

El Paso Central Appraisal District 2025- 2026 Reappraisal Plan



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

Table of Contents

Executive Summary	3
Texas Property Tax Code Requirements	4
I. Performance Analysis	6
1.1 Ratio Study.....	6
1.2 Accuracy	6
1.3 Uniformity.....	6
1.4 Property Review.....	7
1.5 Market Areas.....	8
1.6 School District Property Value Study (PVS)	9
1.7 Standards Compliance	9
II. Reappraisal Decision	10
III. Available Resources Analysis.....	12
3.1 Fiscal Resources.....	12
3.2 Staffing.....	12
3.3 Information Systems	14
3.4 Contracted Appraisals	14
3.5 Impact of Legislation	14
IV. Planning and Organization.....	16
4.1 Parcel Count.....	16
4.2 Production Standards	17
4.3 Calendar of Key Events	17
4.4 Organizational Chart.....	17
4.5 Performance Objectives	17
V. System Development	18
5.1 Information Systems	18
5.2 Appraisal Practices.....	18
5.3 Data Collection and Processing Needs	19
5.3.1 Computer Assisted Mass Appraisal (CAMA) System.....	19
5.3.2 Geographic Information System (GIS).....	19
5.3.3 Property Characteristics Data	19
5.4 Real Property Valuation.....	20
5.5 Business Personal Property (BPP) Valuation	20
5.6 Property Tax Forms, Notices, and Letters	21
5.7 Hearing Process	21

5.8 Mapping and Geographic Information System (GIS).....	21
VI. Pilot Study	21
VII. Data Collection.....	22
7.1 Data Collection Process	22
7.1.1 New Construction/Demolition.....	22
7.1.2 Re-Inspection of the Universe of Properties.....	22
7.1.3 Field or Office Verification of Sales Data and Property Characteristics	23
7.2 Sales Data.....	23
7.3 Income and Expense Data.....	23
7.4 Cost and Deprecation Data	24
7.5 Data Edits and Testing	24
VIII. Production of Values.....	25
8.1 Overview.....	25
8.2 Valuation Models.....	25
8.3 The Cost Approach	26
8.4 The Sales Comparison Approach.....	27
8.5 The Income Approach.....	30
8.6 Land Valuation.....	31
8.7 Considerations by Property Type.....	33
IX. Preparation of Appraisal Roll	34
9.1 Appraisal Roll	34
9.2 Defense of Values	35
X. Final Performance Analysis	36
XI. Data Maintenance	36
XII. Value Updates	36
Appendix A: Statutes	37
Appendix B: Market Areas	67
Appendix C: Neighborhoods	68
Appendix D: Organizational Chart	77
Appendix E: Calendar of Key Events	78
Appendix F: Wardlaw Appraisal Group	84
Appendix G: Mass Appraisal Report.....	89
Appendix H: Budget Report	90
Appendix I: Glossary	91

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 2025-2026 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 EPCAD for processing and eligibility.

Enclosed is the reappraisal plan as required per Texas Property Tax Code, Section 25.18. 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 performance analysis serves to determine if the district's property values are equitable and consistent with the market. Since EPCAD uses mass appraisal, the primary tool for performance analysis is the ratio study. A ratio study uses reliable sales data to compare appraised values to market values. The study measures two primary aspects of mass appraisal, the level of appraisal accuracy and uniformity of values. The level of appraisal accuracy is the typical ratio at which properties are appraised while uniformity determines the fair and equitable treatment of the individual properties.

In addition, the Texas Comptroller of Public Accounts, Property Tax Assistance Division (PTAD), conducts its own School District Property Value Study (PVS), at least once every two years, to determine the total taxable value of all property in each school district. The results of the PVS findings are publicly released and help evaluate the district's performance.

1.1 Ratio Study

EPCAD performs ratio studies several times throughout the year in order to analyze appraisal statistics of central tendency and dispersion for 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 (comprised by a group of neighborhoods). Ratio study reports may also be conducted by independent school district (ISD), property category, classification (class), neighborhood, and strata. 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 median, mean, weighted mean, standard deviation, coefficient of dispersion (COD), coefficient of variation (COV), price-related differential (PRD), and the coefficient of price-related bias (PRB) which provide the appraisers the tools by which to determine both the level and uniformity of appraised value.

1.2 Accuracy

For appraisal districts, the common measures of central tendency in ratio studies to determine the level of accuracy are the median, mean, and weighted mean. These measures are best calculated by establishing groups of properties within the jurisdiction by property category, class, strata, school district, market area, and/or neighborhood.

1.3 Uniformity

The preeminent measure to determine the level of appraisal uniformity is the coefficient of dispersion (COD), which represents the average percentage deviation from the median ratio. Other relevant measures include the price-related differential (PRD) and coefficient of price-related bias (PRB). These measures are also evaluated by establishing different groups of properties such as the ones mentioned under appraisal accuracy.

1.4 Property Review

The Compliance Department, through the sales ratio analysis process, reviews properties annually. The first phase involves gathering all the recent sales prices (typically within the last year) and grouping them by either market area, neighborhood, ISD, etc. Once grouped, the next step would be to calculate the appraisal to sale ratio for each property which is done by dividing the appraised value by the sale price. Once all ratios are produced, summary statistics are generated and analyzed in order to afford the appraiser an excellent means of judging the present level of appraised value and uniformity for that specific market area. Based on the sales ratio statistics and designated parameters for valuation update, the appraiser makes a preliminary decision as to whether the values in a market area meet the acceptable level or if it needs to be updated in an upcoming reappraisal.

If a reappraisal is required, the data is further analyzed, and market area (or neighborhood) adjustment factors are developed from appraisal statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. EPCAD's primary approach to the valuation of residential properties is the hybrid cost-sales comparison approach. This method accounts for market area 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 market adjustments are sometimes required. The 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. To determine the adjustment factor, the cost-to-sale ratio is compared to the appraisal-to-sale ratio and applied uniformly to all properties within a neighborhood. Since the sales used to determine the market adjustment factor reflect the market influences and conditions for a specified neighborhood, it produces a more representative and supportive value.

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 of the sold properties. From this set of ratio studies, the appraiser judges the appraisal level and uniformity in both updated and non-updated neighborhoods. Once all values are within acceptable levels, the property review is complete. For tax years 2025 and 2026, 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).

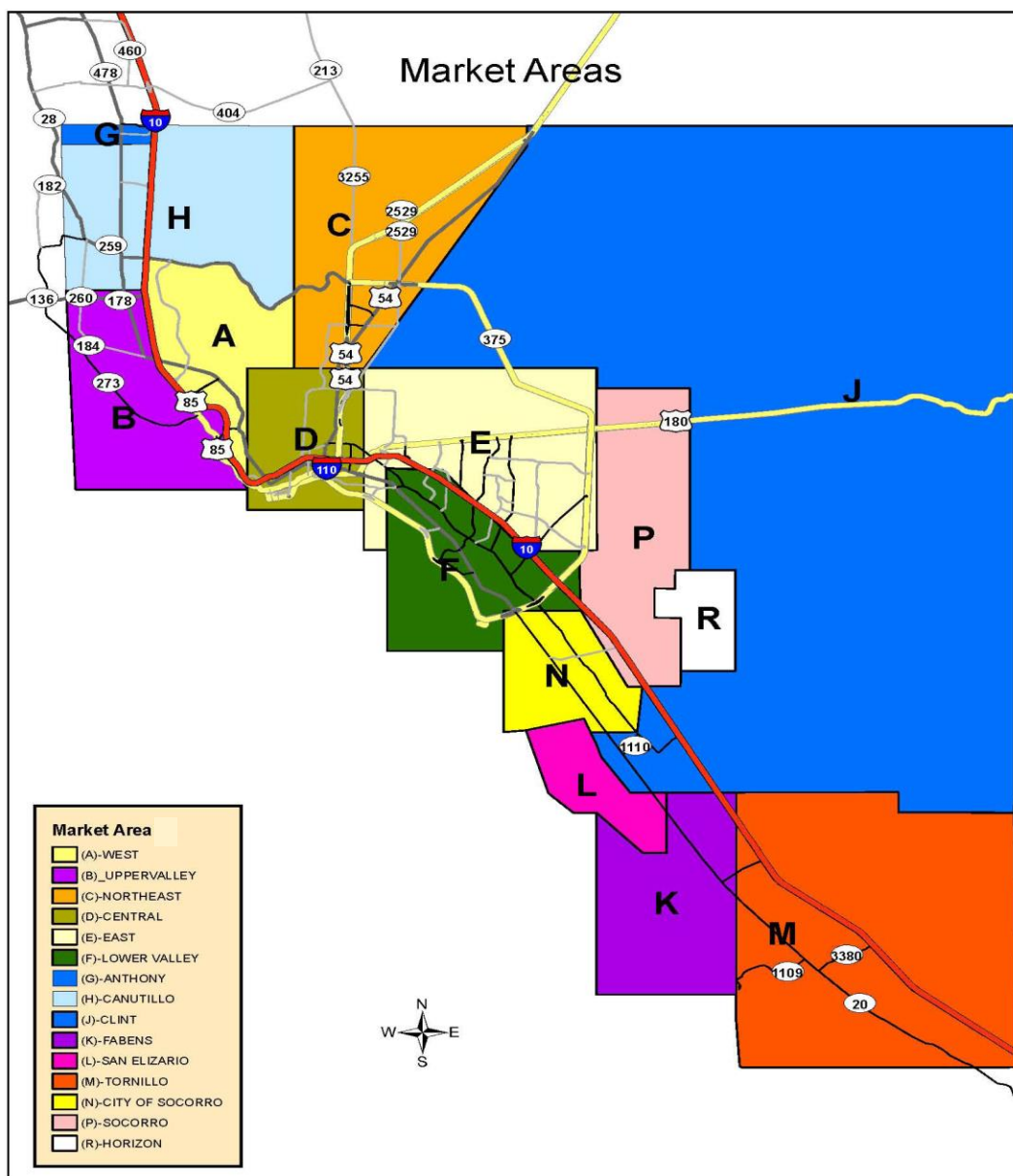
1.5 Market Areas

Table 1.1 identifies EPCAD’s residential market areas by name and Figure 1.2 illustrates a map of the market areas. Refer to Appendix B for a complete list of neighborhood codes.

Table 1.1 Residential Market Areas (List)

RESIDENTIAL 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 Residential Market Areas (Map)



1.6 School District Property Value Study (PVS)

The PVS is conducted at least once every two years by the Texas Comptroller of Public Accounts, Property Tax Assistance Division (PTAD), to help ensure equitable distribution of state funding for public education. This is done by estimating a school district's taxable property value and certifying those values to the Education Commissioner of the Texas Education Agency (TEA) to determine an equal estimate of dollars spent per student. Currently, there are nine independent school districts in El Paso County that are reviewed for this purpose and the results of the PVS help evaluate the district's performance in addition to the in-house property review process.

The PVS's equalized values are analyzed along with ratio studies to determine appraisal accuracy and appraisal uniformity within state property reporting categories. The mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal (appraisal accuracy). These ratio studies are conducted in compliance with the International Association of Assessing Officers (IAAO), Standard on Ratio Studies guidelines.

1.7 Standards Compliance

Per Texas Property Tax Code Section 5.102 (a), all appraisal districts are subject to a performance review performed by the Comptroller's Property Tax Assistance Division (PTAD).

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.

The performance evaluation described above is known as the Methods and Assistance Program (MAP) review. EPCAD underwent a successful MAP review in 2023, achieving a perfect score. In preparation for the upcoming review in 2025, all policies, procedures, and manuals are audited and reviewed yearly.

EPCAD is also recognized by IAAO with the Certificate of Excellence in Assessment Administration which credits governmental units and individuals involved with assessment that integrate best practices in the workplace. To obtain this certification, governmental units must self-conduct an evaluation to review all aspects of the assessment administration and appraisal practices to determine compliance with IAAO published standards. EPCAD was originally certified in 2012 and since all certificate holders must reapply for recertification after the completion of their fifth year, EPCAD recertified in 2018 and 2024.

II. Reappraisal Decision

Per Texas Property Tax Code, Section 25.18, each appraisal office shall implement a plan for periodic reappraisal activities for all real and personal property at least once every three years. For this purpose, a reappraisal year is defined as a year where a complete reappraisal of all properties in the district is conducted. A non-reappraisal year is defined as a year used to measure and collect data on new construction, adjust for changes in property characteristics that affect value, and verify prior year's equalized values through ratio study analysis to determine appraisal accuracy and appraisal uniformity overall.

❖ Tax Year 2025

Tax year 2025 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 2025:

Market Area	Market Area Desc.	GEO Prefix	Subdivision	Description	Properties
A	West	F609	Franklin Hills #6, #8, & #10	All Residential Properties	1,002
C	Northeast	N425	1-A North Hills #2, #3, #4, #5, #7, #8, #9, #10, #11, #12, #12 Replat A, #13, #14, #17, #18, #20, #21, & North Hills #22	All Residential Properties	1,795
E	East	T287	Tierra del Este #16	All Residential Properties	425
F	Lower Valley	O247	Orchard Acres	All Residential Properties	12
J	Clint	B787	Buena Suerte Estates Replat A	All Residential Properties	98
J	Clint	H779	Horizon City #47	All Residential Properties	119
J	Clint	H779	Horizon City #90	All Residential Properties	246
P	Socorro	H610	Hillside Park at Mission Ridge #1, #3, & #4	All Residential Properties	596
All	All	Various	Subdivisions with Multifamily Properties	Multifamily Properties (Class M2, M3, M4)	4,475
E, F	East, Lower Valley	Various	All Subdivisions within Ysleta ISD	Residential Lots (Improved/Vacant)	57,798
L	San Elizario	Various	All Subdivisions within San Elizario ISD	Residential Lots (Improved/Vacant)	5,130

- ❖ *Please refer to Appendix B: Market Areas; and*
- ❖ *Appendix C: Neighborhoods*

➤ **Tax Year 2026**

Tax year 2026 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 2026:

Market Area	Market Area Desc.	GEO Prefix	Subdivision	Description	Properties
B	Upper Valley	M709, M713, M718, M722, M735, MT740	Monte Vista #1, #2, #2 Amending, #3, #4, #4 Replat B, #5, & #6	All Residential Properties	162
B	Upper Valley	T230	The Willows #1	All Residential Properties	279
B	Upper Valley	W418	Willow Bend #1	All Residential Properties	282
B	Upper Valley	W422	Willow Brook	All Residential Properties	34
B	Upper Valley	W564	Willow Lane	All Residential Properties	69
D	Central	Z021	Zia Village	All Residential Properties	193
E	East	L620	Lomas del Este	All Residential Properties	568
F	Lower Valley	S658	Stiles Gardens	All Residential Properties	214
J	Clint	E250	Eisenberg Estates	All Residential Properties	147
J	Clint	H010	Haciendas del Norte	All Residential Properties	529
J	Clint	H779	Horizon City #94	All Residential Properties	103
J	Clint	L178	Lake Way Estates #1	All Residential Properties	357
ALL	All	Various	Subdivisions with Multifamily Properties	Multifamily Properties (Class M2, M3, M4)	4,475
N, P	City of Socorro, Socorro	Various	All Subdivisions within Socorro ISD	Residential Lots (Improved/Vacant)	92,811

- ❖ *Please refer to Appendix B: Market Areas; and*
- ❖ *Appendix C: Neighborhoods*

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

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

III. Available Resources Analysis

3.1 Fiscal Resources

The Executive Director/Chief Appraiser is responsible for the planning, organization, staffing, coordination, and oversight of the district operations. For tax year 2025, the 2024- 2025 EPCAD Budget (adopted May 16, 2024) by the Board of Directors, details the most recent staffing and budget requirements for each department within our office. For tax year 2026, the information will be detailed in the 2025- 2026 EPCAD Budget report in a similar way.

Due to an increase in parcels to appraise, exemption applications to process, and protests and appeals to manage, EPCAD has increased the full-time staff from 152 positions to 157. EPCAD's most recent budget report is available on our website and may be accessed through the link provided in Appendix H.

3.2 Staffing

The Administration department's function is to plan, organize, direct, and control the business support functions related to accounting, finance, human resources, office administration, and facilities.

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. EPCAD'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 (TDLR).

Ownership changes and exemptions are administered in the Deeds and Exemptions department. The GIS department maintains property identification, legal descriptions, and a complex mapping system for the County. The district also provides support staff for the Appraisal Review Board (ARB) which enters and schedules property owner protests and appeals. The Value department handles arbitrations and appeals filed through district court.

As the district strives to meet the needs of the entities and the public it serves, a higher level of computer skills and the creation of database monitors for quality control and statistical analysis has improved. Additionally, an increased concentration on training has allowed the district to improve all skill levels, requiring new job classifications while eliminating others.

The staffing breakdown as currently budgeted for 2024-2025 is shown below in Table 3.1.

Table 3.1 Staffing

Executive (6)		Appraisers & Technicians (55)	
Executive Director/Chief Appraiser	1	Appraiser II	27
Deputy Chief Appraiser	1	Appraiser III	1
Chief Financial Officer	1	Appraiser IV (Entry)	2
Chief People Officer	1	Appraiser IV	8
Director of Administrative Services	1	Appraiser IV (Lead)	8
Director of Appraisal Services	1	GIS Specialist I	2
		GIS Specialist II	4
		GIS Specialist (Lead)	1
		Training Facilitator	2
Managers and Supervisors (24)		Administrative Support (47)	
Application Support Manager	1	Accounting Clerk	1
Application Support Asst. Manager	1	Administrative Specialist I	15
ARB Manager	1	Administrative Specialist II	12
ARB Asst. Manager	1	Administrative Specialist (Lead)	4
Asst. Chief People Officer Manager	1	Customer Service Representative I	1
Business Personal Property Manager	1	Customer Service Representative II	1
Business Personal Property Asst. Manager	1	Environmental Services	1
Call Center/Archives Manager	1	Executive Assistant	1
Commercial Property Manager	1	Field Specialist	2
Commercial Property Asst. Manager	1	Financial Specialist	1
Compliance Manager	1	Fiscal Clerk I	1
Compliance Asst. Manager	1	Fiscal Clerk II	2
Deeds & Exemptions Manager	1	Fleet Facilities Maintenance II	1
Deeds & Exemptions Asst. Manager	1	Fleet Facilities Maintenance (Lead)	1
GIS Manager	1	HR Generalist	1
GIS Asst. Manager	1	Legal Assistant	1
IT Manager	1	Receptionist II	1
IT Asst. Manager	1		
Office Manager	1		
People Engagement Manager	1		
Residential Property Manager	1		
Residential Property Asst. Manager	1		
Value Manager	1		
Value Asst. Manager	1		
Professional (14)		Information Systems (5)	
Data Analyst	3	Application Support Operations Specialist	1
Programmer/Analyst	1	Application Support Specialist I	1
Senior Software Engineer	1	Application Support Specialist II	1
Software Developer	2	Desktop Support Technician II	1
System Security Administrator	1	IT PC Technician II	1
Taxpayer Liaison	1		
Value Analyst	5		

3.3 Information Systems

EPCAD's Computer Assisted Mass Appraisal (CAMA) software is Property Appraisal and Collections System (PACS), which is provided and serviced by Harris Govern. PACS is designed to help our organization manage all appraisal activities in a timely and effective manner by the ability to mass update properties rapidly and effortlessly. In addition, PACS helps with state compliance and reporting. EPCAD plans to continue to work with Harris Govern and PACS appraisal software through 2026.

As of 2023, Matix is the current Geographic Information System (GIS) viewer used by the district. Matix brings our GIS, Aerial, and CAMA data together. This allows for the use of orthogonal and oblique imagery, custom data grids and flexible analysis tools to appraise properties accurately. Matix allows the district to identify omitted improvements throughout the county, particularly where planning and city permits are not required (usually outside the city limits). Appraisers are able to use these tools to identify changes to existing properties as part of the review process and to comply with Uniform Standards of Professional Appraisal Practice (USPAP) requirements.

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

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

3.4 Contracted Appraisals

Wardlaw Appraisal Group appraises approximately 650 industrial, business personal property and utility accounts in El Paso County. Please refer to Appendix F for a copy of the Wardlaw Appraisal Group Reappraisal Plan for tax years 2025- 2026.

3.5 Impact of Legislation

The Texas Legislature meets January of every odd-numbered year for a maximum duration of 140 days (called the regular session) and typically concludes at the end of May. In addition, the governor may convene the legislature at other times during the biennium, called special sessions. The impact of these sessions on appraisal districts is that the legislature considers proposed laws, resolutions, and constitutional amendments for submission to the voters relating to local government, taxes, and private property rights.

The Executive Director/Chief Appraiser, Deputy Chief Appraiser, and staff stay informed of the proposed legislation during the legislative session affecting the district to comply with the changes. In addition, the Texas Association of Appraisal Districts (TAAD) provides several ways of keeping members informed including a bill tracking report through their website, legislative updates sent via email, in-person conferences, and online presentations.

Additionally, the Texas Department of Licensing and Regulation (TDLR), requires Registered Professional Appraisers (RPAs) to attend an approved State Laws and Rules Update (SLRU) course in order to renew their licenses. These courses are typically held by the district's attorneys, local attorneys, or by webinars.

Changes in legislation affecting other operations of the district such as human resources, fiscal operations, open records, and records management are maintained by managerial staff.

This plan reflects the 88th Texas Legislature held in 2023 but with systems in place to implement changes as needed at the conclusion of the 2025 legislative session.

IV. Planning and Organization

4.1 Parcel Count

EPCAD projects that by 2025, it will have an estimated 450,708 accounts to be appraised and 458,259 in 2026, refer to Table 4.1 for the anticipated breakdown of these parcels.

Table 4.1 Parcel Count

Category	Description	2023	2024	2025 (Projection)	2026 (Projection)
A	Real Property: Single-family Residential	234,743	237,917	241,629	245,398
B	Real Property: Multifamily Residential	8,299	8,425	8,521	8,618
C1	Real Property: Vacant Lots and Tracts	12,863	12,740	12,788	12,837
C2	Real Property: Colonial Lots and Tracts	96,504	96,463	96,318	96,174
D1	Real Property: Qualified Open-space Land	2,498	2,425	2,357	2,291
D2	Real Property: Farm and Ranch Improvements on Qualified Open-space Land	106	115	124	133
E	Real Property: Rural Land, not Qualified for Open-space Appraisal, and Residential Improvements	7,760	7,803	7,883	7,963
F1	Real Property: Commercial	11,602	11,875	12,063	12,254
F2	Real Property: Industrial	238	237	238	239
G	Real Property: Oil and Gas, Minerals and Other Subsurface Interests	3	3	3	3
H1	Tangible Personal Property: Personal Vehicles, Not Used for Business Purposes	33	37	38	39
H2	Tangible Personal Property: Goods in Transit	0	0	0	0
J1	Real and Personal Property: Utilities; Water System	1	1	1	1
J2	Real and Personal Property: Utilities; Gas Companies	121	121	124	127
J3	Real and Personal Property: Utilities; Electric Companies	283	285	286	287
J4	Real and Personal Property: Utilities; Telephone Companies	162	163	165	167
J5	Real and Personal Property: Utilities; Railroads	32	32	32	32
J6	Real and Personal Property: Utilities; Pipelines	119	119	121	123
J7	Real and Personal Property: Utilities; Cable	24	24	24	24
J8	Real and Personal Property: Utilities; Radio and TV	1	1	1	1
L1	Personal Property: Commercial	23,983	26,252	28,691	31,356
L2	Personal Property: Industrial and Manufacturing	301	304	307	310
M	Mobile Homes and Other Tangible Personal Property	15,529	16,266	16,869	17,495
O	Real Property: Residential Inventory	7,949	7,078	7,053	7,028
S	Special Inventory	704	740	806	878
X	Exempt Property	13,966	14,054	14,266	14,481
Total		437,824	443,480	450,708	458,259

EPCAD's most recent staffing and budget figures have been proposed accordingly and administration procedures will be instituted to ensure that all parcels are reappraised according to the schedule. If the district can maintain maximum staffing for each of its positions, the reappraisal program can be completed effectively.

4.2 Production Standards

As directed by the Executive Director/Chief Appraiser, each department manager is responsible for the productivity and performance of their staff. Managers establish production standards for data collection and field work and prepare progress reports to review performance and identify areas of improvement. Managers and staff also follow the action plan described in section 4.3.

4.3 Calendar of Key Events

A calendar of key events with a specific action plan to define critical activities, completion dates, assign responsibilities, and set production standards has been prepared for the district and included at the end of this report in Appendix E. The calendar contains events carried out under normal circumstances but are subject to change as a result of unexpected catastrophic events or significant legislative updates affecting the district's operations. Calendar changes can be made periodically and will not be considered alterations or amendments to the plan and do not require action by the Board of Directors.

The calendar for tax year 2025 will be the same for 2026 and any exceptions for each of the applicable years will be listed separately in the same location, please refer to Appendix E. EPCAD also observes the Tax Calendar.

4.4 Organizational Chart

The work plan development and progress monitoring are conducted by managers, directors, and chief officers. EPCAD's current organizational chart with the internal structure of the organization and staff division of responsibilities is included in Appendix D.

4.5 Performance Objectives

Objective No. 1

No phase of the reappraisal plan will be undertaken unless it is followed by proper and thorough planning and design, as evaluated annually.

Objective No. 2

EPCAD will complete the field review portion of the reappraisal by early March of the following year with the use of in-house personnel and the assistance of Wardlaw Appraisal Group, presently contracted to provide appraisal support services for utility and industrial properties.

The appeals process, approval of appraisal records, and certification of the appraisal roll will be completed in accordance with deadlines specified in the Texas Property Tax Code, sections 26.01 and 41.12.

Objective No. 3

EPCAD will maximize the use of professional and technical advice in all phases of its reappraisal plan 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.

Upon completion, the reappraisal plan will leave in place an on-going system that will effectively maintain current property values in future years as required by legislation.

V. System Development

5.1 Information Systems

As explained in section 3.4, EPCAD's CAMA system (PACS) along with Matix GIS viewer are used by the district to mass appraise properties rapidly and effortlessly. In addition, orthophotography and oblique imagery help identify omitted improvements throughout the county (particularly outside the city limits) where planning and city permits are not yet required. 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

Appraisal practices are identified in EPCAD's Policies and Procedures and in the Residential, Commercial, and Business Personal Property Department Appraisal Manuals. Content within the manuals is reviewed annually to comply with new or updated legislature, the Texas Property Tax Code, IAAO Standards, and USPAP. The same process is utilized to review the property tax forms that are used by our office.

The revision process begins with listing a compilation of statutes that have been added or changed pertaining to property tax. This list is then compared to the database of existing codes controlling the procedures in order to identify the changes that must be made or created. 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 the 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, market, and income data are acquired through various sources. These sources include articles and market data reports from university research centers, fee appraisers, mortgage companies, brokers, as well as questionnaires to buyers and sellers.

EPCAD’s website makes a broad range of information available for public access, including but not limited to:

- Property Search & Services
- Property Tax Forms
- News & Updates
- Publications
- Online Services
- Protests & Appeals Filing
- Records Request
- EPCAD Reports & Plans
- CAMA & GIS Data
- Board of Directors Information
- Links to local entities, the Texas Comptroller website, and other professional associations

5.3 Data Collection and Processing Needs

Collection of data regarding sales, cost/depreciation, and income/expense is discussed further in Section VIII.

5.3.1 Computer Assisted Mass Appraisal (CAMA) System

EPCAD maintains data in a CAMA system identified 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, cost, income, and expense data.

5.3.2 Geographic Information System (GIS)

The district uses GIS to maintain accurate, up-to-date cadastral maps for the entire district. A unique parcel identifier number is tied to a geographic number (GEO ID) that reflects the location of the parcel. The system allows staff to display data to permit a high-level analysis of sales, neighborhood, 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 yearly reviews include new construction, rechecks, remodels, demolitions, re-inspection of problematic market areas, and properties due for the three-year periodic reappraisal as further explained in section 7.1.2.

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 and updates to cost data, income models, and sales information are verified each tax year.

Cost data is reviewed alongside cost data obtained from generally accepted sources to ensure 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 value modifiers are developed and applied by property category and market area. The results are then tested 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 Business Personal Property (BPP) Valuation

Per Texas Property Tax Code Section 22.01, 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. 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 up to date.

The verification and processing of personal property renditions, evidence presented during the equalization phase, and state published data is used by EPCAD to develop and update density schedules and cost estimates to value personal property. Life expectancy guidelines, depreciation schedules, and trend factors are also used for the valuation of personal property. Procedures are reviewed and updated continuously in order to validate any potential changes.

5.6 Property Tax Forms, Notices, and Letters

Property tax forms, notices, and letters are reviewed and updated regularly to comply with the new or updated legislature. EPCAD's Application Support department along with Harris Govern (CAMA provider) are in charge of the changes and updates to the forms, notices, and letters. Enclosures for Notices of Appraised Value and ARB appointment letters are also reviewed and updated as required by law. The latest update has been to the Texas Comptroller of Public Accounts, required pamphlet publication, "Taxpayer Assistance Pamphlet," formerly known as the "Property Taxpayer Remedies."

5.7 Hearing Process

Prior to protest scheduling (which typically begins late March/early April), the overall hearings process is also revised to confirm compliance with legislative updates, and to ensure the current process provides the best results to accommodate all property protests and certify in a timely manner.

Standards of documentation are reviewed and amended as required. EPCAD's hearing documentation and production of evidence is reviewed, updated, and tested to reflect the current valuation methods and practices and compliance with Texas Property Tax Code, Section 41.67.

5.8 Mapping and Geographic Information System (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 443,480 property accounts (real and personal property), covering 1,054 square miles within El Paso County. This parcel count is expected to reach approximately 450,708 by 2025 and 458,259 by 2026. Data maintained includes property characteristics, 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 probable and to establish if they 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 September 2024, 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 the 2025 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 stated earlier, data collection begins immediately following certification of the appraisal roll (typically August) and continues through March of the following tax year. The goal of data collection is to ensure the district has collected sufficient and accurate property data before the production of values. Data collection involves gathering, recording, analyzing, and maintaining a variety of data such as zoning, legal description, location, market area, neighborhood, ownership details, sales price, income data, building costs, improvements, and land information. It is important to maintain quality control on the data collected to have accurate valuations.

Field specialists and appraisers in the appraisal departments collect and record data into PACS. Lead appraisers and supervisors review the work in-house and perform periodic field inspections to ensure quality control.

7.1.1 New Construction/Demolition

City building and planning applications and permits are the primary source of new construction discovery. Demolitions are discovered by property owner notification and permits. Most permits received electronically from the City of El Paso or El Paso County are uploaded systematically to PACS. Permits received in paper form are typically entered by the process of data entry. In addition, the district uses aerial photography to identify changes to improvements in the property record. The field and office review procedures for new construction are described in the district's policies and procedures appraisal manuals and revised as required.

7.1.2 Re-Inspection of the Universe of Properties

Section 25.18 of the Texas Property Tax Code requires periodic reappraisal 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 legal documentation, orthophotography and oblique photography, building permits, land-based photographs, surveys, maps, existing property sketches and information collected during the equalization phase.

Properties to be field inspected are also identified through 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.

Real property market areas are tested by ratio studies 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. Appraisal staff notes the rechecks under the "Next Appraisal Reason" and "Next Inspection Date" in PACS in order to easily identify and obtain the properties the following tax year by PACS or query search.

All commercial accounts are inspected annually either by field checks or using orthophotography and oblique photography.

7.1.3 Field or Office Verification of Sales Data and Property Characteristics

Sales are verified during field inspections and in-office reviews. The sales verification process helps confirm information such as the type of deed, date of transfer, names of buyers and sellers, relationship, legal description, address, considerations, terms, etc. to determine if the sale occurred as an arm's length transaction and if the sale price reflects the market value, as per IAAO Standard on Verification and Adjustment of Sales. Additionally, 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, therefore verification is vital.

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 including sales questionnaires mailed to buyers and sellers, field discovery, renditions, protest hearings, builders, deeds filed with the county, fee appraisers and realtors. EPCAD also uses vendors such as TransUnion, CoreLogic, CoStar, and LoopNet.

EPCAD gathers and enters all sales information into PACS which automatically assigns each sale a unique identification number called the Sales ID to expedite 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. The district excludes sales if they fail to meet the criteria for an arm's length or market transaction.

EPCAD uses paired sales analysis to determine time adjustments. The process involves analyzing properties that have sold twice within a given time period, verifying the sale details (financing, down payment, interest rates, term, etc.), and calculating the difference in their prices to track changes in price levels over time. The difference in value gets converted into a percentage which can then be used to adjust other comparable properties. If time adjustment factors are necessary, they are applied to the sales file in order to forecast the market more accurately as of the appraisal date, as either a monthly or yearly percentage change. Time adjustments are systematically entered and applied through PACS, as it allows for the input of percentage time adjustments through the sales price tab.

7.3 Income and Expense Data

The income approach requires appraisers to gather income and expense information that a property derives. EPCAD uses the income approach to value most income producing commercial properties if the data is available. Exclusions typically include new construction properties as income information is not available or has not been determined.

Texas is a non-disclosure state and does not require property owners to furnish sales or income information to EPCAD, therefore market data is obtained from outside sources such as CRED iQ, Real Capital Analytics, Axiometrics, CBRE, CoStar, LoopNet, and from local MAI appraisers. Data is also collected from property owners and tenants during field inspections and through the appeals process as evidence. Actual appraisals by contract fee appraisers also assist in the commercial property valuation process.

7.4 Cost and Deprecation Data

CoreLogic's Marshall and Swift® Valuation Service is the primary source of EPCAD's cost and depreciation tables. Texas Property Tax Code Section. 23.01 (a), requires all taxable property to be appraised at its market value as of January 1, therefore EPCAD reviews and updates all cost and depreciation tables every year and establishes January 1 as the base date of every year.

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

Appraisers consider the observed condition, economic, and functional obsolescence in estimating total depreciation during field inspections of the properties or during the discovery phase updating the appraisal rolls.

Field inspections generally are the results of new permits, digital orthophotography and oblique photography reviews, and 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 major repairs and deferred maintenance. External or economic obsolescence is determined by causes outside the property, such as road construction on the access road.

7.5 Data Edits and Testing

Once all the data is entered into PACS, it is assigned to lead appraisers for review by market area. The data is subject to system review using edit and error reports. Ratio studies are also performed on a regular basis by the neighborhood to identify possible valuation errors. If certain properties are identified to be problematic, they are scheduled for a field check to correct issues and resolve inequities.

Error reports are developed 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 are 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 (7), defines the market value the district must use when valuing properties and Section 23.01 (a), establishes the effective date of the appraisal. The district complies with USPAP Standard 5 and Standard 6 unless the law requires deviation.

Properties with extensive improvement and remodeling are identified and verified to update property characteristic data by market area. Additionally, information gathered through the previous year's hearings is combined with permit information and field activities for review. Once properties are reviewed and values are updated, they are tested through ratio studies before being finalized in the valuation model 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. Furthermore, the Texas Property Tax Code, Section 23.01 (b), requires properties to 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 considered in determining 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 also monitors whether a Settlement and Waiver of Protest, or an ARB Notice of Final Order determined a property's value because the records are rolled over to the next year between August and October. If an appraiser or 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 and evidence presented to determine if there is justification for an adjustment. Regardless of the decision, all property values will be reviewed and updated as necessary before the creation of the next appraisal roll and values may be readjusted for equalization.

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. EPCAD reviews value schedules regularly in order to comply with State Legislation requiring that the district value schedules be within a range of plus or minus five percent of market value.

The district performs yearly extensive reviews and revisions of the residential value schedules and also verifies the property data characteristics of newly constructed properties during field inspections. These reviews are scheduled to be performed during the 2025 and 2026 tax years.

Appraisers compare the dwelling values against Marshall & Swift, a nationally recognized cost estimator. This process includes correlation of quality of construction factors from the district and Marshall & Swift. Staff analyzes the results of this comparison using statistical measures, including stratification by quality, and reviews estimated building costs plus land sales prices. From this information, the district determines whether or not a regional multiplier is required.

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).

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. Market or location adjustments are applied uniformly within neighborhoods to account for variances in location between market areas or across a jurisdiction.

EPCAD typically measures functional and economic obsolescence by using the sales comparison (market extraction) method. This method measures depreciation directly from the market by analyzing sales from which the depreciation can be extracted. Before analyzing the sales, EPCAD typically stratifies the sales by class or some other common denominator in order to determine the most accurate depreciation amount.

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.

Finally, the district uniformly applies the market adjustment factor calculated for each neighborhood to all the properties (sold and unsold) within that neighborhood. Once applied, a new set of ratio studies is generated to compare the recent sale prices with the proposed appraised values. The appraisal and uniformity levels are then reviewed to ensure that the overall ratios by school district fall within tolerances.

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, sales in comparable neighborhoods are used to determine market value.

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

- Geographic location
- Land use patterns
- Demographics
- Household size
- Income levels
- Price, rental levels, occupancy rates
- Quality of construction, size, age, and condition of dwellings
- Governmental regulations

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 evident patterns of growth that influence a neighborhood's individual market. Few neighborhoods have a fixed character.

Neighborhoods typically have a life cycle which consists of growth, stability, decline and revitalization. The growth period is a time of development and construction. In the period of stability, or equilibrium, the forces of supply and demand are about equal. Decline occurs when the demand of older neighborhoods diminishes because desirability shifts to new neighborhood developments. An added supply of new homes tends to induce population shift from older homes to newer homes. During decline, general property use may change from residential to a mix of residential and commercial uses. Finally, the revitalization phase occurs when declining neighborhoods become desirable again due to reorganization, rebuilding, and restoration of properties which 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, carports, swimming pools, and other factors significantly affecting the market value of the property.

After the 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 ensure market accuracy. For more complex or high value properties, a lead appraiser reviews the property to confirm 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 are 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, etc., depending 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 the market approach to commercial properties 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. Sales questionnaires are mailed by our office but receive less than one percent response. The attempts to confirm sales by phone are even less productive due to property owners' unwillingness to disclose sales information. Other sources of sales are obtained from sale service organizations and property owners during the equalization phase.

EPCAD maintains land valuation tables, sales comparison adjustments such as physical and location differences, and uses 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. The information is also reviewed in the appropriate strata for consistency. If there are at least three years of information for a specific property and it is considered an outlier in its current strata, the property is transferred 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, the district performs the DCR capitalization rate method and uses the mortgage equity band of investment as supporting documentation for the DCR capitalization rate. The primary source for development of the DCR and BOI is Realty Rates. Additionally, a yearly cap rate study is developed for EPCAD by a local MAI, and it is highly likely to contract this service for tax years 2025 and 2026.

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 the associated real estate account is valued using the income approach to value. The staff would still create a personal property account with the appropriate value annotated, but the account would remain inactive for tax purposes. If the valuation method for the associated real estate account changes to the cost or market approach to value, and the information is available, then the business personal property record is reactivated for tax purposes.

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 property use, size, age, condition, income, and location. The effective gross income, expenses, and net operating income figures are used from the stratified income and expense information as the primary component to determine if the property fits into the strata. This results when missing data in the income evidence exists, such as, potential gross rent or vacancy and collection information.

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 factors such as view, shape, size, and topography 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 the adjustment factor is selected.

The district stratifies land for analysis and value using a land segment classification code. 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 fourth position describes the location code which usually defines the highest and best use. The code descriptions include central business district (CBD), primary street, secondary street, interstate highway, medical, office, retail, industrial, apartment, and mixed-use districts. The fifth position code describes the rating of the land: above average, average, or below average. The last (sixth) position code indicates the segment code: pad-site, primary corner, secondary corner, tertiary corner, frontage or rear.

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 defines 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 each of the different location codes.

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 (size, shape, topography), legally permissible (zoning, covenants, leases, private restrictions), financially feasible (producing a positive net income or rate of return), and maximally productive (the use that produces the highest rate of return or value to the property). 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, which is used by the state to audit appraisal district performance. The region demarcation is a geographic area of El Paso County very similar to the Greater El Paso Association of Realtors Market Area.

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, size, age, quality of construction, and condition of dwellings. 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 noticeable 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 property category. Table 8.1 represents the various categories of property, the method of appraisal used for each category and the percentage of frequency of each method.

Table 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 & 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

9.1 Appraisal Roll

Preparation of the appraisal roll requires the district to notify, mail, and process applications for exemptions, agricultural and special use valuations. EPCAD publishes notice of the application requirements through the local media.

After exemption applications are processed, the records are reviewed for accuracy and equity. Accounts that are incomplete are typically flagged during early March in order to avoid sending incorrect notices of appraised value. This includes any records that are contracted for appraisal by our outside appraisal firm, Wardlaw Appraisal Group. As the work gets completed and the accounts are finalized, the flags get 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. Exemptions include property owners, who by law, have been permitted to keep their address confidential under the Texas Property Tax Code, Section 25.025.

EPCAD sends a notice of appraised value to all properties whose accounts have been released. During the upcoming tax years 2025 and 2026, all properties 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, are mailed by April 1 or as soon thereafter as practicable. All other notices are mailed by May 1 or as soon thereafter as practicable. Additional notices are sent as the accounts get released.

By May 15 or as soon thereafter as practicable, the chief appraiser submits the appraisal records 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 records have been submitted to the ARB, changes require submission of a motion to the ARB for approval, under Section 41.10. of the Texas Property Tax Code. If the change results in an increase in the 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 appraisal records by July 20. 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.

9.2 Defense of Values

Evidence used in informal hearings is gathered 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 Table 9.1. Information to assist residential property owners in preparing for a hearing for unequal value is available upon request.

Table 9.1 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 & 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

X. Final Performance Analysis

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 becomes the starting point to determine the extent of the work in the next appraisal cycle.

XI. Data Maintenance

Data maintenance is the process of capturing and valuing new construction and other changes to the property base by obtaining data from governmental entities such as building permits, new utility installations, remodeling permits, and new subdivision plats. Data maintenance may also be performed by routine rechecks and/or the periodic re-inspection of all properties in the county at least once every three years. EPACD performs this re-inspection by orthophotography, oblique photography, and/or field inspections.

XII. Value Updates

Tax year 2025 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.

It should be noted that in 2025 the Texas Legislature will meet 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 to identify the “designated historical districts,” which EPCAD has completed to the best of its ability.

Tax year 2026 is a reappraisal year for regulatory compliance. It will also address regular data collection activities and market areas where values do not meet acceptable standards.

Values are also updated as a result of ratio studies and 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.

Appendix A: Statutes

CHAPTER 1 General Provisions

Sec. 1.07. Delivery of Notice.

(a) [Effective January 1, 2024] An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this section or another provision of this title requires or authorizes a different method of delivery.

Sec. 1.085. Electronic Delivery of Communication. [Effective January 1, 2024]

(a) In this section:

(1) "Communication" means a notice, rendition, application form, completed application, report, filing, statement, appraisal review board order, bill, or other item of information required or permitted to be delivered under a provision of this title.

(2) "Tax official" means:

(A) a chief appraiser, an appraisal district, an appraisal review board, an assessor, a collector, or a taxing unit; or

(B) a person designated by a person listed in Paragraph (A) to perform a function on behalf of that person.

(a-1) Notwithstanding any other provision in this title, a communication that is required or permitted by this title to be delivered between a tax official and a property owner or a person designated by a property owner under Section 1.111(f) shall be delivered electronically if the property owner or person designated by the owner elects to exchange communications with the tax official electronically under Subsection (a-2) of this section.

(a-2) A tax official shall:

(1) establish a procedure that allows a property owner, or a person designated by a property owner under Section 1.111(f) to make the election described by Subsection (a-1) of this section; and

(2) for electronic communications between the official and a property owner or the person designated by the owner who elects under Subsection (a-1) to exchange communications with the official electronically, specify:

(A) the manner in which communications will be exchanged; and

(B) the method that will be used to confirm the delivery of communications.

(a-3) An election described by Subsection (a-1) of this section by a property owner or a person designated by a property owner under Section 1.111(f) must be made in writing on a form prescribed by the comptroller for that purpose and remains in effect until rescinded in writing by the property owner or person designated by the owner.

(a-4) A tax official may not charge a fee to accept a communication delivered electronically to the official.

(a-5) A tax official may require a property owner, or a person designated by a property owner under Section 1.111(f) who elects to exchange communications electronically to provide:

(1) an e-mail address; and (2) other information necessary for the exchange of communications. (a-6) A tax official shall prominently display the information necessary for proper electronic delivery of communications to the official: (1) on the official's Internet website, if applicable; and

(2) if the official is a chief appraiser, in any notice of appraised value delivered by the official under Section 25.19.

(b) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(c) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(d) The electronic delivery of any communication by a tax official to a property owner or a person designated by a property owner under Section 1.111(f) is effective on delivery by the tax official.

(d-1) The electronic delivery of a communication by a property owner or a person designated by a property owner under Section 1.111(f) to a tax official is timely if the communication is:

(1) addressed to the correct delivery portal or electronic delivery system; and

(2) received by the tax official's server on or before the date on which the communication is due.

(e) The comptroller by rule shall prescribe acceptable media, formats, content, and methods for the electronic delivery of communications under this section and adopt guidelines for the implementation of this section by tax officials.

(f) A tax official may select the medium, format, content, and method to be used by the tax official and a property owner or a person designated by a property owner under Section 1.111(f) to exchange communications electronically from among those prescribed by the comptroller under Subsection (e).

(g) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(h) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(i) A property owner or a person designated by the property owner under Section 1.111(f) who elects to exchange communications electronically with a tax official under this section and who has not rescinded the election shall notify the tax official of a change in the e-mail address provided by the property owner or person designated by the owner before the first April 1 that occurs following the change. If notification is not received by the tax official before that date,

until notification is received, any communications delivered electronically to the property owner or person designated by the owner are considered to be timely delivered.

(j) An electronic signature that is included in any communication delivered electronically under this section is considered to be a digital signature for purposes of Section 2054.060, Government Code, and that section applies to the electronic signature.

(k) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(l) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(m) Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(1), effective January 1, 2024.

(n) A tax official shall acknowledge the receipt of a communication delivered electronically to the official by a property owner or a person designated by the property owner under Section 1.111(f).

Sec. 1.086. Delivery of Certain Notices by E-Mail. [Repealed effective January 1, 2024]

(a) On the written request of the owner of a residential property that is occupied by the owner as the owner's principal residence, the chief appraiser of the appraisal district in which the property is located shall send each notice required by this title related to the following to the e-mail address of the owner.

(1) a change in value of the property;

(2) the eligibility of the property for an exemption; or

(3) the grant, denial, cancellation, or other change in the status of an exemption or exemption application applicable to the property.

(b) A property owner must provide the e-mail address to which the chief appraiser must send the notices described by Subsection (a) in a request made under that subsection.

(c) A chief appraiser who delivers a notice electronically under this section is not required to mail the same notice to the property owner.

(d) A request made under this section remains in effect until revoked by the property owner in a written revocation filed with the chief appraiser.

(e) After a property owner makes a request under this section and before a chief appraiser may deliver a notice electronically under this section, the chief appraiser must send an e-mail to the address provided by the property owner confirming the owner's request to receive notices electronically.

(f) The chief appraiser of an appraisal district that maintains an Internet website shall provide a form on the website that a property owner may use to electronically make a request under this section.

Sec. 1.12. Median Level of Appraisal.

(d) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.; effective January 1, 2024; effective until January 1, 2027] For purposes of this section, the appraisal ratio of property to which Section 23.23 or 23.231 applies is the ratio of the property's market value as determined by the appraisal district or appraisal review board, as applicable, to the market value of the property according to law. The appraisal ratio is not calculated according to the appraised value of the property as limited by Section 23.23 or 23.231.

CHAPTER 5

State Administration

Sec. 5.06. Taxpayer Assistance Pamphlet. [Effective January 1, 2024]

The comptroller shall prepare and electronically publish a pamphlet that:

(1) explains the remedies available to a dissatisfied taxpayer and the procedures to be followed in seeking remedial action;

(2) describes the functions of a taxpayer liaison officer appointed under Section 6.052 for an appraisal district with a population of more than 120,000; and

(3) provides advice on preparing and presenting a protest under Chapter 41

Sec. 5.07. Property Tax Forms and Records Systems.

(f) [Effective January 1, 2024] The comptroller shall prescribe tax rate calculation forms to be used by the designated officer or employee of each taxing unit to calculate and submit the no-new-revenue tax rate and the voter approval tax rate for the taxing unit as required by Chapter 26.

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.

(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 property tax administration advisory board, 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.

CHAPTER 11

Taxable Property and Exemptions

Sec. 11.13. Residence Homestead.

- (a) A family or single adult is entitled to an exemption from taxation for the county purposes authorized in Article VIII, Section 1-a, of the Texas Constitution of \$3,000 of the assessed value of his residence homestead.
- (b) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] An adult is entitled to exemption from taxation by a school district of \$100,000 of the appraised value of the adult's residence homestead, except that only \$5,000 of the exemption applies to an entity operating under former Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters existed on May 1, 1995, as permitted by Section 11.301, Education Code.
- (c) In addition to the exemption provided by Subsection (b) of this section, an adult who is disabled or is 65 or older is entitled to an exemption from taxation by a school district of \$10,000 of the appraised value of his residence homestead.
- (d) In addition to the exemptions provided by Subsections (b) and (c) of this section, an individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion (the amount of which is fixed as provided by Subsection (e) of this section) of the appraised value of his residence homestead if the exemption is adopted either:
- (1) by the governing body of the taxing unit; or
 - (2) by a favorable vote of a majority of the qualified voters of the taxing unit at an election called by the governing body of a taxing unit, and the governing body shall call the election on the petition of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit.
- (e) The amount of an exemption adopted as provided by Subsection (d) of this section is \$3,000 of the appraised value of the residence homestead unless a larger amount is specified by:
- (1) the governing body authorizing the exemption if the exemption is authorized as provided by Subdivision (1) of Subsection (d) of this section; or
 - (2) the petition for the election if the exemption is authorized as provided by Subdivision (2) of Subsection (d) of this section.

(f) Once authorized, an exemption adopted as provided by Subsection (d) of this section may be repealed or decreased or increased in amount by the governing body of the taxing unit or by the procedure authorized by Subdivision (2) of Subsection (d) of this section. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

(g) If the residence homestead exemption provided by Subsection (d) of this section is adopted by a county that levies a tax for the county purposes authorized by Article VIII, Section 1-a, of the Texas Constitution, the residence homestead exemptions provided by Subsections (a) and (d) of this section may not be aggregated for the county tax purposes. An individual who is eligible for both exemptions is entitled to take only the exemption authorized as provided by Subsection (d) of this section for purposes of that county tax.

(h) Joint, community, or successive owners may not each receive the same exemption provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption from the same taxing unit in the same year but may choose either if a taxing unit has adopted both. An eligible disabled person who is 65 or older may receive both a disabled and an elderly residence homestead exemption in the same year if the person receives the exemptions with respect to taxes levied by different taxing units. A person may not receive an exemption under this section for more than one residence homestead in the same year. An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole recipient of any exemption granted to the owner for the residence homestead by or pursuant to this section.

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), or (n) of this section and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

- (1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and
- (2) granting the exemption would impair the obligation of the contract creating the debt.

(j) For purposes of this section:

(1) "Residence homestead" means a structure (including a mobile home) or a separately secured and occupied portion of a structure (together with the land, not to exceed 20 acres, and improvements used in the residential occupancy of the structure, if the structure and the land and improvements have identical ownership) that:

(A) is owned by one or more individuals, either directly or through a beneficial interest in a qualifying trust;

(B) is designed or adapted for human residence;

(C) is used as a residence; and

(D) is occupied as the individual's principal residence by an owner, by an owner's surviving spouse who has a life estate in the property, or, for property owned through a beneficial interest in a qualifying trust, by a trustor or beneficiary of the trust who qualifies for the exemption.

(2) "Trustor" means a person who transfers an interest in real or personal property to a qualifying trust, whether during the person's lifetime or at death, or the person's spouse.

(3) "Qualifying trust" means a trust:

(A) in which the agreement, will, or court order creating the trust, an instrument transferring property to the trust, or any other agreement that is binding on the trustee provides that the trustor of the trust or a beneficiary of the trust has the right to use and occupy as the trustor's or beneficiary's principal residence residential property rent free and without charge except for taxes and other costs and expenses specified in the instrument or court order:

(i) for life;

(ii) for the lesser of life or a term of years; or

(iii) until the date the trust is revoked or terminated by an instrument or court order that describes the property with sufficient certainty to identify it and is recorded in the real property records of the county in which the property is located; and (B) that acquires the property in an instrument of title or under a court order that: (i) describes the property with sufficient certainty to identify it and the interest acquired; and (ii) is recorded in the real property records of the county in which the property is located.

(k) A qualified residential structure does not lose its character as a residence homestead if a portion of the structure is rented to another or is used primarily for other purposes that are incompatible with the owner's residential use of the structure. However, the amount of any residence homestead exemption does not apply to the value of that portion of the structure that is used primarily for purposes that are incompatible with the owner's residential use.

(l) A qualified residential structure does not lose its character as a residence homestead when the owner who qualifies for the exemption temporarily stops occupying it as a principal residence if that owner does not establish a different principal residence and the absence is:

(1) for a period of less than two years and the owner intends to return and occupy the structure as the owner's principal residence; or

(2) caused by the owner's:

(A) military service inside or outside of the United States as a member of the armed forces of the United States or of this state; or

(B) residency in a facility that provides services related to health, infirmity, or aging.

(m) In this section:

(1) "Disabled" means under a disability for purposes of payment of disability insurance benefits under Federal Old Age, Survivors, and Disability Insurance.

(2) "School district" means a political subdivision organized to provide general elementary and secondary public education. "School district" does not include a junior college district or a political subdivision organized to provide special education services.

(n) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed 20 percent.

(n-1) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] The governing body of a school district, municipality, or county that adopted an exemption under Subsection (n) for the 2022 tax year may not reduce the amount of or repeal the exemption. This subsection expires December 31, 2027.

(o) For purposes of this section, a residence homestead also may consist of an interest in real property created through ownership of stock in a corporation incorporated under the Cooperative Association Act (Article 1396-50.01, Vernon's Texas Civil Statutes) to provide dwelling places to its stockholders if:

(1) the interests of the stockholders of the corporation are appraised separately as provided by Section 23.19 of this code in the tax year to which the exemption applies;

(2) ownership of the stock entitles the owner to occupy a dwelling place owned by the corporation;

(3) the dwelling place is a structure or a separately secured and occupied portion of a structure; and

(4) the dwelling place is occupied as his principal residence by a stockholder who qualifies for the exemption.

(p) Exemption under this section for a homestead described by Subsection (o) of this section extends only to the dwelling place occupied as a residence homestead and to a portion of the total common area used in the residential occupancy that is equal to the percentage of the total amount of the stock issued by the corporation that is owned by the homestead claimant. The size of a residence homestead under Subsection (o) of this section, including any relevant portion of common area, may not exceed 20 acres.

(q) The surviving spouse of an individual who qualifies for an exemption under Subsection (d) for the residence homestead of a person 65 or older is entitled to an exemption for the same property from the same taxing unit in an amount equal to that of the exemption for which the deceased spouse qualified if:

(1) the deceased spouse died in a year in which the deceased spouse qualified for the exemption;

(2) the surviving spouse was 55 or older when the deceased spouse died; and

(3) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

(r) An individual who receives an exemption under Subsection (d) is not entitled to an exemption under Subsection (q).

Sec. 11.18. Charitable Organizations.

(a) [Effective January 1, 2024] 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;

(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; and

(3) if the charitable organization is described by Subsection (d)(1), (2), (3)(A)(ii), (5), (8), (13), (15), or (19), the real property owned by the charitable organization consisting of an interest in a mineral in place, including a royalty interest, provided that the interest:

(A) is not severed from the surface estate; or

(B) was donated to the charitable organization by the previous owner of the interest.

(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) [Effective January 1, 2024] A charitable organization must be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) and (l), 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 or dependent children in need of residential care, children with disabilities 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) persons with disabilities, 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 individuals with disabilities, 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;
 - (25) providing, without regard to the beneficiaries' ability to pay, tax return preparation services and assistance with other financial matters; or
 - (26) providing services related to planning for the placement of or placing children in foster or adoptive homes or providing support or relief to women who are or may be pregnant and who are considering placing their unborn children for adoption.
- (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: 67 Taxable Property And Exemptions Sec. 11.18
- (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) 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 1.2 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 5,500.

(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. 11.1825. Organizations Constructing or Rehabilitating Low- Income Housing: Property Not Previously Exempt.

(a) An organization is entitled to an exemption from taxation of real property owned by the organization that the organization constructs or rehabilitates and uses to provide housing to individuals or families meeting the income eligibility requirements of this section.

(a-1) [Effective on January 1, 2024] An organization that leases land under a ground lease is entitled to an exemption from taxation of the improvements owned by the organization that the organization constructs or rehabilitates and uses to provide housing to individuals or families meeting the income eligibility requirements of this section. An organization that leases land as described by this subsection is considered to be the owner of the land for purposes of the provisions of this section requiring that an organization own property for the purpose of constructing or rehabilitating a housing project on the property in order to receive an exemption for the property. A reference in this section to acquiring property includes leasing the property as described by this subsection. A reference in this section to an exemption from taxation or the appraisal of property means the improvements constructed or rehabilitated on the property if the property consists of land and improvements described by this subsection.

(b) To receive an exemption under this section, an organization must meet the following requirements:

(1) for at least the preceding three years, the organization:

(A) has been 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) has met the requirements of a charitable organization provided by Sections 11.18(e) and (f); and
- (C) has had as one of its purposes providing low-income housing;
- (2) a majority of the members of the board of directors of the organization have their principal place of residence in this state;
- (3) at least two of the positions on the board of directors of the organization must be reserved for and held by:
 - (A) an individual of low income as defined by Section 2306.004, Government Code, whose principal place of residence is located in this state;
 - (B) an individual whose residence is located in an economically disadvantaged census tract as defined by Section 783.009(b), Government Code, in this state; or
 - (C) a representative appointed by a neighborhood organization in this state that represents low-income households; and
 - (4) the organization must have a formal policy containing procedures for giving notice to and receiving advice from low-income households residing in the county in which a housing project is located regarding the design, siting, development, and management of affordable housing projects.
- (c) Notwithstanding Subsection (b), an owner of real property that is not an organization described by that subsection is entitled to an exemption from taxation of property under this section if the property otherwise qualifies for the exemption and the owner is:
 - (1) a limited partnership of which an organization that meets the requirements of Subsection (b) controls 100 percent of the general partner interest; or
 - (2) an entity the parent of which is an organization that meets the requirements of Subsection (b).
- (d) If the owner of the property is an entity described by Subsection (c), the entity must:
 - (1) be organized under the laws of this state; and
 - (2) have its principal place of business in this state.
- (e) A reference in this section to an organization includes an entity described by Subsection (c).
- (f) For property to be exempt under this section, the organization must own the property for the purpose of constructing or rehabilitating a housing project on the property and:
 - (1) renting the housing, regardless of whether the housing project consists of multifamily or single-family dwellings, to individuals or families whose median income is not more than 60 percent of the greater of:
 - (A) the area median family income for the household's place of residence, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or
 - (B) the statewide area median family income, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or
 - (2) selling single-family dwellings to individuals or families whose median income is not more than the greater of:
 - (A) the area median family income for the household's place of residence, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or
 - (B) the statewide area median family income, as adjusted for family size and as established by the United States Department of Housing and Urban Development.
- (g) Property may not receive an exemption under this section unless at least 50 percent of the total square footage of the dwelling units in the housing project is reserved for individuals or families described by Subsection (f).
- (h) The annual total of the monthly rent charged or to be charged for each dwelling unit in the project reserved for an individual or family described by Subsection (f) may not exceed 30 percent of the area median family income for the household's place of residence, as adjusted for family size and as established by the United States Department of Housing and Urban Development.
- (i) Property owned for the purpose of constructing a housing project on the property is exempt under this section only if:
 - (1) the property is used to provide housing to individuals or families described by Subsection (f); or
 - (2) the housing project is under active construction or other physical preparation.
- (j) For purposes of Subsection (i)(2), a housing project is under physical preparation if the organization has engaged in architectural or engineering work, soil testing, land clearing activities, or site improvement work necessary for the construction of the project or has conducted an environmental or land use study relating to the construction of the project.
- (k) An organization may not receive an exemption for a housing project constructed by the organization if the construction of the project was completed before January 1, 2004.
- (l) If the property is owned for the purpose of rehabilitating a housing project on the property:
 - (1) the original construction of the housing project must have been completed at least 10 years before the date the organization began actual rehabilitation of the project;
 - (2) the person from whom the organization acquired the project must have owned the project for at least five years, if the organization is not the original owner of the project;
 - (3) the organization must provide to the chief appraiser and, if the project was financed with bonds, the issuer of the bonds a written statement prepared by a certified public accountant stating that the organization has spent on

rehabilitation costs at least the greater of \$5,000 or the amount required by the financial lender for each dwelling unit in the project; and

(4) the organization must maintain a reserve fund for replacements:

(A) in the amount required by the financial lender; or

(B) if the financial lender does not require a reserve fund for replacements, in an amount equal to \$300 per unit per year.

(m) Beginning with the 2005 tax year, the amount of the reserve required by Subsection (l)(4)(B) is increased by an annual cost-of-living adjustment determined in the manner provided by Section 1(f)(3), Internal Revenue Code of 1986, as amended, substituting "calendar year 2004" for the calendar year specified in Section 1(f)(3)(B) of that code.

(n) A reserve must be established for each dwelling unit in the property, regardless of whether the unit is reserved for an individual or family described by Subsection (f). The reserve must be maintained on a continuing basis, with withdrawals permitted: (1) only as authorized by the financial lender; or (2) if the financial lender does not require a reserve fund for replacements, only to pay the cost of capital improvements needed for the property to maintain habitability under the Minimum Property Standards of the United States Department of Housing and Urban Development or the code of a municipality or county applicable to the property, whichever is more restrictive.

(o) For purposes of Subsection (n)(2), "capital improvement" means a property improvement that has a depreciable life of at least five years under generally accepted accounting principles, excluding typical "make ready" expenses such as expenses for plasterboard repair, interior painting, or floor coverings.

(p) If the organization acquires the property for the purpose of constructing or rehabilitating a housing project on the property, the organization must be renting or offering to rent the applicable square footage of dwelling units in the property to individuals or families described by Subsection (f) not later than the third anniversary of the date the organization acquires the property.

(p-1) Notwithstanding the other provisions of this section, the transfer of property from an organization described by this section to a nonprofit organization that claims an exemption for the property under Section 11.181(a) is a proper use of and purpose for owning the property under this section and does not affect the eligibility of the property for an exemption under this section.

(q) If property qualifies for an exemption under this section, 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) consider the restrictions provided by this section on the income of the individuals or families to whom the dwelling units of the housing project may be rented and the amount of rent that may be charged for purposes of computing the actual rental income from the property or projecting future rental income; and

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

(r) Not later than January 31 of each year, the appraisal district shall give public notice in the manner determined by the district, including posting on the district's website if applicable, of the capitalization rate to be used in that year to appraise property receiving an exemption under this section.

(s) Unless otherwise provided by the governing body of a taxing unit any part of which is located in a county with a population of at least 2.1 million under Subsection (x), for property described by Subsection (f)(1), the amount of the exemption under this section from taxation is 50 percent of the appraised value of the property.

(s-1) For property described by Subsection (f)(2), the amount of the exemption under this section from taxation is 100 percent of the appraised value of the property.

(t) Notwithstanding Section 11.43(c), an exemption under this section does not terminate because of a change in ownership of the property if:

(1) the property is foreclosed on for any reason and, not later than the 30th day after the date of the foreclosure sale, the owner of the property submits to the chief appraiser evidence that the property is owned by:

(A) an organization that meets the requirements of Subsection (b); or

(B) an entity that meets the requirements of Subsections (c) and (d); or

(2) in the case of property owned by an entity described by Subsections (c) and (d), the organization meeting the requirements of Subsection (b) that controls the general partner interest of or is the parent of the entity as described by Subsection (c) ceases to serve in that capacity and, not later than the 30th day after the date the cessation occurs, the owner of the property submits evidence to the chief appraiser that the organization has been succeeded in that capacity by another organization that meets the requirements of Subsection (b).

(u) The chief appraiser may extend the deadline provided by Subsection (t)(1) or (2), as applicable, for good cause shown.

(v) Notwithstanding any other provision of this section, an organization may not receive an exemption from taxation of property described by Subsection (f)(1) by a taxing unit any part of which is located in a county with a population of at least 2.1 million unless the exemption is approved by the governing body of the taxing unit in the manner provided by law for official action.

(w) To receive an exemption under this section from taxation by a taxing unit for which the approval of the governing body of the taxing unit is required by Subsection (v), an organization must submit to the governing body of the taxing unit a written request for approval of the exemption from taxation of the property described in the request.

(x) Not later than the 60th day after the date the governing body of the taxing unit receives a written request under Subsection (w) for an exemption under this section, the governing body shall:

- (1) approve the exemption in the amount provided by Subsection (s);
- (2) approve the exemption in a reasonable amount other than the amount provided by Subsection (s); or
- (3) deny the exemption if the governing body determines that:

(A) the taxing unit cannot afford the loss of ad valorem tax revenue that would result from approving the exemption; or

(B) additional housing for individuals or families meeting the income eligibility requirements of this section is not needed in the territory of the taxing unit.

(y) Not later than the fifth day after the date the governing body of the taxing unit takes action under Subsection (x), the taxing unit shall issue a letter to the organization stating the governing body's action and, if the governing body denied the exemption, stating whether the denial was based on a determination under Subsection (x)(3)(A) or (B) and the basis for the determination. The taxing unit shall send a copy of the letter by regular mail to the chief appraiser of each appraisal district that appraises the property for the taxing unit. The governing body may charge the organization a fee not to exceed the administrative costs of processing the request of the organization, approving or denying the exemption, and issuing the letter required by this subsection. If the chief appraiser determines that the property qualifies for an exemption under this section and the governing body of the taxing unit approves the exemption, the chief appraiser shall grant the exemption in the amount approved by the governing body.

Sec. 11.26. Limitation of School Tax on Homesteads of Elderly or Disabled.

(a) [Effective until approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] The tax officials shall appraise the property to which this section applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation imposed by this section, the tax imposed is the amount of the tax as limited by this section, except as otherwise provided by this section. A school district may not increase the total annual amount of ad valorem tax it imposes on the residence homestead of an individual 65 years of age or older or on the residence homestead of an individual who is disabled, as defined by Section 11.13, above the amount of the tax it imposed in the first tax year in which the individual qualified that residence homestead for the applicable exemption provided by Section 11.13(c) for an individual who is 65 years of age or older or is disabled. If the individual qualified that residence homestead for the exemption after the beginning of that first year and the residence homestead remains eligible for the same exemption for the next year, and if the school district taxes imposed on the residence homestead in the next year are less than the amount of taxes imposed in that first year, a school district may not subsequently increase the total annual amount of ad valorem taxes it imposes on the residence homestead above the amount it imposed in the year immediately following the first year for which the individual qualified that residence homestead for the same exemption, except as provided by Subsection (b). If the first tax year the individual qualified the residence homestead for the exemption provided by Section 11.13(c) for individuals 65 years of age or older or disabled was a tax year before the 2015 tax year, the amount of the limitation provided by this section is the amount of tax the school district imposed for the 2014 tax year less an amount equal to the amount determined by multiplying \$10,000 times the tax rate of the school district for the 2015 tax year, plus any 2015 tax attributable to improvements made in 2014, other than improvements made to comply with governmental regulations or repairs.

(a) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] The tax officials shall appraise the property to which this section applies and calculate taxes as on other property, but if the tax so calculated exceeds the limitation imposed by this section, the tax imposed is the amount of the tax as limited by this section, except as otherwise provided by this section. A school district may not increase the total annual amount of ad valorem tax it imposes on the residence homestead of an individual 65 years of age or older or on the residence homestead of an individual who is disabled, as defined by Section 11.13, above the amount of the tax it imposed in the first tax year in which the individual qualified that residence homestead for the applicable exemption provided by Section 11.13(c) for an individual who is 65 years of age or older or is disabled. If the individual qualified that residence homestead for the exemption after the beginning of that first year and the residence homestead remains eligible for the same exemption for the next year, and if the school district taxes imposed on the residence homestead in the next year are less than the amount of taxes imposed in that first year, a school district may not subsequently increase the total annual amount of ad valorem taxes it imposes on the residence homestead above the amount it imposed in the year immediately following the first year for which the individual qualified that residence homestead for the same exemption, except as provided by Subsection (b).

(a-1) [Effective until approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] Notwithstanding the other provisions of this section, if in the 2007 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was the 2006 tax year, the amount of the limitation provided by this section on the homestead in the 2007 tax year is equal to the amount computed by:

(1) multiplying the amount of tax the school district imposed on the homestead in the 2006 tax year by a fraction the numerator of which is the tax rate of the district for the 2007 tax year and the denominator of which is the tax rate of the district for the 2006 tax year; and

(2) adding any tax imposed in the 2007 tax year attributable to improvements made in the 2006 tax year as provided by Subsection (b) to the lesser of the amount computed under Subdivision (1) or the amount of tax the district imposed on the homestead in the 2006 tax year.

(a-2) Notwithstanding the other provisions of this section, if in the 2007 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was a tax year before the 2006 tax year, the amount of the limitation provided by this section on the homestead in the 2007 tax year is equal to the amount computed by:

(1) multiplying the amount of tax the school district imposed on the homestead in the 2005 tax year by a fraction the numerator of which is the tax rate of the district for the 2006 tax year and the denominator of which is the tax rate of the district for the 2005 tax year;

(2) adding any tax imposed in the 2006 tax year attributable to improvements made in the 2005 tax year as provided by Subsection (b) to the lesser of the amount computed under Subdivision (1) or the amount of tax the district imposed on the homestead in the 2005 tax year;

(3) multiplying the amount computed under Subdivision (2) by a fraction the numerator of which is the tax rate of the district for the 2007 tax year and the denominator of which is the tax rate of the district for the 2006 tax year; and

(4) adding to the lesser of the amount computed under Subdivision (2) or (3) any tax imposed in the 2007 tax year attributable to improvements made in the 2006 tax year, as provided by Subsection (b).

(a-3) Except as provided by Subsection (b), a limitation on tax increases provided by this section on a residence homestead computed under Subsection (a-1) or (a-2) continues to apply to the homestead in subsequent tax years until the limitation expires.

(a-4) In this section, "maximum compressed rate" means the maximum compressed rate of a school district as calculated under Section 48.2551, Education Code.

(a-5) Notwithstanding the other provisions of this section, if in the 2023 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was a tax year before the 2019 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2018 tax year by a tax rate equal to the difference between the school district's tier one maintenance and operations rate for the 2018 tax year and the district's maximum compressed rate for the 2019 tax year;

(2) subtracting the greater of zero or the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the 2018 tax year;

(3) adding any tax imposed in the 2019 tax year attributable to improvements made in the 2018 tax year as provided by Subsection (b) to the amount computed under Subdivision (2);

(4) multiplying the taxable value of the homestead in the 2019 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2019 tax year and the district's maximum compressed rate for the 2020 tax year;

(5) subtracting the amount computed under Subdivision (4) from the amount computed under Subdivision (3);

(6) adding any tax imposed in the 2020 tax year attributable to improvements made in the 2019 tax year as provided by Subsection (b) to the amount computed under Subdivision (5);

(7) multiplying the taxable value of the homestead in the 2020 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2020 tax year and the district's maximum compressed rate for the 2021 tax year;

(8) subtracting the amount computed under Subdivision (7) from the amount computed under Subdivision (6);

(9) adding any tax imposed in the 2021 tax year attributable to improvements made in the 2020 tax year as provided by Subsection (b) to the amount computed under Subdivision (8);

(10) multiplying the taxable value of the homestead in the 2021 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2021 tax year and the district's maximum compressed rate for the 2022 tax year;

(11) subtracting the amount computed under Subdivision (10) from the amount computed under Subdivision (9);

(12) adding any tax imposed in the 2022 tax year attributable to improvements made in the 2021 tax year as provided by Subsection (b) to the amount computed under Subdivision (11);

(13) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

(14) subtracting the amount computed under Subdivision (13) from the amount computed under Subdivision (12); and

(15) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (14).

(a-6) Notwithstanding the other provisions of this section, if in the 2023 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was the 2019 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2019 tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the 2019 tax year and the district's maximum compressed rate for the 2020 tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the 2019 tax year;

(3) adding any tax imposed in the 2020 tax year attributable to improvements made in the 2019 tax year as provided by Subsection (b) to the amount computed under Subdivision (2);

(4) multiplying the taxable value of the homestead in the 2020 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2020 tax year and the district's maximum compressed rate for the 2021 tax year;

(5) subtracting the amount computed under Subdivision (4) from the amount computed under Subdivision (3);

(6) adding any tax imposed in the 2021 tax year attributable to improvements made in the 2020 tax year as provided by Subsection (b) to the amount computed under Subdivision (5);

(7) multiplying the taxable value of the homestead in the 2021 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2021 tax year and the district's maximum compressed rate for the 2022 tax year;

(8) subtracting the amount computed under Subdivision (7) from the amount computed under Subdivision (6);

(9) adding any tax imposed in the 2022 tax year attributable to improvements made in the 2021 tax year as provided by Subsection (b) to the amount computed under Subdivision (8);

(10) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

(11) subtracting the amount computed under Subdivision (10) from the amount computed under Subdivision (9); and

(12) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (11).

(a-7) Notwithstanding the other provisions of this section, if in the 2023 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was the 2020 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2020 tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the 2020 tax year and the district's maximum compressed rate for the 2021 tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the 2020 tax year;

(3) adding any tax imposed in the 2021 tax year attributable to improvements made in the 2020 tax year as provided by Subsection (b) to the amount computed under Subdivision (2);

(4) multiplying the taxable value of the homestead in the 2021 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2021 tax year and the district's maximum compressed rate for the 2022 tax year;

(5) subtracting the amount computed under Subdivision (4) from the amount computed under Subdivision (3);

(6) adding any tax imposed in the 2022 tax year attributable to improvements made in the 2021 tax year as provided by Subsection (b) to the amount computed under Subdivision (5);

(7) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

(8) subtracting the amount computed under Subdivision (7) from the amount computed under Subdivision (6); and

(9) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (8).

(a-8) Notwithstanding the other provisions of this section, if in the 2023 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was the 2021 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2021 tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the 2021 tax year and the district's maximum compressed rate for the 2022 tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the 2021 tax year;

(3) adding any tax imposed in the 2022 tax year attributable to improvements made in the 2021 tax year as provided by Subsection (b) to the amount computed under Subdivision (2);

(4) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

(5) subtracting the amount computed under Subdivision (4) from the amount computed under Subdivision (3); and

(6) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (5).

(a-9) Notwithstanding the other provisions of this section, if in the 2023 tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead and the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c) for the same homestead was the 2022 tax year, the amount of the limitation provided by this section on the homestead in the 2023 tax year is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the 2022 tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the 2022 tax year and the district's maximum compressed rate for the 2023 tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the 2022 tax year; and

(3) adding any tax imposed in the 2023 tax year attributable to improvements made in the 2022 tax year as provided by Subsection (b) to the amount computed under Subdivision (2).

(a-10) Notwithstanding the other provisions of this section, if in the 2024 or a subsequent tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead, the amount of the limitation provided by this section on the homestead is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the preceding tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the preceding tax year and the district's maximum compressed rate for the current tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the preceding tax year; and

(3) adding any tax imposed in the current tax year attributable to improvements made in the preceding tax year as provided by Subsection (b) to the amount computed under Subdivision (2).

(a-10) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] Notwithstanding the other provisions of this section, if in the 2024 or a subsequent tax year an individual qualifies for a limitation on tax increases provided by this section on the individual's residence homestead, the amount of the limitation provided by this section on the homestead is equal to the amount computed by:

(1) multiplying the taxable value of the homestead in the preceding tax year by a tax rate equal to the difference between the school district's maximum compressed rate for the preceding tax year and the district's maximum compressed rate for the current tax year;

(2) subtracting the amount computed under Subdivision (1) from the amount of tax the district imposed on the homestead in the preceding tax year;

(3) adding any tax imposed in the current tax year attributable to improvements made in the preceding tax year as provided by Subsection (b) to the amount computed under Subdivision (2);

(4) multiplying the amount of any increase in the current tax year as compared to the preceding tax year in the aggregate amount of the exemptions to which the individual is entitled under Sections 11.13(b) and (c) by the school district's tax rate for the current tax year; and

(5) subtracting the amount computed under Subdivision (4) from the amount computed under Subdivision (3).

(a-11) This subsection applies only to an individual who in the 2023 tax year qualifies for a limitation under this section and for whom the 2022 tax year or an earlier tax year was the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c). The amount of the limitation provided by this section on the residence homestead of an individual to which this subsection applies for the 2023 tax year is the amount of the limitation as computed under Subsection (a-5), (a-6), (a-7), (a-8), or (a-9) of this section, as applicable, less an amount equal to the product of \$60,000 and the tax rate of the school district for the 2023 tax year. This subsection expires January 1, 2025.

(a-12) This subsection applies only to an individual who in the 2023 tax year qualifies for a limitation under this section and for whom the 2021 tax year or an earlier tax year was the first tax year the individual or the individual's spouse qualified for an exemption under Section 11.13(c). The amount of the limitation provided by this section on the residence homestead of an individual to which this subsection applies for the 2023 tax year is the amount of the limitation as computed under Subsection (a-11) of this section less an amount equal to the product of \$15,000 and the tax rate of the school district for the 2022 tax year. This subsection expires January 1, 2025.

(b) If an individual makes improvements to the individual's residence homestead, other than improvements required to comply with governmental requirements or repairs, the school district may increase the tax on the homestead in the first year the value of the homestead is increased on the appraisal roll because of the enhancement of value by the improvements. The amount of the tax increase is determined by applying the current tax rate to the difference in the assessed value of the homestead with the improvements and the assessed value it would have had

without the improvements. A limitation imposed by this section then applies to the increased amount of tax until more improvements, if any, are made.

(c) The limitation on tax increases required by this section expires if on January 1:

(1) none of the owners of the structure who qualify for the exemption and who owned the structure when the limitation first took effect is using the structure as a residence homestead; or

(2) none of the owners of the structure qualifies for the exemption.

(d) If the appraisal roll provides for taxation of appraised value for a prior year because a residence homestead exemption for individuals 65 years of age or older or for disabled individuals was erroneously allowed, the tax assessor shall add, as back taxes due as provided by Section 26.09(d), the positive difference if any between the tax that should have been imposed for that year and the tax that was imposed because of the provisions of this section.

(e) For each school district in an appraisal district, the chief appraiser shall determine the portion of the appraised value of residence homesteads of individuals on which school district taxes are not imposed in a tax year because of the limitation on tax increases imposed by this section. That portion is calculated by determining the taxable value that, if multiplied by the tax rate adopted by the school district for the tax year, would produce an amount equal to the amount of tax that would have been imposed by the school district on those residence homesteads if the limitation on tax increases imposed by this section were not in effect, but that was not imposed because of that limitation. The chief appraiser shall determine that taxable value and certify it to the comptroller as soon as practicable for each tax year.

(f) The limitation on tax increases required by this section does not expire because the owner of an interest in the structure conveys the interest to a qualifying trust as defined by Section 11.13(j) if the owner or the owner's spouse is a trustor of the trust and is entitled to occupy the structure.

(g) Except as provided by Subsection (b), if an individual who receives a limitation on tax increases imposed by this section, including a surviving spouse who receives a limitation under Subsection (i), subsequently qualifies a different residence homestead for the same exemption under Section 11.13, a school district may not impose ad valorem taxes on the subsequently qualified homestead in a year in an amount that exceeds the amount of taxes the school district would have imposed on the subsequently qualified homestead in the first year in which the individual receives that same exemption for the subsequently qualified homestead had the limitation on tax increases imposed by this section not been in effect, multiplied by a fraction the numerator of which is the total amount of school district taxes imposed on the former homestead in the last year in which the individual received that same exemption for the former homestead and the denominator of which is the total amount of school district taxes that would have been imposed on the former homestead in the last year in which the individual received that same exemption for the former homestead had the limitation on tax increases imposed by this section not been in effect.

(h) An individual who receives a limitation on tax increases under this section, including a surviving spouse who receives a limitation under Subsection (i), and who subsequently qualifies a different residence homestead for an exemption under Section 11.13, or an agent of the individual, is entitled to receive from the chief appraiser of the appraisal district in which the former homestead was located a written certificate providing the information necessary to determine whether the individual may qualify for that same limitation on the subsequently qualified homestead under Subsection (g) and to calculate the amount of taxes the school district may impose on the subsequently qualified homestead.

(i) If an individual who qualifies for the exemption provided by Section 11.13(c) dies, the surviving spouse of the individual is entitled to the limitation applicable to the residence homestead of the individual if:

(1) the surviving spouse is 55 years of age or older when the individual dies; and

(2) the residence homestead of the individual:

(A) is the residence homestead of the surviving spouse on the date that the individual dies; and

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

(i-1) A limitation under Subsection (i) applicable to the residence homestead of the surviving spouse of an individual who was disabled and who died before January 1, 2020, is calculated as if the surviving spouse was entitled to the limitation when the individual died.

(j) If an individual who qualifies for an exemption provided by Section 11.13(c) for an individual 65 years of age or older dies in the first year in which the individual qualified for the exemption and the individual first qualified for the exemption after the beginning of that year, except as provided by Subsection

(k), the amount to which the surviving spouse's school district taxes are limited under Subsection (i) is the amount of school district taxes imposed on the residence homestead in that year determined as if the individual qualifying for the exemption had lived for the entire year. (k) If in the first tax year after the year in which an individual dies in the circumstances described by Subsection (j) the amount of school district taxes imposed on the residence homestead of the surviving spouse is less than the amount of school district taxes imposed in the preceding year as limited by Subsection (j), in a subsequent tax year the surviving spouse's school district taxes on that residence homestead are limited to the amount of taxes imposed by the district in that first tax year after the year in which the individual dies.

(l) For the purpose of calculating a limitation on ad valorem tax increases by a school district under this section, an individual who qualified a residence homestead before January 1, 2003, for an exemption under Section 11.13(c) for a disabled individual is considered to have first qualified the homestead for that exemption on January 1, 2003.

(m) For the purpose of qualifying under Subsection (g) for the limitation on ad valorem taxes on a subsequently qualified homestead imposed by a school district, the residence homestead of a disabled individual may be considered

to be a subsequently qualified homestead only if the disabled individual qualified the former homestead for an exemption under Section 11.13(c) for a disabled individual for a tax year beginning on or after January 1, 2003.

(n) Notwithstanding Subsection (c), the limitation on tax increases required by this section does not expire if the owner of the structure qualifies for an exemption under Section 11.13 under the circumstances described by Section 11.135(a).

(o) [Effective until approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] Notwithstanding Subsections (a), (a-3), and (b), an improvement to property that would otherwise constitute an improvement under Subsection (b) is not treated as an improvement under that subsection if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage. For purposes of appraising the property in the tax year in which the structure would have constituted an improvement under Subsection (b), the replacement structure is considered to be an improvement under that subsection only if:

(1) the square footage of the replacement structure exceeds that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure is of higher quality construction and composition than that of the replaced structure.

(o) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.] Notwithstanding Subsections (a) and (b), an improvement to property that would otherwise constitute an improvement under Subsection (b) is not treated as an improvement under that subsection if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage. For purposes of appraising the property in the tax year in which the structure would have constituted an improvement under Subsection (b), the replacement structure is considered to be an improvement under that subsection only if:

(1) the square footage of the replacement structure exceeds that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure is of higher quality construction and composition than that of the replaced structure. (p) An heir property owner who qualifies heir property as the owner's residence homestead under this chapter is considered the sole owner of the property for the purposes of this section.

Sec. 11.315. Energy Storage System in Nonattainment Area.

(b) A person is entitled to an exemption from taxation by a taxing unit of an energy storage system owned by the person if:

(1) the exemption is adopted by the governing body of the taxing unit in the manner provided by law for official action by the governing body; and

(2) the energy storage system:

(A) is used, constructed, acquired, or installed wholly or partly to meet or exceed 40 C.F.R. Section 50.11 or any other rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air pollution;

(B) is located in: (i) an area designated as a nonattainment area within the meaning of Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407); and (ii) a municipality with a population of at least 150,000 adjacent to a municipality with a population of more than two million;

(C) has a capacity of at least 10 megawatts; and

(D) is installed on or after January 1, 2014

Sec. 11.36. Child-care facilities [As added by Acts 2023 88th Leg., ch. 281, § 1; effective on approval by the voters of S.J.R. 64, 88th Leg., R.S.]

(a) In this section:

(1) "Child-care facility" means a facility licensed by the Health and Human Services Commission to provide assessment, care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all or part of the 24-hour day, whether or not the facility is operated for profit or charges for the services it offers.

(2) "Qualifying child-care facility" means a child-care facility:

(A) the owner or operator of which participates in the Texas Workforce Commission's Texas Rising Star Program as described by Section 2308.3155, Government Code, for that facility; and

(B) at which at least 20 percent of the total number of children enrolled at the facility receive subsidized childcare services provided through the child-care services program administered by the Texas Workforce Commission.

(b) Subject to Subsection (d), if the governing body of a county or municipality in the manner required by law for official action by the governing body adopts the exemption, a person is entitled to an exemption from taxation by the county or municipality of all or part of the appraised value of:

(1) the real property the person owns and operates as a qualifying child-care facility; or

(2) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child-care facility.

(c) The governing body of a county or municipality may adopt the exemption authorized by this section as a percentage of the appraised value of the property. The percentage specified by the governing body may not be less than 50 percent.

(d) To qualify for the exemption authorized by this section, the property must be:

(1) except as provided by Subsection (e), used exclusively to provide developmental and educational services for children attending the child-care facility; and

(2) reasonably necessary for the operation of the child-care facility.

(e) The use of exempt property for functions other than providing developmental and educational services for children attending the child-care facility located on the property does not result in the loss of an exemption authorized by this section if those other functions are incidental to the use of the property for providing those services to those children and benefit:

(1) those children; or

(2) the staff and faculty of the facility.

(f) A person who claims an exemption under Subsection (b)(2) must include with the application for the exemption an affidavit certifying to the chief appraiser for the appraisal district that appraises the property that is the subject of the application that:

(1) the person has provided to the child-care facility to which the property is leased a disclosure document stating the amount by which the taxes on the property are reduced as a result of the exemption and the method the person will implement to ensure that the rent charged for the lease of the property fully reflects that reduction;

(2) the rent charged for the lease of the property reflects the reduction in the amount of taxes on the property resulting from the exemption through a monthly or annual credit against the rent; and

(3) the person does not charge rent for the lease of the property in an amount that exceeds:

(A) for property that consists of space in a commercial property, the rent charged by the person to other tenants of the commercial property for similar space; or

(B) for property other than property described by Paragraph (A), the average rent charged for comparable rental property.

(g) Notwithstanding any other provision of this section, a person may not claim an exemption under Subsection (b) (2) for property:

(1) for which the person claims an exemption under Section 11.13; or

(2) any part of which is leased by the person to another person for use as a principal residence.

(h) Property is not ineligible for an exemption under this section if a portion of the property is used for functions other than those described by Subsections (d) and (e). However, the exemption does not apply to the value of the portion of the property that is used for those other functions.

(i) Section 25.07 does not apply to a leasehold interest in property for which the owner receives an exemption under this section.

(j) The comptroller may adopt rules and forms necessary for the administration of this section.

Sec. 11.36. Medical or Biomedical Property. [As added by Acts 2023, 88th Leg., ch. 364, § 1; effective on approval by the voters of S.J.R. 87, 88th Leg., R.S.]

(a) In this section:

(1) "Medical or biomedical property" means tangible personal property that is:

(A) stored, used, or consumed in the manufacturing or processing of medical or biomedical products by a medical or biomedical manufacturer; or

(B) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of a condition or disease or in medical or biomedical research, including the invention, development, and dissemination of materials, tools, technologies, processes, and similar means for translating and applying medical and scientific research for practical applications to advance public health, including:

(i) devices;

(ii) therapeutics;

(iii) pharmaceuticals;

(iv) personal protective equipment;

(v) tools, apparatuses, instruments, implants, or other similar or related component parts or accessories;

(vi) property exempted under Section 151.318 from the taxes imposed by Chapter 151; and

(vii) manufacturing inventories, including finished goods.

(2) "Medical or biomedical manufacturing facility" means a facility at which a person conducts manufacturing or processing of medical or biomedical products for the purpose of development and commercialization of products to advance public health.

(b) A person is entitled to an exemption from taxation of medical or biomedical property the person owns or leases that is located in a medical or biomedical manufacturing facility that the person owns or leases.

(c) Notwithstanding Section 11.14(c), the governing body of a taxing unit may not provide for taxation of medical or biomedical property exempted under this section.

Sec. 11.42. Exemption Qualification Date.

(d) [Effective on approval by the voters of S.J.R. 87, 88th Leg., R.S.] A person who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.17, 11.18, 11.19, 11.20, 11.21, 11.23, 11.231, 11.30, or 11.36 for the applicable portion of that tax year immediately on qualification for the exemption.

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) [Effective on approval by the voters of S.J.R. 64 or S.J.R. 87, 88th Leg., R.S.] 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, 11.35, or 11.36, 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) 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.

(h-1) The chief appraiser of an appraisal district shall develop a program for the periodic review of each residence homestead exemption granted by the district under Section 11.13 to confirm that the recipient of the exemption still qualifies for the exemption. The program must require the chief appraiser to review each residence homestead exemption at least once every five tax years. The program may provide for the review to take place in phases, with a portion of the exemptions reviewed in each tax year.

(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) [Effective January 1, 2024] The form for an application under Section 11.13 must include a space for the applicant to state the applicant's date of birth and, if applicable, the date of birth of the applicant's spouse. Failure to provide the applicant's 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. Failure to provide the date of birth of the applicant's spouse does not affect the applicant's eligibility for an exemption under Section 11.13 or the applicant's spouse's eligibility for an exemption under that section, other than an exemption under Section 11.13(q) for the surviving spouse of an individual 65 years of age or older.

(m) [Effective January 1, 2024] Notwithstanding Subsections (a) and (k), if 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 becomes 65 years of age in the next tax year, the person is entitled to receive and the chief appraiser shall allow an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older in that next tax year on the same property without requiring the person to apply for or otherwise request the exemption if the person's age is 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.

(m-2) [Effective January 1, 2024] Notwithstanding Subsection (a), if a person who receives an exemption under Section 11.13(d) for an individual 65 years of age or older dies in a tax year, that person's surviving spouse is entitled to receive an exemption under Section 11.13(q) in the next tax year on the same property without applying for the exemption if:

(1) the appraisal district learns of the person's death from any source, including the death records maintained by the vital statistics unit of the Department of State Health Services or a local registration official; and

(2) the surviving spouse is otherwise eligible to receive the exemption as shown by:

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

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

(m-3) [Effective January 1, 2024] Subsection (m-2) does not apply if the chief appraiser determines that the surviving spouse 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.

CHAPTER 22

Renditions and Other Reports

Sec. 22.24. Rendition and Report Forms.

- (e) [Effective January 1, 2024] To be valid, a rendition or report must be sworn to before an officer authorized by law to administer an oath. The comptroller may not prescribe or approve a rendition or report form unless the form provides for the person filing the form to swear that the information provided in the rendition or report is true and accurate to the best of the person's knowledge and belief. This subsection does not apply to a rendition or report filed:
- 1) by a secured party, as defined by Section 22.01;
 - 2) by the property owner;
 - 3) by an employee of the property owner;
 - 4) by an employee of a property owner on behalf of an affiliated entity of the property owner; or
 - 5) on behalf of a property owner who is rendering tangible personal property used for the production of income and whose good faith estimate of the market value of that property is not more than \$150,000.

CHAPTER 23
Appraisal Methods and Procedures

Sec. 23.03. Compilation of Large Properties and Properties Subject to Limitation on Appraised or Taxable Value. [Effective January 1, 2024]

Each year the chief appraiser shall compile and send to the Texas Economic Development and Tourism Office a list of properties in the appraisal district that in that tax year:

- (1) have a market value of \$100 million or more;
- (2) are subject to a limitation on appraised value under former Subchapter B or C, Chapter 313; or
- (3) are subject to a limitation on taxable value under Subchapter T, Chapter 403, Government Code.

Sec. 23.231. Circuit Breaker Limitation on Appraised Value of Real Property Other Than Residence Homestead. [Effective January 1, 2024]

(a) In this section:

(1) "Consumer price index" means the average over a state fiscal year of the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, published monthly by the United States Bureau of Labor Statistics, or its successor in function.

(2) "Disaster recovery program" means a disaster recovery program funded with community development block grant disaster recovery money authorized by federal law.

(3) "New improvement" means an improvement to real property made after the most recent appraisal of the property that increases the market value of the property and the value of which is not included in the appraised value of the property for the preceding tax year. The term does not include repairs to or ordinary maintenance of an existing structure or the grounds or another feature of the property.

(b) This section applies only to real property with an appraised value of not more than the amount determined under Subsection (j) for the tax year in which the property first qualifies for the circuit breaker limitation authorized by this section.

(c) This section does not apply to:

- (1) a residence homestead that qualifies for an exemption under Section 11.13; or
- (2) property appraised under Subchapter C, D, E, F, G, or H.

(d) Notwithstanding the requirements of Section 25.18 and regardless of whether the appraisal office has appraised the property and determined the market value of the property for the tax year, an appraisal office may increase the appraised value of real property to which this section applies for a tax year to an amount not to exceed the lesser of:

- (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office; or
- (2) the sum of:
 - (A) 20 percent of the appraised value of the property for the preceding tax year;
 - (B) the appraised value of the property for the preceding tax year; and
 - (C) the market value of all new improvements to the property.

(e) When appraising real property to which this section applies, the chief appraiser shall:

- (1) appraise the property at its market value; and
- (2) include in the appraisal records both the market value of the property and the amount computed under

Subsection (d)(2).

(f) The circuit breaker limitation provided by Subsection (d) takes effect as to a parcel of real property on January 1 of the tax year following the first tax year in which the owner owns the property on January 1. The circuit breaker limitation expires on January 1 of the tax year following the tax year in which the owner of the property ceases to own the property.

(g) For purposes of Subsection (f), a person who acquired real property to which this section applies before the 2023 tax year is considered to have acquired the property on January 1, 2023.

(h) Notwithstanding Subsections (a) and (d) and except as provided by Subdivision (2) of this subsection, an improvement to real property that would otherwise constitute a new improvement is not treated as a new improvement if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage. For purposes of appraising the property under Subsection (d) in the tax year in which the structure would have constituted a new improvement:

- (1) the appraised value the property would have had in the preceding tax year if the casualty or damage had not occurred is considered to be the appraised value of the property for that year, regardless of whether that appraised value exceeds the actual appraised value of the property for that year as limited by Subsection (d); and
- (2) the replacement structure is considered to be a new improvement only if:
 - (A) the square footage of the replacement structure exceeds that of the replaced structure as that structure existed before the casualty or damage occurred; or
 - (B) the exterior of the replacement structure is of higher quality construction and composition than that of the replaced structure.

(i) Notwithstanding Subsection (h)(2), and only to the extent necessary to satisfy the requirements of a disaster recovery program, a replacement structure described by that subdivision is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that:

(1) the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

(j) For the purpose of Subsection (b), for the 2024 tax year, the amount is \$5 million. For the 2025 tax year, the comptroller shall determine the amount for purposes of Subsection (b) by increasing or decreasing, as applicable, the amount in effect for the 2024 tax year by an amount equal to \$5 million multiplied by the percentage increase or decrease during the preceding state fiscal year in the consumer price index. For each subsequent tax year, the comptroller shall determine the amount for purposes of Subsection (b) by increasing or decreasing, as applicable, the amount in effect for the preceding tax year by an amount equal to that amount multiplied by the percentage increase or decrease during the preceding state fiscal year in the consumer price index, rounded to the nearest \$10,000. The comptroller shall publish the amount in effect for a tax year under this subsection as soon as practicable after January 1 of the tax year.

(k) This section expires December 31, 2026.

Sec. 23.51. Definitions

(4) [Effective January 1, 2024] "Net to land" means the average annual net income derived from the use of open-space land that would have been earned from the land during the five-year period preceding the year before the appraisal by an owner using ordinary prudence in the management of the land and the farm crops or livestock produced or supported on the land and, in addition, any income received from hunting or recreational leases. The chief appraiser shall calculate net to land by considering the income that would be due to the owner of the land under cash lease, share lease, or whatever lease arrangement is typical in that area for that category of land, and all expenses directly attributable to the agricultural use of the land by the owner shall be subtracted from this owner income and the results shall be used in income capitalization. In calculating net to land, a reasonable deduction shall be made for any depletion that occurs of underground water used in the agricultural operation. In this subdivision, "wildlife or livestock disease or pest area" means an area designated by a state agency as an area in which a disease or pest that affects wildlife or livestock exists or may exist, including a chronic wasting disease containment or surveillance zone and an area subject to a quarantine authorized by Subtitle C, Title 6, Agriculture Code. In calculating net to land of open-space land located in or adjacent to a wildlife or livestock disease or pest area, the chief appraiser shall take into consideration the effect that the presence of the applicable disease or pest or the designation of the area has on the net income from the land. For land that qualifies under Subdivision (7) for appraisal under this subchapter, the chief appraiser may not consider in the calculation of net to land the income that would be due to the owner under a hunting or recreational lease of the land.

Sec. 23.54. Application.

(e-1) [Effective January 1, 2024] For purposes of Subsection (e), ownership of the land is not considered to have changed if ownership of the land is transferred from the former owner to the surviving spouse of the former owner.

Sec. 23.541. Late Application for Appraisal As Agricultural Land.

(a) The chief appraiser shall accept and approve or deny an application for appraisal under this subchapter after the deadline for filing it has passed if it is filed before approval of the appraisal records by the appraisal review board.

(a-1) Notwithstanding Subsection (a), the chief appraiser shall accept and approve or deny an application for appraisal under this subchapter after the deadline for filing the application has passed if:

(1) the land that is the subject of the application was appraised under this subchapter in the preceding tax year;

(2) the ownership of the land changed as a result of the death of an owner of the land during the preceding tax year; and

(3) the application is filed not later than the delinquency date for the taxes on the land for the year for which the application is filed by:

(A) the surviving spouse or a surviving child of the decedent;

(B) the executor or administrator of the estate of the decedent; or

(C) a fiduciary acting on behalf of the surviving spouse or a surviving child of the decedent.

(b) If appraisal under this subchapter is approved when the application is filed late, the owner is liable for a penalty of 10 percent of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value. The penalty prescribed by this subsection does not apply to a late application filed under Subsection (a-1).

(c) The chief appraiser shall make an entry on the appraisal records indicating the person's liability for the penalty and shall deliver written notice of imposition of the penalty, explaining the reason for its imposition, to the person.

(d) The tax assessor for a taxing unit that taxes land based on an appraisal under this subchapter after a late application shall add the amount of the penalty to the owner's tax bill, and the tax collector for the unit shall collect the

penalty at the time and in the manner he collects the tax. The amount of the penalty constitutes a lien against the property against which the penalty is imposed, as if it were a tax, and accrues penalty and interest in the same manner as a delinquent tax.

CHAPTER 25

Local Appraisal

Sec. 25.025. Confidentiality of Certain Home Address Information.

(a) [Effective January 1, 2025] This section applies only to:

(1) a current or former peace officer as defined by Article 2A.001, 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 2A.001, 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 2A.002(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 or are performed under Chapter 231, Family Code;

(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; (26) a firefighter or volunteer firefighter or emergency medical services personnel as defined by Section 773.003, Health and Safety Code;

(27) [As added by Acts 2023, 88th Leg., ch 76, § 1] a customs and border protection officer or border patrol agent of United States Customs and Border Protection or the spouse, surviving spouse, or adult child of a customs and border protection officer or border patrol agent

(27) [As added by Acts 2023, 88th Leg., ch. 937, § 1] a current or former attorney for the Department of Family and Protective Services

(27) [As added by Acts 2023, 88th Leg., ch 430, § 1] a current or former employee or contract staff member of a university health care provider at a corrections facility operated by the Texas Department of Criminal Justice or the Texas Juvenile Justice Department; and

(28) a current or former attorney for the Department of Family and Protective Services.

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) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.; effective January 1, 2024; effective until January 1, 2027] 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;

(4-a) a statement of whether the property qualifies for the circuit breaker limitation on appraised value provided by Section 23.231;

(5) 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) a detailed explanation of the time and procedure for protesting the value;

(7) the date and place the appraisal review board will begin hearing protests;

(8) 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 by Acts 2019, 86th Leg., ch. 944 (S.B. 2), § 91(4), effective January 1, 2020.

(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.

(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) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.; effective January 1, 2024; effective until January 1 2027] 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;
 - (2-a) a statement of whether the property qualifies for the circuit breaker limitation on appraised value provided by Section 23.231;
 - (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 protest.
- (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)(6) 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.
- (l-1) [Effective January 1, 2024] A notice required by Subsection (a) or (g) must include the notice required by Section 26.04(e-2).
- (m) 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) 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.
- (o) [Effective January 1, 2024] A notice required under Subsection (a) or (g) to be delivered to the owner of real property other than a single-family residence that qualifies for an exemption under Section 11.13 must include the following statement: "Under Section 23.231, Tax Code, for the 2024, 2025, and 2026 tax years, the appraised value of real property other than a residence homestead for ad valorem tax purposes may not be increased by more than 20 percent each year, with certain exceptions. The circuit breaker limitation provided under Section 23.231, Tax Code, expires December 31, 2026. Unless this expiration date is extended by the Texas Legislature, beginning in the 2027 tax year, the circuit breaker limitation provided under Section 23.231, Tax Code, will no longer be in effect and may result in an increase in ad valorem taxes imposed on real property previously subject to the limitation." This subsection expires December 31, 2027.

Sec. 25.192. Notice of Residence Homestead Exemption Eligibility.

- (d) [Effective January 1, 2024] The notice required by this section must be sent separately from any other notice sent to the property owner by the chief appraiser.

Sec. 25.193. Notice of Certain Canceled or Reduced Exemptions.

(b) [Effective January 1, 2024] The notice required by this section must be sent 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. 25.195. Inspection by Property Owner.

(a) After the chief appraiser has submitted the appraisal records to the appraisal review board as provided by Section 25.22(a), a property owner or the owner's designated agent is entitled to inspect and copy the appraisal records relating to property of the property owner, together with supporting data, schedules, and, except as provided by Subsection (b), any other material or information held by the chief appraiser or required by Section 25.01(c) to be provided to the appraisal district under a contract for appraisal services, including material or information obtained under Section 22.27, that is obtained or used in making appraisals for the appraisal records relating to that property.

(a-1) [Effective January 1, 2024] On request by a property owner or the designated agent of an owner, a chief appraiser shall provide electronically or by mail at the address designated by the property owner or agent, as applicable and in accordance with Section 1.085, a copy of the records, supporting data, schedules, and other material and information the owner or agent is entitled to inspect and copy under Subsection (a). A chief appraiser may not impose a fee for providing a copy of records, supporting data, schedules, or other material or information under this subsection.

(b) The owner of property other than vacant land or real property used for residential purposes or the owner's agent may not inspect any material or information obtained under Section 22.27.

(c) A property owner or the designated agent of an owner whose property is appraised by a private appraisal firm under a contract for appraisal services with an appraisal district is entitled to inspect and copy, at the office of that firm, all information pertaining to the property that the firm considered in appraising the property, including information showing each method of appraisal used to determine the value of the property and all calculations, personal notes, correspondence, and working papers used in appraising the property. This subsection does not apply to information made confidential by Section 22.27, except that the property owner or agent is entitled to inspect and copy any information relating to the owner's property, including otherwise confidential information.

(c-1) [Effective January 1, 2024] On request by a property owner or the designated agent of an owner, a private appraisal firm shall provide electronically or by mail at the address designated by the property owner or agent, as applicable and in accordance with Section 1.085, a copy of the information the owner or agent is entitled to inspect and copy under Subsection (c). A private appraisal firm may not impose a fee for providing a copy of information under this subsection.

(d) [Effective January 1, 2024] The appraisal firm shall make information covered by Subsection (c) available for inspection and copying by the owner or agent or provide the information as required by Subsection (c-1), as applicable, not later than the 15th day after the date the owner or agent delivers a written request to inspect or receive a copy of the information, unless the owner or agent agrees in writing to a later date.

(e) [Effective January 1, 2024] If an owner or agent states under oath in a document filed with an appraisal review board in connection with a proceeding initiated under Section 25.25 or Chapter 41 that the applicable appraisal firm has not complied with a request for inspection or copying under Subsection (c) or a request to receive a copy of information under Subsection (c-1) related to the property that is the subject of the proceeding, the board may not conduct a hearing on the merits of any claim relating to that property and may not approve the appraisal records relating to that property until the board determines in a hearing that:

- (1) the appraisal firm has made the information available for inspection and copying as required by Subsection (c) or has provided the information as required by Subsection (c-1), as applicable; or
- (2) the owner or agent has withdrawn the motion or protest that initiated the proceeding.

Sec. 25.23. Supplemental Appraisal Records.

(a-1) This subsection applies only to the appraisal records for the 2023 tax year. The chief appraiser shall prepare supplemental appraisal records to account for the changes in law made by S.B. 2, Acts of the 88th Legislature, 2nd Called Session, 2023. This subsection expires December 31, 2024.

CHAPTER 41
Local Review

Sec. 41.13. Protest Hearing Database. [Effective January 1, 2024]

(a) The chief appraiser of each appraisal district shall create and maintain a publicly available and searchable Internet database that contains information regarding protest hearings conducted by the appraisal review board established for the district.

(b) For each protest hearing conducted by the appraisal review board, the database must contain:

- (1) the name of each board member who attended the hearing;
- (2) the date and time of the hearing;
- (3) the account number and category for the property that was the subject of the hearing;
- (4) the appraised value according to the appraisal district and the property owner's asserted value of the property that was the subject of the hearing; and
- (5) the board's determination of the protest, including the board's determination of the value of the property if the hearing was to consider a protest regarding appraised value.

(c) The chief appraiser shall update the database not later than October 1 of each year.

(d) Beginning on January 1, 2025, the database shall include information for protests relating to the most recent tax year and each tax year thereafter until the database includes information for protests relating to the most recent five tax years.

(e) Beginning on January 1, 2030, the database shall include information for protests relating to the previous five tax years.

Sec. 41.41. Right of Protest.

a) [Effective on approval by the voters of H.J.R. 2, 88th Leg., 2nd C.S.; effective January 1, 2024] 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;

(4-a) determination that the owner's property does not qualify for the circuit breaker limitation on appraised value provided by Section 23.231;

(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; Sec. 41.411 PROPERTY TAX CODE 306

(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.

Sec. 41.45. Hearing on Protest.

(b-4) 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.

Sec. 41.46. Notice of Protest Hearing.

(a) [Effective January 1, 2024] 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;

(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; and

(4) the notice required by Section 26.04(e-2).

(e) [Effective January 1, 2024] Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(3), effective January 1, 2024.

Sec. 41.461. Notice of Certain Matters Before Hearing; Delivery of Requested Information.

(c) [Effective January 1, 2024] 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) electronically, if the property owner or agent of the owner has elected to receive electronic communications from the chief appraiser 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.

Sec. 41.47. Determination of Protest.

(d) [Effective January 1, 2024] The board shall deliver electronically, if the property owner or agent of the owner has elected to receive electronic communications under Section 1.085, or 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, 2024] Repealed by Acts 2023, 88th Leg., ch. 680 (H.B. 1228), § 9(4), effective January 1, 2024.

Sec. 41.66. Hearing Procedures.

(q) [Effective January 1, 2024] 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 refer the matter to the local administrative district judge with a recommendation that the judge 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. If the local administrative district judge agrees with the board's recommendation, the judge shall remove the chairman from that office and appoint another member of the appraisal review board as chairman.

CHAPTER 41A

Appeal Through Binding Arbitration

Sec. 41A.015. [Effective January 1, 2024] Limited Binding Arbitration to Compel Compliance with 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) [Effective January 1, 2024] comply with the hearing procedures adopted by the appraisal review board under Section 41.01(c) and 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).

Sec. 41A.03. Request for Arbitration.

(a) [Effective January 1, 2024] To appeal an appraisal review board order under this chapter, a property owner must file with the comptroller not later than the 60th day after the date the property owner receives notice of the order:

(1) a completed request for binding arbitration under this chapter in the form prescribed by Section 41A.04; and

(2) an arbitration deposit in the amount of:

(A) \$450, if the property qualifies as the 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 order;

(B) \$500, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$800, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,050, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,550, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

(a-1) If a property owner requests binding arbitration under this chapter to appeal appraisal review board orders involving two or more contiguous tracts of land that are owned by the property owner, a single arbitration deposit in the amount provided by Subsection (a)(2) is sufficient to satisfy the requirement of Subsection (a)(2). For purposes of this subsection, "contiguous tracts of land" means improved or unimproved tracts of land that are touching or that share a common boundary, as determined using appraisal district records or legal descriptions of the tracts.

(b) A property owner who fails to strictly comply with this section waives the property owner's right to request arbitration under this chapter. A property owner who appeals an appraisal review board order determining a protest concerning the appraised or market value, as applicable, of the owner's property under Chapter 42 waives the owner's right to request binding arbitration under this chapter regarding the value of that property. An arbitrator shall dismiss any pending arbitration proceeding if the property owner's rights are waived under this subsection.

(c) [Effective January 1, 2024] If a property owner files a request for binding arbitration through an electronic system, the property owner must pay the arbitration deposit required by Subsection (a) through the electronic system.

(d) [Effective January 1, 2024] If a property owner does not file a request for binding arbitration through an electronic system, the property owner must pay the arbitration deposit required by Subsection (a) by check or money order made payable to the comptroller or by another form of payment acceptable to the comptroller.

Sec. 41A.04. Contents of Request Form. [Effective January 1, 2024]

The comptroller by rule shall prescribe the form of a request for binding arbitration under this chapter. The form must require the property owner to provide only:

(1) a brief statement that explains the basis for the property owner's appeal of the appraisal review board order;

(2) a statement of the property owner's opinion of the appraised or market value, as applicable, of the property that is the subject of the appeal; and

(3) any other information reasonably necessary for the comptroller to process the request and appoint an arbitrator.

Sec. 41A.05. Processing of Registration Request.

(a) [Effective January 1, 2024] Not later than the 10th day after the date an appraisal district receives notification that a request for binding arbitration has been filed, the appraisal district shall, in the manner prescribed by the comptroller, provide to the comptroller any information reasonably necessary for the comptroller to process the request and appoint an arbitrator.

Sec. 41A.08. Notice and Hearing; Representation of Parties.

(c) [Effective January 1, 2024] The designation of an agent by a property owner under this section must be made by written authorization on a form prescribed by the comptroller and signed by the property owner or an authorized individual other than an agent designated under Section 1.111. The designation must authorize the agent to represent

the owner in an arbitration proceeding under this chapter. The designation takes effect when the property owner or authorized individual signs the form.

(d) [Effective January 1, 2024] A property owner's agent shall retain the form described by Subsection (c) and shall produce the form immediately upon request from:

- (1) the property owner or authorized individual described by Subsection (c);
- (2) the appraisal district that is party to the arbitration under this chapter;
- (3) the appraisal review board that is party to the arbitration under this chapter;
- (4) the arbitrator assigned to the arbitration under this chapter; or
- (5) the comptroller.

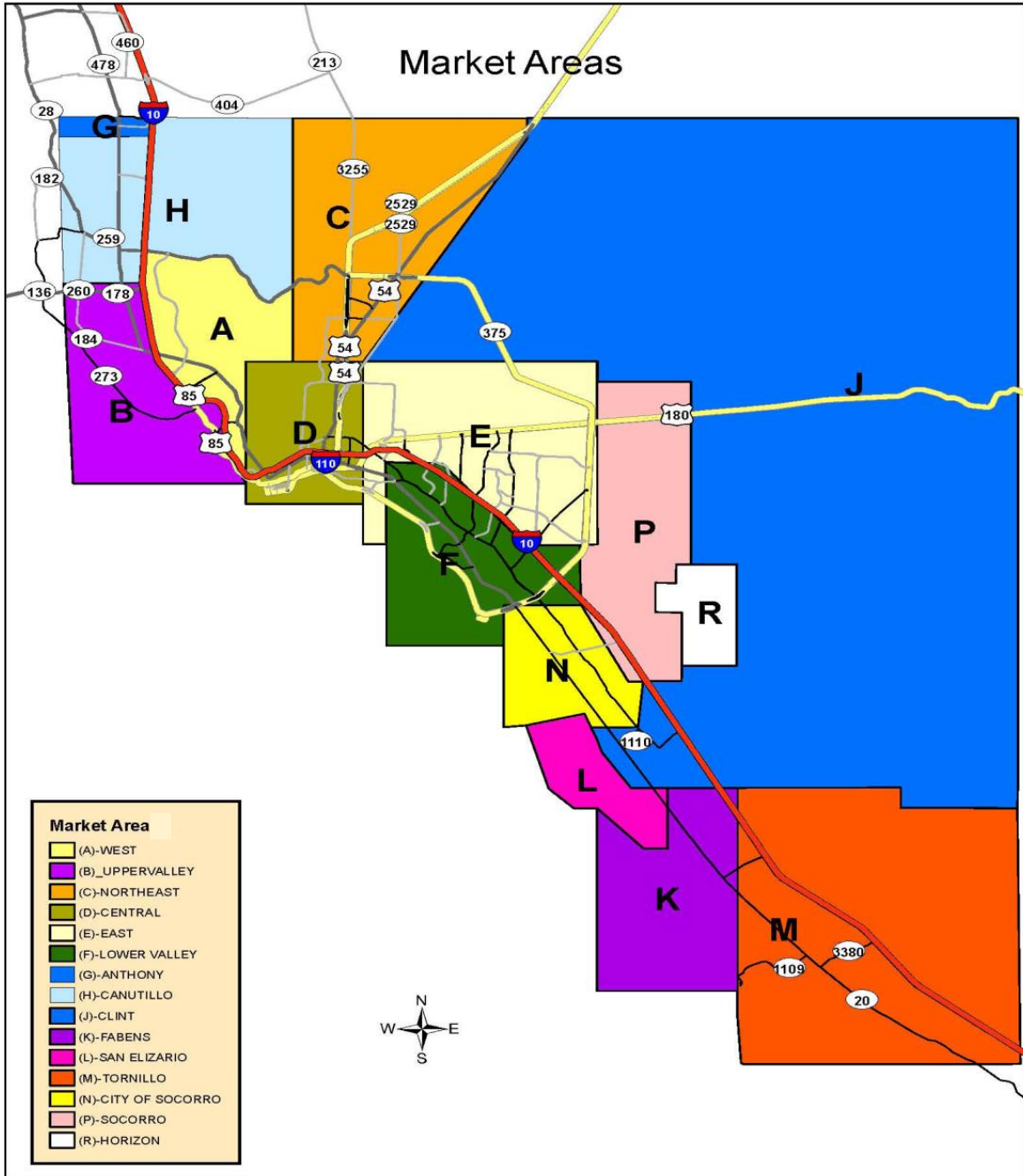
(e) [Effective January 1, 2024] Notwithstanding any other law, a property owner may assign to an agent or entity the property owner's right to receive a refund of an arbitration deposit. An assignment under this subsection must be made in writing on a form prescribed by the comptroller.

Sec. 41A.11. Postappeal Administrative Procedures. [Effective until January 1, 2024]

An arbitration award under this chapter is considered to be a final determination of an appeal for purposes of Subchapter C, Chapter 42.

Appendix B: Market Areas

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



Appendix C: Neighborhoods

Residential Neighborhoods

A016900000	AC34019270	AC84812350	AH59831280	AO12023625	AS37307340	AT95727675
A02MH00000	AC53909825	AC94212220	AK21600000	AO12023725	AS37308355	AV44010850
A199400000	AC53911800	AC97614240	AK21610673	AP32700000	AS37500000	AV66200000
AA09016210	AC53914841	AC97900000	AK21612300	AP32716860	AS38008280	AV83723210
AA12200000	AC53915700	AC97914450	AK21612380	AP32718425	AS38008375	AV87920440
AA47008460	AC54009575	AC97914560	AK22033190	AP32718800	AS38009375	AW13600000
AA49116210	AC54011575	AC97926560	AL01100000	AP32718850	AS38010375	AW14506350
AA69806280	AC54208600	AD31813875	AL03500000	AP32718900	AS43000000	AW14508215
AB19000000	AC54508600	AD46110280	AL07008600	AP32729425	AS43001630	AW14509325
AB20105500	AC54611575	AD46507500	AL21211265	AP32729800	AS43001660	AW14509350
AB36509430	AC71400000	AD48200000	AL22435725	AP58804275	AS43100000	AW14510400
AB70200000	AC71420660	AD48500000	AL62414170	AP78314230	AS43101630	AW14513325
AB80008160	AC76500000	AD48520550	AL62608450	AP85337990	AS43200000	AW15703700
AC00131355	AC76502450	AD50015300	AL62610500	AR29809400	AS43201630	AX13000000
AC00702115	AC79000000	AE91500000	AL62611500	AR33009250	AS49011995	AX13035160
AC00714310	AC79511290	AE94000000	AL71400000	AR33714225	AS49013130	AX13500000
AC00717400	AC80100000	AE95722630	AL71409650	AR34000000	AS49016475	AX21000000
AC00807450	AC80108655	AF16900000	AL78100000	AR34311850	AS49016550	AX21100000
AC00900000	AC80109750	AF16901630	AM32711280	AR45719175	AS49033550	AX211CM000
AC01800000	AC80126340	AF16909200	AM32837250	AR45727175	AS52801160	AX21200000
AC01900000	AC80131340	AF16917325	AM34400000	AR46008310	AS61800000	AX21300000
AC02100000	AC80131450	AF26810600	AM34407360	AR46009310	AS62100000	AX21400000
AC21400000	AC80131625	AF28228400	AM34408360	AR46009400	AS85508920	AX21500000
AC21405800	AC80231340	AF31511180	AM34426280	AR46010310	AS97906882	AX21600000
AC21422320	AC80231730	AF31511220	AM34431280	AR46010400	AS97908255	AX21700000
AC31930280	AC80911215	AF55000000	AM34500000	AR46013380	AS97920400	AX21900000
AC34008280	AC80916200	AF60908650	AM34818225	AR46014260	AS99123440	AX22400000
AC34009430	AC80916210	AF60908700	AM39014490	AR46014340	AS99132340	AX23600000
AC34010410	AC80918340	AF60910800	AM57600000	AR46014360	AS99500000	AX23700000
AC34011280	AC81116210	AF60912650	AM57623210	AR46014400	AT20810575	AX24200000
AC34012280	AC81200000	AF60912850	AM64900000	AR46015320	AT20811575	AX24400000
AC34013300	AC81325440	AF60913450	AM64903000	AR46021320	AT20900000	AX25400000
AC34013385	AC81512440	AF60914700	AM74000000	AR46024355	AT21016550	AX25600000
AC34013450	AC81811180	AF60916700	AM79118500	AR46025275	AT21308375	AX25700000
AC34013550	AC81811230	AF60918800	AM79126400	AR70836625	AT21313350	AX25800000
AC34014260	AC81816230	AF61218800	AM79126670	AR87404450	AT21613320	AX25900000
AC34014290	AC81820230	AF82800000	AM79816565	AS06927560	AT21613375	AX25914250
AC34014300	AC82313230	AG15700000	AM80000000	AS06933625	AT25109220	AX25916250
AC34014365	AC83411440	AH41005550	AM81508500	AS10200000	AT25200000	AX25931250
AC34014500	AC83412440	AH41512325	AM86200000	AS10216210	AT25426525	AX26000000
AC34014600	AC83728390	AH45412400	AM94608255	AS17109220	AT25918340	AX26200000
AC34016260	AC84011220	AH45414350	AN09900000	AS33016280	AT26216340	AX26400000
AC34016340	AC84014200	AH45414400	AN48000000	AS33212280	AT26600000	AX26500000
AC34016550	AC84400000	AH45428320	AN60000000	AS33215595	AT28115265	AX26600000

Residential Neighborhoods Continued

AX26800000	BC63119450	BJ65200000	BM77906535	BS15910370	BV84507700	C022300000
AX268CM000	BC67527180	BJ65900000	BM86237070	BS32421600	BV85216210	C022400000
AX29800000	BC67827180	BJ65909170	BM92900000	BS43400000	BV85614240	C022500000
AX37200000	BC73313190	BJ66800000	BM92924100	BS55916425	BV88431340	C022600000
AX58200000	BC73606340	BJ66816140	BO16416200	BS55922425	BV89031180	C022700000
B003B00000	BC73616225	BK40831180	BO19700000	BS56324330	BV89520210	C022800000
B003S00000	BC74900000	BK63500000	BO20032450	BS56416450	BV90200000	C023000000
B00MH00000	BC84631150	BL01116050	BO40424435	BS61722245	BV90632600	C023400000
B01MH00000	BC86500000	BL06909225	BO41500000	BS68832215	BV95519250	C023500000
B02MH00000	BC86831180	BL07127175	BP01306160	BS81407350	BW01031150	C027500000
B03MH00000	BC87000000	BL07627175	BP5931612	BS81407425	BW1000000	C028300000
B04MH00000	BC87500000	BL13017525	BP66900000	BS82400000	BW11900000	C028600000
B081600000	BC87733880	BL13117525	BP85900000	BS82436100	BW13506535	C028700000
B082100000	BC88135180	BL21031440	BP85918230	BS82706160	BW14413220	C028800000
B082300000	BC88226250	BL21400000	BP85926095	BS98707500	BW14416180	C028900000
B082400000	BC88300000	BL21436400	BP88711250	BS98709425	BW18117325	C029900000
B082500000	BC88326250	BL21612160	BP90816210	BS98709500	BW18632150	C02MH00000
B082600000	BC96116150	BL36400000	BP92936225	BS98831575	BW18700000	C030200000
B082700000	BD69032075	BL40000000	BQ67032110	BT12328270	BW19519150	C037100000
B082800000	BD88010250	BL70416210	BQ70033285	BT12924275	BW42231180	C03MH00000
B199300000	BE06731350	BL71123195	BR23100000	BT13400000	BW56412260	C047700000
B199400000	BE22724060	BL71235140	BR23335150	BT13402965	BW83731180	C048900000
B95MH00000	BE36034155	BL76900000	BR23500000	BT13406625	BX00300000	C04MH00000
B96MH00000	BE38237210	BL76906200	BR23836185	BT20521650	BX09100000	C054700000
B97MH00000	BE75031350	BL76912185	BR30518900	BT22000000	BX18500000	C054800000
B99MH00000	BE76027200	BL76912900	BR33009200	BT23000000	BX18508180	C054900000
BA49214400	BE80000000	BL76917130	BR52331190	BT24800000	BX18535040	C055000000
BA51200000	BE82020180	BL76917145	BR53420260	BT248CM000	BX18600000	C055400000
BA53432625	BE93530229	BL76935090	BR54732180	BT25006310	BX23700000	C059900000
BA76713588	BF84131150	BL769CM000	BR54806900	BT34000000	BX24000000	C060000000
BA87031340	BG13130600	BL77033525	BR54814900	BT64508200	BX24100000	C060200000
BB19600000	BG15000000	BL77735235	BR55234481	BT81800000	BX24120140	C060300000
BB37100000	BG40032100	BM08535115	BR57012170	BT83800000	BX24300000	C060400000
BB55500000	BG68800000	BM13012170	BR57231360	BU81900000	BX26500000	C063500000
BB55506150	BG68826095	BM13512170	BR57432215	BU81923195	BX265CM000	C066100000
BB69000000	BG70811250	BM14112170	BR57607385	BU81927175	BX26600000	C066200000
BB69006320	BG77032425	BM48031340	BR57611385	BU81931150	BX26700000	C066600000
BB69010290	BG77033180	BM70900000	BR57618385	BU81933130	BX43200000	C068100000
BB69616800	BH01315450	BM709CM000	BR57723350	BU82317270	BX58000000	C068400000
BB70026275	BH10300000	BM71300000	BR57831250	BU82319260	C005800000	C068500000
BB74000000	BH10335100	BM71800000	BR57833550	BU82321250	C007300000	C068600000
BB74230175	BH14000000	BM72200000	BR58000000	BU82324190	C008600000	C068700000
BB74616500	BH14022150	BM73500000	BR58020150	BV12731175	C00MH00000	C068800000
BC07009450	BH15600000	BM74035100	BR58432481	BV13817600	C011200000	C068900000
BC08530425	BH29020550	BM76000000	BR70134100	BV13820600	C01MH00000	C081600000
BC08533700	BH80400000	BM76008125	BR85400000	BV14600000	C020400000	C081800000
BC16731155	BH8072016	BM76407425	BR87500000	BV41835100	C020800000	C081900000
BC16831150	BH80900000	BM76513250	BS04000000	BV63617500	C021000000	C082000000
BC16900000	BI90200000	BM76931350	BS04805160	BV66620450	C021808375	C082100000
BC3500150	BJ18817700	BM76931395	BS15900000	BV66720500	C022100000	C082200000

Residential Neighborhoods Continued

C082300000	CD32700000	CM39506550	CP32414190	CS82001475	D082600000	DF71600000
C082400000	CD32706575	CM39507550	CP32414195	CS82005290	D082800000	DF71610160
C082500000	CD36109100	CM42500000	CP35826220	CS91215260	D199300000	DG07919260
C082600000	CD36109180	CM42510200	CP44800000	CS91715225	D199400000	DG12600000
C082700000	CD38711260	CM58009230	CP44807640	CS92212180	D361K0A14	DG48008180
C082800000	CD41508250	CM79911225	CP45006225	CS92212250	D97MH00000	DG53700000
C199300000	CD44408260	CM80300330	CP45007225	CS95908260	D98MH00000	DG53706220
C199400000	CD46300000	CM80320225	CP60506270	CS96907550	D99MH00000	DG56900000
C539R09825	CD46304210	CM80321125	CP85000000	CT11609165	DA43831075	DG56908180
C539R19841	CD46600000	CM80325330	CP85031125	CT17208200	DA45108220	DG56908210
C95MH00000	CD46606200	CM80626145	CP86308275	CT28308650	DA45205230	DG56933150
C96MH00000	CD47208260	CM82000000	CP86308325	CT49011225	DA46200000	DG68600000
C97MH00000	CD47618500	CM82027225	CP86311300	CT52710190	DA46208220	DG68608185
C98MH00000	CD47915260	CM82031225	CP86312245	CT53000000	DA46208460	DG68608220
C99MH00000	CD55414130	CM82500000	CP86313200	CT70608595	DA46208916	DH03616140
CA64008225	CD67209200	CM82505325	CP87205675	CT81012205	DA47000000	DH04208180
CA64110350	CD77510260	CM84210260	CQ50910165	CV88510180	DA47008220	DH08707200
CA64200220	CE11411200	CM85100000	CQ52611430	CV88607550	DA49008180	DH13200000
CA64209200	CE23707260	CM85109150	CR26021370	CV95014350	DA52008220	DH21100000
CA64210200	CF16712215	CM87810260	CR32507400	CW40309250	DB20200000	DH42119260
CA64212180	CF16712250	CM88909130	CR69608260	CX00100000	DB30008180	DH45308220
CA70009200	CF17007400	CM88909175	CR70607500	CX27700000	DB30508180	DH45308465
CA70010200	CF63406500	CM89509330	CS00000000	CX58000000	DB49700000	DH50110200
CA75000000	CF63509450	CM89513450	CS03300000	CX58100000	DB55200000	DH58900000
CB34809180	CF95000000	CM89516150	CS03310085	CX58108125	DB55205180	DH58908180
CB35101250	CF95014060	CM89516330	CS03310150	CX58112245	DB72408180	DH69100000
CB35105195	CF95014100	CM99612200	CS13706550	CX58116150	DC05000000	DH86310160
CB35109145	CG43111200	CN09514350	CS13707550	CY90600000	DC05006400	DH86710160
CB35113125	CG65708200	CN21700000	CS13807600	CY90608140	DC17506220	DJ19710200
CB47332225	CG68890377	CN42508280	CS14107854	D001600000	DC23008230	DK98208180
CB75109130	CG70619250	CN42508320	CS15616475	D001900000	DC23011250	DL02431300
CC0670412	CG80013225	CN42509320	CS15716475	D006300000	DC36008180	DL31408180
CC11210260	CH09809125	CN42512255	CS16109200	D007200000	DC48908185	DL44700000
CC20304250	CH41207676	CN42514300	CS16208200	D00MH00000	DC61926085	DL44708150
CC23107275	CH41700000	CN42514425	CS16209200	D021200000	DC62210150	DL44708180
CC23107375	CH41710330	CN42519255	CS36308200	D028800000	DC63000000	DL68110225
CC23112230	CH75510260	CN46012250	CS36918330	D02MH00000	DC84506180	DL72000000
CC23114270	CH76004170	CN46312200	CS49109350	D037000000	DC84900000	DL72100000
CC23200000	CH93109260	CN46709350	CS50211155	D03MH00000	DC84906220	DL79134300
CC39800000	CJ20015260	CN47108200	CS54600000	D042000000	DD34609190	DM02800000
CC73709200	CL00000000	CN49007180	CS54609150	D04MH00000	DD53908160	DM02808400
CC74100000	CL12900000	CN49010180	CS62910145	D054800000	DE01400000	DM03200000
CC74109200	CL19008225	CO21309250	CS63106155	D069000000	DE01406220	DM03208400
CC74206350	CL78908165	CP08005285	CS67005210	D081800000	DE31100000	DM05608220
CC76206220	CM10809225	CP08107350	CS77503210	D081900000	DE33807180	DM05608300
CC76206250	CM15909145	CP08207350	CS77506190	D082000000	DE34506200	DM11300000
CC79309225	CM22610160	CP31211250	CS78208420	D082100000	DE41605125	DM18119260
CD04710220	CM29909180	CP32414110	CS80800000	D082200000	DF52409225	DM29600000
CD06015260	CM32210155	CP32414130	CS80806210	D082300000	DF60700000	DM29613230
CD32317250	CM32210260	CP32414155	CS81610200	D082500000	DF60706220	DM29619215

Residential Neighborhoods Continued

EV89313180	EV89721300	F082100000	FB38828085	FD47411260	FH33309180	FL51613190
EV89313250	EV89736130	F082200000	FB64909150	FD47800000	FH36909195	FL52110190
EV89313305	EV92706300	F082300000	FB68000000	FD76131100	FH41310180	FL52610190
EV89313385	EV92707270	F082400000	FB68009145	FD89620090	FH54004400	FL53110190
EV89314220	EV92707520	F082500000	FB68031095	FE29903300	FH54007280	FL53610190
EV89314225	EV92716525	F082600000	FB68500000	FE29932132	FH74310200	FL54111190
EV89314250	EW12311220	F082700000	FB68509150	FE39009180	FH74815200	FL54710190
EV89314355	EW38211165	F082800000	FB68527085	FE73610190	FH85900000	FL55309190
EV89315230	EW81300000	F199300000	FB68531085	FE73800000	FH85912140	FL58411200
EV89315250	EW81308130	F199400000	FB68908180	FE88006085	FH85931100	FL60031080
EV89315375	EW81308205	F95MH00000	FC08014090	FE88006305	FI25208155	FL63908200
EV89315405	EX01310180	F96MH00000	FC11806300	FE88009180	FI25409180	FL64711180
EV89316230	EX01316180	F97MH00000	FC11809180	FE88009230	FI25709200	FL66013115
EV89316260	EX04509135	F98MH00000	FC13104300	FE95308180	FJ01010185	FL92000000
EV89316270	EX57900000	F99MH00000	FC15311125	FE95529120	FJ20326140	FL92005242
EV89316325	EZ00910075	FA06000000	FC15331125	FF17100000	FJ27200000	FL92005310
EV89316385	F001000000	FA16907115	FC15711125	FF20000000	FJ27208180	FL92005325
EV89317250	F001100000	FA17100000	FC16000000	FF33031065	FK21205290	FL95000000
EV89319230	F001700000	FA46126070	FC16510200	FF61300000	FK36400000	FL96500000
EV89319270	F005100000	FA46300000	FC24912200	FF61309200	FK43026140	FL97708200
EV89319335	F005600000	FA47508200	FC27026140	FF61311200	FK44006230	FL98108200
EV89319520	F005800000	FA48209180	FC30109180	FF62631100	FL05000000	FM06208180
EV89320435	F005900000	FA49607200	FC42016090	FF66009180	FL06411180	FM08310180
EV89320520	F006900000	FA50007200	FC45400000	FF76308180	FL12226100	FM09006335
EV89320675	F007700000	FA50507200	FC45413065	FF76700000	FL12500000	FM09008310
EV89322350	F007800000	FA51007200	FC55110180	FF76731065	FL12526100	FM09509180
EV89324360	F008000000	FA53816090	FC57231065	FF85631080	FL14409180	FM09700000
EV89324750	F008700000	FA63016110	FC57531065	FF86823095	FL14709180	FM09809220
EV89326280	F008900000	FA68714160	FC72500000	FF91316085	FL15109180	FM11108180
EV89326320	F00MH00000	FA68731100	FC72712100	FF93100000	FL15409180	FM11231065
EV89700000	F013300000	FA69900000	FC72908200	FF93114210	FL15809180	FM21900000
EV89705280	F013400000	FA69908200	FC73100000	FG05100000	FL19300000	FM23826140
EV89706240	F01MH00000	FA76500000	FC73106200	FG13014210	FL19316090	FM28231055
EV89707250	F026000000	FA76509035	FC73108235	FG17011200	FL19809200	FM282CM000
EV89707280	F027100000	FA76510120	FC73109130	FG21200000	FL19916400	FM32009190
EV89707305	F028800000	FA76510190	FC73116100	FG36631130	FL20109200	FM38015130
EV89708280	F02MH00000	FA76511200	FC73200000	FG36709150	FL20409200	FM38629115
EV89708290	F031600000	FA76515450	FC73209200	FG70706340	FL20709150	FM40605475
EV89709280	F031700000	FA76516035	FC73409200	FG71010180	FL21137140	FM45211150
EV89710220	F03MH00000	FA76516200	FC75208095	FG71400000	FL21706200	FM54010200
EV89710340	F042600000	FA76529035	FC78909150	FG71416080	FL21709200	FM54809180
EV89712350	F04MH00000	FA79207500	FC83500000	FG71804305	FL21900000	FM57907300
EV89713300	F060700000	FA79406240	FC83531105	FG73312095	FL22308110	FM65109180
EV89713330	F066100000	FA97000000	FC84700000	FG73812095	FL26010180	FM68409180
EV89714315	F067200000	FB17900000	FC84707410	FG88309180	FL35619085	FM77710100
EV89714320	F072200000	FB28500000	FC84708385	FH01200000	FL36230100	FN04010180
EV89715255	F081600000	FB28506200	FC89912150	FH01210150	FL38708075	FN44226140
EV89717285	F081800000	FB30816075	FD30809150	FH22412115	FL43009135	FN44626140
EV89717335	F081900000	FB31808400	FD31706205	FH25512090	FL50615190	FN51516090
EV89720200	F082000000	FB37909135	FD37710205	FH26211170	FL51110190	FN52516090

Residential Neighborhoods Continued

FN75300000	FR22110205	FS87926140	FV89311330	FY80516080	GT17914375	HC10508125
FN75331100	FR22805300	FS88426125	FV89312215	FY80516085	GU29000000	HC10508387
FO22534222	FR24616650	FS88826125	FV89313280	FY80516090	GU29008180	HC11000000
FO24707180	FR24637200	FS90418130	FV89314210	FY80516095	GU81910080	HC11008125
FO38400000	FR25204305	FS90508200	FV89314320	FY80516100	GV860CM000	HC11008387
FP07200000	FR26516100	FT07408190	FV89317295	FY80516105	GW14008180	HC23500000
FP07208180	FR27116100	FT14900000	FV89400000	FY80516135	GW39209475	HC74300000
FP07231060	FR27516150	FT21818115	FV89411275	FY80526070	GX03500000	HC78111348
FP07508235	FR28014100	FT24009180	FV89412280	FY80526075	GX18318130	HC86400000
FP08916110	FR41000000	FT33126100	FV93006300	FY80526080	GX24700000	HD46507875
FP17400000	FR43326140	FT37408110	FV93210190	FY80526085	H003C00000	HD69500000
FP34910180	FR57503280	FT65020100	FW05500000	FY80526090	H00919450	HD76400000
FP35411150	FR57910215	FT83408180	FW06810180	FY80526100	H00MH00000	HE00300000
FP58607380	FR70509200	FV09411120	FW11509180	FY80526150	H01MH00000	HE23031090
FP59126100	FR70708180	FV11108150	FW13700000	FY80531060	H02MH00000	HE73900000
FP60900000	FR74500000	FV11200000	FW14216105	FY80531075	H02MHCM000	HE85508833
FP60908180	FR74531100	FV11500000	FW14226100	FY80531080	H03MH00000	HE85510833
FP64311200	FR74931100	FV11508135	FW22300000	FY80531100	H04MH00000	HE95000000
FP65600000	FR75426100	FV11600000	FW22335125	FY80531105	H081800000	HG13300000
FP65602410	FR75431100	FV14309180	FW32708180	FY80531150	H082100000	HG19700000
FP65607225	FR76619100	FV15000000	FX30800000	G01MH00000	H082200000	HG68900000
FP65609150	FR78409180	FV23610180	FX31000000	G02MH00000	H082400000	HG75500000
FP65700000	FR87113125	FV23631060	FX31237075	G03MH00000	H082500000	HH23109648
FP66000000	FS06508150	FV24400000	FX31300000	G04MH00000	H082600000	HH30400000
FP67100000	FS08600000	FV24431100	FY80500000	G082100000	H082700000	HH30412095
FP67131110	FS08614110	FV25808200	FY80501075	G082600000	H082800000	HH41133323
FP67609150	FS09127125	FV43011090	FY80501080	G199400000	H199300000	HI60000000
FP67727085	FS12010180	FV63409180	FY80501085	G97MH00000	H199400000	HI62010818
FP68209150	FS15817175	FV65002170	FY80506085	G98MH00000	H95MH00000	HJ01533148
FP68909180	FS16309150	FV65331100	FY80508100	G99MH00000	H96MH00000	HJ65600000
FP69511200	FS30710180	FV83507145	FY80509095	GA52400000	H97MH00000	HK35600000
FP71916090	FS31800000	FV83605210	FY80509120	GA52408180	H98MH00000	HK97000000
FP73100000	FS31809130	FV85714110	FY80509125	GA53200000	H99MH00000	HL00500000
FP85809200	FS35516115	FV88717260	FY80511050	GA59708180	HA07000000	HL07007500
FP86609180	FS35916100	FV89106300	FY80511055	GD45509550	HA16037075	HL09000000
FP86900000	FS42610200	FV89301260	FY80511060	GG55000000	HA45900000	HL96000100
FP87316185	FS44508200	FV89306255	FY80511065	GG55016270	HA85500000	HM17300000
FP87331115	FS45008200	FV89307280	FY80511070	GK35531075	HA98700000	HM17310414
FP88008200	FS45508200	FV89307285	FY80511075	GL08008180	HB14000000	HM17332065
FP88106200	FS54204390	FV89308225	FY80511080	GL19710425	HB14008125	HM17332180
FP92022100	FS58708200	FV89308260	FY80511085	GL71313300	HB14008350	HM30500000
FP94711200	FS60309180	FV89308330	FY80511095	GM14308180	HB36825190	HM60200000
FQ50811200	FS64100000	FV89308350	FY80511100	GM31908180	HB68607700	HM60207195
FR00529120	FS69019370	FV89309235	FY80511110	GM97300000	HB68614450	HM60208288
FR04031110	FS70011360	FV89309265	FY80511120	GM97308180	HC10000000	HM79631100
FR15512180	FS70013365	FV89310265	FY80514075	GN02008180	HC10013307	HM84800000
FR15723095	FS85016090	FV89310285	FY80516050	GN02208180	HC10217260	HN82100000
FR20009220	FS86106185	FV89310300	FY80516060	GP85600000	HC10217400	HN82114386
FR21010205	FS86126080	FV89311275	FY80516065	GR03208180	HC10217489	HP00500000
FR21509220	FS87231100	FV89311310	FY80516075	GR05308180	HC10217547	HP51532320

Residential Neighborhoods Continued

HP87000000	HX23700000	JB84800000	JF26033073	JJ19637070	JM75800000	JS51532110
HP87600000	HX23800000	JB84900000	JF27200000	JJ40000000	JM77537070	JS533CM000
HP87607235	HX23900000	JB85000000	JF27226121	JJ40037070	JM78500000	JS55700000
HP87629095	HX24500000	JB90008200	JF40937070	JJ66233091	JM78531075	JS55733091
HP88200000	HX40900000	JC00600000	JF43032097	JJ66337070	JM81300000	JS62300000
HP88232110	HZ01810160	JC006CM000	JF52000000	JJ66512180	JM81327118	JS82333091
HP88300000	J00MH00000	JC26000000	JF71300000	JK09133091	JM83100000	JS82800000
HP88331090	J01MH00000	JC43233091	JF71332115	JK20826121	JM83118270	JS82837070
HR23200000	J02MH00000	JC55500000	JG09708200	JK21437070	JM84533073	JS83800000
HR23233090	J03MH00000	JC55537070	JG11037070	JK48037070	JM84533091	JS99600000
HR23233148	J03MHCM000	JC65000000	JG13837070	JL12700000	JM87000000	JS99631075
HR29216075	J043400000	JC70200000	JG22233091	JL17200000	JM87100000	JT23500000
HR29216275	J04MH00000	JC70208200	JG82000000	JL17800000	JM87200000	JT34200000
HR69833148	J081700000	JC70800000	JG98608200	JL17826152	JM872CM000	JT34235080
HS05000000	J081800000	JC70830105	JH01000000	JL17826165	JM87300000	JT45026121
HS21200000	J082100000	JC71600000	JH02000000	JL21300000	JM87400000	JV05037070
HS21231075	J082200000	JC71638080	JH31216075	JL21326121	JM87500000	JV09132135
HS32300000	J082400000	JC72800000	JH66732292	JL21500000	JM87600000	JV22235220
HS32335055	J082500000	JC72832125	JH75000000	JL21531108	JN41500000	JV22300000
HS460CM000	J082600000	JC74533091	JH75026121	JL21833091	JP59000000	JV64000000
HS53032080	J082700000	JC75531075	JH75200000	JL22731140	JP59033073	JV86900000
HS71007700	J082800000	JC88529112	JH75231108	JL25033091	JP59033091	JV86927118
HT02706375	J199300000	JD02000000	JH75300000	JL47033091	JP59200000	JV87017362
HT28533090	J199400000	JD02537070	JH75326121	JL59500000	JP59637070	JV87300000
HT93004766	J95MH00000	JD10000000	JH75331009	JL59533073	JP65516215	JV87337070
HU81900000	J96MH00000	JD12533091	JH75332060	JL59533091	JP86833091	JV89900000
HU81937140	J97MH00000	JD31900000	JH75332075	JL67000000	JP94800000	JV89932130
HV63735055	J98MH00000	JD31937070	JH75332097	JL69037070	JR01629112	JV94537070
HV63735123	J99MH00000	JD32200000	JH75333125	JL71514160	JR04100000	JW13405949
HV86100000	JA11900000	JD32226121	JH75337070	JM08033091	JR14314160	JW13406470
HV86132085	JA20000000	JD32232097	JH75400000	JM16800000	JR17400000	JW14800000
HV86132165	JA20026110	JD32232115	JH75433091	JM16837070	JR22900000	JW33733091
HV86200000	JA20026190	JD42000000	JH75700000	JM23200000	JR23600000	JW35032097
HV86231080	JA45337070	JD42016151	JH75733073	JM23231081	JR24000000	JW38300000
HV86232165	JA45706200	JD45000000	JH75733091	JM23231108	JR53006600	JW39000000
HW18000000	JA48837070	JD45700000	JH77900000	JM30100000	JR53900000	JW39400000
HW18009288	JA53100000	JD45708330	JH77932070	JM30133091	JR54600000	JW39431075
HW18808145	JA53126130	JD46200000	JH77932085	JM37526121	JR54631075	JX29300000
HW18808800	JA66437070	JD46816151	JH77932180	JM40026121	JR54631100	JX29600000
HX00500000	JA76636070	JD47000000	JH779CM000	JM51700000	JR70232097	JX30100000
HX03500000	JA78100000	JE01000000	JH78400000	JM58637070	JS07500000	JX40700000
HX12400000	JA78138080	JE06033091	JH79300000	JM63000000	JS09431090	JX40800000
HX14600000	JA80000000	JE06800000	JH79316165	JM63033040	JS09600000	JX57700000
HX14633148	JB12032097	JE07033091	JH79317325	JM63132097	JS09637046	JX57800000
HX15800000	JB73000000	JE22900000	JH79437050	JM63500000	JS13000000	JX60100000
HX16000000	JB78700000	JE25000000	JH79733091	JM63533091	JS13030110	JX601CM000
HX17300000	JB81000000	JE36300000	JH79900000	JM63726121	JS16429112	JX60500000
HX17500000	JB83000000	JE90000000	JH80300000	JM64200000	JS20908180	JX60600000
HX23100000	JB83631095	JE90031110	JH81000000	JM64237070	JS33500000	JX60633073
HX23300000	JB84700000	JE96000000	JI25500000	JM64500000	JS41500000	JX60700000

Residential Neighborhoods Continued

JY87500000	KF16420200	KU50015300	LE94806600	M082400000	N082100000	NC75431070
K002G00000	KF71000000	KU50100000	LF59300000	M082500000	N082300000	NC75700000
K00MH00000	KF71008180	KW89004700	LF59326080	M082600000	N082400000	NC86108300
K010E00000	KF71014300	KX30500000	LG49400000	M082800000	N082500000	NC86300000
K01MH00000	KG79600000	KX40500000	LG49431110	M199400000	N082600000	NC86331110
K02MH00000	KG99504200	KX57700000	LG49600000	MA45500000	N082700000	NC87800000
K03MH00000	KH67526500	KX57800000	LG49631110	MA45511030	N082800000	NC87813170
K04MH00000	KH83011400	KY90200000	LG54700000	MD80000000	N199300000	NC87816260
K081900000	KH83015105	KY90211400	LG54731110	MD80025130	N199400000	ND39700000
K082100000	KH93508100	L006E00000	LG82626080	MD80032065	N95MH00000	ND39710200
K082300000	KH93522200	L007B00000	LJ19333095	MD80032131	N96MH00000	ND54500000
K082600000	KH935CM000	L00MH00000	LL02918180	MF41926040	N97MH00000	ND69600000
K082700000	KJ65002900	L01MH00000	LL20500000	MF41926106	N98MH00000	NE0790600
K95MH00000	KL59000000	L02MH00000	LL20522120	MG58000000	N99MH00000	NE07908600
K97MH00000	KL59010180	L03MH00000	LL20631110	MH24000000	NA13000000	NE27300000
K98MH00000	KL59014300	L04MH00000	LL22000000	MH24035066	NA16400000	NE27307270
K99MH00000	KL59016100	L081600000	LL22032200	MI25300000	NA44200000	NE27500000
KB55000000	KL84100000	L082300000	LM01000000	MK56100000	NA44219260	NE27516120
KC02520200	KM07700000	L082400000	LM01031110	MK56118085	NA44226070	NE32500000
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KC70510400	KO26209400	L98MH00000	LP86400000	MR17332075	NA71800000	NF80000000
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KE28600000	KR38008500	LC00000000	LT895CM000	MX29200000	NB31531110	NG99008200
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KE86400000	KR63016300	LC18007300	LV13218355	MX57700000	NB81526160	NH01100000
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Residential Neighborhoods Continued

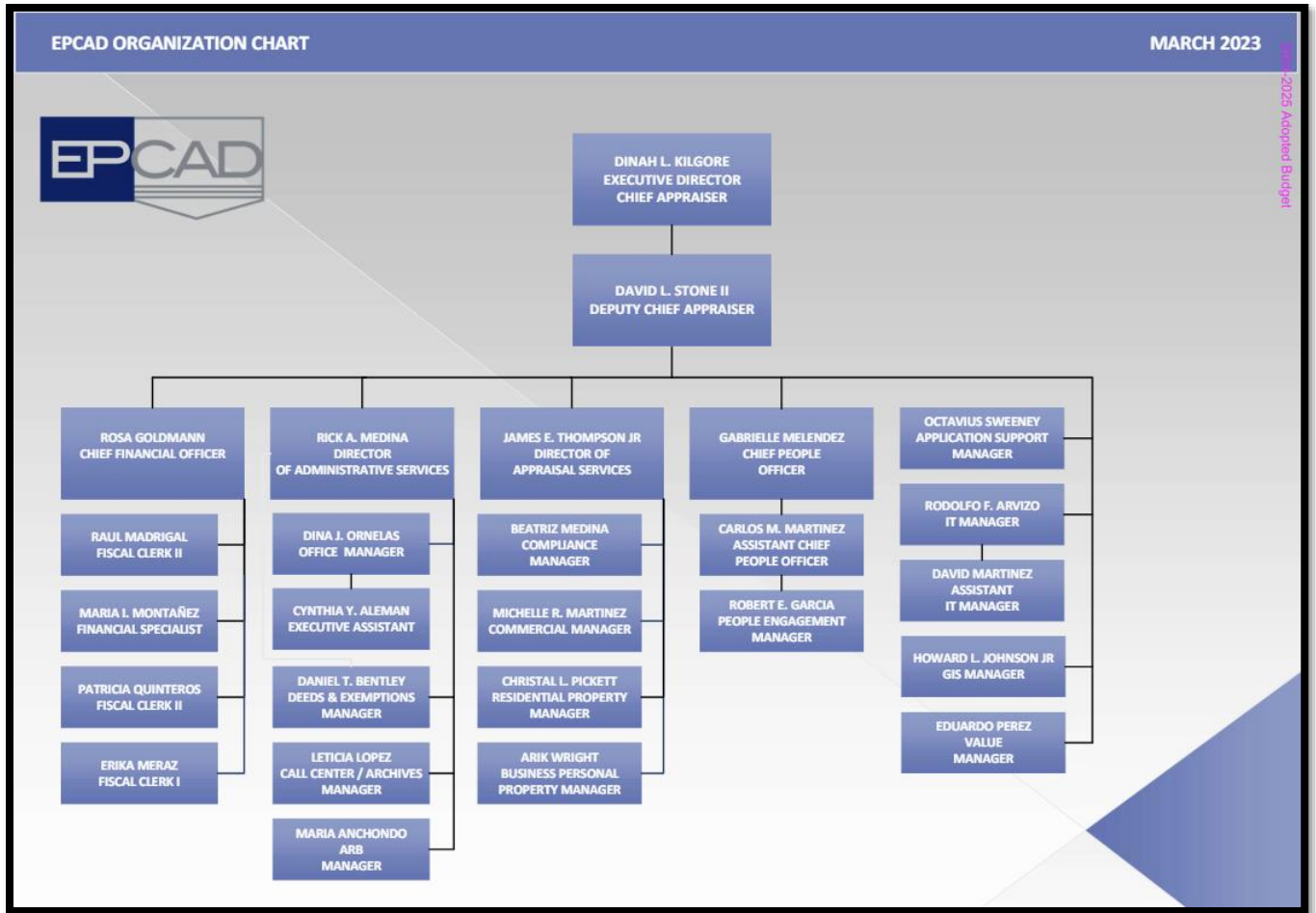
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NN44000000	NV09906275	P99MH00000	PN58608250	PX29600000	RH78816210	
NN44014120	NV09906325	PA51912560	PP07907600	PX31500000	RH78816225	

Commercial Neighborhoods

Code	Neighborhood 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

Code	Neighborhood 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 D: Organizational Chart



2025 Adopted Budget

Appendix E: Calendar of Key Events

Begin	2025- 2026 Calendar of Key Events	End
July 2024	Appraisal Review Board (ARB) approves the 2024 Appraisal Records- July 20th	Jul 2024
	Chief Appraiser certifies the 2024 Appraisal Roll to each taxing unit- July 25th	Jul 2024
	New 2025 appraisal layer is created in PACS system	Jul 2024
	Finalize review and revision of the 2025-2026 EPCAD Reappraisal Plan	Sep 2024
August 2024	Analyze ratio study results by market area and neighborhood to determine areas to be inspected/reviewed for 2025	Aug 2024
	Begin review/update of 2024 EPCAD Mass Appraisal Report	Oct 2024
	Begin 2025 Appraisal Field Work: BPP (review all existing accounts, research/collect data for new businesses, review rechecks, research closed/gone businesses)	Jan 2025
	Begin 2025 Appraisal Field Work: Residential, Commercial (new construction, rechecks, city and septic permits)	Feb 2025
	Begin agriculture-use (open-space land) valuation and field review	Feb 2025
	Data Collection: Cost, Income & Expense Information	Feb 2025
	New subdivisions: Create new accounts, value, and field check parcels	Feb 2025
	Work property combinations and splits, field check if necessary	Feb 2025
September 2024	The 2024 Bill File for the City Tax Office is created and submitted	Sep 2024
	Approval of 2025-2026 Reappraisal Plan by Board of Directors- Sept 15th	Sep 2024
	Sales file update	Sep 2024
	Conduct ratio studies after sales file update	Sep 2024
	Mailing address/ownership changes database scrub	Sep 2024
	New employee training and orientation	Sep 2024
	Open enrollment for employee health and dental plans	Sep 2024
	Begin employee yearly performance evaluations	Oct 2024
	Begin review/update of 2024 EPCAD Annual Report	Nov 2024
	Begin residential cost table analysis	Dec 2024
	Assist and provide PTAD with data for 2024 Property Value Study (PVS)	Dec 2024
	Prepare for financial audit	Jan 2025
	Sales validation	Ongoing
	Process motions to correct appraisal roll (prior year corrections)	Ongoing
	Process supplements	Ongoing
	Progress monitoring and quality control	Ongoing
	Procedure reviews	Ongoing
October 2024	Annual EPCAD Health & Benefits fair for employees	Oct 2024

Begin	2025- 2026 Calendar of Key Events	End
	Conduct ARB hearings for prior year corrections	Oct 2024
	Finalize review and revision of the 2024 EPCAD Mass Appraisal Report	Oct 2024
	Begin preparation for the 2025 MAP onsite review	Jan 2025
	Provide customer support to taxpayers after tax bills are mailed	Jan 2025
	Residential land value analysis	Feb 2025
	Begin 2025 Fiscal Year	Sep 2025
November 2024	Finalize review and revision of the 2024 EPCAD Annual Report	Nov 2024
	Review and update forms, letters, and applications	Dec 2024
	GIS hardware and software modifications	Jan 2025
	Produce edit reports	Ongoing
	Progress monitoring and quality control	Ongoing
December 2024	Open enrollment for employee voluntary life insurance, vision, and flexible spending plans	Dec 2024
	Begin mailing annual forms: Renditions, Exemption Applications, Warehouse Listings, Mobile Home Park Listings, etc.	Jan 2025
	Residential model analysis	Feb 2025
	Residential depreciation analysis	Feb 2025
	Begin 2025 commercial market analysis and model building	Feb 2025
	Apply 2025 valuation models	Feb 2025
January 2025	Statutory Appraisal date for most categories of taxable property- Jan. 1	Jan 2025
	Review, revise, and publish annual press releases for renditions, exemptions, and special valuations	Jan 2025
	Monitor reappraisal progress	Jan 2025
	GIS map maintenance (new subdivisions, inventory)	Jan 2025
	Sales file update	Jan 2025
	Sales validation	Jan 2025
	2025 MAP review (onsite)	Jan 2025
	Review/revise department manuals	Jan 2025
	Prepare and disburse tax statements to employee and IRS	Jan 2025
	Mailing address/ownership changes database scrub	Jan 2025
	2024 PVS preliminary findings are published	Jan 2025
	Update commercial cost tables using Marshall & Swift	Jan 2025
	Residential market and statistical analysis	Mar 2025
	Mail and process data forms and letters for warehouse listings, tenants, taxis, mobile homes parks, etc.	Apr 2025
	Begin processing exemption applications and exemption eligibility	Apr 2025
	Begin processing 2025 Renditions	May 2025

Begin	2025- 2026 Calendar of Key Events	End
	Begin processing special inventory reports	May 2025
	Track 89th Texas Regular Legislative Session	May 2025
	Update EPCAD's website and intranet	Ongoing
	Mail sales verification letters	Ongoing
	Process open records requests	Ongoing
	Maintain and update ownership records	Ongoing
February 2025	Finalize residential cost table analysis and update	Feb 2025
	Finalize valuation model analysis and update	Feb 2025
	Begin application of residential neighborhood market adjustments	Feb 2025
	Revise appraisal model specifications (if needed)	Feb 2025
	Analyze values for final value edits	Feb 2025
March 2025	Mailing address/ownership changes database scrub	Mar 2025
	Deadline to submit appeals evidence for 2024 PVS	Mar 2025
	Submit preliminary 2025-2026 EPCAD Budget to the Board of Directors and taxing entities	Mar 2025
	Finalize residential values and flag accounts not ready to receive 2025 Notice of Appraised Value	Mar 2025
	Annual on-site shredding of records that meet EPCAD retention period as well as disposition of 2024 scanned records	Mar 2025
	Mail first batch of 2025 Notices of Appraised Value: Residential Homesteads	Mar 2025
	Prepare the 2025 evidence that will be introduced at ARB informal and formal hearings	May 2025
April 2025	2025 BPP Rendition Deadline- April 15th	Apr 2025
	Deadline to file Abatement and Exemption Applications- April 30th	Apr 2025
	Begin processing requests for 2025 Rendition Extensions	May 2025
	First mailing of 2025 Commercial Notices	May 2025
	First mailing of 2025 BPP Notices	May 2025
May 2025	Prepare, post public hearing, and discuss possible action regarding the adoption of EPCAD's 2025-2026 Budget	May 2025
	Statutory Deadline to file ARB Protest- May 15th	May 2025
	2025 BPP Rendition Extension Deadline- May 15th	May 2025
	Chief Appraiser submits 2025 Appraisal Records to ARB	May 2025
	Begin 2025 ARB Informal and Formal Hearings	Aug 2025
	Begin tracking 89th Texas Legislative Special Sessions	Dec 2025
June 2025	Mail 2025 BPP Rendition Penalty Letters	Jun 2025
	Continue with 2025 ARB Informal/Formal Hearings	Aug 2025
July 2025	Appraisal Review Board (ARB) approves the 2025 Appraisal Records- July 20th	Jul 2025
	Chief Appraiser certifies the 2025 Appraisal Roll to each taxing unit- July 25th	Jul 2025

Begin	2025- 2026 Calendar of Key Events	End
	New 2026 appraisal layer is created in PACS system	Jul 2025
	Continue with 2025 ARB Informal/Formal Hearings	Aug 2025
August 2025	Finalize 2025 ARB Informal and Formal Hearings	Aug 2025
	Analyze ratio study results by market area and neighborhood to determine areas to be inspected/reviewed for 2026	Aug 2025
	Begin review/update of 2025 EPCAD Mass Appraisal Report	Oct 2025
	Begin 2026 Appraisal Field Work: Business Personal Property (BPP) (review all existing accounts, research/collect data for new businesses, review rechecks, research closed/gone businesses)	Jan 2026
	Begin 2026 Appraisal Field Work: Residential, Commercial (new construction, rechecks, city and septic permits)	Feb 2026
	Begin agriculture-use (open-space land) valuation and field review	Feb 2026
	Data Collection: Cost, Income & Expense Information	Feb 2026
	New subdivisions: Create new accounts, value, and field check parcels	Feb 2026
	Work property combinations and splits, field check if necessary	Feb 2026
	September 2025	The 2025 Bill File for the City Tax Office is created and submitted
Sales file update		Sep 2025
Conduct ratio studies after sales file update		Sep 2025
Mailing address/ownership changes database scrub		Sep 2025
New employee training and orientation		Sep 2025
Open enrollment for employee health and dental plans		Sep 2025
2025 MAP review preliminary draft report is delivered to the chief appraiser		Sep 2025
Begin employee yearly performance evaluations		Oct 2025
Begin review/update of 2025 EPCAD Annual Report		Nov 2025
Begin residential cost table analysis		Dec 2025
Prepare for financial audit		Jan 2026
Sales validation		Ongoing
Process motions to correct appraisal roll (prior year corrections)		Ongoing
Process supplements		Ongoing
Progress monitoring and quality control		Ongoing
Procedure reviews		Ongoing
October 2025		Annual EPCAD Health & Benefits fair for employees
	Conduct ARB hearings for prior year corrections	Oct 2025
	Finalize review and revision of the 2025 EPCAD Mass Appraisal Report	Oct 2025
	Provide customer support to taxpayers after tax bills are mailed	Jan 2026
	Residential land value analysis	Feb 2026

Begin	2025- 2026 Calendar of Key Events	End
	Begin 2026 Fiscal Year	Sep 2026
November 2025	Finalize review and revision of the 2025 EPCAD Annual Report	Nov 2025
	Review and update forms, letters, and applications	Dec 2025
	GIS hardware and software modifications	Jan 2026
	Produce edit reports	Ongoing
	Progress monitoring and quality control	Ongoing
December 2025	Open enrollment for employee voluntary life insurance, vision, and flexible spending plans	Dec 2025
	Begin mailing annual forms: Renditions, Exemption Applications, Warehouse Listings, Mobile Home Park Listings, etc.	Jan 2026
	Residential model analysis	Feb 2026
	Residential depreciation analysis	Feb 2026
	Begin 2026 commercial market analysis and model building	Feb 2026
	Apply 2026 valuation models	Feb 2026
January 2026	Statutory Appraisal date for most categories of taxable property- Jan. 1	Jan 2026
	Review, revise, and publish annual press releases for renditions, exemptions, and special valuations	Jan 2026
	Monitor reappraisal progress	Jan 2026
	GIS map maintenance (new subdivisions, inventory)	Jan 2026
	Sales file update	Jan 2026
	Sales validation	Jan 2026
	Review/revise department manuals	Jan 2026
	Prepare and disburse tax statements to employee and IRS	Jan 2026
	Mailing address/ownership changes database scrub	Jan 2026
	2025 MAP review results are published	Jan 2026
	Update commercial cost tables using Marshall & Swift	Jan 2026
	Residential market and statistical analysis	Mar 2026
	Mail and process data forms and letters for warehouse listings, tenants, taxis, mobile homes parks, etc.	Apr 2026
	Begin processing exemption applications and exemption eligibility	Apr 2026
	Begin processing 2026 Renditions	May 2026
	Begin processing special inventory reports	May 2026
	Update EPCAD's website and intranet	Ongoing
	Mail sales verification letters	Ongoing
	Process open records requests	Ongoing
	Maintain and update ownership records	Ongoing
February 2026	Finalize residential cost table analysis and update	Feb 2026

Begin	2025- 2026 Calendar of Key Events	End
	Finalize valuation model analysis and update	Feb 2026
	Begin application of residential neighborhood market adjustments	Feb 2026
	Revise appraisal model specifications (if needed)	Feb 2026
	Analyze values for final value edits	Feb 2026
March 2026	Mailing address/ownership changes database scrub	Mar 2026
	Submit preliminary 2026-2027 EPCAD Budget to the Board of Directors and taxing entities	Mar 2026
	Finalize residential values and flag accounts not ready to receive 2026 Notice of Appraised Value	Mar 2026
	Annual on-site shredding of records that meet EPCAD retention period as well as disposition of 2025 scanned records	Mar 2026
	Mail first batch of 2026 Notices of Appraised Value: Residential Homesteads	Mar 2026
	Prepare the 2026 evidence that will be introduced at ARB informal and formal hearings	May 2026
April 2026	2026 BPP Rendition Deadline- April 15th	Apr 2026
	Deadline to file Abatement and Exemption Applications- April 30th	Apr 2026
	Begin processing requests for 2026 Rendition extensions	May 2026
	First mailing of 2026 Commercial & BPP Notices	May 2026
	First mailing of 2026 BPP Notices	May 2026
May 2026	Prepare, post public hearing, and discuss possible action regarding the adoption of EPCAD's 2026-2027 Budget	May 2026
	Statutory Deadline to file ARB Protest- May 15th	May 2026
	2026 BPP Rendition Extension Deadline- May 15th	May 2026
	Chief Appraiser submits 2026 Appraisal Records to ARB	May 2026
	Begin 2026 ARB Informal and Formal Hearings	Aug 2026
June 2026	Mail 2026 BPP Rendition Penalty Letters	Jun 2026
	Continue with 2026 ARB Informal/Formal Hearings	Aug 2026
July 2026	Appraisal Review Board (ARB) approves the 2026 Appraisal Records- July 20th	Jul 2026
	Chief Appraiser certifies the 2026 Appraisal Roll to each taxing unit- July 25th	Jul 2026
	New 2027 appraisal layer is created in PACS system	Jul 2026
	Continue with 2025 ARB Informal/Formal Hearings	Aug 2026
	Finalize review and revision of the 2027-2028 EPCAD Reappraisal Plan	Sep 2026
August 2026	Finalize 2026 ARB Informal and Formal Hearings	Aug 2026

WARDLAW APPRAISAL GROUP

EL PASO CAD

Reappraisal Plan 2025-2026

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 contract, 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 into 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 affect 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 involves 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
67635	VILLARREAL, MARTIN	APPRAISER, RPA
68139	WARDLAW, MALCOLM	APPRAISER, 2
77317	MADDIN, ELIZABETH	APPRAISER, 2
77412	CAMARILLO, AILEEN	APPRAISER, 2
78046	MCGINNIS, CLAIRE	APPRAISER, 1
77854	CASTRO, AMANDA	APPRAISER, 1
PROFESSIONAL ENGINEERING CERTIFICATION		
<i>PE#</i>	<i>NAME</i>	<i>BRANCH</i>
76914	WARDLAW, MARGARET PEGGY ANNE	PETROLEUM
PROFESSIONAL ENGINEERING FIRM CERTIFICATION		
<i>FIRM #</i>	<i>FIRM NAME</i>	
5194	WARDLAW APPRAISAL GROUP LC	

Appendix G: Mass Appraisal Report

As required by Uniform Standards of Professional Appraisal Practice (USPAP) Standard 6, EPCAD completes and produces yearly written Mass Appraisal Reports and makes them available through our district's website. The 2025 and 2026 Mass Appraisal Reports will be completed and published in their respective years.

Appendix H: Budget Report

The 2024-2025 Adopted Budget Report can be found by clicking on the following link:

https://blob.epcad.org/documents/2024_2025_Adopted_Budget_05_16_2024.pdf

Appendix I: 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 regressively; 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.