

Appraisal Notices have hit the hands of property owners. Land and Housing Market in Wilbarger County have increased due to the drive in Market. Like many areas across the region, Wilbarger is experiencing strong demand for housing, but are finding limited supply of availability. We are seeing a gap between supply and demand that is pushing Sale Prices and in turn causes a rise in Market Values. The increase in values in Wilbarger mirror trends local experts continue to see across the region. New Construction is taking place which reflects the supply of housing is limited.

The Appraisal Office is required by the State of Texas to notify the Property Owner of Appraised Values, inform you of amounts deducted from your appraised market value for qualified exemptions for each taxing entity and your rights as a property owner.

Important Information on Values

Appraisal District Guidelines: The Comptroller’s office conducts a study in Wilbarger County Appraisal District to make sure the district is appraising property within 5% margin of the state’s findings. The results of the study affects school funding. Also, the study measures the level and uniformity of property tax appraisals. **The below example shows the Comptroller’s finding of 88.54% (VISD) and the district needs to be within 5% of the 100% margin (+ or -)** You will find all the findings for each School and Appraisal District study.

Below is an Example for VISD
244-903/Vernon ISD

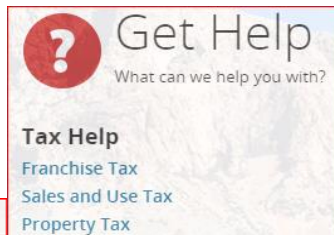
WCAD Value v	100% Appraisals have 5% margin either way (up/down) v	State Value v
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Category A - Totals

Category		Local (WCAD) Tax Roll Value			2020 WTD Mean Ratio		2020 PTAD (STATE) Value Estimate		
A - SINGLE-FAMILY		235,007,270			0.8854		265,424,972		
Stratum	Comp Code	Sample Parcels	Stratum Parcels	Sample Local Value	Sample PTAD Value	Stratum Local Value	Stratum Ratio	Stratum PTAD Value	Category Ratio
1	U	0	982	0	0	12,264,350	1	12,264,350	
2	R	20	1,720	677,890	884,425	55,907,620	0.7665	72,938,839	
3	R	20	853	1,350,730	1,555,712	56,417,370	0.8682	64,981,997	
4	R	18	515	1,883,240	2,034,203	54,535,320	0.9258	58,906,157	
5	R	17	299	3,282,300	3,308,346	55,882,610	0.9921	56,327,598	
Total		75	4,369	7,194,160	7,782,686	235,007,270		265,418,941	0.8854

You are able to go further into the findings under <https://comptroller.texas.gov>

Scroll down to Property Tax



Click on

Property Tax

Scroll down to

Comptroller Services

Click on

Property Value Study and Self Reports

Scroll down and click on PVS Findings then click on highlighted (Blue) Preliminary

	Year	Property Value Study Results	
	2020	Preliminary	

Scroll down to Wilbarger and click

• Wilbarger

PROPERTY VALUE STUDY (PVS) The primary purpose of the PVS is to help ensure equitable distribution of state funding for public education. Government Code Section 403.302 requires the Comptroller’s office to conduct a study to determine the total taxable value of all property in each school district at least once every two years. The Comptroller’s Property Tax Assistance Division (PTAD) conducts the property value study (PVS) to estimate a school district’s taxable property value. The **results** of the PVS can affect a school district’s state funding. The Commissioner of Education uses the PVS results to ensure equitable distribution of education funds so school districts have roughly the same number of dollars to spend per student, regardless of the school district’s property wealth.

The secondary purpose of the PVS is to collect data to provide taxpayers, school districts, appraisal districts and the Legislature with **measures of appraisal district** performance. Tax Code Section 5.10 requires the Comptroller’s office to measure appraisal district performance at least once every two years and to publish the results. PTAD measures the level and uniformity of property tax appraisals using data collected in the school district.

Homestead Cap

A Property owner with a homestead applied to his/her property has a Market Value and a Taxable Value. The **Market value** is an opinion of what a **property** would sell for in an open market; based on the construction and amenities of that property being sold. The **Taxable value** is 100% of its **market value** after all exemptions have been applied. Exemptions are not automatic; a property owner must apply for an exemption.

Taxpayer Relief Act of 1997

CAPPED VALUES – LIMITATIONS ON INCREASING PROPERTY VALUES ON YOUR HOME

Texas voters in 1997 approved a constitutional amendment, which became effective January 1, 1998, to limit increases in the taxable value of a qualified residence homestead. To qualify, property must be your residence homestead, and you must have received a homestead exemption in your name in both the current and previous years.

Texas Property Tax Code 23.23

(a) Notwithstanding the requirements of [Section 25.18](#) and regardless of whether the appraisal office has appraised the property and determined the market value of the property for the tax year, an appraisal office may increase the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of:

(1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office; or

(2) the sum of:

(A) 10 percent of the appraised value of the property for the preceding tax year;

(B) the appraised value of the property for the preceding tax year; and

(C) the market value of all new improvements to the property.

(b) When appraising a residence homestead, the chief appraiser shall:

(1) appraise the property at its market value; and

(2) include in the appraisal records both the market value of the property and the amount computed under Subsection (a)(2).

(c) The limitation provided by Subsection (a) takes effect as to a residence homestead on January 1 of the tax year following the first tax year the owner qualifies the property for an exemption under [Section 11.13](#). The limitation expires on January 1 of the first tax year that neither the owner of the property when the limitation took effect nor the owner's spouse or surviving spouse qualifies for an exemption under [Section 11.13](#).

(d) This section does not apply to property appraised under Subchapter C, D, E, F, or G. 1

(e) In this section, "new improvement" means an improvement to a residence homestead made after the most recent appraisal of the property that increases the market value of the property and the value of which is not included in the appraised value of the property for the preceding tax year. The term does not include repairs to or ordinary maintenance of an existing structure or the grounds or another feature of the property.

(f) Notwithstanding Subsections (a) and (e) and except as provided by Subdivision (2), an improvement to property that would otherwise constitute a new improvement is not treated as a new improvement if the improvement is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage. For purposes of appraising the property under Subsection (a) in the tax year in which the structure would have constituted a new improvement:

(1) the appraised value the property would have had in the preceding tax year if the casualty or damage had not occurred is considered to be the appraised value of the property for that year, regardless of whether that appraised value exceeds the actual appraised value of the property for that year as limited by Subsection (a); and

(2) the replacement structure is considered to be a new improvement only if:

(A) the square footage of the replacement structure exceeds that of the replaced structure as that structure existed before the casualty or damage occurred; or

(B) the exterior of the replacement structure is of higher quality construction and composition than that of the replaced structure.

(g) In this subsection, "disaster recovery program" means the disaster recovery program administered by the General Land Office or by a political subdivision of this state that is funded with community development block grant disaster recovery money authorized by federal law. Notwithstanding Subsection (f)(2), and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure described by that subdivision is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that:

(1) the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

Texas voters in 1997 approved a constitutional amendment, which became effective January 1, 1998, to limit increases in the taxable value of a qualified residence homestead. To qualify, property must be your residence homestead, and you must have received a homestead exemption in your name in both the current and previous years.

Under this law, the value for tax purposes (appraised value) of a qualified residence homestead will be the LESSER of:

- The market value (what the property would sell for in an open market); or
- The preceding year's appraised value
- + 10%
- + the value of any improvements added since the last reappraisal

NOTE: the calculated value is often referred to as a 'capped' value.

EXAMPLE: Mr. Jones' home appraised value for 2020 was \$100,000. Mr. Jones has made no changes to his home. In 2021, the appraisal district determines the market value of Mr. Jones' home to be \$140,000. Mr. Jones' value for property tax purposes will be the lesser of:

- \$140,000 (the market value of the home): or
- The 2020 appraised value of \$100,000 plus 10%

Mr. Jones' appraised value for 2021 will be **\$110,000** = (\$100,000 x 10%) + \$100,000

Land

Land is classified in categories.

- Small Tracts and 1-d-1 Agricultural Use

Small tracts of land that do not qualify for Agricultural Use are taxed at Market Value.

Agricultural Use (1-d-1) land is guided by a 5-yr average; see below

2021

CAD	244	WILBARGER
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CATEGORY	FINAL VALUE/ACRE
Irrigated Cropland	\$101.30
Dry Cropland	\$110.20
Improved Pasture	\$70.90
Native Pasture	\$34.30

CAP RATE 0.1000

IRRIGATED CROPLAND				IMPROVED PASTURELAND		
<u>Cash or Share Lease</u>		<u>Net To Land</u>		<u>Net To Land</u>		
2013	S	\$15.85	LAST YEAR	2013	\$7.09	LAST YEAR
2014	S	\$30.38	\$30.38	2014	\$7.09	\$7.09
2015	S	\$16.23	\$16.23	2015	\$7.09	\$7.09
2016	S	\$18.30	\$7.44	2016	\$7.09	\$7.09
2017	S	\$13.33	\$13.33	2017	\$7.09	\$7.09
2018	S	\$37.07	\$19.12	2018	\$7.09	\$7.09
2019	S	(\$34.26)		2019	\$7.09	
5 Year Average NTL		\$10.13	\$17.30	5 Yr Avg NTL		\$7.09
			\$173.00			\$70.90
IRRIGATED CROPLAND VALUE				IMPROVED PASTURE VALUE		
\$101.30				\$70.90		

DRY CROPLAND				NATIVE PASTURELAND		
<u>Cash or Share Lease</u>		<u>Net To Land</u>		<u>Net To Land</u>		
2013	S	\$17.41	LAST YEAR	2013	\$1.92	LAST YEAR
2014	S	\$7.45	\$17.41	2014	\$1.89	\$1.89
2015	S	\$9.28	\$7.45	2015	\$4.55	\$4.55
2016	S	\$16.01	\$9.27	2016	\$4.55	\$4.55
2017	S	\$22.08	\$15.99	2017	\$2.69	\$2.69
2018	S	\$5.96	\$20.99	2018	\$2.69	\$2.69
2019	S	\$1.76		2019	\$2.69	
5 Year Average NTL		\$11.02	\$14.22	5 Yr Avg NTL		\$3.43
			\$142.20			\$32.70
DRY CROPLAND VALUE				NATIVE PASTURE VALUE		
\$110.20				\$34.30		

NO UPDATES OR IMPROVEMENT TO MY PROPERTY

Confusion lies between Sales increase and actual updating/physical improvement of Property. Most property increases are Sales driven, but properties that were re-evaluated in their cycle may warrant an increase as well. Examples of Improvements are below:

- Additions
- Remodel
- Update to outside appearance (windows, doors, etc)
- Overall physical condition

Every three years your property is required to be physically inspected by a Certified Licensed Appraiser (RPA)

Comparable Properties

When trying to find Comparable Home Properties to yours, you have to pull county wide properties as your street/block may not have any comparable properties to yours. Start with your property being the Subject Property. If you are looking at Appraisal Card or Website you first begin with age, sq. ft, classification and condition of main structure. Do not look at total value as your subject and comparable may have different improvements that cause value differences. By improvements we mean structures attached to the land.

When trying to find Comparable Land Properties to yours you stay on the same track as identifying properties in the same classification as yours.

SB 2 – Pivotal Property Tax Reforms

The Appraisal District has obligations under the 'property tax transparency' bill. Each property owner will receive a postcard delivered by US Postal Service alerting them to the tax transparency website which will have tax rate information and hearing information (date/time) etc. for each taxing unit (entity) etc. in August (or as soon thereafter) as tax rates are set by each entity. The Notice of Appraised Value from the Appraisal District has had tax calculations added, but will be eliminated. Accuracy of the tax information on the Notice of Appraised Value was only an estimate, this portion of the bill is intended to help enlighten the taxpayer of a more accurate taxation.

In order to effectuate transparency between taxpayers and taxing entities, the Act implements several measures that must be complied with, including requiring Appraisal Districts to create an online database to show property owners how the proposed rate changes will affect their tax bills. Requiring an ability for taxpayers to express thoughts on any proposed increases on the portal to the entities, and requiring each entity to include information on local public hearings on tax rate issues on the web-site.

There is some confusion by property owners on the 3.5% increase in SB2. It does not have anything to do with the appraisal on property or the appraisal district. It is TAX revenue which is set by the entities.

The appraisal district does not CREATE the MARKET we REFLECT the MARKET

Please call the appraisal district with any questions on your property, 940-553-1857