BB19600000	BE36034155	BL21436400	BO41500000	BS32421600
AV83723210	AX26200000	BB37100000	BE38237210	BL21612160	BP01306160	BS43400000
AV85614240	AX26400000	BB55500000	BE75031350	BL36400000	BP51532320	BS55916425
AV87920440	AX26500000	BB55506150	BE76027200	BL40000000	BP66900000	BS55922425
AW13600000	AX26600000	BB69000000	BE80000000	BL70416210	BP85900000	BS56324330
AW14506350	AX26800000	BB69006320	BE82020180	BL71123195	BP85918230	BS56416450
AW14507245	AX268CM000	BB69010290	BE93530150	BL71235140	BP85926095	BS61722245
AW14508215	AX29800000	BB69011100	BE93530212	BL76900000	BP88711250	BS68832215
AW14508290	AX37200000	BB69616800	BE93530229	BL76906200	BP90816210	BS81407350
AW14509325	AX58200000	BB70026275	BE93530420	BL76912130	BP92936225	BS81407425
AW14509330	B003B00000	BB74000000	BF84131150	BL76912185	BQ67032110	BS82400000
AW14509350	B003S00000	BB74230175	BG13125880	BL76912900	BQ70033285	BS82436100
AW14510215	B00MH00000	BB74616500	BG13130600	BL76917130	BR23100000	BS82706160
AW14510400	B017100000	BC07009450	BG15000000	BL76917145	BR23335150	BS98707500
AW14513325	B017600000	BC08530425	BG40032100	BL76935090	BR23500000	BS98709425
AW15700000	B01MH00000	BC08530450	BG68800000	BL769CM000	BR23836185	BS98709500
AW15703700	B02MH00000	BC08533700	BG68826095	BL77033525	BR30518900	BS98831575
AX09100000	B02MHCM000	BC10000000	BG688CM000	BL77735235	BR33009200	BT12328270
AX13000000	B03MH00000	BC16731155	BG70811250	BM08535115	BR33009250	BT12924275
AX13035160	B03MHCM000	BC16831150	BG77032425	BM13012170	BR52331190	BT13400000
AX13500000	B04MH00000	BC16900000	BG77033180	BM13512170	BR53420260	BT13402965
AX14000000	B081600000	BC3500150	BH01315450	BM14112170	BR54732180	BT13406625
AX20400000	B081800000	BC63119450	BH10300000	BM30900000	BR54806900	BT20521650
AX21000000	B081900000	BC67527180	BH10335100	BM30907450	BR54814900	BT22000000
AX21100000	B082000000	BC67827180	BH14000000	BM48031340	BR57012170	BT23000000
AX211CM000	B082100000	BC73313190	BH14022150	BM57623210	BR57231360	BT23011375
AX21200000	B082200000	BC73606340	BH15600000	BM70900000	BR57432215	BT23018325
AX21300000	B082300000	BC73616225	BH22600000	BM709CM000	BR57607385	BT23021600
AX21400000	B082400000	BC74900000	BH29020550	BM71300000	BR57611385	BT23024550
AX21500000	B082500000	BC84631150	BH80400000	BM71800000	BR57618385	BT23027325
AX21600000	B082600000	BC86500000	BI90200000	BM72200000	BR57723275	BT23032500
AX21700000	B082700000	BC86831180	BJ18817700	BM73500000	BR57723350	BT23034350
AX21900000	B082800000	BC87000000	BJ65200000	BM74035100	BR57831250	BT23118300
AX22400000	B13817600	BC87500000	BJ65900000	BM76000000	BR57833550	BT24800000
AX23600000	B199300000	BC87733880	BJ65909170	BM76008125	BR58000000	BT248CM000

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BT25000000	BW41834325	C022600000	C068600000	CC23112230	CG68890377	CM89516150
BT25006310	BW41835300	C022700000	C068700000	CC23114270	CG70619250	CM89516330
BT25109220	BW41836225	C022800000	C068800000	CC23200000	CG80013225	CM95000000
BT34000000	BW42231180	C022900000	C068900000	CC23207375	CH09809125	CM99612200
BT64508200	BW56412260	C023000000	C081600000	CC39800000	CH21407807	CN08100000
BT81800000	BW83731180	C023300000	C081800000	CC73709200	CH41207676	CN09514350
BT83800000	BX00300000	C023400000	C081900000	CC74100000	CH41700000	CN21700000
BU81900000	BX09100000	C023500000	C082000000	CC74109200	CH41710330	CN42508280
BU81923195	BX18500000	C027500000	C082100000	CC74206350	CH75510260	CN42508320
BU81927175	BX18508180	C028300000	C082200000	CC76206220	CH76004170	CN42509320
BU81931150	BX18535040	C028400000	C082300000	CC76206250	CH93109260	CN42512255
BU81933130	BX18600000	C028600000	C082400000	CC79309225	CJ20015260	CN42514300
BU82317270	BX23700000	C028700000	C082500000	CD04710220	CL00000000	CN42514425
BU82319260	BX23900000	C028800000	C082600000	CD06015260	CL12900000	CN42519255
BU82321250	BX24000000	C028900000	C082700000	CD32317250	CL19008225	CN46012250
BU82324190	BX24100000	C029100000	C082800000	CD32700000	CL78908165	CN46312200
BV12731175	BX24120140	C029900000	C199300000	CD32706275	CM10809225	CN46709350
BV13817600	BX24126040	C02MH00000	C199400000	CD32706575	CM15909145	CN47108200
BV13817775	BX24300000	C030200000	C539R09825	CD36109100	CM22610160	CN49007180
BV13820600	BX24400000	C037000000	C539R15700	CD36109180	CM29909180	CN49010180
BV14600000	BX26500000	C037100000	C95MH00000	CD38711260	CM32210155	CO21309250
BV41835100	BX265CM000	C03MH00000	C96MH00000	CD41405450	CM32210260	CP08005285
BV63617500	BX26600000	C047700000	C97MH00000	CD41508250	CM39506550	CP08107350
BV66620450	BX26700000	C048900000	C98MH00000	CD44408260	CM39507550	CP08207350
BV66720500	BX26800000	C04MH00000	C99MH00000	CD46300000	CM39509550	CP31211250
BV85216210	BX43200000	C054700000	CA64008225	CD46304210	CM42500000	CP32414110
BV85614240	BX58000000	C054800000	CA64110350	CD46600000	CM42510200	CP32414130
BV88431340	C005800000	C054900000	CA64200220	CD46606200	CM58009230	CP32414155
BV89031180	C007300000	C055000000	CA64209200	CD47208260	CM79911225	CP32414190
BV89520210	C008400000	C055400000	CA64210200	CD47618500	CM80300330	CP32414195
BV90200000	C008600000	C055500000	CA64212180	CD47915260	CM80320225	CP35826220
BV90632600	C00MH00000	C059900000	CA70009200	CD55414130	CM80321125	CP44800000
BV95500000	C010200000	C060000000	CA70010200	CD67209200	CM80325330	CP45006225
BV95519250	C011200000	C060100000	CA75000000	CD77510260	CM80626145	CP45007225
BW01031150	C011300000	C060200000	CB34809180	CE11411200	CM82000000	CP60506270
BW10000000	C01MH00000	C060300000	CB35101250	CE23707260	CM82027225	CP85000000
BW11900000	C020400000	C060400000	CB35105195	CF16712215	CM82031225	CP85031125
BW13506535	C020600000	C060500000	CB35109145	CF16712250	CM82500000	CP85031150
BW14413220	C020800000	C062800000	CB35113125	CF17007400	CM82505325	CP86308275
BW14416180	C021000000	C063400000	CB47332225	CF63400000	CM84210260	CP86308325
BW18117325	C021300000	C063500000	CB75109130	CF63406500	CM85100000	CP86311300
BW18632150	C021400000	C066100000	CC00000000	CF63509450	CM85109150	CP86312245
BW18700000	C021808375	C066200000	CC00000000	CF95000000	CM87810260	CP86313200
BW19519150	C022100000	C066600000	CC11210260	CF95014060	CM88909130	CP87205675
BW41818300	C022300000	C068100000	CC20304250	CF95014100	CM88909175	CQ50910165
BW41820300	C022400000	C068400000	CC23107275	CG43111200	CM89509330	CQ52611430
BW41833280	C022500000	C068500000	CC23107375	CG65708200	CM89513450	CR26021370

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CR32507400	CT49011225	D082300000	DE01400000	DL68110225	DR47912500	DX27400000
CR69608260	CT52710190	D082400000	DE01406220	DL72000000	DR47919500	DX29300000
CR70607500	CT53000000	D082500000	DE31100000	DL72100000	DR60107200	DX29900000
CS00000000	CT70608595	D082600000	DE33807180	DL79134300	DR67400000	DX44500000
CS03300000	CT81012205	D082700000	DE34506200	DM02800000	DR84300000	DX58100000
CS03310085	CV88510180	D082800000	DE41605125	DM02808400	DS01531075	DY80500000
CS03310150	CV95014350	D199300000	DF52409225	DM03200000	DS14800000	DZ02100000
CS13700000	CW40309250	D199400000	DF60700000	DM03208400	DS16700000	DZ02110225
CS13706550	CX00100000	D361K0A14	DF60706220	DM05608220	DS18000000	E000500000
CS13707550	CX27700000	D96MH00000	DF71600000	DM05608300	DS36518225	E001000000
CS13708550	CX58000000	D97MH00000	DF71610160	DM11300000	DS63600000	E004000000
CS13807600	CX58100000	D98MH00000	DG07919260	DM18119260	DS80408220	E004100000
CS14107854	CX58108110	D99MH00000	DG12600000	DM29600000	DS80414210	E004500000
CS15616475	CX58108125	DA43831075	DG48008180	DM29613230	DT13700000	E004600000
CS15716475	CX58112245	DA45108220	DG53700000	DM29619215	DT15200000	E004800000
CS16109200	CX58116150	DA45205230	DG53706220	DM32900000	DT18811160	E005600000
CS16208200	CY90600000	DA46200000	DG56900000	DM32908170	DT18811195	E005900000
CS16209200	CY90608140	DA46208220	DG56908180	DM32908200	DT55606110	E006100000
CS36308200	D001600000	DA46208460	DG56908210	DM32912200	DT58208180	E006300000
CS36918330	D001800000	DA46212380	DG56933150	DM37210160	DT58500000	E006600000
CS49109350	D001900000	DA47000000	DG68600000	DM43600000	DV08800000	E006900000
CS50211155	D002600000	DA47008220	DG68608185	DM43608220	DV08810150	E007100000
CS54600000	D004700000	DA49008180	DG68608220	DM47300000	DV64737160	E007700000
CS54609150	D006300000	DA52000000	DH03616140	DM48802200	DV83800000	E00MH00000
CS62910145	D007200000	DA52008220	DH04200000	DM61508210	DV87728150	E011200000
CS63106155	D007500000	DB20200000	DH04208180	DM62700000	DW09210210	E012300000
CS67005210	D00MH00000	DB30008180	DH08707200	DM75713150	DW09610160	E014C0A400
CS77503210	D01MH00000	DB30508180	DH13200000	DM79400000	DW17711180	E016200000
CS77506190	D020000000	DB49700000	DH21100000	DM79408220	DW39900000	E016400000
CS78208420	D021200000	DB55200000	DH42119260	DM98500000	DW88600000	E016500000
CS80800000	D027900000	DB55205180	DH45308185	DM98531450	DW88607170	E01MH00000
CS80806210	D028400000	DB72408180	DH45308220	DO14604240	DW886CM000	E022000000
CS81600000	D028600000	DC05000000	DH45311250	DO26300000	DX00100000	E026000000
CS81610200	D028800000	DC05006400	DH50110200	DO26308180	DX00200000	E02MH00000
CS82001475	D02MH00000	DC17506220	DH58900000	DP57300000	DX00600000	E03MH00000
CS82005290	D037000000	DC23008230	DH58908180	DP57308180	DX00708090	E042900000
CS820CM000	D03MH00000	DC23011250	DH69100000	DP57700000	DX00800000	E043000000
CS91215260	D042000000	DC36008180	DH86310160	DP57708180	DX01100000	E043400000
CS91700000	D04MH00000	DC48908185	DH86710160	DP58308180	DX01200000	E043500000
CS91715225	D054800000	DC61926085	DJ19710200	DP65200000	DX01600000	E04MH00000
CS92212180	D060000000	DC62210150	DK21626485	DP65202170	DX02100000	E063500000
CS92212250	D069000000	DC63000000	DK98208180	DP68310150	DX06400000	E067800000
CS95908260	D081800000	DC84506180	DL02431300	DP79506220	DX22100000	E067900000
CS96907550	D081900000	DC84900000	DL31408180	DR03810400	DX26100000	E081600000
CT11609165	D082000000	DC84906220	DL44700000	DR31600000	DX27000000	E081800000
CT17208200	D082100000	DD34609190	DL44708150	DR43916190	DX270CM000	E081900000
CT28308650	D082200000	DD53908160	DL44708180	DR43929185	DX27100000	E082000000

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E082100000	ED45107700	EG47412230	EM63405360	ER21509220	ET28700000	ET28722360
E082200000	ED45108700	EG47703671	EM63406420	ER22110205	ET28705300	ET46500000
E082300000	ED45800000	EG47708671	EM63800000	ER40900000	ET28705325	ET82006460
E082400000	ED45826210	EH54008420	EM63809225	ER57503280	ET28705360	ET82006700
E082500000	ED76813660	EH79600000	EM63813175	ER74931075	ET28706300	ET82008700
E082600000	EE00509230	EH79605250	EM63814170	ES01900000	ET28706360	ET82306460
E082700000	EE04907250	EH80100000	EM77105295	ES01901600	ET28706525	ET88509245
E082800000	EE05400000	EH80105360	EM77106430	ES02911150	ET28706560	EV15009180
E199300000	EE05410220	EH80107500	EM77107270	ES05200000	ET28706675	EV34209190
E199400000	EE05413230	EH80505550	EM77107280	ES05210150	ET28707300	EV46709180
E742R13924	EE06612190	EH81700000	EM77300000	ES06106235	ET28707500	EV63907500
E855R12833	EE07323220	EI25605320	EN22907300	ES12705305	ET28707520	EV63907600
E880R09230	EE07323250	EI25606270	EN24109330	ES12710215	ET28707540	EV65506275
E95MH00000	EE07326240	EI25607300	EN34511165	ES12711210	ET28707600	EV65510400
E96MH00000	EE07812200	EI25607325	EO10101400	ES19507700	ET28707675	EV65514220
E97MH00000	EE07812220	EI25611250	EP08900000	ES22500000	ET28708285	EV83200000
E98MH00000	EE07815210	EI25806300	EP08916110	ES22511190	ET28708330	EV83211190
E99MH00000	EE07816240	EI90002380	EP13100000	ES23111220	ET28708400	EV85510220
EA52910220	EE09009270	EK28705350	EP13106560	ES23112200	ET28708460	EV89300000
EA67006360	EE09016260	EK38317115	EP13109520	ES23700000	ET28708480	EV89304300
EA67007300	EE20711185	EK38317160	EP13314185	ES23711190	ET28708485	EV89304400
EA76515450	EE20711200	EK38317270	EP13314240	ES24311190	ET28708490	EV89304475
EB17900000	EE20713300	EK38317405	EP17400000	ES27510200	ET28708650	EV89304625
EB19700000	EE22210225	EK99010180	EP18911220	ES54106335	ET28709260	EV89305330
EB26100000	EE22211155	EL02705360	EP29908305	ES54106460	ET28709440	EV89306270
EB70308110	EE22211190	EL12809180	EP37614115	ES54106480	ET28709450	EV89306485
EC00000000	EE22211200	EL14409180	EP38906165	ES54110680	ET28709625	EV89307230
EC16600000	EE22211215	EL14709180	EP40509180	ES61905270	ET28710370	EV89308265
EC21700000	EE22212190	EL15109180	EP48110200	ES61906300	ET28710400	EV89308300
EC21704450	EE22213235	EL15409180	EP48111215	ES65831095	ET28710420	EV89309175
EC51800000	EE22214170	EL15809180	EP48112200	ES65831100	ET28710440	EV89309185
EC51810250	EE22214180	EL19418360	EP58610400	ES7797769	ET28710470	EV89309215
EC51812290	EE22214185	EL19418395	EP65400000	ES81205205	ET28710580	EV89309230
EC51814220	EE22214190	EL19418510	EP65406300	ES81206335	ET28710700	EV89309240
EC51815260	EE22214230	EL19611190	EP65410225	ES81206620	ET28711565	EV89310215
EC51815290	EE22214240	EL20305335	EP65413250	ES81207230	ET28711585	EV89310220
EC73000000	EE22216210	EL22505560	EP65414195	ES81207355	ET28712385	EV89310230
EC73012180	EE22216265	EL38708075	EP65414235	ES81208215	ET28712450	EV89310235
EC73900000	EE24008270	EL47806300	EP654CM000	ES81208260	ET28712585	EV89311180
EC75208095	EE93306200	EL47808380	EP86000000	ES81208300	ET28713597	EV89311200
EC77100000	EE93307300	EL62007525	EP86003265	ES81208480	ET28714350	EV89311220
EC77611150	EF51513325	EM14509180	EP90400000	ES81209330	ET28714450	EV89311240
EC91509190	EF59018075	EM21900000	EP91505360	ET10909190	ET28715450	EV89311255
ED31706205	EG12812700	EM40307500	EQ55007300	ET20315440	ET28716420	EV89311300
ED37710205	EG19507700	EM40308500	ER15512180	ET21102800	ET28716430	EV89311405
ED40013535	EG47400000	EM40311450	ER20009220	ET24009180	ET28718320	EV89312180
ED45106635	EG47408110	EM63400000	ER21010205	ET28700000	ET28720450	EV89312190

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EV89312240	EV89714315	F016300000	F800	FB68000000	FD37710205	FG88309180
EV89312280	EV89714320	F01MH00000	F94MH00000	FB68009145	FD47411260	FH01200000
EV89313180	EV89715255	F024300000	F95MH00000	FB68031095	FD47800000	FH01210150
EV89313250	EV89717285	F026000000	F96MH00000	FB68500000	FD76131100	FH22412115
EV89313305	EV89717335	F026500000	F97MH00000	FB68509150	FD761CM000	FH25512090
EV89313385	EV89720200	F027100000	F98MH00000	FB68527085	FD89620090	FH26211170
EV89314220	EV89721300	F028300000	F99MH00000	FB68531085	FE29903300	FH33309180
EV89314225	EV89736130	F028800000	FA06000000	FB68908180	FE39009180	FH36909195
EV89314250	EV92706300	F028900000	FA16907115	FC08014090	FE55000000	FH41310180
EV89314355	EV92707270	F02MH00000	FA17100000	FC11806300	FE73610190	FH54004400
EV89315230	EV92707520	F031600000	FA46126070	FC11809180	FE73800000	FH54007280
EV89315250	EV92716525	F031700000	FA46300000	FC13104300	FE88006085	FH74310200
EV89315375	EW12311220	F033600000	FA47508200	FC15311125	FE88006305	FH74815200
EV89315405	EW38211165	F034600000	FA48209180	FC15331125	FE88009085	FH85900000
EV89316230	EW81300000	F034900000	FA49607200	FC15711125	FE88009180	FH85912140
EV89316260	EW81308130	F03MH00000	FA50007200	FC16000000	FE88009230	FH85931100
EV89316270	EW81308205	F042600000	FA50507200	FC16510200	FE95308180	FI25208155
EV89316325	EX01310180	F043400000	FA51007200	FC24912200	FE95529120	FI25409180
EV89316385	EX01316180	F044700000	FA53816090	FC27026140	FF17100000	FI25709200
EV89317250	EX04509135	F047100000	FA63016110	FC30109180	FF20000000	FJ01010185
EV89319230	EX31600000	F048900000	FA68714160	FC42016090	FF33031065	FJ20326140
EV89319270	EX57800000	F04MH00000	FA68731100	FC45400000	FF61300000	FJ21237075
EV89319335	EX57900000	F054900000	FA69900000	FC45413065	FF61309200	FJ27200000
EV89319520	EZ00910075	F060700000	FA69908200	FC55110180	FF61311200	FJ27208180
EV89320435	F000900000	F066000000	FA76500000	FC57231065	FF62631100	FJ30000000
EV89320520	F001000000	F066100000	FA76509035	FC57531065	FF66009180	FK21205290
EV89320675	F001100000	F066200000	FA76510120	FC72500000	FF76308180	FK36400000
EV89322350	F001700000	F067200000	FA76510190	FC72712100	FF76700000	FK43026140
EV89324360	F005100000	F067300000	FA76511200	FC72908200	FF76731065	FK44006230
EV89324750	F005600000	F067900000	FA76515450	FC73100000	FF85631080	FL05000000
EV89326280	F005800000	F072200000	FA76516035	FC73106200	FF86823095	FL06411180
EV89326320	F005900000	F072700000	FA76516200	FC73108235	FF91316085	FL12226100
EV89700000	F006000000	F081600000	FA76526225	FC73109130	FF93100000	FL12500000
EV89705280	F006600000	F081700000	FA76529035	FC73116100	FF93114210	FL12526100
EV89706240	F006900000	F081800000	FA765CM000	FC73200000	FG05100000	FL14409180
EV89707250	F007200000	F081900000	FA79207500	FC73209200	FG13014210	FL14709180
EV89707280	F007500000	F082000000	FA79406240	FC73409200	FG17011200	FL15109180
EV89707305	F007700000	F082100000	FA97000000	FC75208095	FG21200000	FL15409180
EV89708230	F007800000	F082200000	FB17900000	FC78909150	FG36631130	FL15809180
EV89708280	F008000000	F082300000	FB28500000	FC83500000	FG36709150	FL19300000
EV89708290	F008700000	F082400000	FB28506200	FC83531105	FG70706340	FL19316090
EV89709280	F008900000	F082500000	FB28837075	FC84700000	FG71010180	FL19809135
EV89710220	F009100000	F082600000	FB30816075	FC84707410	FG71400000	FL19809200
EV89710340	F00MH00000	F082700000	FB31808400	FC84708385	FG71416080	FL19916400
EV89712350	F013200000	F082800000	FB37909135	FC89912150	FG71804305	FL20109200
EV89713300	F013300000	F199300000	FB38828085	FD30809150	FG73312095	FL20409200
EV89713330	F013400000	F199400000	FB64909150	FD31706205	FG73812095	FL20709150

Residential Neighborhoods, Continued

FL21137140	FM38015130	FP69511200	FR74931100	FT65020100	FV89337075	FY80516075
FL21706200	FM38609085	FP71916090	FR75426100	FT83408180	FV89400000	FY80516080
FL21709200	FM38629115	FP73100000	FR75431100	FU33700000	FV89411275	FY80516085
FL21900000	FM40605475	FP85537075	FR76619100	FV09411120	FV89412280	FY80516090
FL22308110	FM45211150	FP85809200	FR78409180	FV11108150	FV93006300	FY80516095
FL26010180	FM54010200	FP86609180	FR87113125	FV11200000	FV93210190	FY80516100
FL35619085	FM54809180	FP86900000	FS02900000	FV11500000	FW05500000	FY80516105
FL36230100	FM57907300	FP87316185	FS06508150	FV11508135	FW06810180	FY80516135
FL38708075	FM65109180	FP87331115	FS08600000	FV11600000	FW11509180	FY80526070
FL43009135	FM68409180	FP87514150	FS08614110	FV14309180	FW13700000	FY80526075
FL50615190	FM77710100	FP88008200	FS09127125	FV15000000	FW14216105	FY80526080
FL51110190	FN04010180	FP88106200	FS12010180	FV23610180	FW14226100	FY80526085
FL51613190	FN44226140	FP92022100	FS15817175	FV23631060	FW22300000	FY80526090
FL52110190	FN44626140	FP94711200	FS16309150	FV24400000	FW22335125	FY80526100
FL52610190	FN51516090	FQ50811200	FS30710180	FV24431100	FW32708180	FY80526150
FL53110190	FN52516090	FR00529120	FS31800000	FV25808200	FX29300000	FY80531060
FL53610190	FN75300000	FR04031110	FS31809130	FV43011090	FX30800000	FY80531075
FL54111190	FN75331100	FR15512180	FS35516115	FV63409180	FX31000000	FY80531080
FL54710190	FO22534222	FR15723095	FS35916100	FV65002170	FX31237075	FY80531100
FL55309190	FO24707180	FR20009220	FS42610200	FV65331100	FX31300000	FY80531105
FL58411200	FO38400000	FR21010205	FS44508200	FV83507145	FX31600000	FY80531110
FL60031080	FP07200000	FR21509220	FS45008200	FV83605210	FY80500000	FY80531150
FL63908200	FP07208180	FR22110205	FS45508200	FV85714110	FY80501075	G00MH00000
FL64711180	FP07231060	FR22805300	FS52931100	FV88714095	FY80501080	G01MH00000
FL66013115	FP07508235	FR24606500	FS54204390	FV88717260	FY80501085	G02MH00000
FL92000000	FP08916110	FR24615340	FS58708200	FV89106300	FY80506085	G03MH00000
FL92005242	FP17400000	FR24616400	FS60309180	FV89301260	FY80508100	G04MH00000
FL92005310	FP196CM000	FR24616650	FS64100000	FV89306255	FY80509095	G082100000
FL92005325	FP34910180	FR24624400	FS69019370	FV89307280	FY80509120	G082600000
FL95000000	FP35411150	FR24631150	FS690CM000	FV89307285	FY80509125	G128R09914
FL96500000	FP58607380	FR24632150	FS70011360	FV89308225	FY80511050	G199400000
FL97708200	FP59126100	FR24637075	FS70013365	FV89308260	FY80511055	G95MH00000
FL98108200	FP60900000	FR24637200	FS85016090	FV89308330	FY80511060	G97MH00000
FM06208180	FP60908180	FR25204305	FS86106185	FV89308350	FY80511065	G98MH00000
FM08310180	FP64311200	FR26500000	FS86126080	FV89309235	FY80511070	G99MH00000
FM09006335	FP65600000	FR26516100	FS87231100	FV89309265	FY80511075	GA52400000
FM09008310	FP65602410	FR27116100	FS87926140	FV89310265	FY80511080	GA52408180
FM09509180	FP65607225	FR27516150	FS88426125	FV89310285	FY80511085	GA53200000
FM09700000	FP65609150	FR28014100	FS88826125	FV89310300	FY80511095	GA59708180
FM09809220	FP65700000	FR41000000	FS90418130	FV89311275	FY80511100	GD45509550
FM11108180	FP66000000	FR43326140	FS90508200	FV89311310	FY80511110	GG55000000
FM11231065	FP67100000	FR57503280	FT07408190	FV89311330	FY80511120	GG55016270
FM21900000	FP67131110	FR57910215	FT14900000	FV89312215	FY80514075	GK35531075
FM23826140	FP67609150	FR70509200	FT21818115	FV89313280	FY80516050	GL08008180
FM28231055	FP67727085	FR70708180	FT24009180	FV89314210	FY80516060	GL19710425
FM282CM000	FP68209150	FR74500000	FT33126100	FV89314320	FY80516065	GL71313300
FM32009190	FP68909180	FR74531100	FT37408110	FV89317295	FY80516070	GM14308180

Residential Neighborhoods, Continued

GM31908180	H99MH00000	HK97000000	HV86100000	J081900000	JC006CM000	JE96000000
GM97300000	HA07000000	HL00500000	HV86132085	J082000000	JC26000000	JF26033073
GM97308180	HA16037075	HL07007500	HV86200000	J082100000	JC43233091	JF27200000
GN02008180	HA45900000	HL09000000	HV86231070	J082200000	JC55500000	JF27226121
GN02208180	HA75500000	HL96000100	HV86231080	J082300000	JC55537070	JF40937070
GP85600000	HA85500000	HM17300000	HV86232070	J082400000	JC65000000	JF43032097
GR03208180	HA98700000	HM17310215	HW18000000	J082500000	JC70200000	JF52000000
GR05308180	HB14000000	HM17321120	HW18009165	J082600000	JC70208200	JF71300000
GT17914375	HB14008125	HM17332065	HW18009288	J082700000	JC70800000	JF71332115
GU29000000	HB14008350	HM30500000	HW18010160	J082800000	JC70831035	JG09708200
GU29008180	HB36818125	HM60200000	HW18018095	J199300000	JC71600000	JG11037070
GU81910080	HB68607700	HM60207045	HW18808145	J199400000	JC71638080	JG13837070
GV860CM000	HB68614350	HM60207085	HW33733091	J659	JC72800000	JG22233091
GW14008180	HB68614450	HM60207195	HX00500000	J95MH00000	JC72832125	JG82000000
GW39209475	HB68616300	HM79631100	HX03500000	J96MH00000	JC74533091	JG98608200
GX03500000	HB68616325	HM84800000	HX12400000	J97MH00000	JC75500000	JH01000000
GX18318130	HC10000000	HN82100000	HX14600000	J98MH00000	JC75531075	JH02000000
GX24700000	HC10217260	HN82111200	HX15800000	J99MH00000	JC88529112	JH31216075
H003C00000	HC10217400	HP00500000	HX16000000	JA11900000	JC88600000	JH75000000
H003S00000	HC10508125	HP51532320	HX160CM000	JA20000000	JD02000000	JH75026121
H00919450	HC11000000	HP87000000	HX17300000	JA20026110	JD02537070	JH75200000
H00MH00000	HC11008125	HP87600000	HX17500000	JA20026190	JD10000000	JH75231108
H017600000	HC11008350	HP87607235	HX23100000	JA45337070	JD12500000	JH75300000
H01MH00000	HC23500000	HP87629095	HX23300000	JA45706200	JD12533091	JH75326121
H02MH00000	HC74300000	HP88200000	HX23400000	JA48837070	JD31900000	JH75332060
H02MHCM000	HC78108125	HP88231090	HX23700000	JA53100000	JD31937070	JH75332075
H03MH00000	HC86400000	HP88232110	HX23800000	JA53126130	JD32200000	JH75332097
H04MH00000	HD46507875	HP88300000	HX23900000	JA66437070	JD32226121	JH75333125
H081600000	HD69500000	HP88331090	HX24500000	JA76636070	JD32232097	JH75337070
H081800000	HD76400000	HR23200000	HX40900000	JA78100000	JD32232115	JH753CM000
H081900000	HE00300000	HR23233090	HZ01810160	JA78138080	JD42000000	JH75400000
H082000000	HE23031090	HR29216075	J006H00000	JA80000000	JD42016151	JH75433091
H082100000	HE73900000	HR69800000	J006W00000	JB12032097	JD45000000	JH75700000
H082200000	HE85508833	HS05000000	J00MH00000	JB73000000	JD45700000	JH75733073
H082300000	HE85510833	HS21200000	J016200000	JB78700000	JD45708330	JH75733091
H082400000	HE95000000	HS21231075	J01MH00000	JB81000000	JD46200000	JH76300000
H082500000	HG13300000	HS32300000	J01MHCM000	JB83000000	JD46816151	JH779
H082600000	HG1970000	HS32335055	J022600000	JB83600000	JD47000000	JH77900000
H082700000	HG68900000	HS460CM000	J02MH00000	JB83631095	JE01000000	JH77926110
H082800000	HG75500000	HS53032080	J030000000	JB836CM000	JE06033091	JH77932070
H199300000	HH30400000	HS71007700	J03MH00000	JB84700000	JE06800000	JH77932085
H199400000	HH30412095	HT02706375	J03MHCM000	JB84800000	JE07033091	JH77932180
H779R32180	HH41133323	HT28533090	J043400000	JB84900000	JE22900000	JH779CM000
H95MH00000	HI60000000	HT93004766	J04MH00000	JB85000000	JE25000000	JH78400000
H96MH00000	HJ01500000	HU81900000	J072700000	JB90000000	JE36300000	JH79300000
H97MH00000	HJ65600000	HU81937140	J081700000	JB90008200	JE90000000	JH79316165
H98MH00000	HK35600000	HV63735055	J081800000	JC00600000	JE90031110	JH79317325

Residential Neighborhoods, Continued

JH79437050	JM37526121	JR22900000	JV89932130	KB55000000	KM32610355	L199400000
JH79733091	JM40026121	JR23600000	JV94537070	KC02500000	KO26200000	L62007525
JH79900000	JM51700000	JR24000000	JW13406470	KC02512135	KO26208315	L96MH00000
JH80300000	JM58637070	JR53006600	JW14800000	KC03000000	KP27700000	L97MH00000
JH81000000	JM63000000	JR53900000	JW33733091	KC03008180	KP27708180	L98MH00000
JI25500000	JM63033040	JR54600000	JW35032097	KC30900000	KP28600000	L99MH00000
JJ19600000	JM63132097	JR54631075	JW38300000	KC30910180	KP28608180	LA45831110
JJ19637070	JM63500000	JR54631100	JW39000000	KC70500000	KP29400000	LA52120120
JJ40000000	JM63533091	JR70232097	JW39400000	KC70510100	KP29408180	LA79000000
JJ40037070	JM63726121	JS07500000	JW39431075	KC75910180	KP29422080	LB68808325
JJ66233091	JM64200000	JS09431090	JX29300000	KD12100000	KR38000000	LB69100000
JJ66337070	JM64237070	JS09600000	JX29600000	KD12108180	KR38008180	LB69131110
JJ66512180	JM64500000	JS09637046	JX30100000	KE04300000	KR63000000	LB74700000
JK09133091	JM75800000	JS096CM000	JX30200000	KE04308180	KR63008100	LB74731110
JK20826121	JM77537070	JS13000000	JX30300000	KE26000000	KS07500000	LC00000000
JK21437070	JM78500000	JS13030110	JX30400000	KE26016110	KS07508070	LC06500000
JK48037070	JM78531075	JS16429112	JX30500000	KE26018118	KS07530100	LC06531110
JL12700000	JM81300000	JS20908180	JX40700000	KE28600000	KS10008180	LC18007300
JL17200000	JM81327118	JS33500000	JX40800000	KE28631100	KS54507180	LC72000000
JL17800000	JM83100000	JS41500000	JX57700000	KE35708180	KS66200000	LC72031110
JL17826110	JM83118270	JS51532110	JX57800000	KE86400000	KS66208180	LC72600000
JL17826152	JM84533073	JS533CM000	JX60100000	KE86409180	KU50015160	LC72631110
JL17826165	JM84533091	JS55700000	JX601CM000	KE95416250	KU50100000	LC73500000
JL21300000	JM87000000	JS55733091	JX60500000	KF08200000	KW89004100	LC73531080
JL21326121	JM87100000	JS62300000	JX60600000	KF08208180	KX30500000	LC73531110
JL21500000	JM87200000	JS82333091	JX60633073	KF12400000	KX40500000	LC98000000
JL21531108	JM872CM000	JS82800000	JX60700000	KF12408075	KX57700000	LC98032100
JL21833091	JM87300000	JS82837070	JY87500000	KF12409150	KX57800000	LE38706325
JL22731140	JM87400000	JS83800000	K002G00000	KF16400000	KY90200000	LE94806600
JL25033091	JM87500000	JS99600000	K00MH00000	KF71000000	KY90211080	LF59300000
JL47033091	JM87600000	JS99631075	K010E00000	KF71008180	L006E00000	LF59326080
JL59500000	JN41500000	JT23500000	K01MH00000	KG79600000	L007B00000	LG49400000
JL59533073	JP59000000	JT34200000	K02MH00000	KG99512135	L007G00000	LG49431110
JL59533091	JP59033073	JT34235080	K03MH00000	KH67526075	L00MH00000	LG49600000
JL67000000	JP59033091	JT45000000	K04MH00000	KH83015105	L01MH00000	LG49631110
JL69037070	JP59200000	JT45026121	K081700000	KH93500000	L02MH00000	LG54700000
JL71514160	JP59637070	JV05037070	K081900000	KH93508100	L03MH00000	LG54731110
JM08033091	JP65516215	JV09132135	K082100000	KH935CM000	L04MH00000	LG82626080
JM16800000	JP86833091	JV22300000	K082200000	KJ65008180	L081100000	LJ19333095
JM16837070	JP89000000	JV64000000	K082300000	KL59000000	L081600000	LL02918180
JM23200000	JP94800000	JV86900000	K082600000	KL59010180	L082300000	LL20500000
JM23231081	JP94800200	JV86927118	K082700000	KL59016100	L082400000	LL20522120
JM23231108	JR01629112	JV87017362	K95MH00000	KL84100000	L082500000	LL20631110
JM30100000	JR04100000	JV87300000	K97MH00000	KM07700000	L082600000	LL22000000
JM30133091	JR14314160	JV87337070	K98MH00000	KM07708180	L082700000	LL22031030
JM31637070	JR17400000	JV89900000	K99MH00000	KM16100000	L199300000	LL22031075

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LL22032200	MD80032040	N045200000	NB32016115	NF94316115	NL98513170	NR86032135
LM01000000	MD80032065	N04MH00000	NB32031165	NG04931110	NM05027120	NS05900000
LM01031110	MD80032131	N081600000	NB32032100	NG22100000	NM07405611	NS05931110
LM07000000	MF41926040	N081700000	NB81526070	NG82500000	NM08200000	NS09900000
LM08700000	MF41926106	N081900000	NB81526160	NG82516090	NM14400000	NS09931110
LM16600000	MG58000000	N082000000	NC00000000	NG99000000	NM14413170	NS15500000
LM31800000	MH24000000	N082100000	NC00516120	NG99008200	NM19100000	NS15531110
LM58100000	MH24035066	N082200000	NC08300000	NG99111200	NM19131110	NS15531133
LM58131110	MI25300000	N082300000	NC33619130	NH01100000	NM31532100	NS32500000
LO19610325	MK56100000	N082400000	NC49706250	NH01131110	NM31700000	NS53300000
LP86400000	MK56118085	N082500000	NC49806250	NH01131133	NM31731100	NS53700000
LP86419120	ML70000000	N082600000	NC50007575	NH01131135	NM32300000	NS53732100
LR17631150	ML71800000	N082700000	NC63200000	NH22900000	NM32331110	NS54014160
LR24207260	ML89100000	N082800000	NC70600000	NH22932100	NM37400000	NS54307300
LR33517210	MN20000000	N199300000	NC70616110	NH27500000	NM37431110	NS54307400
LS07500000	MP68100000	N199400000	NC75431070	NH41409210	NM58408250	NS56000000
LS40000000	MP68132065	N95MH00000	NC75700000	NH41409563	NM75000000	NS56013170
LS45700000	MP68132106	N96MH00000	NC86108300	NH47000000	NM75016145	NS82600000
LS99900000	MR17300000	N97MH00000	NC86300000	NH47016120	NM75600000	NS82632100
LS99931110	MR17332075	N98MH00000	NC86331110	NH66900000	NM77200000	NS98608617
LT895CM000	MR17332106	N99MH00000	NC87800000	NJ18708500	NM77214160	NS99700000
LV13000000	MR23400000	NA13000000	NC87813170	NJ18710355	NM77219125	NS99708200
LV13016120	MR23435060	NA16400000	NC87816260	NJ28200000	NM77816140	NT21706400
LV13218355	MR23435066	NA44200000	NC87913170	NJ28300000	NM78212180	NT81527150
LV83300000	MR23700000	NA44219260	ND39700000	NJ28331110	NN44000000	NT82100000
LV83331110	MS07500000	NA44226070	ND39710200	NJ66700000	NN44014120	NT89500000
LV85300000	MT05500000	NA46000000	ND54500000	NL02500000	NN44026100	NU16000000
LV85306400	MT61100000	NA46034085	ND69600000	NL02513110	NP84612180	NU16034085
LW38615160	MT6110370	NA48409150	NE0790600	NL03000000	NP84700000	NV09900000
LZ94000000	MT61108050	NA48600000	NE07908600	NL03031110	NP87900000	NV09906275
M01MH00000	MW12820080	NA48616120	NE27300000	NL03200000	NP87932100	NV09906325
M02MH00000	MX29200000	NA52500000	NE27307270	NL03231135	NQ52000000	NV11704325
M03MH00000	MX36100000	NA52526100	NE27500000	NL18910355	NR23000000	NV11707290
M04MH00000	MX36200000	NA71800000	NE27516120	NL20900000	NR24336065	NV117CM000
M081600000	MX36500000	NB10000000	NE32500000	NL20913140	NR38200000	NV11900000
M082300000	MX42700000	NB10009200	NE32531110	NL20913170	NR52610210	NV11931110
M082400000	MX57700000	NB10009425	NE60000000	NL22200000	NR54500000	NV22126035
M082500000	MZ99900000	NB28600000	NE60013110	NL22232118	NR54531110	NV22507275
M082600000	N001B00000	NB28700000	NF26900000	NL22609375	NR55000000	NV63316110
M082800000	N005S00000	NB28716115	NF41500000	NL23308180	NR55016120	NV63500000
M199400000	N00MH00000	NB28732100	NF41532110	NL23310475	NR55016260	NV63518130
M95MH00000	N015700000	NB31500000	NF59409100	NL24000000	NR70300000	NV84000000
MA45500000	N01MH00000	NB31531075	NF80000000	NL24031110	NR70333100	NV84033135
MA45511030	N02MH00000	NB31531110	NF80012180	NL36800000	NR86000000	NV84037060
MD80000000	N02MHCM000	NB32000000	NF80014255	NL79006325	NR86017115	NV85109536
MD80025130	N03MH00000	NB32000100	NF94300000	NL98500000	NR86032100	NV85409325

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NW05732100	P97MH00000	PJ212R3707	PT28700000	RH77108350	S533
NW50000000	P98MH00000	PJ39000000	PT28707500	RH77300000	S979BOX44
NW50016110	P99MH00000	PM57706480	PT29000000	RH78008190	SC00000000
NW57033100	PA51912560	PM57707465	PT290CM000	RH78100000	SD690CM000
NW59000000	PA51912700	PM57708450	PT95000000	RH78211230	SS00000000
NW59031110	PA51915425	PM79307600	PW143700	RH78300000	SX57900000
NX29300000	PA51916690	PM79308600	PX27900000	RH78310235	SX58000000
NY83615150	PA86707700	PN58608250	PX29100000	RH78310260	T02MH00000
NY83624127	PC50007575	PP07907600	PX29300000	RH78310360	T200
NY83732150	PC74000000	PP07909600	PX29400000	RH78509180	T23118300
P005B00000	PC88700000	PP08600000	PX29600000	RH78600000	TS00000000
P005C00000	PD09806600	PP08607600	PX29800000	RH78800000	U819
P005G00000	PD41908580	PP08613785	PX31500000	RH78809420	X00MH00000
P005J00000	PD41911560	PP20800000	PX31600000	RH78811230	X01MH00000
P005S00000	PE07707450	PP20811080	PX316CM000	RH78816130	X03MH00000
P005W00000	PE36900000	PP58507600	PX31700000	RH78816165	X04MH00000
P007000000	PE36908225	PP58507769	PX31800000	RH78816190	X199400000
P00MH00000	PE36917160	PP58508320	PX31900000	RH78816210	X99MH00000
P01MH00000	PE74217400	PP58508430	PX32000000	RH78816225	XS07500000
P02MH00000	PE74237196	PP69106570	PX32400000	RH78900000	XX579CM000
P03MH00000	PE74310625	PP69107570	PX57900000	RH79108220	XZ99900000
P04MH00000	PE74610614	PP69116570	PX57938070	RH79108240	Y805
P04MHCM000	PE74610640	PP69306520	R00MH00000	RH79111180	
P066000000	PE74613350	PP85210215	R04MH00000	RH79211180	
P068400000	PE74618300	PP85210260	R082300000	RP78908410	
P072700000	PE74706475	PS14600000	R220R09280	RR22000928	
P081600000	PE74706520	PS14627095	R550R16260	RR22009280	
P081700000	PE74815370	PS50500000	R576K0M207	RR22009400	
P081800000	PE74821500	PS50506570	RA75300000	RR22011380	
P081900000	PG12809914	PS53300000	RA78800315	RR92009450	
P082000000	PG12811560	PS53600000	RA78815235	RT61700000	
P082100000	PG69016090	PS56200000	RD41709225	RT61722340	
P082200000	PG76000000	PS56213100	RD41709400	RT61722450	
P082300000	PH48700000	PS56213135	RD45400000	RT617CM000	
P082400000	PH48723055	PS56225040	RD45407270	RX29700000	
P082500000	PH49500000	PS56225105	RD45609210	RX32500000	
P082600000	PH61008580	PS56233075	RD45709430	RX57800000	
P082700000	PH76707575	PS98610475	RE07110230	RX57807190	
P082800000	PH76908275	PT20006600	RE07400000	RX57811180	
P192	PH77300000	PT20007600	RE07509265	RX57900000	
P199300000	PH78400000	PT20007735	RE07609340	RX579CM000	
P199400000	PH79000000	PT20107510	RG54307425	S026100000	
P671D0E131	PH79006250	PT20207600	RH13411180	S026200000	
P94800000	PH79006530	PT22213525	RH76209600	S034400000	
P95MH00000	PJ212	PT22215530	RH77010250	S082100000	
P96MH00000	PJ21237075	PT22216525	RH77100000	S36500000	

Commercial Neighborhoods

Nbhd	Nbhd Name
110	WESTSIDE EAST OF I-10
120	WESTSIDE UTEP TO EXECUTIVE CENTER
210	SUNSET TERRACE & UTEP
211	CBD NORTH OF I-10
212	CBD OFFICE DISTRICT
213	CBD RETAIL DISTRICT
214	CBD GOVERNMENT OFFICE DISTRICT
215	CBD EAST FRINGE
216	CBD SOUTH STANTON ST CORRIDOR
217	CBD SOUTH OF PAISANO
218	CBD SOUTH EL PASO ST CORRIDOR
219	CBD WEST FRINGE & WEST PAISANO
230	CENTRAL- NORTH
240	CENTRAL- SOUTH
310	HORIZON- INCORPORATED AREA
320	HORIZON- AREA IN GENERAL
400	NORTHEAST IN GENERAL

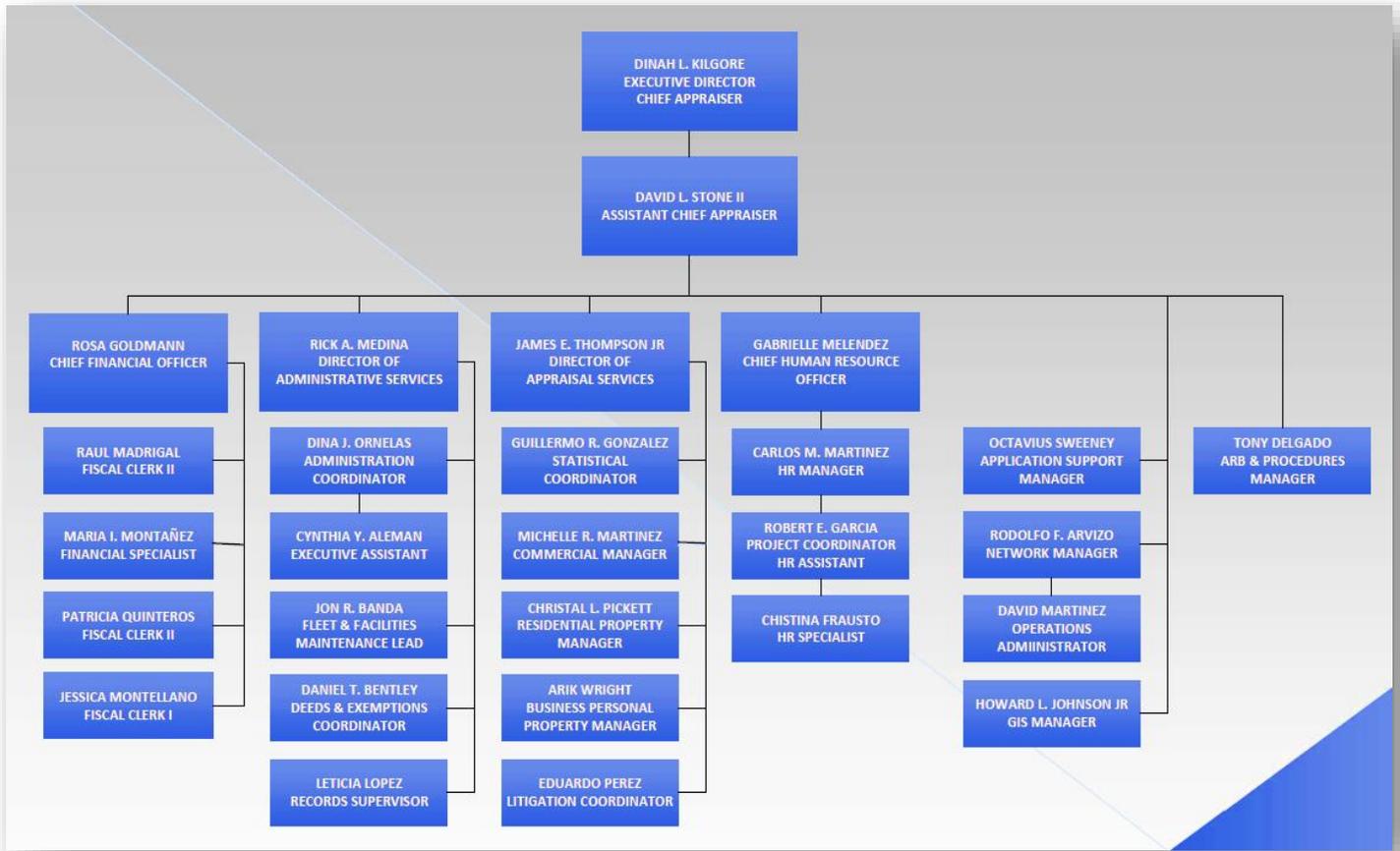
Nbhd	Nbhd Name
510	EAST-CENTRAL NORTH OF I-10
511	EAST YSLETA ISD NORTH OF I-10
512	EAST SOCORRO ISD NORTH OF I-10
520	EASTSIDE---URBAN SOUTH OF I-10
600	MILITARY RESERVATION
700	UPPER VALLEY- URBAN
710	UPPER VALLEY- ANTHONY
720	UPPER VALLEY- CANUTILLO
730	UPPER VALLEY- RURAL
800	EASTSIDE- RURAL
900	LOWER VALLEY- URBAN
910	LOWER VALLEY- SOCORRO
920	LOWER VALLEY- SAN ELIZARIO
930	LOWER VALLEY- CLINT
940	LOWER VALLEY- FABENS
950	LOWER VALLEY- TORNILLO
960	LOWER VALLEY- AREA IN GENERAL

Appendix C: Mass Appraisal Report

2022 Mass Appraisal Report

The 2022 Mass Appraisal Report was not completed as of the time of this Reappraisal Plan.

Appendix D: Organizational Chart



Appendix E: Department Calendar of Events

Department	Begin	Event
Acct	Jan	Auditor presents the results of the financial audit to the Board of Directors
Acct	Jan	Prepare, disburse, submit tax statements to employees and IRS
Acct	Jan	Departments submit budget requests
Acct	Feb	Executives prepare budget
Acct	Mar	Submit preliminary budget to the Board of Directors and taxing entities
Acct	Apr	Budget workshops and notification of public hearing for the budget
Acct	May	Public hearing, final budget review and adoption
Acct	Jun	Perform physical inventory of assets and reconciles with records
Acct	Sept	Prepare for financial audit
Acct	Oct	Begins fiscal year
Acct	Oct	Managers discuss goals and objectives for the budget
Acct	Nov	Financial field audit
Acct	Dec	CFO provides budget request forms for the next fiscal year budget
Admin	Jan	Publish press releases for renditions, exemption applications and special valuations
Admin	Jan	Review/revise enclosures for notices of appraised value
Admin	Jan	Review/revise enclosures for appointment letters
Admin	Jan	Create annual report
Admin	Feb	Review online protest systems for revisions, improvements
Admin	Mar	Mail notices of appraised value to homesteaded residential properties
Admin	Mar	Mail notices of appraised value to all remaining properties
Admin	Apr	Begin collecting customer service reports and recording statistics
Admin	Jun	Schedule and revise forms and procedures to comply with new legislation
Admin	Jun	Schedule training for ARB hearings with new legislation
Admin	Jun	Submit operations survey to the comptroller's office
Admin	Jun	Submit appraisal roll for ARB approval
Admin	Jul	Certify the appraisal roll to taxing units by July 25th
Admin	Aug	Prepare mass appraisal report
Admin	Nov	Review and update all forms and letters in PACS
Admin	Nov	Check state forms for revisions and replace/add to intranet folders
Admin	Dec	Review, revise annual press releases
Admin	Dec	Review district's website for additions/deletions
All	Jan	Monitor progress
All	Jan	Quality control
All	Jan	Mail balance of annual exemption and other form mailings
All	Aug	Work plan development
All	Sept	Begin employee evaluations of all district staff
All	Dec	Begin mailing annual forms, renditions, exemption applications

Appendix E: Department Calendar of Events, Continued

Department	Begin	Event
Appr	Jan	Review department manuals, revise and publish as needed
Appr	Jan	Documentation gathering
Appr	Feb	Flag accounts not ready for notice of appraised value
Appr	Apr	Defend values in informal & formal hearings
Appr	Jul	Begin training staff for data collection, field work
Appr	Jul	Begin field work for building permits, new construction, rechecks
Appr	Jul	Run sales ratio studies to determine focus of field work for coming tax year
Appr	Aug	Review depreciation guidelines
Appr/BPP	Jan	Mail and process Freeport exemption applications
Appr/BPP	Jan	Mail and process data forms for warehouse listings, taxis and airplane hangars
Appr/BPP	Jan	Begin processing renditions
Appr/BPP	Jan	Begin processing special inventory reports
Appr/BPP	Feb	Begin processing requests for rendition extensions
Appr/BPP	Apr	Work with contract appraisers on values and defense of values
Appr/Res.	Jan	Sales file development
Appr/Stats.	Feb	Review/implement residential neighborhood market adjustments
Appr/Stats.	Feb	Revise approved appraisal model specification where needed
Appr/Stats.	Feb	Gather evidence for defense of values
Appr/Stats.	Mar	Analyze values for final value edits
Appr/Stats.	May	Track protest trends
ARB	Apr	Begin ARB hearings
ARB	Jul	ARB approves appraisal records for tax year
ARB	Aug	Receive, process motions to correct roll
ARB	Aug	Schedule motions under Section 25.25 to ARB
D&E	Jan	Coordinate mailing of exemption applications
D&E	Jan	Verify exemption eligibility of veterans organizations
D&E	Jan	Validate, update veterans' disability exemptions
D&E	Jan	Dispose of prior year scanned source documents
D&E	Jan	Begin processing exemption applications
D&E	Jan	Maintain single family residence ownership records
D&E	Mar	Mail postcards to verify homestead exemptions (every 3 years)
D&E	Apr	Process undeliverable mail coming from notices of appraised value
D&E	Jul	Dispose of prior years' records that have met retention schedules
D&E	Aug	Update addresses of single family residences resulting from returned mail
D&E	Aug	Remove exemptions from single family residences due to inconsistent addresses
D&E	Oct	Provide customer support when tax bills are mailed

Appendix E: Department Calendar of Events, Continued

Department	Begin	Event
HR	Jan	Customer service training
HR	Jan	TML Driver Training bi annually
HR	Sept	Employee evaluations process
HR	Sept	Evaluation review by HR
HR	Sept	Wellness Fair
HR	Sept	Open enrollment for employee benefits health and dental
HR	Dec	Open enrollment for employee vision plan
IT/OS	Jan	Provide support as needed for completing open records and evidence requests
IT/OS	Jan	Mailing address/ownership database edits
IT/OS	Jan	Address scrub, 4 times per year
IT/OS	Jan	Run homestead applications forms
IT/OS	Jan	Run mobile home and business personal property renditions
IT/OS	Jan	Run mobile home park manager listing
IT/OS	Feb	Run requests and reminders for VA exemptions
IT/OS	Jul	Prepare and run certified appraisal rolls
IT/OS	Jul	Review, setup supplemental sub-system for current year's supplements
IT/OS	Jul	Begin preparation for bill file creation, supplements and submission
IT/OS	Jul	Create new year layer in PACS system for the coming year for appraisal work
IT/OS	Aug	Run state reports
IT/OS	Sept	Run address scrub to prepare for bill file
IT/OS	Sept	Create bill file
IT/OS	Sept	Monitor, provide support in processing supplements for prior years
IT/OS	Sept	Hardware and software modifications
IT/OS	Dec	Review and update the district's intranet for additions/deletions
IT/OS	Dec	Review & coordinate with departments for updates for January mailings
Map	Jan	GIS map maintenance (new subdivision maps & inventory)
Map	Feb	Shredding inventory preparation, 2 times per year
Map	Mar	Subdivisions & deeds for future layer
Map	Mar	GEO IDs, topology & special boundaries reviewed, 4 times per year
Map	Jul	GIS SDE replication update to entities, 2 times per year
Map	Jul	GIS training
Map	Nov	GIS hardware and software modification

Appendix E: Department Calendar of Events, Continued

2023		
Department	Begin	Event
Admin	Jan	MAP audit, onsite review begins
Admin	Jan	Begin tracking new legislation
Admin	Jan	Begin review of procedures revised or created in 2022
Admin	Jan	Deadline to submit property value study appeals evidence for 2022
Admin	Mar	Address any MAP audit recommendations
Admin	Apr	Review new legislation for changes effective immediately
Admin	May	Publish new legislation recap for managers
Admin	Jun	Publish results of legislative session and changes required for compliance
Admin	Jun	Revise procedures affected by legislation effective immediately
Admin	Jun	Complete revision of procedures affected by legislation effective 9/1
Admin	Sept	Complete revision of procedures affected by legislation effective 1/1
2024		
Department	Begin	Event
Admin	Jan	Begin review of procedures revised or created in 2023
Admin	Jul	Begin review/revision of reappraisal plan for 2025-2026
Admin	Aug	Complete reappraisal plan and submit for chief appraiser's approval
Admin	Sept	Begin preparation for MAP audit
Admin	Sept	Board of Directors review/revise/approve of reappraisal plan

Appendix F: Budget Report

The 2022-2023 Adopted Budget Report can be found by clicking on the following link:

[2022_2023_Adopted_Budget_05_19_2022.pdf \(windows.net\)](#)

WARDLAW APPRAISAL GROUP EL PASO CAD

Reappraisal Plan 2023-2024

Contract Valuation Support

Appraisal Responsibility

Wardlaw Appraisal Group, LC (Wardlaw) provides complex property appraisal support services for the El Paso Central Appraisal District (CAD). The complex properties Wardlaw appraises are generally referred to as utility, industrial, commercial and real properties and fall under the F, G, J, and L Categories. El Paso Central Appraisal District contracts with Wardlaw to appraise properties where they lack the in-house expertise to appraise these complex properties. Under the contracts, Wardlaw acts as an agent of the CAD and provides many of the appraisal and support services required under the Texas Property Tax Code and the Uniform Standard of Professional Appraisal Practices (USPAP). This document details the reappraisal practices that Wardlaw performs on behalf of their client CADs and is intended to be incorporated in to the CADs own Reappraisal Plan.

Appraisal Calendar

Wardlaw adheres to the property tax calendar as established by the State of Texas Property Tax Code. The Wardlaw appraisal calendar generally follows the below schedule:

<u>January 1:</u>	Beginning of the tax year
<u>Prior to January 31:</u>	Rendition request letters mailed
<u>January 31:</u>	Last day for receipt of 25.25 protests from prior year
<u>November – April:</u>	Field inspections of properties
<u>April 15th or 30th:</u>	Renditions due (Regulated Companies; April 30 th)
<u>Around May 1:</u>	Mail notices of appraised value
<u>May 1:</u>	Begin equalization process. Work with property owners to explain appraisals and work on formal and informal protests
<u>Around June 1:</u>	Mail notices of appraised value for properties with an extension
<u>Late June – Early July:</u>	ARB hearings
<u>Mid-July:</u>	Deliver totals and certified rolls to CADs
<u>August – November:</u>	Process property supplements, Additions and Deletions
<u>November:</u>	Begin field appraisals for coming tax year

Equalization Period

Preliminary values established by the 25.19 Notices of Appraised Value are subject to change during the equalization period. These changes can be initiated by property owner formal or informal protests. The changes can also be initiated by Wardlaw if new information regarding a property becomes available. Formal and informal protests on mineral, utility, industrial, commercial and real properties are handled directly by Wardlaw, within the appropriate timetables established by the Property Tax Code. Wardlaw attempts to contact protesting taxpayers in order to;

- 1) *Provide the taxpayer an opportunity to explain the reason for their protest*
- 2) *Explain the appraisal methodology and appraisal parameters used on each protested property*
- 3) *Consider whether the preliminary appraisal should be adjusted in light of taxpayer evidence*
- 4) *Provide settlement and withdrawal paperwork to the taxpayer if appropriate*

Wardlaw directly responds to taxpayer requests for appraisal information and supporting appraisal documentation. All requests for information are handled in a timely manner. Wardlaw then goes on to represent the CAD before the Appraisal Review Board (ARB) to justify appraised values for all protested properties that fall under the mineral, utility, industrial, commercial and real contract.

Documentary evidence of formal and informal changes is then provided to the CAD and ARB in the form of Withdrawal of Protest Settlement and Waiver, also known as Revised Value Letter (RVL), on formally protested accounts. The final values are then delivered for certification.

Utility, Industrial & Commercial Property Valuation Process

Appraisal Responsibility

Utility, Industrial and Commercial properties are the tangible assets of various businesses including electric production, transmission, and distribution companies, railroads, petroleum product gathering and delivery pipelines, telephone and communication providers and others. Utility properties are identified in the Texas Property Tax Code as Category J property. Industrial properties are identified under the Texas Property Tax Codes as categories L2 (Industrial, Personal), F2 (Industrial, Real) and L1 (Commercial). The valuation of these properties is complex due to the involvement of both tangible and intangible property elements included in these businesses' overall valuation and due to the size of some of the utilities. The appraisal of these companies becomes complex when considering the valuation of the property as a unit in place, evaluating the property by the approaches to value at the company level. The appraisal district does not have personnel qualified to perform this type of appraisal. An appraisal firm is employed to provide the expertise in performing these types of appraisals. Once the estimated value of the unit is determined by the appraisal firm, that estimated market value is allocated based on the tangible property assets that are located within each CAD.

Appraisal Resources

Personnel – The appraisal firm provides adequate personnel to perform the appraisals.

Data - A common set of data characteristics for each utility, industrial and commercial property account in each CAD is collected from the various government regulatory agency records, field inspections, data resources, and property owner renditions. This data is entered to the appraisal firm's computer. Individual company financial information is gathered through industry specific governmental filings such as Federal Energy Regulatory Commission Reports, Securities and Exchange Commission 10-k filings, Railroad Commission and Public Utility Commission publications. Other company information is gathered from annual reports, internal appraisals, and other in-house and industry publications. Property owner renditions are requested to document and list property owned and located in our particular jurisdictions (i.e.: track mileage, number of meters, pipeline size and mileage, substation and transmission capacity, etc.). The property characteristic data drives the computer-assisted appraisal of the property.

The appraisal of utility and industrial property utilizes a three-approach analysis to form an opinion of value for each property. Financial and capital market information is pertinent to understanding factors affecting valuation of complex property. It is necessary to gather financial data to understand investor and corporate attitudes for capital return expectations and to give consideration to return components such as current interest rates, capital debt structure, bond market rates, and capital supply and demand trends. These financial factors result in overall return rates and capital structure for these companies and affects capitalization rates. The weighted average cost of capital is the most commonly used method of estimating capitalization rates for utility properties. Capitalization rates are estimated using capital return expectations from various publications: Duff & Phelps Valuation Handbook, Wall Street Journal, Mergent Bond Record, Moody's Corporate Bond Yield Averages, S & P Capital IQ. Industry specific information is also gathered from web sites, publications, periodicals, and reference manuals. The appraisal firm then estimates the capitalization rate for utility appraisal under the income approach.

Valuation and Statistical Analysis (model calibration)

Approaches to Valuation, Reconciliation

Valuation of tangible assets for utility and industrial companies relies primarily on indications of value based on the cost and income approaches as well as a unit value approach when applicable. The unit valuation methodology involves developing and estimating market value considering the entirety of the company's tangible assets and resolving an allocated value for that portion of specific tangible assets located in particular tax jurisdictions. The valuation opinion is based on three approach analysis utilized for the indicated unit appraisal of all company tangible assets, then an estimated allocation of unit value for only assets located in the district and particular jurisdictions. This methodology is approved and recommended by the Property Tax Assistance Division of the Comptroller's Office and is an accepted standard within the industry and appraisal community.

Value Review Procedures

Review of the valuation of utility property is based on verifying economic and financial factors utilized in the methodology as relevant to current capital markets and that these factors reflect current return expectations. Market sales of utility properties do occur and are a good source for comparison and review when the price of the tangible assets can be abstracted or allocated from the selling price. Typically, the sale of utility companies involve significant intangible property assets such as customer base, goodwill, favorable contracts, name recognition, etc. and the contributory value and allocation of these assets is subjective and unknown. In Texas, intangible property assets are exempt from taxation and must not be included on the appraisal roll as taxable property. Therefore, because of the lack of specific market information on sales of utility properties, appraised value is regularly compared to the valuation of similar property within the same set of property characteristics, business type and size. More of comparison for equity concerns on valuation rather than the full recognition of a market level certainty about appraisal level. Of course, the estimated value is based on recognized methodology for considering the valuation of these tangible assets, but true market confirmation of these factors may not be possible due to minimal market knowledge and experience.

Ratio studies are also a method of review for relevance of appraisal valuation to market value. Again, in the absence of full disclosure of prices paid and without the abstraction of prices paid for the tangible asset components from recent utility property acquisitions or sales, market based analysis and review is not possible. Ratio studies for utility property must rely on a comparison of one appraisal opinion as the basis for the reasonable property valuation with the district's appraised value to determine the ratio for level and uniformity of appraisal. The PTAD conducts the annual ratio study of selected utility properties to gauge the appraisal district's performance. The PTAD utilizes the same valuation methodology to estimate appraisal valuations of utility properties and the results, when compared to the appraisal valuation estimated by the appraisal firm for these properties yield ratios. This ratio study of certain utility properties indicates the level and uniformity of appraisal for this category of property.

**Staff Providing Significant
Mass Appraisal Assistance**

Attachment A

Wardlaw Appraisal Group Personnel

PROPERTY TAX APPRAISER CERTIFICATION		
<i>TDLR #</i>	<i>NAME</i>	<i>TYPE</i>
74200	CRAIN, MALLORY M.	APPRAISER, RPA
74717	SHERWIN, PROCTOR	APPRAISER, RPA
66026	WARDLAW, MARGARET A.	APPRAISER, RPA
73672	WILLIAMS, NOAH	APPRAISER, 3
70182	WILLIAMS, CHARLES R.	APPRAISER, RPA
71700	WILLIAMS, HAZIEL M.	APPRAISER, RPA
PROFESSIONAL ENGINEERING CERTIFICATION		
<i>PE#</i>	<i>NAME</i>	<i>BRANCH</i>
76914	WARDLAW, MARGARET PEGGY ANNE	PETROLEUM
77254	WILLAMS, CHARLES RAY JR	PETROLEUM
PROFESSIONAL ENGINEERING FIRM CERTIFICATION		
<i>FIRM #</i>	<i>FIRM NAME</i>	
5194	WARDLAW APPRAISAL GROUP LC	

Appendix H: Glossary

Aerial Photograph: A photograph of a part of the earth's surface taken by an aircraft-supported camera.

Agricultural Property: Improved or unimproved land that is devoted to or available for the production of crops and/or other agricultural products, livestock, and agricultural support buildings.

Appraisal Accuracy: Closeness of an estimated (for example, measured or computed) value to a standard or accepted value of a particular quantity. Compare integrity, precision, validity.

Appraisal Ratio: (1) The ratio of the appraised value to an indicator of market value. (2) By extension, an estimated fractional relationship between the appraisals and market values of a group of properties. See also level of appraisal.

Appraisal Ratio Study: A ratio study using independent expert appraisals as indicators of market value.

Appraisal to Sale Price Ratio: The ratio of the appraised value to the sale price (or adjusted sale price) of a property; a simple indication of appraisal accuracy.

Appraised Value: The estimate of the value of a property before application of any fractional assessment ratio, partial exemption, or other adjustments.

Array: An ordered arrangement of data, such as a listing of sales ratios, in order of magnitude.

Assemblage: The assembling of adjacent parcels of land into a single unit. Compare plottage.

Assembly Value: The excess of the value of a large parcel of land formed from a number of smaller parcels over the sum of the values of the unassembled parcels.

Assessed Value: (1) A value set on real estate and personal property by a government as a basis for levying taxes. (2) The monetary amount for a property as officially entered on the assessment roll for purposes of computing the tax levy. Assessed values differ from the assessor's estimate of actual (market) value for three major reasons: fractional assessment ratios, partial exemptions, and decisions by assessing officials to override market value. The process of gathering and interpreting economic data to provide information that can be used by policymakers to formulate tax policy.

Assessment Equity: The degree to which assessments bear a consistent relationship to market value.

Assessment Level: The common or overall ratio of assessed values to market values.

Assessment, Special: A compulsory charge imposed by a government on the owners of a selected group of properties to defray, in whole or in part, the cost of a specific improvement or service that is presumed to be of general benefit to the public and of special benefit to the owners of such properties. Synonymous with betterment tax. Note: Some authorities conceive of a special assessment as a non-recurring charge, but such a concept is inapplicable to the charges made for nuisance abatement, which are now commonly called special assessments.

Assessment to Appraisal Ratio: The ratio of the assessed value of a property to an independent appraisal.

Board of Appeals: A public body (other than a court) charged with the duty of hearing and deciding appeals taken by taxpayers or tax districts on assessments established by public officers or bodies other than the courts. Synonymous with Board of Tax Appeals. Note: The decisions of such a board are subject to further review by the courts on matters of law, but its findings are often made conclusive as to matters of fact.

Building Cost Schedule: A table giving approximate reproduction costs per cubic foot, per square foot of floor area, or per square foot of ground area for each of the standard buildings in the building classification schedule. Note: The building cost schedule must be supplemented by cost schedules for parts of a building, such as an oil heating system or air-conditioning system, to take care of situations in which a building has specifications differing in some detail from those of the standard building.

Cadastral Map: A scale map displaying property ownership boundaries and showing the dimensions of each parcel with related information such as parcel identifier, survey lines, and easements. Annotations on recent sales prices and land value are sometimes added.

Calibration: The process of estimating the coefficients in a mass appraisal model.

Capitalization: The phenomenon whereby one or more events of economic consequence expected to happen in the future exert an economic effect on values, processes, and decisions in the present. Specifically, the conversion of expected income and rate of return into an estimated present value in the income approach to value. Property taxes, anticipated changes, and land-related government services may also be capitalized. See also yield capitalization.

Capitalization Rate: Any rate used to convert an estimate of future income to an estimate of market value; the ratio of net operating income to market value.

Central Tendency: (1) The tendency of most kinds of data to cluster around some typical or central value, such as the mean, median, or mode. (2) By extension, any or all such statistics. Some kinds of data, however, such as the weights of cars and trucks, may cluster about two or more values, and in such circumstances, the meaning of central tendency becomes unclear. This may happen in ratio studies when two or more classes of property are combined.

Central Tendency, Measure of: A single point in a range of observations around which the observations tend to cluster. The three most commonly used measures of central tendency are the mean, median, and mode.

Class: A set of items defined by common characteristics. (1) In property taxation, property classes such as residential, agricultural, and industrial may be defined. (2) In assessment, building classification systems based on type of building design, quality of construction, or structural type are common. (3) In statistics, a predefined category into which data may be put for further analysis. For example, ratios may be grouped into the following classes: less than 0.500, .500 to 0.599, 0.600 to 0.699, and so forth.

Classification: (1) The act of segregating property into two or more classes for the application of different effective tax rates by means of one or more special property taxes (see tax, special property) or a classified property tax system. For a representative scheme, see property use category. (2) In a geographic information system, the process of assigning individual pixels of a multispectral image to categories, generally on the basis of spectral reflectance characteristics.

Coefficient of Dispersion (COD): The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median ratio.

Coefficient of Variation (COV): A standard statistical measure of the relative dispersion of the sample data about the mean of the data; the standard deviation expressed as a percentage of the mean.

Comparable Sales; Comparables: (1) Recently sold properties that are similar in important respects to a property being appraised. The sale price and the physical, functional, and locational characteristics of each of the properties are compared to those of the property being appraised in order to arrive at an estimate of value. (2) By extension, the term "comparables" is sometimes used to refer to properties with rent or income patterns comparable to those of a property being appraised.

Computer-Assisted Mass Appraisal (CAMA): A system of appraising property, usually only certain types of real property that incorporates computer-supported statistical analyses such as multiple regression analysis and adaptive estimation procedure to assist the appraiser in estimating value.

Cost Approach: (1) One of the three approaches to value, the cost approach is based on the principle of substitution—that a rational, informed purchaser would pay no more for a property than the cost of building an acceptable substitute with like utility. The cost approach seeks to determine the replacement cost new of an improvement less depreciation plus land value. (2) The method of estimating the value of property by: (a) estimating the cost of construction based on replacement or reproduction cost new or trended historic cost (often adjusted by a local multiplier); (b) subtracting depreciation; and, (c) adding the estimated land value. The land value is most frequently determined by the sales comparison approach.

Cost Schedules: Charts, tables, factors, curves, equations, and the like intended to help estimate the cost of replacing a structure from a knowledge of some other factors, such as its quality class and number of square feet.

Covenant: A covenant is a promise written into a legal agreement (such as a deed) that binds the parties to abide by or refrain from certain acts. A deed restriction is a special kind of covenant.

Declaration: A term occasionally used to designate a property list filed by a taxpayer.

Declaration of Restrictions: A set of recorded restrictions that applies to a specific area or subdivision.

Demarcation: to show the limits or edges of (something) Density: The total number of specific items present within a designated unit of area.

Depreciation: Loss in value of an object, relative to its replacement cost new, reproduction cost new, or original cost, whatever the cause of the loss in value. Depreciation is sometimes subdivided into three types: physical deterioration (wear and tear), functional obsolescence (suboptimal design in light of current technologies or tastes), and economic obsolescence (poor location or radically diminished demand for the product).

Depreciation, Book: An accounting term referring to the total accruals recorded on the books of the owner of property summarizing the systematic and periodic expenses charged toward amortizing the investment of limited-life property over its expected life.

Depreciation, Curable: That part of depreciation that can be reversed by correcting deferred maintenance and by remodeling to relieve functional obsolescence. See also cost to cure.

Depreciation, Economic: (1) Depreciation due either (a) to an increase in supply of the property under consideration or (b) to a reduction in monetary demand for properties of the type under consideration unaccompanied by shifts in demand from such properties to other properties and/or personal services (preferred). (2) Depreciation of any sort other than physical depreciation. Note: A depression is accompanied by economic depreciation of the type indicated in 1(b) because of a general decline in purchasing power. Depressions are also accompanied by obsolescence because of changes in the relative distribution of purchasing power. Contrast depreciation, physical; obsolescence.

Depreciation, Functional: Synonymous with the preferred term obsolescence.

Depreciation, Observed: The amount of depreciation, expressed as a percentage of original or reproduction cost new, estimated on the basis of an actual inspection of the property.

Depreciation, Physical: Depreciation arising solely from a lowered physical condition of the property or a shortened life span as the result of ordinary use, abuse, and action of the elements.

Depreciation, Structural: Synonymous with the preferred term physical depreciation.

Depreciation in Accounting: (1) In accounting, a method providing for systematic allocation or recovery of cost over an asset life. (2) In appraisal, a loss of market value of an asset relative to its cost. Depreciation may stem from any cause that results in actual loss.

Depreciation Schedules: Tables used in mass appraisal that show the typical loss in value at various ages or effective ages for different types of properties.

Dispersion: The degree to which data are distributed either tightly or loosely around a measure of central tendency. Measures of dispersion include the average deviation, coefficient of dispersion, coefficient of variation, range, and standard deviation.

Economic Area: A geographic area, typically encompassing a group of neighborhoods, defined on the basis that the properties within its boundaries are more or less equally subject to a set of one or more economic forces that largely determine the value of the properties in question.

Equalization: The process by which an appropriate governmental body attempts to ensure that all property under its jurisdiction is assessed at the same assessment ratio or at the ratio or ratios required by law. Equalization may be undertaken at many different levels. Equalization among use classes (such as agricultural and industrial property) may be undertaken at the local level, as may equalization among properties in a school district and a transportation district; equalization among counties is usually undertaken by the state to ensure that its aid payments are distributed fairly.

Equity: (1) In assessment, the degree to which assessments bear a consistent relationship to market value. Measures include the coefficient of dispersion, coefficient of variation, and price-related differential. See also horizontal inequity and vertical inequity. (2) In popular usage, a synonym for tax fairness. (3) In ownership, the net value of property after liens and other charges have been subtracted.

Exemption, Absolute: A complete or total exemption that excludes an entire property from taxation without regard to its value; a reduction in the property tax base.

Exemption, Homestead: Freedom of part or all of the value of a homestead from property taxation; a reduction in the property tax base.

Exemption, Industrial: An exemption granted to property used in industrial pursuits as a means of stimulating industrial development or inducing relocation of plants; a reduction in the property tax base. See also enterprise zone.

Exemption, Institutional: Freedom from the property tax granted to property owned and/or used by charitable, educational, or religious institutions or agencies, in recognition of the public services rendered by them; a reduction in the property tax base.

Exemption, Personal: Freedom from the property tax of some or all classes of property in limited or unlimited amounts by reason of its ownership by natural persons or particular groups of natural persons, or persons with certain attributes; a reduction in the property tax base.

Field Review: The practice of reviewing the reasonableness of assessments by viewing the properties in question, sometimes by examining their interiors but more often by looking at their exteriors

Geographic Information System (GIS): (1) A database management system used to store, retrieve, manipulate, analyze, and display spatial information. (2) One type of computerized mapping system capable of integrating spatial data (land information) and attribute data among different layers

Gross Rent Multiplier (GRM): (1) The factor by which gross rent is multiplied in order to obtain an estimate of value (2) The ratio between sale price and potential gross income or effective gross income. By convention, the gross rent multiplier is typically the term used when developing the relationship based on monthly rent.

Homestead: A building occupied by the owner of the freehold and his or her family, with the primary intention of making it their home, together with the parcel of land on which it stands and the other improvements appurtenant to it. See estate of freehold. Note: This is a term variously defined by the several states and for several purposes. Most definitions pertain to the exemption of property from levy and sale and, as such, are not concerned with the nature of the estate that a householder owns in his or her home. The above definition, which is intended only for purposes of homestead tax exemption laws, requires further elaboration to indicate what constitutes a family, what constitutes occupancy primarily as a home, how large a parcel of land can be included as part of the homestead, and what constitutes an improvement appurtenant to the home. There is as yet no substantial agreement on these points among the states.

Homogeneous: Possessing the quality of being alike in nature and therefore comparable with respect to the parts or elements; said of data if two or more sets of data seem to be drawn from the same population; also said of data if the data are of the same type (that is, if counts, ranks, and measures are not all mixed in together).

Hybrid Model: A model that incorporates both additive and multiplicative components. See also additive model and multiplicative model.

Improvement: Anything done to raw land with the intention of increasing its value. A structure erected on the property constitutes one very common type of improvement, although other actions, such as those taken to improve drainage, are also improvements. Although such cases are rarely intentional, "improvements" can conceivably diminish the value of the land; note, however, that easements restricting the use and value of land are not considered improvements.

Improvement to Land: Designed to enhance a site's utility for general use (fill, water, and wastewater lines, for example), or to reshape the land's natural contours for more specific use (stock tanks, for example). Any publicly constructed improvement that does not fulfill a specific use—such as curbs, gutters, and sidewalks—constitutes an improvement to land.

Improvements: Buildings, other structures, and attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers. Note: Sidewalks, curbing, sewers, and highways are sometimes referred to as betterment, but the term improvements is preferred.

Improvements other than Buildings: A fixed asset account that reflects the acquisition value of permanent improvements, other than buildings, that add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, and tunnels. This account contains the purchase or contract price; if improvements are obtained by gift, the account reflects the appraised value at time of acquisition.

Income: The payments to its owner that a property is able to produce in a given time span, usually a year, and usually net of certain expenses of the property.

Income Approach: One of the three approaches to value, based on the concept that current value is the present worth of future benefits to be derived through income production by an asset over the remainder of its economic life. The income approach uses capitalization to convert the anticipated benefits of the ownership of property into an estimate of present value.

Income Capitalization: The process of dividing a property's net annual income by a capitalization rate in order to arrive at an estimated value.

Interest (Interest Rate): The premium paid for the use of money; a (rate of) return on capital; the equilibrium price in money markets. The interest rate usually incorporates a risk factor, an illiquidity factor, a time-preference factor, an inflation factor, and potentially, other factors.

Inventory: (1) The group of personal property items whose value is exhibited by value in exchange, that is, ownership is solely for the purpose of sale rather than use. (2) In general, any detailed list showing quantities and descriptions, and usually values or prices, of property. (3) Frequently used in the plural form to designate all types of current, physical assets that are customarily listed by quantities, descriptions, and values or prices for regular accounting purposes; for example, raw materials, goods in process, finished goods, office supplies, stores. (4) Occasionally (for example, in Vermont), a tax list.

Jurisdiction: (1) The right and power to interpret and apply the law; also, the power to tax and the power to govern. (2) The territorial range of authority or control.

Land: (1) In economics, the surface of the earth and all the natural resources and natural productive powers over which possession of the earth's surface gives man control. (2) In law, a portion of the earth's surface, together with the earth below it, the space above it, and all things annexed thereto by nature or by man.

Lease: A written contract by which the lessor (owner) transfers the rights to occupy and use real or personal property to another (lessee) for a specified time in return for a specified payment (rent).

Legal Description: Delineation of dimensions, boundaries, and relevant attributes of a real property parcel that serve to identify the parcel for all purposes of law. The description may be in words or codes, such as metes and bounds or coordinates (see coordinate system). For a subdivided lot, the legal description would probably include lot and block numbers and subdivision name.

Level of Appraisal: The common, or overall, ratio of appraised values to market values. Three concepts are usually of interest: the level required by law, the true or actual level, and the computed level, based on a ratio study.

Linear Regression: A kind of statistical analysis used to investigate whether a dependent variable and a set of one or more independent variables share a linear correlation and, if they do, to predict the value of the dependent variable on the basis of the values of the other variables. Regression analysis of one dependent variable and only one independent variable is called simple linear regression, but it is the word simple (not linear) that distinguishes it from multiple regression analysis with its multiple independent variables.

Local Multiplier: An adjustment to replacement or reproduction cost new or historic cost, to reflect local costs.

Location: The numerical or other identification of a point (or object) sufficiently precise so the point can be situated. For example, the location of a point on a plane can be specified by a pair of numbers (plane coordinates) and the location of a point in space can be specified by a set of three numbers (space coordinates). However, location may also be specified in other terms than coordinates. A location may be specified as being at the intersection of two specific lines by identifying it with some prominent and known feature

Location Variable: A variable, such as the distance to the nearest commercial district or the traffic count on an adjoining street, that seeks to measure the contribution of locational factors to the total property value.

Map, Planimetric: A map that shows only the horizontal positions of the features represented.

Map, Tax: A map drawn to scale and delineated for lot lines or property lines or both, with dimensions or areas and identifying numbers, letters, or names for all delineated lots or parcels.

Map, Topographic: A map showing the horizontal and vertical locations of natural and artificial features. It is distinguished from a planimetric map by the presence of quantitative symbols showing the relief.

Market: (1) The topical area of common interest in which buyers and sellers interact. (2) The collective body of buyers and sellers for a particular product.

Market Adjustment Factors: Market adjustment factors, reflecting supply and demand preferences, are often required to adjust values obtained from the cost approach to the market. These adjustments should be applied by type of property and area and are based on sales ratio studies or other market analyses. Accurate cost schedules, condition ratings, and depreciation schedules will minimize the need for market adjustment factors.

Market Analysis: A study of real estate market conditions for a specific type of property.

Market Approach: A valuation term with several meanings. In its broadest use, it might denote any valuation procedure intended to produce an estimate of market value, or any valuation procedure that incorporates market-derived data, such as the stock and debt technique, gross rent multiplier method, and allocation by ratio. In its narrowest use, it might denote the sales comparison approach.

Market Area: See economic area.

Market Price: The price a particular buyer and seller agree to in a particular transaction; the amount actually paid. Compare market value.

Market Rent: The rent currently prevailing in the market for properties comparable to the subject property. Market rent is capitalized into an estimate of value in the income approach.

Market Value: Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States is: The most probable price (in terms of money) which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: The buyer and seller are typically motivated.

Both parties are well informed or well advised, and acting in what they consider their best interests.

A reasonable time is allowed for exposure in the open market.

Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto.

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Marketability: The salability of a property at a specific time, price, and terms.

Mass Appraisal: The process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing.

Mass Appraisal Model: A mathematical expression of how supply and demand factors interact in a market.

Mean: A measure of central tendency. The result of adding all the values of a variable and dividing by the number of values. For example, the mean of 3, 5, and 10 is 18 divided by 3, or 6. Also called arithmetic mean.

Median: A measure of central tendency. The value of the middle item in an uneven number of items arranged or arrayed according to size; the arithmetic average of the two central items in an even number of items similarly arranged; a positional average that is not affected by the size of extreme values.

Model Calibration: The development of adjustments, or coefficients based on market analysis that identifies specific factors with an actual effect on market value.

Model Specification: The formal development of a model in a statement or equation, based on data analysis and appraisal theory.

Multiple Regression, Multiple Regression Analysis (MRA): A particular statistical technique, similar to correlation, used to analyze data in order to predict the value of one variable (the dependent variable), such as market value, from the known values of other variables (called "independent variables"), such as lot size, number of rooms, and so on. If only one independent variable is used, the procedure is called simple regression analysis and differs from correlation analysis only in that correlation measures the strength of relationship, whereas regression predicts the value of one variable from the value of the other. When two or more variables are used, the procedure is called multiple regression analysis. See linear regression.

Neighborhood: (1) The environment of a subject property that has a direct and immediate effect on value. (2) A geographic area (in which there are typically fewer than several thousand properties) defined for some useful purpose, such as to ensure for later multiple regression modeling that the properties are homogeneous and share important locational characteristics.

Neighborhood Analysis: A study of the relevant forces that influence property values within the boundaries of a homogenous area.

Operating Expenses: Expenses necessary to maintain the flow of income from a property. These are deducted from effective gross income to obtain net operating income, which is then capitalized in the income approach to obtain an indication of market value. Such expenses generally include the costs of property insurance; heat, water, and other utilities; repairs and maintenance; replacement reserves for such items as heat and air-conditioning systems, water heaters, built-in appliances, elevators, roofing, floor coverings, and other items whose economic life will expire before that of the structure itself; management; and other miscellaneous items necessary to operate and maintain the property. Not considered operating expenses are depreciation charges, debt service, income taxes, capital improvements, and personal or business expenses of the owner. In addition, for assessment purposes, property taxes are usually treated as an adjustment to the capitalization rate rather than as an expense item.

Ordinance: A statute or law that designates an enactment by a county's or municipal corporation's legislative body.

Outliers: Observations that have unusual values, that is, they differ markedly from a measure of central tendency. Some outliers occur naturally; others are due to data errors.

Ownership: The rights to the use of property, to the exclusion of others.

Parameter: Numerical descriptive measure of the population, for example, the arithmetic mean or standard deviation. Parameters are generally unknown and estimated from statistics calculated from a sample of the population.

Parcel Identification Number: A numeric or alphanumeric description of a parcel that identifies it uniquely. Assessors use various systems, many with common features. A growing number of these systems include geocoding. In the thirty states where it exists, the Public Land Survey System, authorized by the United States government in 1785, is often a basis for parcel identification.

Pilot Testing: Attempting to determine the workability of a system by testing it under realistic operating conditions before adopting it and abandoning the former system.

Price-Related Differential (PRD): The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below 0.98 tend to indicate assessment progressivity.

Productivity Value: Productivity value measures the worth of land based on its income-producing ability in its current use. Owners of farm and ranch property apply for agricultural-use or open-space valuation (both are forms of productivity value) to avoid having their properties assessed at a different highest and best use that would bring higher assessed values and presumably higher taxes.

Property: (1) An aggregate of things or rights to things. These rights are protected by law. There are two basic types of property: real and personal. (2) The legal interest of an owner in a parcel or thing (see bundle of rights).

Real Property: Consists of the interests, benefits, and rights inherent in the ownership of land plus anything permanently attached to the land or legally defined as immovable; the bundle of rights with which ownership of real estate is endowed. To the extent that real estate commonly includes land and any permanent improvements, the two terms can be understood to have the same meaning. Also called "realty."

Personal Property: Consists of every kind of property that is not real property; movable without damage to itself or the real estate; subdivided into tangible and intangible. Also called "personalty."

Tangible Personal Property: Personal property that has a substantial physical presence beyond merely representational. It differs from real property in its capacity to be relocated. Common examples of tangible personal property are automobiles, boats, and jewelry.

Intangible Personal Property: Property that has no physical existence beyond merely representational, nor any extrinsic value; includes rights over tangible real and personal property, but not rights of use and possession. Its value lies chiefly in what it represents. Examples include corporate stock, bonds, money on deposit, goodwill, restrictions on activities (for example, patents and trademarks), and franchises. Note: Thus, in taxation, the rights evidenced by outstanding corporation stocks and bonds constitute intangible property of the security holders because they are claims against the assets owned and income received by the corporation rather than by the stockholders and bondholders; interests in partnerships, deeds, and the like are not ordinarily considered intangible property for tax purposes because they are owned by the same persons who own the assets and receive the income to which they attach.

Property Use Category: A United States Census Bureau classification scheme based on actual utilization of real property. There are seven classes of real property:

Residential (Nonfarm) Single-Family: Includes each detached, semidetached, or attached house, if separately assessed and not on a farm, that is a residence for one family only. For detached houses, this would include one-family rural properties or suburban estates not used primarily for farming, and mobile homes assessed as real property. This category includes each condominium unit in a multiunit dwelling structure, plus each condominium's share of the common area, unless the common area is separately assessed.

Residential (Nonfarm), Multifamily: Includes each residential property that contains two or more living units, including duplexes, apartment houses, and cooperatives that are assessed as a single entity. The category encompasses street level stores and doctors' offices in apartment buildings, but excludes motels or hotels.

Acreage (or Acreage and Farms): Includes farms, timberland, recreational acreage, idle land, and waste land in rural locations. Excludes vacant platted lots that lie within or adjacent to a municipality and that usually carry a lot/block system designation rather than acreage. Separately assessed timber or mineral rights are omitted from this category.

Vacant Platted Lots: Unimproved parcels described in terms other than acreage, usually by a convention using lot, block, and subdivision name. Vacant platted lots are often located either within a municipality or in areas of higher population density than the surrounding territory.

Commercial Property: Generally any non-industrial, nonresidential realty of a commercial enterprise. Includes realty used as a retail or wholesale establishment, retail establishment with living quarters, office building, hotel or motel, gasoline service station, commercial garage, parking lot, warehouse, theater, bank, clinic, nursing home, proprietary school, and the like.

Industrial Property: Generally, any property used in a manufacturing activity, including a factory, wholesale bakery, dairy plant, food processing plant, mill, mine, quarry, all locally assessed utility property, and the like.

Other and Unallocable: Includes any property not classified within any of the preceding groups. Examples are mineral rights, timber rights, and oil rights, if they are separately assessed as real estate.

Ratio Study: A study of the relationship between appraised or assessed values and market values. Indicators of market values may be either sales (sales ratio study) or independent "expert" appraisals (appraisal ratio study). Of common interest in ratio studies are the level and uniformity of the appraisals or assessments. See also level of appraisal and level of assessment.

Reappraisal: The mass appraisal of all property within an assessment jurisdiction accomplished within or at the beginning of a reappraisal cycle (sense 2). Also called revaluation or reassessment.

Reappraisal Cycle: (1) The period of time necessary for a jurisdiction to have a complete reappraisal. For example, a cycle of five years occurs when one-fifth of a jurisdiction is reappraised each year and also when a jurisdiction is reappraised all at once every five years. (2) The maximum interval between reappraisals as stated in laws.

Reassessment: (1) The relisting and revaluation of all property, or all property of a given class, within an assessment district by order of an authorized officer or body after a finding by such an officer or body that the original assessment is too faulty for correction through the usual procedures of review and equalization. (2) The revaluation of all real property by the regularly constituted assessing authorities, as distinguished from assessment on the basis of valuations most or all of which were established in some prior year. See also revaluation.

Rendition: A term occasionally used synonymously with declaration

Replacement Cost; Replacement Cost New: The cost, including material, labor, and overhead, that would be incurred in constructing an improvement having the same utility to its owner as a subject improvement, without necessarily reproducing exactly any particular characteristics of the subject. The replacement cost concept implicitly eliminates all functional obsolescence from the value given; thus only physical depreciation and economic obsolescence need to be subtracted to obtain replacement cost new less depreciation (RCNLD).

Revaluation: A reappraisal of property; especially a complete reappraisal of real property after assessment for one or more years on valuations most (or all) of which were established in some prior year. Compare reassessment and reappraisal.

Sales Ratio/Assessment Ratio: The ratio of an appraised (or assessed) value to the sale price or adjusted sale price of a property. See also assessment to sale price ratio.

Sales Ratio Study: A ratio study that uses sales prices as proxies for market values.

Schedules: Tables, equations, or some other means of presenting the relationship between the values of two or more variables that are functionally related. For example, cost schedules present the relationship between cost per square foot and living area for a number of quality classes, building heights, and other characteristics.

Standard Deviation: The statistic calculated from a set of numbers by subtracting the mean from each value and squaring the remainders, adding together all the squares, dividing by the size of the sample less one, and taking the square root of the result. When the data are normally distributed, one can calculate the percentage of observations within any number of standard deviations of the mean from normal probability tables. When the data are not normally distributed, the standard deviation is less meaningful, and one should proceed cautiously.

Tax, Ad Valorem: A tax levied on a base that is measured by value. Note: This term is often used to refer only to property taxes or to general property taxes, although technically it is applicable to income taxes, ad valorem tariffs, special property taxes, and so on. Contrast tax, specific.

Taxable Value: Taxable value is the appraised value minus all applicable partial exemptions. Property taxes are levied on taxable value.

Three Approaches to Value: A convenient way to group the various methods of appraising a property. The cost approach encompasses several methods for estimating replacement cost new of an improvement less depreciation plus land value. The sales comparison approach estimates values by comparison with similar properties for which sales prices are known. The methods included in the income approach are based on the assumption that value equals the present worth of the rights to future income.

Time-Adjusted Sale Price: The price at which a property sold, adjusted for the effects of price changes reflected in the market between the date of sale and the date of analysis.

Trending: Adjusting the values of a variable for the effects of time. Usually used to refer to adjustments of assessments intended to reflect the effects of inflation and deflation and sometimes also, but not necessarily, the effects of changes in the demand for micro-locational goods and services.

Trending Factor: A figure representing the increase in cost or selling price over a period of time. Trending accounts for the relative difference in the value of a dollar between two periods.

Uniform Standards of Professional Appraisal Practice: Annual publication of the Appraisal Standards Board of the Appraisal Foundation-These Standards deal with the procedures to be followed in performing an appraisal, review or consulting service and the manner in which an appraisal, review or consulting service is communicated. STANDARD 6 sets forth criteria for the development and reporting of mass appraisals for ad valorem tax purposes or any other universe of properties" (p.1).

Uniformity: The equality of the burden of taxation in the method of assessment.

Unit-in-Place Method: A method of cost estimating in which all the direct and some of the indirect costs of individual construction components (such as the foundation walls) are specified in appropriate units (such as cost per unit of area, volume, or length), multiplied by an estimate of the quantity required by the particular structure, and added to obtain an estimate of the cost of the structure. Compare comparative unit method (sense 2); quantity survey method.

Unitary Method of Valuation: The unit rule is a method that values the property within a particular jurisdiction based on the fair share of the value of an operating enterprise, of which the property is an integral part. The unit value concept values all the property as a going concern without geographical or functional division of the whole and includes tangible and intangible assets. The unit rule concept is typically associated with the valuation of public utilities, telecommunications networks, railroads, and other transportation properties. However, the concept of unit valuation is similarly applicable to the appraisal of a single-family residence when comparable sales are used to value the entire property without segregation of land values. Similarly, when rents are capitalized into a value estimate for commercial properties, the unit rule is used.

Vacancy and Collection Loss: The amount of money deducted from potential annual gross income

Value: (1) The relationship between an object desired and a potential owner; the characteristics of scarcity, utility, desirability, and transferability must be present for value to exist. (2) Value may also be described as the present worth of future benefits arising from the ownership of real or personal property. (3) The estimate sought in a valuation. (4) Any number between positive infinity and negative infinity.

Weighted Mean; Weighted Average: An average in which each value is adjusted by a factor reflecting its relative importance in the whole before the values are summed and divided by their number.

Weighted Mean Ratio: Sum of the appraised values divided by the sum of the sales prices, which weights each value in proportion to its sale price.