Property Tax Assistance Division
Property Value Study Update

TAAD Annual Conference
February 2021

Korry Castillo, Director
Shannon Murphy, Assistant Director
PROPERTY VALUE STUDY (PVS)
FOUNDATION SCHOOL PROGRAM
School District Funding is Different

• Texas Constitution requires the state to make suitable provisions for the support and maintenance of public education.
• State shares funding responsibility with 1,000+ local school districts.
(Really) Basic Funding Formula

State Funding + Local Funding = Total Funding
Ability to Access State Funds

Every Texas public school district must ... 

– participate in the Foundation School Program (FSP) and
– raise local property tax revenue

... before receiving state funds.
Foundation School Program

• The FSP establishes how much state funding school districts and charter schools are entitled to receive.
  – Formulas are set in Education Code, Chapters 46 and 48.
  – Commonly called “entitlements”.

• Formulas consider student and district characteristics:
  – number and type of students enrolled
  – district size
  – geographic factors

• Formulas also consider local taxable property values and tax rates.
Foundation School Program

Generally, once entitlements are established, the formulas are used to determine how much a school district can generate locally (local share) through property taxes before making up the difference with state funds (state share).

- Local share is primarily M&O property taxes levied by individual school districts.
- State share comes from state tax revenue, the state lottery and the Permanent School Fund.
Property Values in School Funding

• There are TWO sets of property values used in school finance:
  – Locally Certified Property Value
    • Central Appraisal Districts certify local value
  – Adjusted State Certified Property Value
    • Comptroller’s Property Tax Assistance Division certifies state values
Local Share of School Funding

• Local funding is from M&O property taxes generated on *locally certified property value*, as determined by the appraisal district.
State Share of School Funding

• State funding is based on state certified property value.
• State law requires our office to conduct a study of the locally appraised property values (PVS) at least every two years and to certify taxable property value to TEA annually.
  – “Taxable value of property in the school district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code”
State Share of School Funding

• TEA commissioner uses the PVS to determine how much state funding each school district is eligible to receive.
  – Local Fund Assignment (LFA) calculates the local revenue the M&O tax rate would have generated on the state certified property value and that value is used to adjust state funding.
(Really) Basic Funding Mechanics

as local share decreases

state share increases
Foundation School Program

- TEA estimates FSP
- Estimates revised to current year values
- TEA Settle-Up
- TEA pays out or recovers
FSP Estimate/Settle-Up Timeline

• August 2020
  – Funding for 2020-21 estimated by applying a growth factor to 2019 PVS final values (prior year value).

• February 2021
  – Funding and payment schedules updated using 2020 PVS preliminary values (current year value).

• September 2021
  – “Near-final” settle-up occurs when final attendance data and property values are available (2020 PVS).

• April/May 2021
  – “Final” settle-up typically occurs.
Settle-Up Totals, 2000-2020

- Amount Overpaid
- Amount Underpaid

Source: Texas Education Agency
PROPERTY VALUE STUDY (PVS)
PVS Purpose

• Primary purpose
  – to help ensure equitable distribution of state funding for public schools

• Study is detailed in Gov’t Code §403.302.
PVS Timeline

• The PVS cycle generally begins in February each year and typically concludes in August of the following year.

• A new PVS begins while the previous year’s PVS undergoes protests, so there is considerable overlap.
Property Value Study Cycle

(August 15 – December 1)

EARS

Preliminary Certification

Final Certification

PVS Protests

(Decemeber – January 31)

(Approx. August 15)

(Feburary - August)
Property Value Study Cycle

(August 15 – December 1)

EARS

Preliminary Certification

(December – January 31)

New Year Sample

PVS Protests

(February - August)

Data Gathering

Final Certification

Field Appraisal

(Approx. August 15)

Next Year PVS

(August 15 – December 1)
Property Value Study Cycle

(August 15 – December 1)

EARS

Preliminary Certification

Final Certification

PVS Protests

(February - August)

We Are Here

(December – January 31)
Possible PVS Findings

• Valid findings resulting in local value:
  – MAP
  – PVS

• Invalid findings resulting in local value:
  – Grace Year 1
  – Grace Year 2
  – Local greater than State

• Invalid findings resulting in state value:
  – State
Possible ISD Scenarios

• MAP cycle only
  – ISD split is within a CAD undergoing its regularly scheduled Methods and Assistance Program (MAP) review

• PVS cycle only
  – ISD split is within a CAD undergoing its regularly scheduled PVS study

• Both MAP and PVS
  – ISD was invalid in preceding PVS and is being studied during its MAP year

• None
  – ISD split is within a CAD undergoing its regularly scheduled PVS study but includes less than 10% of total ISD value
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED</td>
</tr>
<tr>
<td>Grace Year 1</td>
<td>THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD</td>
</tr>
<tr>
<td>Grace Year 2</td>
<td>THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR TWO OF THE GRACE PERIOD</td>
</tr>
<tr>
<td>Local &gt; State</td>
<td>THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE LOCAL VALUE IS GREATER THAN PTAD VALUE</td>
</tr>
<tr>
<td>State</td>
<td>THE PVS FOUND YOUR TAXABLE VALUE TO BE INVALID, AND STATE VALUE WAS CERTIFIED BECAUSE YOUR LOCAL VALUE DID NOT EXCEED THE STATE VALUE AND: 1) WAS INVALID IN ONE OR MORE OF THE PREVIOUS TWO YEARS OR 2) IS LESS THAN 90% OF THE LOWER END OF THE MARGIN OF ERROR RANGE OR 3) THE APPRAISAL DISTRICT THAT APPRAISES PROPERTY FOR THE SCHOOL DISTRICT WAS NOT IN COMPLIANCE WITH THE SCORING REQUIREMENT OF THE COMPTROLLER'S MOST RECENT REVIEW OF THE APPRAISAL DISTRICT CONDUCTED UNDER SECTION 5.102, TAX CODE (MAP REVIEW)</td>
</tr>
</tbody>
</table>
Valid MAP Finding

• Conditions:
  – ISD is within a CAD undergoing its regularly scheduled MAP review;
  – ISD was valid in its regularly scheduled PVS the preceding year; and
  – ISD was not studied in current year PVS.

• Finding:
  – ISD is valid and receives local value.
Valid PVS Finding

• Conditions:
  – ISD is within a CAD undergoing its regularly scheduled PVS study and:
    • ISD was studied, and local values were in ratio; or
    • ISD was not studied due to being a very small split; or
  – ISD was studied off-cycle due to prior year invalid PVS finding and local values were in ratio.

• Finding:
  – ISD is valid and receives local value.
Grace Finding

• Conditions:
  – ISD was studied, either as part of regularly scheduled PVS study or off-cycle study due to prior year invalid finding;
  – ISD local values were not in ratio; and
  – ISD qualified for the grace period.

• Finding:
  – ISD is invalid and receives local value.
Eligibility for PVS Grace Period

“Eligible school district” is defined in Gov’t Code §403.3011(2) and meets 4 statutory conditions:

– ISD is invalid in most recent PVS;
– ISD was valid in its two preceding PVS;
– CAD passed mandatory requirements of most recent MAP review; AND
– Local test value is above 90% of lower threshold of the margin of error
Local > State Finding

• Conditions:
  – ISD was studied, either as part of regularly scheduled PVS study or off-cycle study due to prior year invalid finding;
  – ISD local values were not in ratio; and
  – ISD local value was greater than state value.

• Finding:
  – ISD is invalid and receives local value.
State Finding

• Conditions:
  – ISD was studied, either as part of regularly scheduled PVS study or off-cycle study due to prior year invalid finding;
  – ISD local values were not in ratio; and
  – ISD does not qualify for the grace period.

• Finding:
  – ISD is invalid and receives state value.
Eligibility for PVS Grace Period

ISD is not be eligible for grace if:

– ISD was invalid in its two most recent studies.

  • If ISD was invalid and in Grace Year 1 in prior year, ISD will qualify for Grace Year 2, per Gov’t Code 403.302(l).
## Eligibility for PVS Grace Period

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<th>2020</th>
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<td>PVS</td>
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<td>Grace Y1</td>
<td>PVS &amp; MAP</td>
<td>PVS (No Grace)</td>
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<td>State</td>
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</tbody>
</table>

- **Regular Cycle**
- **Invalid Finding**
- **Future Cycle and Grace Eligibility**
Eligibility for PVS Grace Period

ISD is not be eligible for grace in 2020 if:

– CAD failed one or more mandatory requirements on most recent MAP review (2019 or 2020).

<table>
<thead>
<tr>
<th>Mandatory Requirements</th>
<th>PASS/FAIL</th>
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</thead>
<tbody>
<tr>
<td>Does the appraisal district have up-to-date appraisal maps?</td>
<td>PASS</td>
</tr>
<tr>
<td>Is the implementation of the appraisal district’s most recent reappraisal plan current?</td>
<td>PASS</td>
</tr>
<tr>
<td>Are the appraisal district’s appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?</td>
<td>PASS</td>
</tr>
<tr>
<td>Are values reproducible using the appraisal district’s written procedures and appraisal records?</td>
<td>FAIL</td>
</tr>
</tbody>
</table>
Eligibility for PVS Grace Period

ISD is not be eligible for grace in 2020 if:

– 2020 local value is below 90% of state lower limit in confidence interval.

<table>
<thead>
<tr>
<th>Local Test Value:</th>
<th>906,508,204</th>
<th>OUTSIDE CONFIDENCE INTERVAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Lower Limit:</td>
<td>1,147,566,769</td>
<td>(State Test Value minus Margin of Error Percent)</td>
</tr>
<tr>
<td>State Upper Limit:</td>
<td>1,274,962,083</td>
<td>(State Test Value plus Margin of Error Percent)</td>
</tr>
</tbody>
</table>
Eligibility for PVS Grace Period

ISD is not be eligible for grace in 2020 if any of these conditions exist:

– ISD was invalid in its two most recent PVS, with exception for ISDs in Grace Year 1 in 2019 PVS;
– CAD failed one or more mandatory requirements on 2019 or 2020 MAP review; OR
– 2020 local value is below 90% of state lower limit in confidence interval.
Eligibility for PVS Grace Period

• Grace period is not discretionary.
  – PTAD cannot provide for a grace period if ISD does not meet statutory requirements.

• Only the requirement that the local test value is above 90% of the state value can be resolved via PVS protest.

• ISD must get to a valid local PVS finding in two studies to reset the grace period.
# Eligibility for PVS Grace Period

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- **Regular Cycle**
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## Eligibility for PVS Grace Period

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<td>MAP</td>
<td>First Eligible for Grace Y1</td>
<td>MAP</td>
<td>PVS</td>
<td></td>
</tr>
<tr>
<td>Grace Y1</td>
<td>Grace Y2</td>
<td>Grace Y2</td>
<td>MAP</td>
<td>PVS (No Grace)</td>
<td>MAP</td>
<td>First Eligible for Grace Y1</td>
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<tr>
<td>Grace Y1</td>
<td>Grace Y2</td>
<td>State</td>
<td>PVS &amp; MAP (No Grace)</td>
<td>PVS (No Grace)</td>
<td>MAP</td>
<td>First Eligible for Grace Y1</td>
<td></td>
</tr>
</tbody>
</table>

**Regular Cycle**

**Two Valid PVS Cycles**

- First Eligible for Grace Y1
- PVS (No Grace)
PVS Findings and Grace Period
2020 PRELIMINARY PVS FINDINGS
2020 Preliminary PVS Certification

• Pre-preliminary data provided for review at earliest possible date after EARS processing
  – December 17, 2020

• Corrections for clerical errors accepted prior to preliminary certification
  – January 8, 2021

• Preliminary certification before Feb. 1, by law
  – January 29, 2021
2020 PVS Preliminary Findings

- 1,295 ISDs Valid
  - 659 Valid MAP
  - 636 Valid PVS
- 260 ISDs Invalid
  - 95 State
  - 122 Grace Year 1
  - 30 Grace Year 2
  - 13 Local > State
### 2020 PVS Preliminary Findings, by Tier

<table>
<thead>
<tr>
<th></th>
<th>Valid Local</th>
<th>Local &gt; State</th>
<th>Grace Yr 1</th>
<th>Grace Yr 2</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier 1</strong></td>
<td>77.49%</td>
<td>0.00%</td>
<td>18.18%</td>
<td>2.60%</td>
<td>1.73%</td>
</tr>
<tr>
<td><strong>Tier 2</strong></td>
<td>69.05%</td>
<td>1.15%</td>
<td>15.19%</td>
<td>3.44%</td>
<td>11.17%</td>
</tr>
<tr>
<td><strong>Tier 3</strong></td>
<td>68.35%</td>
<td>2.85%</td>
<td>8.54%</td>
<td>3.80%</td>
<td>16.46%</td>
</tr>
</tbody>
</table>

Source: Texas Comptroller of Public Accounts
PVS PROTEST PROCESS
PVS Protest Process

• PVS protest process is:
  – authorized by Gov’t Code §403.303 and
  – detailed in Comptroller’s Subchapter L rules.

• By law, petition must be filed not later than the 40th day after preliminary certification.

• Due to disaster, Governor suspended the protest filing deadline until Mar. 26, 2021.
Who Can Protest

• School Districts
  – Self-report protest
  – Property category protest
  – Can authorize CAD to act as agent

• Property Owners
  – $100,000+ tax liability within same school district and same property category
Protest Benefits for Invalid ISDs

• With a flip to valid finding, invalid ISDs can:
  – avoid inclusion in off-cycle PVS study.
  – protect future grace period eligibility.

• State value ISDs can mitigate financial impact to FSP payments.
  – Approximately $1 in state aid per $100 certified property value difference*

• CAD Board of Directors are not required to hold a public meeting for valid findings.

* Estimate subject to various other school finance considerations
Self-Report Protest Benefits

• Many data points that impact TEA funding do not impact PVS assigned status.
  – e.g. value of residence homestead exemptions

• Accurate information ensures full and timely FSP funding from TEA.

• Corrections to data may prevent the need for future PVS audits.
## 2019 PVS Findings

<table>
<thead>
<tr>
<th></th>
<th>2019 PVS Preliminary</th>
<th>2019 PVS Final</th>
<th>Amount of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid School Districts</td>
<td>1,336</td>
<td>1,391</td>
<td>4.0% increase</td>
</tr>
<tr>
<td>Invalid School Districts</td>
<td>220</td>
<td>165</td>
<td>25.0% decrease</td>
</tr>
<tr>
<td>State</td>
<td>82</td>
<td>58</td>
<td>-29.2%</td>
</tr>
<tr>
<td>Grace Year 1</td>
<td>96</td>
<td>71</td>
<td>-26.0%</td>
</tr>
<tr>
<td>Grace Year 2</td>
<td>17</td>
<td>16</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Local &gt; State</td>
<td>25</td>
<td>20</td>
<td>-20.0%</td>
</tr>
<tr>
<td>T2 Value</td>
<td>$2.845 trillion</td>
<td>$2.830 trillion</td>
<td>$15 billion decrease</td>
</tr>
</tbody>
</table>
Invalid ISDs Trend in PVS

<table>
<thead>
<tr>
<th>Year</th>
<th>Preliminary Invalid ISD</th>
<th>Final Invalid ISD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 PVS</td>
<td>111</td>
<td>88</td>
</tr>
<tr>
<td>2016 PVS</td>
<td>131</td>
<td>94</td>
</tr>
<tr>
<td>2017 PVS</td>
<td>150</td>
<td>131</td>
</tr>
<tr>
<td>2018 PVS</td>
<td>185</td>
<td>165</td>
</tr>
<tr>
<td>2019 PVS</td>
<td>220</td>
<td>165</td>
</tr>
<tr>
<td>2020 PVS</td>
<td>260</td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- Preliminary Invalid ISD
- Final Invalid ISD
- Expon. (Preliminary Invalid ISD)
- Expon. (Final Invalid ISD)
January 29, 2021

We Are Here

March 26, 2021
March 10, 2021 and extended by Governor’s waiver

Approx. August 15, 2021

Excerpt from PVS Protest Process Flyer
PVS Data Release

• PTAD provides all invalid ISDs with data release instructions

• Data provided via FTP within 10 business days
  – Gov’t Code §§ 552.149(c) and 552.221(d)
  – PTAD processes requests as fast as possible

• Files available on FTP site for 7 calendar days
  – Download immediately or contact for more time
2020 PVS Data Release

• Statistics as of Feb. 22:
  – 115 requests processed since Feb. 1
    • 24,961 files
    • 213 GB of data

• Concerns about timeliness of release
  – Increasing number of invalid ISDs and parcels expected to continue
  – Reviewing process to identify improvements areas
Decision to Protest and PTAD Initial Recommendations

Does an eligible party want to protest preliminary value?

YES

Protest petition filed by eligible party no later than the 40th day after certification

PTAD reviews protests and releases initial responses based on protest
Petition Elements

• Part A
  – Identifies petitioner and authorizes agent

• Part B
  – Lists objections and requested relief in detail

• Part C
  – Documents all supporting evidence
Petition Protesting Property Value Study Findings (Part A)

The petitioner identified below protests the Property Value Study findings for its district or property, pursuant to Government Code Section 403.303 and 34 Texas Administrative Code Sections 9.4301-9.4317. The petitioner submits this petition in three parts – Parts A, B and C.

Petitioner

☐ School District
☐ Appraisal District
(“as authorized according to Comptroller Rule 9.4305(a))
☐ Property Owner
(“as authorized by Government Code Section 403.303(a), Comptroller Rule 9.4305(c) or (d))

Petitioner’s Name
(Name of school district, appraisal district or property owner filing this petition.)

School District’s Number
(If petitioner is a property owner whose property is located in multiple school districts, please attach a list identifying by name and number each school district and appraisal district whose values are being protested.)

Name of School District Where Property is Located

Petitioner’s contact for all protest communications (check only one): .........................

☐ Designated Agent  ☐ Employee

Contact’s Name

Contact’s Mailing Address

Contact’s Physical or Delivery Address (for overnight delivery)
Part B

Schedule of Disputed Value Determinations for Property Category

PVS Year: ________________

School District Name: ________________

School District Number: ________________

Appraisal District Name: ________________

Appraisal District Number: ________________

Property Owner Name: ________________

Agent Name: ________________

<table>
<thead>
<tr>
<th>Property Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Real Property: Single-Family Residential</td>
</tr>
<tr>
<td>B - Real Property: Multi-Family Residential</td>
</tr>
<tr>
<td>C1 - Real Property: Vacant Lots and Tracts</td>
</tr>
<tr>
<td>D1 - Real Property: Qualified Open-Space Land</td>
</tr>
<tr>
<td>D2 - Real Property: Farm and Ranch Improvements on Qualified Open-Space Land</td>
</tr>
<tr>
<td>E - Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements</td>
</tr>
<tr>
<td>F1 - Real Property: Commercial</td>
</tr>
<tr>
<td>G1 - Real Property: Oil and Gas</td>
</tr>
<tr>
<td>J - Real Property and Personal Property: Utilities</td>
</tr>
<tr>
<td>L1 - Personal Property: Commercial</td>
</tr>
<tr>
<td>$R - Self Report</td>
</tr>
</tbody>
</table>

Petitioner asserts its Objections to PTAD’s Value Determinations for the Property Category above and provides its Grounds in Support as follows:

<table>
<thead>
<tr>
<th>Objection Number</th>
<th>Property ID/ Company ID/ Land Class</th>
<th>Certified CAD Value</th>
<th>Protest Issue</th>
<th>Alleged Inaccuracy</th>
<th>Requested Correction/Value Claimed To Be Correct</th>
<th>Basis/Explanation for Requested Change to PTAD’s Value Determination</th>
<th>Evidence</th>
<th>PTAD Recommendation</th>
<th>PTAD Revised Value Recommendation</th>
<th>Petitioner Agree or Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tr>
</tbody>
</table>
Part C

Cover Sheet for Evidence Attached

School District Information

School District Name: _____
School District Number: _____

Appraisal District Information

Appraisal District Name: _____
Appraisal District Number: _____

Property Objection Information

PVS Year: _____
Property Category: _____
(Select only one: A, B C1, D1, D2, E, F1, G1 J1, L1, or SR)
Objection Number: _____
Property ID or Company ID or Land Class: _____
Evidence ID: _____
Document Page Number(s) or Exhibit Name
PVS Protest Rejections

• Rejection of an objection is uncommon.
• Rejection of entire petition (dismissal) is rare.
  – Current rule 9.4307 states that petition is dismissed entirely, the petitioner may request a referral to SOAH *within seven (7) days*.
  – Proposed rule 9.407 extends the referral timeframe to 15 days.
PVS Protest Rejections

• Common causes for rejection:
  – Objecting to values by stratum or location instead of by specific sample property ID
  – Objecting to study procedure instead of specific value determination
  – Objecting within the wrong category
    • e.g. SR correction requested within CAT A objections
  – Not listing specific correction requested
# Sample Part B for CAT A

Petitioner asserts its Objections to PTAD's Value Determinations for the Property Category above and provides its Grounds in Support as follows:

<table>
<thead>
<tr>
<th>Objection Number</th>
<th>Property ID/ Company ID/ Land Class</th>
<th>Certified CAD Value</th>
<th>Protest Issue</th>
<th>Alleged Inaccuracy</th>
<th>Requested Correction/ Value Claimed to be Correct</th>
<th>Basis/Explanation for Requested Change to PTAD’s Value Determination</th>
<th>Evidence</th>
<th>PTAD Recommendation</th>
<th>PTAD Revised Value Recommendation</th>
<th>Petitioner Agree or Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>22854</td>
<td>$525,217</td>
<td>Non-realty component of value included in sales price</td>
<td>$520,000</td>
<td>$500,000</td>
<td>Sales price of $520,000 is too high. Closing statement from buyer states that $20,000 of furniture was included in the sale. Reduce sales price to $500,000.</td>
<td>Closing statement 1-2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>97523</td>
<td>$158,200</td>
<td>Building condition* and effective age</td>
<td>10 years</td>
<td>20 years</td>
<td>Appraised value is too high. PTAD assigned the property an effective age of 10 years. Photos of the house show the flooring is very old, cracked vinyl and the exterior walls and roof are in need of repair. Increase the effective age to 20 years.</td>
<td>Photos of flooring, exterior walls and roof of subject, 3-7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>97523</td>
<td>$158,200</td>
<td>Local modifier applied</td>
<td>90</td>
<td>.80</td>
<td>Appraised value is too high. PTAD calculated and applied .80 as the local modifier to property #8655 which has an effective age of 20 years and is comparable to the subject property. Apply PTAD’s local value modifier of .80 to reduce the value of this property.</td>
<td>CAD appraisal cards, 8-9; PTAD LM account #8655 FAS report, 10; photos of comp #8655, 11-15; tax agent’s valuation using .80 local modifier; 16</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*NOTE: Identifying building condition, as a protest issue, standing alone, will not effect a change in value in the PTAD appraisal system; as a result, either effective age or physical depreciation must accompany this particular protest issue.

- Property ID
- Appropriate and adjustable issue
- Correction Requested
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>4</td>
<td>158847</td>
<td>$38,199</td>
<td>Non-realty component of value included in sales price</td>
<td>$39,995</td>
<td>$38,995</td>
<td>Sales price of $39,995 is too high. Sales Survey from Seller states that $1,000 of furniture was included in the sale. Reduce sales price to $38,995.</td>
<td>Sales Report 1, Sales Survey Letter 2</td>
<td>Agree</td>
<td>$38,995</td>
<td>N/A</td>
</tr>
<tr>
<td>5</td>
<td>159035</td>
<td>$36,229</td>
<td>PTAD’s Assigned Value is over market value</td>
<td>$40,000</td>
<td>$37,941</td>
<td>CAD Comparable Sales Grid indicates subject should be assigned a value of $37,941. Consideration should be given to comparables located within similar market areas and market conditions of Brownsville. Comparables occurred in a competitive and open market, As per Texas Property Tax Code 23.013. Appraisal Districts is applying mass appraisal standards; need to apply USPAP Rule 5-5. Sales Approach is the preferred approach for estimating the market value of a residential property. One sale practice does not constitute a sample of comparable properties needed to estimate market value of subject which appraisal districts need to determine as per the Texas Property Tax Code.</td>
<td>CAD Sales Grid 1, Comp. #1 Sale Source 2, Comp. #2 Sale Source 3, Comp. #3 Sale Source 4, Exhibits A-D</td>
<td>Disagree</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Petitioner Response and PTAD Revised Recommendations

Does petitioner agree with initial PTAD responses?

- **NO**
  - Petitioner given up to 15 days to object to initial responses
  - PTAD reviews objections and releases revised recommendations for the protest if any
# Petitioner Agrees/Disagrees

<table>
<thead>
<tr>
<th>Objection Number</th>
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<td>CAD Sales Grid 1, Comp. #1 Sale Source 4, Comp. #2 Sale Source 3, Comp. #3 Sale Source 4, Exhibits A-D</td>
<td>Disagree</td>
<td>See Objection #1</td>
<td>Disagree</td>
</tr>
</tbody>
</table>

5
# PTAD Revised Recommendation

<table>
<thead>
<tr>
<th>Objection Number</th>
<th>Property / Company / Land Class</th>
<th>Certified CAD Value</th>
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</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>32108</td>
<td>$63,948</td>
<td>PTAD’s Assigned Value is over market value</td>
<td>$75,000</td>
<td>$45,551</td>
<td>CAD Comparable Sales Grid indicates subject should be assigned a value of $45,551. Consideration should be given to comparables located within similar market areas and market conditions of Brownsville. Comparables occurred in a competitive and open market, As per Texas Property Tax Code 23.013. Appraisal Districts is applying Mass Appraisal Standards; need to apply USPAP Rule 5-3. Sales Approach is the preferred approach for estimating the market value of a residential property. One sale practice does not constitute a sample of comparable properties needed to estimate market value of subject which appraisal districts need to determine as per the Texas Property Tax Code.</td>
<td>CAD Sales Grid 1, Comp. #1 Sale Source 2, Comp. #2 Sale Source 3, Comp. #3 Sale Source 4, Exhibits A-D</td>
<td>Disagree</td>
<td>See Objection #1</td>
<td>Disagree</td>
</tr>
<tr>
<td>11</td>
<td>34168</td>
<td>$50,702</td>
<td>Sold as a Commercial Property</td>
<td>$150,000</td>
<td>$65,000</td>
<td>Not your typical residential Sale, consideration should be taken because Property was sold as Category F1 Commercial, not as residential Property. Its Sale Price is based on its Highest and Best use (Commercial). Please Read MLS Remarks.</td>
<td>MLS Listing 1</td>
<td>Disagree</td>
<td>CAD appraisal card is coded CAT A</td>
<td>Revised Recommendation</td>
</tr>
</tbody>
</table>
Informal Conference

Does petitioner agree with revised recommendations?

NO

Informal conference between PTAD and petitioner
Informal Conferences

- Discussion about remaining unresolved objections
- Opportunity to review evidence jointly
- Potential for resolution through agreement or modification
- Jurisdictional prerequisite for referral to SOAH

*Informal conferences will be virtual in 2021*
Referral to SOAH, PFD and Comptroller Final Decision

Final recommendations, do petitioner and PTAD agree?

Petitioner referred to SOAH if requested.

Administrative law judge assigned to case and hearing is scheduled

PTAD Final Decision

SOAH releases proposal for final decision
SOAH Procedure

• Petitioner requests SOAH referral, in writing, no later than seven (7) calendar days after informal conference.

• PTAD refers matter to SOAH.

• SOAH schedules hearing not later than 30 calendar days after referral.
  
  – SOAH must provide written notice of hearing date, time and location no later than 20 days prior to hearing.
SOAH Procedures

• After hearing, Administrative Law Judge (ALJ) submits a Proposal for Decision (PFD) to:
  – Deputy Comptroller
  – Petitioner
  – PTAD Division Director

• Parties have seven (7) days to file exceptions to PFD with Deputy Comptroller (not ALJ).

• Deputy Comptroller issues Final Decision.
PVS Final Certification

• If any protest results in a change to the preliminary findings, PTAD certifies the new and final value to TEA.
Additional Resources

- **Publication** on *The Property Value Study and How to Protest*
- **Flyer** on the PVS Protest Process
- **Video** on How to Protest PVS Results
- **Examples** of completed Petition Part B
Property Tax Assistance Division
Comptroller of Public Accounts

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