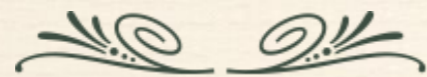


Texas Property Tax

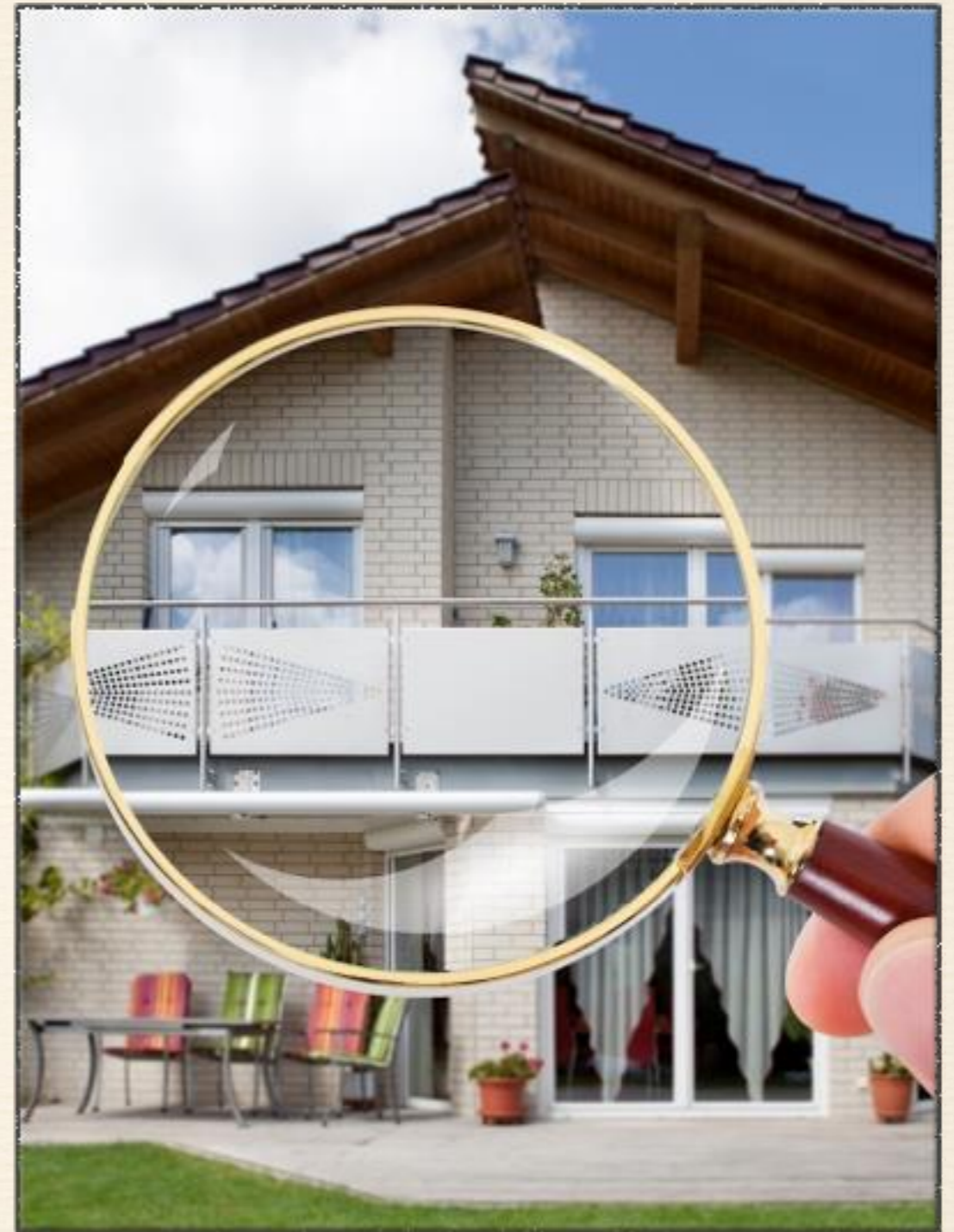


The Appraisal Process

A demonstration of how Appraisal Districts arrive at market values



*Luke Robbins RPA, RTA, CCA
Chief Appraiser
Young County Appraisal
District*



What is Market Value?

- ❖ Market Value means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:
- ❖ Exposed for sale in open market place with a reasonable time for seller to find a purchaser
- ❖ Both the seller and purchaser know of all uses and purposes to which the property is adapted and for which it is capable of being used and the enforceable restrictions on its use
- ❖ Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the other.

What is an appraisal?

- ❖ An appraisal is an opinion or estimate regarding the value of a particular property as of a specific date
- ❖ January 1st
- ❖ **OPINIONS VARY!**



Home value as see by you



As seen by potential buyer...



As seen by the bank...



As seen by the inspector...



As seen by Appraisal District

3 Approaches to Market Value

- ❖ Market or Sales Comparison Approach
- ❖ Cost Approach
- ❖ Income Approach

There are 2 components of an appraisal that make up the market value in real property.

The Land Component



The Building Component



Component Appraisal

- ❖ Each of the components are appraised separately and then added together for a total market value.
- ❖ Land is appraised as though it were vacant and at its highest and best use.
- ❖ Buildings or improvements are appraised by multiplying a price per square foot by the number of square of the structure and depreciated according to its age and condition.

The Land Annalysis



A New Subdivision

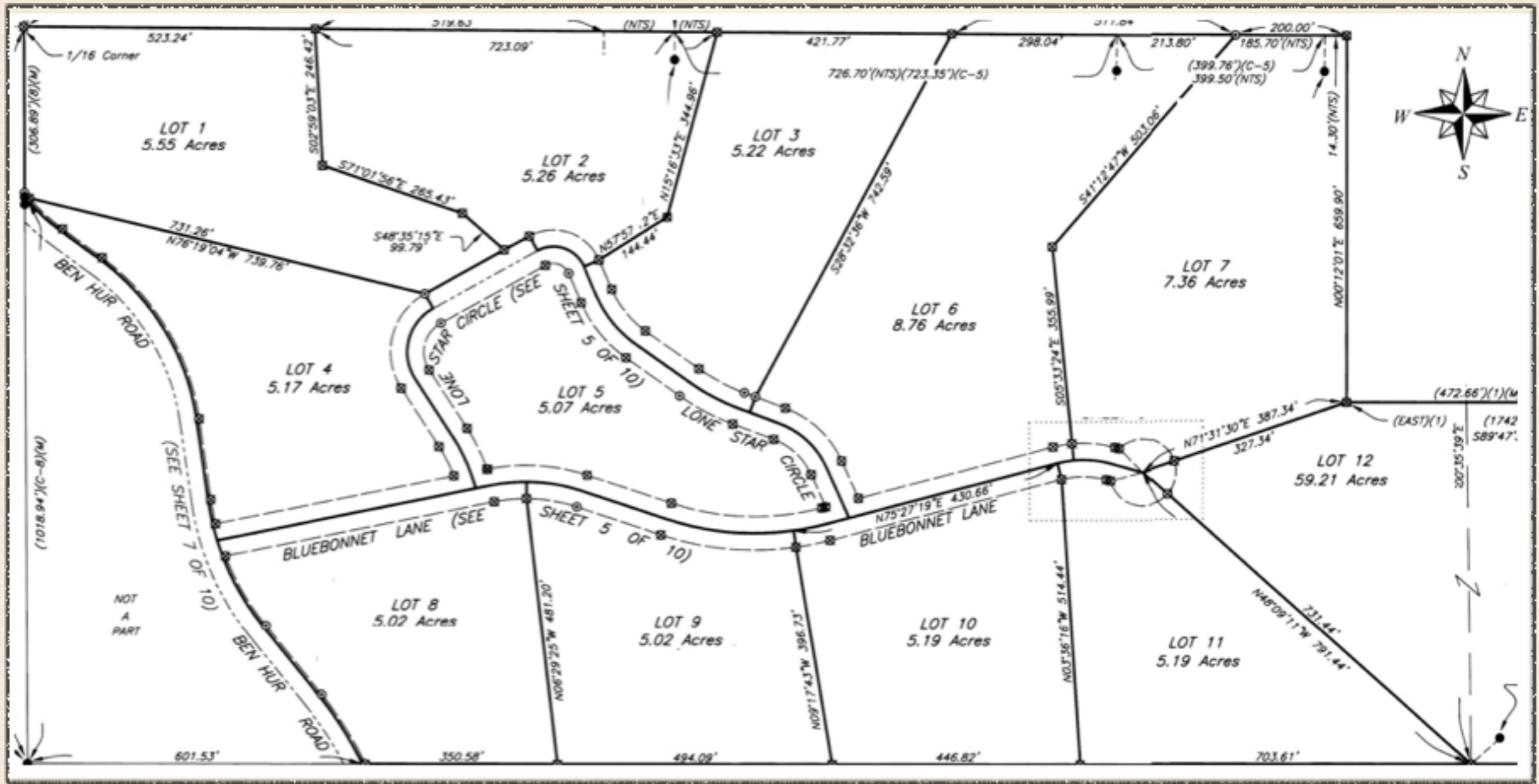


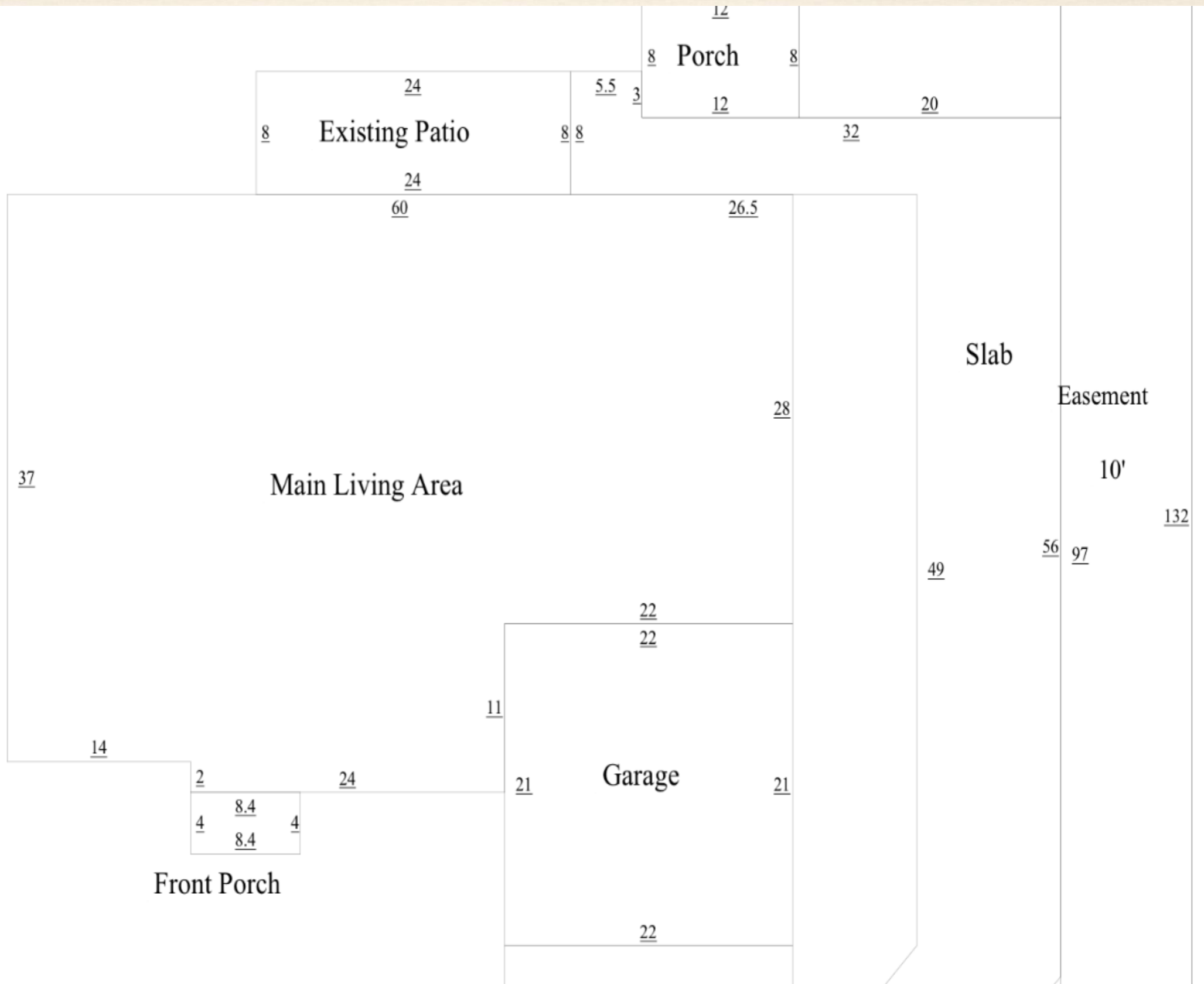
Table 1

Subdivision	Sale Price	Lot Size (Sqft)	Sale per Sqft	Appraised Value
A	\$20000.00	20000	\$1.00	\$23800.00
A	\$22500.00	21500	\$1.05	\$25585.00
A	\$30000.00	27500	\$1.09	\$32725.00
A	\$32000.00	28000	\$1.14	\$33320.00
A	\$33500.00	29000	\$1.16	\$34510.00
A	\$26850.00	23000	\$1.17	\$27370.00
A	\$32900.00	28000	\$1.18	\$33320.00
A	\$35000.00	29500	\$1.19	\$35105.00
A	\$26000.00	21000	\$1.24	\$24990.00
A	\$28500.00	23000	\$1.24	\$27370.00
A	\$36800.00	29500	\$1.25	\$35105.00
A	\$32400.00	25500	\$1.27	\$30345.00
A	\$30000.00	22500	\$1.33	\$26775.00
A	\$35500.00	26600	\$1.33	\$31654.00
A	\$28950.00	21500	\$1.35	\$25585.00
		Number of Sales	15	
		Median	\$1.19	

The Improvement Appraisal



Measure and Sketch



Class The Improvements

- ❖ The appraiser will determine the class of the structure according to:
- ❖ Type of construction
- ❖ Quality of materials used
- ❖ Degree of craftsmanship

Class The Improvements

- ❖ The appraiser will also note or code various adjustment for:
 - ❖ The Neighborhood
 - ❖ Additional Depreciation

Improvement Schedules

Area	M&S	Fnd Adjust	Range Price	LMA	Local	Cost	Adjusted Price	Feature Adjustments	Unit Price
600	80.80	-2.00	78.80	1.00	0.88	1.01	70.04	Foundation:	
700	78.31	-2.00	76.31	1.00	0.88	1.01	67.82	Pire & Beam Foundation	2.25
800	76.21	-2.00	74.21	1.00	0.88	1.01	65.96	Roof Covering:	
900	74.41	-2.00	72.41	1.00	0.88	1.01	64.36	Clay Tile	5.85
1000	72.84	-2.00	70.84	1.00	0.88	1.01	62.96	(Base) Comp Shingles	0.00
1100	71.45	-2.00	69.45	1.00	0.88	1.01	61.73	Concrete	3.89
1200	70.20	-2.00	68.20	1.00	0.88	1.01	60.62	Metal	1.21
1300	69.06	-2.00	67.06	1.00	0.88	1.01	59.60	Rolled Roofing	-0.91
1400	68.03	-2.00	66.03	1.00	0.88	1.01	58.69	Wood Shake	1.81
1500	67.09	-2.00	65.09	1.00	0.88	1.01	57.85	Wood Shingles	1.56
1600	66.22	-2.00	64.22	1.00	0.88	1.01	57.08	Heating/Cooling:	0.00
1700	65.41	-2.00	63.41	1.00	0.88	1.01	56.36	Central Heat and Air	1.76
1800	64.65	-2.00	62.65	1.00	0.88	1.01	55.68	Floor Furnace	-1.55
2000	63.28	-2.00	61.28	1.00	0.88	1.01	54.47	Fire Places:	
2200	62.07	-2.00	60.07	1.00	0.88	1.01	53.39	Gas Logs	1100
2400	60.99	-2.00	58.99	1.00	0.88	1.01	52.43	Masonry	2850
2600	60.00	-2.00	58.00	1.00	0.88	1.01	51.55	Wood Stove	2350
2800	59.11	-2.00	57.11	1.00	0.88	1.01	50.76	Dormers:	
3000	58.28	-2.00	56.28	1.00	0.88	1.01	50.02	Finished	152.50
								Unfinished	76.50

Calibrating Schedules

- ❖ Gather Sales Data
- ❖ Group Sales by Class
- ❖ Compare Sales Prices to Appraisals
- ❖ Adjust Schedules

Send Notices of Appraised Value

- ❖ Who receives a notice?
- ❖ All new owners
- ❖ All Business Personal Property
- ❖ Anyone who renders a value on real property
- ❖ Anyone whose taxable value increases more than \$1,000

WHAT DO I DO?!?!?



Contact Your Appraisal District

- ❖ Call or stop by for an explanation
- ❖ File a Protest within 30 days of the Notice Date
- ❖ Meet with the Appraisal Review Board
- ❖ Appeal decision to binding arbitration or District Court.

Thank You

