

THE CHIEF APPRAISER'S REPORT

by Jackie Martin

Did you know Texas appraisal districts receive oversight by two different evaluation methods? The Texas State Comptroller's Property Tax Assistance Division (PTAD) is responsible with auditing appraisal district's values and operations. The Property Value Study and the Methods and Assistance Program Review are conducted by PTAD.

The Property Value Study (PVS) is conducted for each of the 1204 school districts every other year. For the 2020 PVS, the state auditor gathered the past year's sales information and compare the sales prices with our appraised values. If our appraised value is more or less than the collected sales price, the auditor calculated the percentage the appraisal is over-appraised or under-appraised. The school's funding is dependent on the appraisal district's studied value maintaining a minimum of at least 95% of market value. The chart below identifies the preliminary school district results in Texas for the 2020 year.

2020 Texas ISD Preliminary	School Districts	Percent of Total	ISD Status	Value Assigned
Valid Local Value	636	40.90%	Valid	Local
LocalValue>StateValue	13	0.84%	Invalid	Local
LocalValue-Year 1Grace	122	7.85%	Invalid	Local
LocalValue-Year 2Grace	30	1.93%	Invalid	Local
<u>StateValue-ISD State Funding Penalized</u>	<u>95</u>	<u>6.10%</u>	<u>Invalid</u>	<u>State</u>
Total	896		1,295 Valid	1,460 Local
Valid MAP Review	659	42.38%	Valid	Local

Some duplication exists between the total due to the possibility of a school obtaining local value and having a value MAP Review. PTAD studied 896 school districts in the PVS this past year (58%). The remaining school districts will participate in 2021.

In 2020, 95 school districts will be penalized in their state funding based on their PVS and MAP results. 260 were found to be invalid (preliminary). In 2019, 82 districts were penalized in their state funding and 220 received invalid findings (preliminary). In 2018, 165 school districts received invalid value findings. 2017 had 131 invalid findings, 2016 had 95 invalid findings and 2015 had 88 invalid findings. The primary cause for the trending increase in invalid findings is increasing property sales prices.

Scurry CAD (SCAD) school districts have achieved valid findings each year. A school district receives all of its state funding allocation when the PVS determines a school district is valid in maximizing their local effort to generate revenue because the appraisal district is appraising all types of property within the acceptable range of market value. SCAD is diligent in the process of gathering sales data and adjusting appraisal values to reflect market value in each type of property class.

The Methods and Assistance Program (MAP) audit is conducted in the alternating year. The extensive evaluation is performed by the Comptroller's field reviewer. It focuses on the methods and procedures of each appraisal district from initial planning, execution of procedures, and reporting of results. The review has been in existence since 2010. There are four findings per district on average, however SCAD received a clean report with no findings for 2019. A total 16,859 recommendations have been made and completed by appraisal districts across the state over the eleven years. The next MAP review will include questions and require documentation to verify the appraisal district is performing the required tasks. MAP reviews generally include a combination of questions devoted to existing and new laws. SCAD must meet all the legal requirements defined in the Texas State Property Tax Code. Texas law requires appraisal districts to appraise all taxable property at 100 percent of its market value. Market value is defined as the price a property would bring if offered on the open market for a reasonable time with both the buyer and the seller aware of all of the attributes of the property and neither party being under duress to buy or sell. We must also comply with the requirements of the Appraisal Foundation's Uniform Standards of Professional Appraisal Practices (USPAP) which nationally governs all aspects of property appraisal. Each legislative session, the requirements are raised in the form of additional mandates. We strive to implement the new laws and maintain a standard of government excellence in public awareness and customer service.

Each of SCAD's "report cards" reflects favorable results. The final findings for the most recent Property Value Study and MAP review are available on the appraisal district's website at www.scurrytex.com and on the Texas Comptroller's website <https://comptroller.texas.gov/taxes/property-tax/pvs/index.php>. If you have any questions, please come by the office at 2612 College Avenue or call (325) 573-8549.