

The seal of the Texas Comptroller of Public Accounts is visible in the background. It features a five-pointed star in the center, surrounded by a wreath of olive and oak branches. The words "THE COMPTROLLER" are inscribed in a circular border around the star, and "TEXAS" is at the bottom.

**Glenn Hegar**

Texas Comptroller of Public Accounts

# The School District Property Value Study and How to Protest

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## SECTION ONE:

# School District Property Value Study

*This section presents an overview of the School District Property Value Study (SDPVS) and then explains the procedures in greater detail for those who want more in-depth knowledge of the process. This section refers to the Tax Code, Government Code and Education Code, which collectively provide the basis for conducting the SDPVS, making determinations of value and determining the distribution of state funding to schools.*

## SDPVS Overview

Government Code Section 403.302 requires the Comptroller's office to conduct a school district ratio study to determine the total taxable value of all property in each school district at least once every two years.

The Comptroller of Public Accounts' Property Tax Assistance Division (PTAD) conducts the SDPVS to estimate a school district's taxable property value.

In conducting the SDPVS, PTAD analyzes certain property categories, according to generally accepted sampling and statistical techniques, to estimate their legally required value, which is usually market value. PTAD excludes certain property from the SDPVS, including industrial property, special inventory property, taxable non-business personal property and most property categories with 5 percent or less than a school district's tested categories' value. When citing SDPVS findings, users should recognize these exclusions.

## What is the purpose of the SDPVS?

The sole purpose of the SDPVS is to help ensure equitable distribution of state funding for public education.

Texas funds public education through state and local funds. Local funding comes from property taxes. The chief appraiser of each appraisal district determines local property values and school districts set tax rates. The local assigned value

multiplied by the tax rate determines the amount of local tax revenue. Texas bases its funding on the total taxable property value within each school district, as determined by the SDPVS. Because of this, the results of the SDPVS can affect a school district's state funding.

The commissioner of education uses the SDPVS 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. In very general terms, school districts with less taxable property value per student receive more state dollars for each pupil than school districts with more value per student.

## School Funding Equity Example

If the state were to rely solely on the values set by the individual appraisal districts, inequitable school funding could result. For example, assume that two school districts—school district A and school district B—are identical in every respect, except that the appraisal district for school district B does a more accurate job appraising property than the appraisal district for school district A. The Tax Code requires appraisal district s to appraise most property at market value. If the appraisal roll values in school district A are at 75 percent of market value, while the appraisal roll values in school district B are at 100 percent of market value, it would seem that school district A has less taxable property value. As a result, more state funding would flow to school district A even though the two districts have the same number of students, the same taxable property value and are otherwise alike in every way.

## Court Challenges/State Response

Beginning in the 1970s, a series of court cases brought by property poor school districts challenged the Texas funding system. One of the issues was that property values were not set at uniform percentages of market value in each school district, resulting in an unfair distribution of funds. As part of its response to these court challenges, the Legislature required

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an independent estimate of taxable property value in each school district to ensure fair school funding.

The state determines this independent estimate through the SDPVS by adjusting school district appraisal roll values to market value. If the locally appraised value in a school district (local value) is within an acceptable range of the adjusted value (state value), PTAD certifies the local value to the commissioner of education. If the local value is outside the acceptable range, PTAD certifies the state value, unless the school district's value is higher than the acceptable range or the school district is eligible for a grace period—a period during which state law allows local value to be used even though the school district's property values are not at market value. The grace period, discussed more thoroughly below, is intended to help a school district avoid the loss of funding that usually results when state funding is based on state value.

Invalid SDPVS findings do not directly affect local property taxes, which are based on the local appraised values provided to PTAD by each appraisal district .

The Education Code describes how the commissioner of education uses the findings of the SDPVS in the school funding formula to determine state aid. For questions about state aid or the funding formula, contact the Texas Education Agency (TEA).

## Other Legal Requirements

### Taxable Value

By law, taxable value equals the market value of all taxable property in a school district, minus certain exemptions and deductions such as state-mandated homestead and disabled veterans' exemptions as well as value limitations. Deductions are made for reinvestment zones, freeport exemptions, the school tax ceiling for homeowners age 65 and older or disabled, other state-mandated exemptions and productivity appraisal of qualified agricultural lands.

Generally, to estimate a school district's taxable value, the Government Code requires the Comptroller's office to do the following:

- use generally accepted sampling, standard valuation, statistical compilation and analysis techniques;
- ensure that different levels of appraisal on sold and unsold property do not adversely affect the accuracy of the school

district study and that different levels of appraisal resulting from protests determined by the appraisal review board on the grounds of market or appraised value or unequal appraisal (Tax Code Sections 41.41(a)(1) or (2)) in a SDPVS sampled category are appropriately adjusted in the school district study; and

- test the validity of taxable values and presume that local value represents taxable value when local value is determined to be valid.

### Margin of Error

The Comptroller's office tests the values the appraisal district assigns to each tested property category by constructing a statistical margin of error around the Comptroller's estimate of value for selected property categories in each school district. State law requires the Comptroller's office to use a margin of error that does not exceed 5 percent, unless the sample size makes using a margin of error greater than 5 percent necessary to determine whether local value is valid.

For uniformity in the SDPVS, PTAD uses a minimum 5 percent margin of error. This means that if the statistically calculated margin of error is less than 5 percent, PTAD will use 5 percent. If the calculated margin of error is more than 5 percent, PTAD uses the higher margin of error to decide whether the local value is valid.

PTAD uses the margin of error to determine a confidence interval around PTAD's value. PTAD considers local values valid, or statistically acceptable, when they are within the confidence interval. Values outside this confidence interval are statistically invalid.

### Local Value Above Market Value

Even though a school district's local value is invalid, the law requires the Comptroller's office to certify the local value if the local value is higher than the state value. This requirement prevents a school district from receiving extra state funding based on a lower state value while receiving local funds from taxes on property that the appraisal district appraised above market value.

### Grace Period

The Government Code requires the Comptroller's office, in some instances, to use the local appraisal roll values as the estimate of the total taxable value in a school district, even when the local appraisal roll values are invalid. The applicable

section states, “If after conducting the study [for a year] the comptroller determines that a school district is an eligible school district, for that year and the following year the taxable value for the school district is the district’s local value.” This is known as a grace period, which is intended to help a school district avoid a loss of local funding when an invalid finding is assigned. A school district is only eligible for a grace period if it meets the four following criteria:

1. in the current SDPVS year, the local value is invalid and does not exceed the state value;
2. in the two preceding SDPVSs, the local value was valid;
3. in the current SDPVS year, the aggregate local value of all studied categories is not less than 90 percent of the lower limit of the margin of error; and
4. the appraisal district that appraises property for the school district was in compliance with the scoring requirement of the most recent MAP under Tax Code Section 5.102.

**Exhibit 1** illustrates how a school district could be eligible for a grace period if its values are invalid. Exhibit 1 assumes state value for properties included in the study sample for a school district is \$100 million. A school district achieves local value if the SDPVS determines its value is between a low of \$95 million to a high of \$105 million. If the school district’s value is less than \$95 million, but equal to or more than \$85.5 million, PTAD considers its value as invalid, but the law requires PTAD to certify local value if the school district had valid findings in the prior two studies and the appraisal district that appraises property for the school district was in compliance with the most recent Methods and Assistance Program review.

**EXHIBIT 1:  
Example of School District Grace Period**

**Assuming a Margin of Error of Plus or Minus 5% – Values are in Millions of Dollars**

Grace Period Range		Confidence interval		
Grace Period Range: An ISD value in this range is invalid, but PTAD will certify local value for 2 years if the ISD’s value was valid in both of the previous 2 studies and the appraisal district in which the ISD is located passed all of the mandatory requirements of the most recent MAP.		PTAD will certify local values in this range.		
<b>\$85.5</b>	<b>\$95</b>	<b>\$95</b>	<b>\$100</b>	<b>\$105</b>
This value is 10% below the lower end of the <b>confidence interval</b> . An ISD with invalid local values below this point will not be eligible for a grace period.	This is the <b>lower end of the confidence interval (100 minus 5%)</b> . Local values below this point are invalid.	This is the <b>lower end of the confidence interval (100 minus 5%)</b> . Local values below this point are invalid.	This is the state value for property categories included in the school district study.	This is the <b>upper end of the confidence interval (100 + 5%)</b> . An ISD value above this point is invalid, but PTAD will certify local value.

This is called a grace period. If the school district’s values are less than \$85.5 million, it does not qualify for a grace period and PTAD assigns state value.

**SDPVS Timeline**

The SDPVS generally begins in February each year and typically concludes in August of the following year. A new SDPVS begins while the previous year’s SDPVS undergoes protests, so there is considerable overlap.

The Government Code requires the Comptroller’s office to publish preliminary findings of taxable value for each school district before Feb. 1 of the year following the year under study. The Comptroller’s office delivers the findings to school district superintendents and appraisal districts and certifies them to the commissioner of education. Those who wish to protest preliminary value findings must do so within 40 calendar days after the date PTAD certifies the preliminary findings to the commissioner of education. Only certain parties are eligible to protest.

After SDPVS protests are complete, typically by Aug. 31, or as soon thereafter as practicable, the Comptroller’s office certifies final values to the commissioner of education, who uses the final values in the administration of school district funding.

**The SDPVS – Detailed Procedures**

*This section lists the property categories studied in the SDPVS, gives an overview of school district taxable value calculation, and describes the procedures and calculations used in the SDPVS. It describes procedures specific to individual property categories.*



## Property Categories

The Government Code requires the Comptroller's office to develop statistical measures and value estimates for property categories and to combine information on the various property categories into overall estimates.

The Comptroller's office generally includes the following property categories in the SDPVS:

- A: Real Property: Single-Family Residential;
- B: Real Property: Multifamily Residential;
- C1: Real Property: Vacant Lots and Tracts;
- D1: Real Property: Qualified Open-Space Land;
- D2: Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E: Real Property: Rural Land, not Qualified for Open-Space Appraisal and Improvements;
- F1: Real Property: Commercial;
- G1: Real Property: Oil and Gas;
- J: Real and Personal Property: Utilities; and
- L1: Personal Property: Commercial.

For a detailed description of these categories, see PTAD's *Texas Property Tax Assistance Property Classification Guide*.

The Comptroller's office may group properties into any other category or subcategory necessary for the efficient and accurate completion of the SDPVS. If a property category is not studied, it is not included in the SDPVS. Categories of properties that appear as a part of the confidence interval detail calculation are the only categories included in the SDPVS.

## Calculating Taxable Value – Overview

PTAD estimates most category values by obtaining a representative sample of properties in each category, computing a weighted mean ratio from this sample and dividing this ratio into the school district's reported appraisal roll value for the category.

In some property categories, PTAD does not develop ratios or value estimates. In such categories, PTAD accepts the value reported by the appraisal district as correct.

**Exhibit 2** summarizes the nine steps PTAD uses to complete the SDPVS. Detailed descriptions of each step follow **Exhibit 2**.

## EXHIBIT 2:

### Step-by-Step Summary PTAD Uses to Perform SDPVS

#### **Step 1. – Gather and Prepare Market Data**

The first step in the SDPVS is to gather and prepare market data, which includes information on property sales, building costs, and income information.

#### **Step 2. – Select a Sample**

The second step is to select a sample. Using a statistical model designed to achieve a uniform 5 percent margin of error in each school district to the extent practicable, PTAD assigns sample sizes for each property category in each school district.

#### **Step 3. – Appraise Property**

When sales information is not available, PTAD includes appraisals of sample properties.

#### **Step 4. – Match PTAD Values with Local Values**

PTAD must match each sample property with the corresponding appraisal district records.

#### **Step 5. – Compute Property Ratios**

PTAD computes individual property appraisal ratios. This is the ratio of the property's appraised value as shown on the appraisal roll to its market value.

#### **Step 6. – Stratify**

PTAD stratifies, or groups, properties by common features. Stratifying properties so that similar kinds of property are in each group before calculating SDPVS statistics makes the results more meaningful and accurate.

#### **Step 7. – Statistical Analysis**

PTAD computes several statistics that enable it to adjust reported school district values to market value and that will provide a means to interpret the SDPVS results.

#### **Step 8. – Calculate Taxable Value**

After determining appraised value, PTAD makes certain deductions to calculate taxable value.

#### **Step 9. – Use the Results**

TEA uses the results of the SDPVS to administer school funding.

*Source: Texas Comptroller of Public Accounts.*

## Step 1. — Gather and Prepare Market Data

PTAD begins by gathering and preparing market data, including information on property sales, building costs and income information. If enough recent sales information is available, this data will become the basis of the SDPVS. PTAD gathers sales information from any available resource, including appraisal districts, multiple listing services, realtors, appraisers, title companies and taxpayers. PTAD verifies, edits and adjusts sales prices as necessary for factors such as financing, personal

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property and time of sale. Building costs and income information become important when sales are scarce. In this situation, PTAD appraises sample properties to meet sample size requirements. PTAD may use appraisals based on comparable sales information, building costs, market rents and vacancy rates or other market information.

## Step 2. — Select a Sample

PTAD determines sample sizes for each property category included in the SDPVS. PTAD determines the sample size using a statistical model designed to achieve a uniform 5 percent margin of error in each school district studied, to the extent practicable.

The sample includes a census of all recent sales when the number of included sales is smaller than, or does not greatly exceed, the target sample size. If the number of available sales greatly exceeds the desired sample size, PTAD randomly selects the sample from the sales population after all other procedural requirements are met. If there are not enough sales to achieve the assigned sample size, PTAD randomly selects enough properties to fill the gap and then appraises those properties. When necessary, sample sizes are adjusted to match available PTAD resources.

PTAD does not sample industrial property because there is a lack of publicly available appraisal information and because the cost of performing industrial property appraisals is prohibitive.

PTAD generally does not include a property category in the SDPVS if the property category includes 5 percent or less of the value of tested categories in a school district.

PTAD's samples of properties may sometimes include outliers. Outliers are properties with abnormally high or low ratios. If PTAD determines that an outlier is the result of an appraisal district error or unusual market variability, the outlier remains in the SDPVS. If a clerical error or a property mismatch contributed to the outlier, PTAD attempts to correct the error so the property can remain in the SDPVS. If PTAD finds that the outlier is a non-market transaction, it is excluded from the sample.

See **Appendix A** for a discussion of the modified sampling procedures used when there is evidence of selective reappraisal of sold properties.

## Step 3. — Appraise Property

When insufficient sales are available, PTAD appraises sample properties to achieve the required sample size. If physical inspection of a property is impossible or unnecessary, PTAD may use appraisal cards, aerial photographs, soil maps or other relevant information to perform the appraisal.

For each property, PTAD records the property class, construction type, condition, age, amenities and any outbuildings or other additions, such as pools. PTAD notes property specifics, such as neighborhood influences and restrictions and checks to determine that the square footage recorded by the appraisal district is reasonable. If the appraisal district record is incorrect, PTAD obtains accurate square footage information.

Appraisals must reflect a property's market value (or other legally required value) as of Jan. 1 of the SDPVS year. PTAD appraisers use the Comptroller's procedures in conjunction with the Comptroller's computerized field appraiser system to classify and appraise residential and commercial sample properties unless better information is available or unless that kind of property is not included in the procedures or the field appraiser system. PTAD uses other specialized computer software to appraise oil and gas reserves. PTAD develops separate appraisal schedules for vacant land.

Along with properties entered in the sample as appraisals, PTAD selects and appraises sold properties to develop local modifiers. Local modifiers adjust PTAD appraisal system values to account for differences in local markets.

## Step 4. — Match PTAD Values with Local Values

PTAD matches each sample property with the corresponding appraisal district record. PTAD obtains information from the appraisal district record such as appraisal district and ISD identification codes; the category code; the account number; the legal description; the parcel address; the sale/appraisal code; the sale date; the sale price; the source code; the appraisal district improvement value; the appraisal district land value; the furniture, fixtures and equipment value; and the inventory value, if applicable, for the sample property.

If the appraisal district provides documentation that the local value of any property in the SDPVS sample was determined by the appraisal review board, PTAD will adjust its value of the property as required by Government Code Section 403.302(b)(4).



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An accurate match between the sample property and the appraisal district property records is important to ensure that the comparison of PTAD's value for the sample property and the appraisal district's value for that property results in a meaningful ratio.

### Step 5. — Compute Property Ratios

An appraisal ratio for an individual property is the ratio of the property's appraised value as shown on the appraisal roll to its market value. The adjusted sales price or PTAD appraised value signifies the market value. **Exhibit 3** shows appraisal ratios for a sample consisting of both sales and appraisals as indicators of market value.

For example, Sale Number 1 in **Exhibit 3** has an appraisal roll value of \$65,834 and an adjusted sale price of \$83,113. Dividing \$65,834 by \$83,113 yields an appraisal ratio of 0.79 for this property. The reader should not make a judgment about an appraisal district's performance based on a single property ratio. Performance measurement involves statistics based on groups of ratios.

### Step 6. — Stratify

Stratifying properties so similar kinds of property are in each group before calculating SDPVS statistics makes the results more meaningful and accurate. PTAD selects a sample for each property category or other stratum included in the SDPVS. At this point, PTAD has already stratified properties by their use—for instance, it has grouped single-family residential properties together.

In addition to categorizing property by its use, PTAD uses a further level of stratification, known as value stratification in the SDPVS. PTAD obtains the information needed to value-stratify appraisal roll values from prior year appraisal rolls, depending on availability.

PTAD established a value-stratification procedure that results in as many as six strata within a property category (**Exhibit 4**). The value ranges within the strata vary from school district to school district and from year to year, depending entirely on the distribution of property value within each school district.

PTAD studies strata 2-5 using random sampling procedures when performing appraisals.

In some school districts, PTAD finds certain properties in a category sample sufficiently different from the remaining sample properties to warrant treatment as exception properties. An exception property is a property placed in its own separate stratum and for which the value exceeds 20 percent of the category value. The rationale is to offset the potential bias that an exception property might have on the estimated ratio. PTAD uses other stratification methods in special circumstances when the evidence shows that some property characteristic other than use or value is distorting the appraisal level.

### Step 7. — Statistical Analysis

The next step is to compute several statistics that enable PTAD to adjust reported school district values to market value and that provide a means to interpret the SDPVS results. The statistics PTAD uses in the SDPVS are:

- weighted mean ratio;
- stratified weighted mean ratio; and
- margin of error.

#### Weighted Mean

**Exhibit 3** shows the computation of a weighted mean appraisal ratio. A weighted mean appraisal ratio takes into account the different values of the individual properties making up the sample by giving more weight to higher values. PTAD calculates the weighted mean by totaling the appraisal roll values, totaling the sales prices and appraised values and dividing the first sum by the second. As shown in **Exhibit 3**, the total appraisal roll value for this sample is \$2,007,285, and the total value of sales and appraisals is \$2,443,170. Dividing the former by the latter produces the weighted mean appraisal ratio of 0.8216. Finally, dividing the school district's total category value reported by the appraisal district on its appraisal roll, or \$27,621,400, by the weighted mean appraisal ratio of 0.8216 results in an estimated category market value of \$33,619,036. This result indicates that properties are appraised at less than market value and could reduce the school district's funding.

#### Stratified Weighted Mean

A stratified weighted mean appraisal ratio is an overall property category ratio calculated by combining the weighted mean ratios of various subcategories or strata. As discussed above, PTAD uses property use and property value to define each stratum. PTAD uses these value-stratified weighted mean appraisal ratios whenever feasible to estimate market values for residential properties (Category A), multifamily

EXHIBIT 3:

Sample Calculation of Weighted Mean Appraisal Ratio for ABC Independent School District

CATEGORY A: SINGLE-FAMILY RESIDENTIAL

Sales

Sale Number	Appraisal Roll Value	Adjusted Sale Price	Individual Appraisal Ratio
1	\$65,834	\$83,113	0.79
2	75,254	90,720	0.83
3	94,420	135,610	0.70
4	99,880	113,310	0.88
5	82,253	109,250	0.75
6	89,654	94,715	0.95
7	76,502	91,680	0.83
8	111,020	128,048	0.87
9	44,441	62,370	0.71
10	64,519	75,905	0.85
11	64,842	81,127	0.80
12	39,479	41,925	0.94
13	193,344	245,700	0.79
14	98,885	127,493	0.78
15	114,788	118,898	0.97
16	92,088	113,645	0.81
17	84,449	84,995	0.99
18	21,090	25,988	0.81
19	22,080	27,398	0.81

Appraisals

Appraisal Number	Appraisal Roll Value	PTAD Value	Individual Appraisal Ratio
1	\$97,576	\$110,741	0.88
2	60,437	70,964	0.85
3	107,543	148,828	0.72
4	60,264	86,303	0.70
5	69,708	76,117	0.92
6	76,935	98,327	0.78

Total Sales and Appraisals

Appraisal Number	Appraisal Roll Value	PTAD Value and Adjusted Sales Price Total	Weighted Mean Appraisal Ratio
<b>All Properties</b>	<b>\$2,007,285</b>	<b>\$2,443,170</b>	<b>0.8216</b>

Estimated Category Market Value

Total Appraisal Roll Category Value	Weighted Mean Appraisal Ratio	Estimated Category Market Value
<b>\$27,621,400</b>	<b>.8216</b>	<b>\$33,619,036</b>

Source: Texas Comptroller of Public Accounts.

properties (Category B), vacant lots and tracts (Category C1), commercial properties (Categories F1 and L1) and oil and gas (Category G1). PTAD stratifies by value stratum within each category if reasonably accurate stratification data is available. **Exhibit 4** lists and describes each value stratum.

A value-stratified weighted mean appraisal ratio is a mechanism used to adjust the sample to represent its property population. For example, low-valued properties tend to cluster in certain geographic areas, while mid-range and high-valued properties tend to cluster in others. Similarly, construction types tend to vary with value. A value-stratified weighted mean appraisal ratio adjusts for location effect and for the effects of varying construction types. In addition, it is a particularly useful tool for enhancing sample representativeness when appraisal levels in a category vary significantly between lower-valued and higher-valued properties.

**Exhibits 5-7** show how a stratified weighted mean appraisal ratio is calculated and how it differs from a weighted mean and a simple mean appraisal ratio. PTAD calculates the stratified weighted mean appraisal ratio for a category by doing the following:

- grouping sample properties by appraisal roll value stratum;
- calculating a weighted mean appraisal ratio for each value stratum;
- dividing the weighted mean appraisal ratio into the appraisal district total appraisal roll value for each value stratum to estimate a market value;

- adding these individual market value stratum estimates; and
- dividing the sum of the appraisal district values in each stratum by the sum of PTAD’s individual market value stratum estimates.

**Exhibit 5** lists properties in a hypothetical random sample.

PTAD groups the sample properties into six strata. It calculates a ratio for each property by dividing the appraisal district value by the PTAD appraisal value or adjusted sale price. PTAD calculates a weighted mean ratio for each stratum by dividing the sum of the appraisal district values by the sum of the PTAD appraisal or adjusted sale amounts. A weighted mean ratio is calculated for the entire property category by dividing the sum of the appraisal district values in every stratum by the sum of the PTAD values in every stratum. PTAD calculates a simple mean ratio by summing all the individual property ratios in the entire category and dividing by the number of ratios. PTAD calculates the weighted mean and simple mean for comparison to the stratified weighted mean in **Exhibit 6**.

**Exhibit 6** lists the strata shown in **Exhibit 5** and shows the number of sample parcels, the appraisal district value of the sample properties, the PTAD value of the sample properties and the weighted mean ratio for each stratum.

**Exhibit 6** also shows that weighted mean stratum ratios are calculated by dividing the appraisal district value in each stratum by the PTAD value in each stratum.

**EXHIBIT 4:**  
**Six Value Strata PTAD Uses for SDPVS**

Strata	Description
<b>Stratum #1</b>	After sorting all the properties in the category from lowest value to highest value, and beginning with the lowest valued property, this stratum contains the low-valued properties that collectively equal 5 percent of the category’s total appraised value. PTAD does not study this stratum. Instead, PTAD accepts the locally determined value.
<b>Stratum #2</b>	After removing stratum 1 and stratum 6 properties, PTAD sorts the remaining properties from lowest value to highest value. Properties representing approximately the first 25 percent of the remaining appraisal roll value in the category comprise Stratum 2.
<b>Stratum #3</b>	Properties representing approximately the second 25 percent of the remaining appraisal roll value in the category comprise Stratum 3.
<b>Stratum #4</b>	Properties representing approximately the third 25 percent of the remaining appraisal roll value in the category comprise Stratum 4.
<b>Stratum #5</b>	Properties representing approximately the fourth 25 percent of the remaining appraisal roll value in the category comprise Stratum 5.
<b>Stratum #6</b>	This stratum contains all properties that individually exceed 20 percent of the value in the property category. PTAD may or may not study these high-valued properties.

Source: Texas Comptroller of Public Accounts.

**EXHIBIT 5:  
Sample Calculation of a Value-Stratified Weighted Mean Appraisal Ratio**

**STEP 1**

**Stratum 1: \$0 to \$2,500**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio Appraisal District ÷ PTAD In the Sample (Rounded four places)
<b>Not sampled</b>	<b>Not sampled</b>	<b>Not sampled</b>	<b>Not sampled</b>

**Stratum 2: \$2,501 to \$15,300**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio = Appraisal District/PTAD In the Sample (Rounded four places)
2	\$11,243	\$8,000	1.4054
3	\$13,510	\$10,000	1.3510
4	\$14,194	\$11,500	1.2343
5	\$14,800	\$12,000	1.2333
6	\$15,001	\$13,000	1.1539
<b>Total Stratum 2</b>	<b>\$68,748</b>	<b>\$54,500</b>	<b>1.2614</b>

**Stratum 3: \$15,301 to \$47,573**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio = Appraisal District/PTAD In the Sample (Rounded four places)
7	\$20,374	\$20,000	1.0187
8	\$20,477	\$20,000	1.0239
9	\$20,994	\$20,000	1.0497
10	\$25,806	\$24,800	1.0406
11	\$28,166	\$27,000	1.0432
<b>Total Stratum 3</b>	<b>\$115,816</b>	<b>\$111,800</b>	<b>1.0359</b>

**Stratum 4: \$47,574 to \$110,625**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio = Appraisal District/PTAD In the Sample (Rounded four places)
12	\$51,007	\$52,000	0.9809
13	\$52,191	\$52,000	1.0037
14	\$53,217	\$54,000	0.9855
15	\$54,141	\$54,000	1.0026
16	\$57,396	\$57,000	1.0069
<b>Total Stratum 4</b>	<b>\$267,952</b>	<b>\$269,000</b>	<b>0.9961</b>

**Stratum 5: \$110,626 to \$465,581**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio = Appraisal District/PTAD In the Sample (Rounded four places)
17	\$111,648	\$125,000	0.8932
18	\$114,140	\$135,000	0.8455
19	\$139,498	\$150,000	0.9300
<b>Total Stratum 5</b>	<b>\$365,286</b>	<b>\$410,000</b>	<b>0.8909</b>

EXHIBIT 5: (concluded)

**Sample Calculation of a Value-Stratified Weighted Mean Appraisal Ratio**

**Stratum 6: More than or equal to \$1,205,000**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio = Appraisal District/PTAD In the Sample (Rounded four places)
1	\$1,205,000	\$1,209,961	0.9959
<b>Total Stratum 6</b>	<b>\$1,205,000</b>	<b>\$1,209,961</b>	<b>0.9959</b>

**Total for All Strata**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Ratio = Appraisal District/PTAD In the Sample (Rounded four places)
<b>All 19 Properties In Sample</b>	<b>\$2,022,802</b>	<b>\$2,055,262</b>	<b>Not applicable</b>

**Mean Ratio (Unweighted Average)**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Mean Ratio
<b>All 19 Properties In Sample</b>	<b>Not applicable</b>	<b>Not applicable</b>	<b>1.0631</b>

**Weighted Mean Ratio**

Property	Appraisal District Appraisal Roll Value In the Sample	PTAD Appraisal/Sale Price In the Sample	Weighted Mean Ratio
<b>All 19 Properties in sample</b>	<b>\$2,022,803</b>	<b>\$2,055,261</b>	<b>0.9842</b>

Source: Texas Comptroller of Public Accounts.

EXHIBIT 6:

**Sample Calculation of a Value-Stratified Weighted Mean Appraisal Ratio**

**STEP 2**

Stratum Number (#)	Number of Parcels In the Sample (nsample)	Appraisal District Value In the Sample (TXsample)	PTAD Estimate In the Sample (TYsample)	Stratum Ratio (Appraisal District Value ÷ PTAD Estimate) Weighted Mean Ratio In the Sample (Rounded four places) (r1sample)
1	Not applicable	Not applicable	Not applicable	1
2	5	\$68,748	\$54,500	1.2614
3	5	\$115,816	\$111,800	1.0359
4	5	\$267,952	\$269,000	0.9961
5	3	\$365,286	\$410,000	0.8909
6	1	\$1,205,000	\$1,209,961	0.9959

Source: Texas Comptroller of Public Accounts.

**Exhibit 7** lists the strata shown in **Exhibit 5** and **Exhibit 6** and shows the number of parcels in the stratum, the appraisal district value in the stratum, the stratum ratio (from **Exhibit 5** or **Exhibit 6**) and the PTAD market value estimate for each stratum.

**Exhibit 7** also shows the calculation of the stratified weighted mean ratio by dividing the sum of the appraisal district values for each stratum by the sum of the PTAD market value estimated for each stratum. PTAD divides this stratified weighted mean ratio into the appropriate reported category total to develop its market value estimate for the category and reports the final calculation in the ISD Summary Worksheet.

If stratification data is not available for a school district, stratified weighted mean appraisal ratios cannot be calculated. If the data to calculate the value stratified ratio becomes available at any time during the process, including the protest process, PTAD may calculate a value-stratified ratio.

### Margin of Error

The margin of error is equal to one-half of the confidence interval expressed as a percent of total value studied in a school district. The confidence interval is a computed range of school district values for which the SDPVS has not proven that the state's estimate of value is significantly different from the local value. If a school district's local value is outside the range, the SDPVS

has statistically proven that the school district's value is incorrect because it is significantly different from the state's estimate.

For example, assume that PTAD estimates market value in sampled property categories in school district ABC to be \$100 million before exemptions. PTAD computes the margin of error to be plus or minus 5 percent of \$100 million. Market value plus 5 percent is \$105 million; market value minus 5 percent is \$95 million. The \$100 million estimate is the point estimate; the confidence interval of \$95 million to \$105 million is an interval estimate. PTAD uses the margin of error to determine if the local value is valid. If the school district's value is inside the margin of error range, PTAD accepts it as valid. If not, PTAD considers it invalid.

State law requires the Comptroller's office to use a margin of error that does not exceed 5 percent, if feasible. To make the SDPVS uniform, PTAD has set a 5 percent floor on the margin of error. This means that if the statistically calculated margin of error is less than 5 percent, it is set at 5 percent. On the other hand, if the calculated margin of error is more than 5 percent, PTAD will use the higher margin of error to decide whether the local value is valid.

**Appendix B** provides additional explanations of the confidence interval and margin of error computations.

## EXHIBIT 7: Sample Calculation of a Value-Stratified Weighted Mean Appraisal Ratio

### STEPS 3-5

Stratum Number (#)	Number of Parcels In the Stratum (NStratum)	Appraisal District Value In the Stratum (TXStratum)	Stratum Ratio Weighted Mean Ratio In the Sample (r1sample)	Appraisal District Value ÷ Stratum Ratio = PTAD Estimate In the Stratum (Rounded to the nearest dollar.) (TYStratum)
1	711	\$300,224	1	\$300,224
2	259	\$1,495,515	1.2614	\$1,185,599
3	56	\$1,463,787	1.0359	\$1,413,058
4	22	\$1,500,526	0.9961	\$1,506,401
5	7	\$1,544,658	0.8909	\$1,733,817
6	1	\$1,205,000	0.9959	\$1,209,961
<b>Total</b>	<b>1,056</b>	<b>\$7,509,710</b>		<b>\$7,349,060</b>

### Stratified Ratio, All Strata

Total Appraisal District Value	Total PTAD Estimate	Stratified Ratio (Total Appraisal District Value ÷ Total PTAD Estimate)
<b>\$7,509,710</b>	<b>\$7,349,060</b>	<b>1.0219</b>

Source: Texas Comptroller of Public Accounts.



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## Step 8. — Calculate Taxable Value

The ratio study component of the SDPVS determines appraised value for all taxable property in each school district. Government Code Section 403.302(d) instructs PTAD to make various deductions to calculate the taxable valued certified to TEA. Deductions include the amounts of specified exemptions, captured appraised values in qualifying tax reinvestment zones, the difference between market and capped values of residence homesteads. There are also adjustments for tax ceilings for homeowners age 65 and older or disabled, value limitation agreements and tax deferrals.

## Step 9. — Use and Review the Results

The purpose of the SDPVS is to help equalize school funding. The Comptroller's office certifies the SDPVS final results to the commissioner of education. The Education Code describes how the commissioner of education uses the findings of the SDPVS in the school funding formula to determine state aid and provide for the equitable distribution of state funds to school districts.

### Individual Property Category Details

This section defines local properties and multi-county properties as used in the SDPVS and explains how PTAD studies the various property categories. PTAD publishes several documents that explain appraisal procedures used in the SDPVS in more detail.

### Local Properties

Local properties consist of residential properties and vacant lots, rural real property not qualified for productivity appraisal, commercial real and personal property and other taxable property. PTAD field appraisers gather almost all of the data used in the local properties portion of the SDPVS. These employees, assigned to different regions throughout the state, appraise individual properties and collect sales data and other market information.

As a rule, PTAD will sample properties in a local property category in a school district if the category has more than 5 percent of total tested school district value. However, PTAD may sample a category at any time, regardless of whether its value falls within this rule. Categories not sampled are not included in the SDPVS and are assigned reported appraisal roll value (local value).

### Residential Properties and Vacant Lots

These properties consist of Categories A (single-family residential real property), B (multi-family residential real property) and C1 (vacant lots and tracts).

For each of these property categories sampled, field appraisers collect sales information and perform appraisals to develop a sample of tested parcels. Using this sample information, PTAD then develops a weighted mean appraisal ratio for each category. PTAD develops a stratified ratio whenever possible. This estimated ratio, when divided into the school district's total reported value for the category, produces PTAD's estimated value for the category.

### Rural Real Property at Market Value

These properties consist of Category D2 (farm and ranch improvements on qualified open-space land) and Category E (non-qualified rural land and improvements on the land). PTAD does not appraise land qualified for productivity valuation at market value. See the *Qualified Agricultural Land* section below.

PTAD collects sales and performs appraisals to develop a property sample based on market values.

From this market value sample, PTAD develops a non-stratified weighted mean appraisal ratio and divides this ratio into the school district's reported value of rural real property that did not qualify for productivity appraisal. The result is PTAD's estimated market value for acreage not receiving productivity appraisal and the value of farm and ranch improvements. See below for a discussion of rural real property that is qualified for productivity valuation and that is not assessed at market value.

### Qualified Agricultural Land

The Tax Code requires appraisal districts to appraise property at market value, unless the law requires otherwise. The law makes an exception for land used for agriculture or timber production.

Tax Code Chapter 23, Subchapters C and D, require appraisal of qualified agricultural land at its productivity value. Agricultural land qualified for productivity appraisal is in Category D1. Appraisal districts must classify qualified land according to its agricultural productivity, determine income and expenses for each land class over a five-year period, and capitalize the average to estimate productivity value. The Tax Code sets the capitalization rate at the greater of 10 percent

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or 2.5 points above the Farm Credit Bank of Texas' lending rate for Dec. 31 of the prior year. Taxing entities base property taxes on the productivity appraisal.

Tax Code Chapter 23, Subchapters E and H establish the procedures for productivity appraisal of timberland. This process differs only slightly from the procedure for agricultural land. The law classifies timberland according to soil type and the type of timber grown. For each class, PTAD capitalizes the estimated net income into a value per acre.

To develop the productivity ratio, PTAD uses the appraisal district's report of total acreage in each of the agricultural land classes for each school district studied and information provided by published sources and persons in each county who are familiar with local agricultural conditions. PTAD staff develops an estimate of net to land over a five-year period and capitalizes the average using the legally mandated rate to reach an estimated value per acre for each land class. Multiplying the value for each class times the reported acreage in the class yields the total taxable value per land class. The total of the values for each land class is the total taxable value for all acreage receiving productivity appraisal in a school district.

Appraisal districts report the total appraised value of all land in each school district receiving productivity appraisal. PTAD divides this reported value by its own estimate of productivity value. The resulting ratio shows the general level of appraisal of all land receiving productivity appraisal in a school district.

### **Commercial Real and Personal Property**

Category F1 contains commercial real property (land and improvements), while Category L1 contains commercial personal property (furnishings, fixtures, movable machinery, equipment and inventories). To estimate market values in these two categories, PTAD collects sales information and, if necessary, performs appraisals for each school district category sampled. PTAD develops either a stratified or non-stratified weighted mean appraisal ratio from the sampled properties and divides each school district's reported category value by the weighted mean ratio to generate PTAD's estimate of category market value. This procedure is the same used to estimate value in other local property categories, with the exception of agricultural land qualified for productivity appraisal.

### **Multi-County Properties**

Multi-county properties consist of oil, gas, and other mineral properties and utility and railroad properties. Generally, PTAD will sample properties in each of these property categories in each school district if the category has a minimum percentage of school district value or a minimum dollar amount. PTAD assigns categories not sampled at the local reported appraisal roll value.

### **Oil and Gas**

Category G1 consists of oil and gas. PTAD selects the Category G1 sample from the current year data provided by appraisal districts and appraisal firms representing them. PTAD assigns the local tax roll value to the low-value stratum that contains property in the lowest 5 percent of the category's value in the school district (Stratum 1).

After removing low-valued properties and placing high-valued properties in a separate stratum, PTAD stratifies the remaining properties into four strata. Then PTAD randomly selects the properties it will appraise for the SDPVS.

PTAD uses computer models and specialized software to develop discounted cash flow analyses of oil and gas properties. Using computer models and information from a variety of sources, PTAD calculates economic parameters such as well-head prices based on the requirement of Tax Code Section 23.175, operating expenses, net salvage values and discount rates. PTAD estimates the future cash flow based on forecasted production and economic parameters and then discounts the cash flows to present value. PTAD then adds discounted equipment salvage value to derive the market value for each oil and gas property in the sample.

To produce the individual appraisal ratio for each mineral property in the sample, PTAD divides the appraisal district's value by the PTAD value. Category G1 ratios are calculated similarly to Category A.

PTAD then calculates a stratified weighted mean ratio based on the strata discussed above.

### **Utilities**

The utilities category (Category J) consists of the real property and personal property of telephone, electric, gas distribution, railroad and pipeline companies, as well as the property of other companies commonly thought of as utilities.

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PTAD staff use recognized unitary valuation methods, including the cost, income and market approaches, as applicable. PTAD bases appraisals on information published in annual company reports filed with federal and state regulatory agencies and furnished directly to the Comptroller's office by the utility companies. PTAD obtains information from business and industry publications. PTAD determines the percentage of unit value attributable to each company's Texas operations to develop an overall estimated value for the Texas portion of the company. Using information provided by the utility companies and appraisal districts, PTAD allocates this Texas value to the various school districts in which the utility owns property.

The total appraisal roll value for the sampled utility properties divided by the total estimated market values produces a non-stratified weighted mean ratio for utilities. Dividing this ratio into the school district's total reported value for the category generates PTAD's estimated total value of all utility property in the school district.

### ***ARB Protest Determination Adjustments and Multi-County Complex Property (Categories D1, G1 and J)***

In conducting the SDPVS, Government Code Section 403.302(b)(4) requires the Comptroller's office to ensure that different levels of appraisal resulting from protests determined under Tax Code Section 41.43 are appropriately adjusted in the SDPVS.

PTAD estimates most category values by obtaining a *representative sample* of properties in each category, computing a weighted mean ratio from the sample, and dividing the ratio into the school district's reported appraisal roll value for the category. PTAD uses value-stratified weighted mean appraisal ratios whenever feasible to estimate market values for sampled property in Category A: Single-Family, Category B: Multi-Family, Category C: Vacant Lots and Tracts, Category F1: Commercial Real, Category L1: Commercial Personal and Category G: Oil and Gas.

IAAO defines a *representative sample* as a sample of observations from a larger population of observations, such that statistics calculated from the sample can be expected to represent the characteristics of the population being studied.<sup>1</sup> IAAO recommends, where possible, using final values estab-

lished at the local level, including ARB adjustments. IAAO cautions that, if local appraisers or boards "chase sales" or set values in a manner that is dissimilar to the way other property values have been set, the sample may not be sufficiently representative and should not be used without careful investigation and necessary adjustment.<sup>2</sup>

Category G1 (oil and gas) sample properties are randomly selected, and value stratified. Category G1 samples are therefore subject to ARB protest determination adjustments in the manner detailed in the *Field Appraisers' Procedures Manual*. As this category has the potential for multiple ownership interests in one property (both working interests and royalty interests), ARB adjustments are rarely reported for this category in the SDPVS.

PTAD treats two categories differently from the value-stratified weighted mean appraisal ratio categories listed above. PTAD treats all properties in Category D1 (Qualified agricultural acreage) and Category J (Utilities) as census categories rather than sample property categories.

Because PTAD determines a value for all property in Category D1 rather than determining values on individually sampled properties, it is a census of the population rather than a sample of the population. Category D1 does not include property-specific findings to which a school district could make a property-specific ARB adjustment. While Government Code Section 403.302(b)(4) authorizes PTAD to adjust values for ARB orders in determining taxable value (statutorily defined as market value minus statutory deductions), no such authority is given to reduce the productivity values on which Category D1 is calculated.

PTAD also treats Category J as a census category because the utility samples in a school district are chosen using a method that ensures sampling dominant properties and other properties as appropriate. The non-random, non-stratified samples are the same each year and are intended to represent all Category J subcategories in the school district. PTAD determines the percentage of unit value attributable to each company's Texas operations to develop an overall estimated market value for the Texas portion of the company. The Texas value is then apportioned to the various school districts in which the utility owns property.

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<sup>1</sup> *Standard on Ratio Studies, April 2013*, International Association of Assessing Officers, Kansas City. Page 43.

<sup>2</sup> *Ibid.*, Page 25.

## SECTION TWO:

# How to Protest

*This section offers guidance on considering and preparing a protest of the SDPVS preliminary findings of taxable value. The Comptroller's office may amend the preliminary findings at any time before final certification to the commissioner of education; therefore, **school districts should not rely on preliminary findings to set budgets or tax rates.***

This section is intended as a guide to help school districts, eligible property owners and their agents consider and prepare a protest of the SDPVS findings. The guide contains general information regarding protests; however, the process is governed by applicable law and Comptroller rules relating to protests and such law and rules must be followed. Comptroller Rules 9.4301 through 9.4317 set out the requirements and procedures for protesting the Comptroller's SDPVS preliminary findings. These rules can be found in PTAD's *Handbook of Texas Property Tax Rules*.

## Who May Protest SDPVS Preliminary Findings?

The law gives school districts and some property owners the right to protest the Comptroller's preliminary findings of taxable property value certified to the commissioner of education. Generally, property owners may protest the Comptroller's preliminary finding of their property's value in a school district if the Comptroller's office appraised or otherwise assigned a value other than local value to the property in the SDPVS and the total tax liability on that property in the school district is \$100,000 or more. Eligible property owners may request information about values placed on their properties to determine if they wish to protest.

With the exception of self-report corrections, no protest of the Comptroller's SDPVS preliminary findings may be filed by any party in a school district in a year in which no SDPVS is conducted pursuant to Government Code Section 403.302.

After proposed decisions become final following informal resolution processes and any formal hearings, the Comptroller's office certifies the SDPVS final results to the commissioner of education. The Comptroller's office usually certifies final values in August.

Pursuant to Government Code Section 403.303(d), a school district may appeal a Comptroller determination of a protest to district court. Property owners may not appeal protest determinations to district court.

In this publication, the term petitioner refers to the parties that may protest the SDPVS preliminary findings.

## Protest Deadline

A petition protesting the Comptroller's SDPVS preliminary findings must be filed within 40 calendar days after the date the Comptroller's office certifies preliminary findings of school district taxable values to the commissioner of education.

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## Review Preliminary Findings

Those considering filing a protest should carefully review the SDPVS preliminary findings. At a minimum, they should carefully examine the findings with the following questions in mind:

### ✓ Are the SDPVS local values the same as the values on the self-report?

When used in this publication, the term, self-report means the information required on the SDPVS Report on Value Lost Because of the School Tax Limitation on Homesteads for the Elderly, Report on Value Lost Because of School District Participation in Tax Increment Financing, and Report on Value Lost Because of Value Limitations Under Tax Code Chapter 313, whether submitted in electronic or paper format. PTAD uses values from the self-report as the basis for the SDPVS. To verify the self-reported values, a school district should compare the study data against the certified values reported by the school's appraisal district:

- Are the category values on the summary worksheet the same as those reported on the self-report?
- Are the homestead exemptions reported in the SDPVS correct?
- Are the pollution control, freeport and other exemptions and deductions reported correctly in the SDPVS?
- Are current and base year values in tax increment-financing zones reported correctly?
- Is the levy lost to the age 65 or older or disabled tax freeze reported correctly in the SDPVS?
- Is the levy lost to the 10 percent homestead value increase limitation correct?
- Are market and value limitations correctly reported for properties subject to value limitation agreements?

### ✓ Are there clerical errors?

- Does the report list the correct appraisal roll values?
- Is each sample property located in the right school district?
- Are the appraisal details correct?

The next group of review questions deals with the sample itself. Review the entire sample for errors (see below for tips on how to do this). The SDPVS sample is selected in accordance with the IAAO Standard on Ratio Studies and PTAD procedures. One of the characteristics of this kind of sample is that, to the extent that errors occur, they are normally spread fairly evenly throughout each category sample. In other words, if errors are found in the low ratio samples, the high ratio samples are likely to also have errors. Reviewing and requesting changes only on the low ratio samples skews the sample and does not make the SDPVS more accurate. **To avoid creating less accurate results, all of the samples in a property category must be reviewed for errors.**

### ✓ Is there a mismatch in the sample?

For instance, if any sales in the SDPVS for Category F1: Commercial Real Property include the value of property listed in Category L1: Business Personal Property, the category ratio may be incorrect. PTAD may be comparing a total sales price to a partial appraisal district value. This error typically occurs when a party transfers an ongoing business to another party who continues to operate the business. Another common mismatch occurs when the appraisal roll value represents a vacant lot, but the sales price in the sample represents the lot with a new improvement.

### ✓ Does the property sample accurately represent the category?

Generally, look for gaps in the sample's coverage of the school district. As long as the level of appraisal (ratio) in unsampled areas is similar to the ratio in sampled areas, these gaps will not significantly affect findings. However, if the level of appraisal is different in unsampled areas, the findings may be affected by gaps in coverage. The following questions should be explored when reviewing a sample to determine if it is representative:

- Are the sales included in the sample accurate market transactions? Examine all sales for unusual terms or conditions, and check whether each sales price is accurate.



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- Does the sample fairly represent all areas of the school district?
  - Does the sample include a representative and reasonable range of building types and ages?
  - Does the sample include a reasonable and representative range of property values within the category?
  - Does the sample reasonably represent market conditions that existed on Jan. 1 of the SDPVS year?

### ✓ Self Report Corrections

Only school districts may file protests seeking self-report corrections. Self-report corrections are limited to changes in the Comptroller’s preliminary findings that were caused by an error in a district’s annual report of property value or by clerical errors in a district’s local value made by the division.

To seek a self-report correction, the protest petition must include written requests identifying the findings sought to be revised and must identify and include information necessary to support the requested corrections. Comptroller Rule 9.4308 provides a list of specific types of self-report correction requests and identifies documentation that must be submitted. For example, to seek a self-report correction regarding changes of values reflected in the *School District Report of Property Value* (Form 50-108), a petitioner must include a written request that the preliminary findings be revised in accordance with an updated *School District Report of Property Value* and must identify and include with the protest the following documentation: *School District Report of Property Value* (Form 50-108) or documentation that provides substantially the same information set forth in *School District Report of Property Value* (Form 50-108) with a recap that includes a breakdown of value by category, a breakdown of exemptions and other value deductions, and a breakdown by land class of agricultural and timber land acreage and value.

## How Do I File a Protest?

Each protest of the Comptroller’s SDPVS preliminary findings begins with the filing of a petition with PTAD by the deadline – that is, within 40 calendar days after the date the

Comptroller’s office certifies SDPVS preliminary findings of taxable value to the commissioner of education. The petition is required to include three parts: Part A, Part B and Part C, and is subject to dismissal if any of the three parts are not submitted by the deadline.

The forms for the three petition parts can be found on PTAD’s website at [comptroller.texas.gov/taxes/property-tax/pvs/index.php](http://comptroller.texas.gov/taxes/property-tax/pvs/index.php). The instructions below explain how to complete each of the three petition parts and detail acceptable submission formats and delivery requirements. **Please be advised that if you make a false statement in the petition, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code Section 37.10.**

## What is Part A of the Petition?

Part A identifies the petitioning party and the individuals involved in the protest, states the total value you claim is correct and contains the required signatures and attestations. Download and save to your computer as an Adobe pdf file the form for Part A of the petition from the Comptroller’s website at [comptroller.texas.gov/forms/50-210-a.pdf](http://comptroller.texas.gov/forms/50-210-a.pdf). Fill in the blanks on the saved form, print it out and get all the required signatures on the printed Part A. The completed and signed Part A of the petition may then be mailed or scanned and saved as an Adobe pdf file for emailing to PTAD along with Parts B and C as discussed below. **Exhibit 8** shows Part A of the petition.

## What is Part B of the Petition?

Part B refers to lists (schedules) that identify and explain each of the objections in the protest. Download and save the form titled Part B Schedule of Disputed Value Determinations for Property Category to a computer as a Microsoft Word (Word) document. The form can be found on the Comptroller’s website at [comptroller.texas.gov/forms/50-210-b.doc](http://comptroller.texas.gov/forms/50-210-b.doc). **Exhibit 9** shows Part B of the petition and **Appendix C** provides illustrations of completed schedules for each property category.





**EXHIBIT 9:  
Form for Part B of the Petition**

<b>Schedule of Disputed Value Determinations for Property Category (Part B)</b>						Protest # _____		Form 50-210-b		
Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308										
<p style="color: red; margin: 0;"><u>All applicable fields must be completed in this box:</u></p> <p>Category: _____</p> <p>School District PVS Year: _____</p> <p>School District Name: _____</p> <p>School District Number: _____</p> <p>Appraisal District Name: _____</p> <p>Appraisal District Number: _____</p> <p>Property Owner Name: _____</p> <p>Agent Name: _____</p>						<p><b>Property Category</b></p> <p><b>A</b> – Real Property: Single-Family Residential</p> <p><b>B</b> – Real Property: Multifamily Residential</p> <p><b>C1</b> – Real Property: Vacant Lots and Tracts</p> <p><b>D1</b> – Real Property: Qualified Open-Space Land</p> <p><b>D2</b> – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land</p> <p><b>E</b> – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements</p> <p><b>F1</b> – Real Property: Commercial</p> <p><b>G1</b> – Real Property: Oil and Gas</p> <p><b>J</b> – Real Property and Personal Property: Utilities</p> <p><b>L1</b> – Real Property: Commercial</p> <p><b>SR</b> – Self Report</p>				
<b>Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:</b>										
Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1										

**The Part B Form Explained**

- **Top Left Portion of Part B:** The Part B form requires the property category being protested on that schedule and the petitioner information to be identified in the box at the top left of the form. The chart on the top right side of the form lists the property category options. Only one property category may be entered per schedule. Only the objections for the property category identified in the top left box should be included in that particular schedule. **Each property category protested must have its own separate schedule of objections saved as a separate Word file.**

- **Bottom Portion of Part B:** This portion of the form is a table with 11 column headings which allows each objection to be separately identified along a single row with specific detail including the grounds supporting it. Each objection must be numbered separately, row by row, starting with **1** and continuing in sequence (**1, 2, 3**, etc.). Each row must contain the information for the particular ground of objection being addressed. Each column heading in the Part B form identifies the type of information to be provided under that heading for the objection identified in that row. **Exhibit 10** shows the bottom portion of the Part B form – the 11 headings and the first row where objections and corresponding information should be entered.

**EXHIBIT 10:  
Part B Objection Headings**

<b>Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:</b>										
Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1										

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## Information to be Entered Under Each Part B Heading

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Enter the information described below under its corresponding heading for the objection being asserted:

1. **Objection Number** – Sequential numbering as referenced above.
2. **Property ID#/Company ID#/Land Class** – For all property categories except D1 and J, provide the identifying number for the particular piece of property at issue; for property category D1 identify the land class at issue; and for property category J provide the identifying number of the company.
3. **Certified Appraisal District Value** – For property categories D1, G, J and SR, enter **NA**. For all other property categories, enter the appraisal district’s certified value listed on the appraisal roll.
4. **Protest Issue** – Identify the particular issue (value determination) you are protesting for the specific property identified as required by Comptroller Rule 9.4308(b)(3)(B). Comptroller Rule 9.4308(c) and (d) describe this concept and provide examples. **Exhibit 11** gives examples of the types of issues protested in the past in the different property categories.  
**NOTE:** Identifying building condition as a protest issue, standing alone, will not effect a change in value in the PTAD appraisal system; as a result, either effective age or physical depreciation must accompany this particular protest issue to effect a change in value.
5. **Alleged Inaccuracy** – State the particular value or characteristic PTAD assigned to the protest issue as required by Comptroller Rule 9.4308(b)(3)(B). For example, if the protest issue identified is effective age of the property, and PTAD determined it was 12 years, then **12 years** is the value placed in this column. If the protest issue identified is component type – roofing and PTAD described it as composite shingles, then **composite shingles** is the characteristic placed in this column. If the protest issue is non-market conditions of sale, then the sales price PTAD assigned to the property should be reflected in this column.
6. **Requested Correction/Value Claimed To Be Correct** – State the particular value or characteristic you contend is correct as required by Comptroller Rule 9.4308(b)(3)(D). For example, if PTAD determined the effective age of the property is 12 years, and you contend it should be 25 years, then **25 years** is the value placed in this column. If PTAD determined the property’s roof was made of composite shingles, and you contend it is metal, then **metal** is the

characteristic placed in this column. If you contend a property PTAD included in the SDPVS should be deleted due to non-market conditions of sale, then **delete sale** should be reflected in this column.

7. **Basis/Explanation for Requested Change to PTAD’s Value Determination** – Detail the grounds for why the SDPVS is incorrect on this issue and explain why petitioner’s requested correction should be used instead as required by Comptroller Rule 9.4308(b)(3)(C).
8. **Evidence** – Identify the type of evidence you are attaching to support your objection, such as a photograph, appraisal card or closing statement, as required by Comptroller Rule 9.4308(b)(3)(E). PTAD requests that you also assign a page number to each document or image of evidence and provide that page number or range of numbers in this section of the table. (Further explanation is discussed below in Part C for the organizing of evidence.)
9. **PTAD Recommendation** – Leave this column blank. PTAD will review and respond to each of the objections stated in the petition by completing this column of Part B with one of the four options listed in **Exhibit 12** and providing any additional explanation, as appropriate
10. **PTAD Revised Value** – Leave this column blank. If PTAD’s recommendation has an impact on the value associated with this objection, PTAD will provide the revised value in this column.
11. **Petitioner Response: A for agree or D for disagree** – After PTAD responds to each of the petitioner’s objections of each schedule submitted, all of the Part B schedules will be returned to the petitioner as electronic Word files. To the extent PTAD disagrees with or recommends modification of a value determination, the petitioner may insert as a response to PTAD’s recommendation either **A** for agree or **D** for disagree in this column of Part B. No response from petitioner is permitted to a PTAD recommendation of **A** for agrees with the objection or **R** for rejects the objection and PTAD will place N/A in the box next to these recommendations.

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## What is Part C of the Petition?

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Part C must include the individual documents or images of evidence that support each of the individual grounds identified in each schedule submitted as Part B of the petition package, along with a separate cover sheet that indicates the evidence attached supports a particular objection in a particular property category. PTAD’s model cover sheet form can be found on the Comptroller’s website at <https://comptroller.texas.gov/forms/50-210-c.docx>.

**EXHIBIT 11:**  
**Examples of Protest Issues by Property Category**

Category	Examples of Protest Issues
<b>A - Real Property:</b> Single-Family Residential	actual sales price; square footage of land; square footage of improvement (total floor area); building quality; building condition*; effective age; depreciation (physical, functional, external); component type of exterior walls, roofing; partial completion; seller concession; non-realty component of value included such as furniture, fixtures, equipment; adjustment for changed market conditions (i.e., time adjustment); financing terms below/above market; non-market conditions of sale; local modifier applied; land value applied; appraisal review board (ARB) decision from the year of the study** * building condition as a protest issue, standing alone, will not effect a change in value in the PTAD appraisal system; as a result, either effective age or physical depreciation must accompany this particular protest issue to effect a change in value.
<b>B - Real Property:</b> Multifamily Residential	actual sales price; occupancy use; effective square footage or net rentable area; market income (rent); expense ratio; vacancy and collection loss; capitalization rate; building class; effective age; depreciation (physical, functional, external); custom components (e.g. paving, canopies, lights); partial completion; seller concession; non-realty component of value included such as furniture, fixtures, equipment; adjustment for changed market conditions (i.e., time adjustment); financing terms below/above market; non-market conditions of sale; land value applied; ARB decision from the year of the study**
<b>C - Real Property:</b> Vacant Lots and Tracts	actual sales price; effective lot or tract size; square footage of lot or tract; sales price includes other lots/tracts; land value applied
<b>D1 - Real Property:</b> Qualified Open-Space Land	lease rate for specific year and land class; specific expense amount for specific year and land class; typical lease arrangement for specific year and land class; percent of income and expenses shared by landowner in share lease scenario for specific year, crop and land class; acres planted and harvested and per acre yield for specific year, crop and land class
<b>D2 - Real Property:</b> Farm and Ranch Improvements on Qualified Open-Space Land	occupancy use; class; effective age; depreciation (physical, functional, external)
<b>E - Real Property:</b> Rural Land, not Qualified for Open-Space Appraisal, and Improvements	actual sales price; effective land size; square footage of land; square footage of improvement (total floor area); building quality; effective age; depreciation (physical, functional, external); component type of exterior walls, roofing; partial completion; seller concession; non-realty component of value included such as furniture, fixtures, equipment; adjustment for changed market conditions (i.e., time adjustment); financing terms below/above market; non-market conditions of sale; local modifier applied; land value applied; ARB decision from the year of the study**
<b>F1 - Real Property:</b> Commercial	actual sales price; occupancy use; effective square footage or net rentable area; market income (rent); expense ratio; vacancy and collection loss; capitalization rate; building class; effective age; depreciation (physical, functional, external); custom components (e.g. paving, canopies, lights); partial completion; seller concession; non-realty component of value included such as furniture, fixtures, equipment; adjustment for changed market conditions (i.e., time adjustment); financing terms below/above market; non-market conditions of sale; ARB decision from the year of the study**
<b>G1 - Real Property:</b> Oil and Gas	discount rate; lease operating expenses; start rate; commodity price; decline rate; equipment salvage value
<b>J - Real Property and Personal Property:</b> Utilities	cost of equity; debt rate; capital structure; projected income; income attributable to construction work in progress; economic obsolescence; reconciliation of indicated values; allocation of value to Texas; value of intangible personal property; pipeline inventory; local value of sampled property
<b>L1 - Personal Property:</b> Commercial	entity or school district allocation; useful life; duplicate entry
<b>SR - Self Report</b>	values reflected on ISD Report of Property Value; values reflected on ISD Report Value Lost Because of the School Tax Limitation of Homesteads of the Elderly/Disabled; values reflected on Report on Value Lost Because of Value Limitations Under Tax Code Chapter 313; values reflected on Report on Value Lost Because of School District Participation in Tax Increment Financing

\*\*Prior year ARB determinations are not considered for current year studies.

**EXHIBIT 12:**  
**PTAD Recommendation Options**

Option	Recommendation
A	Agrees with the objection
R	Rejects the objection
D	Disagrees with the objection
M	Modification recommended to PTAD's value determination

**How Do I Organize the Evidence in Part C?**

The materials you plan to submit as evidence should be organized in separate groups by reference to the property category to which they relate. Within the same property category group, the materials should be organized in objection number order and separated by their corresponding cover sheets. Each document page or image of evidence must be separately and sequentially numbered to identify it and that this number or range of numbers that comprise the evidence in support of a particular objection be reflected in the Evidence column of the Part B form. If you are using the same group of documents repeatedly, you may wish to identify them as a group and label them as an exhibit to which you may repeatedly refer in the corresponding schedule without providing additional copies. Once organized and numbered in this fashion, all of the materials for the individual property category – including print outs of photographic images – should be scanned or electronically inserted and saved as a single Adobe pdf file. Repeat this same process for the materials to be submitted for each of the other property categories in the protest.

**How to Submit the Petition to PTAD**

The entire protest petition (Parts A, B and C) must be submitted to PTAD by the statutory deadline (that is, within 40 calendar days after the date the Comptroller's office certifies SDPVS preliminary findings of taxable value to the commissioner of education). PTAD will accept the submission on printed paper (hard copy), CD-ROM, DVD or electronically, under the following terms and conditions.

- **Paper, CD-ROM, and DVD Submissions and Delivery Deadlines:** Paper, CD-ROM and DVD Submissions require one set of the petition files to be delivered to PTAD. With

each submission, email each Part B schedule as a separate Word file for each property category to ptad.appeals@cpa.texas.gov. If submission is by hand delivery pursuant to Comptroller Rule 9.4302(d)(1)(A)(i), PTAD must receive it on or before 5:00 p.m. Central Standard Time (CST), on the deadline date. PTAD reserves the right to require delivery by a method other than hand delivery if physical receipt is not practicable. Comptroller Rules 9.4302(d)(1)(B)(i) and (ii) govern delivery deadline times for submissions by mail or overnight delivery service.

- **Email Submissions and Delivery Deadline:** If Parts A, B and C of the petition are submitted as attachments to emails addressed to ptad.appeals@cpa.texas.gov, all emails must be successfully received by the division not later than the statutory deadline 40 days after the date the Comptroller's office certifies the SDPVS preliminary findings to the commissioner of education.
- **FTP Transfer of Part C – Evidence Only:** PTAD will accept transfers of Part C evidence via the PTAD secure file transfer protocol (FTP) site under the following conditions. If you are a pre-registered user of PTAD's FTP site, you must complete the transfer then notify PTAD of the transfer by email to ptad.appeals@cpa.texas.gov so that PTAD can confirm its receipt of Part C. Failure to notify PTAD of the transfer by the protest deadline will result in the petitioner's inability to prove timely filing and comply with Rule 9.4302(d)(2), subjecting the petition to dismissal. In the alternative, if you request an electronic link to PTAD's secure FTP site by email sent BEFORE 4:00 p.m. CST on the protest deadline date, PTAD will accept the Part C submission if the transfer of Part C is completed by the protest deadline. Send the email request for the link to ptad.appeals@cpa.texas.gov.
- **Acceptable Formats:** All CD-ROM, DVD and electronic submissions must have the petition parts in the following formats:
  - **Part A:** provide the completed and signed form to PTAD as a single scanned Adobe pdf file. Name the Part A file using the 9-digit ISD number, ISD name, SDPVS year and Part A. For example:  
**001-901-001 Sample ISD 2022 Part A.pdf.**
  - **Part B:** provide as Word files each of the schedules completed for each property category being protested. Name the Part B file using the 9-digit ISD number, ISD name, SDPVS year, Part B and the property category designation.

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For example:

**001-901-001 Sample ISD 2022 Part B Cat A.docx.**

**Part C:** provide as a single, separate Adobe pdf file each set of evidentiary materials collected for each property category being protested. Name the Part C file using the 9-digit ISD number, ISD name, SDPVS year, Part C and the property category designation. For example:

**001-901-001 Sample ISD 2022 Part C Cat A.docx.** (If you wish to send a second set of photographic images as a separate jpeg or tif file, include the term **Photos** at the end of the file name.

For example:

**001-901-001 Sample ISD 2022 Part C Cat A Photos.jpg.** Any jpeg or tif files submitted to PTAD will only be accepted if the same photographic image is included as a scanned printout in the Adobe pdf file labeled **Part C** with the rest of the evidence submitted.)

- **Confidential Materials:** If you assert that any of the materials submitted to PTAD are confidential, you must clearly mark as confidential that portion of each document or image you contend is confidential and identify the statutory provision(s) under which your claim of confidentiality is being made.
- **Delivery Addresses:** Submissions in paper form, on CD-ROM or DVD, should be mailed to:

Comptroller of Public Accounts  
ATTN: Property Tax Assistance Division -  
SDPVS APPEALS  
P.O. Box 13528  
Austin, TX 78701

The physical address for all hand delivery of petitions is:

Comptroller of Public Accounts  
ATTN: Property Tax Assistance Division -  
SDPVS APPEALS  
111 E 17th Street, 11th Floor  
Austin, TX 78701

PLEASE NOTE: For all hand deliveries to PTAD, the delivery person must check in with lobby personnel for delivery of protest packages.

- **Questions:** Contact PTAD staff by email at [ptad.appeals@cpa.texas.gov](mailto:ptad.appeals@cpa.texas.gov) or by phone at 512-305-9999 or 800-252-9121 (press 3).



# Appendices

## APPENDIX A:

### Selective Reappraisal of Sales (Sales Chasing)

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Government Code Section 403.302 requires the Comptroller's office to ensure that "different levels of appraisal on sold and unsold property do not adversely affect the accuracy of the study." Differing levels of appraisal are often referred to as unequal appraisal, and the most common cause of unequal appraisal is selective reappraisal of sales.

#### Definition

Selective reappraisal of sales is the practice of using the sale of a property to trigger a change in appraised value of that property. Unless similar unsold properties are appraised at a similar level, the practice of selective reappraisal of sales causes unequal appraisal in the school district and may cause invalid findings in the SDPVS.

#### Effect on the SDPVS

Selective reappraisal of sales can taint the findings of ratio studies that require large samples of sales. If an appraisal district is selectively reappraising sales, the sample may show appraised values at or near market value. Since PTAD selects the sample from a subgroup of all properties in its category and the appraisal district treats this subgroup differently than the universe of properties, this sample may not reflect the true nature of the universe of properties. The reality may be that the majority of appraised values—unsold properties—are below or above market value. In a rising housing market, selective reappraisal of sales may cause a study to arrive at an inaccurately low taxable value. Conversely, in a falling market, selective reappraisal of sales will cause a study to arrive at an inaccurately high taxable value.

#### SDPVS Response

PTAD's response to the legal requirement to ensure that the accuracy of the SDPVS is unaffected by unequal appraisal involves two primary steps:

1. conduct one or more tests in each school district studied to determine if it is likely selective reappraisal of sales is occurring; and
2. adjust the sample to correct for selective reappraisal of sales in school districts where the practice is likely.

In situations where sample adjustments are required, PTAD ensures that the sample contains properties that had no chance of unequal treatment by selective reappraisal of sales. It does this by including sales that occurred too late in the school district study year for the appraisal district to use the sales price, by including sales from sources unavailable to the appraisal district, or by including PTAD appraisals.

It is important to note that even in appraisal districts where samples are adjusted, if sold and unsold property is appraised equally at or near market value, the SDPVS findings will not be significantly different.

## APPENDIX B: Questions and Answers about Margins of Error and Confidence Intervals in the SDPVS

### Definitions

A 95 percent confidence level means that, on average, 95 out of 100 samples would result in a value that lies within the computed range of values. PTAD assumes the correct value to be within the computed range of values.

Standard error is a commonly used statistical term. It is a measure of the differences between an average and all the numbers that go into determining that average. Conceptually, it is somewhat similar to a coefficient of dispersion.

A t-value is an adjustment factor that increases the margin of error as the sample size decreases.

### Frequently Asked Questions

#### 1. What is a margin of error and how does PTAD calculate it?

A margin of error (as computed in the SDPVS) is approximately twice the standard error of a school district's estimated value (in the property categories tested), expressed as a percentage of such value. Consequently, the margin of error indicates statistical reliability.

PTAD uses the following procedures to calculate the margin of error:

- Calculate the standard error (SE \$) of the school district's estimated value.
- Multiply the standard error (SE \$) by the appropriate t-value at the 95 percent confidence level. See definition above.
- Divide the product of the standard error (SE \$) and the t-value (see definition) by the school district's estimated value.

The following formula describes this procedure:

$$\text{Margin of error} = (\text{SE \$} * \text{t-value}) \div \text{ISD estimated value}$$

#### 2. How are margin of error and confidence interval related?

The margin of error is equal to one-half of the confidence interval expressed as a percent of total value tested in a school district. For example, assume PTAD estimates market value in sampled and census property categories in ABC school district to be \$100 million (before exemptions). PTAD computes the margin of error to be plus or minus 5 percent of \$100 million. Market value plus 5 percent is \$105 million; market value minus 5 percent is \$95 million (the \$100 million estimate is known as a point estimate; the confidence interval of \$95 million to \$105 million is often called an interval estimate).

#### 3. What is the purpose of a confidence interval?

A confidence interval provides one measure of whether the state's estimate of value in a school district is statistically significantly different from the reported appraisal roll value (i.e., local value) in that school district. In other words, a confidence interval is a measure of the reliability (or precision) of the Comptroller's estimate of school district value.

Assume PTAD estimates market value in ABC school district to be \$100 million with a margin of error of 5 percent at the 95 percent confidence level. This means that the actual market value in ABC school district is probably somewhere between \$95 million and \$105 million. This range constitutes the 95 percent confidence interval. The 95 percent confidence interval means that, in repeated sampling of this school district, PTAD expects approximately 95 of every 100 computed confidence intervals to contain the true market value, which PTAD has estimated to be \$100 million, while only five of these would not.

If the local value in the ABC school district lies within the calculated confidence interval, then the difference between the local value and the point estimate of value is

statistically insignificant. This means that the Comptroller's SDPVS does not disprove local value. In this case, the Comptroller's office certifies ABC's local value to the commissioner of education. If local value lies outside the confidence interval, the SDPVS results have disproved local value because the difference between the local value and the Comptroller's estimate is statistically significant. PTAD considers the local value to be invalid, and, unless the school district is in a grace period (see Grace Period in Section One of this publication), the Comptroller's estimate of value is certified to the commissioner of education. An exception is when the local value is greater than 105 percent of PTAD's value in tested categories. In this instance, local value is certified.

PTAD calculates a margin of error for all school districts included in its ratio study. If the calculated margin of error is less than 5 percent, PTAD uses a 5 percent margin of error. If the calculated margin of error is greater than 5 percent, the calculated margin of error is used. PTAD management sets the actual percentage used in the calculation, which could vary in future studies.

**4. Is the target margin of error the same in every school district?**

Yes. PTAD also refers to the target margin of error as a planned margin of error.

**5. Is the target confidence interval the same in every school district, if the target margin of error is the same in every school district?**

No. They are not the same because the SDPVS expresses them in different units. For example, the SDPVS expresses the margin of error in percentage terms while it expresses the confidence interval in dollar terms. Assume there are two school districts, ABC and XYZ. The Comptroller's office estimates the total value (in tested property categories) to be \$100 million in ABC and \$500 million in XYZ. If the margin of error were 5 percent in both districts, the confidence interval of ABC would be \$95 million to \$105 million, while the confidence interval for XYZ would be \$475 million to \$525 million. Although the margin of error is the same for both districts, the widths of the confidence intervals are different because the school districts' values are different. However, even if two school districts have identical margins of error and/or confidence

intervals, this does not determine whether the Comptroller's office will certify local or state value. The critical test is whether local value lies within the PTAD-computed confidence interval for the school district.

**6. Does the SDPVS compute the confidence interval and the margin of error for a school district based on all value in the school district?**

No. In computing a confidence interval for a school district, PTAD only includes property categories whose values were estimated from samples taken in that school district. If PTAD does not test a property category, it excludes that category value from the confidence interval and margin of error calculations for that school district.

For example, assume a school district with a Comptroller estimate of market value of \$106 million before exemptions. Total local value in the school district reported on the appraisal roll is \$98 million. The estimated margin of error is 5 percent. Assume further that PTAD does not sample any properties in Multi-family (Category B) and Vacant Lots (Category C) in the school district because they constitute less than 5 percent of value. The combined value of these non-sampled (i.e., non-tested) categories is \$6 million. PTAD assigns non-sampled property categories local value.

PTAD computes the confidence interval for this district as follows:

**The Point Estimate:**

$$\$106 \text{ million} - \$6 \text{ million} = \$100 \text{ million}$$

**The Confidence Interval:**

$$\$100 \text{ million} - 5 \text{ percent and } \$100 \text{ million} + 5 \text{ percent} = \text{a confidence interval of } \$95 \text{ million and } \$105 \text{ million.}$$

Since the local value for the sampled property categories (excluding Categories B and C) lies within the confidence interval, the Comptroller's office would certify local value for the school district.

The Comptroller's office computes confidence intervals before deducting exemptions. If a school district's local value, before exemptions, lies within the Comptroller's computed confidence interval, then the Comptroller's office certifies local taxable value, after certain exemptions

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and deductions specified in Government Code Section 403.302, to the commissioner of education.

**7. Does the SDPVS treat categories differently?**

Yes. The samples for two categories – Category D1 Qualified Open-Space Land and Category J Utilities – are not randomly selected. PTAD determines a value for all property in Category D1; therefore, it is a census category. The sample in Category J is also a census category.

PTAD shows census properties as non-random properties on the confidence interval detail sheet. To compute the margin of error, PTAD adds the value of census properties to the combined value of the randomly sampled property categories. One-half of the confidence interval (as computed from sampled and census properties) is divided by this total to produce the margin of error for the school district.

In effect, the census properties collectively comprise a separate subcategory.

**8. How does the Comptroller’s use of confidence intervals affect the methodology used to select and appraise properties for the SDPVS?**

It has no effect. PTAD calculates confidence intervals for each school district’s market value after it enters all sales and appraisals into the system and all market values are calculated.

## APPENDIX C: Examples of Completed Part B Schedules for Each Property Category

### Category A: Single Family Residential Example

Schedule of Disputed Value Determinations for Property Category (Part B)						Protest # _____	Form 50-210-b			
Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308										
<p style="color: red; font-weight: bold; margin: 0;">All applicable fields must be completed in this box:</p> <p>Category: <span style="border: 1px solid black; padding: 2px;">A</span></p> <p>School District PVS Year: _____</p> <p>School District Name: _____</p> <p>School District Number: _____</p> <p>Appraisal District Name: _____</p> <p>Appraisal District Number: _____</p> <p>Property Owner Name: _____</p> <p>Agent Name: _____</p>						<p><b>Property Category</b></p> <p><b>A</b> – Real Property: Single-Family Residential</p> <p><b>B</b> – Real Property: Multifamily Residential</p> <p><b>C1</b> – Real Property: Vacant Lots and Tracts</p> <p><b>D1</b> – Real Property: Qualified Open-Space Land</p> <p><b>D2</b> – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land</p> <p><b>E</b> – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements</p> <p><b>F1</b> – Real Property: Commercial</p> <p><b>G1</b> – Real Property: Oil and Gas</p> <p><b>J</b> – Real Property and Personal Property: Utilities</p> <p><b>L1</b> – Real Property: Commercial</p> <p><b>SR</b> – Self Report</p>				
Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:										
Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	22854	\$525,217	Non-realty component of value included in sales price	\$520,000	\$500,000	Sales price of \$520,000 is too high. Closing statement from buyer states that \$20,000 of furniture was included in the sale. Reduce sales price to \$500,000.	Exhibit 1: Closing statement 1-2			
2	97523	\$158,200	Building condition* and effective age	10 years	20 years	Appraised value is too high. PTAD assigned the property an effective age of 10 years. Photos of the house to show the flooring is very old, cracked vinyl and the exterior walls and roof are in need of repair. Increase the effective age to 20 years.	Exhibit 2: Photos of flooring, exterior walls and roof of subject, 3-7			
3	97523	\$158,200	Local modifier applied	.90	.80	Appraised value is too high. PTAD calculated and applied .90 as the local modifier based on property #6825 which has an effective age of 10 years. PTAD calculated and applied .80 as the local modifier to property #8655 which has an effective age of 20 years and is comparable to the subject property. Apply PTAD's local modifier of .80 to reduce the value of this property.	Exhibit 2: CAD appraisal cards, 8-9; PTAD LM account #8655 FAS report, 10; photos of comp #8655, 11-15; tax agent's valuation using .80 local modifier, 16			
Form developed by: Texas Comptroller of Public Accounts, Property Tax Assistance Division. For additional copies, visit: <a href="http://comptroller.texas.gov/taxes/property-tax">comptroller.texas.gov/taxes/property-tax</a> <span style="float: right;">50-210-b 11-22</span>										

## Category B: Multifamily Residential Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

- A – Real Property: Single-Family Residential
- B – Real Property: Multifamily Residential
- C1 – Real Property: Vacant Lots and Tracts
- D1 – Real Property: Qualified Open-Space Land
- D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
- F1 – Real Property: Commercial
- G1 – Real Property: Oil and Gas
- J – Real Property and Personal Property: Utilities
- L1 – Real Property: Commercial
- SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	9586	\$5,600,988	Net rentable area	125,000 sqft	121,570 sqft	PTAD's total appraised value is too high. Per the owner's 1/12/2021 income and expense statement, the net rentable area is 121,570 sqft and not 125,000 sqft, which is the gross building area. Reduce the square footage to 121,570 net rentable sqft.	Exhibit 1: Owner's income and expense statement, 1-2; tax agent's valuation with change, 3-4			
2	76852	\$1,428,500	Capitalization Rate	7%	8%	PTAD's total appraised value is too high. PTAD used a capitalization rate of 7% for retail. The subject property is a small office building and a recent market survey of comparable office buildings shows capitalization rates ranging from 7.75% to 8.50%. Increase the capitalization rate to 8%.	Exhibit 2: July 2013 market survey, 5-12; photos, 13-15; tax agent's valuation with change, 16-20			
3										

Form developed by: Texas Comptroller of Public Accounts, Property Tax Assistance Division. For additional copies, visit: [comptroller.texas.gov/taxes/property-tax](http://comptroller.texas.gov/taxes/property-tax)

50-210-b 11-22



## Category C1: Vacant Lots and Tracts Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

<b>A</b> – Real Property: Single-Family Residential
<b>B</b> – Real Property: Multifamily Residential
<b>C1</b> – Real Property: Vacant Lots and Tracts
<b>D1</b> – Real Property: Qualified Open-Space Land
<b>D2</b> – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
<b>E</b> – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
<b>F1</b> – Real Property: Commercial
<b>G1</b> – Real Property: Oil and Gas
<b>J</b> – Real Property and Personal Property: Utilities
<b>L1</b> – Real Property: Commercial
<b>SR</b> – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	9586	\$24,000	Land value applied	\$16,500 per acre	\$12,000 per acre	PTAD's value is too high. PTAD's land schedule shows that river-front property is \$16,500 per acre and that property with river access is \$12,000 per acre. This property has river access and photos show it has not view of the river. Apply PTAD's \$12,000 per acre scheduled rate to the subject rather than its higher river-front rate to reduce the land value.	Exhibit 1: Photos, 1-3; PTAD's land schedule, 4; tax agent's valuation with change, 5-6			
2	10567	\$7,350	Sq footage of lot	18,420 sqft	14,820 sqft	PTAD's value is too high. Although CAD appraisal card shows the lot size is 18,420 sqft, the plat map and survey reflect the correct size of 14,820 sqft. Reduce the sqft to 14,820.	Exhibit 2: plat map, 7; survey, 8; tax agent's valuation with change, 9-10			
3										

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## Category D1: Qualified Open-Space Land Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

- A – Real Property: Single-Family Residential
- B – Real Property: Multifamily Residential
- C1 – Real Property: Vacant Lots and Tracts
- D1 – Real Property: Qualified Open-Space Land**
- D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
- F1 – Real Property: Commercial
- G1 – Real Property: Oil and Gas
- J – Real Property and Personal Property: Utilities
- L1 – Real Property: Commercial
- SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	Native Pasture	N/A	2020 grazing lease rate	\$5 per acre	\$4 per acre	PTAD's 2020 grazing lease rate is too high. Surveys from landowners indicate typical lease rates are \$4 per acre.	Exhibit 1: landowner surveys, 1-25			
2	Irrigated Cropland	N/A	2020 cotton fertilizer expense	Landowner share percent 0%	Landowner share percent 33%	PTAD did not include fertilizer expense for irrigated cotton in 2020. Producers in this county report that the landowner's share of the fertilizer expense for irrigated cotton is 33%.	Exhibit 2: Statements from Ag Advisory Board, 26-40			
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## Category D2: Farm and Ranch Improvements on Qualified Open-Space Land Example

<b>Schedule of Disputed Value Determinations for Property Category (Part B)</b>		<b>Protest #</b> _____	<b>Form 50-210-b</b>							
Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308										
<u>All applicable fields must be completed in this box:</u>		<b>Property Category</b>								
Category: <input style="width: 50px;" type="text" value="D2"/>		<b>A – Real Property: Single-Family Residential</b>								
School District PVS Year: _____		<b>B – Real Property: Multifamily Residential</b>								
School District Name: _____		<b>C1 – Real Property: Vacant Lots and Tracts</b>								
School District Number: _____		<b>D1 – Real Property: Qualified Open-Space Land</b>								
Appraisal District Name: _____		<b>D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land</b>								
Appraisal District Number: _____		<b>E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements</b>								
Property Owner Name: _____		<b>F1 – Real Property: Commercial</b>								
Agent Name: _____		<b>G1 – Real Property: Oil and Gas</b>								
		<b>J – Real Property and Personal Property: Utilities</b>								
		<b>L1 – Real Property: Commercial</b>								
		<b>SR – Self Report</b>								
<b>Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:</b>										
Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	459991	\$47,268	Occupancy Use	Code 554, Shed Office Structure	Code 470, Equipment Shop Building	PTAD's value is too high. In its cost appraisal, PTAD used values from Marshall & Swift (M&S) for a shed office structure described as having drywall interior walls and carpet flooring. The subject building has unfinished interior walls with concrete flooring which resembles the equipment shop building description. Use the M&S cost code 470 for equipment shop building rather than code 554 to appraise the improvement.	Exhibit 1: Photos, 1-3; M&S occupancy code descriptions for 470 & 554, 4-5; tax agent's valuation using code 470, 6-7			
2	22854	\$216,599	Effective age	10 years	25 years	PTAD's value is too high. Review of photos shows the attributes of this property reflect a higher effective age than that assigned by PTAD.	Exhibit 2: Photos, 8-12; tax agent's valuation using effective age of 25 years, 13-14			
3										
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## Category E: Rural Land Not Qualified for Open-Space Appraisal, and Improvements Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

Property Category
A – Real Property: Single-Family Residential
B – Real Property: Multifamily Residential
C1 – Real Property: Vacant Lots and Tracts
D1 – Real Property: Qualified Open-Space Land
D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
F1 – Real Property: Commercial
G1 – Real Property: Oil and Gas
J – Real Property and Personal Property: Utilities
L1 – Real Property: Commercial
SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	5323	\$64,115	Square footage of improvement (screened porch)	4,000 sqft	400 sqft	PTAD's value is too high. PTAD included in the valuation a 4,000 sq.ft screened porch. The CAD area calculation for the screened porch is 20 x 20 which equals 400 sq.ft. Reduce the square footage of the screened porch to 400 sq.ft.	Exhibit 1: CAD appraisal card, 1; photos of porch, 2-3; sketch of house & porch, 4; tax agent's valuation with change, 5-6			
2	84227	\$82,810	Effective Land Size	\$5,000	\$750	PTAD's value for the land upon which this improvement sits is too high. As the photo and plat map show, this property is a 640 acre ranch with a house on one acre in the center, and, therefore, one economic unit. PTAD's land schedule shows that a 640 acre tract is valued at \$750 per acre (and a one acre tract at \$5,000). Reduce the total appraised value by \$4,250 (\$5000-\$750).	Exhibit 2: Aerial photo, 7; plat map, 8; CAD appraisal card, 9; PTAD land schedule, 10; tax agent's valuation with change, 10-11			

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## Category F1: Commercial Real Property Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

**A** – Real Property: Single-Family Residential

**B** – Real Property: Multifamily Residential

**C1** – Real Property: Vacant Lots and Tracts

**D1** – Real Property: Qualified Open-Space Land

**D2** – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land

**E** – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements

**F1** – Real Property: Commercial

**G1** – Real Property: Oil and Gas

**J** – Real Property and Personal Property: Utilities

**L1** – Real Property: Commercial

**SR** – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	2921	\$524,737	Building Class	Class C	Class D	PTAD's value is too high. Load-bearing walls of this office building are constructed of wood which Marshall & Swift consider Class D, and not of masonry or concrete which M&S consider Class C. Reduce the value of the building to reflect it is Class D, the same as shown on the CAD appraisal card.	Exhibit 1: Photos of structural interior, 1-3; CAD appraisal card, 4; M&S Class C and D descriptions; 5-6; tax agent's valuation with change, 7-8			
2	35886	\$116,888	Vacancy & Collection Loss	10%	15%	PTAD's value is too high. The owner's income and expense statement from last year shows the actual vacancy and collection loss for this property was 15%.	Exhibit 2: Owner's income and expense statement, 9-12; tax agent's valuation with change, 13-14			
3										

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## Category G1: Oil and Gas Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

- A – Real Property: Single-Family Residential
- B – Real Property: Multifamily Residential
- C1 – Real Property: Vacant Lots and Tracts
- D1 – Real Property: Qualified Open-Space Land
- D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
- F1 – Real Property: Commercial
- G1 – Real Property: Oil and Gas
- J – Real Property and Personal Property: Utilities
- L1 – Real Property: Commercial
- SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Val un Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	TXO01 011111	N/A	First-year lease operating expense	\$45,000/yr	\$105,000/yr	The operator's lease operating expense for this property indicates operating expenses are higher than PTAD used.	Exhibit 1: Operator's lease operating expense and joint interest billing statements (Part C Category G1, Evidence ID Pages 1-13)			
2	TXO01 011111	N/A	Discount Rate	18.25%	20.25%	Erratic oil and gas production and numerous workovers indicate 2 percent greater risk that this lease will not produce to the economic limit projected in PTAD's appraisal.	Exhibit 1: Production Graph (Part C Category G1, Evidence ID Pages 14-15)			
3	TXO01 011111	N/A	Oil Decline Rate	10%	12%	Actual production indicates an oil decline rate of 12 percent.	Exhibit 1: Production Graph (Part C Category G1, Evidence ID Pages 14-15)			
4	TXO01 011111	N/A	Gas Decline Rate	10%	12%	Actual production indicates an oil decline rate of 12 percent.	Exhibit 1: Production Graph (Part C Category G1, Evidence ID Pages 14-15)			
5	TXG01 222222	N/A	Gas Decline Rate	25%	32%	Actual production indicates a gas decline rate of 32 percent.	Exhibit 1: Production Graph (Part C Category G1, Evidence ID Pages 16-17)			

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## Category J: Utilities Real and Personal Property Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

- A – Real Property: Single-Family Residential
- B – Real Property: Multifamily Residential
- C1 – Real Property: Vacant Lots and Tracts
- D1 – Real Property: Qualified Open-Space Land
- D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
- F1 – Real Property: Commercial
- G1 – Real Property: Oil and Gas
- J – Real Property and Personal Property: Utilities
- L1 – Real Property: Commercial
- SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	44444	N/A	Projected Income	\$50,000,000	\$45,000,000	PTAD's value is too high. The company's past five years' income indicates \$45 million is an appropriate level of income to estimate for future years.	Exhibit 1: Appraisal firm's appraisal of the company, 1-20		
2	33333	N/A	Cost of Equity	10.39%	12.45%	PTAD's value is too high. The cost of equity used by PTAD is too low and should be increased to 12.45%.	Exhibit 2: Cost of capital study provided by company representative, 21-62		
3									
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## Category L1: Commercial Personal Property Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

- A – Real Property: Single-Family Residential
- B – Real Property: Multifamily Residential
- C1 – Real Property: Vacant Lots and Tracts
- D1 – Real Property: Qualified Open-Space Land
- D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
- F1 – Real Property: Commercial
- G1 – Real Property: Oil and Gas
- J – Real Property and Personal Property: Utilities
- L1 – Real Property: Commercial
- SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/ Company ID#/ Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	999001	\$45,000	School District allocation	\$100,000	\$42,000	PTAD value is too high. PTAD allocated all of the personal property valued at \$100,000 for this business to this school district. Per the owner's rendition statement from last year and the CAD appraisal card, only 42% of the personal value is located in this school district; the remaining 58% of value is located in the adjoining school district.	Exhibit 1: Owner's rendition, 1-3; CAD appraisal card, 4; tax agent's valuation with change, 5-12			
2	999257	\$285,000	Useful life	10 years	5 years	PTAD value is too high. During the previous two years, the owner identified its taxable business property as office equipment on its rendition statements and described copiers and phone equipment which have a five year useful life. PTAD identified and trended the business property for this account as machinery and equipment which has a 10 year useful life. Decrease the useful life of the owner's business property to five years.	Exhibit 2: Owner's previous rendition statements for 2 years, 13-20; CAD appraisal card, 21; tax agent's valuation with change, 22-25			

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## Category SR: Self Report Example

### Schedule of Disputed Value Determinations for Property Category (Part B)

Protest # \_\_\_\_\_

Form 50-210-b

Requirements for the completion of this document may be found in 34 Texas Administrative Code 9.4308

All applicable fields must be completed in this box:

Category:

School District PVS Year: \_\_\_\_\_

School District Name: \_\_\_\_\_

School District Number: \_\_\_\_\_

Appraisal District Name: \_\_\_\_\_

Appraisal District Number: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_

Agent Name: \_\_\_\_\_

#### Property Category

A – Real Property: Single-Family Residential
B – Real Property: Multifamily Residential
C1 – Real Property: Vacant Lots and Tracts
D1 – Real Property: Qualified Open-Space Land
D2 – Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
E – Real Property: Rural Land Not Qualified for Open-Space Appraisal, and Improvements
F1 – Real Property: Commercial
G1 – Real Property: Oil and Gas
J – Real Property and Personal Property: Utilities
L1 – Real Property: Commercial
SR – Self Report

Petitioner asserts its objections to PTAD's Value Determinations for the Property Category above and provides its grounds in support as follows:

Objection Number	Property ID#/Company ID#/Land Class	Certified CAD Value	Protest Issue	Alleged Inaccuracy	Requested Correction/Value Claimed to Be Correct	Basis/Explanation for Requested Change to PTAD's Value Determination	Evidence ID (as stated in Part C)	PTAD Recommendation	PTAD Revised Value Recommendation	Petitioner Agree or Disagree (enter A or D only)
1	N/A	N/A	Taxable Value for School District purposes	\$145,275,381	\$139,529,756	The taxable value for school district purposes should be revised based on the attached updated School District Report of Property Value.	Exhibit 1: Updated School District Report of Property Value and supporting documents, 1-21			
2	N/A	N/A	Deduction for value lost to district's participation in tax increment financing	\$60,000,000	\$55,000,000	The deduction for value lost to participation in tax increment financing should be revised based on the attached Report on Value Lost Because of School District Participation in Tax Increment Financing.	Exhibit 2: Revised Report on Value Lost Because of School District Participation in Tax Increment Financing and supporting documents, 22-30			
3										
4										

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