

Texas School Assessors Association, Inc.

57th Annual Conference
March 2024

Property Tax Assistance Division
Allison Mansfield
Taylor Castillo



GLENN HEGAR, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

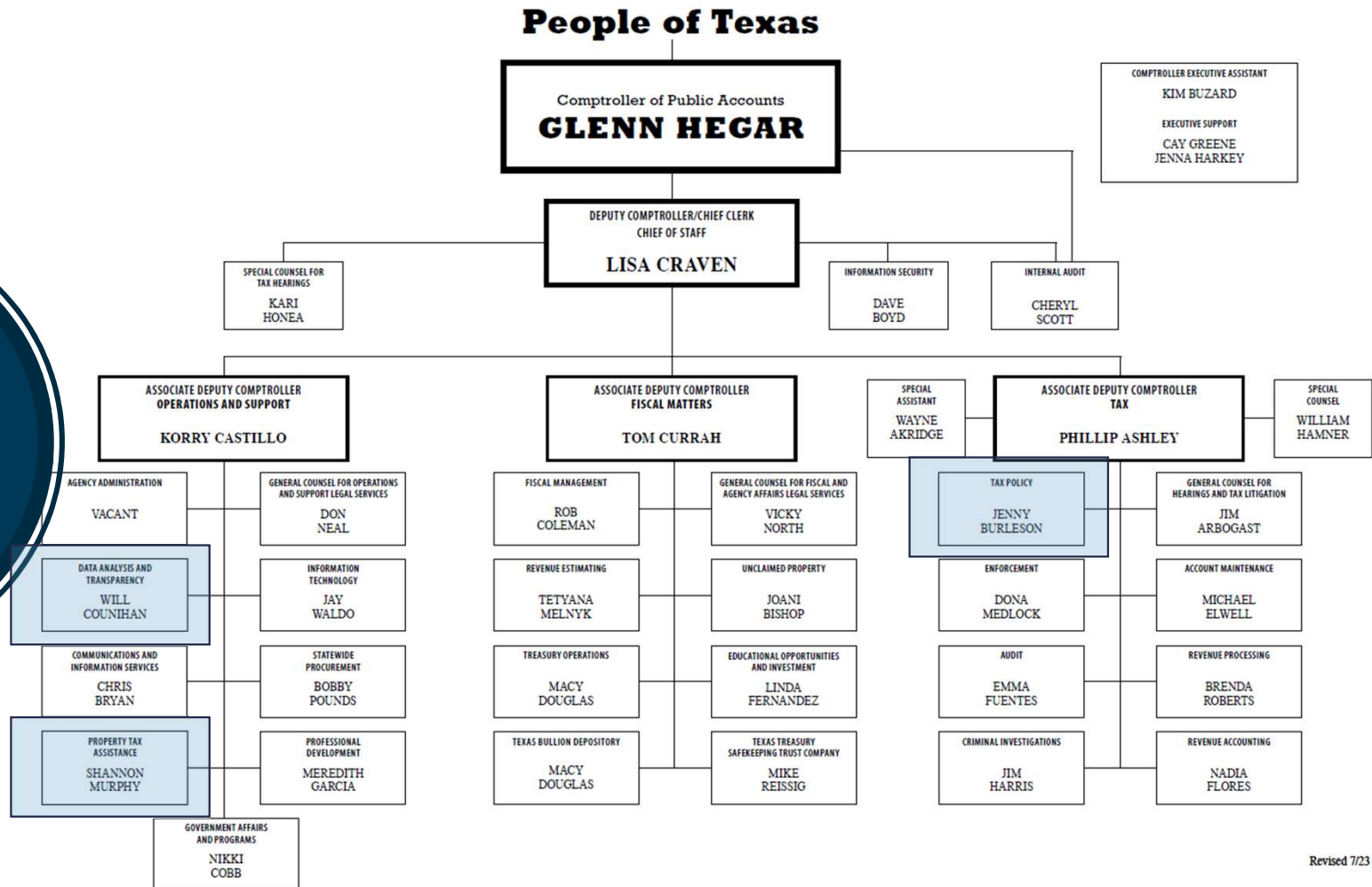
Overview

Comptroller of Public Accounts

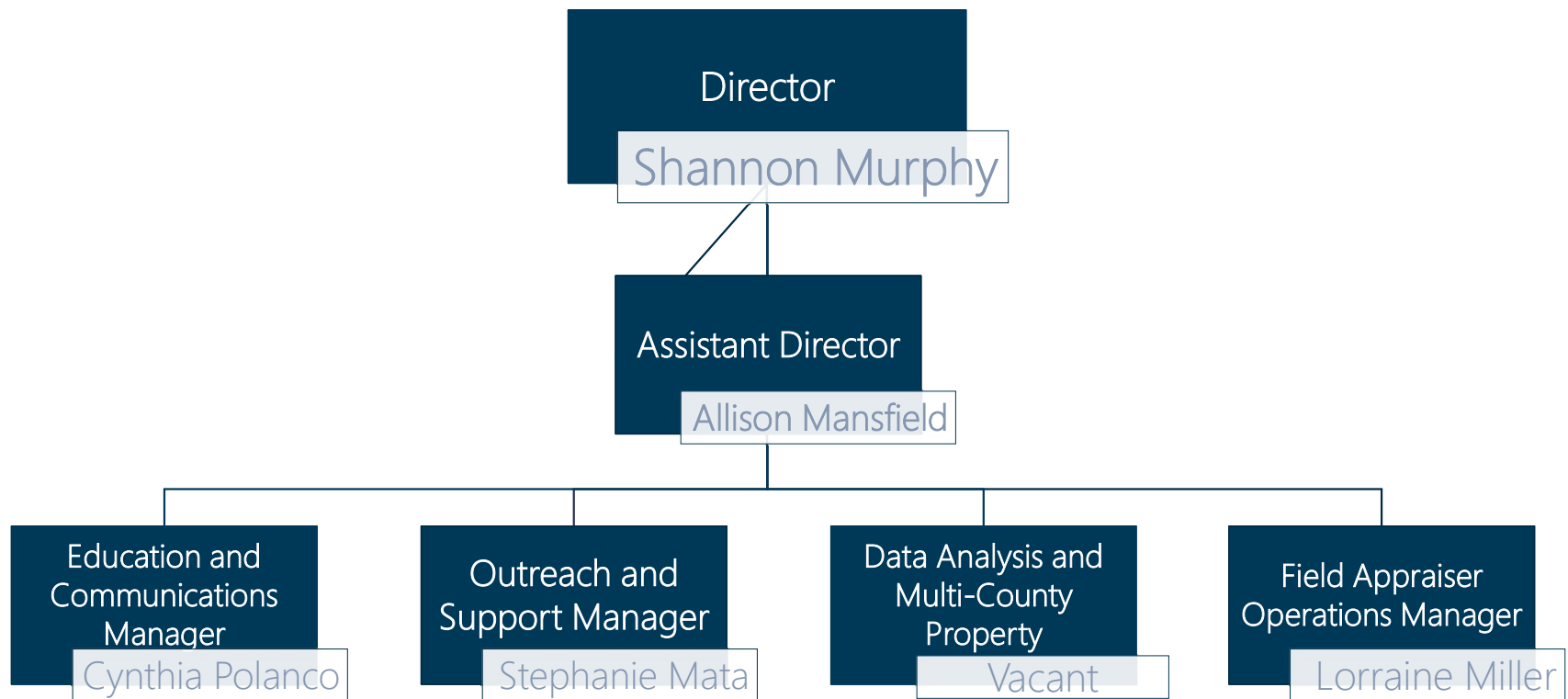
Property Tax Assistance Division (PTAD)

- About Us
- Truth-in-Taxation (TNT)
- School District Property Value Study (SDPVS)
- Targeted Appraisal Review Program (TARP)

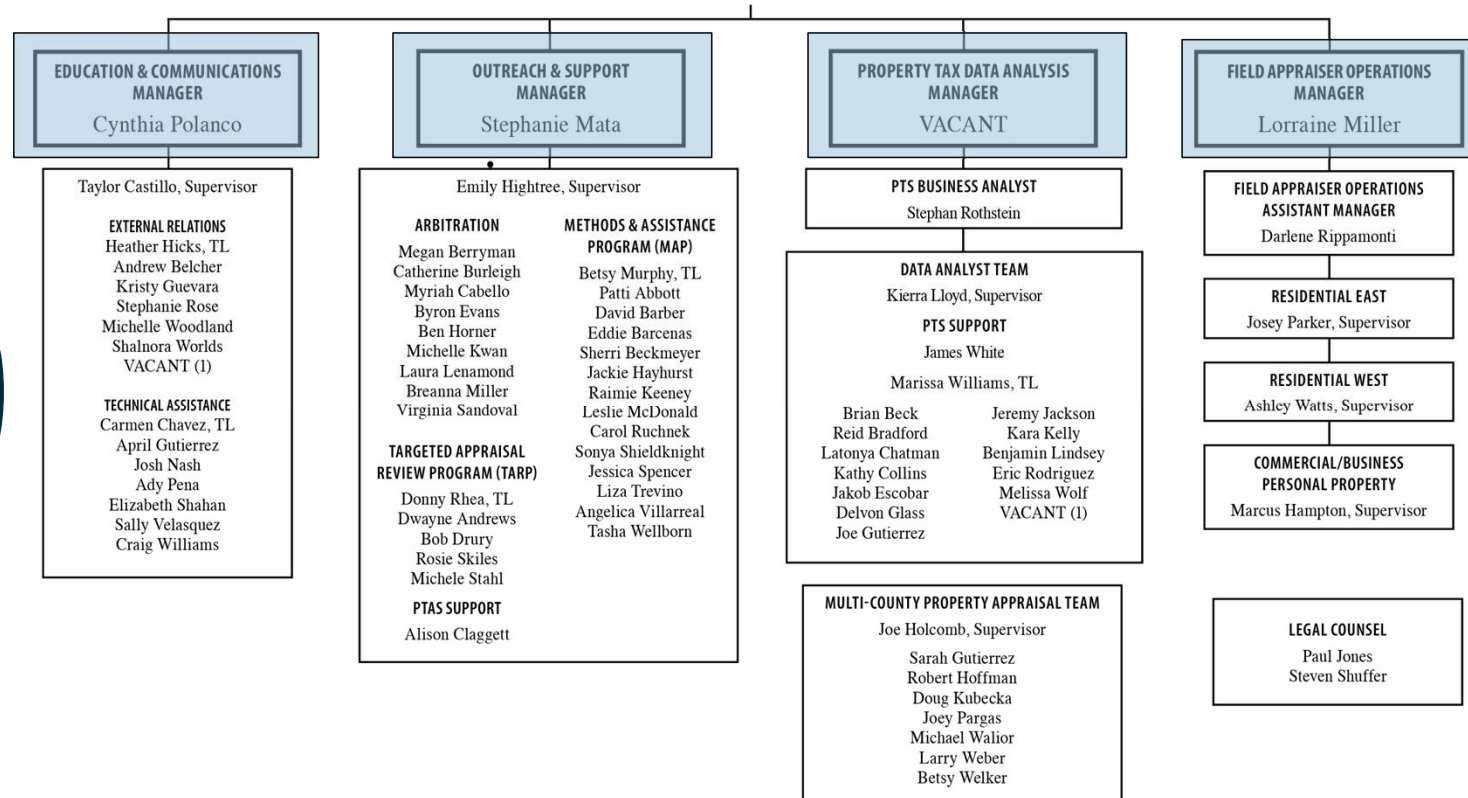
CPA Organization



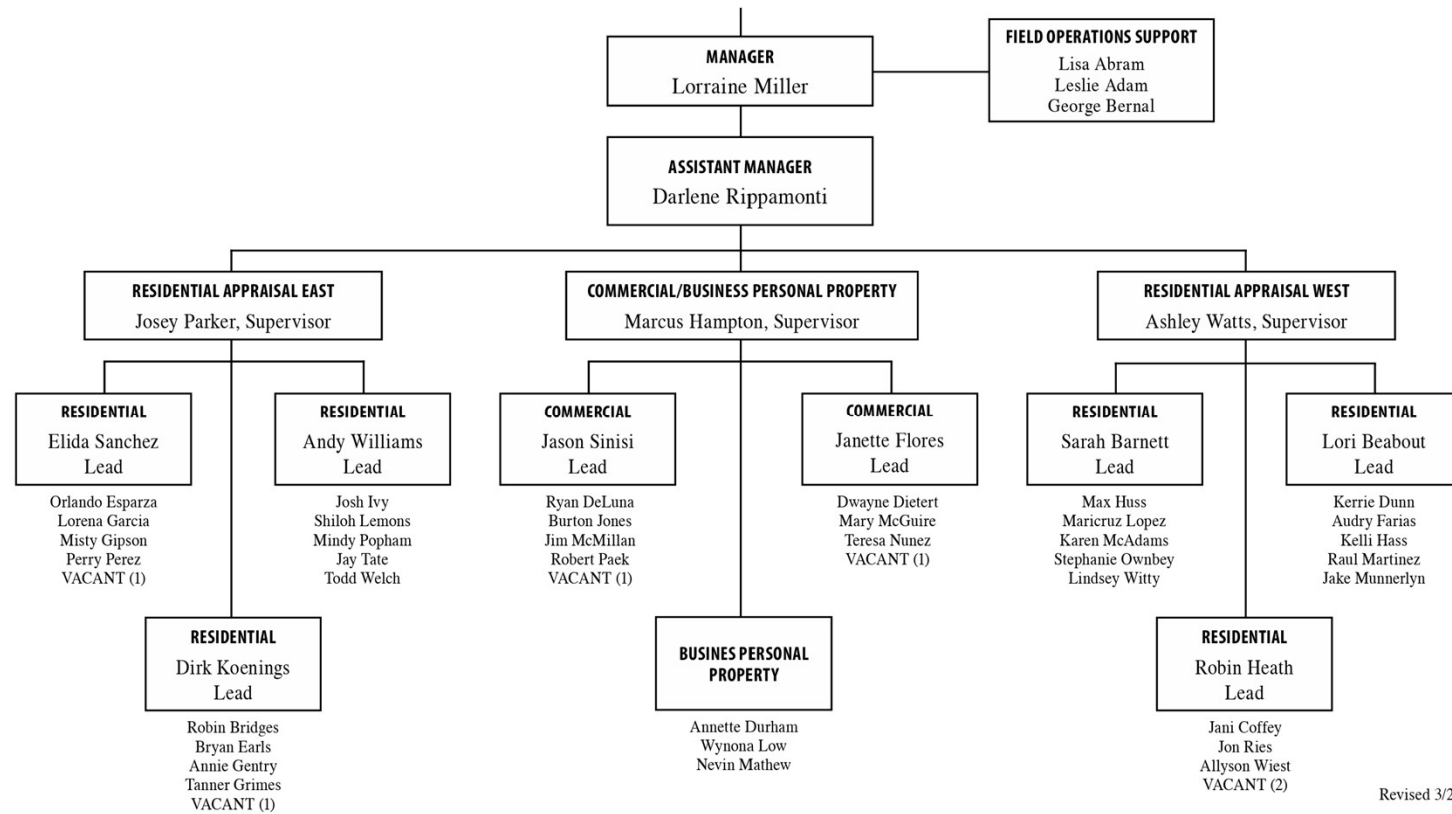
Property Tax Assistance Division



PTAD Organizational Chart - Departments



PTAD
Organizational
Chart – Field
Appraiser
Operations



Truth-in-Taxation (TNT)

- Concept embodied in the Texas Constitution
 - Makes taxpayers aware of tax rate proposals
 - Affords taxpayers the opportunity to limit tax increases
-
- *[Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes)*

TNT Requirements



Draft a budget



Calculate the tax rate



Publish notices



Hold public hearings



Adopt a tax rate



Hold automatic elections to approve the tax rate, if necessary

Tax Rate Calculation Worksheets (TNT Forms)

- **Taxing units other than school districts or water districts**
 - 50-856, 2023 Tax Rate Calculation Worksheet – Taxing Unit Other Than School Districts or Water Districts (PDF)
 - 50-856-a, Supplemental Tax Rate Calculation Worksheet - Voter-Approval Tax Rate for Taxing Units in a Disaster Area Other Than School Districts or Water Districts (PDF)
- **School districts**
 - 50-859, 2023 Tax Rate Calculation Worksheet – School Districts without Chapter 313 Agreements (PDF)
 - 50-884, 2023 Tax Rate Calculation Worksheet – School Districts with Chapter 313 Agreements (PDF)
- **Water districts**
 - 50-858, 2023 Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts (PDF)
 - 50-860, 2023 Developed Water District Voter-Approval Tax Rate Worksheet (PDF)

Tax Rate Calculation Worksheets

Committee Involvement

- Form Committee Authorized by Tax Code Sec. 5.07 and established January 2020
- Committee members represent equally assessors, taxing units and taxpayers
- Majority must approve all substantive changes to the Truth-in-Taxation tax rate calculation forms
- Comptroller may make non-substantive changes without committee review
- Forms adhere to statute

2024 TNT Form Updates

Previous Worksheets

- Stated tax years listed
- Updated annually

Current Worksheets

- Stated tax years removed
- “Prior” and “current” as replacements

2023 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Previous TNT Form Example

SECTION 1: No-New Revenue Tax Rate

The no-new-revenue law requires the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of revenue as the same properties that are taxed in both years (no new taxes). When appraisal values increase, the NNR tax rate should decrease.

Line	Description	Amount/Rate
1.	2022 total taxable value. Enter 2022 taxable value of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification of appraisal corrections made under Tax Code Section 25.25(d) from these adjustments. Exclude any adjustments made under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings.	\$ _____
2.	2022 tax ceilings. Enter 2022 taxable value of homesteads of homeowners and homesteads with tax ceilings. These include the taxable value of homesteads with tax ceilings. These include the taxable value of homesteads with tax ceilings.	\$ _____
3.	Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1.	\$ _____
4.	2022 total adopted tax rate. Divide Line 2 from Line 1.	\$ _____
5.	2022 taxable value lost because of 2022 Chapter 42 decisions.	\$ _____ / \$100
	A. Original 2022 ARB value.	\$ _____
	B. 2022 values resulting from Chapter 42 decisions.	\$ _____
	C. 2022 value loss. Subtract B from A.	\$ _____
6.	2022 taxable value subject to Chapter 42.	\$ _____
	A. 2022 ARB certified value.	\$ _____
	B. 2022 disputed value.	\$ _____
	C. 2022 undisputed value.	\$ _____
7.	2022 Chapter 42 adjusted values. Add Line 5 and 6.	\$ _____

Current TNT Form Example

2024 Tax Rate Calculation Worksheet Taxing Units Other Than School Districts or Water Districts

SECTION 1: No-New-Revenue Tax Rate		
Line	Description	Amount/Rate
1.	Prior year tax ceilings. Enter the prior year taxable value on the prior year tax roll today. Include any adjustments for homesteads of homeowners age 65 or older, one-third over-appraisal corrections made under Tax Code Section 25.25(d) from the prior year, and adjustments to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6 with tax ceilings (will deduct in Line 2). 1	\$
3.	Preliminary prior year adjusted taxable value	\$
4.	Prior year total adopted tax rate. Value of homesteads with tax ceilings. These include the	\$
5.	Prior year taxable value lost because court appeals reduced the prior year's appraised value.	\$
4.	A. Original prior year ARB values:	\$ /\$100
5.	B. Prior year values resulting from final court decisions reduced the prior year's appraised value.	\$
	C. Prior year value loss. Subtract B from A.	\$
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25.	\$
	A. Prior year ARB certified value:	\$
	B. Prior year disputed value:	\$
	C. Prior year undisputed value. Subtract B from A.	\$
7.	Prior year Chapter 42-related adjustments. Add Line 5 and 6.	\$

Elections: Boards of Directors

Angelina	Coryell	Guadalupe	Lubbock	Smith
Bastrop	Dallas	Harris	McLennan	Tarrant
Bell	Denton	Hays	Midland	Taylor
Bexar	Ector	Henderson	Montgomery	Tom Green
Bowie	El Paso	Hidalgo	Nueces	Travis
Brazoria	Ellis	Hunt	Orange	Victoria
Brazos	Fort Bend	Jefferson	Parker	Walker
Cameron	Galveston	Johnson	Potter	Webb
Collin	Grayson	Kaufman	Randall	Wichita
Comal	Gregg	Liberty	Rockwall	Williamson

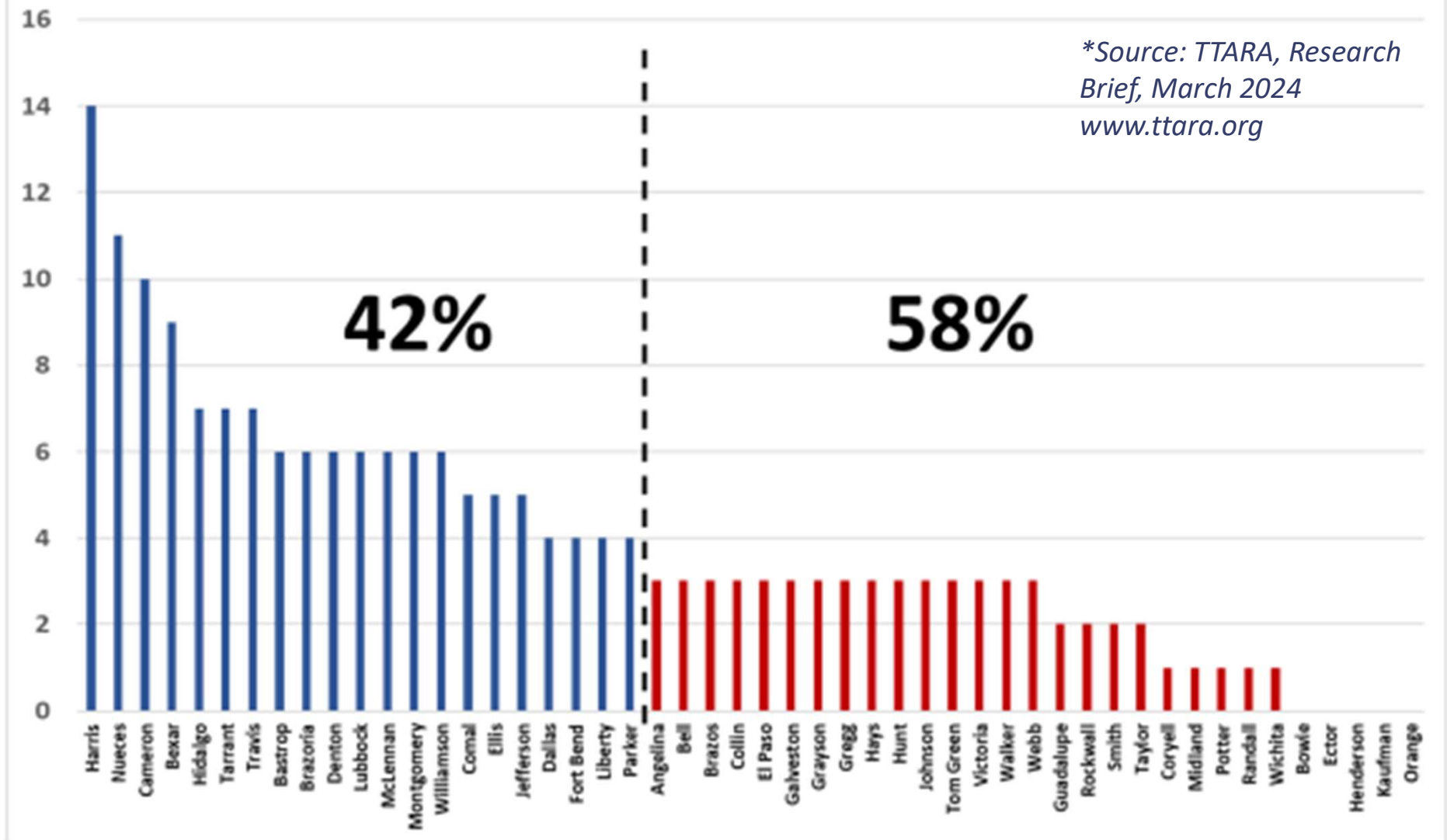
Elections: Boards of Directors

Angelina	Coryell	Guadalupe	Lubbock	Smith
Bastrop	Dallas	Harris	McLennan	Tarrant
Bell	Denton	Hays	Midland	Taylor
Bexar	Ector	Henderson	Montgomery	Tom Green
Bowie	El Paso	Hidalgo	Nueces	Travis
Brazoria	Ellis	Hunt	Orange	Victoria
Brazos	Fort Bend	Jefferson	Parker	Walker
Cameron	Galveston	Johnson	Potter	Webb
Collin	Grayson	Kaufman	Randall	Wichita
Comal	Gregg	Liberty	Rockwall	Williamson

BOD Candidates

Number of Candidates Running

**Source: TTARA, Research Brief, March 2024
www.ttara.org*



School District Property Value Study (SDPVS)

- Purpose:
to help ensure equitable distribution
of state funding for public education
- Government Code Section 403.302.
- SDPVS does NOT directly equalize
(change) local values

PTAD Field Appraiser Operations

Looks at the local properties within the SDPVS

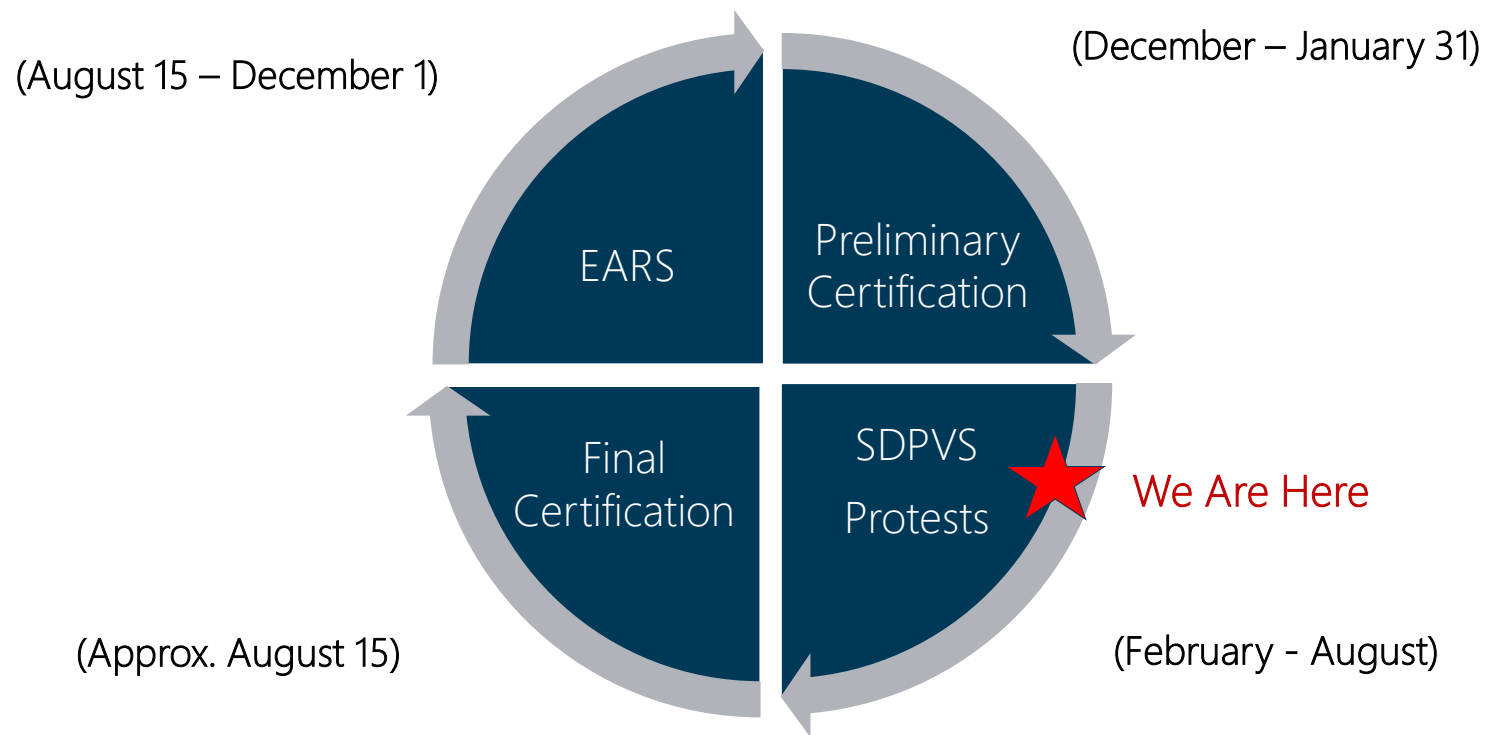
Sales ratio study supplemented with independent appraisals, if needed

Independence between local values and sale prices or PTAD appraisals is vital to ensure equitable distribution of state funding for public education.

SDPVS Findings and Grace Period



School District Property Value Study Cycle



Possible ISD Scenarios

MAP cycle only

- ISD split is within an appraisal district undergoing its regularly scheduled Methods and Assistance Program (MAP) review

SDPVS cycle only

- ISD split is within an appraisal district undergoing its regularly scheduled SDPVS

Both MAP and SDPVS

- ISD was invalid in preceding SDPVS and is being studied during its MAP year

None

- ISD split is within an appraisal district undergoing its regularly scheduled SDPVS but includes less than 10 percent of total ISD value

Possible SDPVS Findings

Valid Findings Resulting in Local Value:

- Methods and Assistance Program (MAP)
- SDPVS

Invalid Findings Resulting in Local Value:

- Grace Year 1
- Grace Year 2
- Local greater than state

Invalid Findings Resulting in State Value:

- State

Grace Period Eligibility

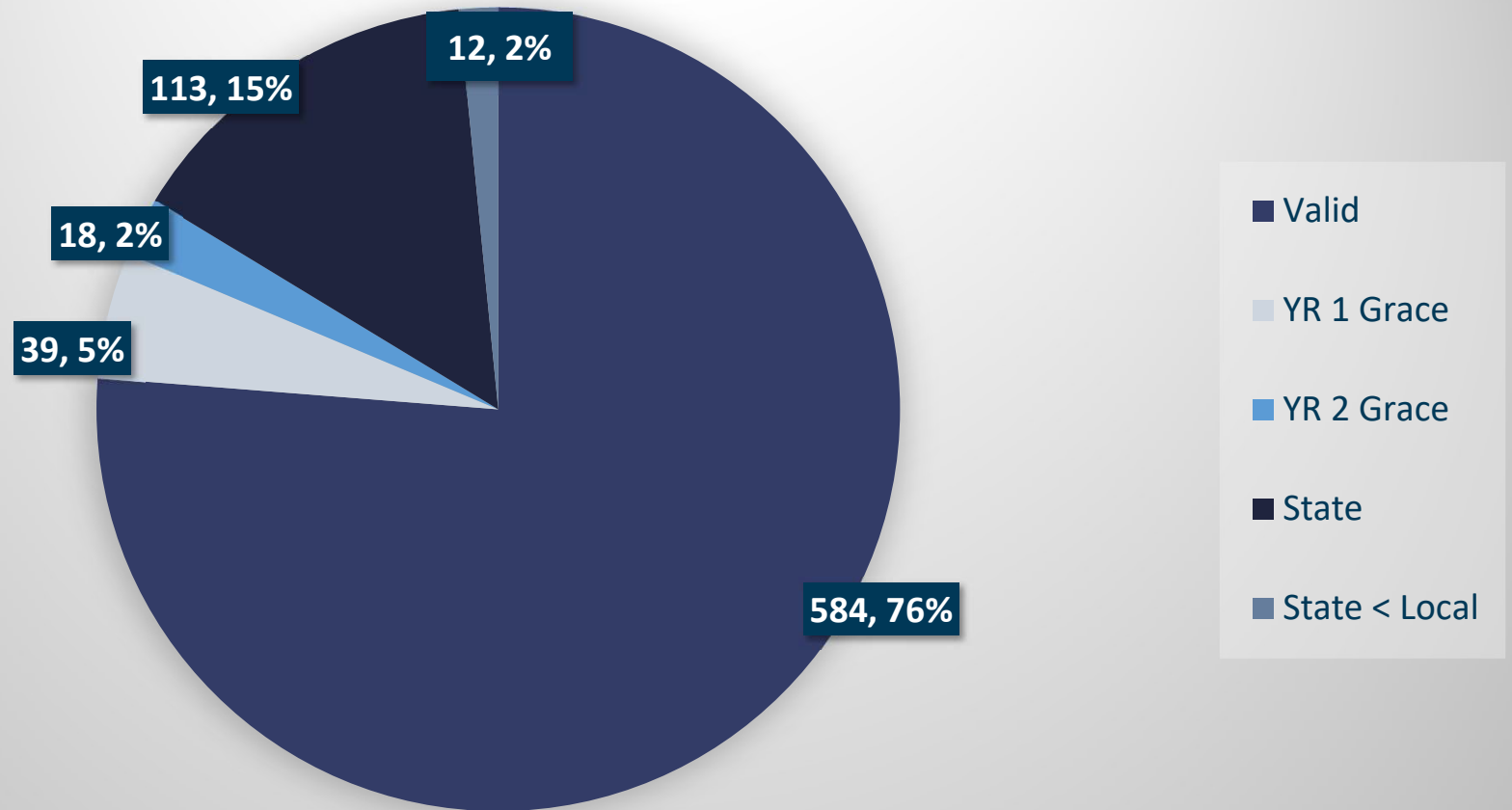
“Eligible school district” is defined in Gov’t Code §403.3011(2) and meets four statutory conditions:

- ISD is invalid in most recent SDPVS;
- ISD was valid in its two preceding SDPVS;
- Appraisal district passed mandatory requirements of most recent MAP review; AND
- Local test value is above 90 percent of lower threshold of the margin of error

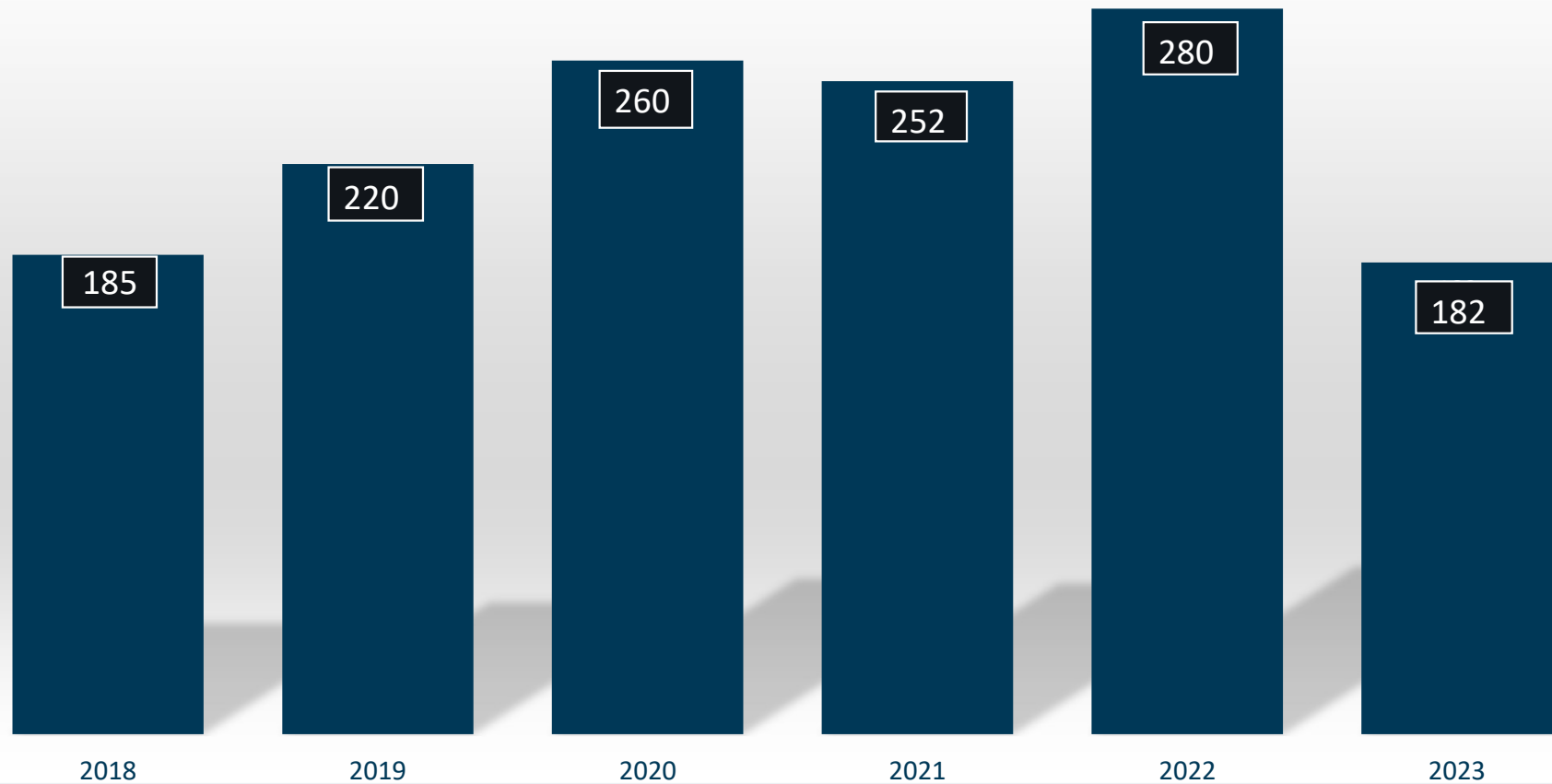
Grace Period Eligibility

2023	2024	2025	2026	2027	2028	2029
SDPVS	MAP	SDPVS	MAP	SDPVS	MAP	SDPVS
Grace Y1	SDPVS & MAP	SDPVS (No Grace)	MAP	SDPVS Eligible for Grace	MAP	SDPVS
Grace Y1	Grace Y2	SDPVS (No Grace)	MAP	SDPVS (No Grace)	MAP	SDPVS Eligible for Grace
Grace Y1	Grace Y2	State	SDPVS & MAP (No Grace)	SDPVS (No Grace)	MAP	SDPVS Eligible for Grace
Grace Y1	Grace Y2	State	State	SDPVS (No Grace)	MAP	SDPVS (No Grace)
Regular Cycle		Invalid Finding		Future Cycle and Grace Eligibility		

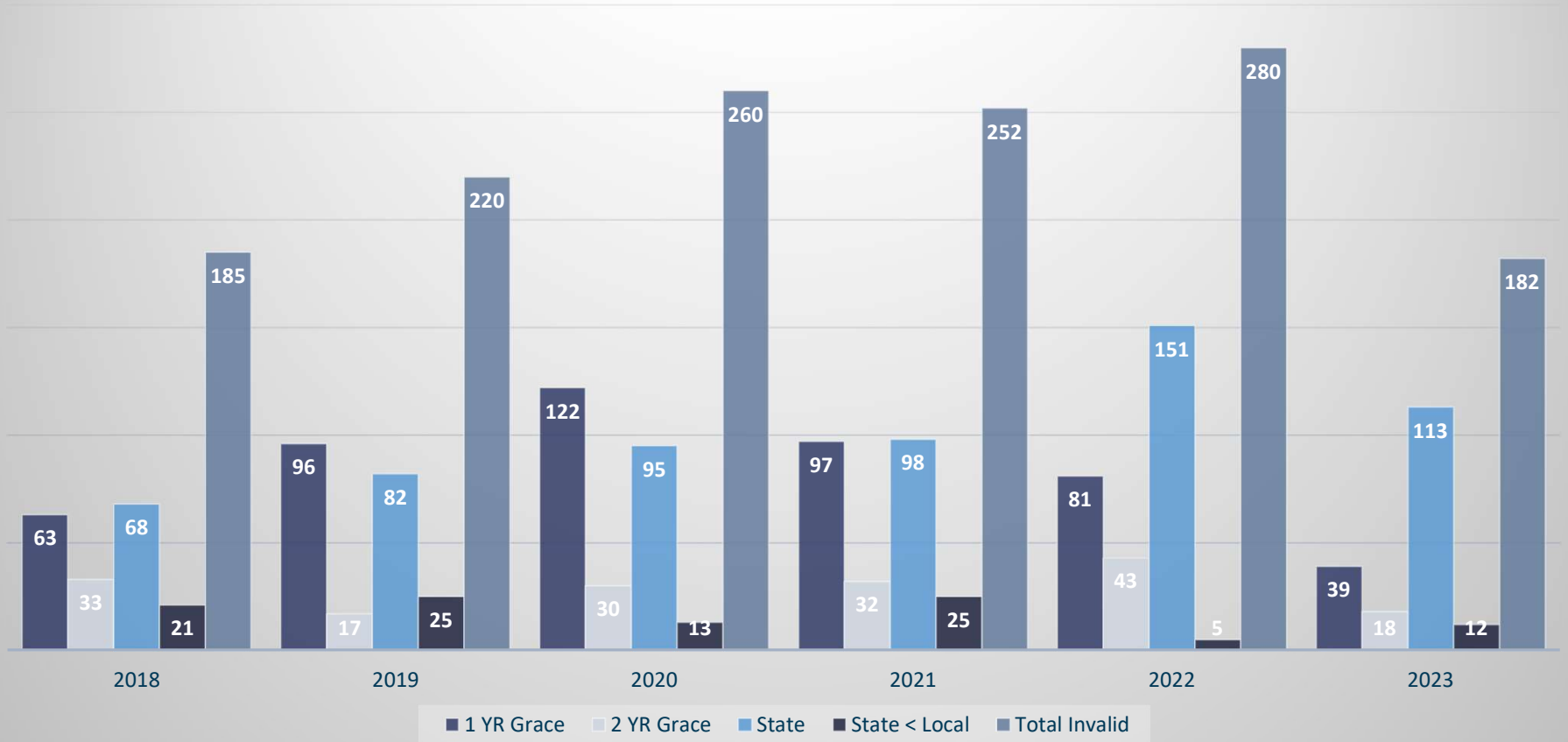
2023 SDPVS Preliminary Findings



2023 SDPVS Total Preliminary Findings - Invalid



2023 SDPVS Preliminary Summary



SDPVS Protest Process

- SDPVS 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.
 - specify grounds for objection
 - specify value claimed to be correct
 - Must include Form 50-210, parts A, B and C by deadline

Who Can Protest

- School Districts
 - Self-Report Protest
 - Property Category Protest
- Property Owners
 - \$100,000+ tax liability within same school district and same property category
 - School district studied in the SDPVS

Types of Protests

Self-Report Protests

Errors in the annual property value report provided to PTAD

Errors in local value made by PTAD

BEFORE certification of preliminary findings

Property Category Protests

By property category

Items in PTAD's appraisal of a sample property

Taxpayer

Items in PTAD's appraisal of the business

Protest Benefits for Invalid ISDs

With a flip to valid finding, invalid ISDs can:

- avoid inclusion in off-cycle school district PVS study.
- protect future grace period eligibility.

State value ISDs can mitigate financial impact to foundation school program (FSP) payments

- Approximately \$1 in state aid per \$100 certified property value difference

Appraisal District Boards of Directors are not required to hold a public meeting for valid findings.

Self-Report Protest Benefits

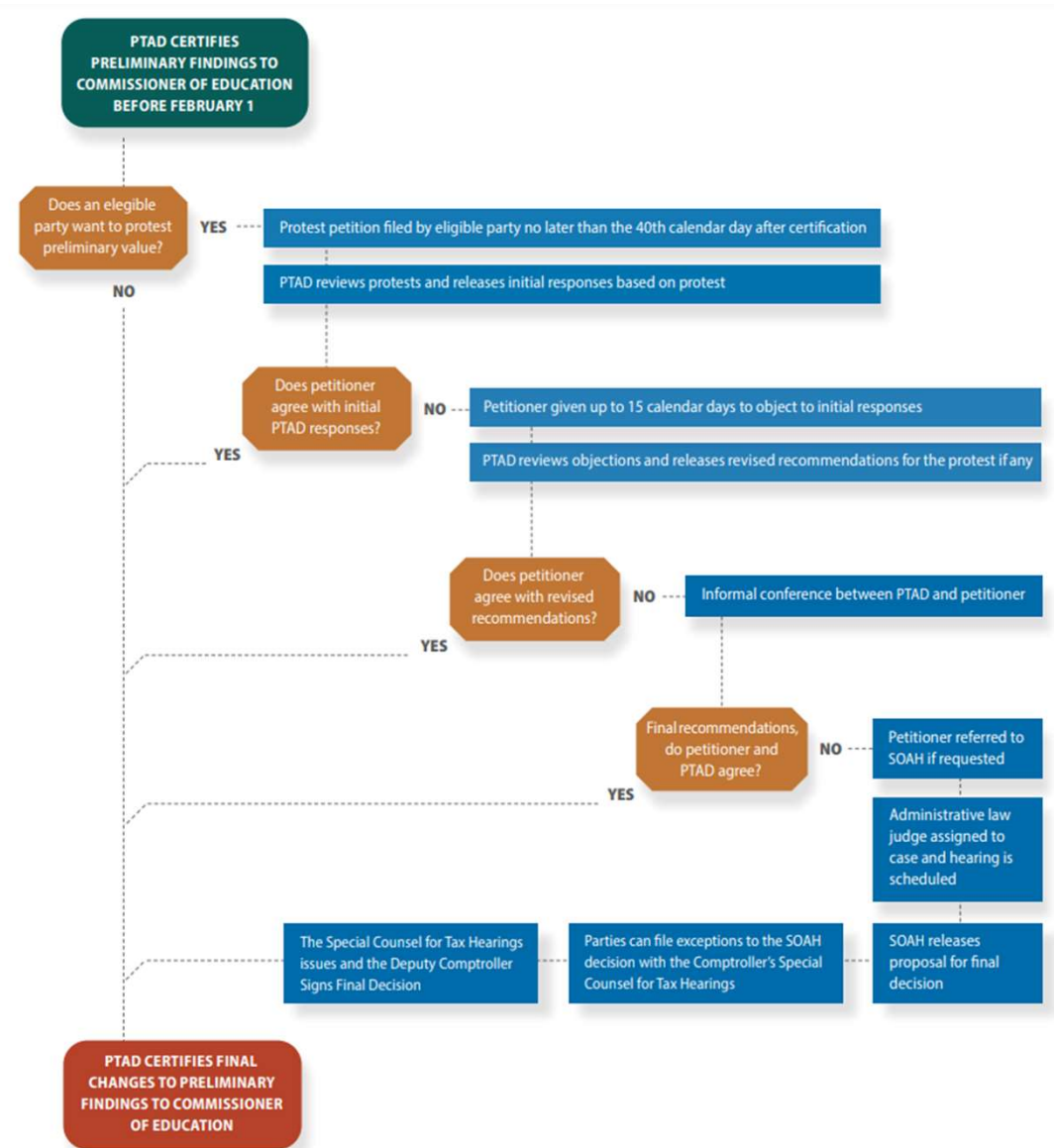
Many data points that impact TEA funding do not impact SDPVS assigned status.

- e.g. value of residence homestead exemptions

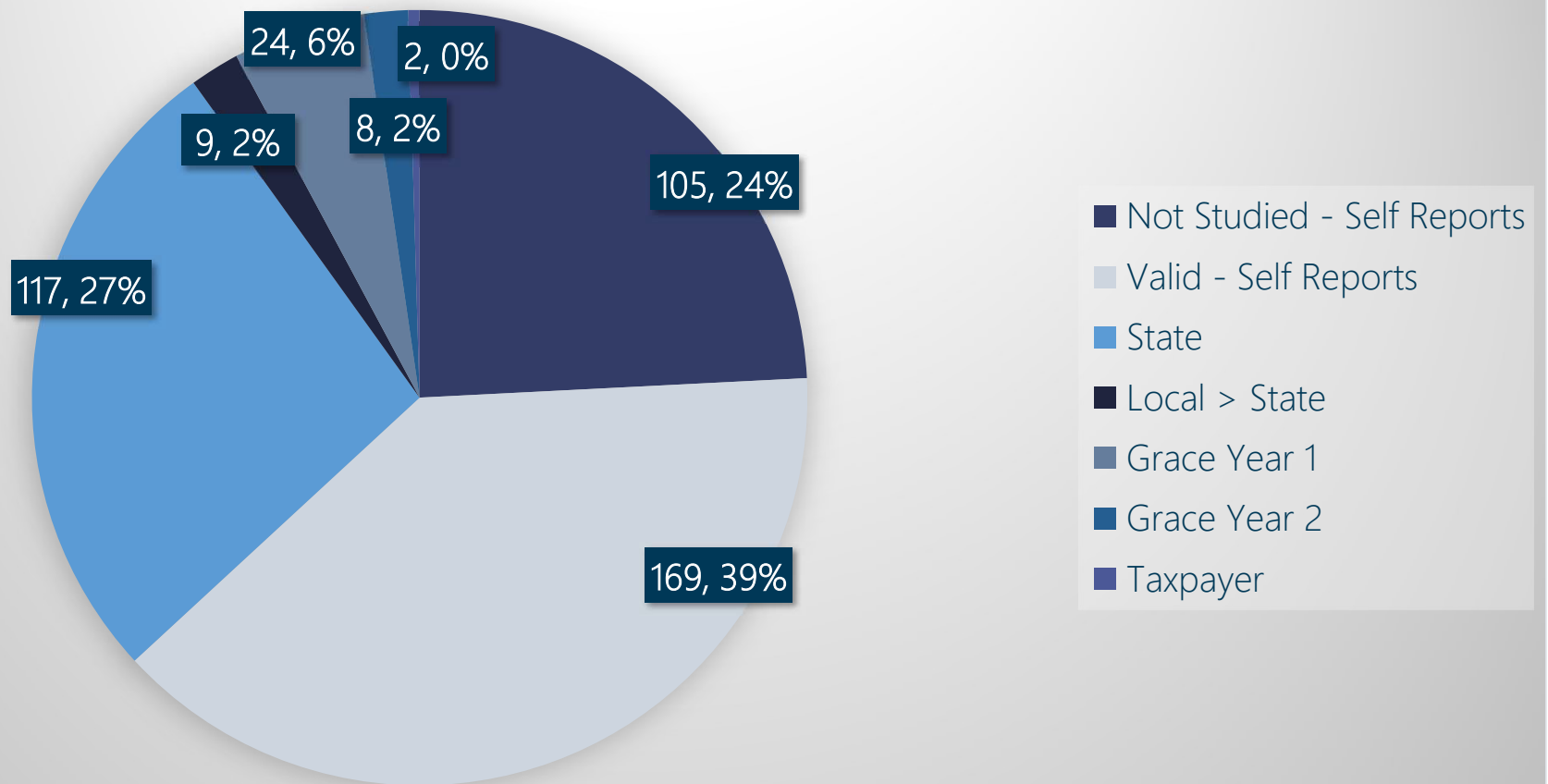
Accurate information ensures full and timely FSP funding from the Texas Education Agency (TEA).

Corrections to data may prevent the need for future SDPVS audits.

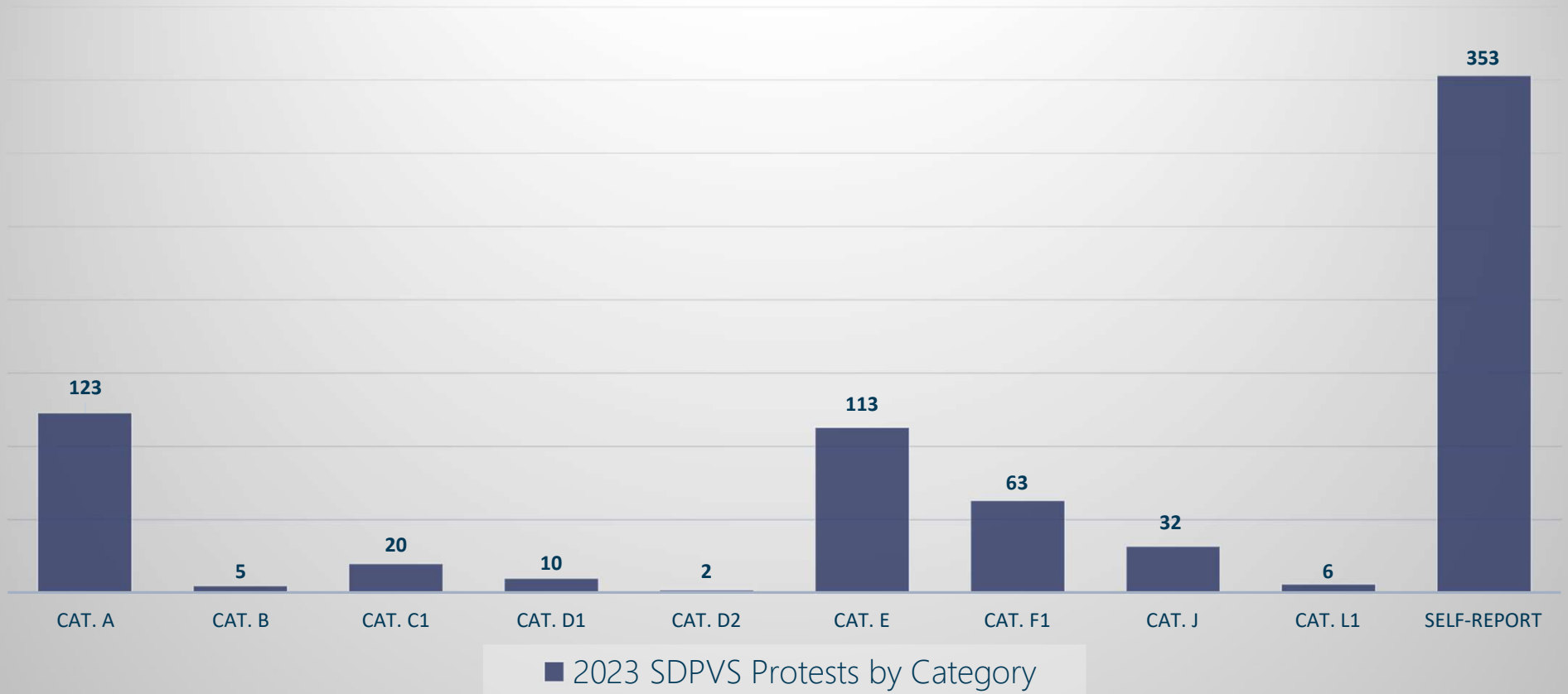
SDPVS Protest Process



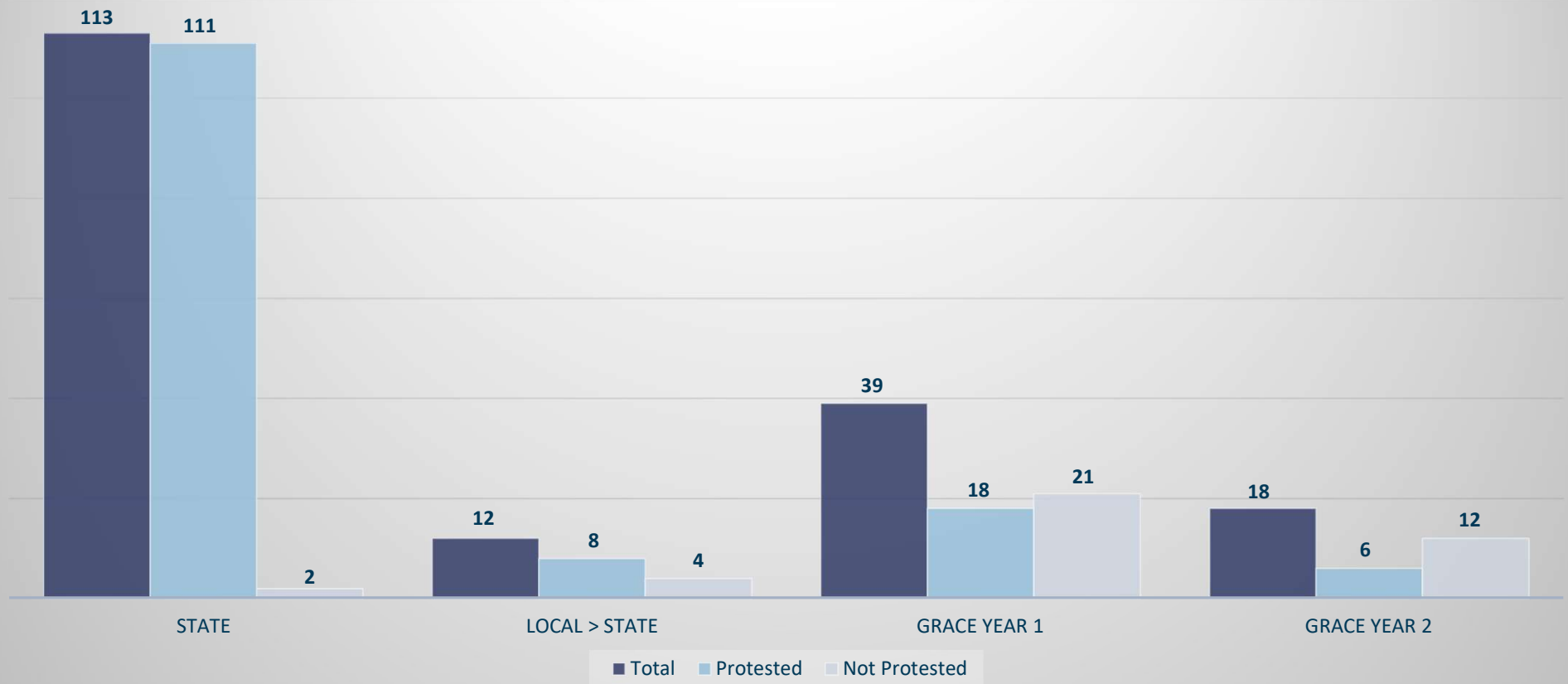
2023 SDPVS Protest Breakdown



2023 SDPVS Protests by Category



2023 Invalid ISDs



School District Taxable Value Audits

- Government Code Section 403.302(h)
- Comptroller Rule 9.103

School District Taxable Value Audits

- Value changes to appraisal roll
- Material change in taxable value
- AFTER certification of the SDPVS preliminary findings
- Up to three audits per SDPVS year
- Up to three years after SDPVS final certification date

The Audit Request

Must come from the commissioner of education or a school district

Must be filed with the Comptroller's office

- not later than the third anniversary of the date of the final certification of the SDPVS findings and
- not later than the first anniversary of the date the chief appraiser certifies a change to the appraisal roll if:
 - the chief appraiser corrects the appraisal roll under Tax Code Section 25.25 or 42.41; and
 - the change results in a material reduction in the total taxable value of property in the school district.

School District Taxable Value Audit Request Form

School District Taxable Value Audit Request

Form 50-302

GENERAL INSTRUCTION: This form is required to request that the Comptroller's office audit a school district's total taxable value of property pursuant to Government Code Section 403.302(h) and Comptroller Rule 9.103. A designated agent may assist in preparing this request, but is not authorized to make this request.

FILING INSTRUCTION: File this form and supporting documentation with the Comptroller's office in compliance with Comptroller Rule 9.103. Contact the Comptroller's Data Analysis Team at ptad.audit@cpa.texas.gov for questions or additional information.

PVS Year

Audit Effective Date*

* The effective date is the date on which all values and other reported information for the PVS year are claimed to be correct.

SECTION 1: School District Information

School District Requesting Audit

School District Number (9-digit number)

School District Phone Number (area code and number)

School District Mailing Address, City, State, Zip Code

Superintendent Name

Superintendent Email Address

SECTION 2: School District Designated Agent

Designated Agent Name

Designated Agent Email Address**

Primary Phone Number (area code and number)

Alternate Phone Number (area code and number)

Designated Agent Mailing Address, City, State, Zip Code

** An email address of a member of the public could be confidential under Government Code Section 552.137; however, by including the email address on this form, you are affirmatively consenting to its release under the Public Information Act.

SECTION 3: Required Documentary Evidence

The following forms can be found at comptroller.texas.gov/taxes/property-taxes/forms/.

1. School District Report of Property Value (Form 50-108)
2. Report on Value Lost Because of Deferred Tax Collections Under Tax Code Sections 33.06 and 33.065 (Form 50-851)
3. Report on Value Lost Because of the School Tax Limitation on Homesteads of the Elderly/Disabled (Form 50-253)
4. Report on Value Lost Because of School District Participation in Tax Increment Financing (TIF) (Form 50-755)
5. Report on Value Lost Because of Value Limitations under Tax Code Chapter 313 (Form 50-767)
6. Computer-generated recapitulation that matches the values shown as an individual line item on the School District Report of Property Value.
7. In lieu of items 2-5 above, a written, signed affirmative statement listing each form and that the school district has no applicable lost value or no change in value.
8. Documentation reporting Tax Code Section 25.25 or 42.41 appraisal roll changes or corrections resulting in a material reduction in a school district's total taxable value certified by the superintendent.

SECTION 4: Superintendent Signature

As the superintendent of the school district identified on this form, I hereby request an audit of the school district's total taxable property value as set forth above and pursuant to Texas Government Code Section 403.302(h) and Comptroller Rule 9.103.

sign
here

Signature of Superintendent

Date

SECTION 5: Statement Certifying Material Reduction in School District's Taxable Value for Qualifying

My name is . My title, position, or relationship to the Independent School

District requesting this audit is: .

Self-Report Protest vs Taxable Value Audit

Self-Report Protest

- PTAD must complete them more quickly to prepare for final certification
- Likely to get results faster than with an audit
- Can protest specific issues
- Used to request changes BEFORE preliminary certification
- Certified to commissioner of education with SDPVS final findings in August

Taxable Value Audit

- PTAD works in order received
- Is a full audit of taxable value
- Used to request changes AFTER preliminary certification
- Certified to commissioner of education after audit completion

Targeted Appraisal Review Board Program (TARP)

- Legislative Implementation
 - 86th Legislature (2019)
 - SB2
 - Effective
 - The first tax year that may be considered for the condition is the 2020 tax year.

TARP

- Statutory Authority
 - Government Code 403.302(k) & (k-1) included.
 - Texas Property Tax Code 5.102 included.

Targeted Appraisal Review Program

Notification Timeline



2021

Comptroller certifies the 2020 School District Property Value Study
Comptroller provided notice to Board of Directors of appraisal districts with invalid findings in the 2020 SDPVS
Board of Directors holds public meeting to discuss receipt of notice



2022

Comptroller certifies the 2021 School District Property Value Study
Comptroller provides notice to Board of Directors of appraisal districts with invalid findings in the 2021 SDPVS
Board of Directors holds public meeting to discuss receipt of notice



2023

Comptroller certifies the 2022 School District Property Value Study
Comptroller provided notice to Board of Directors of appraisal districts with invalid findings in the 2022 SDPVS
Board of Directors holds public meeting to discuss receipt of notice
If third consecutive notice, Comptroller must conduct a TARP review

Targeted Appraisal Review Calendar



TARP Guidelines

Used by PTAD reviewers
when conducting TARP
reviews

Generally accepted
appraisal and audit
techniques

Under Comptroller
Services:

- <https://comptroller.texas.gov/taxes/property-tax/tarp/index.php>

Four TARP Sections of Review



SDPVS
Findings

Appraisal
District
Administration

Appraisal
Administration

Categories of
Valuation in
the SDPVS

Section 1: SDPVS Findings

- Analyze SDPVS findings for the previous 3 years
- Determine actions to be taken

Section 2: Appraisal District Administration

- Taxing Units
- County Demographics
- Budgets
- Staffing & Training
- Chief Appraiser
- Appraisal Contracts

Section 3: Appraisal Administration

- Parcel Data
- Property Classification
- Contracted Appraisal Services
- CAMA Software
- Mapping / Aerial Photography
- Ratio Studies
- Reappraisal Plan
- Quality Control

Section 4: Categories of Valuation in the SDPVS

- Category A: Single Family Residential
- Category B: Multifamily Residential
- Category C: Vacant Land
- Category D1: Qualified Open Space Land
- Category D2: Farm and Ranch Improvements
- Category E: Rural Land, Not qualified for Open-Space Appraisal
- Category F1: Commercial Real Property
- Category G: Oil & Gas, Minerals and Other Subsurface Interests
- Category J: Real and Personal Property Utilities
- Category L1: Commercial Personal Property

Targeted Appraisal Review Report

- Issued to appraisal districts after determination
- In narrative form with action items
- One year to clear any recommendations

2023 TARP Reviews

- 32 Appraisal Districts
 - 45 School Districts
- Begin October 2023
 - Complete April 2024

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Property Tax Assistance

TARGETED APPRAISAL REVIEW PROGRAM

If a school district receives invalid School District Property Value Study (SDPVS) findings for three consecutive years, Government Code Section 403.302(k-1) requires the Comptroller's office to conduct a targeted review of the appraisal district that appraises property for that school district.

This review seeks to determine why a school district's values are statistically invalid and provides recommendations to the appraisal district regarding appraisal standards, procedures and methodologies. Upon conclusion of the review, the Comptroller's office issues a report to the appraisal district with recommendations targeted to help the appraisal district maintain statistically valid values in the school district. The appraisal district must comply with the recommendations or be referred to the Texas Department of Licensing and Regulation.

The first reviews began in Fall 2023, following the certification of the 2022 SDPVS final findings in August 2023 and included appraisal districts with school districts that received invalid final findings for the 2020, 2021 and 2022 SDPVS.

Resources

[2023 TARP Reviews \(PDF\)](#)

[TARP Guidelines \(PDF\)](#)

2023 TARP Reviews

Tier 1: 1 Appraisal District



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graph TD; A[Tier 1: 1 Appraisal District] --> B[Tier 2: 15 Appraisal Districts]; B --> C[Tier 3: 16 Appraisal Districts];
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Tier 2: 15 Appraisal Districts

Tier 3: 16 Appraisal Districts

Appraisal District Challenges

- Increase in values since 2020
- Staffing
 - Shortages
 - Years of Experience

Contacts

Truth-in-Taxation (TNT)

- Craig Williams
 - Craig.Williams@cpa.Texas.gov
- 512-936-2826
- Elizabeth Shahan
 - Elizabeth.Shahan@cpa.Texas.gov
- 512-463-3639

School District Property Value Study (SDPVS) Protests

- Heather Hicks
 - Heather.Hicks@cpa.Texas.gov
- 512-936-5796
- Kristy Guevara
 - Kristy.Guevara@cpa.Texas.gov
- 512-475-0673

Self-Report Protests and School District Audits

- Kierra Lloyd
 - Kierra.Lloyd@cpa.Texas.gov
- 512-475-5354

Targeted Appraisal Review Program (TARP)

- Emily Hightree
 - Emily.Hightree@cpa.Texas.gov
- 512-936-8506
- Donald Rhea
 - Donald.Rhea@cpa.Texas.gov
- 512-936-4131

Thank You!

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512-463-4994