

CARSON COUNTY APPRAISAL DISTRICT

MASS APPRAISAL REPORT

APPRAISAL DATE: January 1, 2018

REPORT DATE: May 11, 2018

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Please Note: The Bi-Annual Reappraisal Plan may be used for reference. It contains information on the methods used in the appraisal process.

It is important to remember that this report is compiled prior to the appeals process and that the 2018 values are estimated at the time of this report.

PURPOSE OF THIS ANNUAL REPORT

USPAP Standards Rule 6.5 and 6.5.1

The purpose of this report is to better inform the property owners within the boundaries of the Carson County Appraisal District (CCAD) and to comply with Standards Rule 6-7 of Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2011. Standards Rule 6-7 addresses a written summary report of a mass appraisal for ad valorem taxation. Mass appraisal is the process of valuing a group of properties as of a given date, using standard methods, and employing common data, which allows for statistical testing. The intended use of the appraised values is to establish a tax base upon which a property tax will be levied. Each taxing unit within CCAD boundaries will use the appraised values for ad valorem tax purposes only.

The purpose of the appraisals performed by CCAD estimate market value on January 1 of each year (as defined by the Texas Property Tax Code Sec. 1.04) on all taxable property within the boundaries of CCAD, "Market Value" is defined by Sec. 1.04 as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if -

- (A) Exposed for sale in the open market with a reasonable time for the seller to find a purchaser.
- (B) Both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- (C) Both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

Responsibilities

The appraisal district is responsible for appraising property in the district for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes. CCAD serves the public and nine taxing entities in Carson County. Taxing entities in Carson County are composed of three school districts, four cities, the county, and one special district, the Panhandle Groundwater Conservation District. The White Deer ISD extends into Gray County, and the Groom ISD extends into three neighboring counties, Gray, Donley, and Armstrong. The Sanford-Fritch ISD extends into Carson County.

Organizational Structure

The Carson County Appraisal District was created by the Texas Legislature. CCAD is a political subdivision of the State of Texas. The appraisal district is governed by a six member board of directors, five of which are appointed by the voting entities in the county, and one non-voting member (Carson County Assessor/Collector) created by the 75th Texas Legislature. The board appoints the chief appraiser who serves at the pleasure of the board. The board also approves the budget and sets policy. The chief appraiser is the chief administrator of the appraisal district and may employ and

compensate professional, clerical, and other personnel as provided by the budget. The chief appraiser may delegate authority to his employees.

Education

All appraisers are required to be registered with the Texas Department of Licensing and Registration (TDLR). The TDLR registration requires that each appraiser must successfully complete a five year educational program and pass a required number of course hours within a specified time. Additionally, all appraisers must pass review exams at levels three and four of the certification program. After successfully completing the required curriculum and approval of a demonstration appraisal, an appraiser is awarded the designation of Registered Professional Appraiser (RPA). There is also a requirement of at least sixty hours of continuing education units every five years in order to re-certify the RPA designation. CCAD currently has two RPA's on staff. The CCAD appraisal staff stays abreast of current trends affecting property through review of published materials, attendance at conferences, course work, and continuing education.

Philosophy Statement

The Carson County Appraisal District believes that the most important asset of the District is its people. Every employee is important and deserves to be treated fairly with consideration and respect. CCAD believes in providing good working condition, a safe, clean, and friendly work place to help each employee do his or her job effectively. We also believe that every employee has an obligation to develop his or her talents to the fullest.

The Carson County Appraisal District exists for the purpose of providing services to the property owners and taxing units within our jurisdiction. It is important that we recognize our responsibility to provide quality services on a cost effective basis. Every property owner should be approached in a respectful, positive and friendly manner. Property owners should be assisted in a timely and courteous fashion. CCAD employees have an obligation as public servants to promote goodwill toward all property owners, not only in manner but by example.

Because of the nature of our work, not every property owner will be pleased with the outcome of their contact with CCAD. What is important is that everyone who comes in contact with our office should have a reason to feel they were handled in a fair and equitable manner by a knowledgeable and qualified person.

Assumptions and Limiting Conditions

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

3. The appraisers developing these appraisals are not required to give testimony of attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Carson County Appraisal District.
4. All properties are appraised in fee simple interest in accordance with Texas Property Tax Code Sec 25.06 (Jurisdictional Exception to Standards Rule 6-4 (c) and 6-5(c) of USPAP)
5. All sketches in the appraisal records are intended to be visual aids with rounded measurements and should not be constructed as surveys or engineering reports, etc.
6. All information in the appraisal records are obtained by members of the appraisal district's staff or other reliable sources.
7. The appraisal staff has inspected, as permitted, by observation, the land and the improvements thereon-however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.
8. All interior inspections are performed at the property owners request by appointment. All other inspections performed are external and assume the quality, condition, and desirability of the interior are approximately equal to that of the exterior, unless otherwise known.
9. Agricultural land is appraised at market value using a market data model based on market sales information. However, it may also be subject to appraisal using an income model specified in Sec. 23, Sub-chapters C, D, and E of the Texas Property Tax Code. (Jurisdictional Exception to 6-4 (b) of USPAP)
10. Subsurface rights (mineral and oil) are not considered in making these appraisals.
11. The highest and best use of property is defined as the most reasonable and probable use of the land that will generate the highest return to the property over a period of time. This use must be legal, physically possible, economically feasible, and the most profitable of the potential uses. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The Carson Appraisal District is required to keep written procedures to apply homestead capped values. The date of appraisal is tracked via the appraisal cards. District personnel enter updated data each year to consider if the following criteria affects the qualified properties.

INTRODUCTION OF MASS APPRAISAL

The Carson County Appraisal District (CCAD) is responsible for appraising a variety of property types including land, single family residences, manufactured homes, businesses and business personal property.

The CCAD uses a "mass appraisal" process to appraise properties each year. "Mass appraisal" is the process of valuing groups of properties as of a given date, using standard methods, employing common data and allowing for statistical testing. Standard procedures are used to collect property data, analyze data, apply the results of the analysis and report the results. Computer programs apply market derived land rates by neighborhood and property type. Computer programs apply building costs and depreciation factors calibrated to local market conditions using sales data, by neighborhood, building style, grade of construction, and building condition.

Statistical methods are used in producing the appraised values and testing the appraisal results. Fairness and equity is maintained by comparing the appraised values to actual sales prices on a county wide basis, and by neighborhood to neighborhood, a process known as a "ratio study".

Mass appraisal reports summarize the results of the "ratio studies". The reports include a summary of the change in value from year to year, ratio study statistics (level of assessment and measures of uniformity), market changes over time, a value change by property group, and neighborhood profile statistics. Neighborhood reports list the sales used to produce the report.

Single-Family Residences Summary Report

Single-family residences consist of all land and real property improvements that by the nature of their design and/or construction are suitable for single-family use only. This includes manufactured homes that are classified as real property when the owner of the land is also the owner of the manufactured home and personal property when the owner of the manufactured home does not own the land.

Assumptions and Limiting Conditions

The appraisal completed by CCAD for single-family residences are subject to the following assumptions and limiting conditions:

1. The Carson County Appraisal District staff has physically inspected all single-family residences within its jurisdiction. Interior inspections have not been done on a majority of the properties in the jurisdiction because (1) most residential owners are not at their residence during regular business hours, (2) permission to inspect is not always granted, (3) the safety of the appraiser may be in question, and (4) respect for privacy rights of the property owner should be exercised.

2. The opinion of value for each single-family property applies to land and improvement only. The value of personal property of an owner has not been included with the value of the real estate. The only personal property that is valued as an improvement is a manufactured home where the owner of the home does not own the land. See Sec. 11.14 (a) of the Texas Property Tax Code.
3. Residential real property inventory as defined by the Texas Property Tax Code in Sec. 23.12 shall be considered as inventory and the market value shall be the price for which it would sell as a unit to a purchaser who would continue the business. (Jurisdictional Exception to Standards Rule 6-5(d) of USPAP)
4. Single-family qualified properties used to provide affordable housing are appraised to comply with Sec. 23-22 of the Texas Property Tax Code. (Jurisdictional Exception to Standards Rule 6-4(b) of USPAP)

Data Collection and Validation

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular class of property that has been predefined by CCAD.

Property-specific data is collected as part of the inspection process and through submission by the property owner. As part of the inspection process, the improvements are measured and classified. The appraiser also estimates the effective age and condition of the improvements. Any additional or unusual features are also noted at the time of the inspection. Data on individual properties is maintained on the appraisal card(s) for that property. Data on individual properties is verified through previously existing records, published reports, building permits, analysis of comparable properties, and through submission by the property owner. Appraisal cards are available for review at the appraisal district office.

Data pertaining to a class of properties is grouped together according to the differing quality levels, and then used to develop valuation models for each property class. Such data is collected in a variety of ways. Cost information is obtained from nationally recognized sources, local contractors, new construction permits, mechanics liens, reliable source of new property sales, and from renditions submitted by owners. All local information is used to verify, supplement or modify costs from these published sources. Renditions are confidential submissions by property owners and cannot be used for other purposes; however, data from renditions may be compared with data obtained from cost manuals to test their accuracy.

Market sales information is collected through a variety of sources including surveys of buyer and sellers, deed records, and from local real estate professionals.

Valuation Approach and Analysis

Improvements are appraised using replacement cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if diminished utility and comparable sales are found to justify such. A market data model based on typical selling prices per unit of area is also used when appropriate sales information is available.

Land values are based on selling prices for the appropriate highest and best use of the site, and as though it was vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is a statement of opinion, not a statement of fact.

Review and Testing

Field review of appraisal is performed through the regular inspection of subject properties. Ratio studies are preferred method for measuring performance. The results of the performance measures used indicate the validity of the appraisal models used. Appraisers perform ratio studies annually.

Ratio Study Procedures

I. Collect and Post Sales Data

- A. Solicit sales information from all new property owners through sales letters and/or personal contact**
- B. Collect sales information from outside appraisers and from fee appraisals**
- C. Utilize sales information from Comptroller's office.**
- D. Post sales information to the sales database**
 - 1. Record actual sale price**
 - 2. Note unusual financing**
 - 3. Note non-arm length participants**
 - 4. Adjust sales price for inclusion of personal property or intangible value**
 - 5. Initiate frozen characteristics/partial sale codes if necessary**
 - a) Imminent construction/renovation can bias any later analysis by including values not part of the original transaction**
 - b) Sale including only a portion of the property described can also produce skewed results**

II. Preliminary Analysis

- A. Run sales analysis (by type, group, or class) which includes any and all sales collected to date
- B. Note median result and COD
- C. Examine each sale included
 - Compare sale ratio to median result
 1. Ratios substantially higher or lower than the median result (outliers) are singled out for further, in-depth analysis
 - a) Note seller-financial institutions, known real estate opportunists, probates, known persons who finance their own transactions
 - b) Note buyer-financial institutions, known real estate opportunists, and re-location companies
 - c) Examine deed records to confirm “arms-length” violations not evident from examination of buyer and seller:
 - contract for deed
 - assumption of a previous note
 - a typical financing
 - d) Re-inspect properties to rule out any physical differences from the current property records
 - e) Outlier sales that cannot be excluded or adjusted due to the reasons given above are nonetheless included in the subsequent analysis
- D. Adjust original data set
 1. Omit sales that are not arms- length
 2. Adjust sales values for time or financing if necessary and possible
 3. Adjust appraisal values for physical differences if applicable

III. Secondary Analysis

- A. Run sales analysis (by type, group, or class) utilizing information from preliminary analysis
- B. Note median result and COD
 1. Median value may or may not change significantly
 2. COD value should improve
- C. Note sample size
 1. Compare number of sales within the class to the perceived number of total properties within the class
 2. From experience and discussion among the appraisal staff, determine whether any median result different from 1.00 is significant
- D. Attempt to increase sample size—if necessary
 1. Utilize time adjustments if determinable
 2. Keep in mind marketing time for local market and any trends
 3. Be careful to not include more sales just for sales sake
 4. Changing markets and trends cannot be reflected in sales that are too old without accurate time adjustments.

- E. Apply results of analysis to current records
 - 1. Any class whose median value is **NOT SIGNIFICANTLY** different from 1.00 does not require adjustment.
 - 2. Any class whose median value indicates that an adjustment is necessary should be analyzed
 - a) Look at typical depreciation (age/condition) for that class as reflected in the sales analysis
 - b) Calculate increase necessary to raise the individual ratios to produce a median result of 1.00 (keeping in mind that because of depreciation, the percentage increase required is going to be necessarily larger than the difference in percentage points needed to reach a 1.00 result)
 - c) Apply the calculated increase to the database
 - 3. Repeat procedure for all classes determined to need adjustment
- F. Run analysis again to test results

IV. Examine results to identify neighborhoods that need adjustment

- A. As individual sales are examined, note any areas/neighborhoods/subdivisions that consistently show ratios significantly different from the median result
- B. Run analysis excluding the area in question
- C. Run analysis including only the neighborhood in question
- D. Check for significant variance between the two results
- E. Apply neighborhood factor to correct variance

All real residential, land and commercial property within the Carson County Appraisal District is inspected and reappraised each year. Appraisal results are also tested annually by the Property Tax Division of the Texas Comptroller's office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

**Multi-Family Properties
Summary Report**

Multi-family properties with sites in this district are appraised at market value as previously defined.

Assumptions and Limiting Conditions

The appraised value derived is subject to the following assumptions and limiting conditions:

- 1. For multi-family properties only, the market value stated is for land, improvements and the personal property common to the classification and economic area. The business personal property value is insignificant to the overall value.

2. The Carson County Appraisal District's staff has physically inspected all apartment complexes and duplex properties within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties each year.
3. For multi-family property that is used to provide affordable housing the property is appraised to comply with Texas Property Tax Code Sec. 23.22 (Jurisdictional exception to Standard 6-2(d) of USPAP)

Data Collection and Validation

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular property of class that has been predefined by CCAD.

The property appraised has multi-family use. This classification of properties includes apartment complexes and duplex properties. Properties of this classification are discovered and their characteristics recorded during field inspections, investigation of building permits issued through political entities, and investigation of mechanical liens recorded with the county clerk. Geographically, these properties are located throughout the county.

Specific property data is collected at the time of inspection or re-inspection and through submissions by property owners. Characteristics of a specific property's physical improvements and amenities are recorded and stored electronically and may be printed on an appraisal card(s). Appraisal cards are available for review at the district office.

Sales data is taken from deed records, local real estate professionals, written appraisal reports, and telephone contacts. Sales data for properties is account-specific and retained electronically.

General market data is gathered from multiple sources. Environmental, economic, political, and social influences vary geographically and by property use. Neighborhoods have been delineated to reflect comparative classification in the inspection process. Duplexes are classed in compliance with predefined classing criteria.

Valuation Approach and Analysis

Based on the principal of substitution, land values are determined by selling prices of similarly positioned functional tracts. Sites are analyzed for highest and best use as though they were vacant. Highest and best use of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

A value per unit is charted and stratified by neighborhood and comparative class. A sales value per unit is also charted by neighborhood and comparative class for recent sales. Acceptable ranges of value are established for these comparative units. Preliminary property values are adjusted to meet with agreed ranges and then unique

property considerations are addressed. Appropriateness of neighborhood boundaries results of the performance measure used indicates the validity of appraisal models.

Preliminary values are reviewed in consideration of classification and neighborhood. Value indications are compared to renditions and valid single property appraisal submitted for staff review. The appraiser reviews the appraisal report to confirm and verify data as would be done with a sale. Final value recommendations are tested for reasonableness by performing a sales ratio study and, individually, during the appeal process. During the appeal process, property specific income and expense are reviewed for reasonableness and values are adjusted as necessary.

Appraisal results are tested annually by the Property Tax Division of the Comptroller of Public Accounts for the State of Texas. Appraisal methods and procedures are also reviewed by the Property Tax Division.

Review and Testing

Field review of appraisal is performed through the regular inspection of subject properties. Ratio studies are preferred method for measuring performance. The results of the performance measures used indicated the validity of the appraisal models used. Appraisers perform ratio studies annually.

Performance is also measured through comparison with valid single-property appraisal submitted for staff review.

Commercial Property Summary Report

This type of property consists of all land and improvements in Carson County that are classed F1 commercial according to the properties highest and best use.

Assumptions and Limiting Conditions

The appraisals completed by CCAD are subject to the following assumptions and limiting conditions:

1. The opinion of value for each property applies to land and improvement only. The value of fixtures, furnishings and other equipment has not been included with the value of the real estate.
2. The Carson County Appraisal District's staff has physically inspected all properties within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties annually. Complete interior inspections have not been done on a majority of the properties.
- 3.

Data Collection and Validation

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular property class that has been defined by CCAD.

Property-specific data is collected as part of the inspection process and through submission by the property owner. As part of the inspection process, the improvements are measured and classified. Properties are classified according to construction type and quality. The appraiser also estimates the effective age and condition of the improvements. Any additional or unusual features are also noted at the time of the inspection. Data on individual properties is maintained on the appraisal card(s) for that property. The data includes legal description, sites, owner address, parcel number, and the property-specific information such as class, quality, measurements, condition, etc. Data on individual property is verified through previously existing records, published articles and reports, building permits, mechanics liens, analysis of comparable properties, and through information obtained from the property owner. Appraisal cards are available for review at the appraisal district office.

Data pertaining to a class of properties is used to develop valuation models for that property class. Such data is collected in a variety of ways. Cost information is obtained from nationally recognized sources, as well as from new construction permits, mechanics liens, local contractors, reliable sources of sales on new property, and renditions submitted by the property owners. Cost information on newly constructed improvements is also used to verify and/or modify costs from published sources. Renditions are confidential submissions by property owners and cannot be used for other purposes. However, data from renditions may be compared with data obtained from cost manuals to test their accuracy.

Market sales information is collected through surveys of buyers and sellers in addition to public records.

Valuation and Analysis

Land values are based on selling prices for the appropriate highest and best use of the site analyzed as though vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

Improvements are valued using replacement/reproduction cost new less depreciation. Cost tables are constructed using published sources as a guide and adjustments are applied using local market information. Adjustments are also applied for functional and economic obsolescence if utilization, sales and income information warrant. An income approach is used when economic and/or subject property income information is available. A market data model based on typical selling prices per unit of similar properties is used when sufficient information is available.

The cost approach to value is most accurate and reliable when appraising new construction. In older areas or areas of transition, cost is calculated and considered.

However due to the difficulty of measuring accrued depreciation, more weight is applied to the market and income approaches.

Review and Testing

Field review of appraisal is performed through the regular inspection of subject properties. Although the ratio study is the preferred method of measuring performance, single property appraisal submitted to the appraisal staff are also reviewed for appraisal accuracy. Appraisal results are also tested annually by the Property Tax Division of the Texas Comptroller's office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

Carson County Appraisal District contracts with the Pritchard & Abbott, Inc. for annual reappraisal of real property in the commercial and industrial property types.

Carson County Appraisal District also contracts with Prichard & Abbott, Inc. for annual reappraisal of all mineral properties within the Carson Appraisal District.

Business Personal Property Summary Report

Business personal property is the tangible personal property owned by a business or by an individual for the purpose of producing income. Other tangible personal property is exempt according to Sec. 11-14 (a) of the Texas Property Tax Code.

Assumptions and Limiting Conditions

The appraisals completed by CCAD are subject to the following assumptions and limiting conditions:

The Carson County Appraisal District's staff and contracted appraisers have inspected all properties within its jurisdiction and compares renditions and the Comptrollers list of active businesses report on these properties annually.

Data Collection and Validation

Data on new and existing business is collected through personal inspection, newspaper articles, government reports, comparison to like businesses, renditions and other confidential information supplied by the owner.

Valuation Approach and Analysis

Personal property as defined by the Uniform Standards of Professional Appraisal Practice is "identifiable, portable, and tangible objects that are considered by the general public to be personal, e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment: all property that is not classified as real estate." The Texas Property Tax Code Section 1.04 (5) defines tangible personal property as "...personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible object that

constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.” The Texas Property Tax Code Section 1.04 (4) defines personal property as “...property that is not real.”

The purpose of the appraisals of business personal property is to estimate market value on January 1 of each year as previously defined in the introduction. A separate definition of market value for inventory is found in the Texas Property Tax Code Sec. 23.12 (a).....the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business.” The Texas Property Tax Code sets forth three (3) ways in which inventory may be valued if the requirements are met:

1. Sec 23.12 (f) allows some inventories to qualify for appraisal as of September 1 of the year before January 1 of the taxable year.
2. Sec 23.121, 23.127. 23.1241 and 23.12D dictate that dealers in new and used vehicles, vessels, outboard motors and trailers, manufactured housing, and heavy equipment be valued differently. (Jurisdictional exception to Standard Rule 6-3 (b) 7 (c))
3. Sec 23.12 (a) covers the inventories of remaining businesses.

Personal property is appraised using original cost less depreciation models. Deprecation is calculated on the age/life method using typical economic lives and depreciation that is based on published sources, market evidence, and the experience of knowledgeable appraisers.

Adjustments for functional and economic obsolescence may be made if utilization for the subject property justifies such. In the case of some personal property types, such as licensed vehicles and aircraft, market data from published pricing guides is used to construct a market value model. In other cases, models are based on quality and density information available through published sources or through private sources. These models are cost based.

Review and Testing

Field review of appraisals is performed through the inspection of subject properties.

Sales for most types of personal property are infrequent. Furthermore, many market transactions occur for multiple sites and include real and personal property, tangible and intangible, thereby making analysis difficult, subjective, and inadequate to develop a statistical analysis. Performance is measured through comparison of like businesses as well as applying quality and density models to units of comparison. Performance is also measured through comparison with valid single-property appraisals submitted to staff review. CCAD’s appraisal methods and procedures and values are subject to review by the Property Tax Division of the Texas Comptroller’s Office. The results of this review indicate the validity of the models and calibration techniques employed by CCAD.

Mailing Exemption Applications Procedures

Once an exemption form has been requested or if a CCAD staff member determines that an exemption form should be sent, a CCAD employee will print and mail the exemption application along with a letter asking for any additional documentation we may need. Such as copies of driver's license or mobile home statements of ownership and location, and/or disabled veteran's award letters. At this time the account is noted with the date and a note that an application has been mailed.

If a CCAD employee believes a taxpayer may qualify for an exemption they may also print a form and mail it that day along with a letter asking for any additional documentation we may need. Such as copies of driver's license or mobile home statements of ownership and location, and/or disabled veteran's award letters.

If for any reason a mass mailing of exemption forms is needed a letter explaining why the new form is needed will be included along with the form and request for any additional documentation needed.

Denying, Modifying, and Cancelling Exemption Procedures

1. After it is determined that an exemption is to be denied, modified or canceled; the appropriate letter of explanation and determination is generated and mailed within five (5) days.
2. The letter is then sent as certified mail with a return receipt required.
3. It is then noted in the account with the date mailed.
4. A copy of the denied, modified or canceled exemption is scanned and attached to the account.
5. A copy of the letter with the return receipt or the return letter is scanned and attached to account.

What is a homestead cap value?

Cap value applies to residential homestead only. If this property is your residence homestead, the appraised value may not exceed the lesser of:

1. The market value of the property, or
2. The sum of –
 1. 10 percent of the appraised value of the property for the last year in which the property was appraised for taxation times the number of years since the property was last appraised.
 2. The appraised value of the property for the last year in which the property was appraised; and
 3. The market value of all new improvements to the property.

Summary of Analysis

The ratio analysis of all categories did warrant some changes in the CAD schedules. The residential cost schedules were changed in the county as a whole, resulting in an increase in value. The objective is to bring the median level of appraisal to 100%. Statistical information is attached.

Mobile home schedules were not changed this year.

Pritchard and Abbott, Inc. are contracted for agricultural services. Their agricultural productivity analysis, which is a five-year average of net-to-land that is capitalized into value and correlated into each land class, resulted in an increase of \$8.79 on pasture. Dryland crop land decreased \$6.12 per acre and irrigated crop land increased \$10.20 per acre in value.

The market values of land did not warrant a change in value.

Mineral Appraisal Services are also contracted to Pritchard and Abbott, Inc. The mineral values have decreased due to oil and natural gas prices.

Our hearing dates are July the 10th and July 18th, if needed. You will receive certified values as soon as possible at the conclusion of the hearings.

The following information may be helpful in comparing this year analysis to previous years. If you have any questions, feel free to call the Appraisal Office at 806-537-3569.

Attachments:

- Tax Rates
- Exemptions by Jurisdiction
- Property Classifications
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CARSON COUNTY APPRAISAL DISTRICT

USPAP Standards Rule 6-9: Certification

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
 - The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions and conclusions.
 - I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
 - My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
 - My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
 - I have made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
1. No one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of any individual providing significant professional assistance must be stated.)

Beverly Casselberry 5-11-18
Beverly Casselberry, Chief Appraiser Date

Inspected Property X

Provided Significant Appraisal Assistance X

Mike Darnell, Appraiser Unavailable for signature

Inspected Property X

Provided Significant Appraisal Assistance X

CARSON COUNTY APPRAISAL DISTRICT

JUR	TAXING UNIT	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL RATE
10	City of Groom M & O I & S	0.65718	0.839935 0.639935 0.20	0.820214 0.640214 0.18	0.85 0.70 0.15	0.9776 0.7276 0.25	1.04 0.79 0.25	1.13 0.87 0.26	1.20 0.94 0.26	3.231533
11	City of Panhandle M & O I & S	0.52 0.42 0.10	0.575 0.43 0.145	0.595 0.45 0.145	0.576 0.428041 0.147959	0.64 0.390469 0.249531	0.64 0.390469 0.249531	0.65 0.41098 0.23902	0.685 0.456718 0.228282	2.806533
12	Town of Skellytown	1.241811	1.241811	1.257257	1.257257	1.26	1.257335	1.268571	1.268571	3.200104
13	City of White Deer	0.564862	0.60871	0.58863	0.601849	0.601849	0.58986	0.565312	0.565312	2.496845
30	Panhandle ISD M & O I & S	1.48 1.04 0.44	1.48 1.04 0.44	1.48 1.04 0.44	1.48 1.04 0.44	1.48 1.04 0.44	1.48 1.04 0.44	1.48 1.04 0.44	1.48 1.04 0.44	2.121533
31	White Deer ISD M & O I & S	1.144 1.04 0.104	1.157 1.04 0.117	1.1543 1.04 0.1143	1.1528 1.04 0.1128	1.1528 1.04 0.1128	1.2832 1.0332 0.25	1.29 1.04 0.25	1.29 1.04 0.25	1.931533
32	Groom ISD M & O I & S	1.40 1.17 0.23	1.40 1.17 0.23	1.402 1.17 0.232	1.386 1.17 0.216	1.292 1.105 0.187	1.084 1.04 0.044	1.31 1.06 0.25	1.39 1.06 0.33	2.031533
33	Sanford-Fritch ISD M & O I & S	1.182 1.04 0.142	1.182 1.04 0.142	1.182 1.04 0.142	1.182 1.04 0.142	1.322 1.04 0.282	1.322 1.04 0.282	1.362 1.04 0.322	1.362 1.04 0.322	
61	Water District	0.0089	0.009151	0.00887	0.00848	0.00802	0.0079	0.00902	0.00905	
1	Carson County: General Fund Lateral Road Sp Rd & Bridge I & S	0.3243 0.031229 0.047707 0.063987	0.349362 0.033728 0.051513 0.07019	0.360586 0.034788 0.053171 0.067680	0.348383 0.033590 0.051372 0.065241	0.358409 0.034531 0.052851 0.061130	0.369093 0.040959 0.062654 0.065302	0.381255 0.048450 0.074057 0.074189	0.420211 0.053037 0.081042 0.078193	
	Total County Tax	0.467223	0.504793	0.516225	0.498586	0.506921	0.538008	0.577951	0.632483	

		2017		CARSON COUNTY APPRAISAL DISTRICT						
EXEMPTIONS BY JURISDICTION:										
	Homestead	Over 65	Disabled	Disabled Vet	Over 65 Optional	Optional Percentage	with Minimum	Ceiling	Discounts	
Carson Co				yes	\$3,000 Lat. Rd.		5% or \$5,000		3*2*1*	
Carson Co/Lat Rd							\$ 3,000			
City of Groom				yes	\$ 15,000					
City of Panhandle				yes						
Town of Skellytown				yes						
City of White Deer				yes	\$ 7,500					
Panhandle ISD	\$ 25,000	\$ 10,000	\$ 10,000	yes		20%	5% or \$5,000	yes		
White Deer ISD	\$ 25,000	\$ 10,000	\$ 10,000	yes		10%	5% or \$5,000	yes		
Groom ISD	\$ 25,000	\$ 10,000	\$ 10,000	yes				yes		
Water District				yes						

	Tax Freeport ?	Tax Goods-in-Transit ?		Disabled Vet	Amt.			
Carson Co	yes	no		10-29%	\$ 5,000			
City of Groom	yes	yes		30-49%	\$ 7,500			
City of Panhandle	no	no		50-69%	\$ 10,000			
Town of Skellytown	yes	no		70-100%	\$ 12,000			
City of White Deer	yes	yes		100% Unemployable	100%			
Panhandle ISD	no	yes						
White Deer ISD	yes	yes		DV exemption may be applied to				
Groom ISD	yes	yes		any property that has a taxable value.				
Water District	yes	yes		It is not a H/S Exemption.				

PROPERTY TAX ASSISTANCE DIVISION PROPERTY CLASSIFICATION GUIDE

Code	Category Name	Description
A	Real Property: Single-Family Residential	Houses, condominiums and mobile homes located on land owned by the occupant.
B	Real Property: Multi-Family Residential	Residential structures containing two or more dwelling units belonging to one owner. Includes apartments but not motels or hotels.
C	Real Property: Vacant Lots and Tracts	Unimproved land parcels usually located within or adjacent to cities with no minimum or maximum size requirements.
D1	Real Property: Qualified Agricultural Land	All acreage qualified for productivity valuation under Texas Constitution, Article VIII, 1-d or 1-d-1.
D2	Real Property: Non-Qualified Land	Acreage that is not qualified for productivity valuation and is rural in nature.
E	Real Property: Farm and Ranch Improvements	Improvements associated with land reported as Category D property, including all houses, barns, sheds, silos, garages, other improvements associated with arming or ranching and land separated from a larger tract for residential purposes.
F1	Real Property: Commercial	Land and improvements devoted to sales, entertainment or services to the public. Does not include utility property, which is included in Category J.
F2	Real Property: Industrial	Land and improvements devoted to the development, manufacturing, fabrication, processing or storage of a product, except for utility property included in Category J.
G	Oil, Gas and Other Minerals	Producing and non-producing wells, all other minerals and mineral interests and equipment used to bring the oil and gas to the surface, not including surface rights.
H	Tangible Personal Property: Non-business Vehicles	Privately owned automobiles, motorcycles, and light trucks not used to produce income.
J	Real and Personal Property: Utilities	All real and tangible personal property of railroads, pipelines, electric companies, and other utility companies.
L1	Personal Property: Commercial	All tangible personal property used by a commercial business to produce income, including fixtures, equipment and inventory.
L2	Personal Property: Industrial Wind Turbines	All tangible personal property used by an industrial business to produce income, including fixtures, equipment, wind turbines and inventory.
M	Mobile Homes and Other Tangible Personal Property	Taxable personal property not included in other categories, such as mobile homes on land owned by someone else. It also may include privately owned aircraft, boats, travel trailers, motor homes and mobile homes on rented or leased land.
N	Intangible Personal Property	All taxable intangible property not otherwise classified.
O	Real Property: Residential Inventory	Residential real property inventory held for sale and appraised as provided by Tax Code Section 23.12
S	Special Inventory	Certain property inventories of businesses that provide items for sale to the public. State law requires the appraisal district to appraise these inventory items based on business's total annual sales in the prior tax year. Category S properties include dealers' motor vehicle inventory, dealers' heavy equipment inventory, dealers' vessel and outboard motor inventory and retail manufactured housing inventory.

Appeals Data

	2017
How many protests were filed?	51
Of that total, how many protests were filed by persons designated as agents?	28
How many protests were scheduled for hearings before the appraisal review board?	46
Of that total, how many hearings were cancelled because no one appeared (or "no shows")?	16
How many "no shows" were filed by agents?	9
Of that total, how many hearings were scheduled for residential property?	6
Of that total, how many hearings were scheduled for commercial real and commercial personal property?	14
How many property owners participated in informal hearings?	27
How many concerns, inquiries, or filed protests were resolved in this manner?	27
How many informal concerns resulted in a reduction in value?	27
How many property owners who filed a protest appeared before the appraisal review board?	3
Of the property owners who appeared before the appraisal review, how many received reductions?	0

2018

AG-USE VALUATION SCHEDULE

Using Cash and Share Lease Five-Year Average

CLASS	PASTURE	DRYLAND	IRRIGATED
1			
2			\$ 330.00
3		\$ 188.00	\$ 274.00
4	\$ 70.00	\$ 140.00	\$ 169.00
5	\$ 48.00	\$ 123.00	
6	\$ 32.50	\$ 123.00	
7	\$ 22.00		

Wasteland \$ 17.21

MARKET VALUATION SCHEDULE

CLASS	PASTURE	DRYLAND	IRRIGATED
1			
2			\$ 1,125.00
3		\$ 750.00	\$ 950.00
4	\$ 650.00	\$ 650.00	\$ 700.00
5	\$ 550.00	\$ 550.00	
6	\$ 400.00	\$ 500.00	
7	\$ 350.00		
8			

Wasteland \$ 300.00
RHS \$ 6,000.00

6" Well = 90 AC (400-500 Gal Per Min.)
8" Well = 135 AC (750 Gal Per Min.)

Carson County

Mass Appraisal Report

Appraisal Date: January 1

	2012	2013	2014	2015	2016	2017	2018
Total Parcels	21,051	22,127	19,950	20,052	19,990	17,801	17,494
Total Owners	6,609	7,101	6,629	6,663	6,548	6,278	6,236

Residential:

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	100%	71	1.00	1.02	0.96	14	1.06
2016	100%	66	0.97	0.98	0.95	9	1.03
2017	100%	65	0.91	0.97	0.9	23	1.08
Average	100%	64	0.97	100	0.94	15	1.05

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	992	648	43	0	57	14	1,754
2016	972	673	43	0	58	14	1,760
2017	970	696	41	0	59	14	1,780
2018	940	693	37	0	56	16	1,742

Farmland	Production Market	Productivity Loss	Ag Value
2015	522,034,240	456,409,140	65,625,100
2016	522,957,000	448,012,850	74,944,150
2017	523,309,750	452,935,160	70,574,590
2018	523,263,520	451,704,000	71,559,520

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	863,765,762	891,775,790	1,755,541,552	685,627,770	31,205,560	1,038,708,222
2016	872,506,992	1,507,715,576	2,380,222,568	1,455,825,520	32,471,800	891,925,248
2017	866,951,430	1,358,357,360	2,225,308,790	1,539,863,030	32,810,630	652,635,130
2018	885,172,322	1,372,259,900	2,257,432,222	1,506,320,400	34,152,150	716,959,672

Abatement/VLA	Loss
2015	151,861,560
2016	930,220,640
2017	977,348,140
2018	942,339,210

New Improvements	H/S Improvements	Non-H/S Imps.	Total
2015	2,329,850	1,729,480	4,059,330
2016	1,125,410	1,182,860	2,308,270
2017	2,204,650	1,969,900	4,174,550
2018	2,531,810	2,232,530	4,764,340

City of Panhandle

Mass Appraisal Report

Appraisal Date: January 1

	2012	2013	2014	2015	2016	2017	2018
Total Parcels	1,561	1,590	1,557	1,565	1,569	1,527	1,566
Total Owners	1,111	1,112	1,115	1,129	1,131	1,104	1,123

Residential Neighborhood:

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	100%	33	1.00	1.00	0.98	7	1.02
2016	100%	38	0.98	0.98	0.96	9	1.02
2017	100%	35	0.90	0.96	0.90	19	1.07
Average	100%	32	0.97	0.99	0.96	12	1.03

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	405	249	14	0	24	4	696
2016	394	261	14	0	26	4	699
2017	393	265	11	0	25	4	698
2018	387	263	11	0	24	5	690

Farmland	Production Market	Productivity Loss	Ag Value
2015	170,140	156,100	14,040
2016	170,140	153,480	16,660
2017	163,060	145,430	17,630
2018	163,060	145,260	17,800

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	137,855,994	3,989,920	141,845,914	31,172,900	579,110	110,093,904
2016	141,168,344	4,072,260	145,240,604	31,638,960	567,000	113,034,644
2017	139,119,540	4,717,710	148,837,250	32,088,720	587,840	116,160,690
2018	146,742,134	4,751,600	151,493,734	32,665,430	672,170	117,680,974

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	836,530	727,560	1,564,090
2016	284,450	254,500	538,950
2017	1,037,510	1,169,620	2,207,130
2018	874,040	1,827,380	2,701,420

City of White Deer

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	1,002	1,082	1,039	1,028	1,032	1,017	1,020
Total Owners	646	684	660	650	655	643	642

Residential Neighborhood

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	75%	16	0.98	0.99	0.97	12	1.02
2016	80%	16	0.95	0.96	0.95	6	1.01
2017	80%	13	0.99	1.04	0.97	20	1.08
Average	78%	15	0.97	100.00	0.96	13	1.03

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	156	113	2	0	8	3	282
2016	160	114	3	0	7	2	286
2017	160	117	5	0	8	2	292
2018	152	120	5	0	7	3	287

Farmland	Production Market	Productivity Loss	Ag Value
	2015	453,870	406,290
2016	453,870	406,290	47,580
2017	453,870	393,200	60,670
2018	450,870	391,240	59,630

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
	2015	48,038,440	3,687,200	51,725,640	12,410,170	1,146,630
2016	51,332,510	3,872,680	55,205,190	12,366,310	1,091,550	41,747,330
2017	52,688,950	3,807,290	56,496,240	12,301,870	1,120,410	43,073,960
2018	54,343,470	3,846,150	58,189,620	12,369,640	1,231,520	44,198,185

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	1,013,020	52,170	1,065,190
2016	462,210	413,320	875,530
2017	21,740	27,940	49,680
2018	436,250	256,630	692,880

City of Groom

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	501	509	509	509	506	507	506
Total Owners	347	350	350	350	349	353	351

Residential Neighborhood

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	71%	10	1.02	1.00	0.97	8	1.03
2016	71%	7	1.01	1.04	0.97	13	1.07
2017	71%	10	0.82	0.91	0.89	32	1.03
Average	71%	9	0.95	0.99	0.94	18	1.04

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	99	77	3	0	8	1	188
2016	89	82	3	0	8	1	183
2017	88	87	3	0	8	1	187
2018	86	81	3	0	6	0	176

Farmland	Production Market	Productivity Loss	Ag Value
	2015	100,180	94,120
2016	96,420	90,430	5,990
2017	96,420	90,340	6,080
2018	95,280	88,630	6,650

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	25,603,678	450,520	26,054,198	6,391,780	1,233,620	18,428,798
2016	26,062,408	417,720	26,480,128	6,212,900	1,328,590	18,938,638
2017	26,891,230	493,290	27,384,520	7,606,010	1,396,880	18,381,630
2018	38,601,298	317,772	28,919,070	7,481,560	1,243,350	20,194,160

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	91,950	29,050	121,000
2016	5,520	76,930	82,450
2017	201,000	14,920	215,920
2018	23,030	26,190	49,220

Town of Skellytown

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	489	491	487	490	491	485	452
Total Owners	329	328	322	329	331	326	321

Residential Neighborhood

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	39% - 50%	5	1.04	1.06	0.93	21	1.14
2016	45%-55%	5	0.91	1.03	0.9	21	1.14
2017	45%-55%	7	0.91	0.93	0.9	16	1.04
Average		6	0.95	1.01	0.91	17	1.10

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	70	62	5	0	6	2	145
2016	65	65	5	0	6	2	143
2017	67	67	4	0	6	2	146
2018	67	68	2	0	6	2	145

Farmland	Production Market	Productivity Loss	Ag Value
2015	0		
2016	0		
2017	0		
2018	0		

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	7,448,760	396,160	7,844,920	1,086,070	124,120	6,634,730
2016	8,162,820	366,950	8,529,770	1,216,750	132,480	7,180,540
2017	7,898,350	388,190	8,286,540	1,232,280	135,730	6,918,530
2018	8,076,790	385,460	8,462,250	1,087,500	139,490	7,196,714

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	1,750	400	2,150
2016	1,330	2,550	3,880
2017	4,090	5,700	9,790
2018	-	1,590	1,590

Sanford-Fritch ISD

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	413	413	411	412	410	413	412

Residential Neighborhood: Sanford-Fritch ISD overlapping into Carson CAD

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	70% - 90%	5	0.96	0.91	0.88	11	1.03
2016	75%-95%	8	0.96	0.92	0.94	13	0.98
2017	75%-95%	3	0.98	1.18	0.95	32	1.25
Average		5	0.95	0.98	0.91	17	1.08

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	70	38	6	0	4	0	118
2016	73	33	6	0	4	0	116
2017	75	32	6	0	4	0	97
2018	73	32	5	0	6	0	116

Farmland	Production Market	Productivity Loss	Ag Value
2015	138,720	131,630	7,090
2016	142,950	135,010	7,940
2017	138,950	131,190	7,760
2018	133,950	125,760	8,190

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	9,380,240	170,570	9,550,810	360,620	2,753,160	6,437,030
2016	9,961,870	145,430	10,107,300	325,570	3,647,290	6,134,440
2017	9,981,470	118,040	10,099,510	230,770	3,881,110	5,987,630
2018	10,471,710	76,563	10,548,273	239,610	3,617,230	6,691,433

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	56,110	15,190	71,300

Panhandle ISD

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	8,869	10,492	8,236	8,279	8,185	7,402	7,192
Total Owners	2,728	2,842	2,814	2,838	2,811	2,694	2,674

Residential Neighborhood:

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	100%	33	1.00	1.00	0.98	7	1.02
2016	100%	38	0.98	0.98	0.96	9	1.02
2017	100%	35	0.90	0.96	0.90	19	1.07
Average	100%	35	0.97	0.99	0.97	12	1.04

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	546	323	25	0	29	5	928
2016	538	339	24	0	31	6	938
2017	534	351	21	0	31	6	943
2018	519	351	20	0	29	8	927

Farmland	Production Market	Productivity Loss	Ag Value
2015	303,815,550	266,973,590	36,841,960
2016	304,555,510	262,548,240	42,007,270
2017	304,982,320	265,158,280	39,824,040
2018	305,071,000	264,538,440	40,532,560

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	523,326,994	548,585,930	1,071,912,924	483,766,610	36,077,000	552,069,314
2016	528,620,814	747,442,310	1,276,063,124	740,694,790	45,327,650	490,040,684
2017	518,140,790	663,811,000	1,181,951,790	755,568,970	44,931,670	381,451,150
2018	528,080,274	589,232,763	1,117,313,037	321,692,090	46,119,930	749,501,017

VLA/LAVA	Loss
2015	160,726,570
2016	421,650,760
2017	388,877,090
2018	320,732,325

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	920,980	931,230	1,852,210

White Deer ISD

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	9,660	11,774	9,259	9310	9,349	8,009	7,902
Total Owners	3,044	3,392	3,003	3005	2,915	2,728	2,688

Residential Neighborhood:

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	75%	16	0.98	0.99	0.97	12	1.02
2016	80%	19	0.94	0.95	0.94	6	1.01
2017	80%	18	0.99	1.00	0.91	21	1.02
Average	78%	18	0.98	1.00	0.96	14	1.02

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	260	192	9	0	15	7	483
2016	256	199	10	0	14	6	485
2017	257	207	11	0	15	6	496
2018	249	210	9	0	14	7	489

Farmland	Production Market	Productivity Loss	Ag Value
2015	131,506,190	116,472,790	15,033,400
2016	131,552,810	114,545,760	17,007,050
2017	131,473,700	115,335,420	16,138,280
2018	131,317,100	114,904,760	16,412,340

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	204,977,630	313,278,010	518,255,640	130,005,170	14,451,640	373,798,830
2016	207,432,190	455,208,980	662,641,170	317,236,730	15,772,390	329,632,050
2017	207,801,860	307,271,650	515,073,510	288,055,380	16,079,410	210,938,720
2018	210,885,840	297,978,444	508,864,284	128,210,170	16,425,740	364,228,374

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	1,017,670	106,840	1,124,510

Groom ISD

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	2,117	2,456	2,052	2061	2054	1,986	961
Total Owners	1,126	1,235	1,127	1145	1134	1,158	576

Residential Neighborhood:

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	71%	10	1.02	1.00	0.97	8	1.03
2016	71%	7	1.01	1.04	0.97	13	1.07
2017	71%	10	0.82	0.91	0.89	32	1.03
Average	71%	0.09	0.95	0.99	0.94	16	1.03

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	116	95	3	0	9	2	225
2016	105	102	3	0	9	2	221
2017	104	106	4	0	9	2	225
2018	99	100	3	0	7	1	210

Farmland	Production Market	Productivity Loss	Ag Value
2015	86,573,780	72,831,130	13,742,650
2016	86,705,730	70,783,840	15,921,890
2017	86,722,090	72,117,300	14,604,790
2018	86,741,470	72,135,040	14,606,430

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	126,078,498	305,235,480	431,313,978	80,362,040	4,299,500	346,652,438
2016	126,489,718	304,918,866	431,408,584	345,256,630	6,172,890	79,979,064
2017	131,410,180	387,156,680	518,566,860	79,445,840	6,231,340	504,389,680
2018	135,732,098	347,717,106	483,449,204	79,496,290	5,920,160	398,032,754

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	335,090	657,530	992,620

Water District

Mass Appraisal Report

Appraisal Date: January 1

Carson CAD	2012	2013	2014	2015	2016	2017	2018
Total Parcels	21,051	25,127	19,950	20,052	19,990	17,801	17,494

Residential Neighborhood: Appraisal District

Ratio Study Year	Neighborhood Adjustment	(2 yr) # of Sales	Median Ratio	Mean Ratio	Weighted Mean	COD	PRD
2015	100%	71	1.00	1.02	0.96	14	1.06
2016	100%	67	0.97	0.98	0.95	9	1.03
2017	100%	65	0.91	0.97	0.9	23	1.08
Average	100%	68	0.97	100.00	0.95	15	1.05

Exemptions	Homesteads	Over 65	Disabled	Widow	Disabled Vet	100% Dis Vet	Total
2015	992	648	43	0	57	14	1,754
2016	972	673	43	0	58	14	1,760
2016	970	696	41	0	59	14	1,780
2017	940	693	37	0	56	16	1,742

Farmland	Production Market	Productivity Loss	Ag Value
2015	522,034,240	456,409,140	65,625,100
2016	522,957,000	448,012,850	74,944,150
2017	523,309,750	452,735,160	70,574,590
2018	523,263,520	451,704,000	71,559,520

Year	Market Real Estate	Value Mineral	Total Market	Total Losses	Total Exemptions	Net Taxable Value
2015	863,765,762	891,775,790	1,755,541,552	533,785,140	1,642,300	1,220,114,112
2016	872,506,992	1,507,715,576	2,380,222,568	525,604,880	1,750,290	1,852,867,398
2017	866,951,430	1,358,357,360	2,225,308,790	531,473,150	1,226,650	1,692,608,990
2018	885,172,322	1,235,033,910	2,120,206,232	529,638,750	2,025,690	1,588,541,792

New Improvements	H/S Imps.	Non-H/S Imps.	Total
2015	2,329,850	1,729,480	4,059,330

Bills Passed the 2017 Regular Session and the 1st Called Special Session of the 85th Texas Legislature

November 8, 2017

By Robert Mott, Chris Jackson, Adam Walker & Debbie Wheeler
Perdue Brandon Fielder Collins & Mott, LLP

Texas voters approved three constitutional amendments addressing some area of property taxation November 7. We have revised those bills to reflect that they are effective. We have added further analysis on some bills. Changes from the previous issue are highlighted in gray.

This issue of *Bills Passed* includes the bills during the Regular and 1st Called Sessions. Perdue Brandon organizes *Bills Passed* by subject matter. Each bill includes a summary and effective date. All references to section numbers are to the Texas Tax Code, unless otherwise indicated. Some bills are listed several times because they address multiple subjects. Check Perdue Brandon’s website at www.pbfcm.com for updates.

As a reminder, the 1st Called Special Session of the 85th Texas Legislature ended August 15, and Governor Abbott signed the school finance bill included in this *Update*. The special session ended with no property tax bill to the Governor.

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Appraisal District Administration

SPOUSES AND CHILDREN OF PEACE OFFICER
REQUEST HOME ADDRESS BE
CONFIDENTIAL
HB 457 Holland
Amends 25.025

HB 457 adds the spouse or surviving spouse of a peace officer and the adult child of a current peace officer, as defined in Code of Criminal Procedure Article 2.12, to those who may request that their home address be confidential.

Effective: 6/15/2017, on Governor’s signature.
Status: NEW LAW. Governor signed HB 457 6/15/17.

CURRENT AND FORMER PROSECUTORS
REQUEST HOME ADDRESS BE
CONFIDENTIAL

HB 1278 Dutton
Amends 25.025; amends Government Code 552.117, 552.1175

HB 1278 adds a current or former district attorney, criminal district attorney or a county or municipal attorney whose jurisdiction includes any criminal law or child protective service matters to the list that may request their home address be exempt from disclosure.

Effective: 6/15/2017, on Governor’s signature.
Status: NEW LAW. Governor signed HB 1278 6/15/17.

FEDERAL OR STATE JUDGE'S HOME
ADDRESS IS AUTOMATICALLY
CONFIDENTIAL

SB 42 Zaffirini
Amends 25.025

SB 42 provides that the home address information of a federal or state judge, or their spouses, is automatically confidential and exempt from disclosure in the appraisal records, beginning on the date that the Office of Court Administration notifies the appraisal district of the judge's qualification for the judge's office. The judge or spouse no longer must request the exemption from disclosure by form. Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 42 5/27/17.

VICTIMS OF FAMILY VIOLENCE, ABUSE OR
ASSAULT HOME ADDRESS REQUEST HOME
ADDRESS BE CONFIDENTIAL

SB 256 Taylor
Amends 25.025

SB 256 revises the procedures for keeping the home address confidential and not open to public disclosure for an individual, the individual's child or another person in the household who is a victim of family violence. The individual provides a copy of a protective order, magistrate's order for emergency protection or other independent document that indicates a victim of family violence. Two other types of individuals that may request their home address be kept confidential are: (1) a person who is a victim of sexual abuse; or (2) a victim of assault, stalking or trafficking. The person provides the same type of documents or is a participant in the address confidentiality program by the Attorney General's office.

Effective: 5/19/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 256 5/19/17.

CURRENT OR FORMER EMPLOYEE OF
FEDERAL OR STATE JUDGE REQUEST HOME
ADDRESS BE CONFIDENTIAL

SB 510 Zaffirini
Amends 25.025

SB 510 provides that the home address information of a current or former employee of a federal or state

judge may be exempt from disclosure in the appraisal records on written request.

Effective: 5/27/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 510 5/27/17.

TEXAS CIVIL COMMITMENT OFFICE'S
EMPLOYEES REQUEST HOME ADDRESS BE
CONFIDENTIAL

SB 1576 Perry

Amends 25.025; amends other sections of various Codes

SB 1576 adds a current or former employee of the Texas Civil Commitment Office (or its predecessor in function or division) to the list that may request their home address be exempt from disclosure. These employees deal with individuals who are sexually violent predators.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1576 5/18/17.

COMPTROLLER PROHIBITED FROM POSTING
ON WEBSITE HOTEL OCCUPANCY TAX DATA

SB 1086 Seliger

Adds 156.155

SB 1086 adds that a state agency (Comptroller) may not post on a public website information that identifies the taxable receipts of an individual business contained in a document required to be provided to the agency, such as hotel occupancy tax information. Information that is collected or maintained by a state agency is public information under Government Code Section 552.002 and is provided access in the manner provided by Chapter 552, Open Records Act.

The Comptroller has removed access to the Hotel Data Search page and adds that users are still permitted to request the data by submitting an open records request.

Effective: 5/18/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 1086 5/18/17.

SOME GROUPS MAY AND OTHERS MAY NOT
LAWFULLY TAKE AND USE DRONE IMAGES

SB 840 Zaffirini

Amends Government Code 423.002

SB 840 addresses when it is lawful to capture an image using an unmanned aircraft in Texas. To the group allowed such images, SB 840 expands the lawful use of unmanned aircraft to capture images by: 1) a telecommunications provider for maintenance of facilities or systems; 2) by an insurance company employee in connection with underwriting a policy and the operator of the unmanned aircraft authorized by FAA to conduct operations; and 3) investigation by law enforcement of real property or a person on it within 25 miles of the U.S. border to ensure border security.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 840 6/9/17.

CHIEF APPRAISER GIVEN AUTHORITY TO
CORRECT ERRONEOUS DENIAL OR
CANCELLATION OF EXEMPTION

SB 945 Bettencourt

Amends 25.25

SB 945 expands the authority of the chief appraiser to correct the appraisal roll after certification to include correcting an erroneous denial or cancellation of a homestead exemption for the disabled or elderly or an exemption for a disabled veteran.

Effective: 5/22/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 945 5/22/17.

APPRAISAL AND PROTEST DEADLINES
CHANGED

HB 2228 Murphy

Amends 11.4391, 21.09, 22.23, 41.11, 41.44

HB 2228 changes several deadlines: the late deadline for filing for the freeport goods is changed to not later than June 15 (current law is before the ARB approves the records); a request for allocation of value must be filed before April 1 (current law is before May 1), with the provision for extending the deadline can be for 30 days (current is 45 days) and that the chief appraiser may add an additional 30 days (current law is 60 days); rendition statements for property regulated by the Public Utility Commission, Railroad

Commission, Federal Surface Transportation Board or Federal Energy Regulatory Commission must be delivered to chief appraiser by April 30, and the chief appraiser may extend by 15 days for good cause on written request of the owner.

Under current law in Section 22.23(a), renditions and property reports are due between January 1 and April 15. Under current 22.23(b), on written request, the deadline shall be extended to May 15; and, upon written good cause, the chief appraiser can grant another 15 days. However, pursuant to this bill, which creates a new Section 22.23(c), if at least one taxing unit in the appraisal district grants freeport, then the rendition/report due date is April 1. Further, on written request, the deadline shall be extended to May 1. The chief appraiser also may extend the deadline for an additional 15 days for good cause shown in writing by the owner. We are not sure the Legislature intended this, but that is what the statute states.

HB 2228 also moves the general protest deadline to May 15 (instead of before April 1) or 30 days after receipt of notice, whichever is later. The bill abolishes the early delivery of homestead notices with its confusing deadline language.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 2228 6/1/17.

NUECES AND SAN PATRICIO COUNTIES
ADDRESS DOUBLE TAXATION BY LIKE
TAXING UNITS

SB 2242 Hinojosa

Adds 31.112 and amends 25.25, 31.12; adds Local Government Code 72.010; amends Education Code 42.2532

SB 2242 addresses double taxation of properties by like taxing units. SB 2242 does not specifically name Nueces and San Patricio Counties but uses county and municipality populations to identify the counties and includes a taxing unit that has territory in the area double taxed. The Local Government Code addresses a lawsuit to establish the boundaries of and taxes owed with jurisdiction directly in the Texas Supreme Court. The chief appraiser of each county is required to correct the appraisal roll no later than 45 days after a final order is issued on the lawsuit, whether issued by the Court or by settlement. The tax refund process is outlined. The Education Commissioner adjusts the

school district values for the correction of the double taxation.

Effective: 6/12/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 2242 6/12/17.

Appraisal

MANUFACTURED HOUSING REGULATIONS CHANGED

HB 2019 T. King

Amends 1.04, 11.432, 23.127, 25.08 and 32.03; amends and repeals various sections of Occupations Code Chapter 1201

HB 2019 revises regulation of manufactured housing. The chief appraiser shall appraise retail manufactured housing inventory as provided in Section 23.127. The Statement of Ownership and Location is changed to Statement of Ownership. The Texas Department of Housing and Community Affairs sets up a website with searchable and downloadable information on manufactured housing ownership, liens, installation, license holder records, shipment reports and enforcement actions. HB 2019 revised the filing of tax liens to include, that with respect to each January 1 occurring in the 18-month period preceding the date of the sale, there are no perfected and enforceable tax liens on the manufactured home that have not been extinguished and canceled in accordance with Tax Code Section 32.105, or personal property taxes due on the manufactured home.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 2019 6/1/17.

Exemptions

PARTIAL EXEMPTION APPLIED TO DONATED DISABLED VETERAN'S HOMESTEAD; TAX DEFERRAL INTEREST RATE CHANGED

HB 150, HJR 21 Bell

Amends 11.132 and 33.06; amends Tex. Const. Art. 8, Sec. 1(b)(1)

HB 150 and constitutional amendment amend the partial homestead exemption for disabled veterans to include housing donated to a disabled veteran for less

than 50% of the estimate of market value by the charitable organization that donates the housing. Presently, this exemption is available only to those homes donated at no cost.

For the change in the interest rate on tax deferrals, see *Delinquent Tax Litigation*.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 150 6/15/17. Voters approved HJR 21 November 7.

LATE APPLICATION DEADLINE EXTENDED FOR HOMESTEAD AND DISABLED VETERAN'S EXEMPTIONS

HB 626 Workman

Amends 11.431, 11.439

HB 626 extends the deadline for the late application for a homestead exemption to two years after the delinquency date for the home taxes. Current law requires filing the application no later than one year after the delinquency date. For the disabled veteran's exemption in Section 11.22, the application deadline is extended to no later than five years (from one year) after the delinquency date. For these late applications, the chief appraiser notifies each taxing unit's collector within 30 days after the date the application is approved. The collector is required to issue any refund not later than 60 days after the chief appraiser notifies the collector. This new application deadline applies to tax year 2016 forward.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 626 5/29/17.

CAD LIMITED ON REAPPLICATION BY TOTALLY DISABLED VETERAN

HB 1101 Pickett

Amends 11.43

HB 1101 prevents the chief appraiser from requesting a new homestead exemption application to confirm current qualifications from a totally disabled veteran who has a permanent total disability determined by the Veterans Administration.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 1101 5/26/17.

NAVIGATION DISTRICT PROPERTY IS
EXEMPT FROM TAXES

SB 1133 Hinojosa

Adds Water Code 60.005

SB 1133 provides that navigation district property is public property used for essential public and governmental purposes and exempt from taxes and assessments by the state or a political subdivision.

Effective: 5/26/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 1133 5/26/17.

NON-PROFIT MEDICAL CENTER PROPERTY IS
EXEMPT IN HARRIS COUNTY

HB 2999 D. Bonnen

Amends 11.23

HB 2999 adds that, in a county with a population of 3.3 million or more (Harris County), all real and personal property owned by a nonprofit corporation organized exclusively for benevolent, charitable and educational purposes is exempt. Qualifying uses include research and auxiliary uses to support the organization, such as invention, development and dissemination of materials, tools, technologies, etc. This change to Section 11.23 does not exempt any interest in real or personal property of a for-profit lessee of property for which a nonprofit corporation is entitled to a property tax exemption. The subsection may not be construed to exempt from taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to exemption.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 2999 5/29/17.

USE REQUIREMENT DEFINED FOR TANGIBLE
PERSONAL PROPERTY MOVING IN AND OUT
OF TEXAS

HB 3103 Darby

Amends 11.01

HB 3103 addresses tangible personal property used in Texas and outside of Texas to determine its situs for taxation. The property is considered to be used continually in Texas, whether regularly or irregularly, if the property is used in Texas three or more times on regular routes or for three or more completed

assignments occurring in close succession throughout the year. A series of events in close succession are if they occur in sequence within a short period of intervals from the beginning to the end of the year.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 3103 6/15/17.

FIRST RESPONDER'S SURVIVING SPOUSE
HOMESTEAD IS EXEMPT

SB 15 Huffines, SJR 1 Campbell

Adds 11.134; amends 11.42, 11.43, 11.431, 26.10, 26.112; amends Government Code 403.302; adds Tex. Const. Art. 8, Sec. 1-b(o) and (p)

SB 15 and constitutional amendment provide a 100% homestead exemption to the surviving spouse of a first responder killed while on duty. The exemption is transferrable in its dollar amount to a new homestead. The exemption is effective if the surviving spouse is an eligible survivor for purposes of Government Code Chapter 615, as determined by the Employees Retirement System, and has not remarried since the death of the first responder. The exemption applies regardless of the date of the first responder's death if the surviving spouse meets the qualifications. A one-time application is required. The application must be made within two years of the delinquency date for the tax year to qualify. (See HB 626 for changes to Section 11.431.) The exemption applies for the whole first year but is prorated off if property ceases to qualify. The Comptroller adjusts the property values for school districts for state aid adjustments to compensate schools for the loss.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 15 6/9/17. Voters approved SJR 1 November 7.

CHARITY THAT DOES TAX RETURNS IS
EXEMPT FROM PROPERTY TAXES

SB 1345 Watson

Amends 11.18

SB 1345 exempts a charitable organization's property used to provide tax return preparation and other financial services without the beneficiaries' ability to pay.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 1345 6/15/17.

COUNTY FAIRS ASSOCIATION EXEMPTION
CHANGED TO REFER TO TEXAS RACING ACT
SB 1969 Kolkhorst

Amends 11.23 and various sections of Occupations
Code Title 13

SB 1969 changes the cite for the county fairs
association exemption from Article 179e, Vernon's
Texas Civil Statutes to Subtitle A-1, Title 13,
Occupations Code, Texas Racing Act.

Effective: 4/1/2019.

**Status: NEW LAW. Governor signed SB 1969
6/15/17.**

Special Valuation

OWNER OF HEAVY EQUIPMENT INVENTORY
GETS 10 EXTRA DAYS TO PREPAY TAX

HB 1346 Button

Amends 23.1242

HB 1346 gives the owner/dealer of heavy equipment
inventory 20 days after the first of each month to file
the required form and prepay the inventory tax.
Current law requires the owner/dealer to file and pay
by the 10th day of the month.

Effective: 9/1/2017.

**Status: NEW LAW. Governor signed HB 1346
5/23/17.**

AG ROLLBACK TAX DOES NOT APPLY TO
CHANGE FOR OIL AND GAS LEASE

HB 3198 Darby

Adds 23.524

HB 3198 adds that the eligibility of land for
agricultural appraisal does not end because a lessee
under an oil and gas lease begins conducting oil and
gas operations over which the Texas Railroad
Commission has jurisdiction on the land, if the
portion of the land on which oil and gas operations are
not being conducted otherwise continues to qualify
for agricultural appraisal.

Effective: 9/1/2017.

**Status: NEW LAW. Governor signed HB 3198
6/1/17.**

QUALIFIED CITRUS PRODUCING LAND
CONTINUES TO RECEIVE AG PRODUCTIVITY
VALUE WHEN PEST CONTROL
MANAGEMENT IS REQUIRED

SB 1459 Hinojosa

Adds 23.524

SB 1459 provides for temporary cessation of
agricultural use to manage the spread of certain pests.
Qualified agricultural land does not end because the
land ceases to be devoted principally to ag use to the
degree of intensity generally accepted if: the land is in
a pest management zone and appraised primarily for
producing citrus; the owner has an agreement to
destroy, remove or treat all citrus trees located on the
land and infested with pests; and the agreement, per
Agriculture Code Section 80.003, is with the Texas
Citrus Pest and Disease Management Corporation, the
Agriculture Commissioner or the U. S. Department of
Agriculture. The temporary cessation is for five years.
The owner is required to notify the chief appraiser in
writing within 30 days of the agreement about the
temporary cessation and include a copy of the
agreement. A change of use occurs if the owner does
not fully comply with the terms of the agreement.

Effective: 5/19/17, on Governor's signature.

**Status: NEW LAW. Governor signed SB 1459
5/19/17.**

MEMBER IN MILITARY DOES NOT LOSE AG
VALUE DUE TO CESSATION OF AG ACTIVITY
DURING SERVICE OUT-OF-STATE

HB 777 Ashby

Adds 23.253

HB 777 addresses a member of the armed services
who is deployed out-of-state and who has land that
qualifies for productivity valuation. The service
member notifies the chief appraiser within 30 days of
receiving the notice of deployment that the member
intends to resume ag production to the requisite
degree of intensity within 180 days of returning to
Texas. The land's productivity value may not be
removed due to cessation of agricultural activity.

Effective: 5/23/17, on Governor's signature.

**Status: NEW LAW. Governor signed HB 777
5/23/17.**

STATE LEADERS REMOVED FROM
COMPTROLLER'S AG AND TIMBER MANUALS
SB 594 Creighton

Amends 23.52 and 23.73

SB 594 removes the five-member state committee of Governor, Comptroller, Attorney General, Agriculture Commissioner and General Land Office Commissioner from approval of the Comptroller's rules on the manuals for the appraisal of open-space land (ag) and of timber land. The Comptroller, with the review and counsel of the Department of Agriculture for the ag manual and Texas A&M Forest Service for the timber manual, approves the rules for these two manuals.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 594 5/18/17.

STATE COMMITTEES ABOLISHED,
INCLUDING AG AND TIMBER MANUAL

SB 526 Birdwell

Amends 23.52 and 23.73

SB 526 adds the same changes found in SB 594 (above), along with other changes to various codes. *SB 526 has a different effective date than SB 594.* The Governor signed SB 594, which is new law effective January 1, 2018.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 526 6/9/17.

Appraisal Review Board (ARB)

PROPERTY OWNER HEARD BY TELEPHONE
CONFERENCE CALL AT ARB HEARING

HB 455 Metcalf

Amends 41.45

HB 455 authorizes a property owner to appear by telephone conference call to offer argument at the ARB hearing, if the owner gives advance notice at least 10 days before the ARB hearing or includes in the filed protest. Or, the ARB proposes that the hearing be conducted by telephone conference call and the property owner agrees. Evidence must be submitted in advance by affidavit. The ARB shall provide a telephone number for the owner to call to

participate in the hearing and hold the hearing in a location equipped with telephone equipment that allows each ARB member and other parties to hear the owner's argument. The owner may still appear in person. If the owner doesn't show, the evidence in the affidavit is to be submitted as appearance.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 455 5/23/17.

PROPERTY OWNER SENDS LESSEE COPY OF
NOTICE OF APPRAISED VALUE

HB 804 Dale

Amends 41.413

HB 804 requires an owner to send the person leasing the owner's property under contract a copy of the notice of appraised value. This provision does not apply if the property owner and the lessee have agreed in the contract to waive the requirements or that the lessee will not protest the property's appraised value. The lessee may request that the chief appraiser send a copy of the notice to the lessee. The chief appraiser sends the notice to the lessee within five days after the notice is sent to the property owner, if the lessee demonstrates a contractual obligation to reimburse the owner for taxes on the property. The chief appraiser, however, is not required to send the notice to the lessee if the appraisal district posts the appraised value of the property on its website within five days after notices are mailed. Failure of the owner to send a copy of the notice to the lessee does not affect the time within which the lessee may protest the appraised value. A person leasing property under a described contract may designate another person to act as the agent of the lessee for property tax purposes. The lessee must make the designation by filing an agent appointment form provided in Section 1.111. Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 804 5/1/17.

PROPERTY OWNER MAY ELECT WHEN TO
PRESENT EVIDENCE AT THE ARB HEARING

SB 1767 Buckingham

Amends 25.25, 41.66

SB 1767 adds that the property owner may elect to present the owner's evidence and argument at the ARB hearing before, after or between cases presented by the chief appraiser and each taxing unit (for a 25.25

hearing). The ARB's hearing procedures should state that the property owner may elect to present the owner's case at the ARB hearing before or after the CAD presents the CAD's case.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 1767 6/15/17.

COMPTROLLER BY RULE SETS OUT FORM AND MANNER FOR PROPERTY OWNER'S EVIDENCE FOR ARB HEARING RECORD AND FOR AUDIOVISUAL EQUIPMENT; COMPTROLLER HANDLES SELECTION AND REMOVAL OF ARBITRATORS

SB 1286 Bettencourt

Amends 41.45, 41A.061, 41A.07

SB 1286 adds that the Comptroller by rule shall set out the manner and form, including security requirements, for a person to provide a copy of written evidence or other material for the ARB to retain as part of the ARB's hearing record and to include specifications for the audiovisual equipment provided by the CAD for use by the property owner or owner's agent. For the Comptroller's registry of arbitrators, the Comptroller shall select the arbitrator, rather than the property owner and CAD. To be appointed an arbitrator for a particular case, the arbitrator must be a resident of the county where the property is located or in this state if no one is available in the county. A person may not serve as an arbitrator in that county if, during the preceding five years, the person was a paid tax agent, CAD officer, CAD employee or ARB member in the CAD in which the property is located. The Comptroller shall remove from the registry a person who shows repeated bias or misconduct as an arbitrator. See also *Appraisal District Litigation*.

Effective: 9/1/2017, with the Comptroller rules adopted by January 1, 2018.

Status: NEW LAW. Governor signed SB 1286 6/12/17.

Appraisal District Litigation

PROPERTY VALUE INCREASED FOR APPEALING THROUGH ARBITRATION

SB 731 Bettencourt

Amends 41A.01, 41A.03, 41A.06

SB 731 increases the value of a property that an owner may appeal the ARB decision to binding arbitration from \$3 million to \$5 million or less. A fee of \$1,550 is added for a property that is not an owner's residence homestead and the appraised value of the property is more than \$3 million but not more than \$5 million. SB 731 also changes the term "salesperson" to "sales agent" under Chapter 1101, Occupations Code, as someone who may serve as an arbitrator.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 731 6/9/17.

COMPTROLLER RULE SETS OUT FORM AND MANNER FOR OWNER'S EVIDENCE FOR ARB HEARING RECORD AND FOR AUDIOVISUAL EQUIPMENT; COMPTROLLER SELECTS AND REMOVES ARBITRATORS

SB 1286 Bettencourt

Amends 41.45, 41A.061, 41A.07

SB 1286 adds that the Comptroller by rule shall set out the manner and form, including security requirements, for a person to provide a copy of written evidence or other material for the ARB to retain as part of the ARB's hearing record and to include specifications for the audiovisual equipment provided by the CAD for use by the property owner or owner's agent. For the Comptroller's registry of arbitrators, the Comptroller shall select the arbitrator, rather than the property owner and CAD. To be appointed an arbitrator for a particular case, the arbitrator must be a resident of the county where the property is located or in this state if no one is available in the county. A person may not serve as an arbitrator in that county if, during the preceding five years, the person was a paid tax agent, CAD officer, CAD employee or ARB member in the CAD in which the property is located. The Comptroller shall remove from the registry a person who shows repeated bias or misconduct while acting as an arbitrator. See also *Appraisal Review Board*.

Effective: 9/1/2017, with the Comptroller rules adopted by January 1, 2018.

Status: NEW LAW. Governor signed SB 1286 6/12/17.

Assessment & Truth-in-Taxation

VOTERS APPROVE NEW CITY OR REGIONAL GOVERNMENT WITH INITIAL TAX RATE

SB 1015 Creighton

Adds Local Government Code 43.0755

SB 1015 provides for establishing a new municipality as a Type A, B or C municipality or another regional form of government by voter election, with an initial tax rate stated in ballot proposition. If territory incorporated was part of another entity, the tax rate of that entity is not considered for calculating effective and rollback tax rates in Section 26.04 for new entity. Effective: 6/9/2017, on Governor's signature.

Status: NEW LAW. Governor signed SB 1015 6/9/17.

SPECIAL DISTRICTS REQUIRED TO GIVE ACCESS TO FINANCES AND TAX RATE INFORMATION

SB 625 Kolkhurst

Adds Government Code 403.0241 and 403.0242; adds Local Government Code Chapter 203, Subchapter D

SB 625 requires the Comptroller to create a website, known as *Special Purpose District Public Information Database*, to include all active special purpose districts that impose an ad valorem tax or sales and use tax or charge a fee, among other requirements. A special purpose district is *not* a county, municipality, school district, junior college district or statewide district. Each district's information includes its name, the name of each board member, general manager or executive director, contact information for main office (including its addresses and telephone number), the contact address and information of a utility operator or tax assessor-collector if contracted with the district, the district's website, reports under Local Government Code Section 140.008, total annual revenue, unencumbered fund balance at end of last fiscal year, rate of any sales and use tax and table of property tax rates as required by Tax Code Section 26.16. The Comptroller updates the database annually, with no fee to access database. The Comptroller sets how to transmit the information and shall maintain a list of special districts that do not comply. Penalties for noncompliance begin with a

civil penalty of \$1,000 on the special purpose district. The Attorney General may sue to collect civil penalty. Effective: 9/1/2017, with Comptroller sending notice to special districts by January 1, 2018 and information posted to Comptroller's website September 1, 2018. **Status: NEW LAW. Governor signed SB 625 6/9/17.**

CERTZ ENDS FOR COUNTY ROADS

SB 1305 Nichols

Repeals 222.1071 and 222.1072; amends Transportation Code 222.110, 256.009, 256.104

SB 1305 eliminates the county energy transportation reinvestment zones (CERTZ) that counties established in 2013/2014 to repair damaged county roads. The CERTZ allowed for counties to capture appraised value above the base value of real property in the designated CERTZ to direct those taxes as CERTZ funds. These adjustments were made in the tax rate calculations of the effective and rollback tax rates for the county. The CERTZ repeal does not affect the amount of any tax rate calculation for 2018 tax year or subsequent year that a county imposes taxes on property that, for the 2017 tax year, was in a CERTZ. Beginning with the 2018 tax year, both the property value and the taxes corresponding to that property value will be included in the calculation of effective and rollback rates.

Effective: 12/31/2017.

Status: NEW LAW. Governor signed SB 1305 5/28/17.

Tax Collections

INSTALLMENT PAYMENT OF CURRENT TAXES REVISED FOR PROPERTY IN DISASTER

SB 1047 Creighton

Amends 31.032

SB 1047 revises the language for four equal installment payments by certain property owners in a disaster area. It adds to current law that the first installment may be paid in the first month of delinquency, with the owner providing a notice that the payment is the first installment.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed SB 1047 6/12/17.

PROPERTY OWNER WHO PAID TAX GETS
REFUND FOR CORRECTED TAX RECORD

HB 2989 D. Bonnen

Amends 26.15

HB 2989 clarifies that the property owner who paid the tax on a property receives any tax refund due to a correction decreasing tax liability on the property. [Note: This change does not apply to court-ordered refunds under Section 42.43.]

Effective: 5/26/17, on Governor's signature.

Status: NEW LAW. Governor signed HB 2989 5/26/17.

Delinquent Tax Litigation

RIGHT TO DEFER PROPERTY TAXES
EXTENDED TO DISABLED VETERANS

HB 217 Canales

Amends 33.06

HB 217 authorizes individuals who qualify for the disabled veteran's exemption in Tax Code Section 11.22 may defer or abate the collection of delinquent taxes on their residence homestead. These individuals qualify for the disabled veteran's partial exemption, depending on percentage of disability, in Tax Code Section 11.22. This right to defer also is granted to the surviving spouse or surviving child of a deceased disabled veteran, pursuant to Section 11.22.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 217 5/18/17.

TAX DEFERRAL INTEREST RATE CHANGED;
PARTIAL EXEMPTION APPLIED TO DONATED
DISABLED VETERAN'S HOMESTEAD

HB 150, HJR 21 Bell

Amends 11.132 and 33.06; amends Tex. Const. Art. 8, Sec. 1(b)(1)

HB 150 lowers the interest rate on tax deferrals from the present 8% to 5% for those deferrals filed by the elderly, disabled and now disabled veterans (see HB 217 above). The change in interest rate applies only to interest that accrues on or after the bill's effective date, regardless of whether the deferral period began before that date.

HB 150 and the constitutional amendment amend the partial homestead exemption for disabled veterans to include housing donated to a disabled veteran for less than 50% of the estimate of market value by the charitable organization that donates the housing. Presently, this exemption is available only to those homes donated at no cost. See also *Exemptions*.

Effective: 1/1/2018, if voters approve constitutional amendment November 7, 2017.

Status: Subject to voter approval. Governor signed HB 150 6/15/17. HJR 21 will be on November 7 ballot.

ALTERNATIVE DATES AND TIME OF REAL
PROPERTY TAX SALE REVISED

HB 1128 Wray

Amends 34.01 and 34.07; amends Civil Practice and Remedies Code 34.041; amends Property Code 51.002

HB 1128 removes "first Tuesday of the month" on the date of sale under Section 34.07. The bill states that public sales of real property must take place between 10 a.m. and 4 p.m. on the first Tuesday of a month; or, if that date is January 1 or July 4, then on the first Wednesday of the month. A sale of real property conducted by means of a public auction using online bidding and sale may begin at any time and must conclude at 4 p.m. on the first Tuesday of a month or, if that date is January 1 or July 4, on the first Wednesday of the month.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 1128 5/26/17.

GOVERNOR VETOED BILL ON CERTAIN
MORTGAGE SERVICERS REQUIRED TO ISSUE
ACCOUNTING STATEMENTS TO OWNERS
WITH REAL PROPERTY LIENS

SB 830 Rodriguez

Adds Finance Code Chapter 397

Veto

SB 830 applies to a loan secured by a first or subordinate lien on real property, excluding a federally related mortgage loan, a loan by a regulated credit union, a loan primarily for business or temporary financing purposes or a loan that is directly financed and serviced by a relative within the second degree of blood or marriage. A mortgage servicer for a loan (other than those excluded) shall provide the

borrower an annual January statement about the amount of each payment received during the preceding year, how each payment was applied and the outstanding balance. A borrower who does not receive the statement may request the statement by sending a request by certified mail to the mortgage servicer. If the mortgage servicer fails to provide the statement on or before the 25th day after the request, the borrower is not liable for any payment, fees or other charges not made during that year's statement, except for any principal and interest that may be due for the preceding calendar year. If the mortgagee is not the mortgage servicer, the mortgage servicer is liable for paying the mortgagee any amount for which the borrower is no longer liable and any fee or other charge assessed against the borrower by the mortgagee as a result of failure to comply with this provision. This provision does not apply if, before the borrower requests an annual statement, the mortgage services sends a default notice by certified mail to the borrower at the last known address.

Status: VETOED. Governor vetoed SB 830 6/15/17.

APPOINTED MASTER RECEIVES FEES AS COSTS OF DELINQUENT TAX LAWSUITS

HB 3389 Schofield

Amends 33.73

HB 3389 provides that the district clerk shall collect fees taxed as costs of suit and award the fees to the master in each delinquent tax suit for which a master is appointed, regardless of the disposition of the suit. The fees may not be collected or awarded in a suit dismissed by the master unless the master held at least one hearing on the suit or prepared for the suit for at least a number of hours equivalent to the time typically required to conduct a hearing.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 3389 6/1/17.

County Tax Assessor-Collectors

ADDITIONAL PROCEDURE ADDED FOR DISHONORED CHECK

SB 492 West

Amends Local Government Code 130.006

SB 492 adds to the list of procedures that the county tax assessor-collector may establish to include the referral of a dishonored check or credit card invoice to a private collection agency. The private collection agency may charge a fee equal to the amount authorized for a returned check under Local Government Code Section 118.011, which is currently not less than \$15 nor more than \$30.

Effective: 5/4/2017, on Governor's signature

Status: NEW LAW. SB 492 signed by Governor 5/4/17.

CONTINUING EDUCATION HOURS SET FOR NEW COUNTY TAX ASSESSOR-COLLECTOR

SB 929 Hughes

Amends 6.231

SB 929 requires a county tax assessor-collector who assesses or collects property taxes to successfully complete at least 40 hours of continuing education courses on property tax assessment and collection, including Truth-in-Taxation. The county tax assessor-collector has one year to complete the required course. The course applies to a county tax assessor-collector whose first term begins on or after May 18, 2017.

Effective: 5/18/17, on Governor's signature.

Status: NEW LAW. Governor signed SB 929 5/18/17.

COUNTY OFFICES ISSUE SPECIALITY LICENSE PLATES TO SURVIVING SPOUSE OF MILITARY VETERAN

HB 377 Oliverson

Amends Transportation 504.302, 504.308, 504.317, 521.011, 521.101, 521.102, 521.1235, 521.142

HB 377 allows the surviving spouse of a military veteran who would be eligible for a specialty license plate to register one vehicle for the plate, with the fee waived, as long as the spouse remains unmarried. The specialty license plates include one for disabled veterans. The spouse submits proof of eligibility. The disability rating has the meaning assigned by Tax Code Section 11.22.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 377 6/15/17.

TEXAS DPS NOTES DISABLED VETERAN
DESIGNATION ON DRIVER'S LICENSE OR
PERSONAL ID

SB 1936 Hughes

Amends Transportation Code 521.011, 521.101,
521.102, 521.1235, 521.142

SB 1936 requires DPS to include a disabled veteran designation and branch of service on the Texas driver's license or personal identification certificate, on the request of a disabled veteran. The disability rating must be of at least 50%, or 40% for amputation of a lower extremity. This disabled veteran's designation on the driver's license or personal ID is expressly stated as *not* being satisfactory proof to obtain a property tax exemption. The disabled veteran may use it for other purposes to obtain certain services or benefits available to disabled veterans in Texas.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1936 6/15/17.

School Finance

ADDITIONAL SCHOOL FUNDS GRANTED TO
ISD THAT ANNEXES UNACCEPTABLE ISD;
WEALTH FORMULA CHANGED

SB 1353 Taylor

Amends Education Code 13.054, 41.002

SB 1353 adds additional state aid for costs of facility renovation, repair and replacement for a school district that annexes an unacceptable school district. SB 1353 provides for the additional state aid for five years, beginning with the school year in which the annexation occurs. The Education Commissioner determines that the district would result in greater payments, in addition to other funding. The formula for additional funds shall be the ratio of the number of students in annexed territory by the total number of students in the enlarged district times the lesser of the enlarged district's local fund assignment under Education Code 42.252 or the enlarged district's total cost of Tier 1. A similar calculation will be made for the district's facilities aid if applicable. The Education Commissioner is required to implement only if the Legislature appropriates money specifically for this purpose. If the Legislature does not, then the

Commissioner may, but is not required to, implement using other available funds.

The formula in Education Code Section 41.002 applied to the district's adopted M&O rate for the current school year changes from 1.5 to 1.17. The Education Commissioner may authorize additional funds to the school district provided by another provision, if the Commissioner determines that provision results in greater payments to the district.

Effective: 6/1/2017, on Governor's signature.

Status: NEW LAW. Governor signed 6/1/17.

DALLAS COUNTY BOARD OF EDUCATION
ABOLISHED UNLESS VOTERS CONTINUE

SB 1566 Kolkhorst

Amends Education Code 11.151, 11.1511

SB 1566 adds to the powers and duties of the board of trustees of independent school districts and abolishes certain county boards of education, unless continued by the voters. Each county board of education, board of county school trustees or office of county school superintendent in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 800,000 is abolished, effective November 15, 2017, unless the entity is continued by voters through an election in November 2017. This provision is also found SB 2065 on changes to the state law on licensing and regulation. Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1566 5/23/17.

SCHOOL FINANCE LAW MODIFIED

1st Called Session: HB 21 Huberty

Amends Education Code Sections

HB 21 defers the August payment to school districts until early September, beginning with fiscal year 2019; repeals dedicated funds for transportation, high school students and support staff salaries; and repeals the hold harmless provision (ASATR) but provides a financial hardship transition grant program of \$150 million for districts that lost state funds with the 2016-2017 law changes. A county board of education is prohibited from receiving transportation funds directly from the state; funding would come from the local school districts in the system. The funding weights for dyslexia and bilingual education are adjusted. Funding is gradually increased to smaller

school districts that have 1,600 or fewer students and contain fewer than 300 students. The state will put \$351 million more into public schools, including \$120 million for school facilities and charter schools; \$212 million into the Teacher Retirement System; and \$60 million for facilities funding for existing school debt. The 13-member Texas Commission on Public School Finance will develop recommendations for improvements to the current school finance system. Proposed Effective: 11/14/2017, with some sections 9/1/2018 and some 9/1/2023.

Status: NEW LAW. Governor signed August 16, 2017.

Special & Miscellaneous

ABATEMENTS/SCHOOL TAX LIMITATIONS FOR WIND FARMS PROHIBITED NEAR MILITARY AVIATION FACILITY

SB 277 Campbell

Adds 312.001; amends 313.024

SB 277 prohibits the granting of an abatement or a school tax limitation to a wind turbine located within 25 nautical miles of a military aviation facility. The prohibition applies if the abatement agreement was entered into on or after September 1, 2017 for a wind-powered energy device. The prohibition does not apply if the wind-powered energy device is installed or constructed pursuant to a memorandum of understanding or other agreement between the owner of the device and the U. S. Department of Defense. It also does not apply if the wind-powered energy device is installed or constructed as part of an expansion or repowering of an existing project.

Effective: 9/1/2017

Status: NEW LAW. Governor signed SB 277 6/8/17.

HOMEOWNER RECEIVES ABATEMENT FROM DALLAS COUNTY UTILITY AND RECLAMATION DISTRICT

HB 1186 Anderson

Adds to Chapter 628, Section 4B, Acts of 68th Texas Legislature

HB 1186 provides that the tax assessor-collector for the Dallas County Utility and Reclamation District may file an exemption application with the appraisal

district on behalf of a homeowner granted a tax abatement on a portion of the home's value.

Effective: 6/1/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1186 6/1/17.

STATE SENATOR AND/OR STATE REPRESENTATIVE SERVES AS EX-OFFICIO TIF DIRECTOR

SB 1465 Taylor

Adds 311.0092

SB 1465 requires the board of directors of a reinvestment zone to send a written notice by certified mail to each Senator and to each Representative who is an ex officio member on the board about the membership. A newly elected Senator or Representative receives certified notice within 90 days of being elected about the membership on the TIF board. A Senator or Representative may elect not to serve or designate another individual in the member's place by sending written notice by certified mail to the board. A Senator and/or Representative who elects not to serve or designate another individual in their place is not counted as a member of the board for voting or quorum purposes.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1465 6/9/17.

Open Meetings, Chapter 551

MEMBER MARKED ABSENT FROM VIDEOCONFERENCE CALL IF CALL DISCONNECTED OR LOST

HB 3047 Dale

Amends Government Code 551.127

HB 3047 clarifies that a member of a governmental body who participates in a meeting by videoconference call shall be considered absent from any portion of the meeting during which audio or video communication with the member is lost or disconnected. The governmental body may only continue the meeting if a quorum remains present or continues to participate.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 3047 6/15/17.

TYPE OF NEWSPAPER REQUIRED TO PUBLISH
GOVERNMENT NOTICES IN CERTAIN
COUNTIES

HB 2985 Phillips

Amends Government Code 2051.0441

HB 2985 increases the county population bracket from 36,000 to 39,000 for newspapers used by governmental bodies for required published notices. The periodical postal matter is for a governmental entity in a county with a population of at least 30,000 and not more than 39,000 that borders the Red River, or does not have a newspaper meeting the general law requirements. These governmental bodies shall be published in a newspaper that is entered as a *periodical* postal matter, rather than second-class mail.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 2985 6/15/17.

Open Records, Chapter 552

COMPUTER SECURITY INFORMATION IS
CONFIDENTIAL

HB 1861 Elkins

Amends Government Code 552.139

HB 1861 marks as confidential any information collected, assembled or maintained by or for a governmental body to prevent, detect or investigate a computer security incident, including an information security log. This does not affect the notification requirements related to a breach of security as defined in Business & Commerce Code Section 521.053. A state agency redacts confidential information from a contract posted on the web. The redacted information does not exempt it from requirements for public information requests of Government Code 552.021 or 552.221.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1861 6/15/17.

GOVERNOR VETOED BILL ON COURT COSTS
AND ATTORNEY'S FEES FOR LAWSUIT ON
OPEN RECORDS

HB 2783 Smithee

Amends Government Code 552.323

Veto

HB 2783 provides that the court may assess costs of litigation and reasonable attorney fees incurred by a plaintiff to whom a governmental body voluntarily releases requested information after filing an answer to a lawsuit filed for an action brought under Government Code Section 552.321 or 552.3215. Current law only addresses court costs and attorney's fees to the plaintiff who substantially prevails.

Status: VETOED. Governor vetoed HB 2783 6/15/17.

OPEN RECORDS PROCEDURES ADDRESS
MONTHLY AND YEARLY LIMITS ON A
REQUESTOR WHO DOES NOT PAY OR
WITHDRAWS REQUESTS

HB 3107 Ashby

Amends 552.221, 552.261, 552.275, 552.3215

HB 3107 adds that an open records request is considered withdrawn if the requestor fails to inspect or duplicate the public information in the governmental body's office on or before the 60th day after the information is available or fails to pay the postage and accrued open record charges on or before the 60th day. All requests received in one calendar day from an individual may be treated as a single request for calculating costs. A governmental body may not combine multiple requests from separate individuals who submit requests on behalf of an organization. A governmental body may establish reasonable monthly and yearly limits on time that personnel are required to spend producing public information. All county officials who have designated the same officer for public information may calculate the time that personnel are required to spend collectively for purposes of the monthly or yearly limit. A monthly time limit may not be less than 15 hours for a requestor for a one-month period. If a requestor submitted an unpaid request that was not withdrawn, the governmental body is not required to compile a new request by that requestor until the date the requestor pays each unpaid statement with a previous request or withdraws the previous request. The news media is exempted for these requirements, including an individual who supervises or assist in gathering new or information or to an individual who is or was a journalist, scholar or researcher employed by higher education institution. HB 3107 exempts the creation or maintenance of an abstract plant as described by Insurance Code Section 2501.004. A

complainant may file with the Attorney General on or after the 90th day that the complainant filed with the district or county attorney who has not brought action on the complaint.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 3107 6/15/17.

GOVERNMENTAL BODY PROVIDES PUBLIC RECORDS ON PUBLIC WEBSITE

SB 79 Nelson

Amends Government Code 552.221

SB 79 changes the term “political subdivision” to “governmental body” for the requirements of providing requested public records on a website maintained by the governmental body.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 79 6/9/17.

Other Codes and Statutes

SETTLEMENT AGREEMENTS WITH GOVERNMENT CANNOT RESTRICT MEDIA ACCESS

HB 53 Romero

Adds Civil Practice and Remedies Code Chapter 116

HB 53 prohibits a governmental unit in a settlement agreement of \$30,000 or greater to include a condition of the settlement that the parties agree not to disclose any fact, allegation, evidence or other matter to any other person, including the media. A settlement agreement provision entered into in violation of this is void and unenforceable. This does not affect information that is privileged or confidential under other law. The money used to pay the settlement is from taxes collected by the governmental unit, revenue received from the state or insurance proceeds.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 53 6/12/17.

CELL PHONES RESTRICTED WHEN DRIVING

HB 62 Craddick

Adds Transportation Code 545.4251 and amends 521.161, 545.424, 545.425, 708.052

HB 62, the Alex Brown Memorial Act, restricts the use of cell phones while driving. The driver commits a misdemeanor offense for using a hand-held device to read, write or send a text-based message while operating a motor vehicle that is not stopped. A violation is a fine of at least \$25 but not more than \$99, unless on the trial for the offense it is shown that the defendant was previously convicted at least one time, then the fine is at least \$100 and not more than \$200. If the offense causes the death or serious bodily injury of another person, the offense is punishable as a Class A misdemeanor, which is punishable of a fine up to \$4,000, confinement in jail for a term of up to one year, or both. A peace officer must view or establish other evidence of a violation. The driver may use the device for navigation and for playing music. TxDOT will post signs on interstate highways.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 62 6/6/17.

STATE AND LOCAL CONTRACTS PROHIBITED WITH COMPANIES THAT BOYCOTT ISRAEL

HB 89 King

Adds Government Code Chapter 2270

HB 89 prohibits government contracts with companies that boycott Israel and would restrict certain state investments in those companies. Government contracts include those by political subdivisions of the state, including counties, cities, school districts and special-purpose districts. The contract must include written verification from the company that it does not boycott Israel and would not boycott Israel during the contract’s term. The Attorney General has enforcement authority.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 53 5/2/17.

GOVERNING BODY ADOPTS POLICY ON HEDGING IN INVESTMENT OF PUBLIC FUNDS

HB 1003 Capriglione

Adds Government Code 2256.0206 and amends Government Code 2256.004, 2256.009, 2256.011, 2256.014, 2256.015, 2256.016; amends Tax Code 171.901

HB 1003 allows an entity to invest in prime money market funds and interest-bearing banking deposits that the FDIC guarantees or insures and gives some

state agencies and large municipalities the ability to utilize hedging transactions, such as some municipal utilities. An eligible entity may pledge as security for and payment of an agreement to a hedging contract any revenue that the law authorizes an entity to pledge for payment of any other obligation. Exclusion from the depreciation and tax-exempt use provisions do not apply to an institution of higher education or university system.

Effective: 6/14/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1003 6/14/17.

INVESTMENT POLICY PRESENTATION
REVISED TO ANY BUSINESS ORGANIZATION
HB 1701 Parker

Amends Government Code 2256.005

HB 1701 revises the presentation of the investment policy to be any business organization offering to engage in an investment transaction that has accepted authority granted by the entity under the contract to exercise investment discretion in investing the entity's funds.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 1701 5/26/17.

CERTAIN COUNTIES ESTABLISH HEALTH
CARE PROVIDER PARTICIPATION PROGRAMS
**HB 2062 Phillips; HB 2995 Ashby; HB 3398
Darby; HB 3954 Gonzales; SB 1462 Hinojosa**

Adds Health and Safety Code Chapter 292A; SB 1462 adds Health and Safety Code Chapter 298B

These bills expand a program that began in 2013 to create a local county or city health care provider participation fund to access federal matching funds under the Section 1115 Medicaid waiver. In 2013, several counties (on the Texas-Mexico border) and in 2015 more counties (Bowie, Cherokee and Gregg) and one city (Beaumont) could collect a mandatory payment from each institutional health care provider (private hospitals) in the county. Mandatory payments are based on net patient revenue and are deposited into a local provider fund (LPPF), which is used for indigent care programs. These hospitals can receive access to a fair level of federal funding for uncompensated care they provide. The county or city may collect or contract for assessment and collection of the mandatory payment, with interest, penalties and

discounts governed by the laws applicable to property taxes. In 2017, the Texas Legislature has added more with the following five bills.

HB 2062 applies to a county that borders the Red River, has a population of more than 100,000, has at least two cities, each with a population or more than 15,000 and the county is not served by a public hospital or hospital district (Grayson County).

HB 2995 applies to a county that borders or includes the Sam Rayburn Reservoir, has a population of more than 200,000 but less than 220,000 and is not served by a public hospital or hospital district (Angelina County and Smith County).

HB 3398 applies to a county that includes the Concho River, has a population of more than 100,000 and is not served by a public hospital or hospital district (Tom Green County).

HB 3954 applies to a county adjacent to a county containing the state capital, has a population of more than 400,000 and is not served by a public hospital or hospital district (Williamson County).

SB 1462 adds the Tarrant County Hospital District to the health care provide participation program. It amends the local provider participation funds for the counties and the city that had the 2013 and 2015 law to allow for local provider participation funds that lack a public hospital or hospital district. One change is that the county or municipal county tax assessor-collector is not required to collect the mandatory funds. The county or city may contract for assessment and collection of the mandatory payments.

Effective: HB 2062 and HB 2995 are 6/15/2017. HB 3954 is 5/26/2017. SB 1462 is 6/9/2017.

Status: NEW LAW. Governor did not sign but allowed these to become law without his signature.

WATER DISTRICT VOTER AFFIDAVIT
PROVIDED IN CONFIRMATION ELECTION
HB 2358 Metcalf

Adds Water Code 49.1025

HB 2358 requires the Attorney General to create a voter affidavit to be used for elections, including the authorization of taxes or bonds, by a conservation and reclamation district. The voter is required to make certain statements under oath to certain required

statements. To vote, the owner of the land must establish residence, even if temporary.

Effective: 1/1/2018.

Status: NEW LAW. Governor signed HB 2358 6/15/17.

COMBINED MUNICIPAL SALES TAX BALLOT
REVISED

HB 3046 Dale

Amends Tax Code 321.409

HB 3046 removes the language "dedicated or special purpose" limiting the type of municipal sales tax that a municipality may lower, repeal, raise or adopt by a combined ballot proposition. One of the types of municipal sales tax is the additional sales tax to reduce property taxes.

Effective: 6/15/2017.

Status: NEW LAW. Governor signed HB 3046 6/15/17.

PROPOSED BUDGET INCLUDES LINE ITEM
FOR PUBLIC NOTICE EXPENDITURES

SB 622 Burton

Adds Local Government Code 140.0045

SB 622 requires that the proposed budget of a political subdivision must include a line item showing expenditures for public notices required by law to be published in a newspaper or a clear comparison between those expenditures in the proposed budget and actual expenditures in the preceding year. This provision does not apply to a junior college district. The change begins for a proposed budget for a fiscal year that begins on or after January 1, 2018.

Effective: 6/9/2017, on Governor's signature.

Status: NEW LAW. Governor signed SB 622 6/9/17.

CERTAIN COUNTIES FOLLOW SPECIFIC
FINANCIAL ACCOUNTING AND REPORTING
REQUIREMENTS

HB 1930 Frullo

Repeals Government Code Chapter 2266; amends Local Government Code 112.002

HB 1930 addresses a county with a county auditor and with a population of 190,000 or more. It requires that a regulation adopted may not be inconsistent with generally accepted accounting principles as

established by the Governmental Accounting Standards Board.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed HB 1930 6/15/17.

TEXAS RAILROAD COMMISSION CONTINUED
HB 1818 Gonzales

Amends Natural Resources Code 81.01001 and adds 81.065, 81.066, 81.071

HB 1818 continues Texas Railroad Commission to 2029.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed HB 1818 5/22/17.

UNIFORM PARTITION OF HEIRS' PROPERTY
ACT CREATED

SB 499 West

Adds Property Code, Title 4, Chapter 23A

SB 499 addresses issues that often arise from the court-ordered sales of tenancy-in-common properties. It defines "heirs' property." Independent appraisal of fair market value (or alternative means of reaching fair market value if all parties agree to that value) permits one cotenant to buy out the others if they are not the one who requested the partition. The court determines certain factors to order partition-in-kind of some or all of the property. The bill establishes procedures under which any property sales are to be conducted.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 499 5/29/17.

COTENANT HEIR CAN USE ADVERSE
POSSESSION

SB 1249 West

Adds Civil Practice and Remedies Code 16.0265

SB 1249 adds adverse possession as a mechanism that certain cotenant heirs may use to obtain title in fee simple so the heirs may sell the property, obtain loans or other ownership benefits. One or more cotenant heirs of real property are authorized to acquire the interests of other cotenant heirs by adverse possession if, for a continuous, uninterrupted 10-year period immediately preceding the filing of required affidavits, the possessing cotenant heir possesses,

cultivates, uses or enjoys the property. The possessing heir pays all property taxes on the property not later than two years after the date they become due and no other cotenant heir has contributed to the property's taxes or maintenance, or challenged a possessing cotenant heir's exclusive possession. A cotenant heir files a controverting affidavit or brings suit to recover the cotenant heir's interest in real property adversely possessed by another cotenant heir not later than the fifth anniversary of the date a right of adverse possession is asserted by the filing of the required affidavit. Without a title instrument, peaceable and adverse possession is to 160 acres, including improvements, unless the number of acres actually enclosed exceeds 160 acres. If the number of enclosed acres exceeds 160 acres, peaceable and adverse possession extends to the real property actually enclosed.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1249 6/12/17.

CODE REVISIONS AND OTHER
NONSUBSTANTIVE CHANGES CLEAN UP
STATUTES

SB 1488 West

Amends various Codes

SB 1488 cleans up non-substantive additions to and corrections in enacted Codes and conforms codifications enacted by the 84th Legislature to other Acts of that Legislature

Effective: 9/1/2017.

Status: NEW LAW. Governor signed 6/1/17.

STATE REGISTRATION AND REGULATION
REVISED FOR APPRAISAL MANAGEMENT
COMPANIES

SB 1516 Hancock

Amends Occupation Code Chapter 1104

SB 1516 aligns Texas statutes related to appraisal management companies (AMCs) with federal laws and the state regulation of real estate appraisers. AMCs are a type of financial service that works with lenders and appraisers for appraisal reports. SB 1516 addresses fee collection, ownership, primary contact listings, licensee employment opportunity and audit requirements. AMCs fall under the Texas Appraiser Licensing and Certification Board.

Effective: 9/1/2017.

Status: NEW LAW. Governor signed SB 1516 6/15/17.

STATE DEREGULATES CERTAIN
OCCUPATIONS; DALLAS COUNTY BOARD OF
EDUCATION ABOLISHED

SB 2065 Hancock

Amends Business & Commerce Code, Finance Code, Labor Code and Occupations Code

SB 2065 repeals or abolishes the following:

- authority of Texas Department of Licensing and Regulation (TDLR) to regulate vehicle protection product warrantors;
- requirement that temporary common worker employers hold a state license to operate;
- for-profit legal service contracts from regulation, instead creating actionable violations as a deceptive trade practice under Business & Commerce Code (effective 9/01/2019);
- shampoo apprentice permits and shampoo specialty certificates;
- licensing and regulation for towing/boot operators and booting companies;
- statute applicable to attorney's title insurance companies, title attorneys, managing general agents and unit managers.

The Comptroller prepares and submits to the Legislature a report on all occupational licenses not later than December 31 of each even-numbered year.

The last section of SB 2065 requires each county board of education, board of county school trustees or office of county school superintendent in a county with a population of 2.2 million or more and that is adjacent to a county with a population of more than 800,000 to be abolished, effective November 15, 2017, unless the entity was continued by voters through an election in November 2017. This applies to Dallas County Board of Education.

Effective: 6/15/2017, on Governor's signature.

Status: NEW LAW. Governor signed SB 2065 6/15/17.

VOTERS DECIDE TO LOWER HOME EQUITY
LOAN EXPENSES AND REMOVE LIMITATIONS

SJR 60 Hancock

Amends Tex. Const. Art. 16, Sec. 50

SJR 60 changes home equity lending provisions. The constitutional amendment includes capping fees at 3% and providing for refinancing only as another home equity loan or a reverse mortgage. SJR 60 also repeals the current provision that prohibits home equity loans from being secured by homesteads designated for agricultural use, except for homesteads used for milk production.

Effective: 1/1/2018.

Status: Voters approved SJR 60 on November 7.

GLOSSARY

Assessment Progressivity (Regressively) An appraisal bias such that high-value properties are appraised higher (or lower) than low-value properties in relation to market values. See **price-related differential**.

Assessment-Sale Price Ratio The ratio of the assessed value to the sale price (or adjusted sale price) of a property

Average Absolute Deviation See **average deviation**

Average Deviation The arithmetic mean is the absolute deviations of a set of numbers from a measure of central tendency, such as the median. Taking absolute values is generally understood without being stated. The average deviation of the numbers 4, 6 and 10 about their median (6) is $(2+0+4)/3 = 2$. The average deviation is used in computing the **coefficient of dispersion (COD)**.

CAMA See **computer-assisted mass appraisal**

COD See **coefficient of dispersion**

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, it's 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.

Computer Assisted Mass Appraisal (CAMA) A system of appraising property, usually only certain types of real property, that incorporates computer-supported statistical analysis such as **multiple regression analysis** and **adaptive estimation procedure** to assist the appraiser in estimating value.

Confidence Interval For a given confidence level, the range within which one can conclude that a measure of the population (such as the median or mean appraisal ratio) lies.

Confidence Level The required degree of confidence in a statistical test or confidence interval; commonly, 90, 95 or 99 percent. A 95 percent confidence interval would mean, for example, that one can be 95 percent confident that the population measure (such as the median or mean appraisal ratio) falls in the indicated range.

COV See **Coefficient of variation**.

Market Value The most probably price (in terms of money) which a property should bring in a competitive, open market under all conditions requisite to an arms-length 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:

1. The buyer and seller are typically motivated;

2. Both parties are well informed or well advised and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto;
5. 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.

Mean A measure of **central tendency** is 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.

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 location characteristics.

Percentile The **values** that divide a set of **data** into specified percentages when the data are arrayed in ascending order. The tenth percentile includes the lowest 10 percent of the values, the twentieth percentile includes the lowest 20 percent of the values, and so forth.

Price-Related Differential (PRD) The mean divided by the **weighted mean**. The statistic has a slight **bias** upward. Price-related differentials above 1.03 tend to indicate **assessment regressivity**; price-related differentials below 0.98 tend to indicate **assessment progressivity**.

Price, Sale (1) The actual amount of money exchanged for a unit of goods or services, whether or not established in a free and open market, an indicator of **market value**. (2) Loosely used synonymously with "offering" or "asked" price. *Note:* The sale price is the "selling price" to the vendor and the "cost price" to the vendee.

Progressivity See **assessment progressivity (regressivity)**

Range (1) The maximum **value** of a **sample**, minus the minimum value. (2) The difference between the maximum and minimum values that a **variable** may assume.

Regressivity See **assessment progressivity (regressivity)**

Regressivity Index See **price-related differential**

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.

Variance A measure of dispersion equal to the standard deviation squared.

Weighted Mean Ratio Sum of the appraised values divided by the sum of the sales prices, which weights each value in proportion to its sales price.

CARSON COUNTY APPRAISAL DISTRICT

USPAP Standards Rule 6-9: Certification

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
 - The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions and conclusions.
 - I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
 - My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
 - My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
 - I have made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
1. No one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of any individual providing significant professional assistance must be stated.)

Beverly Casselberry 5-11-18
Beverly Casselberry, Chief Appraiser Date

Inspected Property X

Provided Significant Appraisal Assistance X

Mike Darnell, Appraiser Unavailable for signature

Inspected Property X

Provided Significant Appraisal Assistance X