



# TAD and JCAD Reappraisal Plans

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PRESENTED TO THE CITY COUNCIL ON  
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# TAD & JCAD Reappraisal Plan

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## Roadmap

- CADs Purpose and Function
- Legislative Background
- CADs Core Responsibilities
- Purpose of a Reappraisal Plan
- Appraisal Frequency: Key Changes
- Properties Requiring Annual Review
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# CADs Purpose and Function

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- Central Appraisal Districts (CADs) are responsible for the **local property tax appraisal** and **exemption administration** for all taxing units within their jurisdiction.
- Their mission is to ensure **fair and equitable property valuations** that form the basis for local tax collections used for public services.

# Legislative Background

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- CADs were created as a result of the Texas Property Tax Code, enacted in 1980, to provide uniform appraisals for taxation.
- Before CADs, taxing units appraised properties independently, leading to inequalities and inconsistencies in property values.
- CADs help ensure transparent and standardized appraisals across different areas and taxing units.

# CADs Core Responsibilities

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- Appraise all real and personal property within the district.
- Determine eligibility for tax exemptions (e.g., homestead, agricultural, and veteran exemptions).
- Produce property valuations that are used by school districts, cities, and counties to levy taxes.

# Purpose of a Reappraisal Plan

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- The reappraisal plan outlines the timing and processes used by the district to conduct property reappraisals in compliance with the Texas Property Tax Code.
- It ensures that property values are kept accurate, current, and equitable.

# TAD Appraisal Frequency: Key Changes

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- TAD Board of Directors has made key changes:
  - The Board of Directors for the 2025 tax year has instructed the chief appraiser to hold residential values at the 2024 final values except for properties with new construction or new Improvement value.
  - Additionally, residential properties will only be reappraised in odd years to coincide with the property value study starting in 2027. All other property types will be reappraised annually.
  - The district will continue to work residential accounts as normal to allow for reporting on the impacts of the plan compared to a full reappraisal.
  - Section 23.23 Limitation on Appraised Value of Residence Homestead will not be affected by non-reappraisal years. Appraised values will continue to increase 10% if the property has a homestead cap until it meets the market value.

# TAD Properties Requiring Annual Review

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- Certain properties must still be appraised annually, including:
  - All Commercial Properties
  - Business Personal Properties (through renditions)
  - Mineral Properties
  - Industrial Properties



# TAD Performance Analysis - Studies

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- Monthly ratio studies for residential property will be conducted to monitor the impact of the market conditions on values
- Ratios that fall outside the Property Value Study margin of error of 5% will be brought to the board of directors in March 2025 prior to appraisal values being concluded and appraisal notices generated.
- Though market analysis is being conducted, the board has required the district to only change residential values in upcoming years with clear and convincing evidence if the calculated market value exceeds a 5% increase.

# JCAD Appraisal Frequency: Key Changes

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- JCAD Board of Directors has made key changes:
  - Reappraisal cycle moved from annually to every three years.
  - Market values will not be raised unless supported by clear and convincing evidence per the Texas Property Tax Code 23.01(e).

# JCAD Properties Requiring Annual Review

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- Certain properties must still be appraised annually, including:
  - Business Personal Properties (through renditions)
  - Mineral Properties
  - Utility Properties
  - Industrial Properties

# JCAD Sustaining 2024 Values

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- Property values set in 2024 will be sustained for both the 2025 and 2026 tax years, with the following exceptions:
  - Changes to homestead property values (Texas Property Tax Code 23.23).
  - Properties qualifying under the Circuit Breaker provision (Texas Property Tax Code 23.231).

# JCAD Board Approval Requirements

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- Reappraisal can only occur if:
  - There are significant market changes.
  - In response to the state study results.
  - Property values decrease substantially.

# JCAD Annual Review Process

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- Even with the change to a three-year cycle, the district will continue to:
  - Conduct field inspections and analyze data.
  - Make adjustments for new properties and those that escaped prior reappraisal.
  - Comply with the Uniform Standards of Professional Appraisal Practice (USPAP) guidelines.

# Summary of Changes

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- The to the reappraisal cycle will streamline operations while maintaining compliance with legal requirements.
- Exceptions ensure high-value and complex properties are appraised annually.
- Boards must approve any further changes or reappraisals due to market fluctuations.

# General Fund Forecast

	FY 22-23 Actual	FY 23-24 Adopted	FY 23-24 Revised	FY 23-24 Year-End	FY 24-25 Proposed	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
<b>Beginning Fund Balance*</b>	<b>\$21,924,165</b>	<b>\$ 18,495,600</b>	<b>\$ 18,495,600</b>	<b>\$ 19,606,713</b>	<b>\$ 17,421,851</b>	<b>\$ 18,226,759</b>	<b>\$ 18,376,568</b>	<b>\$ 17,398,179</b>	<b>\$ 16,506,818</b>
Property Tax	\$23,636,639	\$ 26,745,080	\$ 26,745,080	\$ 27,160,500	\$ 28,465,390	\$ 30,030,986	\$ 31,682,691	\$ 33,425,239	\$ 35,263,627
Sales Tax	\$14,902,992	\$ 15,394,411	\$ 15,394,411	\$ 15,052,022	\$ 15,503,578	\$ 15,968,685	\$ 16,447,746	\$ 16,941,178	\$ 17,449,413
Other Revenue	\$13,963,477	\$ 15,861,607	\$ 15,861,607	\$ 15,972,259	\$ 18,428,035	\$ 17,241,814	\$ 16,315,652	\$ 16,415,379	\$ 16,525,633
<b>Total Revenue</b>	<b>\$52,503,108</b>	<b>\$ 58,001,098</b>	<b>\$ 58,001,098</b>	<b>\$ 58,184,781</b>	<b>\$ 62,397,003</b>	<b>\$ 63,241,486</b>	<b>\$ 64,446,088</b>	<b>\$ 66,781,796</b>	<b>\$ 69,238,673</b>
Base Expenses	\$54,042,859	\$ 58,572,604	\$ 59,221,693	\$ 58,820,723	\$ 60,635,025	\$ 61,932,599	\$ 64,564,681	\$ 66,937,283	\$ 69,250,912
Incentives (ED)	\$ 1,888,814	\$ 1,200,000	\$ 948,920	\$ 948,920	\$ 957,070	\$ 1,159,077	\$ 851,297	\$ 727,374	\$ 704,418
Cash Funding Projects	\$ -	\$ 1,400,000	\$ 600,000	\$ 600,000					
<b>Total Expenditures</b>	<b>\$55,931,673</b>	<b>\$ 62,347,861</b>	<b>\$ 60,770,613</b>	<b>\$ 60,369,643</b>	<b>\$ 61,592,095</b>	<b>\$ 63,091,676</b>	<b>\$ 65,415,978</b>	<b>\$ 67,664,657</b>	<b>\$ 69,955,330</b>
Change in Fund Balance	<b>\$ (3,428,565)</b>	<b>\$ (4,346,763)</b>	<b>\$ (2,769,515)</b>	<b>\$ (2,184,862)</b>	\$ 804,908	\$ 149,810	<b>\$ (969,890)</b>	<b>\$ (882,861)</b>	<b>\$ (716,657)</b>
<b>Ending Fund Balance</b>	<b>\$18,495,600</b>	<b>\$ 14,148,837</b>	<b>\$ 15,726,085</b>	<b>\$ 17,421,851</b>	<b>\$ 18,226,759</b>	<b>\$ 18,376,568</b>	<b>\$ 17,406,679</b>	<b>\$ 16,515,318</b>	<b>\$ 15,790,161</b>
FB % of Expenditure	33.07%	22.69%	25.88%	28.86%	29.59%	29.13%	26.61%	24.41%	22.57%



# Reappraisal Fiscal Impact (O&M Property Tax Revenue)

O&M Property Tax Revenue	2025	2026	2027	2028	2029
Five Year Forecast Property Tax Revenue (@ 5.5% Growth Rate)	-	\$30,030,986	\$31,682,691	\$33,425,239	\$35,263,627
Revised Five Year Forecast Property Tax Revenue (@ 4.0% Growth Rate)	-	\$29,603,848	\$30,788,002	\$32,019,522	\$33,300,303
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Difference	-	<b>\$(427,138)</b>	<b>\$(894,689)</b>	<b>\$(1,405,717)</b>	<b>\$(1,963,324)</b>

# Questions from Committee members

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# Open Discussion

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