JCAD Reappraisal Resolution

PRESENTED TO THE CITY COUNCIL ON

NOVEMBER 3, 2025

JCAD Reappraisal Plan

Roadmap

- CADs Purpose and Function
- Legislative Background
- CADs Core Responsibilities
- Purpose of a Reappraisal Plan
- Appraisal Frequency: Key Changes
- Properties Requiring Annual Review
- Sustaining 2024 Values
- Board Approval Requirements
- Analysis of Potential Revenue Impact

CADs Purpose and Function

- 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

- 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

- 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

- 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.

JCAD Appraisal Frequency: Key Changes

- 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

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

TAD Properties Requiring Annual Review

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

JCAD Sustaining 2024 Values

- 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

- 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

- 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.

JCAD Stratification Implications Model

	Residential	Multi-Family	Rural Land	Commercial / Industrial
City of Burleson	100.41%	94.57%	66.75%	65.66%
Burleson ISD	98.25%	94.57%	65.08%	72.28%
Johnson County	96.39%	99.42%	77.05%	66.97%
Cleburne ISD	93.99%	90.96%	78.49%	75.22%
City of Cleburne	97.27%	90.96%	67.81%	75.22%

Note: Because of limited data points, the reliability of the projections is uncertain; however, the data still supports annual appraisal of commercial properties.

Projected Revenue Impact (JCAD's Data)

	Residential	Multi-Family	Rural Land	Commercial / Industrial	Total
City of Burleson	119,254	(147,468)	(293,611)	(1,603,129)	(1,924,954)
Burleson ISD	(635,834)	(258,324)	(1,035,184)	(2,106,714)	(4,036,056)
Johnson County	(1,834,199)	(14,878)	(2,500,359)	(2,417,922)	(6,767,358)
Cleburne ISD	(276,976)	(54,689)	(253,711)	(476,192)	(1,061,567)
City of Cleburne	(333,785)	(125,490)	(226,038)	(838,887)	(1,524,199)
Total	(2,961,541)	(600,848)	(4,308,902)	(7,442,844)	(15,314,134)

Note: Because of limited data points, the reliability of the projections is uncertain; however, the data still supports annual appraisal of commercial properties.

Percent of Total Property Values

Market Value

	Tax Year 2021	Tax Year 2022	Tax Year 2023	Tax Year 2024	Tax Year 2025
Residential	57.53%	59.89%	61.03%	61.46%	60.74%
Commercial	9.20%	7.84%	7.92%	7.83%	7.67%

Fiscal Impact to Burleson

- Potential annual loss: **$1.9 million+**
- Direct effect on:
  - Service delivery (police, fire, streets, etc.)
  - Capital improvements
  - Long-term financial stability

Questions from Council Members

Recommendation

Move to approve a resolution formally requesting that the Board of Directors of the Central Appraisal District of Johnson County direct a reappraisal of commercial property within the district to ensure appraisals are accurate and equitable.