

Travis Central Appraisal District



Board of Director's Meeting
February 19, 2020
11: 30 a.m.

Prepared: February 15, 2020
Revised: February 16, 2020
Revised: February 17, 2020

TRAVIS CENTRAL APPRAISAL DISTRICT

BOARD OFFICERS

JAMES VALADEZ
CHAIRPERSON
BRUCE GRUBE
VICE CHAIRPERSON
THERESA BASTIAN
SECRETARY/TREASURER



MARYA CRIGLER
CHIEF APPRAISER

BOARD MEMBERS

TOM BUCKLE
BRUCE ELFANT
ANTHONY NGUYEN
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RYAN STEGLICH
FELIPE ULLOA
BLANCA ZAMORA-GARCIA

TRAVIS CENTRAL APPRAISAL DISTRICT, 2ND FLOOR, 8314 CROSS PARK DRIVE, AUSTIN, TEXAS 78754.

AGENDA

REGULAR MEETING - WEDNESDAY, FEBRUARY 19, 2020 – 11:30AM

1. CALL TO ORDER
2. ESTABLISHMENT OF QUORUM
3. CITIZENS COMMUNICATION - This is an opportunity for the public to address the Board on a subject within the Board's jurisdiction that is not listed as a separate item on the Board's meeting agenda. To be eligible to speak to the Board, persons must complete a Speaker Registration Form and submit it to the Board's presiding officer before the meeting begins. State law does not allow the Board to deliberate on any item that is not listed on its agenda, and limits any Board action to making a statement of fact or policy about the topic; or direct that the topic be placed on a future agenda. The Board's presiding officer limit the time allotted to each speaker to three minutes. **Persons wishing to address the Board on an item that is listed on the agenda may do so when that item is considered by the Board.**
4. CONSENT AGENDA - These items may be acted upon by one motion. No separate discussion or vote on any of the items will be had unless requested by a Board member.
 - a. APPROVAL OF THE MINUTES OF THE JANUARY 21, 2020 MEETING
 - b. TAXPAYER LIAISON REPORT
 - c. SECTION 25.25B REPORT
 - d. ACCOUNTING STATEMENTS
 - e. LINE ITEM TRANSFERS
 - f. PERSONNEL REPORT
5. REGULAR AGENDA
 - a. DISCUSSION AND POSSIBLE ACTION ON CHIEF APPRAISER REPORT TO INCLUDE: 2020 VALUATION EFFORTS, 2020 INFORMAL MEETING PREPARATION, LAKE AUSTIN PROPERTIES, TAXPAYER OUTREACH PROGRAMS, 2019 ANNUAL REPORT, 2019 MAPS FINAL REPORT, 850 EAL RENOVATION STATUS
 - b. DISCUSSION AND POSSIBLE ACTION ON PURCHASE OF PHONE SYSTEM ENHANCEMENTS IN SUPPORT OF 2020 INFORMAL MEETING PREPARATION
 - c. DISCUSSION AND POSSIBLE ACTION ON ALLOCATION OF FUNDS FROM RESERVES FOR TECHNOLOGY ENHANCEMENTS FOR PHONE SYSTEM ENHANCEMENTS
 - d. DISCUSSION AND POSSIBLE ACTION ON LITIGATION AND APPEALS RELATED TO PENDING LAWSUITS AND ANICIPATED LAWSUITS
 - e. DISCUSSION AND POSSIBLE ACTION TO ADD ITEMS TO FUTURE AGENDAS
 - f. ADJOURNMENT

THE BOARD MAY MEET IN EXECUTIVE SESSION TO DELIBERATE ANY MATTER AUTHORIZED BY TEXAS GOVERNMENT CODE

SEC. 551.001 et seq [THE TEXAS OPEN MEETING ACT] INCLUDING:

- SEC. 551.071; Consultation with attorney regarding pending or contemplated litigation, settlement offers, and matters on which the attorney has a duty to advise the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.
- SEC. 551.072; Deliberations regarding real property
- SEC. 551.074; Personnel matters; to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the Chief Appraiser or other public officer or employee; or to hear a complaint or charge
- SEC. 551.076; Deliberations regarding security devices

The Travis Central Appraisal District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call 512-834-9317 extension 313 for information. For a sign language interpreter, please call 48 hours prior to meeting.

CERTIFICATE OF POSTING

I, Leana Mann, Director of Operations of the Travis Central Appraisal District, do hereby certify that on the 14th day of February 2020, by 12 o'clock pm this Notice of Meeting was posted at the District's Offices, located at 8314 Cross Park Drive, Austin, Texas 78754. This Notice of Meeting was posted in a place readily accessible to the general public at all times for 72 continuous hours prior to the meeting, filed with the Travis County Clerk for posting by the Clerk at the Travis County Courthouse, and posted on the District's website.

Leana H. Mann

By:
Printed Name: Leana Mann
Title: Director of Operations



Came to hand and posted on a Bulletin Board in the Courthouse, Austin, Travis County, Texas on this the 14th day of February 2020.

Dana DeBeauvoir
County Clerk, Travis County, Texas

By *Belle* Deputy
Brittany Wellington



COPY
OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir
Dana DeBeauvoir, County Clerk
Travis County, Texas

202080252

Feb 14, 2020 10:38 AM
Fee: \$3.00 WELLINB

AGENDA ITEM

#5A

2020 VALUATION

**IMPACT OF MARKET DATA ON APPRAISED VALUES AND THE
PROPERTY VALUE STUDY**



TRAVIS CENTRAL
APPRAISAL DISTRICT

STATUTORY REQUIREMENTS

- The Texas Constitution Article 8 Section 20 states:
 - No property of any kind in this state shall ever be assessed for ad valorem taxes at a greater value than its **fair cash market value** nor shall any Board of Equalization of any governmental or political subdivision or taxing district within this State fix the value of any property for tax purposes at more than its fair cash market value.
- Texas Property Tax Code 23.01 states:
 - Except as otherwise provided by this chapter, all taxable property is appraised **at its market value as of January 1**



STATUTORY REQUIREMENTS

- Texas Property Tax Code 1.04 (7) defines market value as:
 - “**Market value**” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:
 - a) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
 - b) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and the enforceable restrictions on its use; and
 - c) both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other



STATUTORY REQUIREMENTS

- ▶ Required to follow International Association of Assessing Officers (IAAO) Standard on Sales Verification
- ▶ Market data sources:
 - ▶ Real Estate Transfer Documents
 - ▶ Sales Verification Questionnaires
 - ▶ Buyers and Sellers
 - ▶ Third-Party Sources



REAL ESTATE TRANSFER DOCUMENTS

▶ Non-Sales Disclosure States

- ▶ Alaska
- ▶ Idaho
- ▶ Kansas
- ▶ Louisiana
- ▶ Mississippi
- ▶ Missouri (some counties)
- ▶ Montana
- ▶ New Mexico
- ▶ North Dakota
- ▶ **Texas**
- ▶ Utah
- ▶ Wyoming



DEEDS AND LAND CONTRACTS

- ▶ Rarely provide sales price information
 - ▶ “.....ten dollars and other valuable consideration”



SALES QUESTIONNAIRES

- ▶ Limited response
 - ▶ Mailed 21,741 sales letters
 - ▶ Received 2,389 responses
- ▶ Reddit – “Don't respond!, toss that shit in the trash. Texas is a non-disclosure state, you are not required to disclose your purchase price. Go to traviscad.org and look up your property and see what the current value is. If you paid less...ok, we know you didn't this is Austin after all, then by all means disclose.”



SALES QUESTIONNAIRES

Was this bought from a relative?

Yes No

Was this foreclosed property?

Yes No

Did this purchase include any personal property (i.e. farm/ranch equipment, vehicles, boats)?

Yes No

List the items of personal property negotiated as part of the sale price

Sex Swing (slightly used)

I paid \$

600

for the land and buildings and

\$ 1 BJ

for the personal property.



THIRD PARTY SOURCES

- ▶ **Multiple listing services**
- ▶ Title companies
- ▶ Financial institutions
- ▶ Leasing agencies
- ▶ Property managers
- ▶ Real estate brokers and agencies
- ▶ Government and private fee appraisers
- ▶ Attorneys
- ▶ Appraisal Organizations



CORELOGIC & AUSTIN BOARD OF REALTORS

- ▶ May 8, 2019 Cease and Desist Letter
- ▶ “TCAD must cease and desist unauthorized use of, and attempting to gain access to, the ACTRIS Database. TCAD must discontinue infringing ACTRIS copyrights, inducing third parties to breach their agreements with ACTRIS, and otherwise breaching third party agreements to gain unauthorized access to ACTRIS Database”
- ▶ “ACTRIS does not license the ACTRIS database for establishing property values for tax purposes, nor does ACTRIS grant licenses to any participant, subscriber, or third party to sublicense the ACTRIS database for establishing property values for tax purposes.”



2020 MARKET DATA DEFICIENCY

| Tax Year | Real Estate Center Sales | TCAD Sale | |
|---|--------------------------|-----------|------|
| 2012 | 12,086 | 12,260 | 101% |
| 2013 | 14,415 | 13,963 | 97% |
| 2014 | 16,521 | 14,461 | 88% |
| 2015 | 16,199 | 15,132 | 93% |
| 2016 | 16,782 | 17,460 | 104% |
| 2017 | 17,444 | 17,830 | 102% |
| 2018 | 17,954 | 17,411 | 97% |
| 2019 | 18,501 | 17,709 | 96% |
| 2020 | 19,163 | 2,929 | 15% |
| Avg % of sales 2012 thru 2019 -- 98% | | | |
| % of sales for 2020 -- 15% | | | |



2020 MARKET DATA DEFICIENCY

- ▶ IAAO standard for Data Quality set forth sampling guidelines
- ▶ 6.1 - “There is a general relationship between statistical reliability and the number of observations in a sample.”
- ▶ 6.3 - “Formulas are available to compute the minimum sample size necessary to produce selected margin of error at a specified level of confidence”.
 - ▶ Confidence Level = 90% (IAAO Standard for Data Quality)
 - ▶ Margin of Error = 10% (IAAO) the Texas Comptroller uses 5% in the Property Value Study.



2020 MARKET DATA DEFICIENCY

- ▶ Travis CAD lacks sufficient sales information to reappraise residential property for tax year 2020.



APRIL ESTIMATES OF VALUE

- ▶ Due to deficient market data residential appraisal models cannot be re-calibrated for 2020.
 - ▶ New construction will be added to the 2020 appraisal roll using the 2019 appraisal valuation models.
 - ▶ Some properties below the homestead limitation will see an increase in assessed value as properties continue to catch up to their cap
 - ▶ Property owners and tax agents will be able to protest property value regardless of whether or not the parcel was reappraised



APRIL ESTIMATES OF VALUE

- Chart shows preliminary 2020 Freeze Adjusted Taxable without appraisal of any property categories.
- New construction is included in the Freeze Taxable values.
- The percentage is the growth attributed to the annual calculation required by Tax Code Section 23.23 (properties catching up to their homestead limitation cap) and does not include new value growth.

| | 2019 Freeze Taxable | 2020 Freeze Taxable | New Value | |
|-----------------------|---------------------|---------------------|------------------|-------|
| AUSTIN ISD | \$ 125,294,763,624 | \$ 128,983,483,860 | \$ 2,583,287,679 | 0.9% |
| COUPLAND ISD | \$ 4,139,255 | \$ 4,135,370 | \$ - | -0.1% |
| DEL VALLE ISD | \$ 7,118,245,139 | \$ 7,601,932,007 | \$ 375,463,606 | 1.5% |
| DRIPPING SPRINGS ISD | \$ 8,521,986 | \$ 9,735,529 | \$ 536,430 | 7.9% |
| EANES ISD | \$ 14,314,863,854 | \$ 14,743,085,399 | \$ 156,577,813 | 1.9% |
| ELGIN ISD | \$ 284,156,955 | \$ 289,960,610 | \$ 1,228,189 | 1.6% |
| HAYS CONSOLIDATED ISD | \$ 11,371,513 | \$ 11,510,529 | \$ 57,206 | 0.7% |
| JOHNSON CITY ISD | \$ 9,774,410 | \$ 10,528,426 | \$ - | 7.7% |
| LAGO VISTA ISD | \$ 1,527,821,573 | \$ 1,626,228,113 | \$ 98,804,248 | 0.0% |
| LAKE TRAVIS ISD | \$ 11,191,776,766 | \$ 11,769,253,891 | \$ 340,493,493 | 2.1% |
| LEANDER ISD | \$ 9,494,769,870 | \$ 9,821,738,696 | \$ 257,509,856 | 0.7% |
| MANOR ISD* | \$ 5,301,876,830 | \$ 5,593,271,509 | \$ 240,824,019 | 1.0% |
| MARBLE FALLS ISD | \$ 467,639,264 | \$ 484,718,565 | \$ 4,848,057 | 2.6% |
| PFLUGERVILLE ISD | \$ 14,935,998,552 | \$ 15,735,778,544 | \$ 697,000,906 | 0.7% |
| ROUND ROCK ISD | \$ 8,698,615,167 | \$ 8,809,902,063 | \$ 45,503,068 | 0.8% |



APRIL ESTIMATES OF VALUE

- ▶ Travis CAD is still:
 - ▶ Exploring alternative sources for residential market data
 - ▶ Inspecting properties and collecting new construction information
 - ▶ Evaluating commercial market data
 - ▶ Mailing BPP rendition forms
- ▶ April Estimates will be available **March 30th**



PROPERTY VALUE STUDY

- ▶ **2020** is a Property Value Study year for Travis school districts.
- ▶ PTAD has access to ABoR sales data and all sources will be used in the property value study
- ▶ PTAD will not release ABoR data to Travis CAD under PIA request due to confidentiality of sales data
 - ▶ Travis CAD will be tested based on data it has no means of acquiring



PROPERTY VALUE STUDY

- ▶ Generally, the margin of error for determining valid or acceptable values is 5%
- ▶ If the appraised values fall outside of the margin of error it is an “Invalid Finding”
- ▶ If an invalid finding is determined there is a possibility that the school district might qualify for grace period and be held harmless for the purposes of school funding.
- ▶ In grace period local value is assigned rather than state value.



PROPERTY VALUE STUDY

- ▶ Travis school districts can qualify for grace period in 2020 if:
 - ▶ In 2020 the local value is invalid and does not exceed the state value
 - ▶ In 2016 and 2018 the local value was valid
 - ▶ In 2020 the aggregate local value of all studied categories is not less than 90% of the margin of error
 - ▶ This calculates to a margin of error of 14.5% (or overall ratio of no lower than 85.5%)
 - ▶ Travis CAD was in compliance with the scoring requirements of the 2019 MAP review



PROPERTY VALUE STUDY

- ▶ Invalid finding will trigger another property value study in the subsequent year
- ▶ Grace period runs two years and does not reset until the CAD has passed two consecutive PVS studies.

