



Summer's Here ... *But TAAD's Planning For* **Fall Education!**

TAAD is planning a variety of education offerings this fall. We'll be back at the North Austin/Round Rock Marriott ... we will be a comfortable distance apart, but we are still meeting!

RPA Reviews are back for the fall, and those classes will be in the TAAD office classroom. We'll be hosting classes in our brand-new classroom, so come join us and enjoy the new facility.

Professional development seminars — a wide variety of topics to choose from — will be offered in various locations. You'll find options in Round Rock, Fort Worth, Dallas and in the Austin office.

Plus, we are continuing our **TAAD Talks one-hour CE seminars** via Zoom to offer up to the minute topics and to assist members who need CE hours.

Registration forms for all seminars, RPA Reviews, state classes and TAAD Talks seminars are available on the TAAD website. Payment by credit card is offered, and we still happily accept good old American checks mailed in! Please let us know if you have questions, and we will do our best to help out.

Seminars *(at Fort Worth Renaissance Worthington)*

- » August 14-15 **TAAD Legislative Update** *(TDLR credit for new laws and rules)*

Seminars *(at Round Rock Marriott)*

- » October 23 **Deeds, Records, Title Transfers**
- » October 24-25 **Exemptions Seminar 2023**
- » October 26 **Math of the Ratio Study and the PVS**
- » October 27 **All About Public Schools**

Seminars *(at Dallas CAD)*

- » October 18-19 **Public Funds Investment Act Training**
- » October 20 **Personal Property Topics 2023**

continued on page 3

Features

- 4 » 2023 TAAD Committees | 6 » TAAD Legislative Update for TDLR New Laws/Rules CEs
- 7-8 » TAAD 2023 State Certification Course Schedule and Registration Form | 9 » Real Estate Notes of Interest | 14 » TAAD 2024 State Certification Course Schedule

PB | PERDUE BRANDON

ATTORNEYS AT LAW

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THE TEXAS ASSOCIATION OF APPRAISAL DISTRICTS

**WHEN EXPERIENCE, REPUTATION AND PERFORMANCE MATTER,
PERDUE BRANDON IS THE RIGHT CHOICE FOR APPRAISAL
DISTRICT REPRESENTATION AND TAX COLLECTIONS.**



Seminars (at TAAD Office)

- » October 10 **Ag Use Valuation and Schedule Building**
- » October 11 **Wildlife Appraisal**
- » March 25-29 **Nuts and Bolts-Managing in the Real World**
- » March 25-29 **Up the Creek: Managing Daily Personnel Disasters**
- » March 25-29 **Residential Quality, Condition, Effective Age**
- » March 25-29 **Valuation of Barndominiums**
- » March 25-29 **Valuation of Manufactured Homes**

Seminars TAAD-IAAO Chapter (ZOOM)

- » September 15 **Time Adjustment Seminar** (4-hours, AM) **Barry Couch**
- » November 6 **Appraisal of Commercial Land** (4-hours, AM) **Lisa Hobart**

RPA Reviews (*RPA Reviews are conducted in the TAAD headquarters classroom. We will continue to do so, and to observe class limitations as necessary.*)

- » August 28-31 (Monday-Thursday)
- » November 27-30 (Monday-Thursday)

TAAD Talks (Seminars online for TDLR CE's)

- » Offered via ZOOM online
- » 1-hour sessions, unless noted
- » \$30 per TAAD member, registration online (1-hour session); \$50 per non-member, registration online (1-hour session)
- » \$50 per TAAD member, registration online (2-hour session); \$100 per non-member, registration online (2-hour session)
- » No refunds

Monday, July 17, 11am-12; noon-3:30pm

Topic: **SB 12: CAD/TAC Implementation Strategies**

Speakers: **Lacy Harris Perdue Brandon Fielder Collins & Mott; Laurie Mann, Linebarger Goggan Blair & Sampson; Moderator: Brent South, Hunt CAD**

Tuesday, September 13, 1:30-3:30pm

Topic: **Alternate Testing for the PVS**

Speaker: **Casey Bean, Perdue Brandon Fielder Collins & Mott**

Tuesday, October 30, 1:30-2:30pm

Topic: **Is Your Data Cyber Secure? You Might Be Surprised!**

Speaker: **Matt Tepper and Sharon Baxter, McCreary, Veselka, Bragg & Allen**

Tuesday, November 14, 1:30-3:30pm

Topic: **Let's Talk About Mediation—Negotiating the SDPVS With PTAD**

Speaker: **Marya Crigler (and friends), Travis CAD**

Tuesday, December 12, 1:30-3:30pm

Topic: **Let's Talk About the New Map — the Targeted MAP**

Speaker: **Lacy Harris, Perdue Brandon Fielder Collins & Mott**

2023



TEXAS ASSOCIATION OF APPRAISAL DISTRICTS, INCORPORATED

Committees

2023 Budget Committee

| | | |
|--|------------------------------------|---|
| <i>Chair:</i> Angie Bellard , Jefferson CAD | | <i>Vice Chair:</i> Chris Connelly , Williamson CAD |
| Rolando Garza , Hidalgo CAD | Dinah Kilgore , El Paso CAD | Jordan Light , Hardeman CAD |
| Richard Molina , Cameron CAD | Brent South , Hunt CAD | Lisa Stephens-Musick , Wichita CAD |
| Dyann White , Washington CAD | | |

2023 Bylaws Committee

| | | |
|---|-------------------------------------|--|
| <i>Chair:</i> Christie Ussery , Fannin CAD | | <i>Vice Chair:</i> Scott Overton , Orange CAD |
| Jesse Blackmon , Young CAD | Faun Cullens , Bastrop CAD | Jordan Light , Hardeman CAD |
| Scott Smetana , Glasscock CAD | Clarette Walker , Harris CAD | |

2023 Conference Committee

| | | |
|--|--------------------------------------|--|
| <i>Chair:</i> Adam Bogard , Harris AD | | <i>Vice Chair:</i> Jeff Craig , Tarrant CAD |
| Michael Amezcuita , Bexar AD | Faun Cullens , Bastrop CAD | Jason Cunningham , Harris CAD |
| Shirley Dickerson , Titus CAD | Tyler Johnson , Tom Green CAD | Marcel Pierel , Brazoria CAD |
| Carla Pope-Osborne , Perdue Brandon Fielder Collins & Mott | Jennifer Rodriguez , Bexar AD | Clarette Walker , Harris CAD |
| Billy White , Bell CAD | Dyann White , Washington CAD | |

2023 Education Committee

| | | |
|--|--|---|
| <i>Chair:</i> Jason Cunningham , Harris CAD | | <i>Vice Chair:</i> Chris Connelly , Williamson CAD |
| Stephen Atchison , Harris CAD | Jeff Craig , Tarrant AD | Scott Griscom , Bexar AD |
| Scott Howard , MVBA | Chris Moser , Bosque CAD | Justin Neuman , Bosque CAD |
| Bobby Peregoy , Web CAD | Carla Pope-Osborne , Perdue Brandon Fielder Collins & Mott | John Robins , Williamson CAD |
| Don Spencer , Denton CAD | Mathew Walker , Callahan CAD | |

2023 Committees continued

2023 Industry Liaison Committee

| | | |
|---|---|---------------------------------------|
| <i>Chair:</i> Lee Flowers, Cherokee CAD | <i>Vice Chair:</i> Hugh Landrum, Hugh L. Landrum & Associates | |
| Angie Bellard, Jefferson CAD | Tiffany Benjebbour, Fort Bend CAD | Shawn Coker, Grayson CAD |
| Gregg Davis, Capital Appraisal Group Inc. | Sandy Griffin, Perdue Brandon Fielder Collins & Mott | Paul Hornsby, Paul Hornsby & Co. |
| Dinah Kilgore, El Paso CAD | Irene Klein, Wharton CAD | Rodney Kret, Pritchard & Abbott, Inc. |
| Mitch McCullough, Chambers CAD | Shannon Murphy, PTAD | Don Owens, TY Pickett |
| Shannon Stary, Pritchard & Abbott, Inc. | Carl Walker, TTARA | Tahia Washington, Orange CAD |

2023-2024 Legislative Committee

| | | |
|-------------------------------------|---|--|
| <i>Chair:</i> Brent South, Hunt CAD | <i>Vice Chair:</i> Jordan Wise, Fort Bend CAD | |
| Michael Amezcuita, Bexar AD | Angie Bellard, Jefferson CAD | Michelle Berdeaux, Atascosa CAD (TRCA rep) |
| Shawn Coker, Grayson CAD | Marya Crigler, Travis CAD (Metro Rep) | Carol Dixon, Smith CAD |
| Jeff Law, Tarrant CAD | Ken Nolan, Dallas CAD | Tim Radloff, Lubbock CAD (TRCA rep) |
| Doug Smithson, Cooke CAD | Billy White, Bell CAD (22 Metro rep) | Thomas Ratliff, consultant |
| Sand Stiefer, of counsel | | |

2023 Membership Committee

| | | |
|---------------------------------------|--|----------------------------|
| <i>Chair:</i> Roy Sandoval, Bexar CAD | <i>Vice Chair:</i> Jim Halbert, McLennan CAD | |
| Karen Ivy, Trinity CAD | Clayton Snyder, Shackelford CAD | Tara Strine, Fort Bend CAD |
| Christie Ussery, Red River CAD | Rex Wogan, Fort Bend CAD | |

2023 Nominations Committee

| | | |
|--|---|-----------------------|
| <i>Chair:</i> Gary Earnest, Taylor CAD | <i>Vice Chair:</i> Mike Amezcuita, Bexar AD | |
| Jeff Craig, Tarrant CAD | Marya Crigler, Travis CAD | Brent South, Hunt CAD |

2023 PTAD/TDLR Liaison Committee

| | | |
|--|--|-----------------------------|
| <i>Chair:</i> Jordan Wise, Fort Bend CAD | <i>Vice Chair:</i> Dana Horton, Brazos CAD | |
| Mike Arismendez, TDLR | Joe Don Bobbitt, McLennan CAD | Greg Cook, Austin CAD |
| Shane Docherty, Dallas CAD | Mitch Fast, Coryell CAD | Michael Gary, Fort Bend CAD |
| Lacy Harris, Perdue Brandon Fielder Collins & Mott | Tammy Hubnick, Bell CAD | Jim Hudspeth, Johnson CAD |
| Allison Mansfield, PTAD | Stephanie McPherson, Kimble CAD | Barry Miller, Brown CAD BOD |
| Shannon Murphy, PTAD | James Thompson, El Paso CAD | Carl Walker, TTARA |
| Dyann White, Washington CAD | | |

Join US for the

TAAD Legislative Update for TDLR New Laws/Rules CEs



Monday-Tuesday, August 14-15, 2023

Fort Worth Renaissance Hotel

200 Main Street; Fort Worth, TX 76102

Rooms: \$199/Single or Double

For conference registration, please refer to TAAD's website

<https://taad.org/legislative/legislative-update/>

To start the process of making a reservation, click on the link next to the Marriott logo below. July 21, 2023, is the deadline to reserve a room in the block, or until all rooms are reserved.

Book your group rate for TAAD Legislative Conference

<https://www.marriott.com/event-reservations/reservation-link.mi?id=1678818125462&key=GRP&app=resvlink>

Note: the room block is available from the Wednesday *prior* to the conference through the Wednesday *after* it, although **the conference is on only Monday and Tuesday – the booking link's page can be a bit puzzling.**

TAAD will work with PTAD and TDLR to **ensure the seminar qualifies for TDLR's "Law/Rules Update"** required for all RPAs, RTAs, and RTCs. We'll cover *in depth* all TAAD's tracked bills that passed so that you'll be able to formulate your plans for implementing the new legislation.

Please note that the registration form has an added category: "GUEST." We've had several members who would like to bring along a spouse or companion, and this registration will allow the guest to share in all meals and breaks. No CEs for guest registrations.

The agenda will be available soon; please check TAAD's website for an update.

TAAD 2023 State Certification Course Schedule

| Month | Course Number | Name |
|-----------------------|---------------|---|
| AUGUST 2023 | | |
| August 7-9 | Course 7 | Property Tax Law |
| August 7-9 | Course 10 | Analyzing a Real Property Appraisal |
| August 7-9 | Course 203 | Appraisal of Real Property |
| August 23 | Course 31 | USPAP Refresher (virtual offering) |
| SEPTEMBER 2023 | | |
| September 11-14 | Course 3 | Income Approach to Value |
| September 11-14 | Course 4 | Personal Property Appraisal |
| September 11-14 | Course 5 | Mass Appraisal |
| OCTOBER 2023 | | |
| October 4 | Course 31 | USPAP Refresher (virtual offering) |
| October 2-3 | Course 30 | Ethics |
| October 2-6 | Course 101 | Intro to Prop Tax Adm/102 Intro to Prop Tax Appraisal |
| October 23-27 | | Seminars |
| NOVEMBER 2023 | | |
| November 6-8 | Course 32 | USPAP |
| November 6-10 | Course 203 | Appraisal of Real Property |
| DECEMBER 2023 | | |
| December 4-6 | Course 7 | Texas Property Tax Law |
| December 4-6 | Course 10 | Analyzing a Real Property Appraisal |
| December 4-7 | Course 3 | Income Approach to Value |
| December 4-7 | Course 4 | Personal Property Appraisal |
| December 4-8 | Course 101 | Intro to Prop Tax Adm/102 Intro to Prop Tax Appraisal |
| December 13 | Course 31 | USPAP Refresher (virtual offering) |

course registration on next page

TAAD's 2023 State Certification Course Registration Form

- Class Hours:** Unless otherwise specified, course hours are from 8:30am-5 pm. Breakfast is daily 7:30-8:30am. Registration on day one of class is 8-8:30 am. See TAAD website for course lengths.
- Class Locations/Hotel Lodging:**
 - » **Austin Marriott North/Round Rock** (*unless otherwise specified*)
2600 La Frontera Blvd., Round Rock, TX 78681
Lodging: 800.865.0546; \$125/night; call **at least three weeks** in advance for the TAAD rate.
 - » **TAAD Office:** 7700 Chevy Chase Dr., Bldg. 1, Ste. 425, Austin, TX 78752
See TAAD website for lodging suggestions.
- Coupon:** To redeem, please enclose original coupon with remaining fee.
- Class Materials:** Effective 1-1-22, you are responsible for printing your class materials. For \$15 TAAD will print and bring your copy to class; notice to TAAD required at least 7 days prior to class. Forget your materials? There's a \$50 nonrefundable fee for a duplicate copy.
- Cancellation Policy:** TAAD requires written notice of cancellations **prior to class**. Please see below.
 - » **Cancel 7 days or more before class:** \$75 penalty
 - » **Cancel less than 7 days before class/up to Day 1 of class:** \$150 penalty
 - » **Cancel Day 1 of Class results in full forfeiture of fee**

Cost for Courses:

Please submit **separate forms and fees** for each course.

| | |
|---|--|
| | \$210 for TAAD Member Districts |
| Course 30 | \$235 for TAAD Associate/Affiliate Members \$325 for Nonmembers |
| | \$100 for TAAD Member Districts |
| Course 31 | \$160 for TAAD Associate/Affiliate Members \$225 for Nonmembers |
| | \$275 for TAAD Member Districts |
| Courses 101, 102, 9, 28 or 32 | \$300 for TAAD Associate/Affiliate Members \$400 for Nonmembers |
| | \$350 for TAAD Member Districts |
| Courses 3, 4, 5, 7, 8 or 10 | \$375 for TAAD Associate/Affiliate Members \$475 for Nonmembers |
| | \$450 for TAAD Member Districts |
| Course 203 (previously 201 and 202) | \$475 for TAAD Associate/Affiliate Members \$575 for Nonmembers |

Course # _____ Course Date _____ Course Location _____

Name _____ Nickname _____ TDLR # (if applicable) _____

Jurisdiction/Firm _____ Title _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ Email address _____

Class Materials are automatically emailed by PDF. You are responsible for printing/ bringing to class.
If you would like TAAD to print/bring the materials to class, please note there is an additional \$15 fee.

Class Materials (please mark one)

- Please **print** my class materials. I have enclosed the \$15 printing fee. **Notice required at least 7 days prior to class.**
- Please **email** my class materials. **Student is responsible for printing/bringing materials to class.**
I understand there is a \$50 nonrefundable fee for a duplicate copy if I forget to bring them to class.

Note: Property Assessment Valuation book (used in Courses 203, 3, 4 and 5) should be ordered directly from IAAO (iaao.org).

Course Registration Fee..... Registration Fee..... \$ _____

PTEC Glossary - optional (\$20) Enclosed..... \$ _____

Mail Course Materials - optional (\$15) Enclosed..... \$ _____

Member District Coupon (must enclose with payment) minus \$ _____

TOTAL AMOUNT ENCLOSED \$ _____

Please complete the registration form and return it along with payment to:

TAAD | 7700 Chevy Chase Drive; Building One, Suite 425 | Austin, Texas 78752-1558

Office Use Only:

Date _____ Check # _____ Paid _____

Coupon _____ Print _____ Glossary _____ DB _____



Real Estate Notes of Interest

Brad Eldridge, MAI, CAE

Brad is a Senior Consultant with TEAM Consulting, LLC and lives in Lawrence, Kansas.

Texas Economic Growth Outpaces Nation Despite Persistent Downside Risks, by Anil Kumar and Ana Pranger, Federal Reserve of Dallas, June 22, 2023

“Overall, the services sector has added 186,000 jobs year to date, a 3.9 percent annualized expansion rate. Manufacturing new orders continued to slide in May, and overall business sentiment and outlooks were negative. With high interest rates and tighter credit conditions, risks to the outlook are to the downside.”

US Housing Market Needs More Than 300,000 Affordable Homes for Middle-Income Buyers, National Association of Realtors, June 8, 2023

“The U.S. housing market is missing about 320,000 home listings valued up to \$256,000, the affordable price range for middle-income buyers (households earning up to \$75,000).”

Housing Market Update: There Are Nearly 40 percent Fewer Homes For Sale Than Pre-Pandemic, by Dana Anderson, Redfin, June 15, 2023

“The total number of U.S. homes for sale dropped 6 percent from a year earlier during the four weeks ending June 11, the biggest decline in 13 months. New listings dropped 23 percent, continuing a 10-month streak of double-digit declines. Those add to the deepening post-pandemic inventory shortage; there are 39 percent fewer homes for sale now than there were five years ago, in June 2018.”

Instant Reaction: Inflation, June 13, 2023, by Lawrence Yun, National Association of Realtors

“Inflation calmed down in May, and further deceleration looks likely in the upcoming months. It also marks the first month in two years that wage growth outpaced consumer price inflation, improving the average standard of living. Moreover, low inflation means that the Federal Reserve should stop raising interest rates and possibly slash rates towards the year-end or early next year.”

Realtor.com® May Housing Report: Home Price Gains Slow to Lowest Rate on Record, Realtor.com, June 1, 2023

“April and May are historically popular months to buy, and typically by this time in the year we’ve exceeded the prior year’s peak home price. Weakening home price growth for the past 12 months is increasing the odds that we may not see a new home price peak this year, for the first time in the history of our listing data, which dates back to mid-2016, and this is likely welcome news to home shoppers.”

60 percent of a Home’s Sales Price Goes to Construction Costs, National Association of Home Builders, March 13, 2023

“Since the inception of this series in 1998, this is just the fourth time construction costs represent over 60 percent of the total price of the home — it was 61.7 percent in 2013 and 61.8 percent in 2015. The finished lot cost was the second largest cost at 17.8 percent of the sales price, down from 18.5 percent in 2019. At 5.1 percent in 2022, overhead and general expenses were also essentially unchanged when compared to 2019 (4.9 percent). The remainder of the average home sale price consisted of sales commission (3.6 percent), financing costs (1.9 percent), and marketing costs (0.7 percent).”

Texas Housing Insight, by Joshua Roberson and Weiling Yan, Texas A&M University, June 21, 2023

“April’s housing sales slipped uniformly in the Big 4 Texas metros. As buyers adjusted to currently inflated rates, the loss in sales was primarily due to the lack of home supplies as construction activities slowed and sellers’ unwillingness to give up their low rates. The higher mortgage rates put the brakes on the housing frenzy. Prices had been stable, fluctuating around one percent month over month (MOM) since November 2022. The housing market is forecasted to stay normalized until the economy sees relieved rates.”

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Table 2. Median Housing Prices

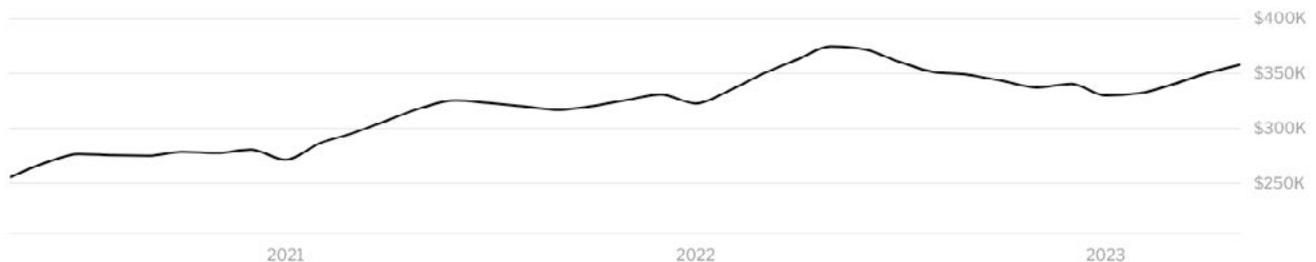
| | Mar | Apr | Monthly Changes |
|----------------------------------|------------|------------|-----------------|
| Texas | \$ 335,000 | \$ 337,400 | ↑ 0.7% |
| Austin-Round Rock | \$ 455,000 | \$ 465,400 | ↑ 2.3% |
| Dallas-Fort Worth-Arlington | \$ 391,700 | \$ 395,400 | ↑ 0.9% |
| Houston-The Woodlands-Sugar Land | \$ 323,100 | \$ 328,400 | ↑ 1.7% |
| San Antonio-New Braunfels | \$ 316,600 | \$ 322,200 | ↑ 1.8% |

Note: Seasonally adjusted data used for the reported metrics.
Source: Texas Real Estate Research Center at Texas A&M University

Texas Housing Market Overview, Redfin, June 2023

"In May 2023, home prices in Texas were down 4.4 percent compared to last year, selling for a median price of \$357,800. On average, the number of homes sold was down 11.1 percent year over year and there were 31,232 homes sold in May this year, down 35,110 homes sold in May last year. The median days on the market was 35 days, up 11 year over year."

Median Home Sale Price – Texas



Based on Redfin calculations of home data from MLS and/or public records.

Mortgage Rates Decline After a Three-Week Ascent, Freddie Mac, June 8, 2023

"30-year fixed-rate mortgage averaged 6.71 percent as of June 8, 2023, down from last week when it averaged 6.79 percent. A year ago at this time, the 30-year FRM averaged 5.23 percent. 15-year fixed-rate mortgage averaged 6.07 percent. A year ago at this time, the 15-year FRM averaged 4.38 percent."

RCA CPPI US Commercial Property Price Indexes, April 2023, MSCI, May 26, 2023

"All the major property types posted annual declines in April, marking the first time since September 2010 that prices fell across the board."

Change in RCA CPPI April 2023

| | 1-mth | 3-mth | 1-yr | 3-yr | 5-yr | 10-yr |
|----------------------------|-------|-------|--------|-------|-------|--------|
| Office | -0.8% | -2.7% | -6.9% | 10.0% | 16.3% | 68.1% |
| Office - CBD | -0.2% | -0.5% | -3.8% | -0.3% | 7.0% | 69.4% |
| Office - Sub | -0.7% | -2.7% | -6.3% | 11.5% | 17.3% | 67.7% |
| Industrial | -0.5% | -1.5% | -0.8% | 39.5% | 63.9% | 143.9% |
| Retail | -0.5% | -2.3% | -6.0% | 15.3% | 16.7% | 46.9% |
| Commercial | -0.7% | -2.4% | -5.7% | 17.7% | 26.2% | 75.0% |
| Apartment | -1.5% | -5.2% | -12.1% | 17.9% | 39.7% | 126.8% |
| All Types | -1.1% | -4.0% | -9.4% | 16.3% | 28.9% | 89.4% |
| 6 Major Metros All Types | -0.9% | -2.9% | -9.8% | 6.6% | 16.0% | 75.1% |
| Non-Major Metros All Types | -1.1% | -3.8% | -8.3% | 21.5% | 35.7% | 97.7% |

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Real Estate Notes *continued*

Uncertain Valuations Cool Real Estate M&A Activity, by Beth Mattson-Teig, *WealthManagement.com*, June 12, 2023

“Real estate M&A activity likely to remain relatively quiet through the rest of the year with obstacles impeding deals among both public and private real estate companies. The cost of capital and uncertainty around valuations are the two biggest hurdles. For any participants that require leverage, the cost to get a deal done is more expensive, and in certain cases, access to debt is more difficult as well.”

Monthly Construction Input Prices Decrease in May, *Says ABC*, June 14, 2023

“Overall construction input prices are 3.7 percent lower than a year ago. Nonresidential construction input prices are 3.4 percent lower. Prices declined in all three energy subcategories.”

ULI’s Spring Real Estate Economic Forecast

Projects Slowed GDP Growth As Inflation Decreases, by Ella Fertitta, *ULI Americas*, May 25, 2023

“Commercial real estate transaction volume is forecast to drop in 2023 to \$425 billion, down from \$730 billion in 2022. However, transaction volume is expected to rebound in 2024 to \$525 billion and reach \$695 billion by 2025. Prices across all property types are expected to decline 8 percent in 2023 – the largest all-types drop since 2010. Prices are projected to grow 2.6 percent in 2024 and 5.0 percent in 2025.”

Zumper National Rent Report, *Zumper*, May 24, 2023

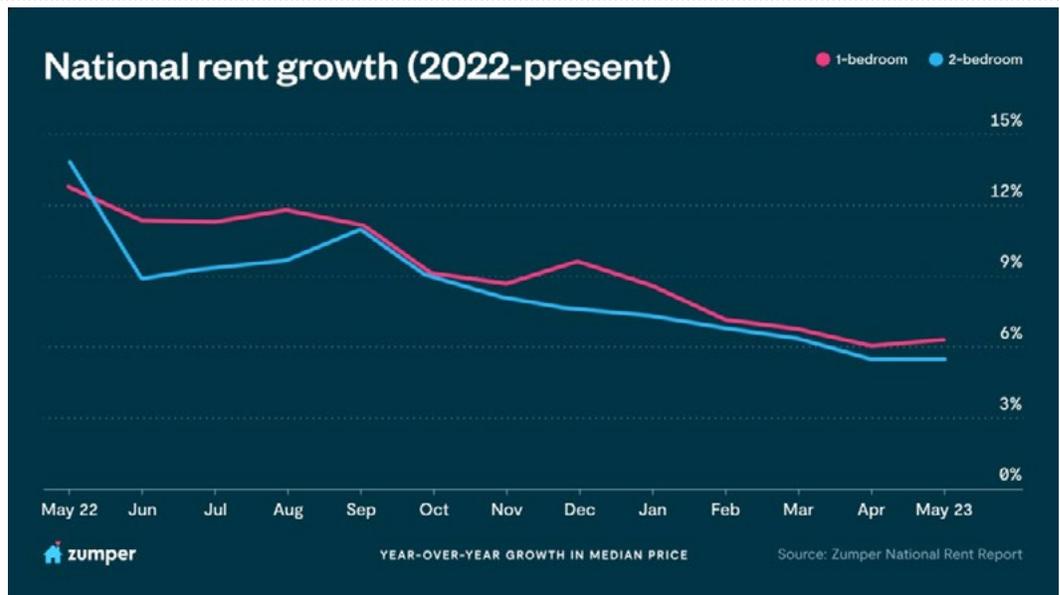
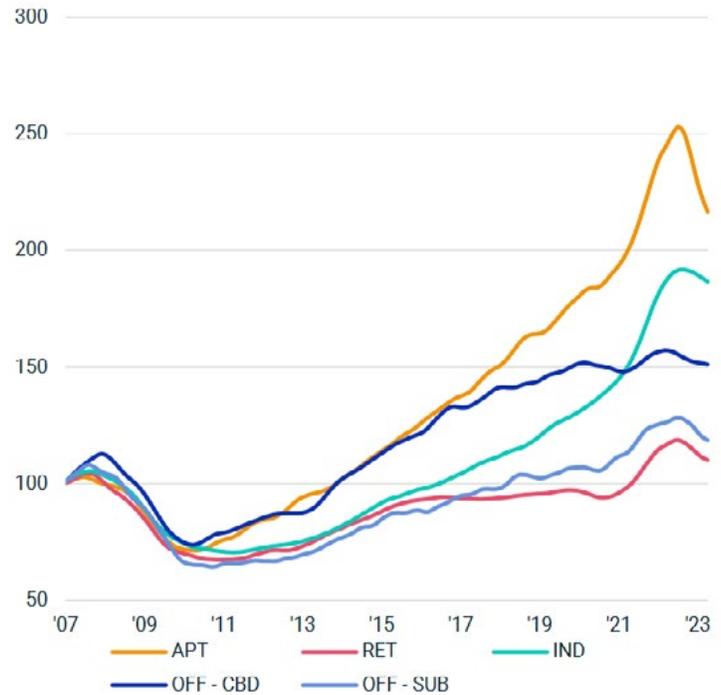
“Most of the country has settled back into traditional seasonal patterns, with prices increasing slightly in the spring and summer, peaking during the fall, then dipping during the slower winter months.”

Green Street Finds

Retail Sentiment ‘Overwhelmingly Positive’, by Richard Berger, *GlobeStreet.com*, May 30, 2023

“Green Street met with a variety of retail owners and operators this month during the ICSC annual conference and found that sentiment was overwhelmingly positive on fundamentals with tenant demand remaining robust despite macroeconomic and recessionary concerns.”

National Property Types



continued on next page

Real Estate Notes *continued***Mall Visits Remain Sluggish, But Could Gain Steam, by Amy Wolff Sorter, *ConnectCRE.com*, June 8, 2023**

“Economic headwinds continue to impact mall traffic. The data noted that year-over-year visit gaps for all three mall categories (indoor, open-air and outlets) grew. Consumers are cutting back on their visits, but are spending more time at malls; and outlet malls are experiencing the highest median visit length, increasing by 5.5 percent year over year.”

Industrial Investors Show More Caution on New Deals, by Patricia Kirk, *WealthManagement.com*, June 6, 2023

“Demand may not be what it was in 2022, but is still incredibly strong relative to historical standards, and we are returning to a more normalized lease-up timeline for assets. Industrial tenants continue to be active as they expand operations, especially in facilities of 250,000 sq. ft. or smaller. But the decision-making process for new leases has lengthened from one-two months in 2022 to three or four months today.”

Advance Monthly Sales for Retail and Food Services, May 2023, *U.S. Census Bureau*, June 15, 2023

“Advance estimates of U.S. retail and food services sales for May 2023 were up 0.3 percent from the previous month, and up 1.6 percent above May 2022. Total sales for the March 2023 through May 2023 period were up 1.7 percent from the same period a year ago. Retail trade sales were up 0.3 percent from April 2023, and up 0.7 percent above last year. Nonstore retailers were up 6.5 percent from last year, while food services and drinking places were up 8.0 percent from May 2022.”

Refinancing Could Be Disaster for Many Loans, Not Just Office, by Erik Sherman, *Globestreet.com*, June 8, 2023

“Trepp performed an analysis on maturing loans that by 2024 could land with a debt service coverage ratio (DSCR) based on net cash flow (NCF) of less than 1.25 times (a common risk management threshold), assuming loan coupon escalations.”

First Quarter 2023 National Industrial Market: Conditions & Trends Report, *Newmark*, June 2023

“While demand is decelerating, overall market fundamentals remain healthy for industrial property.”

Office Space Demand Forecast, Second Quarter 2023, by Hany Guirguis, Ph.D. and Michael J. Seiler, *Commercial Real Estate Development Association*, June 2023

“The national office market experienced total negative net absorption of 21.3 million square feet through the fourth quarter of 2022 and the first quarter of 2023, bringing the vacancy rate to 17.8 percent, the highest level since the second quarter of 1993. The COVID-19 public health emergency officially ended in the United States on May 11, 2023, but remote and hybrid work arrangements remain largely in place and continue to negatively affect demand for office space.”

U.S. Hotels State of the Union, *CBRE*, June 8, 2023

“Wage growth outpaces RevPAR and Airfare gains, fueling continued travel.”

Fact Sheet: Biden-Harris Administration Takes Sweeping Action to Address Racial Bias in Home Valuations, *White House Briefing Room*, June 1, 2023

“Two years ago, President Biden announced the creation of the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE). The PAVE Action Plan involves: Preventing algorithmic bias in home valuation; Empowering consumers to take action against appraisal bias; Increasing transparency and leveraging federal data to inform policy and improve enforcement against appraisal bias; and Breaking down barriers to entry into the appraisal profession.”

Editor’s Note: *This issue has been more prevalent in the private sector of appraisal, but the public expectations are the same—transparency and fairness. County Appraisers strive for fairness, but expectations on transparency will continue to grow. We all need to be ready to provide this to the public, which means more time and resources dedicated to these efforts.*

Attorney General Opinions/Requests For Opinions

KP-0444 (May 20, 2023) RE: Whether a tax rate increase election under Tax Code section 26.07 authorizes a municipality to “ earmark ” use of a voter-approved increase in its Maintenance and Operation property tax revenue for purposes other than maintenance or operations; and if not, may an increase in a municipality’s Maintenance and Operation property tax be transferred to a local government corporation (created pursuant to Transportation Code chapter 43I, subchapter D) be used for debt service on debt issued by the local government corporation (RQ-0508-KP)

Summary: A truth-in-taxation provision, Texas Tax Code section 26.07 requires a municipality to hold an automatic election if it seeks to increase its tax rates above a specified amount. It does not authorize a municipality to “ earmark ” use of a voter-approved increase in its maintenance and operation property tax revenue for debt service.

A court would likely conclude that an agreement wherein a municipality binds itself to transfer in perpetuity an increase in its maintenance and operations property tax and is not subject to an annual appropriation and is prohibited by article XI, section 5 as a pecuniary obligation imposed by contract with no right to terminate at the end of each budget period.

Request RQ-0508-KP RE: Whether a tax rate increase election under Tax Code section 26.07 authorizes a municipality to “ earmark ” use of a voter-approved increase in its Maintenance and Operation property tax revenue for purposes other than maintenance or operations; and if not, may an increase in a municipality’s Maintenance and Operation property tax be transferred to a local government corporation (created pursuant to Transportation Code chapter 43I, subchapter D) be used for debt service on debt issued by the local government corporation.

Opinion requested by Senate Committee on Local Government

TAAD 2024 State Certification Course Schedule

| <i>Month</i> | <i>Course Number</i> | <i>Name</i> |
|-----------------------|----------------------|---|
| JANUARY 2024 | | |
| January TBA | Course 31 | USPAP Refresher (virtual offering) |
| January 29-31 | Course 32 | USPAP |
| January 29-February 1 | Course 5 | Mass Appraisal |
| January 29-February 1 | Course 3 | Income Approach to Value |
| January 29-February 2 | Course 101 | Intro to Prop Tax Adm/102 Intro to Prop Tax Appraisal |
| February 1-2 | Course 30 | Ethics |
| MARCH 2024 | | |
| March 4-6 | Course 7 | Texas Property Tax Law |
| March 4-6 | Course 10 | Analyzing a Real Property Appraisal |
| March 4-7 | Course 4 | Personal Property Appraisal |
| March 4-8 | Course 203 | Appraisal of Real Property |
| AUGUST 2024 | | |
| August 19-21 | Course 7 | Property Tax Law |
| August 19-21 | Course 10 | Analyzing Property Appraisals |
| August 19-23 | Course 203 | Appraisal of Real Property |
| August 19-23 | Course 101 | Intro to Prop Tax Adm/102 Intro to Prop Tax Appraisal |
| SEPTEMBER 2024 | | |
| September 9-12 | Course 3 | Income Approach to Value |
| September 9-12 | Course 4 | Personal Property Appraisal |
| September 9-12 | Course 5 | Mass Appraisal |
| OCTOBER 2024 | | |
| October 28-29 | Course 30 | Ethics |
| October 28-November 1 | Course 101 | Intro to Prop Tax Adm/102 Intro to Prop Tax Appraisal |
| October 28-November 1 | Seminars | |
| NOVEMBER 2024 | | |
| November 18-20 | Course 32 | USPAP |
| November TBA | Course 31 | USPAP Refresher (virtual offering) |
| November 18-22 | Course 203 | Appraisal of Real Property |
| DECEMBER 2024 | | |
| December 2-4 | Course 7 | Texas Property Tax Law |
| December 2-4 | Course 10 | Analyzing Property Appraisals |
| December 2-5 | Course 3 | Income Approach to Value |
| December 2-5 | Course 4 | Personal Property Appraisal |
| December 2-6 | Course 101 | Intro to Prop Tax Adm/102 Intro to Prop Tax Appraisal |

course registration on next page

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