

Freestone Central Appraisal District

Policy & Rules Manual



Presented for Consideration

January 10, 2007

Table of Contents

Section 1	Organization of the Board of Directors	15
Section 1.01	General Provisions	15
Section 1.02	Eligibility	15
Section 1.03	Method of Selection	15
Section 1.04	Terms of Office and Vacancy	16
Section 1.05	Recalling a Director	16
Section 1.06	Change In Board Size	17
Section 1.07	Oath of Office	17
Section 1.08	Selection of Officers	17
Section 1.09	Board Meetings	18
Section 1.10	Meeting Agenda	18
Section 1.11	Quorum	18
Section 1.12	Executive Session	18
Section 1.13	Rules of order	19
Section 2	Board of Directors	17
Section 2.01	Primary Responsibilities	21
Section 2.02	Statutory Functions of the Board	21
Section 2.03	Establishing an Appraisal District Office	23
Section 2.04	Appointing a Chief Appraiser	23
Section 2.05	Special Authority Granted to the Chief Appraiser	23
Section 3	APPRAISAL REVIEW BOARD (ARB)	25
Section 3.01	Primary Responsibilities	25
Section 3.02	Qualifications	25
Section 3.03	Appointment	25
Section 3.04	Board Size and Terms	26
Section 3.05	Oath of Office	26
Section 3.06	Compensation	26
Section 3.07	Officers	26
Section 3.08	Meetings	26
Section 3.09	Hearing Procedures	27
Section 3.10	Record of Proceeding	27
Section 3.11	Publication Requirements	27
Section 3.12	Assignment of Administrative Duties	27
Section 3.13	Taxpayer Protest Filing Deadline	27
Section 3.14	Scheduling of Taxpayer Protest Hearings	27
Section 3.15	Rescheduling Policies	28
Section 3.16	Taxpayer Protests Canceled Prior to Hearing	29
Section 3.17	Taxpayer Requests for CAD Evidence	29
Section 3.18	Appearance at Protest Hearings	29
Section 3.18	Protest Dismissal for Failure to Appear	30
Section 3.19	Protest Hearing Requirements	30
Section 3.20	Evidence	31
Section 3.22	Issuance of Subpoenas	31
Section 3.22	Order of Proceedings	31
Section 3.23	Decisions Made by Board	31
Section 3.24	Taxing Unit Challenges	32
Section 3.25	Approval of Appraisal Records	32
Section 3.26	Protest of Failure to Give Notice (41.411 Protest)PTC Section 41.411	32
Section 3.27	Correction of Appraisal Records	33

Section 4 AGRICULTURAL ADVISORY BOARD.....	35
Section 4.01 Board Appointed.....	35
Section 4.02 Membership Size.....	35
Section 4.03 Eligibility Requirements.....	35
Section 4.04 Terms of Office and Compensation.....	35
Section 4.05 Duties Outlined.....	35
Section 4.06 Authority Limited.....	35
Section 4.07 Meetings Called.....	35
Section 4.08 Conduct of Business	35
Section 5 POWERS AND DUTIES OF THE CHIEF APPRAISER.....	37
Section 5.01 Chief Appraiser.....	37
Section 5.02 Compensation	37
Section 5.03 Employment of Staff	37
Section 5.04 Powers and Duties	37
Section 5.05 Miscellaneous.....	39
Section 6 Financial Affairs	41
Section 6.01 Annual Operating Budget	41
Section 6.02 Funding The District	42
Section 6.04 Selecting a Depository	42
Section 6.05 Investing Public Funds	43
Section 6.06 Competitive Bidding	44
Section 6.07 Bonds	46
Section 6.08 Accounting Procedures	46
Section 6.09 Employer Identification Number	47
Section 6.10 Sales Tax.....	47
Section 6.11 Insurance.....	47
Section 6.12 Employee Benefits	47
Section 6.13 Attorney Fees	48
Section 8 Forms Adopted for District Use.....	53
Section 8.01 File Maintained	53
Section 9 APPRAISAL METHODS AND PROCEDURES	55
Appraisals Generally.....	55
Section 9.01 Purpose	55
Section 9.02 Appraisal District Boundaries	55
Section 9.03 Taxable Property	55
Section 9.04 Appraisal Date.....	55
Appraisal Methods.....	55
Section 9.05 General.....	55
Section 9.06 Market Value Defined.....	55
Section 9.07 Inventory.....	56
Section 9.08 USPAP Procedures.....	56
Appraisal Records	56
Section 9.09 Form and Content of Appraisal Records.....	56
Section 9.10 Property Identification System.....	57
Section 9.11 Account Number.....	57
Section 9.12 Property Use Codes	57

Reappraisal Provisions	58
Section 9.13 Reappraisal Schedule	58
Section 9.14 Field Inspections.....	59
Work Completion Dates.....	59
Section 9.16 Field Work Completion Date	59
Section 9.17 Data Entry Completion Date.....	59
Limited Appraised Value.....	59
Section 9.21 Defined	59
Section 9.22 Effective Dates	59
Section 9.23 Values Listed in Appraisal Records.....	59
Section 9.24 Qualifying Factors for Limited Appraised Value	59
Section 9.25 Special Definitions for Casualty, Mold, or Water Damage	60
Section 9.26 Calculating Limits	60
Confidential Appraisal Records – Peace Officers/Jailers and Victims of Family Violence.....	61
Section 9.27 Defined	61
Section 9.28 Application Required	61
Section 9.29 Current Owner Designation	61
Section 9.30 Confidential Computer File Established.....	61
Section 9.31 Information Provided to Tax Offices.....	61
Section 9.32 Internet Updated.....	62
Appraisal Schedules	62
Section 9.33 Information Gathered	62
Section 9.34 Residential Schedule.....	62
Section 9.35 Undeveloped Land Schedule	62
Section 9.36 Developed Land Schedule	62
Section 9.37 Mobile Home Schedule	62
Section 9.38 Commercial and Light Industrial Schedule.....	62
Compilation of Appraisal Schedules – Personal Property.....	63
Section 9.39 Automobile and Truck Schedule	63
Section 9.40 Heavy Equipment Schedule	63
Section 9.41 Inventory, Furniture/Fixtures, and Machinery/Equipment Schedules	63
Appraisal Procedures	63
Real Property.....	63
Section 9.42 Information Gathered	63
Section 9.43 On-Site Inspection	63
Section 9.44 Discrepancies Noted	64
Section 9.45 On-Site Inspection Completed	64
Section 9.46 Appraiser Field Inspection Notes Keyed.....	64
Section 9.47 Unscheduled Field Reviews of Parcels.....	64
Personal Property.....	64

Section 9.48	Information Gathered	64
Section 9.49	On-Site Inspection	65
Section 9.50	Discrepancies Noted	65
Section 9.51	New Businesses Established	65
Section 9.52	Closed Businesses Deleted	65
Section 9.53	Appraiser Information Keyed.....	65
Dealer's Motor Vehicle Inventory.....		65
Section 9.54	Definition of Value	65
Section 9.55	Other Personal Property Excluded.....	65
Section 9.56	Definition of Dealer	66
Section 9.57	Listing of Motor Vehicle Dealers Received	66
Section 9.58	Dealer's Motor Vehicle Inventory Declaration Form.....	66
Section 9.59	Dealer's Motor Vehicle Inventory Tax Statement.....	66
Section 9.60	Sales Values Keyed	66
Section 9.61	Dealer's Motor Vehicle Inventory Declaration Form Received	66
Section 9.62	Calculations Made	66
Section 9.63	Failure to File Declaration Form	66
Section 9.64	Failure to File Monthly Tax Statement	67
Section 9.65	Prepayment of Taxes	67
Section 9.66	Failure to Prepay Taxes	67
Section 9.67	Declaration and Statements Confidential	67
Dealer's Vessel and Outboard Motor Inventory		68
Section 9.68	General Provisions	68
Section 9.69	Dealer's Vessel and Outboard Motor Forms.....	68
Section 9.70	Failure to File Declaration Form	68
Dealer's Heavy Equipment Inventory		68
INDUSTRIAL AND MINERAL PROPERTIES		69

Section 10 SPECIAL APPRAISALS 71

TYPES OF SPECIAL APPRAISALS	71
Agricultural Use (Section 1-d).....	71
Open-Space Land (Section 1-d-1) and Timber Land	71
Restricted-Use Timber Land.....	71
APPLICATION PROCEDURES	72
Publicizing Requirements	72
Documents Required	72
Filing Deadlines	72
Application Renewal Procedures.....	73
Applications Reviewed and Confirmed.....	73
Application Confidential	74
APPRAISAL PROCEDURES	74
Compilation of Appraisal Schedules.....	74
Field Work Completed	75
CHANGE IN USE PROCEDURES.....	75
Agriculture-Use Land (1-d)	75
Open-Space (1-d-1) and Timber Land	76
Restricted-Use Timber Land.....	76
MISCELLANEOUS SPECIAL APPRAISALS	77
Types of Miscellaneous Special Appraisals	77
Eligibility.....	78
Application Procedures.....	78
Additional Taxes Imposed	78

Section 11 EXEMPTIONS 81

EXEMPTION CATEGORIES 81

Absolute Exemptions 81

Historic and Archeological Sites PTC Section 11.24..... 83

Residence Homestead Exemptions PTC Section 11.13..... 83

Disabled Veterans' Exemptions PTC Section 11.22 86

Pollution Control Exemptions 86

EXEMPTION APPLICATIONS 87

Application Procedures 87

Application Processed 89

Exemption Qualification Dates 90

REVIEW OF EXEMPTIONS 91

Residence Homestead Mail Survey 91

Exemption Revisions 92

COMPILATION OF EXEMPTION LISTS..... 93

Partial Exemption Lists 93

Absolute Exemption Lists PTD Rule 9.3011 93

FREERPORT GOODS PTC Section 11.251 94

Tax Status..... 94

Application Processed 94

Taxing Entity Options..... 95

SPECIAL PROVISIONS REGARDING OVER 65 AND DISABILITY HOMESTEAD EXEMPTION 95

Transfer of Over 65/Disability Tax Freeze Within Freestone County 95

Transfer of Over 65/Disability Tax Freeze Outside of Freestone County 96

Transfer of Over-65/Disability Tax Freeze to Freestone County..... 96

Recalculation of Tax Freeze Due to Combination of Lots..... 96

Recalculation of Tax Freeze Due to Addition to Property 97

Section 12 RENDITIONS 99

Renditions Generally 99

Filing Requirements..... 99

Section 12.01 Renditions Required..... 99

Section 12.02 Rendition Date..... 99

Section 12.03 Rendition Form..... 99

Section 12.04 Filing Date 99

Section 12.05 Publicizing Requirements..... 99

Section 12.06 Renditions Mailed to Property Owners 99

Extension Requests PTC Section 22.23(b) 99

Section 12.07 Extension Request Submitted..... 99

Section 12.08 Authorization Verified 100

Section 12.09 Extension Request Granted 100

Section 12.10 Extension Request Denied..... 100

Section 12.11 Extension Request File 100

Renditions Returned Undelivered..... 100

Section 12.12 Address Corrections..... 100

Section 12.13 Property Sold..... 100

Section 12.14 Business Closed..... 100

Miscellaneous Provisions 101

Section 12.15	Obligations Imposed on Appraisal District	101
Section 12.16	Confidential Information	101
Section 12.17	Request for Copies.....	101
APPRAISAL PROCEDURES		101
Rendition Filed.....		101
Section 12.18	Renditions Processed	101
Section 12.19	Field Inspections Made	101
Section 12.20	New Accounts	102
PENALTY FOR FAILURE TO FILE IMPOSED AND WAIVER PROCEDURES.....		102
Section 12.21	Notice and Waiver	102
Section 12.22	Deadline for Filing Waiver Form.....	102
Section 12.23	Waiver Received	102
Section 12.24	Waiver Request Determination	102
Section 12.25	Waiver Request File Maintained	103
Section 12.26	Notification of Waiver Request Mailed	103
Section 12.27	Protest of Denial of Penalty Waiver	103

Section 13 ABATEMENT POLICY AND CONTRACT 105

Provisions		105
Section 13.01	Policy Required	105
Section 13.02	Policy Restrictive	105
Section 13.03	Contract Terms.....	105
Section 13.04	Property Eligible for Abatement	105
Section 13.05	Policy Effective Dates	105
LIMITATIONS AND RESTRICTIONS.....		106
Effective Dates.....		106
Section 13.06	General Provisions and Effective Dates	106
Reinvestment Zone Designations.....		106
Section 13.07	City-Designated Reinvestment Zone, Property Located in City Limits	106
Section 13.08	City-Designated Reinvestment Zone, Property Located in ETJ	106
Section 13.09	County Designated Reinvestment Zone	106
Contract Floor		106
Section 13.10	Contract Floor Defined	106
Section 13.11	Contract Floor Optional	107
County Contract Authority		107
Section 13.12	Guidelines	107
ABATEMENT DUTIES.....		107
Responsibilities Assigned.....		107
Section 13.13	General Provisions	107
Abatement Applications.....		107
Application Provisions		107
Section 13.14	Application Required	107
Section 13.15	Application Mailed	107
Section 13.16	Application Frequency.....	107
Section 13.17	Filing Deadline.....	107
Section 13.18	Copy of Abatement Agreement Required	108
Section 13.19	Late Application Disallowed	108

Application Processed	108
Section 13.21 Agreement Reviewed for Compliance with Policy and Laws	108
Section 13.22 Application Reviewed for Compliance with Agreement	108
Section 13.23 Action on Application	108
Section 13.24 Special Notification Requirements on Modifications and Denials	109
 ABATEMENT FILES	 109
Abatement Files Computerized	109
Section 13.25 Abatement File Identified	109
Section 13.26 Contract Master	109
 Information Furnished to Industrial Appraising Firm	 109
Section 13.27 Abatement Agreements	109
 Calculation of Abated Values	 109
Section 13.28 Property Appraised In-House	109
Section 13.29 Property Appraised by Industrial Appraisal Firm	109
Section 13.30 Calculation of Current Year Value	110
Section 13.31 Calculation of Base Year Value	110
Section 13.32 Calculation of Taxable Value	110
Section 13.33 Calculation of Value Potentially Eligible for Abatement	110
Section 13.34 Calculation of Abated Value	110
Section 13.35 Abatement Applied	110
Section 13.36 Appraisal Records Updated	111
Section 13.37 Abated Accounts Coded as Rendered	111
 REVISIONS TO ABATEMENTS	 111
Revisions Initiated	111
Section 13.38 Notification Procedures	111
Section 13.39 Abatement Revisions	111
Section 13.40 Market Value Revisions	111
Section 13.41 Recalculation of Contract Floor	111
 Abatement File Information Updated	 111
Section 13.42 General Update	111
Section 13.43 Abatement Deleted	111
Section 13.44 Project Value Revised	112
 New Improvement Values Calculated	 112
Section 13.45 Deleted Abatements	112
Section 13.46 Weighted Average Abatements	112
Section 13.47 New Improvement Value Entered	112
MISCELLANEOUS PROVISIONS	112
 Completion of Abated Project	 112
Section 13.48 Notification to Tax Abatement Review Committee	112
Section 13.49 Percentage of Abatement Determined	112

Section 14 TAX AGENTS 113

REPRESENTATION OF PROPERTY OWNER	113
Section 14.01 General Provisions	113
Section 14.02 Designated Period	113

Section 14.03	Multiple Designations Disallowed.....	113
APPOINTMENT OF AGENT FORM REQUIREMENTS		
General Provisions		113
Section 14.04	Appointment of Agent Form	113
Section 14.05	Account Update Form	113
Section 14.06	Filing Provisions	113
AUTHORITY AND CAPACITY OF TAX AGENT EXPRESSED		
Powers of Authority.....		114
Section 14.07	Authority of Tax Agent.....	114
Section 14.08	Delivery of Notices	114
Tax Rep Number		
Section 14.09	Number Assigned.....	114
Section 14.10	Coding Provisions	114
Section 15	MISCELLANEOUS FUNCTIONS	115
Tax Liaison Officer.....		
Section 15.01	Tax Liaison Officer	115
Public Access Policies		
Section 15.02	Translators	115
Section 15.03	Special Access Requirements	115
Miscellaneous Provisions		
Section 15.04	Public Information.....	115
Section 16	APPRAISAL ROLL.....	117
PRELIMINARY APPRAISAL ROLL.....		
Overview of Computer Maintenance		117
Section 16.01	Overview Defined	117
General Computer Maintenance		
Section 16.02	Appraisal Schedule Recalculations Made.....	117
Section 16.04	Mineral Computer Maintenance	117
Preliminary Appraisal Roll Prepared.....		
Section 16.05	Appraisal Roll Generated	117
Section 16.06	Notification to Taxing Entities.....	117
Section 16.07	Files Maintained	118
CERTIFIED APPRAISAL ROLL		
Section 16.09	Form of Appraisal Roll.....	118
Section 16.10	Appraisal Roll Generated	118
Section 16.11	Certification to Taxing Entities.....	118
Section 16.12	Appraisal Rolls Submitted to Taxing Entities	118
Section 16.13	Certification to Property Tax Division	118
Section 16.14	Pending Protests	118
Section 16.15	Files Maintained	119
ADJUSTMENTS TO APPRAISAL ROLL.....		
		119

25.25(c) Adjustments.....	119
Section 16.16 Adjustments Allowed.....	119
Section 16.17 Limitation on Changes	119
Section 16.18 Changes Resulting in Increase in Tax Liability	119
Section 16.19 Protest Procedures.....	119
Section 16.20 Section 25.25c Motion Filed by Property Owner.....	120
Section 16.21 Notification Procedures – Taxing Entities	120
Section 16.22 Tax Payment Requirements.....	120
Supplemental Appraisal Records	120
Section 16.23 Definition	120
Section 16.24 Notification to Property Owner	120
Section 16.24 Notification to Taxing Entities.....	120
Section 16.25 Protest Procedures.....	121
25.25h Adjustments.....	121
Section 16.26 Adjustments Allowed.....	121
Section 16.27 Limitation on Changes	121
Section 16.28 Motion Filed.....	121
25.25b Adjustments.....	121
Section 16.29 Adjustments Allowed.....	121
Section 16.30 Motion Filed.....	121
Section 16.31 Motion Reviewed by Appraiser	122
Substantial Error Motions	122
Section 16.32 Adjustments Allowed.....	122
Section 16.33 Filing Provisions	122
Section 16.34 Letter of Explanation to Property Owner.....	122
Section 16.35 Notification Procedures – Property Owner.....	122
Section 16.36 Notification Procedures – Taxing Entities	122
Section 16.37 Tax Payment Requirements.....	123
Section 16.38 Hearing Held	123
Section 16.39 Final Decision.....	123
Adjustments Processed.....	123
Section 16.40 Assessment Change Docket Form Completed.....	123
Section 16.41 Special Provision for Mineral and Industrial Changes	123
Section 16.42 Account History Record Generated	123
Approval Procedures	124
Section 16.43 Adjustments Approved by ARB.....	124
Post Approval Procedures.....	124
Section 16.44 Appraisal Records Maintained	124
Section 16.45 25.25b Quarterly Reports.....	124
MISCELLANEOUS PROVISIONS.....	124
Section 16.46 Alphabetical Listing	124

Section 17 PUBLIC REVIEW OF PROPOSED APPRAISALS 125

VALUE NOTIFICATION.....	125
Notice of Appraised Value	125

Section 17.01	Non-Reappraisal Year Notice Criteria.....	125
Section 17.02	Contents	125
Section 17.03	Reappraisal Year Notice Criteria.....	125
Section 17.04	Mailout of Notice of Appraised Value Delayed on Accounts with Rendition Extension	125
Mail Procedures	126
Section 17.05	Notices Generated	126
Section 17.06	Notices Sorted.....	126
Section 17.07	Notices Mailed.....	126
Section 17.08	Mail Journal Maintained	126
Section 17.09	Returned Notices.....	126
SUBMISSION OF APPRAISAL RECORDS		126
Appraisal Records Submitted to ARB.....		126
Section 17.10	Date of Submission	126
Section 17.11	Affidavits Required	126
Section 17.12	Open Meeting Required	126
TAXPAYER COMPLAINTS		127
Property Owner Contact		127
Section 17.13	Method of Contact	127
Section 17.14	Contact by Tax Agent.....	127
Inquiry Record Generated		127
Section 17.15	Inquiry Record Defined	127
Protest Record Generated.....		127
Section 17.16	Protest Record Generated	127
Section 17.17	Case Number Assigned	128
Appraiser Meeting with Property Owner.....		128
Section 17.18	Account Assigned to Appraiser	128
Section 17.19	Property Owner Meeting	128
Section 17.20	Appraiser Unable to Contact Property Owner.....	128
Appraiser Recommendation		128
Section 17.21	Type of Recommendation	128
Section 17.22	Confirmation of Appraiser Recommendation	129
Section 17.23	Changes Resulting in Increase in Tax Liability	129
Protest Procedures.....		129
Section 17.24	Protest Filing Requirements.....	129
Section 17.25	Special Procedures for Rechecks.....	129

Section 18 MISCELLANEOUS FUNCTIONS 131

Action by Mail		131
Section 18.01	Timeliness Defined.....	131
Section 18.02	Effect of Holiday or Weekend.....	131
Section 18.03	Delivery of Notice	131

Section 19 MAP DEPARTMENT GENERAL FUNCTIONS..... 133

Section 19.01	MAPS GENERALLY.....	133
General Information		133
Map System		133
Format.....		133
Data Maintained		133

Maintenance	133
Ownership Changes	133
New Subdivisions	134
Appraiser Inspection.....	134
Rechecks for Improvements Not Complete	134
Land Values Determined.....	134
Section 19.02 Error Resolution	134
Prior Deed Verified	134
Parties Notified.....	135
Change Made	135
Maps Corrected	135
Section 19.03 Miscellaneous Functions	135
Ownership Research	135
Jurisdiction Annexations	135
Public Record Requests	135
Section 20 RECORDS MANAGEMENT	137
Section 20.01 Records Management Officer	137
Section 20.02 Records Management Program	137
Section 20.03 Annual Reports and Surveys	138
Section 20.04 Miscellaneous Reports	138
Section 20.05 Lawsuit Files.....	138
Section 21 REQUESTS FOR PUBLIC INFORMATION	141
Section 21.01 Appraisal District Records	141
Section 21.02 Request Procedures	141
Section 22 MISCELLANEOUS FUNCTIONS	143
Section 22.01 Telephone Procedures.....	143

Section 1 Organization of the Board of Directors

Section 1.01 General Provisions

The board of directors is the governing body of the appraisal district. In accordance with Section 6.03(a) of the Property Tax Code, five members are appointed by the taxing units that participate in the district excepting the two special districts (Fairfield and Teague Hospital Districts). The sixth member of the board is the county assessor-collector who serves in an ex officio capacity.

Section 1.02 Eligibility

- (A) To be eligible to serve on the board, a person must have resided in the appraisal district for at least two years immediately preceding the date of taking office. The county TAC does not have to meet the residency requirements for serving as a nonvoting director. The county TAC, however, is ineligible to serve as a nonvoting or voting director if the county TAC also serves as the CAD's chief appraiser. The county TAC is ineligible to serve as a nonvoting director if the county has contracted for the assessment and collection of county taxes with another taxing unit or with the CAD.
- (B) An employee of a taxing unit that participates in the appraisal district may not serve. However, an elected official or member of the governing body of a participating taxing unit may serve.
- (C) Owing delinquent property taxes disqualifies a person from serving on the CAD board of directors or as chief appraiser. The person must own property on which delinquent property taxes have been owed for more than 60 days, after the date the person knew or should have known of the delinquency. This disqualification does not apply if the person is paying the delinquent taxes under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.
- (D) A person may not be appointed or continue to serve on the board, if related within the second degree of consanguinity (blood) or affinity (marriage) to the following persons:
 - (1) an appraiser who appraises property for use in the appraisal district's appraisal review board proceeding, or;
 - (2) a tax representative who represents taxpayers for compensation before the appraisal district's appraisal review board.
- (E) A director who continues to serve knowing he or she is related in this manner to an appraiser or tax representative commits a Class B misdemeanor.
- (F) A director who is related to an appraisal district employee within the second degree by affinity or within the third degree by consanguinity may not serve as long as the relative remains employed by the appraisal district.

Section 1.03 Method of Selection

- (A) Directors are nominated and selected by the governing bodies of voting taxing units in the appraisal district. Voting taxing units for all appraisal districts are the county, cities and towns and school districts participating in the district. Special districts, such as hospital districts, rural fire prevention districts and junior college districts do not vote to select directors.
- (B) The Tax Code provides that the county TAC will serve on the appraisal district board of directors. The county TAC automatically will serve as a nonvoting district director, if the county TAC is not appointed to the board of directors under the regular process. (If a taxing unit, such as the county commissioner's court, appoints the county TAC to the appraisal district board, then the county TAC serves as a voting member.)

- (C) Tax Code Section 6.03 establishes the selection process for appraisal district directors. This process is not an "election" governed by the Texas Election Code, but an independent procedure unique to the property tax system.
- (D) Before October 1 of odd numbered years, the chief appraiser calculates the number of votes for each taxing unit. The number of votes allocated to a voting unit is based on the ratio of its tax levy in the preceding year to the total tax levy of all voting units. To determine the votes, the chief appraiser must:
 - Divide the amount of the preceding year's property taxes imposed by each unit by the total amount of preceding year's property taxes imposed by all voting units.
 - Multiply the quotient in No. 1 by 1,000 and round to the nearest whole number.
 - Multiply the whole number in No. 2 by the number of seats on the appraisal district board that will be filled.
- (E) The chief appraiser receives nominations for directors from the voting entities until October 15.
- (F) The chief appraiser prepares a ballot and delivers to the presiding officers of the governing body of each voting unit before October 30.
- (G) Each voting unit must cast its vote by written resolution and submit it to the chief appraiser before November 15. The unit may cast all its votes for one candidate or may distribute the votes among any number of candidates. A voting unit must cast its votes for a person nominated and named on the ballot. There is no provision for write-in candidates. The chief appraiser may not count votes cast for someone not listed on the official ballot.
- (H) The chief appraiser must count the votes and declare the candidates who received the largest vote totals before December 1. The chief appraiser notifies all taxing units (voting and non-voting) and all the candidates (winners and losers) of the outcome. If a tie occurs, the chief appraiser must resolve it through any method of chance. Methods of chance include such actions as flipping a coin, drawing straws, drawing a black bean, drawing names from a hat and so forth.
- (I) The selection process may be changed as prescribed in the Property Tax Code Section 6.031.

Section 1.04 Terms of Office and Vacancy

- (A) Appraisal district directors serve two-year terms. Each term begins on January 1 of an even-numbered year. All directors serve the same two-year terms. The two-year term of office does not apply to the county TAC who serves as a nonvoting director.
- (B) If a vacancy occurs on the board, the board notifies the voting units of the vacancy. The voting taxing units nominate by resolution candidates to fill the vacancy. All nominations are submitted to the chief appraiser within 10 days after receiving notice from the board of directors that a vacancy exists. The chief appraiser delivers a list of the nominees to the directors within the next five days. The board of directors selects by majority vote one of the nominees to fill the vacancy.

Section 1.05 Recalling a Director

- (A) A taxing unit may ask for the recall of any director the unit voted for in the appointment process. A unit may not ask for the recall of a director if the unit didn't cast any votes for that director in the last election. Recall starts when the unit files a resolution with the chief appraiser stating that the unit is calling for the recall of a named member. Within 10 days after a unit files a recall resolution, the chief appraiser must give written notice of the resolution to the presiding officer of each voting taxing unit.

- (B) Only the taxing units that voted for the member may vote for the recall. The recall-voting taxing unit has the same number of votes that it cast in electing the member to be recalled. The unit votes by filing a resolution casting its votes in favor of recall. The resolution must be filed with the chief appraiser on or before the 30th day after the original recall resolution is filed.
- (C) The chief appraiser must count the recall votes within 10 days after the last day to vote. The member is recalled and is no longer a board member if the number of votes cast in favor of recall equals or exceeds a majority of the votes cast for the member. The chief appraiser must immediately notify the board chair and the presiding officer of the governing body of each recall-voting taxing unit of the results. If the chair is the subject of the recall, the board secretary must also be notified.
- (D) After a recall, the member's vacancy is filled by the taxing units that voted in the recall election. Each recall-voting taxing unit may nominate by resolution one candidate and is entitled to the same number of votes it used to appoint the recalled member. The recall-voting taxing units must submit the name of each nominee to the chief appraiser on or before the 30th day after the date the chief appraiser notified the unit of the recall election results.
- (E) Within 15 days after the last day for nominations, the chief appraiser must prepare and deliver to each recall-voting taxing unit a ballot listing the candidates alphabetically according to their last names. After 15 days, the chief appraiser counts the votes, declares the winner and notifies the chair, each taxing unit and the candidates.

Section 1.06 Change In Board Size

- (A) The Freestone Central Appraisal District Board of Directors is comprised of the statutorily appointed five members and the county tax assessor/collector serves as the sixth member in an ex officio capacity.
- (B) Although Section 6.031 of the Property Tax Code makes provisions to increase the board to a maximum of 13 members, neither the board of directors or any of the taxing units participating in the district have pursued the option.

Section 1.07 Oath of Office

- (A) The Texas Constitution requires each director to sign a notarized statement and take an oath of office before beginning a term. January 1 of the year in which the term begins is the earliest date the oath may be administered. Directors must be properly sworn before taking any official action.
- (B) Board members must sign a statement of office before a notary public before they can take their oath of office. FCAD retains the notarized statements since they no longer sent them to the Secretary of State in Austin. The director signs this statement before the oath of office is administered.
- (C) Once the statement of office has been filed, the member may take the oath of office. The director must take and sign the oath before a notary public, county clerk, judge or other official authorized to administer oaths of office.
- (D) Directors are appointed officials of a political subdivision of the state and are bound by constitutional and statutory provisions that apply to appointed officials. Some of these laws are the nepotism statute, Art. 5996a, Tex. Rev. Civ. Stat. and the local officials' conflicts of interest statute, Chapter 171, Local Government Code.

Section 1.08 Selection of Officers

- (A) Each year during its first meeting, the board meets to organize and choose officers. The board must choose a chair and secretary at the first meeting, but may also appoint a vice chair and other officers.

- (B) The non-voting county tax assessor/collector may serve as the chairman or secretary to the board since it is not necessary for a chair or secretary to have the right to vote on matters before the board.

Section 1.09 Board Meetings

- (A) All meetings of the board of directors are open to the public in accordance with Chapter 551 of the Government Code.
- (B) Regular meetings are held on the second Wednesday of each month at 7:00 p.m. in the district office. Special meetings are held at the chair's call.
- (C) The board must post notice of all regular and called board meetings at least 72 hours before the meeting. After recording the meeting notice and/or agenda at the Freestone County Clerk's Office on the Friday preceding a Wednesday meeting, the board has directed the chief appraiser to:
- post a copy of the filed meeting notice on the public bulletin board at the Freestone County Courthouse;
 - post a copy of the filed meeting notice on the front door of the appraisal district office;
 - mail a copy of the filed meeting notice to the Limestone and Navarro county clerk's offices for recording and posting on the public bulletin boards of those county courthouses; and,
 - notify each director of the meeting. The chief appraiser sends each of the directors a copy of the minutes of the preceding meeting, a copy of the proposed agenda and other information about the meeting.

Section 1.10 Meeting Agenda

The meeting agenda:

- sets out the time for starting the meeting,
- establishes that a quorum of directors is present,
- states that the minutes from the prior meeting will be approved,
- provides a list of operational expenses to be approved by the board,
- provides a list of new and unfinished business,
- lists any other discussion or action items,
- schedules reports from chief appraiser,
- allows time for the public to appear and speak about any appraisal district issue.

Section 1.11 Quorum

A quorum is established when a majority of the board, including the ex officio members are present.

Section 1.12 Executive Session

- (A) An executive session may be held for the following reasons only:
- (1) To consult with an attorney about pending or contemplated court cases, settlement offers or other matters covered by the attorney-client privilege;
 - (2) To discuss leasing or acquiring real property, the value of real property or contracts for gifts or donations to the board, if making the discussions public would have an adverse effect on the board's negotiating position; or
 - (3) To discuss individual personnel matters. The purpose for closing this type of meeting is to protect

the reputation of the employee. The employee to be discussed has a right to request that the meeting be open. In this case, the board may not hold an executive session. Because the purpose is to protect individuals, the board may not close a meeting to discuss general personnel matters, such as employee salaries.

- (B) The board must keep a "certified agenda" of each closed session. The certified agenda includes:
 - (1) the chair's announcement of the beginning of the session,
 - (2) the time and date,?
 - (3) state the subject of the discussion and any other matter
 - (4) the chair's announcement of the ending of the session.
- (C) The board may not take any official action during a closed session. All official actions must be taken in an open meeting.

Section 1.13 Rules of order

- (A) The board conducts its meetings in accordance with Robert's Rules of Order.

Section 2 Powers and Duties of the Board

Section 2.01 Primary Responsibilities

The board of directors has the following primary responsibilities:

- (A) Establish the appraisal district's appraisal office;
- (B) Adopt the appraisal district's annual operating budget;
- (C) Contract for necessary services;
- (D) Hire a chief appraiser
- (E) Appoint appraisal review board members; and
- (F) Make general policy on the appraisal district's operation.

Section 2.02 Statutory Functions of the Board

According to Chapter 6 of the Property Tax Code, the board of directors has the statutory duty to:

- (1) establish an appraisal office in the county. (Section 6.05(a))
- (2) the power to approve or disapprove the request of a taxing unit that lies in two or more counties to be served only in that appraisal district. (Section 6.02(b))
- (3) responsible for notifying all taxing units of a vacancy on the board and for selecting a replacement from nominees submitted. (Section 6.03(l))
- (4) change the number of directors or method of selecting directors, or both, if all voting units agree. (Section 6.031(a))
- (5) elects from its members a chair and secretary at its first meeting of the calendar year. (Section 6.04(a))
- (6) may contract with another appraisal office or taxing unit in the district to perform the appraisal district's duties. (Section 6.05(b))
- (7) appoint the chief appraiser. (Section 6.05(c))
- (8) provide certain written policies. (Section 6.04(d), (e), (f) and (g))
- (9) adopt an annual budget before September 15, after holding a public hearing and meeting all requirements of the Property Tax Code. (Section 6.06(b))
- (10) give public notice of the budget and budget hearing by publishing a budget summary in a newspaper of general circulation in the appraisal district at least 10 days before the public hearing on the budget. (Section 6.062(a))
- (11) amend the approved operating budget after giving notice to taxing units. (Section 6.06(c))
- (12) adopt a new budget within 30 days after its budget is disapproved by the taxing units. (Section 6.06(b))
- (13) may authorize the chief appraiser to disburse appraisal district funds. (Section 6.06(f))
- (14) must, through the chief appraiser, refund any unencumbered surplus of taxing unit funds paid in during the year by crediting each taxing unit's budget allocations for the next fiscal year. If a taxing unit that participated in the appraisal district in the prior year is not participating in the

- district in the year a surplus is to be allocated, the board must refund the proportionate surplus amount to the taxing unit within 150 days after the end of the fiscal year. (Section 6.06(j))
- (15) must give its advice and consent to the chief appraiser's appointments to the agricultural advisory board. (Section 6.12(a))
 - (16) must comply with records retention laws for the preservation, microfilming, destruction or other disposition of records. (Section 6.13)
 - (17) may change its fiscal year if three-fourths of the taxing units agree. (Section 6.06(i))
 - (18) may adopt staggered terms if three-fourths of the taxing units agree. (Section 6.034(a))
 - (19) agree with taxing unit's governing body to an estimated budget allocation for new taxing units. (Section 6.06(h))
 - (20) change the appraisal district's method of financing if it chooses with the consent of all taxing units. (Section 6.061(a))
 - (21) designate the district depository at least once every two years. (Section 6.09(c))
 - (22) receives taxing units' resolutions disapproving board actions. (Section 6.10)
 - (23) follow competitive bidding procedures for contracts requiring expenditure of more than \$15,000. (Section 6.11(a))
 - (24) may contract to assess or collect taxes through the Interlocal Cooperation Act, with the governing body of a taxing unit. (Section 6.24(a))
 - (25) appoint appraisal review board members and has the power to change the number of appraisal review board members. (Section 6.41(b) and (d))
 - (26) adopt and implement a policy for the temporary replacement of an appraisal review board member. (Section 41.66(g))
 - (27) approve contracts with private appraisal firms to perform appraisal services, subject to approval by the chief appraiser. (Section 25.01(b))
 - (28) by September 15 of even numbered years, conduct a public hearing before adopting a reappraisal plan which outlines the district's scheduled activities over the biennial period. (Section 6.05 (i))
 - (29) purchase or lease real property or construct improvements necessary to establish an appraisal office if approved by three-fourths of the voting taxing units. (Section 6.051(a))
 - (30) convey real property owned by the district if approved by three-fourths of the voting taxing units and the proceeds are apportioned to the units according to the taxing unit's budget allocation. (Section 6.051(c))
 - (31) have an annual financial audit conducted by an independent certified public accountant and deliver a copy of the audit to each voting taxing unit. (Section 6.063)
 - (32) by resolution, prescribe that particular actions of the chief appraiser concerning appraisal district finances or administration are subject to board approval. (Section 6.06(f))
 - (33) approve the chief appraiser's request to appeal an appraisal review board order to district court. (Section 42.02)

- (34) may be sued by the taxing units to compel the district to comply with the provisions of the Property Tax Code, Comptroller rules or other applicable law. (Section 43.01)

Section 2.03 *Establishing an Appraisal District Office*

- (A) On January 13, 1984, the district purchased property on the corner of Mount and College Streets in Fairfield, the Freestone County seat. The property was improved with an old church building that housed the district office until the board adopted a resolution on December 9, 1987 to construct a new building on the property to house the district offices. FCAD is currently housed in these facilities.
- (B) The board adheres to the current laws regarding property ownership of the appraisal district as well as the disposal of that property as recorded in the Property Tax Code.

Section 2.04 *Appointing a Chief Appraiser*

- (A) When there is a vacancy in the office of chief appraiser, the board will advertise the vacancy in the Texas Association of Appraisal District's *Apprizer* magazine as well as any other publication deemed appropriate by the board.
- (B) The board will appoint a person to serve as interim chief appraiser when the office is vacated until the board can select someone to fill the position.
- (C) The board will determine the length of time that it will receive resumes and applications for the office of chief appraiser as well as the review process for such resumes and applications. The board will review applications and schedule interviews with the candidates for the position at its discretion.

Section 2.05 *Special Authority Granted to the Chief Appraiser*

- (A) Under the provisions of Section 6.06(f), the board authorized the chief appraiser to disburse district funds for regular operations of the district on February 11, 1981. The board has at various times increased the chief appraiser's check signing limit. On January 11, 2006 the board authorized the chief appraiser to sign checks up to \$ 5,500. All checks above that amount must be signed by both the board chairman and secretary.

Section 3 APPRAISAL REVIEW BOARD (ARB)

Section 3.01 Primary Responsibilities

- A. Determine protests initiated by property owners;
- B. Determine challenges initiated by taxing units;
- C. Correct clerical errors in the appraisal records and the appraisal rolls;
- D. Act on motions to correct appraisal rolls under Section 25.25 of the Property Tax Code;
- E. Determine whether and exemption or special valuation is improperly granted or denied;
- F. Take action or make any other determination that is specifically authorized or required by the tax code.

Section 3.02 Qualifications

A person must reside in the appraisal district for at least two years before taking office. A person may not serve if he/she is:

- A. A current appraisal district director;
- B. A current employee or the chief appraiser of the appraisal district;
- C. A current board member, employee or officer of a taxing unit served by the appraisal district; or
- D. A current employee of the Comptroller of Public Accounts.
- E. In addition to the statutory qualifications, the board of directors has adopted a resolution that required appraisal review board members to attend 75 percent of scheduled meetings of that board to continue to qualify for service.
- F. A person may not serve on the appraisal review board if that person owns property on which delinquent taxes are owed for more than 60 days after the date the person know or should have known of the delinquency. This restriction does not apply if the person is paying the delinquent taxes under an installment agreement or has deferred or abated a suit to collect delinquent taxes.
- G. An ARB member may not participate in any hearings until he/she has completed the ARB training course authorized by the Comptroller of Public Accounts. Certificates issued by the Comptroller must be filed with the chief appraiser. Persons who are appointed to the ARB after the Comptroller has offered ARB training courses for that year may participate in hearings as long as the training course is completed as soon as it is offered again.

Section 3.03 Appointment

- A. The board of directors appoints members to the appraisal review board by a majority vote.
- B. Taxing units that vote for appraisal district directors may disapprove the appointment of an ARB member via a veto resolution within 15 days of the appointment.

Section 3.04 Board Size and Terms

- A. The Property Tax Code mandates that the appraisal review board consist of three to eleven members. The board of directors has established a policy of appointing a five member board whose members serve staggered two year terms.
- B. A person may not serve more that all or part of three consecutive terms. Ex-members must sit out at least one full ARB term to be eligible to reappointed to the board.

Section 3.05 Oath of Office

- A. All appointed and reappointed ARB members must first sign a Statement of Elected/Appointed Officer and then take an oath of office before beginning a term.

Section 3.06 Compensation

- A. ARB members are paid by the day according to the district's budget.

Section 3.07 Officers

- A. The officers of the Appraisal Review Board will be elected as soon as possible after the new Board members are appointed. The Chairperson, Vice-Chairperson and Secretary shall be elected from Board members by a simple majority vote of those present and voting.
- B. The Chairperson will preside over the meetings of the Board and perform other responsibilities as these rules and the law require. All cases scheduled for hearings will be assigned a case number to identify the case during the proceedings of the Board. The Chairperson may vote or make motions in any matter before the Board.
- C. The Vice-Chairperson will perform the duties of the Chairperson in the absence of the Chairperson and assist the Chairperson in the performance of his duties at the Chairperson's request.
- D. The Secretary shall be responsible for overseeing the keeping of the minutes for all Board meetings, for overseeing the keeping of all records of the Board, and for determining that all notices by the Board are sent. The Secretary has delegated the above responsibilities to the appraisal district staff provided by the Chief Appraiser for that purpose. The Secretary will preside at meetings when the Chairperson and Vice-Chairperson are absent. The Secretary will perform such other responsibilities as these rules and the law requires.

Section 3.08 Meetings

- A. All meetings of the appraisal review board are subject to the open meetings act.
- B. A majority of the appraisal review board constitutes a quorum.
- C. Conduct of all meetings will be governed by Robert's Rules of Order.
- D. The board may meet at any time at the call of the chairman or as provided by rule of the boards.
- E. The board shall meet within 10 days after the date the chief appraiser submits the records to the board.

Section 3.09 Hearing Procedures

- A. The appraisal review board shall establish by rule the procedures for hearings it conducts in accordance with Section 41.66 of the Property Tax Code.

Section 3.10 Record of Proceeding

- A. The appraisal review board shall keep a record of its proceedings in the form and manner prescribed by the comptroller.

Section 3.11 Publication Requirements

- A. Between May 1 and May 15 of each year, a one-quarter page ad must be published in newspapers approved by the board of directors as official news publications of the district. The notice must outline the procedures and deadlines for filing a protest as well as for procedures for appealing a decision of the ARB.

Section 3.12 Assignment of Administrative Duties

The Chief Appraiser's Administrative Assistant is assigned the duties of the Appraisal Review Board Clerk to:

1. publish all required notices,
2. post agendas for scheduled meetings,
3. inform CAD staff appraisers of record requests, and
4. record and maintain all official records of the ARB.

Section 3.13 Taxpayer Protest Filing Deadline

- A. The deadline for filing a protest with the Appraisal Review Board is May 31 or 30 days after the date the Notice of Appraised Value is mailed, whichever is later. (Property Tax Code Section 41.44(a)(1))
- B. Protests filed after the filing deadline but prior to record approval will be presented to the board to determine if sufficient cause for late filing is found. If sufficient cause is found, a late protest hearing is scheduled. (Property Tax Code Section 41.44(b))
- C. Mail contacts are treated as protests if after the informal meeting with the appraiser the property owner requests a protest hearing.
- D. When a Notice of Change in Appraisal Records is mailed, the deadline for filing a protest is 30 days after the date the Notice of Change is mailed. PTC Section 41.44(a)(2)
- E. All other protests filed after approval and certification of the appraisal records will be scheduled for hearings in accordance with Section 41.41 of the Property Tax Code. All protests of this type must be filed before the tax delinquency date of February 1.

Section 3.14 Scheduling of Taxpayer Protest Hearings

- A. A unique identifying cause number is assigned to each protest received by the ARB. All protests filed by the same property owner are grouped together under the same cause number.

- B. All hearings are scheduled allowing the protester at least 15 days advance written notice of hearing unless the property owner files a waiver of the notice. PTC Section 41.46(a)
- C. At least 14 days before the protest hearing, the property owner must be provided with the pamphlets and information listed below. The following information is mailed along with or incorporated in the Notice of Protest Hearing:
 - 1. A copy of the ARB hearings procedures
 - 2. A copy of Taxpayer's Rights, Remedies, and Responsibilities
 - 3. Inform the property owner of the right to inspect and/or obtain a copy of the information the CAD plans to introduce at the protest hearing. The charge for copies can not exceed \$15 for each residential property and \$25 for any other type of property. PTC Section 41.461
- D. Hearings Scheduled by Category of Property
 - 1. Protests filed on all accounts appraised by the Industrial Appraising Firm are scheduled on the same day that is set by the Chief Appraiser. The industrial hearings are typically held in mid-July.
 - 2. Protests filed by tax agents are also scheduled for the same day late in the hearings process. Whenever possible, personal property and commercial accounts should be grouped together. Based on the volume of protests filed on these properties, several days or portions of days throughout the schedule may be set aside for hearings.

Section 3.15 Rescheduling Policies

- A. Protest hearings can only be rescheduled for the following reasons:
 - 1. Military duty;
 - 2. Hospitalization or serious illness of property owner;
 - 3. Death or serious illness of family member;
 - 4. Jury duty or court subpoena as a witness;
 - 5. Legislator requiring a legislative continuance;
 - 6. Protest hearing in another appraisal district providing that hearing was scheduled first;
 - 7. The property owner has an unforeseen conflict with work and is unable to attend at the scheduled time;
 - 8. If the property owner requests additional time to prepare for the hearing and establishes with the Board that the Chief Appraiser failed to comply with PTC Section 41.461; or
 - 9. Any other extenuating circumstance deemed an emergency situation by the Board.
- B. If a hearing is rescheduled, it may not be postponed to a date less than 5 or more than 15 days after the date schedule for the original hearing unless agreed to by the ARB, the property owner, and the Chief Appraiser. PTC Section 41.45(e)
- C. If a request to reschedule a protest hearing is made under the extenuating circumstances provisions, approval of the ARB must be obtained.

- D. An additional Notice of Protest Hearing is not required and will not be sent unless it is rescheduled at least one week from the original hearing date.
- E. A property owner is allowed to reschedule a hearing only one time for any reason. If a property owner does not make prior arrangements to reschedule and hearing and does not appear at the scheduled time, the protest will be considered canceled by the ARB and a new hearing will not be scheduled.

Section 3.16 Taxpayer Protests Canceled Prior to Hearing

A property owner may cancel a scheduled protest hearing by filing a written statement of withdrawal or a settlement/waiver of protest form with the ARB.

Section 3.17 Taxpayer Requests for CAD Evidence

- A. A property owner may request to inspect and/or obtain a copy of the information the District intends to introduce at the protest by filing a written request with the appraisal district.
- B. Once the evidence request is completed, a copy of the evidence is marked "EXHIBIT" and filed in the property owner's protest file.
- C. All evidence requests for mineral, utility, and industrial properties will be handled by the company contracted by the district to appraise those properties. The appraisal firm is contacted and informed of the request by the Administrative Assistant. A copy of the evidence is then mailed to the property owner and kept by the appraisal firm in the protest file for presentation at the hearing by the appraisal firm representative.

Section 3.18 Appearance at Protest Hearings

- A. Property owners may personally represent and present evidence at protest hearings by personal appearance.
- B. Property owners may appoint an attorney, lessee, or agent to present the protest and perform other required actions. The owner must use the Comptroller's Forms 1.111 [50-162-1] or 1.111R [50-241-1] to make this appointment. The second form--1.111R--is for designating an agent for a single-family residence in which the property owner resides. The owner must sign the form, but it does not have to be notarized.
- C. Agent appointments aren't binding until the form is filed with the appraisal district. Attorneys, most mortgage lenders and corporate employees authorized by the corporation to represent it are not required to file agent designation forms. The ARB must accept and consider a motion or protest filed by an owner's agent if the agent's authorization form is filed at or before the hearing begins on the motion or protest.
- D. If an agent appointed by a property owner has not registered with the Texas Department of Licensing and Regulation (TDLR) as required by Article 8886, the registration act for property tax consultants, the ARB will not cut off the property owner's right to a hearing on his or her protest. However, non-compliance with this act will be reported to the TDLR.
- E. Section 41.413 of the Texas Property Tax Code allows a lessee--person who is contractually obligated to reimburse the lessor (property owner) for property taxes--to protest to the ARB the appraised value of the leased property. The lessee may protest only if the lessor does not protest. The lessee's right to protest exists for leased personal or real property.

- F. A property owner may submit his protest in writing in lieu of a personal appearance before the ARB. If a hearing has not been previously scheduled, the written protest must be submitted to the District prior to the date the ARB approves the appraisal records. If a hearing has previously been scheduled and the property owner has requested the protest be handled in writing in place of a personal appearance, the written protest must be in the office prior to the date and time that the hearing was originally scheduled. An affidavit will be considered by the board only if:
1. It contains statements that the evidence or argument presented in the affidavit is true and correct;
 2. It is attested before an officer authorized to administer oaths such as a notary or judge.

Section 3.18 Protest Dismissal for Failure to Appear

Protests where the property owner or his/her agent who has not appeared within 20 minutes of the scheduled hearing time and who have had no communication with the ARB Clerk prior to the hearing time will be dismissed by the ARB for failure to appear.

Section 3.19 Protest Hearing Requirements

- A. Protest hearings and any subsequent meetings to make decisions concerning protests must be duly posted and meet all of the requirements of the Open Meetings Act.
- B. The protesting property owner or the designated representative must sign the Affidavit of Sworn Testimony prior to the protest hearing. This affidavit must be subscribed before either a Notary Public or a member of the ARB. An attorney representing a client is not required to sign this affidavit.
- C. The Board must be informed of any instance where a property owner does not subscribe to the affidavit.
- D. All CAD representatives submit testimony to the ARB must sign the Affidavit of Sworn Testimony Form. PTC Section 41.67(a)
- E. Prior to the protest hearing, all members of the ARB that are present must subscribe to the Affidavit for Protest Hearing. This form states that the ARB members have not communicated with anyone concerning the protest prior to the protest hearing.
- F. An ARB member that has communicated with anyone concerning a protest on the schedule must recuse himself from the hearing and may not participate in the hearing or determination of the protest. If there is not a quorum to hear the protest after a member has recused himself, the protest must be rescheduled. PTC Section 41.66(g)
- G. A member of the ARB may not participate in the determination of a protest in which he is interested or in which he is related to a party by affinity within the second degree or by consanguinity within the third degree, as determined under Chapter 573, Government Code. PTC Section 41.69
- H. An ARB member may ask to recuse himself from a protest even if there has been no communication regarding the protest, but the member is familiar with the protesting party. Familiarity with the protesting party does not qualify as a conflict of interest. Recusing based on an ARB member's familiarity with the protesting party is done as a courtesy only for the ARB member.
- I. Hearings are limited to fifteen (15) minutes per parcel. Hearings involving multiple accounts will be limited to thirty (30) minutes. The board may waive the time limit at its discretion. In the event that there are joint owners in a property, the board will schedule a joint hearing for all parties protesting.
- J. Cell phones and pagers must be silenced during board proceedings.

Section 3.20 Evidence

- A. Any evidence submitted to the ARB during a protest hearing becomes a part of the protest records. All testifying witnesses should provide seven (7) copies of any evidence for the protest hearing to the ARB Clerk.
- B. Any party wishing to submit a copy of a document must request that the ARB rule that the copy is admissible. The board may admit the copy into evidence when the board determines that the original document is not readily available. PTC 41.67 (b)

Section 3.22 Issuance of Subpoenas

The Board as a whole, on its own motion or at the request of a party, may subpoena witnesses, books, records, or other documents. To issue a subpoena, the Board must conduct a hearing to determine that good cause exists for the issuance of the subpoena. Said hearing may not be held without notice to the parties and the Board's decision may be based upon written request of the party requesting the subpoena. The Board may subpoena witnesses, books, records, or other documents of the appraisal district or of the property owner who is part of the protest. Records of the appraisal district that are made confidential by law must be subpoenaed by the Board in order to be considered in any protest hearing [TAX CODE 22.27 & 41.61].

Section 3.22 Order of Proceedings

Hearings of the ARB are conducted according to Robert's Rules of Order and should occur in the following sequence:

- A. ARB members hearing the case execute affidavits regarding ex parte contact.
- B. All persons presenting testimony before the board will be sworn in. Any board member may swear in witnesses.
- C. ARB Clerk will call the protest case number for the audio record.
- D. The protester will state the nature of the complaint and present evidence and argument. Testimony by any witness may be in narrative form or by questioning of witnesses.
- E. The chief appraiser or his designee will present evidence and argument on behalf of the appraisal district.
- F. The ARB may exclude irrelevant testimony and may instruct a witness to confine his or her testimony to matters relevant to the issues before the board.
- G. The ARB shall permit cross-examination if requested by either party. ARB members hearing the case may question any witnesses testifying before the board and may question any of the parties appearing before the board. The board shall limit cross-examination to matters that are relevant to the subject of the hearing and shall not permit questions that are abusive or personal. All cross-examination must be completed within the time limit for the hearing.
- H. Parties may make brief closing statements.
- I. The ARB chairman calls for a motion from the board and the ARB renders its decision regarding the protest.

Section 3.23 Decisions Made by Board

- A. The ARB renders its decision on a protest at the conclusion of the protest hearing whenever possible. The decision must be made in an open meeting and the property owner and the District representative must be allowed the opportunity to be in attendance at the time the decision is made.

- B. In some cases, it is necessary for the ARB to request additional information or a re-inspection of the property, and the Board is not able to render its decision at the conclusion of the hearing. The ARB must inform the property owner at the conclusion of the hearing of the date and time the decision will be made. No additional testimony or evidence, unless requested by the ARB, can be made at the meeting on the final decision.
- C. If the decision on the protest is not made at the conclusion of the protest hearing, the property owner is mailed a notice as soon as possible notifying them of the date when the decision will be made. It is not mandatory that the property owner be in attendance at this meeting.
- D. An ARB Final Decision Letter is signed by the Chairman of the Board and mailed to the property owner by certified mail. A copy of the final decision letter is attached to the protest as a permanent record.

Section 3.24 Taxing Unit Challenges

- A. A taxing unit may file a Challenge Petition in accordance with Section 41.03 of the Property Tax Code. The challenge must be filed before June 1 or within 15 days after the date the appraisal records are submitted to the ARB, whichever is later. PTC Section 41.04
- B. The challenge petition is treated in the same manner as a property owner protest. A cause number is assigned and a cause folder is prepared containing a copy of the challenge petition, the hearings record, and all correspondence relating to the challenge.
- C. A Notice of Challenge Hearing is sent at least 10 days prior to the date of the hearing to the presiding officer of the governing body of the taxing entity initiating the challenge. Notification must also be sent with a least 10 days notice to the presiding officer of the governmental body of the other taxing entities that tax the property involved in the challenge. PTC Section 41.
- D. A hearing on the challenge is handled in the same manner as a hearing on a property owner protest with the exception that any taxing entity that has property that may be affected by the challenge may also appear to offer evidence or argument. PTC Section 41.05
- E. The ARB shall make a determination on the challenge hearing in the same manner as a protest and make written determination. PTC Section 41.07

Section 3.25 Approval of Appraisal Records

- A. The ARB must complete protest hearings on 95 percent of the total appraised value of the district before it can approve the appraisal records.
- B. The ARB must approve the appraisal records by July 20 or as soon thereafter as practicable.
- C. The ARB approves the appraisal records by filing the Order Approving Appraisal Records.

Section 3.26 Protest of Failure to Give Notice (41.411 Protest) PTC Section 41.411

- A. A property owner is entitled to file a protest on the basis that the District failed to deliver any notice to which the property owner is required to receive.
- B. A hearing is scheduled on the protest as outlined below and the ARB must determine if failure to provide or deliver a notice occurred. If it is determined that proper notification was not made, the Board immediately proceeds with a hearing on the value protest. If the ARB determines that the District did not fail in its notification requirements, the protest is denied.

- C. A protest of failure to give notice must be filed by a property owner prior to the date the taxes on the property to which the notice applies become delinquent.
- D. Once a property owner files a 41.411 protest, a letter of explanation is mailed detailing the procedures for the hearing and the tax payment requirements.
- E. A property owner is notified of the hearing on the 41.411 protest in the same manner as all other protests. The only exception being that in place of the Notice of Protest Hearing, the property owner is mailed a Notice of 41.411 Protest Hearing.
- F. A property owner who files a protest under the provisions of this section must comply with the payment requirements of Section 42.08 of the Property Tax Code or forfeits the right to a final determination of the protest.
- G. All hearings on 41.411 protests are held after the delinquency date.
- H. If the Board grants a 41.411 protest, the property owner may then address the valuation issue. Both the 41.411 protest and the value protest are handled under the same cause number.

Section 3.27 Correction of Appraisal Records

- A. At any time before the approval of the appraisal records, the ARB in writing may correct a clerical error in the records without referring the matter to the appraisal office if the correction will not affect the tax liability of a property owner and if the chief appraiser does not object in writing.
- B. At any time before the approval of the appraisal records, the chief appraiser may submit written recommendations to the ARB for corrections in the records. If the board approves a recommended correction and it will not result in an increase in the tax liability of a property owner, the board may make the correction by written order.
- C. Not later than the date the ARB approved the appraisal records, the secretary of the board shall deliver written notice to a property owner of any change in the records that is ordered by the board as provided by Chapter 41 of the Property Tax Code. An owner who receives a notice as provided by this section shall be entitled to protest the action as provided by Section 41.44 (a)(2) of the Tax Code.
- D. The chief appraiser shall make corrections to the appraisal records that are not subject to protest so long as the chief appraiser and the property owner are in agreement regarding the change. The chief appraiser is authorized by the ARB to issue change orders to the taxing units for these corrections to the appraisal roll.
- E. The chief appraiser is required to issue a report to the ARB quarterly of all changes made to the appraisal records for the board's approval. PTC 25.25(b)

Section 4 AGRICULTURAL ADVISORY BOARD

Section 4.01 Board Appointed

The Board of Directors appoints the Agricultural Advisory Board. PTC Section 6.12(a)

Section 4.02 Membership Size

The Board must have at least three members; however, the Board of Directors may appoint more than three members. PTC Section 6.12(a)

Section 4.03 Eligibility Requirements

Two members of the Board must be owners of qualified agriculture or timber land and must have resided in the District for at least five years. One member must be a representative of the Agricultural Stabilization and Conservation Service in the District. PTC Section 6.12(b)

Section 4.04 Terms of Office and Compensation

- A. Board members serve two-year staggered terms of office. PTC Section 6.12(c)
- B. Members do not receive compensation for service on the Board. PTC Section 6.12(f)

Section 4.05 Duties Outlined

The Board's function is to advise the Chief Appraiser on major issues dealing with agricultural and timber appraisal, such as; net to land, degree of intensity standards, and other agricultural use and appraisal issues. PTC Section 6.12(g)

Section 4.06 Authority Limited

The Board has no decision-making authority or responsibility. The Board shall not become involved in matters dealing with individual properties or in approving applications for agricultural appraisal.

Section 4.07 Meetings Called

The Board shall meet at the call of the Chief Appraiser at least three times a year or as deemed necessary. PTC Section 6.12(d)

Section 4.08 Conduct of Business

- A. Since the composition of this Board does not fall under the constraints of the Open Meetings Act, it is not required to post agendas and keep formal minutes.
- B. The Board shall conduct its business in an informal fashion, with a majority of the Board present.

Section 5 POWERS AND DUTIES OF THE CHIEF APPRAISER

Section 5.01 Chief Appraiser

The Chief Appraiser is the Chief Administrator of the Appraisal District. The Chief Appraiser is appointed by and serves at the pleasure of the Appraisal District Board of Directors. If a taxing unit performs the duties of the Appraisal District pursuant to a contract, the assessor for the unit is the Chief Appraiser. PTC Sec. 6.05(c)

Section 5.02 Compensation

The Chief Appraiser is entitled to compensation as provided by the budget adopted by the Board of Directors. PTC Sec. 6.05(d)

Section 5.03 Employment of Staff

- A. The Chief Appraiser may employ and compensate professional, clerical, and other personnel as provided by the budget. PTC Sec. 6.05(d)
- B. The Chief Appraiser may delegate authority to his employees. PTC Sec. 6.05(e)

Section 5.04 Powers and Duties

A. Appraisals

- 1. The Chief Appraiser's primary duty is the discovery, listing, review, and valuation of all taxable property within the Appraisal District, using standard approaches for determining prevailing market value.

B. Exemptions

- 1. The Chief Appraiser determines the requests for total or partial exempt status on certain types of properties in accordance with Chapter 11 of the Property Tax Code.
- 2. He further determines the eligibility for productivity or special valuation on certain properties and establishes both market and productivity value on certain properties in accordance with Chapter 23 of the Property Tax Code.

C. Appraisal Records

- 1. The Chief Appraiser establishes appraisal records, including appraisal cards, tax maps, identification system of property, lists, forms, applications, and other items as required by the Property Tax Code.

D. Notices

- 1. The Chief Appraiser must send and receive rendition forms, exemption applications, and other applications and reports from property owners. PTD Chapter 22

2. He further must send notices of appraised value, with estimated taxes noted, to those property owners whose values are increased over last year's value or the rendered value, or on new properties appraised for the first time. PTC Sec. 25.19

E. Appraisal Roll

1. By June 15 the Chief Appraiser shall prepare and certify to the assessor for each school district participating in the appraisal district an estimate of the taxable value of school district property. PTC Sec. 26.01(d)
2. While this certification is not required for any entity other than school districts, a certified estimate will be provided to all entities as soon as practicable once the preliminary values are set.
3. By May 15 or as soon thereafter as practicable, the Chief Appraiser shall submit the completed appraisal records to the Appraisal Review Board for review and determination of protests.
4. The Chief Appraiser, or a staff member designated by the Chief Appraiser, shall represent the Appraisal District at all hearings before the Appraisal Review Board and shall testify on all proposed value or exemption status and actions taken by him. PTC Sec. 41.04(c) and 41.45(c)
5. The Chief Appraiser may submit to the Appraisal Review Board any supplemental appraisal records discovered that are not included in the records already submitted to the Appraisal Review Board. The Chief Appraiser may supplement real property for any one of the preceding five years or personal property for any one of the two preceding years. PTC Sec. 25.21(a) and 25.23
6. The Appraisal Review Board, on motion of the Chief Appraiser or a property owner, may direct by written order changes to the appraisal roll for any of the five preceding years that would affect a property owner's tax liability due to a clerical error, multiple appraisals, or the inclusion of property that does not exist in the form or at the location described in the appraisal roll. PTC Sec. 25.25(c)
7. The Chief Appraiser, at any time, may change the appraisal roll to correct a name or address, a description of property, or any other inaccuracy as prescribed by rule of the Appraisal Review Board that does not increase the amount of tax liability. Before the 10th day after the end of each calendar quarter, the Chief Appraiser shall submit to the Board of Directors and the Appraisal Review Board a written report of each change made under this subsection that decreases the tax liability of the owner of the property. The report must include a description and the name of the owner of each property. PTC Sec. 25.25(b)
8. The Chief Appraiser shall make the reappraisals or other corrections of the appraisal records as ordered by the Appraisal Review Board. PTC Sec. 41.08
9. By July 25, the Chief Appraiser shall prepare and certify to the assessor for each taxing unit participating in the District that part of the appraisal roll for the District that lists the property taxable by that unit. PTC Sec. 26.01(a)

F. Level of Appraisals

1. All appraisals shall be equal and uniform within the different categories of properties and among the different categories of properties. The District shall maintain values to a level reflective of the current market values. The level of appraisal as determined by the Property Tax Division of the State Comptroller's Office in their annual ratio study shall be presented to the Board of Directors as a matter of information.

G. Reappraisal Plan

1. The appraisal district will adopt biennially by September 15 of even numbered years a plan for the periodic reappraisal of the district in accordance with Section 6.05(i) of the Texas Property Tax Code.

2. The plan will be adopted after the board conducts a public hearing to inform the public and participating taxing jurisdictions of the proposed reappraisal plan.

H. Reappraisal Procedures

1. When conducting a reappraisal, the appraiser physically inspects every parcel of property, with the exception of industrial properties which are appraised by the industrial appraising consultants. The appraiser verifies the information on the appraisal card and classifies the property in accordance with the appraisal manuals developed by the District. Said appraisal manuals are updated as market conditions indicate.
2. Any discrepancies found by the appraiser are noted on the appraisal card and the necessary corrections are made.

I. Limits of Authority

1. Nothing in this Section shall be construed as limiting the authority of the Chief Appraiser in the performance of his duties or as expanding the authority of the Board of Directors in the area of appraisals.

J. Report of PTC Section 25.25b Changes

1. As prescribed by the ARB, the Chief Appraiser has the authority to change the appraisal roll providing the amount of tax liability of an account does not increase.
2. Before the 10th day after the end of each calendar quarter, the Chief Appraiser must submit a written report of each change made under this section that decreases the tax liability of the property owner to the Secretary of the Board. However, if the County Tax Assessor/Collector is serving as a full member of the Board of Directors, the County Tax Assessor/Collector may accept the report on behalf of the entire Board. This report must include a description of each property and the name of the property owner.
3. Upon request of the party accepting the report, the report may be submitted in an electronic format. PTC Sec. 25.25(b)

Section 5.05 Miscellaneous

- A. The Chief Appraiser is responsible for the preparation of the Appraisal District's budget.
- B. The Chief Appraiser acts as the custodian of all Appraisal District records.
- C. The Chief Appraiser supervises the work of the contractors such as appraisal firms, computer services, etc.
- D. The Chief Appraiser handles any assessment and/or collection duties as contracted between the Board of Directors and a taxing unit or as required by referendum.
- E. The Chief Appraiser reviews Appraisal Review Board decisions for the possibility of any appeal to the District Court.
- F. Duties Assigned by the Board of Directors
 1. The Chief Appraiser keeps the Board informed on the operation and progress of the Appraisal District and assists in development of operational policies and procedures.

2. The Chief Appraiser shall make all arrangements for meetings of the Board of Directors, including posting public notice and informing the Board of meeting times.
 3. The Chief Appraiser shall administrate policies established by federal, state, and local agencies, and by the Appraisal District Board.
 4. The Chief Appraiser shall receive, approve, and pay normal district operating expenses up to an amount of \$5,000 that fall within the adopted operating budget.
 5. The Chief Appraiser shall prepare and deliver to the Board a list of all such expenses at its regular monthly meeting for board approval.
 6. The Chief Appraiser shall perform any other duties that may be assigned by the Board.
- G. The Board of Directors appoints the Chief Appraiser to serve an indefinite term; however, the employment of the Chief Appraiser is not binding on future Boards.
- H. The Board of Directors will conduct an evaluation of the Chief Appraiser's job performance on an annual basis. The evaluation will be submitted to the Chief Appraiser in executive session at the August Regular Board Meeting each year.

Section 6 Financial Affairs

Section 6.01 Annual Operating Budget

(A) Budget proposal to the board

1. Before May 15 of each year, the chief appraiser submits to the board a proposed budget for the upcoming fiscal year. The district's fiscal year is the calendar year, unless changed under Property Tax Code Section 6.06(i).
2. The chief appraiser's proposed budget must list each proposed position in the district, the position's proposed salary and benefits, and each proposed capital expenditure.
3. The proposed budget must include an estimate of the amount of the budget allocated to each taxing unit participating in the district. Final budget allocations are determined when actual levy figures are known.
4. Collection or assessment services are a separate budget from the main appraisal district budget. Only units using these services pay for them. The chief appraiser should budget separately for these services. This separation permits allocating costs to the responsible taxing units.
5. The board may direct the chief appraiser to adjust the proposed budget and present it again to the board for its consideration before scheduling a public hearing to adopt the budget.

(B) Public hearing and publication of budget

1. The board of directors must hold a public hearing to consider the budget. This hearing gives taxing units and the public an opportunity to observe and comment on how funds are being spent.
2. The budget must be finally approved before September 15 according Sec. 6.06 (b) of the Property Tax Code.
3. Before the board holds the budget hearing, the board has assigned the chief appraiser the responsibility to:
 - a. deliver to the presiding officer of the governing body of each taxing unit in the district written notice of the date, time and place of the hearing. This notice must be delivered no later than the 10th day before the date of the budget hearing.
 - b. publish a notice of the hearing in the Fairfield Recorder and the Teague Chronicle. The notice may not be published in the part of the paper in which legal notices and classified advertisements appear. Comptroller Rule 9.3048 sets out the content of the notice. is available for public inspection in the office of each of those governing bodies."
 - c. post notice of the budget hearing 72 hours in advance according to the Open Meetings Act.

(C) Adopting the budget

After meeting the legal requirements of public and taxing unit notification of a budget hearing, the board shall adopt an annual operating budget for the upcoming fiscal year prior to September 15.

(D) Taxing unit approval or veto

1. The adopted budget takes effect if a majority of the taxing entities within the district do not veto it within 30 days after the budget is adopted.

2. To veto, a majority of the voting taxing units must pass resolutions disapproving the adopted budget. These units must file resolutions with the board's secretary within 30 days after the date the budget is adopted. If enough veto resolutions are filed, the budget does not take effect. The board must adopt a new budget within 30 days of disapproval.
3. Amending the budget
 - a. The board of directors may amend the approved budget if the board's secretary delivers to the presiding officer of each taxing unit's governing body a written copy of the amendment proposal. The secretary must deliver this notice at least 30 days before the date the board intends to act on the amendment.
 - b. Voting taxing units may disapprove a budget amendment under the general authority given to taxing units to disapprove a board action. Voting taxing units must file disapproval resolutions with the board's secretary by majority of the voting taxing units within 15 days of the amendment's adoption.

Section 6.02 Funding The District

- A. Each taxing unit must pay its share of the budget in four equal installments, due at the end of each calendar quarter (December 31, March 31, June 30 and September 30). The first payment is due before January 1 of the year in which the budget takes effect. A taxing unit's governing body and the chief appraiser, however, may agree on a different method of payment.
- B. If a taxing unit does not pay on time, the payment becomes delinquent and incurs a penalty of 5 percent of the payment amount. Interest accrues at an annual rate of 10 percent. The attorney general in Opinion No. JM-74 (1983) ruled that the appraisal district has no authority to waive or rescind the penalty and interest imposed on a delinquent taxing unit.
- C. If the budget is amended, any change in the amount of a unit's cost allocation is apportioned among the payments remaining.
- D. The board of directors may change the allocation method by passing a resolution making the change and delivering copies to the participating taxing units after June 15 and before August 15. The change takes effect if no taxing unit files a resolution opposing it. If any taxing unit that participates in the district adopts a resolution opposing the change and files the document with the board prior to September 1, the change is void.
- E. The voting taxing units may also change the method of allocating payment. To make the change, the governing bodies of three-fourths of the voting taxing units must adopt appropriate resolutions and file them with the chief appraiser after April 30 and before May 15.
- F. A change in allocation method made by either the directors or by the voting taxing units as provided by Section 6.061 remains in effect until changed or rescinded by resolution of a majority of the governing bodies of voting taxing units.

Section 6.04 Selecting a Depository

- A. The board shall select a depository through the district's competitive bid process.
- B. Property Tax Code Section 6.09 sets out requirements for selection of a depository. These include:
 1. The depository must be a Texas or United States banking corporation or a savings and loan association whose deposits are insured by the Federal Savings and Loan Insurance Corporation.
 2. The board must choose the financial institution(s) which offer the most favorable terms and conditions for handling the district's funds.

3. The board must solicit bids at least once in each two-year period. The board and the depository may agree to extend a depository contact for one additional two-year period.
4. To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, the depository must secure funds in the manner provided by law for the security of funds of counties.
5. When funds in a depository exceed the limit insured by the Bank Insurance Fund or Savings Association Insurance Fund, the excess must be secured in the same manner as similar county funds. Local Government Code Section 116.051 provides for securing county funds. Section 116.051 allows a depository 15 days after selection to insure funds that are not otherwise insured. The board has the option of insuring these funds in one or more of the following ways:
 - a. Personal Bonds. The depository may execute and file with the board a bond or bonds, payable to the chair of the board and the successors in office. The board must approve the bond. At least five solvent sureties who own unencumbered real property in Texas that is not exempt from execution must sign the bond. The amount of the bond must equal the estimated highest daily balance of the district. The estimate may not be less than 75 percent of the highest daily balance the district held in the preceding year. If personal bonds are used, the board must check into the solvency of the sureties at least twice a year.
 - b. Surety Bonds. The bond is to be executed by a solvent surety company authorized to do business in the state rather than by individual sureties.
 - c. Pledged Securities. The depository may pledge to the district specified types of securities in an amount equal to the insured appraisal district funds on deposit. The types of securities that qualify are identified in Local Government Code Section 116.054 and in Art. 2529b-1, Tex. Rev. Civ. Stat. When the pledged securities exceed the district funds, the district must permit the release of such securities in an amount equal to the excess. When the funds deposited increase beyond the amount of securities pledged, the depository must immediately pledge additional securities with the board of directors.
6. Article 2529c, Tex. Rev. Civ. Stat., places limitations on the selection of a depository in which a member of the board of directors has an interest.
7. A depository is not disqualified from bidding and becoming a depository if an employee of the appraisal district is an officer, director or stockholder of the bank who is not charged with the duty of selecting the depository.
8. If any board members own 10 percent or less of the bank's outstanding stock, the bank is eligible to be selected as the district's depository, as long as no officer, director or stockholder of the bank votes or participates in the proceedings. If more than 10 percent of the bank's outstanding capital stock is owned by board members, the bank is disqualified.
9. The Property Tax Code also bars a contract if a board member is an officer of the bank, even if the member abstains from the selection process.
10. Property Tax Code Section 6.036 prohibits an appraisal district from contracting with a director or with a business entity in which a member of the board has a substantial interest. "Substantial interest" exists when a director and his or her spouse have a combined ownership of at least 10 percent of the voting stock or shares of the business, or the director or his or her spouse serve as a partner, limited partner or officer in the business.

Section 6.05 Investing Public Funds

Government Code Chapter 2256 addresses the authorized investments for Texas governmental entities. Each governing body of a political subdivision may purchase, sell and invest its funds as provided by this chapter.

Section 6.06 Competitive Bidding

- A. Property Tax Code Section 6.11 forbids the board from making a contract that requires an expenditure of more than \$15,000 unless the board submits the proposed contract to competitive bidding. Specifically, the board must follow the process set out for county commissioners in the Certificate of Obligation Act of 1971. This law is codified as Subchapter C, Chapter 271, Local Government Code.

- B. The following exceptions from competitive bidding are available only if the board of directors grants them. They are:
 - 1. expenditures of less than \$15,000;
 - 2. purchasing (not leasing) land or buildings for authorized purposes;
 - 3. purchasing any item that can be obtained from only one source, including copyrighted items, books, films, manuscripts, utility services and captive replacement or component parts;
 - 4. replacing or repairing unforeseen damages to property, machinery or equipment;
 - 5. hiring salaried employees;
 - 6. renewing an existing lease or equipment maintenance agreement if approved by the board.
 - 7. work performed and paid for day by day as work progresses;
 - 8. purchasing personal property sold at an auction by a licensed auctioneer, at a legally held going-out-of-business sale or by a political subdivision of the state, Texas state agency or a federal agency; and
 - 9. contracts for personal or professional services. While the law does not specifically define personal services, it lists professional services. The law defines "professional services" to include architects, professional engineers, certified public accountants and land surveyors. *Government Code Section 2256.002 provides that a local political subdivision may not select a provider of professional services by competitive bidding. "Professional services" are selected based on demonstrated competence and qualifications and for a fair and reasonable price.*

- C. Public Notice of Requests for Bid Proposals
 - 1. The board must publish notice of its intent to receive bids in the Fairfield Recorder and the Teague Chronicle once a week for two weeks before letting the contract. The date of the first notice must be at least 14 days before the date set for receipt of bids.
 - 2. The notice must state the date, time and location at which the board will award the contract and contain reasonably detailed bid specifications. It must state the location at which all bidders may examine the bidding specifications.
 - 3. A bid notice may be published in any section of the newspaper.

- D. Bid Specifications.
 - 1. Specifications shall be drawn so each bidder will be on equal terms in responding and each bid will be judged according to the same standards. The board shall notify bidders if it changes bid specifications before accepting a bid or beginning a contract.
 - 2. The contract may be let on a lump-sum or unit-price basis. Compensation paid to the contractor must be based on the actual quantities constructed or supplied.

E. Acceptance or Rejection

1. The board is not obligated to let a contract that has been bid. It may also reject any individual bid on defensible criteria.
2. A bid that is not responsive to the specifications established in the notice will be rejected.
3. A bidder cannot change the terms in a response.
4. The board must award the contract to the lowest responsible bidder. The board shall use its judgment in selecting among the lowest bidders and may consider such factors as the product's quality, its adaptability to the particular use required and the ability and financial responsibility of the bidders.

F. Public Works

1. If the contract is for construction of public works and exceeds \$25,000, such as an agreement for the construction, alteration or repair of any public building, the successful bidder must provide a performance and payment bond. The bond must secure the full amount of the contract price and be executed in accordance with the provisions of Art. 5160, Tex. Rev. Civ. Stat., by a surety company authorized to do business in the state.
2. The board may not increase the contract price by more than 25 percent. The original contract price may not be decreased by more than 25 percent without the contractor's consent. Increases are valid only if the board also appropriates current funds for that purpose.

G. Sale or Exchange of Real Property

1. The board must publish notice in the Fairfield Recorder and the Teague Chronicle.
2. The notice must include a description of the land, its location and the method by which bidders may submit sealed bids.
3. Real property may not be conveyed, sold or exchanged for less than the fair market value of the land. The sale or exchange of real property is found in Section 272.001, Local Government Code.

H. Contracts

1. The Texas Constitution prohibits political subdivisions from incurring a debt or creating an enforceable contractual obligation that extends into future revenue years. Essentially, this prohibition limits the term of all contracts to the fiscal or budgetary year in which the contract was originally made.
2. A contract involving a governmental function may extend beyond the term of the present board if it includes a ratification clause conditioning the contract upon acceptance by a later board. In addition, contracts involving governmental functions must have a funding-out clause.
3. Contracts providing for payment of \$100,000 or more may be submitted to the attorney general for examination as to the validity of the contract. If approved, the contract is registered with the Comptroller of Public Accounts. The contract may last up to 25 years, subject only to constitutional restrictions.

I. Contracts For Legal Counsel

Hiring an attorney is a governmental function. It is subject to the term of the existing board and budgetary limitations. Hiring an attorney is a contract for professional services -- competitive bidding requirements need not be followed.

J. Assessment and Collection

The district may perform assessment and collection duties for any taxing unit. The agreement between the two units of local government is subject to the Interlocal Cooperation Act. Compensation under such a contract may not exceed the actual costs incurred.

K. Appraisal Services

Appraisal services are not subject to competitive bidding. The amount of compensation paid to a private firm cannot be contingent on the amount of increase in value of the property being appraised. The contract must clearly state that copies of the appraisal must be made available to the appraisal district and that the appraisals and supporting data are public records.

L. Equipment Lease or Purchase

Contracts for purchasing or leasing equipment are proprietary and subject only to the limitation that the contract cannot extend beyond the district's budgetary year without a funding out clause. Where the contract involves more than \$15,000, the board shall submit it for competitive bidding.

M. Computer Hardware Lease or Purchase

The lease or purchase of computer hardware is treated like any other acquisition of equipment.

Section 6.07 Bonds

The chief appraiser and the district's bookkeeper shall have fidelity bonds in the amount of \$25,000 for performing appraisal services. The district must pay the premium for the bond.

Section 6.08 Accounting Procedures

- A. The chief appraiser shall establish and maintain accounting records for the district in accordance with generally accepted accounting practices.
- B. The chief appraiser shall operate the district within means of the adopted operating budget. All funds shall be spent in the manner provided for in the budget. The board may amend the budget according to district policy to move moneys from one budget category to another at any time.
- C. The chief appraiser shall prepare and present for board approval at all regular board meetings:
 - 1. a roster of monthly district expenses (monthly bill list)
 - 2. a report of accrued actual expenses by budget category, the total budgeted amount for each budget category, and the remaining unspent balance for each budget category.
 - 3. a report of the district's deposited funds.
- D. The board shall engage the services on an independent certified public accountant to audit the district's financial records annually in accordance with Property Tax Code Section 6.063.
- E. Upon completion of the audit, the independent CPA shall prepare and deliver a report of his findings to the board during a regular board meeting before May 15 of the year following the audit year. The CPA shall provide a copy of the audit report to each member of the board and the chief appraiser as well as a copy to be delivered to the presiding officer of each governing body of each taxing unit eligible to vote on director appointments.

- F. After accepting the financial audit report from the independent CPA, the board shall disperse any unencumbered fund balance due to those taxing units funding the district:
 - 1. by returning the funds by check proportionally to the manner in which they were received;
 - 2. by applying the fund balance to future taxing unit contributions to the district's operation; or,
 - 3. amending the operating budget and encumbering the funds for a specific district purpose.
- G. The district, through the chief appraiser, shall maintain a copy of the audit report in the districts official records for public inspection.

Section 6.09 Employer Identification Number

The district must obtain an IRS Employer Identification Number and be placed on the IRS mailing list. Funds withheld from employees' pay are calculated, deposited and reported using the proper forms required by IRS.

Section 6.10 Sales Tax

The district, as political subdivisions of the state, is exempt from paying any sales tax except on lodging secured by officials traveling on official business.

Section 6.11 Insurance

- A. The district shall carry general liability insurance on the district's property. The maximum amount of coverage per occurrence is \$1,000,000,000.
- B. The district shall carry a supplemental insurance policy to cover employee vehicles that are used in connection with appraisal district functions. The maximum amount of coverage per occurrence is \$1,000,000,000 with an annual aggregate of \$2,000,000,000.
- C. The district shall carry an error and omissions liability insurance to cover the actions of the board of directors, the appraisal review board, the ag advisory board, the chief appraiser, and appraisal district staff.

Section 6.12 Employee Benefits

- A. The district shall provide a major medical plan for regular full-time employees that included health, dental, and prescription drug coverage at the district's expense. It is mandatory that all employees participate in the plan upon permanent employment. Dependent coverage shall be available at the employee's option and cost.
- B. The district shall provide insurance to compensate employees for lost time due to on-the-job injuries as entitled by the Workers' Compensation Insurance Act.. The board will choose to provide this coverage through the purchase of a workers' compensation insurance policy, becoming self-insured or participating in a joint self-insurance fund with other districts or governmental units.
- C. The district participates in the Texas County District Retirement System (TCDRS). Employee participation is mandatory.
 - 1. The administrator of the district's employee retirement plan is TCERS.
 - 2. The plan document prepared by TCERS is the official policy of the appraisal district and the board. It may be amended at any time according to the provisions of the plan at the board's discretion.
 - 3. TCERS as administrator of the district's retirement plan shall file all reports with the State Pension Review Board as required by Government Code Chapter 802.

Section 6.13 Attorney Fees

- A. The district shall reimburse attorney fees for the chief appraiser as defendant in a criminal action in appraisal district matters. The board may reimburse its chief appraiser's legal fees if the chief appraiser is indicted for official misconduct for an alleged failure to carry out a duty of his or her office.
- B. The district may reimburse the legal expenses if :
 - 1. the board determines that paying for the legal representation serves a public interest, not just the interest of the employee or officer, and
 - 2. the board determines that the employee or officer committed the alleged act or omission that was the basis of the suit in good faith and within the scope of his or her official duties.

Section 7 Adoption of Code Definitions/Comptroller Rules

1. The board shall recognize the definitions of Section 1.04 of the Property Tax Code as its official definition of terms relating to the appraisal district.
2. The board shall deliver all notices required by law or comptroller rule according to the provisions of Section 1.07 of the Property Tax Code.
3. The boundaries of the district include all of Freestone County and those portions of Wortham and Fairfield Independent School Districts that lie in Navarro County and those portions of Wortham Independent School District the lie in Limestone County.
4. The district shall list on its appraisal records and lists any parcels that qualify for any local option homestead, disability, over sixty-five, and surviving spouse exemptions adopted by taxing units in accordance with Section 6.08 and 11.13 of the Property Tax Code. The district shall accumulate the total taxable value lost due to the optional exemption on value recapitulation reports produced by the district and delivered to the taxing units.
5. The district acknowledges that:
 - a. Freestone County has authorized a local option percentage homestead exemption in the amount of one percent of the taxable value with a minimum amount of \$5,000 each.
 - b. Freestone County has authorized a local option over sixty-five, disability, and surviving spouse exemption in the amount of \$40,000.
 - c. The City of Fairfield has authorized a local option over sixty-five, disability, and surviving spouse exemption in the amount of \$5,000.
 - d. The City of Teague has authorized a local option over sixty-five, disability, and surviving spouse exemption in the amount of \$5,000.
 - e. The City of Wortham has authorized a local option over sixty-five, disability, and surviving spouse exemption in the amount of \$5,000.
 - f. Fairfield Independent School District has authorized a local option over sixty-five, disability, and surviving spouse exemption in the amount of \$5,000.
6. The district shall list on its appraisal records and lists any parcels that qualify for any local option exemption for historic sites granted by taxing units for historic sites authorized by Sections 6.08 and 11.24 of the Property Tax Code. The district shall accumulate the total taxable value lost due to the optional exemption on value recapitulation reports produced by the district and delivered to the taxing units.
7. The district shall make available for public inspection a list of all properties that qualify for:
 - a. mandated and local option residential homestead exemptions,
 - b. disabled veterans exemptions,
 - c. absolute exemptions,
 - d. open space land valuation, and
 - e. agricultural use under Section 1d of the Texas Constitution.
8. The district shall keep the confidentiality of certain documents received by the district. Records protected

from public inspection are:

- a. rendition statements,
 - b. property reports,
 - c. applications for agricultural designation under 1-d of the Texas Constitution and Sections 22.27 and 22.45 of the Property Tax Code,
 - d. sales information for which a promise of confidentiality has been made,
 - e. parcels made confidential under Sections 25.205 and 25.026 of the Property Tax Code for peace officers, sexual assault shelters, and family violence shelters.
9. The district shall develop and maintain a uniform records system that meets the requirements of Section 9.3003 of the State Comptroller Property Tax Rules.
 10. Records produced annually including the appraisal roll, partial and absolute exemption lists, and lists of properties qualifying for open space land valuation, agricultural, timber, recreational, park and scenic land, and public access airport property valuations shall be maintained as a physical document in the appraisal district office for a period of five years for public inspection.
 11. The district shall electronically archive in Adobe Acrobat file format;
 - a. the appraisal roll,
 - b. partial and absolute exemption lists,
 - c. and lists of properties qualifying for open space land valuation, agricultural, timber, recreational, park and scenic land, and public access airport property valuations.
 12. The chief appraiser shall maintain physical copies of maps as long as they are useful to the district.
 13. The district shall make its electronic appraisal records and maps available for public inspection by providing computer access in the public area of the district office.
 14. The district shall electronically maintain in its CAMA system the ability to search the appraisal records by parcel or account number, owner name or number, and physical location. Other search options may be available through the CAMA software.
 15. The district shall establish a unique property identification numbering system which identifies parcels in both the CAMA system and the mapping software. Parcels shall also have an account number that also uniquely identifies the property by location and property type.
 16. The district shall maintain CAMA software capable of electronically and physically producing appraisal cards in compliance with Section 9.3001 State Comptroller Property Tax Rules.
 17. The district shall maintain a system of maps covering the entire area of the district. The maps shall be maintained electronically and the district shall have the capability to produce physical copies of its maps to scale. Map data shall include property lines, abstract/survey lines, roads/highways, and property identification (parcel) numbers. The district shall maintain current ownership on its maps through official records of Freestone, Limestone, and Navarro counties. Additionally, the district's mapping software shall include the capability of searching the data for character strings, specifically the parcel number.
 18. The chief appraiser shall create procedures for equitable and uniform appraisal of business inventories according to Section 23.12 Property Tax Code.
 19. The district shall allocate value of personal property that is used continually outside this state according to

the portion of total market value of the property that fairly reflects its use in this state.

20. In addition to the laws found in Section 23.51 of the Property Tax Code, the district shall adopt as its guidelines for open space land valuation the guidelines published by the Property Tax Division (PTD) in its *Manual for the Appraisal of Agricultural Land*, and *Manual for the Appraisal of Timber Land*. The PTD manual that was prepared with the aid of the Texas Parks & Wildlife Department shall serve as the guideline to qualify property for the special use valuation.
21. Additional criteria may be used in determining the general intensity standards and qualifying practices for qualifying parcels in the area as recommended by the FCAD Ag Advisory Board shall be considered by the chief appraiser in valuing agricultural, timber, and wildlife managed properties.
22. District policy for the qualification of agricultural use shall be in accordance with those of the PTD. Specifically, in order to qualify for open-space land valuation, the land must:
 - a. be utilized to the degree of intensity generally accepted in Freestone County. (Degree of intensity is measured by local farming and ranching practices of typically prudent management.);
 - b. be managed in a typically prudent manner, which may be measured by comparing the actual production of the subject property to the average yields of Freestone County; and,
 - c. be a tract of land of adequate size to support a typically prudent operation.
23. The district's appraisal records shall be in compliance with the requirements of Section 25.02 of the Property Tax Code.
24. The board shall adopt a plan for the periodic reappraisal of property in accordance with Section 25.18 Property Tax Code and USPAP Standard 6.
25. The chief appraiser shall submit the appraisal records to the Appraisal Review Board by in accordance with Section 25.22 Property Tax Code. The submission shall include an affidavit from the chief appraiser prescribed by Section 25.22(b).
26. The chief appraiser shall certify and deliver the appraisal roll to the taxing units participating in the district as required by Section 26.01 Property Tax Code. The chief appraiser shall also certify the district's appraisal roll to the state comptroller in accordance with this section.
27. All appraisals conducted by the district are reflective of market value as of January 1 of the tax year and are prepared in accordance with generally accepted appraisal techniques as required by Section 23.01 Property Tax Code and the Uniform Standards of Professional Appraisal Practices standard 6.
28. Tangible personal property transported outside the district will be appraised in accordance with Section 11.251 Property Tax Code.
29. The chief appraiser shall publish a notice in the Fairfield Recorder, Freestone County Times, and the Teague Chronicle to inform the public of the manner in which to protest appraisal district values and records by May 15 each year in accordance with Section 41.70 Property Tax Code. The chief appraiser shall publish the notice as prescribed by Comptroller Tax Rule 9.3055
30. The chief appraiser shall allow property owners to be represented in accordance with Section 1.111 of the Property Tax Code. Forms used by the district shall be in compliance with Comptroller Tax Rule 9.3044

Section 8 Forms Adopted for District Use

The district shall use model forms as adopted, prepared, and published by the Comptroller. The district may reproduce these forms from the comptroller's internet site or from the CAMA software as long as the forms are in compliance with Section F Comptroller Tax Rules.

Section 8.01 File Maintained

The intranet webmaster is responsible for maintaining forms & providing links to all forms used by the District.

Section 9 APPRAISAL METHODS AND PROCEDURES

Appraisals Generally

Section 9.01 Purpose

The Appraisal District is responsible for appraising property in the District for ad valorem tax purposes for each taxing entity that imposes ad valorem taxes on property in the District. PTC Section 6.02(b)

Section 9.02 Appraisal District Boundaries

The Appraisal District's boundaries are the same as the County's boundaries; however, if a taxing entity that has boundaries extending into two or more counties chooses to participate in this District, then the boundaries of the Appraisal District shall extend outside of the County to the extent of that taxing entity's boundaries. PTC Sec. 6.02 (a,b)

Section 9.03 Taxable Property

The Appraisal District has jurisdiction to appraise all real and tangible personal property that has attained situs within its boundaries unless specifically exempted by the Property Tax Code. PTC Sec. 11.01(a)

Section 9.04 Appraisal Date

All taxable property is appraised at its market value as of January 1, with the exception of inventory which may be appraised at its market value as of September 1. To receive the September 1 appraisal date, a taxpayer must file an Application for September 1 Inventory Appraisal by July 31. PTC Sec. 23.01(a) PTC Sec. 23.12(f)

Appraisal Methods

Section 9.05 General

Unless specifically noted, all taxable property in the District is appraised at its market value. The market value of property shall be determined by the application of generally accepted appraisal techniques, and the same or similar appraisal techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value. PTC Sec. 23.01(b)

Section 9.06 Market Value Defined

Market value is the price at which a property would sell for cash or its equivalent under prevailing market conditions if:

- a. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- b. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and,
- c. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the other. PTC Sec. 1.04(7)

Section 9.07 Inventory

Procedures for the equitable and uniform appraisal of inventory for taxation must be established. Procedures must also be established, published, and adhered to for the determination of the quantity of property held in inventory without regard to the kind, nature, or character of the property comprising the inventory. PTC Sec. 23.12(b)(1)

The District must apply the same enforcement, verification, and audit procedures, techniques, and criteria to the discovery, physical examination, or quantification of all inventories without regard to the kind, nature, or character of the property comprising the inventory. PTC Sec. 23.12 (b)(2)

In appraising the inventory, the District shall apply generally accepted appraisal techniques in computing the market value based on the information obtained in this Section. PTC Sec. 23.12(c)

Section 9.08 USPAP Procedures

The mass appraisal standards used by the District in determining the market value of property must comply with the Uniform Standards of Professional Appraisal Practice. PTC Sec. 23.01(b)

Appraisal Records

Section 9.09 Form and Content of Appraisal Records

The appraisal records shall be in the form prescribed by the Property Tax Division and shall include:

1. the name and address of the owner or, if the name and address is unknown, a statement that it is unknown
2. real property
3. separately taxable estates or interests in real property, including taxable possessory interests in exempt real property
4. personal property
5. the appraised value of land and, if the land is designated for agricultural or timber use, the productivity value of the land
6. the appraised value of improvements to the land
7. the appraised value of a separately taxable estate or interest in land
8. the appraised value of personal property
9. the kind of any partial exemption the owner is entitled to receive, whether the exemption applies to appraised or assessed value, and, in the case of an exemption authorized by Section 11.34 of the Property Tax Code, the amount of the exemption
10. the tax year to which the appraisal applies
11. an identification of each taxing entity in which the property is taxable. PTC Sec. 25.02

These records may be maintained in electronic data format rather than in hard copies. PTD Rule 9.3012(g)

Section 9.10 Property Identification System

The District must develop and maintain a system of property identification and description that provides a one-to-one relationship between a parcel of property and its identification. This system should provide that each property identification changes when the physical boundaries of a parcel of property changes. This system should provide for an easily generated property identification that is achieved through a minimum of steps, is easily maintained and updated, and is convenient to use. PTD Rule 9.03149(a-h)

Section 9.11 Account Number

Real and Personal Account Numbers are 21-digit numbers with the following format:

XXXXX-XXXXX-XXXXX-XXXXXX

The account number is separated into four sub-fields.

- The first sub-field contains a five-digit code referencing an abstract, townsite, or subdivision.
- The second sub-field contains lot and block numbers in subdivisions and townsites. In abstracts, the number was randomly assigned in the beginning stages of the district’s CAMA system.
- The third sub-field typically is assigned to parcels that have been split from parcels that existed when the appraisal district records were created. Character strings containing “160” typically represent personal property and mobile home parcels.
- The final sub-field is used to identify the year in which a personal property record was added to the appraisal roll (such as a mobile home)

Mineral, Industrial, and Utility account numbers, which are imported from the company contracted to perform those utilize a 15-digit numerical format represented as follows:

XXXXXXXX-X-XXXXXXXX

- The account number is separated into three sub-fields.
- The first sub-field references the owner’s number.
- The second sub-field identifies an interest type
 - 1 for royalty or individual ownership interests
 - 2 for over-ride or working interests
- The remaining sub-filed contains a property or well lease number.

Section 9.12 Property Use Codes

All parcels are assigned a classification code based upon use. The alphabetical characters mirror the Property Tax Division’s Property Classification system utilized in their Property Value Study. The district utilizes additional coding to further identify property classes as follows:

- A1 - Single family improvements and land (also includes house only)
- A2 - Mobile homes and land
- A1X - Single family improvements and land value on another account
- B1 - Multi-family improvements and land
- C1 - Vacant land (typically under 5.00 acres and may include small improvements on and to the land)
- D1 - Qualified productivity valuation land

- D2 - Non-qualified productivity valuation land (over 5.00 acres)
- E1 - Farm/ranch residential improvements (land is classified as D1 or D2)
- E2 - Farm/ranch mobile homesite
- E3 - Non-residential farm/ranch improvements
- F1 - Commercial business land & improvements
- F2 - Industrial land & improvements
- G1 - Real, minerals, oil and gas
- G2 - Real, minerals, oil and gas reserves
- G3 - Real, non-producing minerals
- H - Non-business vehicles (currently not listed on appraisal rolls)
- J3 - Electric companies
- J4 - Telephone companies
- J5 - Railroads
- J6 - Pipelines
- J7 - Cable TV
- J8 - Compressors, pump stations, etc. (company owned)
- J9 - Microwave equipment
- L1 - Business personal property (general)
- L1A - Commercial vehicles, 1 ton & over
- L1C - Commercial inventory & materials
- L1D - Commercial trailers
- L1G - Commercial machinery & equipment
- L1H - Inventory
- L1I - Inventory, furniture & fixtures
- L1J - Commercial furniture & fixtures
- L1M - Commercial vehicles, under 1 ton
- L1P - Commercial radio towers
- L1S - Dealer special inventory
- L1T - Commercial salt water disposal
- L1X - Inactive sales tax number
- L1Z - New tax number (needs value)
- M1 - Mobile homes only
- M2 - Other tangible personal property
- N1 - Intangible personal property (currently not listed on appraisal rolls)
- O1 - Residential inventory, vacant residential lots held in regular course of business for sale, vacant residential improvements that have not been sold and have never been inhabited, properties must be contiguous (these properties cannot produce any income to the owner)
- S - Dealers special inventory (motor vehicle inventory, boat & vessel, heavy equipment, manufactured housing)
- X1 - Schools
- X2 - Religious organizations
- X3 - Federal or state governments
- X3T - Tarrant Co Water District
- X3V - Texas VLB
- X4 - Charitable organizations
- X5 - Cemeteries
- X6 - Non-profit organizations
- X7 - Public roads

Reappraisal Provisions

Section 9.13 Reappraisal Schedule

All property is appraised in accordance with the Reappraisal Plan adopted by the Board of Directors biennially in accordance with Section 6.05 (i) of the Property Tax Code.

Section 9.14 Field Inspections

The field inspections for reappraisals are staggered according to the Reappraisal Plan adopted by the Board of Directors biennially in accordance with Section 6.05 (i) of the Property Tax Code.

Work Completion Dates

Section 9.16 Field Work Completion Date

The appraisers shall complete all field inspections by mid-April of each year according to a work schedule prepared by the Chief Appraiser.

Section 9.17 Data Entry Completion Date

The Data Department shall complete all data entry work relating to property valuations by Mid-April according to a work schedule prepared by the chief Appraiser.

Limited Appraised Value

Section 9.21 Defined

1. The appraised value of a residence homestead may not increase more than 10 percent per year since it was last reappraised unless new improvements, excluding ordinary maintenance, have been made. PTC Sec. 23.23(a)(e)
2. "Last reappraised" is defined to mean that a Notice of Appraised Value was mailed on the property.

Section 9.22 Effective Dates

The limitation takes effect on January 1 of the tax year following the first tax year the property owner qualifies for any homestead exemption and expires on January 1 of the first tax year that neither the property owner nor the owner's spouse qualifies for a homestead exemption. PTC Sec. 23.23(c)

Section 9.23 Values Listed in Appraisal Records

The appraisal records must include both the market value of the property and the amount calculated under the limited appraised value provisions. PTC Sec. 23.23(b)(2)

Section 9.24 Qualifying Factors for Limited Appraised Value

The following revisions affecting market value are subject to the limited appraised value:

- schedule changes,
- land changes,
- modifier changes,
- corrections, and
- age and condition changes.

- The following revisions affecting market value are not subject to the limited appraised value: additions,
- splits and combines,
- transferring improvements from one account to another,
- removing the fair market value (FMV) on an account and placing it on schedule due to extensive work authorized by a permit, and
- remodeling work that causes the condition code to change by at least 2 categories.

Section 9.25 Special Definitions for Casualty, Mold, or Water Damage

1. When calculating an improvement value for the purposes of a limited appraised value, a “new” improvement is not a replacement structure for a structure that was rendered uninhabitable or unusable by casualty or by mold or water damage.
2. For purposes of casualty, mold, or water damage, the property is considered to have been “last reappraised” in the last year the property was appraised for taxation before the casualty or damage occurred.
3. The replacement structure is considered to be a new improvement only to the extent it is a “significant” improvement over the replaced structure as that structure existed before the casualty or damage occurred. PTC Sec. 23.23(f)
4. If a house is demolished due to it being uninhabitable based on lack of necessary repairs and maintenance, and a new home is built in its place, the new structure would be considered as a “significant” improvement and would be considered as new improvements when calculating the limited appraised value.
5. If a house is demolished due to it being uninhabitable based on mole, water damage, or casualty, and a new home of similar quality of construction and architecture type is built in its place, the new structure is not considered as new improvements. However, if the replacement structure is larger than the original structure, then the additional square footage is considered as new improvements. Also, if the replacement structure is of a higher quality of construction, then the new structure is considered as a “significant” improvement and would be considered as new improvements when calculating the limited appraised value.
6. If a house is remodeled due to mold, water damage, or casualty, the improvements made on the existing structure to repair the damage would not be considered as new improvements. However, if an addition is added during the process of curing the damage, the addition is considered a “significant” improvement and would be considered as new improvements when calculating the limited appraised value.

Section 9.26 Calculating Limits

The district’s CAMA system calculates values for parcels as data is entered into the parcel record.

Certain factors such as age, condition, and location affect value calculations.

Buildings (including mobile homes) are classified in the CAMA system according to construction type and detail. Factors such as the lower of the chronological or effect age, an appraiser assigned condition rating, square footage, and neighborhood location factors further refine the cost tables to reflect market value of buildings. Where these variables are not reflective of the market, flat values are assigned to the records.

Land records are classified in the CAMA system according to location, size and location. Typical pricing schedule units are by the acre, square foot and front foot. Where these variables are not reflective of the market, flat values are assigned to the records.

Personal Property records may be valued by either of two methods. When original age and cost of equipment are known, equipment items are valued according to the district's replacement costs indexes and depreciation schedules. In other instances a typical cost per square foot cost schedule is used. The CAMA system calculates these values per square foot according to the quality and density of the business's property.

Confidential Appraisal Records – Peace Officers/Jailers and Victims of Family Violence

Section 9.27 Defined

1. Home addresses of peace officers as defined by Article 2.12, Code of Criminal Procedure; county jailers as defined by Section 1701.001, Occupations Code; employees of the Texas Department of Criminal Justice; and commissioned security officers as defined by Section 1702.002, Occupations Code are confidential and not open for public inspection. PTC Sec. 25.025
2. Federal employees do qualify for confidential status.
3. The home address of a victim of family violence as defined by Section 71.004, Family Code, is confidential and not open for public inspection, if as a result of the act of family violence against the victim, the actor is convicted of a felony or a Class A misdemeanor.

Section 9.28 Application Required

1. To receive confidential status, a qualifying property owner must file a Request for Confidentiality Form (03-010-102). All Requests for Confidentiality are submitted to the chief appraiser who verifies that the applicant qualifies.
2. Should a person that does not qualify for confidentiality file an application, then the chief appraiser mails a letter of denial.

Section 9.29 Current Owner Designation

1. The Request for Confidentiality is submitted to the exemption clerk, who posts the appraisal roll to reflect the owner of the property as "confidential owner." The revision is made for the current and subsequent appraisal years only.
2. The original form is then scanned and attached to the qualifying parcel record in the CAMA system. The original document is maintained in a confidential file for one year.

Section 9.30 Confidential Computer File Established

A confidential computer file is maintained listing the owner of the property. The file contains the account number, owner name and address, request for confidentiality application date, date confidential status is removed, and the reason the confidential status is removed.

Section 9.31 Information Provided to Tax Offices.

Each confidential owner record is marked on the data file provided to each taxing entity at the chief appraiser's certification of the appraisal roll. Change orders are issued to the tax office when parcels are marked with confidential owners after certification.

Section 9.32 *Internet Updated*

No special procedures are followed to update the Internet for Confidential Status. The appraisal records are updated annually, so the "Current Owner" status will be reflected on the Internet when the next scheduled update is made.

Appraisal Schedules

Section 9.33 *Information Gathered*

Information is gathered on all properties using a variety of sources as identified herein for each specific appraisal schedule. The market, cost, and income approaches to value are also used in developing the appraisal schedules. All information is reviewed for accuracy and reliability; information that does not meet the prescribed standards is not used in the compilation of the appraisal schedules.

Section 9.34 *Residential Schedule*

Information is gathered for the Residential Appraisal Schedule from the following sources:

- In-house sales ratio studies
- Miscellaneous sources including area brokers, real estate agents, attorneys, and taxpayers
- Marshall and Swift Valuation Service

Section 9.35 *Undeveloped Land Schedule*

Values for undeveloped land are compiled using sales for undeveloped land and vacant lots that are gathered, analyzed, and inspected to verify the accuracy of each sale and plotted on a map. If sufficient sales indicate a discrepancy with the appraised values for a specific area, the land values of that area are adjusted to reflect current market values.

In an area where sales information on land cannot be obtained, the sales of comparable subdivisions or areas are used to determine the land valuations.

Section 9.36 *Developed Land Schedule*

In improved areas, land values are compiled by gathering sales that indicate the total sales price for both the land and the improvements. If the sales indicate a discrepancy with the appraised value, but an analysis proves the improvement values to be correct, the land values are adjusted to reflect current market conditions.

In areas where sales information cannot be obtained, the sales of comparable subdivisions or areas are used to determine the land valuations.

Section 9.37 *Mobile Home Schedule*

Information is gathered for the mobile home schedule using sales information and the NADA Manufactured Housing Blue Book.

Section 9.38 *Commercial and Light Industrial Schedule*

Information is gathered for the Commercial and Light Industrial Appraisal Schedule from the below listed sources as well as any other source that may provide helpful information:

- In-house sales ratio studies
- Miscellaneous sources including area brokers, real estate agents, attorneys, and taxpayers

- Multiple Listing Service
- Marshall and Swift Valuation Service

Compilation of Appraisal Schedules – Personal Property

Section 9.39 Automobile and Truck Schedule

The NADA New and Used Car Guides and InfoNation electronic valuation service are used to determine the most representative values for automobiles and trucks. Values are typically assigned to vehicles at the average loan value plus twenty percent.

Section 9.40 Heavy Equipment Schedule

The Heavy Equipment Green Guide and the Machinery and Equipment Sales Publication are used to determine the most representative values for heavy equipment.

Section 9.41 Inventory, Furniture/Fixtures, and Machinery/Equipment Schedules

Historic findings, representative renditions, cost manuals, and on-site inspections are used to determine the values for inventories, furniture/fixtures, and machinery/equipment using the square footage, or density, method.

The values developed are reflective of the typical value per square foot of the improvements applicable to the property being appraised based on the business type, property quality level, and density level of the business. Business types are coded according to the Standard Industrial Code (SIC) issued by the State of Texas. However, if another unit of measure, such as the number of operators for a beauty shop, would give a more representative value for a certain business, that unit of measure is used to determine the value of all accounts for that type of business.

Appraisal Procedures

Real Property

Section 9.42 Information Gathered

Prior to making an on-site inspection, the appraiser makes copies of the maps of each area or subdivision to be appraised. The appraisal cards are printed by the appraiser or appraiser's assistant. If appraisal cards are missing, the appraiser will make notes to add the property to the current appraisal roll.

Section 9.43 On-Site Inspection

The appraiser performs an on-site inspection of all properties in the area to be appraised, verifying the information on the appraisal card, and noting any discrepancies or revisions to the property classification based on the following criteria:

1. Class of property
2. Type of siding
3. Number of stories
4. Condition of property
5. Effective age
6. Square footage of all improvements

The appraiser then notes any additional structures and/or any enhancements to the improvements such as central heat and air, swimming pools, workshops, open porches, enclosed porches, patios, etc. The physical address of the property is also verified on the appraisal card.

Section 9.44 Discrepancies Noted

The appraiser notes any discrepancies between the property and the information on the appraisal card, makes changes as necessary, and conducts a more detailed inspection, if required. If an addition has been made to the improvement, the new area is measured and added to the existing improvement drawing on the appraisal card and noted as an addition.

Section 9.45 On-Site Inspection Completed

Once the appraiser completes the on-site inspection and notes any discrepancies on the appraisal card, the initials of the appraiser and the date of the inspection are placed on the appraisal card.

Section 9.46 Appraiser Field Inspection Notes Keyed

The appraisal cards and notes are then submitted to the appraiser's assistant in the District's office to key in the appraiser information. The field card and the appraiser workload file are updated to indicate the number of accounts worked by each appraiser as well as the percentage of work outstanding by school district.

Section 9.47 Unscheduled Field Reviews of Parcels

The district records any building materials and mechanic's liens that are filed for record in the county clerk's office on each parcel affected by the instrument. Property owners may request that district appraisers review parcels outside the schedule review cycle by doing so in writing or verbally. Parcel records that are marked with this information are periodically retrieved from the district's CAMA system and married for field inspection by the district's appraisers. Once the appraiser has completed the inspection, the appraisal card is placed in the appraiser assistant's office and the information is then entered into the CAMA system and calculations are made.

Personal Property

Section 9.48 Information Gathered

The appraiser is responsible for compiling the accounts that are to be appraised for the current tax year. The accounts should contain the following information (if available):

1. Street location of property
2. Property use code
3. Account number
4. Account number of corresponding real property
5. Legal description
6. Taxing entities the property is located in
7. Number of vehicles
8. SIC Code
9. Owner number (if applicable)
10. Square footage of improvements
11. Condition of property
12. Rendered value
13. Value of improvements
14. Value of personal property by type

Section 9.49 On-Site Inspection

The appraiser makes an on-site inspection of the property, verifying the information contained in the District's computer system.

Section 9.50 Discrepancies Noted

Any discrepancies between the information contained in the District's computer system and actual information obtained from the on-site inspection are noted in the CAMA system.

Section 9.51 New Businesses Established

During the field inspection, if an appraiser discovers a business that is not currently on the appraisal roll, the necessary information is noted and an on-site inspection is made.

Section 9.52 Closed Businesses Deleted

During the field inspection, if an appraiser discovers that a business is no longer in operation, the appraiser verifies the date of closure. If the business was closed prior to January 1, the account is deleted for the current year; however, if the business was in operation as of January 1, the account is not deleted until the subsequent tax year.

Section 9.53 Appraiser Information Keyed

The appraiser is responsible for keying in the information gathered so that the District's computer system can calculate and place the account on the current year's appraisal roll.

Dealer's Motor Vehicle Inventory

Section 9.54 Definition of Value

The market value of a dealer's motor vehicle inventory on January 1 is the total annual sales from the dealer's motor vehicle inventory, less sales to dealers, fleet transactions, and subsequent sales, for the 12-month period corresponding to the prior tax year, divided by 12.

To obtain the market value of the dealer's motor vehicle inventory for an owner who was not a dealer on January 1 of the prior tax year, the market value is estimated using the total sales from the dealer's motor vehicle inventory in the prior tax year, if any is available, divided by the number of months in operation. PTC Section 23.121(b,c)

Section 9.55 Other Personal Property Excluded

Any other personal property held by a dealer is appraised as provided by the Section titled PERSONAL PROPERTY. PTC Section 23.121(d)

Section 9.56 Definition of Dealer

A dealer is presumed to be an owner of a dealer's motor vehicle inventory on January 1 if, in the 12-month period ending on December 31 of the immediately preceding year, the dealer sold a motor vehicle to a person other than a dealer. This presumption is not rebutted by the fact that a dealer has no motor vehicles physically on hand for sale from dealer's motor vehicle inventory on January 1. PTC Section 23.121(e)

Section 9.57 Listing of Motor Vehicle Dealers Received

In January of each year, a current listing of independent and franchised motor vehicle dealers doing business in Freestone County is obtained from the Texas Department of Transportation.

Section 9.58 Dealer's Motor Vehicle Inventory Declaration Form

In early January of each year, a Dealer's Motor Vehicle Inventory Declaration is mailed along with a letter of explanation to all dealers on file.

The declaration form must be filed no later than February 1 of each year, or, in the case of a dealer who was not in business on January 1, not later than 30 days after commencement of business. A copy of this form must also be filed with the tax assessor/collector. PTC Section 23.121(f)

Section 9.59 Dealer's Motor Vehicle Inventory Tax Statement

On or before the 10th day of each month a dealer shall file with the tax collector a Dealer's Motor Vehicle Inventory Tax Statement covering the sale of each vehicle sold by the dealer in the prior month. A copy of the statement is also filed with the District. PTC Section 23.122(f)

Section 9.60 Sales Values Keyed

The Personal Property Appraiser keys the value information from the monthly tax statement.

Section 9.61 Dealer's Motor Vehicle Inventory Declaration Form Received

Once the declaration form is received, it is treated as a rendition and processed as outlined in Section 3.

Section 9.62 Calculations Made

The Personal Property Appraiser compares the value indicated on the declaration form to the sales totals indicated on the monthly tax statements.

If there is a value discrepancy, the Personal Property Appraiser accepts the values reported on the monthly tax statements as the estimate of value.

If no declaration has been received by April 15th, the Personal Property Appraiser assigns a value to the account based on the monthly tax statements that were received in the prior year.

Section 9.63 Failure to File Declaration Form

If a dealer has not filed a declaration form by February 1, a Motor Vehicle Declaration Reminder Letter is mailed.

If a dealer fails to file a declaration form, or if a dealer reports the sale of fewer than five (5) vehicles in the prior year, this information is reported to the Texas Department of Transportation and the Department shall initiate termination proceedings. Included with the report is a copy of the declaration, if any, indicating the

sale by a dealer of fewer than five (5) vehicles in the prior year. A report of this type is grounds for the cancellation of the dealer's distinguishing number under Section 503.038(a)(9), Transportation Code, or for refusal by the Texas Department of Transportation to renew the dealer's general distinguishing number.

A dealer who fails to file a declaration commits a misdemeanor offense punishable by a fine not to exceed \$500. Each day during which a dealer fails to file a declaration is a separate violation. PTC Section 23.121 (h,i)

In addition, a dealer who fails to file a declaration shall forfeit a penalty. A tax lien attaches to the dealer's business personal property to secure payment of the penalty. The appropriate district attorney, criminal district attorney, county attorney, chief appraiser, or person designated by the chief appraiser shall collect the penalty in the name of the chief appraiser. Venue is the county in which the violation occurred or in the county in which the owner maintains his principal place of business or residence. A penalty forfeited is \$1,000 for each month or part of a month in which a declaration is not filed after it is due. PTC Section 23.121(k)

Section 9.64 Failure to File Monthly Tax Statement

A dealer who fails to file a monthly tax statement commits a misdemeanor offense punishable by a fine not to exceed \$100. Each day during which a dealer fails to file a tax statement is a separate violation.

In addition, a dealer who fails to file a tax statement shall forfeit a penalty. A tax lien attaches to the dealer's business personal property to secure payment of the penalty as outlined in the Section 9.93 above.

Section 9.65 Prepayment of Taxes

On or before the 10th day of each month the owner shall deposit with the tax collector the amount of property taxes collected on vehicles sold in the prior month. The money is deposited by the tax collector in an escrow account for prepayment of property taxes. PTC Section 23.122(b)

Section 9.66 Failure to Prepay Taxes

A dealer who fails to remit unit property taxes due shall pay a penalty of five percent (5%) of the amount due. If the amount is not paid within 10 days after the due date, the dealer shall pay an additional penalty of five percent (5%) of the amount due. PTC Section 23.122(o)

Section 9.67 Declaration and Statements Confidential

A declaration or statement filed with a chief appraiser or tax collector is confidential and not open to public inspection. A declaration or statement and the information contained in either may not be disclosed except for the following reasons:

1. in a judicial or administrative proceeding pursuant to a lawful subpoena;
2. to the person who filed the declaration or statement or to that person's representative authorized by the person in writing;
3. to the comptroller or an employee of the comptroller authorized by the comptroller to receive the information;
4. to a collector or chief appraiser;
5. to a district attorney, criminal district attorney, or county attorney involved in the enforcement of a penalty imposed pursuant to Section 23.121 or Section 23.122 of the Property Tax Code;
6. for statistical purposes if in a form that does not identify specific property or a specific property owner;

7. if an to the extent that the information is required for inclusion in a public document of record that the appraisal or collection office is required by law to prepare or maintain;
8. to the Texas Department of Transportation for use by the Department in auditing compliance of its licenses with appropriate provisions of applicable law. PTC Section 23.123©

Dealer's Vessel and Outboard Motor Inventory

Section 9.68 General Provisions

Those provisions relating to Dealer's Motor Vehicle Inventory as outlined in the previous section shall also apply to Dealer's Vessel and Outboard Motor Inventory with the exception of those provisions outlined below.

Section 9.69 Dealer's Vessel and Outboard Motor Forms

The Dealer's Vessel and Outboard Motor Declaration Form is Form # 00-020-601, the accompanying letter of explanation is Form #00-020-604, and the Dealer's Vessel, Trailer and Outboard Motor Inventory Tax Statement is Form #00-020-607.

Section 9.70 Failure to File Declaration Form

In reference to Section 9.93, if a dealer fails to file a declaration form or reports the sale of fewer than five (5) vessels or outboard motors in the prior year, this information is reported to the Parks and Wildlife Department.

Dealer's Heavy Equipment Inventory

Section 9.701 Provisions Same as Dealer's Motor Vehicle Inventory

Those provisions relating to Dealer's Motor Vehicle Inventory as outlined in the SPECIAL INVENTORY section shall also apply to Dealer's Heavy Equipment Inventory with the exception of those provisions outlined below.

Section 9.72 Dealer's Heavy Equipment Forms

The Dealer's Heavy Equipment Inventory Declaration Form is Form # 00-020-602, the accompanying letter of explanation is Form #00-020-605, and the Dealer's Heavy Equipment Inventory Tax Statement is Form #00-020-609.

Section 9.73 Failure to File Declaration Form

In reference to Section 9.93, if a dealer fails to file a declaration form or reports the sale of fewer than five (5) pieces of equipment in the prior year, a report is not filed with any governmental agency. All provisions of this section apply.

INDUSTRIAL AND MINERAL PROPERTIES

General Provisions

Section 9.74 Consulting Service Retained

The services of a consulting firm are retained on an biannual basis to appraise and defend the values of large industrial plants, producing oil and gas wells, tank farms, pipelines, railroad systems and related properties, oil field supply companies, drilling companies, public utilities including electric power generation and distribution companies, telephone companies, and other industrial properties.

Section 10 SPECIAL APPRAISALS

TYPES OF SPECIAL APPRAISALS

Agricultural Use (Section 1-d)

Section 10.01 Eligibility

To qualify for an agricultural use (1-d) designation, the land must have been devoted exclusively to or developed continuously for agriculture for the three years preceding the current year. The property owner must be using and intends to use the land for agriculture as an occupation or a business venture for profit during the current year. Further, agriculture must be the primary occupation and source of income for the property owner. PTC Section 23.42(a)

Open-Space Land (Section 1-d-1) and Timber Land

Section 10.02 Eligibility

To qualify for an open-space (1-d-1) or timber land designation, the land must be currently devoted principally to agriculture use or the production of timber or forest products to the degree of intensity generally accepted in the area and must have been devoted principally to agriculture use or to production of timber or first products for five of the preceding seven years.

An open-space land designation includes all appurtenances to the land. PTC Sections 23.51(l) & 23.72

Section 10.03 Land Ineligible for Qualification as Open-Space or Timber

Land that is located inside the city limits is ineligible for qualification as open-space or timber land unless the land has been devoted principally to agriculture or timber use for the preceding five years.

Further, land that is owned by a nonresident alien, foreign government, corporation, partnership, trust, or other legal entity is ineligible for qualification as open-space or timber land unless the treaty between the United States and a foreign government includes a non-discrimination clause. PTC Sections 23.56 & 23.77 (and notes)

Restricted-Use Timber Land

Section 10.04 Eligibility

To qualify for restricted-use timber land, the land must be in an aesthetic management zone, critical wildlife habitat zone, or streamside management zone. PTC Section 23.9802(a)

In addition, the land qualifies under this section if timber was harvested from the land in a year which the land was appraised as timber land in accordance with Section 23, Subchapter E of the Property Tax Code, and the land has been regenerated for timber production to the degree of intensity generally accepted in the area for commercial timber land and with intent to produce income. However, land ceases to qualify for special appraisal under this circumstance on the 10th anniversary of the date the timber was harvested. This does not disqualify the land from qualifying for appraisal under Chapter 23 of the Property Tax Code in a tax year following that anniversary based on the circumstances existing in that subsequent tax year. PTC Section 23.9802 (b,c)

APPLICATION PROCEDURES

Publicizing Requirements

Section 10.05 General Provisions

Each year the requirements for special appraisal and the availability of exemption forms shall be publicized in the Fairfield Recorder, Freestone County Times, and the Teague Chronicle.

Said information shall be submitted in a timely fashion to ensure publication in January of each year. PTC Sections 23.43(f); 23.54(g); 23.75(g); 23.9804(h)

Documents Required

Section 10.06 Application

In order to qualify for a special appraisal, a property owner must file an application using the appropriate form with the Appraisal District. PTC Sections 23.43(a); 23.54(a); 23.75(a); 23.9804(a)

Section 10.07 Supporting Documentation

Every property owner filing an application for special appraisal of agricultural land is also requested to file an Additional Land and Lease Information sheet.

Failure to file these forms will not result in an automatic denial of an application; however, if the information provided in the application is not sufficient for the appraiser to make a determination as to eligibility, the property owner will then be required to submit the necessary forms.

Filing Deadlines

Section 10.08 Deadline Date

A property owner must file an application for special appraisal before May 1. For good cause shown, the Chief Appraiser may extend the deadline by written order for a single period not to exceed 60 days (a 15-day extension is allowed for restricted-use timber land). PTC Sections 23.43(b); 23.54(d); 23.75(d); 23.9804(e)

Section 10.09 Late Application Allowed

If a property owner files an application after the deadline for filing but prior to the date the Appraisal Review Board approves the appraisal records, the application shall be accepted. (This section does not apply to restricted-use timber land.) PTC Sections 23.431(a); 23.541(a); 23.751(a)

Section 10.10 Late Application Penalty

If an application that has been filed late is approved, the property owner is liable for a penalty of 10 percent of the difference between the amount of tax imposed on the property under the special appraisal and the amount of tax that would have been imposed if the property were taxed at market value. (This section does not apply to restricted-use timber land.) PTC Sections 23.431(b); 23.541(b); 23.751(b)

An entry is made on the appraisal records to indicate a property owner's liability for any penalties imposed, and the property owner is notified in writing of the penalty. PTC Sections 23.431©; 23.541©; 23.751©

Section 10.11 Late Application Disallowed

If a property owner files an application after the date the ARB approves the appraisal records, the land is ineligible for special appraisal in that year. (This section does not apply to restricted-use timber land.) PTC Sections 23.43©; 23.54(e); 23.75(e)

Section 10.12 Late Application Disallowed – Restricted-Use Timber Land

If a property owner fails to file a valid application for restricted-use timber land on time, the land is ineligible for special appraisal for that year. PTC Section 23.9804(f)

Application Renewal Procedures

Section 10.13 Annual Application – 1-d

A property owner claiming an agriculture-use designation (1-d) on his property must apply for the designation on an annual basis. PTC Section 23.43(a)

Before February 1 of each year, an application form as well as any other documents required by this Section must be mailed to each property owner whose land was designated for agriculture-use (Section 1-d) in the preceding year. A brief explanation of the requirements for obtaining the agriculture-use designation must also be mailed. PTC Section 23.43(e)

Section 10.14 One-Time Application–1-d-1, Timber Land, and Restricted-Use Timber Land

Once property has been designated as open-space (1-d-1) or timber land, the property shall continue to be eligible for special appraisal. A new application is not required unless the ownership of the land changes or its eligibility ends. PTC Sections 23.54(e); 23.75(e)

Once property has been designated as restricted-use timber land, the property shall continue to be eligible for special appraisal. A new application is not required unless the ownership of the land changes, the standing timber is harvested, or the land's eligibility ends. PTC Section 23.9804(f)

Section 10.15 Verification of Eligibility

If the Chief Appraiser has good cause to believe that the land currently receiving an open-space (1-d-1) or timber appraisal is no longer eligible, a new application is mailed to a property owner in order to confirm the land's eligibility. PTC Sections 23.54(e); 23.75(e); 23.9804(f)

Section 10.16 Periodic Inspections

Periodically, the District may inspect properties currently receiving a special appraisal to determine their continuing eligibility.

Applications Reviewed and Confirmed

Section 10.17 Field Inspection Made

If an application is being filed for a special appraisal for the first time or if a reinspection is necessary to determine continuing eligibility, the appraiser inspects the property to determine if the land is currently devoted to agriculture use, if the required past history exists, and if the land has been properly managed. The condition of fences, barns, corrals, etc. is also noted.

Land for which a timber use designation is applied for is inspected to determine if marketable timber exists on the land and if a proper management program has been adhered to.

Section 10.18 Test or Eligibility Worksheet Completed

Once the appraiser has completed the inspection of the land, the Ag Use Test of Eligibility Worksheet is completed.

Section 10.19 Action on Applications

Action on the application is taken as follows:

1. The application is approved and the land is granted the special appraisal
2. The application is denied, or
3. The application is denied and additional information is requested from the property owner in support of the claim.

If additional information is requested, the property owner must furnish it within 30 days after the date of the request or the application is denied. PTC Sections 23.44(a,b); 23.57(a,b); 23.79(a,b); 23.9805(a,b)

Section 10.20 Notification Requirements on Denials

If an application is denied, the property owner must be mailed a written notice of the denial by certified mail within five days after the date of denial. The notice must include a brief explanation of the procedures for protesting the denial. PTC Sections 23.44(d); 23.57(d); 23.79(d); 23.9805(d)

Section 10.21 Protest Procedures

In order to file a protest on a denial of an application for special appraisal, a property owner must file a written protest within 30 days of the date the notice of denial was mailed. PTC Section 41.11

Application Confidential

Section 10.22 Agriculture-Use (1-d) Application

An application for agriculture-use designation (1-d) is confidential and not open to public inspection. The application and the information it contains about a specific property or a specific property owner may not be disclosed to anyone other than an employee of the Appraisal District who appraises property. PTC Section 23.45

Section 10.23 Supporting Documentation

The Additional Land and Lease Information sheet discussed in Section 10.07 is confidential and not open to public inspection. PTC Section 22.27(a)

APPRAISAL PROCEDURES

Compilation of Appraisal Schedules

Section 10.24 Information Gathered

Information concerning price data and lease rates are obtained from the USDA Farms Services, Freestone Ag Advisory Committee, Property Tax Division of the State Comptroller, and from local Farm and Ranch Surveys delivered to local land leasors and leasees.

Information concerning price data is obtained from the Property Tax Division of the State Comptroller to determine the values of timber lands.

Section 10.25 Values Computed

Based on the information gathered when compiling the appraisal schedules, the values for agriculture lands are computed based on the five-year average net-to-land values for the following categories of property:

1. Improved Pasture Soil Type 3
2. Native Pasture Soil Type 3
3. Wood Pasture Soil Type 3

The values for timber lands are computed based on the five-year average net-to-land values for the following categories of property:

1. Hardwood III
2. Pine III
3. Mixed III

Timber in transition productivity value is calculated according using the same income/expense data considerations as pasture land for a period of fourteen years in the following categories:

1. Improved Timber in Transition
2. Native Timber in Transition

Field Work Completed

Section 10.26 Ag-Use Field Record Maintained

The appraiser makes a determination regarding the ag-use applications and forwards the applications to the Exemption Clerk for the special valuation to be applied in the District's computer system or a denial letter to be mailed to the property owner by certified mail.

Section 10.27 Applications Filed

Once the necessary action on the application has been taken, the Exemption Clerk scans the application in an Adobe file format and attaches it to the CAMA system property record for each parcel affected by the application. Original forms are maintained in a file for a period of one year.

CHANGE IN USE PROCEDURES

Agriculture-Use Land (1-d)

Section 10.28 Change in Use Occurs

If land that has been designated for agriculture use in any year is sold or diverted to a non-agriculture use, the total amount of rollback taxes for the preceding three years plus interest at the rate provided for delinquent taxes becomes due. PTC Section 23.46©

Section 10.29 Notice to Property Owner

A notice of the determination of change in use is mailed by certified mail to the property owner as soon as possible after making the determination. The notice includes an explanation of the owner's right to protest the determination. PTC Section 23.46©

Section 10.30 Protest Procedures

A property owner may protest the determination of change in use in the same manner as provided in Section 10.21 of this Manual.

Section 10.31 Taxing Entities Notified

The appraiser notifies the Chief Appraiser when a change in use occurs. The Chief Appraiser then institutes a rollback of the taxes as provided by the Property Tax Code.

Open-Space (1-d-1) and Timber Land

Section 10.32 Change in Use Occurs

If the land receiving the open-space (1-d-1) or timber designation changes to a non-qualifying use, a rollback tax is imposed covering the preceding five years in which the land received special appraisal. The rollback tax is the difference between the taxes paid based on the special appraisal and the taxes that would have been paid if the land had been taxed on its higher market value, plus interest at an annual rate of seven percent (7%) charged from the dates the taxes would have been due. PTC Section 25.55

Section 10.33 General Provisions

The same provisions for protest, notification to the property owner, and notification to the taxing entities are followed as provided by Sections 10.13 through 10.16.

Restricted-Use Timber Land

Section 10.34 Change in Use to Other Qualifying Special Appraisal

If the land receiving the restricted-use timber designation changes to a use that qualifies the land for any other special appraisal outlined in Chapter 23 of the Property Tax Code, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the five (5) years preceding the year in which the change of use occurs and the taxes that would have been imposed had the land been appraised under any other special appraisal allowed under this Section. Interest at an annual rate of seven percent (7%) is also added, calculated from the dates on which the differences would have become due.

Section 10.35 Change in Use to Non-Qualifying Use

If the land receiving the restricted-use timber designation changes to a non-qualifying use, an additional tax is imposed on the land equal to the sum of the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs and the taxes that would have been imposed had the land been taxed on the basis of market value in each of those years. Interest at an annual rate of seven percent (7%) is also added, calculated from the dates on which the differences would have become due.

Section 10.36 General Provisions

The same provisions for protest, notification to the property owner, and notification to the taxing entities are followed as provided by Sections 10.13 through 10.16.

MISCELLANEOUS SPECIAL APPRAISALS

Types of Miscellaneous Special Appraisals

Section 10.37 Recreational, Park, and Scenic Land

Recreational, park, and scenic land is described as land used for individual or group sporting activities; park or camping activities; development of historical, archaeological, or scientific sites; or the conservation and preservation of scenic areas. PTC Section 23.81

Section 10.38 Public Access Airport Property

Public access airport property is described as privately owned land that is regularly used by the public for or regularly provides service to the public in connection with airport purposes, including the landing, parking, shelter, or takeoff of aircraft and the accommodation of individuals engaged in the operation, maintenance, or navigation of aircraft or of aircraft passengers in connection with their use of aircraft or of airport property. PTC Section 23.91

Section 10.39 Wildlife Management Use

Wildlife management means actively using land that at the time the wildlife-management use began was appraised as qualified open-space land in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:

1. habitat control
2. erosion control
3. predator control
4. providing supplemental supplies of water
5. providing supplemental supplies of food
6. providing shelter
7. making of census counts to determine population

Section 10.40 Wildlife Management Plan

Any property owner seeking a special appraisal under Property Tax Code, Chapter 23, Subchapter D, based on wildlife management use must meet the minimum standards for qualification as determined and published by the Property Tax Division of the State Comptroller's Office.

Wildlife management property associations are defined by State Comptroller Rule 10.4003(b)(6). Species of Concern as defined by State Comptroller Rule 10.4003(f)(3).

Properties that qualified for special appraisal as wildlife management prior to January 1, 2002 are not required to meet these minimum standards providing the tract contains the same or a greater amount of qualifying acreage as contained in the tract prior to January 1, 2002 and continues to satisfy all other qualification requirements.

A property owner who demonstrates by clear and convincing evidence that the unique characteristics of their habitat and/or management species makes it possible to effectively manage for wildlife at a ratio less than the minimum standards shall receive the special appraisal providing the property meets all other standards outlined in Property Tax Code Chapter 23, Subchapter D and State Comptroller Rule 10.4003. PTC Chapter 23, Sub D; Comptroller Rule 10.4003

Eligibility

Section 10.41 Deed Restriction Requirements

To qualify for either special appraisal, the land must contain a minimum of five acres and must be restricted for the intended purpose by filing a deed restriction with a minimum period of 10 years with the County Clerk. PTC Sections 23.82 & 23.92

Section 10.42 Intended Use Requirements

The land must also have been devoted exclusively to its intended use for the preceding year, and there must be intent to use the land exclusively for this same use in the current year. PTC Sections 23.83(a) & 23.93(a)

Section 10.43 Miscellaneous

Further, in order to qualify for the recreational, park, and scenic special appraisal, the land must also be used in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain. PTC Section 23.83(a)

Application Procedures

Section 10.44 Application Filed

In order to qualify for either special appraisal, a property owner must file an application form before May 1 in the first year the property would qualify. For good cause shown, the Chief Appraiser may extend the deadline by written order for a single period not to exceed 60 days. PTC Sections 23.84(a,b) & 23.94(a,b)
The Chief Appraiser must take action on the application in the same manner as outlined in Section 10.110. PTC Sections 23.85 & 23.95

Section 10.45 Late Application

If a property owner fails to timely file an application, the land is ineligible for special appraisal. PTC Sections 23.84© & 23.94©

Section 10.46 Application Renewal Procedures

Once property has been designated for a special appraisal, the property shall continue to be eligible for special appraisal without a new application being filed for the duration of the deed restriction unless the ownership of the land changes or its eligibility ends.

If the Chief Appraiser has good cause to believe that the land is ineligible, a new application may be mailed to a property owner in order to confirm the land's eligibility. PTC Sections 23.84© & 23.94©

Additional Taxes Imposed

Section 10.47 Land Not Principally Devoted to Intended Use

If land receives a special appraisal in any given year, at the end of that year the Chief Appraiser must determine if the land was devoted principally to its intended use.

If it is determined that the land was not used exclusively for its intended use, an additional tax equal to the difference in the amount of tax actually imposed with benefit of the special appraisal and the amount of tax

that would have been imposed without benefit of the special appraisal is charged. This amount of additional tax plus interest is included on the next tax statement send on this property by the tax assessor-collector. PTC Sections 23.83(d) & 23.93(d)

Section 10.48 Special Appraisal Applied Erroneously

If it is discovered that the special appraisal was granted in error in any one of the five (5) preceding years, the difference between the appraised value of the land with benefit of the special appraisal and the market value of the land without benefit of the special appraisal will be added to the appraisal roll. PTC Sections 23.84(e) & 23.94(e)

Section 10.49 Change in Use Occurs or Deed Restriction Not Applicable

If it is discovered that the land receiving a special appraisal is no longer subject to a deed restriction or is diverted to a use other than its intended purpose, an additional tax is imposed equal to the difference between the actual taxes imposed with benefit of the special appraisal for each of the five preceding years and the tax that would have been imposed without benefit of the special appraisal, plus interest at an annual rate of seven percent (7%) calculated from the dates on which the differences would have become due for each year. PTC Sections 23.86(a) & 23.96(a)

Section 10.50 Penalty for Violating Deed Restriction

If land designated for special appraisal is used for a purpose other than the intended purpose before the term of the deed restriction expires, a penalty is imposed on the land equal to the difference between the taxes actually imposed with benefit of the special appraisal for the year in which the violation occurred and the amount of taxes that would have been imposed without benefit of the special appraisal.

An entry must be made in the appraisal records indicating the amount of penalty and written notification of the imposition of the penalty must be delivered to the property owner along with a brief explanation of the procedures for protesting the penalty. PTC Sections 23.87 & 23.97

Section 10.51 Taxing Entities Notified

The Chief Appraiser notifies the taxing entities of any additional taxes or penalties that are to be imposed in order that they may issue tax statements to the property owner.

Section 11 EXEMPTIONS

EXEMPTION CATEGORIES

Absolute Exemptions

Section 11.01 Public Property

Property owned by the State of Texas or its political subdivisions is exempt from taxation if it is used for public purposes. PTC Section 11.11(a)

Public property rented or leased to a private business enterprise and not used for the purpose of the state agency or institution owning the property is taxable. PTC Section 11.11(c)

The leasehold estate in public property is taxable to the lessee. If such a leasehold is terminated and taxes remain unpaid in the leasehold estate, the tax liability becomes a personal liability of the lessee who possessed the leasehold estate when the tax was imposed. PTC Section 23.13 Notes

Property that is tax exempt under federal law is automatically exempt from taxation. PTC Section 11.12
An individual is entitled to an exemption from taxation on all tangible personal property, other than manufactured homes, that is owned and not held or used for production of income.

The governing body of a taxing entity may take official action to tax tangible personal property that is otherwise exempt. PTC Section 11.14

Family supplies that are reasonably necessary for daily use in operating and maintaining a home or farm are exempt from taxation. PTC Section 11.15

Farm products in the hands of the producer are also exempt from taxation. Farm products include crops, livestock, poultry, nursery products in a growing state, and standing timber. PTC Section 11.16

Section 11.02 Federal Property

Section 11.03 Tangible Personal Property Not Producing Income

Section 11.04 Family Supplies and Farm Products

Section 11.05 Implements of Farming or Ranching

Implements of farming or ranching used in the production of farm, ranch, or timber products are exempt from taxation. Implements of farming, ranching, or timber production are movable personal property necessary to carry on the business or farming, ranching, or timber production and include tractors, plows, combines, and other specially equipped machinery. Improvements or fixtures to real property are not considered implements. PTC Section 11.161 and Notes

Section 11.06 Cemeteries

Property that is owned and used exclusively for human burial and is not used for the production of income is exempt from taxation. Such property must be dedicated exclusively for the purpose of human burial. PTC Section 11.17

Section 11.07 Youth Development Associations

Associations that promote the threefold purposes of religious, educational, and physical development for boys, girls, young men, and young women are exempt from taxation. PTC Section 11.19

Section 11.08 Religious Organizations

Certain property owned by a religious organization may qualify for an exemption. The organization must meet all legal requirements outlined in the Property Tax Code to be exempt. If the organization does qualify, all of the property used for religious purposes, including property reasonably necessary for use as a clergy residence, is exempt from taxation. PTC Section 11.20

Section 11.09 Schools

The property owned and used by a qualifying school is exempt from taxation. PTC Section 11.21

Section 11.10 Miscellaneous Absolute Exemptions

The property listed below is also exempt from taxation providing it qualifies under the guidelines of the Property Tax Code:

1. Federation of Women's Clubs
2. Nature Conservancy of Texas
3. Congress of Parents and Teachers
4. Private Enterprise Demonstration Associations
5. Bison, buffalo, and cattalo
6. Theater schools
7. Community service clubs
8. Medical center developments
9. Scientific research corporations
10. Solar and wind-powered energy devices
11. Offshore drilling equipment not in use
12. Intracoastal waterway dredge disposal sites (there is no Constitutional provision for this exemption)
13. Veterans' organizations
14. Marine cargo containers used exclusively in international commerce
15. Nonprofit water supply or wastewater service corporations
16. County fair associations
17. Incomplete improvements
18. Motor vehicles leased for personal use (unless governing body of city takes action to tax before January 1, 2002)
19. Pollution control property
20. Certain water conservation initiatives

Section 11.11 Tax Abatements

Property that is the subject of a tax abatement agreement with a taxing entity is entitled to an exemption, either in whole or in part, depending on the terms of the abatement agreement. PTC Section 11.28

Section 11.12 Low Income Housing Organizations

Charitable organizations improving property for low-income housing and community housing development organizations improving property for low-income and moderate-income housing are entitled to an exemption providing they meet all of the requirements outlined in the Property Tax Code. PTC Sections 11.181 & 11.182

Section 11.13 Tangible Personal Property Producing Income and Mineral Interests with Value Less than \$500

Tangible personal property that is held or used for the production of income is exempt if it has a taxable value of less than \$500 PTC Section 11.145

Mineral interests are exempt from taxation if the interest has a taxable value of less than \$500. PTC Section 11.146

Section 11.14 Associations Providing Assistance to Ambulatory Health Care Centers

Associations engaging exclusively in providing assistance to ambulatory health care centers that provide medical care to individuals without regard to the individuals' ability to pay, including providing policy analysis, disseminating information, conducting continuing education, providing research, collecting and analyzing data, or providing technical assistance to health care centers are entitled to an exemption providing they meet all of the requirements outlined in the Property Tax Code. PTC Section 11.183

Section 11.15 Organizations Engaged Primarily in Performing Charitable Functions

An exemption under this section may not be granted unless the exemption is adopted either by the governing body of the taxing unit or by a favorable vote of a majority of the qualified voters of the taxing unit.

Before an organization may submit an application for an exemption under this section, the organization must apply to the Comptroller for a determination of whether the organization is engaged primarily in performing functions listed in PTC Section 11.18(d) and is eligible for an exemption under this section.

An exemption under this section expires at the end of the fifth tax year after the year in which the exemption is granted. To continue to receive an exemption under this section after that year, the organization must obtain a new determination letter and reapply for the exemption. PTC Section 11.184

Historic and Archeological Sites PTC Section 11.24

Section 11.16 Historic or Archeological Designation Granted

By local option, the governing body of a taxing entity may grant an historic or archeological exemption on property that has been designated as a Recorded Texas Historical Landmark or archeological site by the taxing entity and the Texas Historical Commission. If a taxing entity decides to grant such an exemption to a property, it must do so by official action in the manner required by law. A taxing entity must report adoption or changes or such an exemption to the Appraisal District within 30 days of action.

Section 11.17 Exemption Amount

The governing body may exempt from taxation all or part of the market value of the improvement and the land of an historic or archeological site.

Section 11.18 Exemption Procedures

If the historic or archeological site exemption granted by an entity exempts all of the property, the exemption is handled in the same manner as an absolute exemption.

If the historic or archeological site exemption exempts only a portion of the value of the property, the exemption is handled in the same manner as a tax abatement.

Section 11.19 Documentation Required

In addition to filing an annual application form, a property owner must file a copy of the resolution adopted by the taxing entity granting the exemption and a copy of the resolution adopted by the Historic Landmark Commission verifying substantial completion of the restoration work.

Residence Homestead Exemptions PTC Section 11.13

Section 11.20 Definition

A property owned and used by the property owner as his residence homestead as of January 1 of each year qualifies for a residence homestead exemptions on a portion of the value of the property. A residence

homestead is defined as a house and a yard used as the principal residence of the owner. Condominiums, townhomes, co-op housing, and mobile homes can also qualify as residence homesteads.

Section 11.21 Types of Exemptions

General Homestead Exemptions:

A general homestead exemption is available to all qualifying property owners.

STATE MANDATED:

Counties: A county that levies a farm-to-market road or floor control tax must grant a \$3,000 exemption. (Freestone County does not currently levy this tax)

School Districts: All school districts must grant a \$15,000 exemption.

LOCAL OPTION:

Any governing body of a taxing entity – county, city, school district, or special district – may grant a percentage homestead exemption. This optional exemption cannot exceed 20 percent of the market value, is in addition to all other exemptions that the taxing entity offers, and is applied prior to any other possible exemptions. If the exemption is granted, no homestead may receive less than a \$5,000 exemption from its value.

Over 65 Homestead Exemption and Surviving Spouse:

A property owner who is 65 years of age on or before December 31 of the tax year is entitled to receive this exemption in addition to the general homestead exemption. If a person is 55 years of age and is the surviving spouse of a person who was receiving the over 65 exemption at the time of death, the surviving spouse is entitled to receive this exemption.

STATE MANDATED:

A school district must grant a \$10,000 exemption.

LOCAL OPTION:

A taxing entity – county, city, school district, or special district – may grant an optional over 65 homestead exemption. The minimum amount of this exemption is \$3,000; law sets no maximum amount. For school district, this exemption is granted in addition to the state-mandated exemption. (Fairfield ISD grants \$6,000, no other taxing entities have authorized this exemption)

Disability Exemption:

A homeowner who is disabled for the purpose of payment of disability insurance benefits under the Federal Old-Age, Survivors, and Disability Insurance act is entitled to receive a disability exemption in addition to the general homestead exemption. If a person meets the definition of disability stated above but does not receive benefits from Social Security, he or she may still qualify for the disability exemption.

A homeowner may not receive both the disability and the over-65 homestead exemption. Unless a taxing entity grants a larger amount for the disability exemption than the over 65 exemption, it would be to the property owner's advantage to apply for the over 65 exemption since it freezes the taxes for school district purposes.

STATE MANDATED:

A school district must grant a \$10,000 exemption.

LOCAL OPTION:

A taxing entity – county, city, school district, or special district – may grant an optional disabled homestead exemption. The minimum amount of this exemption is \$3,000; no maximum amount is set by law. For school districts, this exemption is granted in addition to the state-mandated exemption.

Tax Ceiling:

SCHOOL DISTRICTS – OVER-65 AND DISABILITY

Individuals who qualify for the over 65, surviving spouse, or disability exemption granted by the school districts receive a tax ceiling, or freeze. This ceiling ensures that the school taxes on a residence homestead will not increase above the amount of tax imposed in the first year of the individual's qualification for the homestead. (The law on the school tax ceiling became effective in 1979. Tax ceilings were recalculated in 1997 due to the passage of HB 4, which increased the state-mandated homestead from \$5,000 to \$15,000. The tax ceiling on the disability exemption became effective 1/1/04.)

The school taxes on the homestead will not increase from the first year qualified provided that the person retains the homestead and does not make improvements such as an addition to the property.

If a person qualifies for the over-65 homestead exemption prior to receiving the general homestead exemption, the taxes are frozen at the lesser of the amount of taxes paid in the first year of qualification or the subsequent year. (This provision is necessary since the over-65 homestead is retroactive to January 1 and the general homestead is not.) PTC Section 11.26(a)

The school tax ceiling is transferable should a property owner move to another residence in the State of Texas. The percentage of freeze is transferred to the new residence, not the amount of freeze. PTC Section 11.26(h)

TAX CEILING – COUNTY AND CITIES

By local option, the County or any City may adopt the tax ceiling for individuals who qualify for the over 65, surviving spouse, or disabled exemption. The tax ceiling is the same as the school tax ceiling with the exception of portability. A property owner qualifying for the tax ceiling for the County and cities may only transfer the same percentage of taxes paid to a subsequent qualified homestead if the subsequent qualified homestead is in the same taxing unit. Further, the County or any city may adopt the tax ceiling with adopting the local option over-65 or disabled exemption.

Section 11.22 Exemption Limitation

A property owner cannot receive a homestead exemption greater than the value of the property or the property owner's interest in that property.

Disabled Veterans' Exemptions PTC Section 11.22

Section 11.23 Definition

Disabled veterans and their survivors receive a partial exemption based on the veteran's service-connected disability rating. All taxing entities must grant this exemption. A qualified veteran or survivor must designate only one property, real or personal, to receive the exemption. The designated property may receive other exemptions or special productivity valuation; however, the exemption may not be divided among two or more properties.

Section 11.24 Amount of Exemption

Listed below is the exemption amount allowed based on the disability rating:

0% to 9% disabled:	\$ 0
10% to 30% disabled:	\$ 5,000
31% to 50% disabled:	\$ 7,500
51% to 70% disabled:	\$10,000
In excess of 70% disabled:	\$12,000
10% disabled or more and over 65:	\$12,000
Loss of use of one or more limbs, total blindness in one or both eyes, or paraplegia	\$12,000

A surviving spouse of a person who dies on active duty receives an exemption of \$5,000 from the market value of a property the spouse owns and designates.

A surviving minor child of a deceased disabled veteran receives an exemption equal to the veteran's exemption at the time of death. The amount of exemption is divided by the number of eligible children. The exemption for each child applies to a property that the child owns and designates.

Pollution Control Exemptions

Section 11.25 Pollution Control Defined

Pollution control property is defined as property that is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution. Property that is manufactured or produces a service that prevents, monitors, controls, or reduces air, water, or land pollution is not pollution control property. Property used for residential purposes, or for recreational, park, or scenic uses as defined by Property Tax Code Section 23.81 is not pollution control property.

Section 11.26 Use Determination Made

A property owner seeking a pollution control exemption must first file a permit application with the Texas Natural Resources Conservation Commission (TNRCC).

Once TNRCC approves the application, they furnish a Use Determination to the Appraisal District stating the percentage of the exemption.

Section 11.27 Application Filed

The property owner must then file an application with the Appraisal District as outlined in the next section.

EXEMPTION APPLICATIONS

Application Procedures

Section 11.28 Application Filed

To receive an exemption, a person claiming the exemption must apply for it; an exception being those persons claiming an exemption for public or federal property, tangible personal property not producing income, tangible personal property producing income with a value less than \$500, mineral interests with a value less than \$500, family supplies, farm products, and implements of farming or ranching, and marine cargo containers used exclusively in international commerce.

To apply for an exemption, a person must file the appropriate exemption application form as listed below: (PTC Section 11.43(a))

1. Residence Homestead – general, over 65, and disability
2. Disabled Veterans
3. Cemeteries
4. Charitable Organizations
5. Dredge Disposal Site
6. Historic and Archeological Site
7. Tax Abatements
8. Miscellaneous Exemptions
 - a. Federation of Women’s Club
 - b. Nature Conservancy
 - c. Congress of Parents and Teachers
 - d. Private Enterprise Demonstration Associations
 - e. Medical Center Development
 - f. Community Service Club
 - g. Scientific Research Organizations
 - h. Veterans’ Organizations
9. Offshore Drilling Equipment
10. Religious Organization
11. Schools
12. Solar or Wind-Powered Energy Devices
13. Theater Schools
14. Youth Development Organizations
15. Nonprofit Water Supply or Wastewater Service Corporations
16. Low Income Housing – Charitable Organizations
17. Low Income Housing – Community Housing Development Organizations
18. Pollution Control Property
19. Ambulatory Health Care Center Assistance

Section 11.29 Application Frequency

ONE-TIME APPLICATION:

Once an exemption on the below listed properties has been granted, a new application is not required until the property changes ownership or the person’s qualification for the exemption changes. However, the District may require a person to file a new application to confirm the current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form.

1. Residence homestead
2. Disabled veterans
3. Cemeteries
4. Charitable organizations
5. Youth, spiritual, mental, and physical development organizations
6. Religious organizations

7. Schools
 8. Intracoastal waterway dredge disposal sites
 9. Pollution control
 10. Medical center development
 11. Nonprofit water supply or wastewater service corp.
 12. Association providing assistance to ambulatory health care centers
 13. Charitable organizations improving property for low-income housing
 14. Community housing development organizations improving property for low-income housing
- PTC Section 11.43(c)

ANNUAL APPLICATION:

An exemption application must be filed annually for the below listed properties:

1. Miscellaneous exemptions under PTC Section 11.23
 2. Historic or archeological sites
 3. Solar- and wind-powered energy devices
 4. Offshore drilling equipment not in use
 5. Tax abatement agreements
 6. Freeport property
 7. Certain water conservation initiatives
- PTC Section 11.43(b)

Section 11.30 Application Date

Property owners required to file an exemption must do so before May 1 of each year. For good cause shown, the Chief Appraiser may extend the deadline for filing an exemption application by written order for a single period not to exceed 60 days. PTC Section 11.43(d)

An organization that acquires property that qualifies for the charitable organizations improving property for low-income housing exemption (PTC Section 11.181) or the Community Housing Development Organizations Improving Property for low-income and moderate-income housing exemption (PTC Section 11.182) may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property. (PTC Section 11.436(a))

Section 11.31 Late Applications

If a person fails to file a required application timely, the exemption may not be granted for that year with the following exceptions:

Residence homestead exemptions may be filed after the deadline providing they are filed within one year after the taxes on the homestead became delinquent. PTC Sections 11.43(e) & 11.431(a)

Religious organizations, schools, charitable organizations, and veteran’s organizations exemptions may be approved after the filing deadline if the application is filed not later than December 31 of the fifth (5th) year after the year in which the taxes for which the exemption is claimed were imposed. The applications may not be approved if the taxes on the property for the year in which the exemption is claimed are paid before the application is filed. PTC Sections 11.433(a); 11.434(a); 11.435(a); 11.438(a)

Disabled veteran’s exemptions may be approved after the filing deadline if the application is filed not later than the first anniversary of the earlier of the date the taxes on the property were paid or the date the taxes became delinquent. PTC Section 11.439(a)

Freeport exemptions may be approved after the filing deadline if the application is filed before the date the Appraisal Review Board approves the appraisal records. PTC Section 11.439(a)

Section 11.32 Publicizing Requirements

Each year the requirements relating to the availability of exemption forms and the filing requirements for the exemptions shall be publicized by placing a ¼ page ad in the Fairfield Recorder, Freestone County Times, and the Teague Chronicle.

This ad shall be submitted in a timely fashion to ensure publication in March of each year. PTC Section 11.44(b)

Section 11.33 Notification Requirement for Properties Requiring Annual Application

Before February 1 of each year, the appraisal district must send an appropriate exemption application form to each person who received an exemption requiring annual application in the prior year. PTC Section 11.44(a)

With each of these exemption applications, a brief explanation containing the following information shall be included:

1. A statement that the exemption claimed in the previous year must be applied for annually.
2. A statement that the applicant must file the application before May 1 of the tax year and must furnish the information required on the application for the application to be valid.
3. A statement that the Chief Appraiser, for good cause, may extend the deadline once for a period up to 60 days.
4. A statement that if the application is not timely filed, the exemption must be denied.
5. A statement that the Chief Appraiser is required to cancel a granted exemption if he discovers any reason that the exemption should not have been granted, and in such an event, the Chief Appraiser will deliver a written notice by certified mail to the property owner within 5 days after the date he makes the cancellation. PTD Rule 9.3034

Section 11.34 Special Application Provisions for Deceased Persons

If a property owner becomes eligible for an over 65 or disability homestead exemption for the first time in a tax year but dies prior to making application for the exemption, and the surviving spouse is not eligible for the exemption, the surviving spouse may file the application for that year based on the deceased spouse's eligibility. PTC Section 11.13(q)

In the subsequent tax year, the exemption will be deleted unless the surviving spouse becomes eligible for the exemption and makes application.

Section 11.35 Confidential Information

A driver's license number, personal identification certificate number, or social security number provided in an application for an exemption application is confidential and not open to public inspection. The information may not be disclosed to any one other than an employee of the District or to those persons specifically listed in PTC Section 11.48(b). PTC Section 11.48

Application Processed

Section 11.36 Action on Application

All exemption applications are received and processed by the Exemption Clerk.

All applications are either approved or disapproved. Applications that are approved are marked applied according to the district's CAMA system requirements.

When disapproved, a letter is delivered to the applicant by certified mail.

When additional information is required to render a decision regarding the qualifications for exemptions or special valuations, the exemption clerk prepares and delivers by certified mail a letter outlining what type of additional information is necessary..

Applicants must furnish it within 30 days after the date of the request or the application is denied. PTC Section 11.45(a,b)

Section 11.37 Notification Requirements on Modifications and Denials

If an application is modified or denied, the property owner must be mailed by certified mail a written notice of the modification or denial within five days after the date the determination is made. The notice must include a brief explanation of the procedures for protesting the modification or denial. PTC Section 11.45(d)

Section 11.38 Protest Procedures

In order to file a protest on the modification or denial of an exemption, a property owner must file a written protest within 30 days of the date the notice of the determination was mailed. PTC Section 41.44(a)(2)

Section 11.39 Exemption Codes

All accounts receiving an exemption are coded for the appropriate exemption code.

Section 11.40 Late Applications Coded

If a property owner files a later application, the application is coded for the applicable tax year, with special care being given to the over-65 tax freeze code.

Section 11.41 Change Forms to Apply Late Exemptions

If an exemption is granted after the appraisal roll is certified by the ARB, a change form is prepared by the Exemption Clerk. The change form is sent to the Data Entry department where the change is made in the District's computer system and all affected taxing entities are notified.

Section 11.42 Files Maintained

All documents generated by the taxpayer or the appraisal district are scanned into Adobe file formats for permanent record retention.

The Exemption Clerk maintains a file with all original exemption or special valuation applications filed for one year.

Exemption Qualification Dates

Section 11.43 Public Property

Property owned by the State of Texas or a political subdivision of the State of Texas is exempt from taxation immediately upon qualification for the exemption. PTC Section 11.42(b)

Section 11.44 Over 65 Homestead Exemption

The over 65 exemption is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year. PTC Section 11.42(c)

It is possible for a property owner to receive the over 65 homestead exemption and not receive the general homestead exemption.

Section 11.45 Acquisition of Property After January 1

A property owner who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.17 (Cemeteries), 11.18 (Charitable Organizations), 11.19 (Youth Spiritual, Mental, and Physical Development Associations), 11.20 (Religious Organizations), 11.21 (Schools), 11.23 (Miscellaneous Exemptions), and 11.30 (Nonprofit Water Supply or Wastewater Service Corporations) for the applicable portion of that tax year immediately on qualification for the exemption. PTC Section 11.42(d)

Section 11.46 Extension for Religious Organizations and Schools

If an exemption application is denied for a religious organization under PTC Section 11.20 that would have otherwise qualified for the exemption on January 1 of the year but that did not satisfy the requirements of Subsection (c)(4) of that section on that date, the organization is eligible for the exemption for the year if the organization satisfies the requirements of Section 11.20(c)(4) before the later of:

1. June 1 of the year to which the exemption applies
2. The 60th day after the date the organization is notified of its failure to comply with those requirements

Subsection (c)(4) requires a religious organization by charter, bylaw, or other regulation direct that on discontinuance of the organization, the assets be transferred to the State of Texas, the United States, or a charitable, educational, religious, or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue code of 1954, as amended.

The same provisions apply to schools under PTC Section 11.21 Subsection(d)(5). PTC Section 11.42(a)

Section 11.47 Acquisition of Property Used for Low-Income Housing After January 1

An organization that acquires property that qualifies for an exemption under PTC Section 11.181(a) of 11.182(a) may apply for the exemption for the year of acquisition not later than the 30th day after the date the organization acquires the property, and the deadline provided by PTC Section 11.43(d) does not apply to the application for that year.

If the application is granted, the exemption for that year applies only to the portion of the year in which the property qualifies for the exemption. PTC Section 11.436

Section 11.48 All Other Exemptions

Unless specifically excluded, the eligibility for and amount of an exemption for any tax year is determined by a claimant's qualifications on January 1. A person who does not qualify for an exemption on January 1 of any year may not receive the exemption for that year. PTC Section 11.42(a)

REVIEW OF EXEMPTIONS

Residence Homestead Mail Survey

Section 11.49 Survey Conducted

Between December 1 and December 31 of any year, the Chief Appraiser may mail a survey to each person who was allowed a residence homestead exemption in that year. The survey shall include the description of the property and the kind and amount of residence homestead exemptions allowed for the property according to the records. PTC Section 11.47(a)

Section 11.50 Returned Survey Cards

The survey shall include a direction to the post office not to forward it to any other address and to return it to the District if the addressee is no longer at the address to which the card was mailed. PTC Section 11.47(b)

All returned surveys are reviewed by the Exemption Clerk to determine the eligibility status for the applicable exemption. PTC Section 11.47(c)

Section 11.51 Reminder Notices

By April 1 reminder notices are sent to those property owners for which replies to the survey have not been received. If a response still has not been received prior to submitting the appraisal records to the ARB, the homestead or disabled veteran's exemption is deleted.

If a homestead or disabled veteran's exemption is deleted, the property owner must be sent a Notice of Appraised Value.

Exemption Revisions

Section 11.52 Homestead Exemptions with Change in Ownership

When a change in ownership occurs, the homestead exemption is deleted for the property for the subsequent year and an application form is sent to the new property owner to determine their eligibility for the exemption.

Section 11.53 Exemptions for Deceased Persons

The obituary columns of the newspapers and death certificates are reviewed by the Exemption Clerk to identify persons that have passed away who were receiving the homestead and disabled veterans' exemptions. These exemption applications are then pulled from the files.

The obituaries are also checked for surviving spouses. If there is a surviving spouse, a new application is then mailed to the survivors with a letter of explanation requesting that the survivors reapply for the exemption if they feel they are eligible. Even if no survivors are listed, a new application form is mailed to the property address in an effort to receive directions from the estate as to the correct, current ownership.

If no response is received from the survivors, the exemption is deleted and a letter of denial is mailed.

The over 65 homestead exemption transfers to a surviving spouse that is 55 years of age or older at the time of the property owner's death if application is made. PTC Section 11.26(i) & Notes

Section 11.54 Absolute Exemptions Losing Exempt Status During Year

If an absolute exemption on property terminates during the year and the deadline to make name and address changes to the appraisal roll has not passed, the property is listed in the name of the new owner in the District's Computer System.

If the deadline to make name and address changes has passed, the District will reflect the owner of the property as of January 1 and indicate an exempt status. The account will then be flagged to remove the exempt status for the subsequent tax year.

Taxes are based on the portion of the tax year that the property is taxable. The Deed Researcher makes ownership changes and notifies the taxing entities of the ownership change and provides the number of days involved in order for them to prorate the taxes.

Section 11.55 Property Acquired by Government During Year

If the federal, state, or a local government acquires taxable property during the year, the taxes become exempt on the date of acquisition.

The same procedures are followed for property losing exempt status during the year as outlined above.

Section 11.56 Exemption Deleted

When an exemption is deleted, the Exemption Clerk or Deed Researcher completes a Change Form indicating the deletion of the appropriate exemption and changing the property use code as necessary. The change is also indicated in the District's computer system.

Section 11.57 Taxing Entities Notified

The Change Form is then submitted to the Data Entry department who makes the change and notifies the affected taxing entities.

COMPILATION OF EXEMPTION LISTS

Partial Exemption Lists

Section 11.58 Lists Maintained

Each year the District compiles and makes available to the public a partial exemption list. PTC Section 11.46

Section 11.59 Contents of List

The partial exemption list contains the following items of information for all state-mandated homestead exemptions and all local-option percentage homestead exemptions:

1. The total number of each kind of partial exemption for each taxing entity.
2. The total value that is exempted by each kind of partial exemption for each taxing entity.
PTD Rule 9.3010

Absolute Exemption Lists PTD Rule 9.3011

Section 11.60 Lists Maintained

Each year the District compiles and makes available to the public an absolute exemption list of property for which an exemption application is required.

The list is maintained electronically in the form of a partial appraisal roll in Adobe file format and is viewable/printable on public workstations in the District's lobby.

Section 11.61 Contents of List

The absolute exemption list, categorized by type of absolute exemption granted, contains the following items of information:

1. The name and address of the owner as of January 1 of the tax year.
2. The account number of the property.

FREETPORT GOODS PTC Section 11.251

Tax Status

Section 11.62 Freeport Goods Defined

“Freeport Goods” as defined under Article VIII, Section I-j, of the Texas Constitution are goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products are exempt from taxation if:

1. Acquired in or imported into this State to be forwarded outside this State, whether or not the intention to forward the property outside this State is formed or the destination to which the property is forwarded is specified when the property is acquired or imported into this State begins;
2. Detained in this State for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property;
3. Transported outside this State not later than 175 days after the date the person acquired or imported the property in this State;
4. Aircraft operated by a certificated air carrier or property used in the repair or maintenance of aircraft operated by a certificated air carrier if such aircraft or property meets the requirements of Items #1-3. Property that is affixed to an aircraft, which is operated by a certificated air carrier and transported outside this state, is considered to be transported outside this state.

Section 11.63 Exemption Entitlement

A person is entitled to an exemption from taxation of the appraised value of that portion of the person’s inventory or property consisting of Freeport goods.

Section 11.64 Exemption Amount Determined

The appraiser shall determine the percentage of the market value of inventory or property owned by the property owner in the preceding calendar year that was contributed by Freeport goods. The appraiser shall apply that percentage to the market value of the property owner’s inventory or property for the current year to determine the appraised value of the Freeport goods for the current year.

If the property owner was not engaged in transporting Freeport goods out of this State for the entire preceding year, the appraiser shall calculate the percentage of cost for the portion of the year in which the property owner was engaged in transporting Freeport goods out of this State.

The exemption is subtracted from the market value of the inventory or property to determine the taxable value.

Application Processed

Section 11.65 Application Required

A property owner claiming exemption of Freeport goods must apply for the exemption on an annual basis using the Application for Exemption of Goods Exported from Texas (Freeport Exemption).

Section 11.66 Action on Application

All applications for exemption of Freeport goods are reviewed and action is taken as outlined earlier in this section.

Section 11.67 Application Processed

Applications for Exemption of Freeport Goods are submitted to the Personal Property Department. The necessary calculations for the exemption are made by the appraiser as outlined previously and a change form is completed making the necessary revision in value.

Section 11.68 Appraisal Records Updated

The Change Form is submitted to the Data Entry Department and the District's computer system is updated for the exemption.

Taxing Entity Options

Section 11.69 Entities Granting Exemption

The special districts are not given the option to tax Freeport goods; therefore, all special districts grant the Freeport exemption.

Section 11.70 Entities Taxing Freeport Goods

The County, cities, and school districts have the option to tax Freeport goods or to allow the exemption. All of the taxing entities in Freestone County with the exception of the cities of Fairfield and Wortham have taken the option to tax Freeport goods.

SPECIAL PROVISIONS REGARDING OVER 65 AND DISABILITY HOMESTEAD EXEMPTION

Transfer of Over 65/Disability Tax Freeze Within Freestone County

Section 11.71 Account Number of Previous Residence Obtained

Once a homestead exemption application form is received requesting a transfer of the tax freeze, the account number of the previous address is obtained and noted on the application form.

Section 11.72 Percentage of Tax Freeze Calculated

The Exemption Clerk calculates the percentage of tax freeze to be applied to the new property by dividing the amount of taxes with the tax freeze on the previous residence by the amount of taxes without the tax freeze. That percentage is then applied to the amount of taxes on the new residence with no exemptions to determine the freeze amount.

Section 11.73 Appraisal Records Updated

If the new freeze is calculated prior to submission of the appraisal records to the Appraisal Review Board, the Exemption Clerk submits the new tax freeze information to the Data Entry Department to update the District's CAMA system.

If the records have been submitted to the Appraisal Review Board, the Appraisal Review Board must approve the new exemption information as outlined in this manual regarding adjustments to the appraisal roll.

Transfer of Over 65/Disability Tax Freeze Outside of Freestone County

Section 11.74 Over-65/Disability School Tax Ceiling Certificate Completed

Taxpayers wishing to transfer a school tax ceiling to a new home in Freestone CAD, must produce a Ceiling Transfer Certificate issued by the appraisal district from which they are moving.

Taxpayers moving out of Freestone CAD must request that Ceiling Transfer Certificates be issued to the appraisal district maintaining such records for the new homestead property.

Ceiling Transfer Certificates are prepared and/or received by the Exemption Clerk.

Section 11.75 Exemptions Marked for Deletion

The account is flagged to remove the exemption for the subsequent year.

Transfer of Over-65/Disability Tax Freeze to Freestone County

Section 11.76 Over-65/Disability School Tax Ceiling Certificate Received

When a property owner receiving the school tax freeze moves from another county into Freestone County, an over-65/Disability School Tax Ceiling Certificate is received from the appraisal district the property owner is moving from.

Section 11.77 Tax Freeze Calculated

Once a homestead exemption application form is received on the new residence, the Exemption Clerk notes the percentage of tax freeze to be applied on the application.

Section 11.78 Appraisal Records Updated

If the new freeze is calculated prior to submission of the appraisal records to the Appraisal Review Board, the Exemption Clerk submits the new tax freeze information to the Data Entry Department to update the District's computer system.

If the records have been submitted to the Appraisal Review Board, the Appraisal Review Board must approve the new exemption information in the manner described in this manual regarding adjustments to the appraisal roll.

Recalculation of Tax Freeze Due to Combination of Lots

Section 11.79 Property Owner Request

A property owner may request that two or more lots be combined into one account for homestead purposes.

Section 11.80 Selected Frozen Accounts

Prior to submission of the appraisal records to the Appraisal Review Board (early May), the Data Entry Department runs a Selected Frozen Accounts Report, which lists frozen accounts with a reval reason code. The Chief Appraiser reviews all accounts with a Reval Reason Code (combines and splits).

Section 11.81 Report Submitted to Freestone County Tax Office.

The Data Entry Department submits the report to the Freestone County Tax Office in order for them to recalculate the tax freeze. The added value is indicated in a separate column on the report.

Section 11.82 Appraisal Records Updated

The new tax freeze amounts are submitted to the Data Entry Department to update the District's computer system.

Recalculation of Tax Freeze Due to Addition to Property

Section 11.83 Records Identified

All new properties are marked as "new" in the district's CAMA system prior to certification each year.

Section 11.84 Tax Ceilings Recalculated

After all tax rates have been set by taxing authorities, tax ceilings are recalculated by the district's CAMA system on parcels with new improvements.

Section 12 RENDITIONS

Renditions Generally

Filing Requirements

Section 12.01 Renditions Required

All owners of personal property used in the production of income, property owners whose exemption terminates during the year, or any other person required by the Chief Appraiser must file a rendition. PTC Sections 22.01 & 22.02

Section 12.02 Rendition Date

Property is rendered as of its condition on January 1 of each year. PTC Section 22.01

Section 12.03 Rendition Form

A person filing a rendition may use either the form provided by the District office as listed below or file in any other manner providing that the information contained in the rendition substantially complies with the District's requirements. PTC Section 22.24(a)

1. Confidential Aircraft Rendition
2. Confidential General Real Estate Rendition
3. Confidential Business Personal Property Rendition
4. Confidential Rendition of Residential Real Property Inventory
5. Confidential Commercial Boat Rendition

Section 12.04 Filing Date

Rendition statements must be filed by April 15 of each year. PTC Section 22.23(a)

Section 12.05 Publicizing Requirements

Each year the requirements relating to filing renditions and the availability of forms is publicized in the Fairfield Recorder, Freestone County Times, and the Teague Chronicle. PTC Section 22.23(b)

This article is submitted in a timely fashion to ensure publication in early March of each year.

Section 12.06 Renditions Mailed to Property Owners

The District will mail a rendition form on every business personal property account by January 31.

Extension Requests PTC Section 22.23(b)

Section 12.07 Extension Request Submitted

A property owner may submit a written request to extend the deadline for filing a rendition to May 15. The extension request must be made by the deadline date for filing a rendition, being April 15.

The Chief Appraiser may further extend the deadline to May 30 upon good cause shown in writing by the property owner.

The Administrative Assistant processes all rendition extension requests.

Section 12.08 Authorization Verified

Any request made by a tax agent for which proper authorization is not on file is not granted. PTC Section 1.111

Section 12.09 Extension Request Granted

An extension request to May 15 is automatic. The Chief Appraiser must approve an additional extension request to May 30. Extensions are granted only for extremely extenuating circumstances at the discretion of the Chief Appraiser.

A letter of approval is generated by the Administrative Assistant who attaches a copy of the letter to the extension request and mails the original letter to the property owner or agent.

Section 12.10 Extension Request Denied

An extension request to May 15 is denied if it is not filed by April 15. An additional extension request to May 30 is denied if it is not filed by May 30 or for lack of good cause shown.

A letter of denial is generated by the Administrative Assistant who attaches a copy of the letter to the extension request and mails the original letter to the property owner or agent. The property owner or agent is informed that while the extension requested cannot be granted, the District will make every effort to work all late renditions received prior to finalizing the values, and the property owner is urged to submit the rendition as soon as possible.

Section 12.11 Extension Request File

The Administrative Assistant maintains a file on all accounts granted a rendition extension in the personal computer. This file contains letters granting the extension and the extension requests. A copy of the letters granting the extension is also sent to the industrial appraisal firm, if applicable.

Renditions Returned Undelivered

Section 12.12 Address Corrections

If a rendition is returned undelivered as addressed and a forwarding address is indicated, the rendition is sent to the property address.

Section 12.13 Property Sold

If a rendition is returned due to the property being sold and the name and address of the new owner can be located, the rendition is sent to the new owners.

Section 12.14 Business Closed

If a personal property rendition is returned due to a business being closed, the account is deleted from the appraisal roll providing the business closed prior to January 1 of the tax year.

Miscellaneous Provisions

Section 12.15 Obligations Imposed on Appraisal District

If a property owner files a rendition, the District is required to send a Notice of Appraised Value on the property. PTC Section 25.19(a)

If the property owner files a late rendition, the District has no obligation to send a Notice of Appraised Value under this provision only.

Section 12.16 Confidential Information

All rendition forms are confidential information and are not open to public inspection. PTC Section 22.27(a)

Section 12.17 Request for Copies

A copy of a rendition will only be furnished to the person who filed the rendition or the owner of the property upon written request. A copy of a rendition will be furnished to any other person only if the person signing the rendition or the property owner authorizes another person to receive the copy in writing.

There is not a charge to provide a copy of the property owner's own rendition.

A copy of the rendition to any other person can be furnished only in the following circumstances:

1. in a judicial or administrative proceeding pursuant to a lawful subpoena;
2. to the director of the comptroller and his employees authorized by him in writing to receive the information or to an assessor or a chief appraiser if requested in writing;
3. in a judicial or administrative proceeding relating to property taxation to which the person who filed the rendition or the owner of the property that is a subject the rendition is a party;
4. for statistical purposes if in a form that does not identify specific property or a specific property owner;
5. if an to the extent the information is required to be included in a public document or record that the appraisal office is required to prepare or maintain

PTC Section 22.27(b)

APPRAISAL PROCEDURES

Rendition Filed

Section 12.18 Renditions Processed

Real estate and business personal property renditions are stamped "date received" by the Appraisal Clerk. Parcel records are marked as rendered and the rendition is scanned into the district's CAMA system for permanent record retention. Processed forms are sent to the appropriate appraiser for review.

Mineral, industrial, and utility renditions are stamped "date received" by the Appraisal Clerk. A copy is made by the Appraisal Clerk and placed in the box to be mailed to the appraisal firm that handles these types of properties. The original rendition is forwarded to the Personal Property Appraiser to be filed.

Section 12.19 Field Inspections Made

Any property for which a rendition has been filed (with the exception of industrial and mineral accounts which are handled by the Industrial Appraisal Firm) is inspected by an appraiser.

If a discrepancy exists between the properties as rendered and as appraised by the District, and the property has previously been inspected during the normal reappraisal process that year, the property is reinspected in order to check the discrepancies and make any necessary revisions.

Section 12.20 New Accounts

If a rendition is filed on property that has not previously been on the appraisal roll, the appraiser must establish a new account for the property.

PENALTY FOR FAILURE TO FILE IMPOSED AND WAIVER PROCEDURES

Section 12.21 Notice and Waiver

Once the appraisal rolls have been certified to the taxing entities, typically late July of each year, all property owners that failed to timely file a business personal property rendition form will be mailed a Notice of Penalty Assessment for Delinquent Rendition or Report. This notice is mailed to all personal, mineral, industrial, or utility property owners who filed late renditions or did not file renditions at all.

The Notice of Penalty includes a Waiver of Penalty – Failure to Timely File Rendition Statement – PTC Section 22.30 for the property owner to complete and file with the District.

Section 12.22 Deadline for Filing Waiver Form

A property owner may request a waiver of the penalty by filing the waiver form with the District within 30 days of receipt of the Notice of Penalty form. The District will mail all Notice of Penalty forms by certified mail, return receipt requested to establish the date the property owner received the notice.

Section 12.23 Waiver Received

The waiver forms are received by the Administrative Assistant. All waivers will be scanned and attached to affected parcel records in the district's CAMA system upon receipt for permanent record retention. The personal property appraiser is then notified of the receipt of the waiver for his/her review.

Section 12.24 Waiver Request Determination

The original and copy of the Waiver Form are given to the personal property appraiser. The waiver request is reviewed for good cause based on the following criteria:

1. Person's compliance history with respect to paying taxes and filing statements reports:
 - a. rendition filed late, however, it was filed before ARB approved appraisal records for the year
 - b. property owner has no delinquent taxes, it was the first year of business, and the property owner owns no other business personal property in Freestone County
 - c. property owner has no delinquent taxes and filed rendition statement in at least one of prior two years
 - d. property owner has not requested a waiver of penalties in any preceding tax year
2. The type, nature, and taxability of the specific property involved, and type, nature size, and sophistication of the person's business or other entity for which property is rendered:
 - a. property is considered a small business

- b. is taxable in whole or in part by at least one entity with jurisdiction to tax property within the appraisal district
 - c. property owner owns no greater than two other small business properties
 - d. property owner has no professional representation regarding property taxes.
3. Completeness of person's records:
 - a. account records for business are substantially complete
4. Person's reliance on advice provided by the appraisal district that may have contributed to the person's failure to comply and the imposition of the penalty:
 - a. property owner was informed by appraisal district employee not to render
5. Any change in appraisal district policy during the current or preceding tax year that may affect how property is rendered:
 - a. No known changes for the current tax year
6. Any other factors that may have caused the person to fail to timely file a statement of report:
 - a. Any other circumstance deemed extenuating by the Chief Appraiser

The Chief Appraiser either approves or denies the waiver.

Section 12.25 Waiver Request File Maintained

All waivers will be scanned and attached to affected parcel records in the district's CAMA system upon receipt for permanent record retention. The original Waiver form is filed in the Personal Property Department for one year.

Section 12.26 Notification of Waiver Request Mailed

Once the appraisal records are updated for the penalty code, a letter is generated notifying the property owner that the waiver request was approved or denied.

The letter is mailed to the property owner. The denial letter also includes a protest form appealing the denial of the waiver request to the Appraisal Review Board.

Section 12.27 Protest of Denial of Penalty Waiver

The protest of the denial of penalty waiver must be filed within 30 days of the date the denial letter was mailed to the property owner. The Administrative Assistant will handle all protests received.

A protest hearing will be scheduled as provided in this manual. An informal hearing with an appraiser will not be held prior to the hearing before the Appraisal Review Board.

Section 13 ABATEMENT POLICY AND CONTRACT

Provisions

Section 13.01 Policy Required

A taxing entity may not enter into a tax abatement agreement unless the governing body has established guidelines and criteria governing tax abatement agreements. The guidelines, or policy, must provide for the availability of tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures. PTC Section 312.002(a)

Section 13.02 Policy Restrictive

A taxing entity may not enter into a tax abatement agreement unless it finds that the terms of the agreement and the property subject to the agreement comply with the policy adopted. PTC Section 312.002(b)

Section 13.03 Contract Terms

The terms of an abatement agreement may vary by taxing entity. However, a tax abatement agreement must:

1. list the kind, number, and location of all proposed improvements of the property;
2. provide access to and authorize inspection of the property by employees of the taxing entity to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
3. limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
4. provide for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
5. contain each term agreed to by the owner of the property;
6. require the owner of the property to certify annually to the governing body of each taxing entity that the owner is in compliance with each applicable term of the agreement; and
7. provide that the governing body of the taxing entity may cancel or modify the agreement if the property owner fails to comply with the agreement.

PTC Section 312.205(a)

Section 13.04 Property Eligible for Abatement

A taxing entity may abate all of a portion of the value of real property and/or tangible personal property located on the real property. The personal property that was located on the real property at any time before the period covered by the abatement agreement or inventory or supplies are not subject to abatement. PTC Section 312.204(a)

Section 13.05 Policy Effective Dates

The policy adopted by a taxing entity is effective for two years from the date of adoption. During that period, the policy may be amended or repealed only by a vote of three-fourths of the members of the governing body. PTC Section 312.002©

LIMITATIONS AND RESTRICTIONS

Effective Dates

Section 13.06 General Provisions and Effective Dates

The limitation and restrictions as outlined below apply to any abatement agreement executed after August 31, 1989. For any agreement executed prior to that date, refer to Sections 312.206(b) and 312.402(b) of the Property Tax Code.

Reinvestment Zone Designations

Section 13.07 City-Designated Reinvestment Zone, Property Located in City Limits

For any property located in a city-designated reinvestment zone within the city limits, the city must be the first entity to enter into a tax abatement agreement. If the city does not enter into an abatement agreement, no other taxing entity may execute an abatement agreement for that property. PTC Section 312.204(a)

Any other taxing entity may enter into an abatement agreement once the city has executed an agreement, but must do so no later than the 90th day after the date the city agreement is executed. An agreement executed by any other taxing entity is not required to contain terms identical to the city agreement. PTC Section 312.206(a)

Section 13.08 City-Designated Reinvestment Zone, Property Located in ETJ

Any taxing entity can be the first to execute an abatement agreement for property located in the extraterritorial jurisdiction of a city-designated reinvestment zone. The city is not required to execute an agreement before any other taxing entity can execute one. PTC Section 312.206©

Any taxing entity has the option to enter into an abatement agreement; however, if an agreement by another entity previously exists, that entity is bound to the same terms as the existing agreement as it applies to the percentage of the abatement only. There is no 90-day requirement for other entities to execute an agreement. PTC Section 312.206©

Section 13.09 County Designated Reinvestment Zone

For any property located within a County-designated reinvestment zone, the County must enter into an abatement agreement before any other taxing entity may do so. If the County does not execute an abatement agreement, no other taxing entity may do so. PTC Section 312.402(a)

All taxing entities have the option to enter into an abatement agreement once the County has executed an agreement however, if they elect to execute an agreement, they must do so within 90 days of the date the County executes its agreement. An agreement executed by any other taxing entity is not required to contain terms identical to the County agreement. PTC Section 312.402(b)

Contract Floor

Section 13.10 Contract Floor Defined

An abatement agreement may provide for the exemption of property only to the extent that its value for each year covered by the agreement exceeds its value for the year in which the agreement is executed, which is considered the contract floor. PTC Sections 312.204(a); 312.206(a); 312.402(a)

The contract floor applies to the total improvement value for all property of the company receiving the abatement; it is not limited to the improvement value of the abated account only.

Section 13.11 Contract Floor Optional

The contract floor provision is a discretionary term in the abatement agreement; it is not a binding term on any other taxing entity entering into an abatement agreement on the same property.

County Contract Authority

Section 13.12 Guidelines

If the County has executed an abatement agreement, the Commissioner's Court may enter into an agreement on the same property on behalf of another taxing entity if by statute the tax rate of that taxing entity is approved by the Commissioner's Court.

The tax abatement agreement entered into on behalf of the taxing entity is not required to contain the same terms as the County's agreement; however, it must be on the same property. PTC Section 312.004(a)

ABATEMENT DUTIES

Responsibilities Assigned

Section 13.13 General Provisions

The Chief Appraiser is responsible for all duties and functions relating to the administration of abatements as outlined by this Section unless otherwise noted.

Abatement Applications

Application Provisions

Section 13.14 Application Required

In order to receive an abatement, the taxpayer claiming the abatement must apply for it. PTC Section 11.43(a)

Section 13.15 Application Mailed

Before February 1 of each year, an Application for Property Tax Abatement Exemption must be delivered to all property owners who claimed an abatement in the previous year. PTC Section 11.44(a)

Section 13.16 Application Frequency

A property owner filing an abatement application must apply for the abatement on an annual basis. PTC Section 11.43(b)

Section 13.17 Filing Deadline

A property owner must file a completed application form before May 1 and must furnish the information required by the form. For good cause shown, the Chief Appraiser may extend the deadline for filing an abatement application by written order for a single period not to exceed 60 days. PTC Section 11.43(d)

Section 13.18 Copy of Abatement Agreement Required

Upon the initial application for an abatement, the property owner must furnish a copy of the executed abatement agreement for each taxing entity granting the abatement. Copies of the agreement are not required in subsequent years.

Section 13.19 Late Application Disallowed

If a property owner fails to file an Application for Property Tax Abatement Exemption, the abatement will not be granted for that year and the property owner will lose one year of the abatement period. PTC Section 11.43(e)

Application Processed

Section 13.21 Agreement Reviewed for Compliance with Policy and Laws

Upon the initial application for an abatement, the abatement agreement for each taxing entity must be reviewed in order to determine its compliance with the Abatement Policy of the taxing entity as well as the abatement laws. The agreement is reviewed for the following terms:

1. Period of abatement
2. Percentage of abatement
3. Contract floor limitations and restrictions

If an abatement agreement is not in compliance with the law, the abatement will be denied.

Section 13.22 Application Reviewed for Compliance with Agreement

Upon receipt of the abatement application, the application must be reviewed to determine its compliance with the abatement agreement executed by each taxing entity for the following:

1. Period of abatement
2. Percentage of abatement
3. Number of jobs verification
4. Project base
5. Contract floor

If an application conflicts with the terms of the agreement, the application is either modified to conform to the agreement or denied.

Section 13.23 Action on Application

Once an application has been filed and reviewed, it must be acted upon in one of the following manners:

1. Approve the application
2. Modify the application
3. Disapprove the application and request additional information
4. Deny the application

A letter is prepared for the signature of the Chief Appraiser notifying the applicant of the action taken on the application.

If additional information is requested, the applicant must furnish it within 30 days after the date of the request or the application is denied. PTC Section 11.45(a,b)

Section 13.24 Special Notification Requirements on Modifications and Denials

If an application is modified or denied, the property owner must be sent a written notice by certified mail of the modification or denial within five days after the date the determination is made. The notice must include a brief explanation of the procedures for protesting the modification or denial. PTC Section 11.45(d)

ABATEMENT FILES

Abatement Files Computerized

Section 13.25 Abatement File Identified

The abatement information is maintained in the District's CAMA system.

Section 13.26 Contract Master

The contract is established and maintained for each company granting an abatement and contains the following information:

1. Company name
2. Comment section for any special notes
3. Status
4. Current taxable value for each taxing entity
5. Previous taxable value for each taxing entity

Information Furnished to Industrial Appraising Firm

Section 13.27 Abatement Agreements

The majority of projects receiving abatements will be industrial-type properties that are appraised by the Industrial Appraising Firm, and a copy of each abatement agreement for these properties must be furnished to the Industrial Appraising Firm as soon as possible after receipt of the agreement.

Calculation of Abated Values

Section 13.28 Property Appraised In-House

The appraisers value property receiving an abatement in the same manner as any other commercial/light industrial property. In order to determine the value of the abated project, they must apply the provisions of the abatement agreement.

Section 13.29 Property Appraised by Industrial Appraisal Firm

When the industrial appraisal firm furnishes the industrial values, a listing of the values of abated projects is also included.

Section 13.30 Calculation of Current Year Value

Current Year Value is determined by calculating the market value of all industrial realty improvements of a property owner that comprise the Base Year Value for each taxing entity granting the abatement.

Section 13.31 Calculation of Base Year Value

Base Year Value for each taxing entity executing an abatement contract is the market value of all industrial realty improvements of a property owner located within that entity for the tax period defined as the Base Year less the abated value of all projects granted by that entity for the Base Year. Base Year is defined as the calendar year in which the abatement contract is executed (signed). (Exempt accounts are not considered in this calculation.)

Section 13.32 Calculation of Taxable Value

Taxable value for each taxing entity is determined by deducting from the appraised market value of all industrial realty improvements of a property owner the amount of any applicable abatements granted for that tax year.

Section 13.33 Calculation of Value Potentially Eligible for Abatement

The following procedures are followed for each project subject to a tax abatement contract and for each taxing entity granting the abatement:

1. The project base value, if applicable, is subtracted from the current year project value, and the percentage of abatement to be granted is then applied to the net amount to determine the project value subject to abatement.
2. The base year value is subtracted from the current market value. If the difference is greater than zero (0), then the remaining value is the value potentially eligible for abatement to the extent that it does not exceed the project value subject to abatement.

If the difference is zero (0) or less, the project is not eligible for an abatement for the tax year.

Section 13.34 Calculation of Abated Value

Each project that remains potentially eligible for abatement is then tested for each taxing entity granting the abatement on an individual basis in chronological order based on the date the contract was executed.

For the project being tested, the base year value plus the value potentially eligible for abatement for all other projects is subtracted from the current market value. If the difference is greater than zero (0), then the remaining value is the value of the project to be abated to the extent that it does not exceed the project value subject to abatement for that year.

If the difference is zero (0) or less, the project is not eligible for an abatement for that tax year.

If a subsequent project being tested is determined to be ineligible for the full value potentially eligible for abatement calculated previously after performing the calculations stated above, then the test process must be redone for all prior projects using the actual value subject to abatement for the subsequent project to determine if there is any effect on the abatement for each project and each taxing entity for that tax year.

Section 13.35 Abatement Applied

Abatements are applied to an account by listing the taxable value of the account.

This is accomplished by subtracting the abated value for each taxing entity from the market value of the account. Since the abated values may vary for each taxing entity, the taxable values may also vary.

Section 13.36 Appraisal Records Updated

The Data Entry Department updates the District's computer system with the taxable value of the abated account.

Section 13.37 Abated Accounts Coded as Rendered

In order to ensure that all accounts with an abated project receive a Notice of Appraised Value, these accounts are given a rendered code.

REVISIONS TO ABATEMENTS

Revisions Initiated

Section 13.38 Notification Procedures

Any revisions to the value of an abated account must be brought to the attention of the Chief Appraiser in order to make any necessary revisions to the amount of the abatement.

Section 13.39 Abatement Revisions

The Chief Appraiser will initiate any revisions affected by the terms of the abatement and/or the Industrial Appraisal Firm initiates any revisions to the value of the abated project.

Section 13.40 Market Value Revisions

The appraisers or the Appraisal Review Board may make revisions to the market value of an abated account. Since any revision to the market value would affect the value of the abatement, the Chief Appraiser must be notified.

Section 13.41 Recalculation of Contract Floor

Revisions can also be made to other accounts that comprise the contract floor, if one is applicable. Since it is impossible to apprise the Chief Appraiser of all these revisions, the current year value for all abated accounts is rerun following certification of the appraisal roll to determine if the value of the abatement has been affected.

Abatement File Information Updated

Section 13.42 General Update

If a revision is made to an abated account, the taxable value information must be updated. It will be updated in the District's computer system by the Data Entry Department.

Section 13.43 Abatement Deleted

If an abatement is to be deleted for any given year, the information is recorded in the District's computer system by the Data Entry Department.

Section 13.44 Project Value Revised

If the project value is an abated account is revised, the abated value must be recalculated and the new project value should be applied in the District's computer system by the Data Entry Department.

New Improvement Values Calculated

Section 13.45 Deleted Abatements

The project value for all expired abated projects will be provided by Pritchard & Abbott, Inc. when the abatement information is furnished.

To determine the amount of the new improvement value to be used in the effective tax rate calculations, subtract the taxable value of the project in the prior year from the project value for the current year.

If no abatement was granted in the prior year due to the contract floor, then no new improvement value will be attributed due to the expiration of the abatement.

Section 13.46 Weighted Average Abatements

With the weighted average abatements, the percentage of abatement decreases each year. The taxable value created due to the decrease in the abatement percentage is considered to be new improvement value in the effective tax rate calculations.

To determine the new improvement value for the project, subtract the prior year taxable value from the current year taxable value. This calculation will include both the added value due to the percentage change in the abatement as well as the increase or decrease in the project value due to reappraisal.

Section 13.47 New Improvement Value Entered

The new improvement values for each account (which may include more than one project) are entered by the Data Entry Department.

MISCELLANEOUS PROVISIONS

Completion of Abated Project

Section 13.48 Notification to Tax Abatement Review Committee

The Chief Appraiser notifies the taxing entities of the completion of the construction of an abated project.

The taxing entities will evaluate all completed abated projects to ensure compliance with the terms and provisions of the tax abatement agreement.

Section 13.49 Percentage of Abatement Determined

The taxing entities must notify the Chief Appraiser of the percentage of abatement to be applied when this term is based on the direct hire of local labor and subcontractors during the construction period. They must also notify the Chief Appraiser of the total value of any property it deems to be ineligible. This is a one-time notification that occurs in the first tax year following completion of the project. These terms will apply for the duration of the agreement.

Section 14 TAX AGENTS

REPRESENTATION OF PROPERTY OWNER

Tax Agent Designated

Section 14.01 General Provisions

A property owner may designate another person to act as the agent of the owner for any purpose concerning his property. PTC Section 1.111(a)

The designation must be in writing, signed by the property owner or other person so authorized, and must clearly indicate that the person is authorized to act on behalf of the property owner in property tax matters relating to the property or the property owner. PTC Section 1.111(b)

Section 14.02 Designated Period

The designation of an agent remains in effect until revoked in writing by the property owner and filed with the District. A designation may also be made to expire according to its own terms, but is still subject to prior revocation by the property owner. PTC Section 1.111(c)

Section 14.03 Multiple Designations Disallowed

A property owner may not designate more than one agent to represent the property owner in connection with any single item of property. If two or more designations have been filed on the same property, the designation bearing the later date of appointment revokes the form bearing the earlier date, as of the date the form bearing the later date is filed. PTC Section 1.111(d)

A property owner may, however, designate different agents for representation in different capacities on a single item of property or on different aspects of a particular case. PTD Rule 155.44(f)

APPOINTMENT OF AGENT FORM REQUIREMENTS

General Provisions

Section 14.04 Appointment of Agent Form

A property owner must use an Appointment of Agent Form to designate an agent for property tax matters. A designation on any other form will not be accepted. PTD Rule 155.44(a)

Section 14.05 Account Update Form

An agent designated to represent a property owner must use an Account Update for Agent-Represented Property Form to provide the District with information concerning changes, additions, or deletions in the properties for which the agent is authorized to represent the owner. PTD Rule 155.44(n)

Section 14.06 Filing Provisions

The appointment of agent is not binding on the District until the designation form is filed with the District. PTD Rule 155.44©

A tax agent will not be allowed to represent the property owner in any capacity until such time as the Appointment of Agent form is filed with the District.

AUTHORITY AND CAPACITY OF TAX AGENT EXPRESSED

Powers of Authority

Section 14.07 Authority of Tax Agent

A property owner may grant general power authorizing the tax agent to represent him in all property tax matters concerning the property or grant authorization in any one or combination of the specific powers listed below:

1. File protests and appear before the ARB
2. Receive confidential information
3. Negotiate and resolve disputed tax matters
4. Any other action specified by the property owner

Section 14.08 Delivery of Notices

A property owner may authorize a tax agent to receive all property tax notices and other communications for the property, including appraisal notices, ARB orders and hearing notices, tax bills, and collection notices.

The property owner may limit the notices the tax agent may receive in any one or combination of the following:

1. All communications from the Chief Appraiser
2. All orders, notices, and other communications from the ARB
3. All tax bills and notices from all taxing entities served by the District

Tax Rep Number

Section 14.09 Number Assigned

Each tax agent representing property in the District is assigned a tax rep code by the Administrative Assistant.

Section 14.10 Coding Provisions

If a tax agent is given general authority and has been designated to receive all property tax notices and other communications on the property, the mailing address is placed in care of the tax agent.

If a tax agent has only specific powers relating to protest matters, the account is coded with an agent code on the ownership screen, and the mailing address remains the property owner's address.

If a tax agent is authorized to only receive communication from the Chief Appraiser and/or the ARB, the account is coded with an agent code on the ownership screen, and the mailing address remains the property owner's address.

Section 15 MISCELLANEOUS FUNCTIONS

Tax Liaison Officer

Section 15.01 Tax Liaison Officer

The Board of Directors of the Freestone Central Appraisal District has not seen a need to employ a Taxpayer Liaison Officer due to the size of the District, however, the Board encourages the Chief Appraiser and the District's employees to work toward the goal of resolving disputes between the appraisal district and the property owners in a way which is fair and impartial while staying within the guidelines of the laws of the State of Texas.

Public Access Policies

Section 15.02 Translators

A translator will be provided by the District for non-English speaking persons and for the hearing impaired if requested in writing by the property owner.

Section 15.03 Special Access Requirements

For those property owners filing a complaint that have a physical, mental, or developmental disability, the District will provide the necessary services, including but not limited to, providing the property arrangement for public forums to include the correct placement of microphones and sufficient area for wheelchairs and other mobility aides.

Miscellaneous Provisions

Section 15.04 Public Information

Information of public interest describing the functions of the Board and the Board's procedures by which complaints are filed with and resolved by the Board, as well as any other information of public interest, is available at the Appraisal District office.

Section 16 APPRAISAL ROLL

PRELIMINARY APPRAISAL ROLL

Overview of Computer Maintenance

Section 16.01 Overview Defined

For those provisions of this section relating to the steps followed by the Data Entry Department in the preparation of the appraisal rolls, the steps as listed are intended to be an overview of the functions of that department. Many of the steps are explained in greater detail throughout the various sections of this manual.

General Computer Maintenance

Section 16.02 Appraisal Schedule Recalculations Made

If the appraisal schedules have been revised, it is necessary for the Data Department to recalculate the value of those affected accounts.

Only the values of those accounts affected by schedule changes or changed during a field inspection are recalculated. If a property was reappraised for the current year, it is also recalculated.

The values of all accounts receiving the agricultural special appraisal are recalculated on an annual basis.

Section 16.04 Mineral Computer Maintenance

The appraisal firm prints, stuffs and mails the Notices of Appraised Value on the mineral, industrial, and utility properties each year. The mineral, industrial, and utility properties' appraisal roll is loaded into the District's computer system by the appraisal firm each year after the notices are mailed. The information loaded into the system is for information only. Any changes or updates to the appraisal roll are made by the appraisal firm.

Preliminary Appraisal Roll Prepared

Section 16.05 Appraisal Roll Generated

The Data Entry Department generates a hard copy of the preliminary appraisal roll.

Section 16.06 Notification to Taxing Entities

After submission of the appraisal records to the ARB no later than June 7th, the Chief Appraiser certifies to the tax assessor-collector for each taxing entity a preliminary estimate of the taxable value for the current tax year. This certification is mandatory for school districts only; however, it is sent to all taxing entities. PTC Section 26.01(e)

The original and a copy of the certification form are submitted along with the value reports to the tax assessor-collector. The copy is signed and dated by an employee of the tax office and returned to the District office with the original being retained by the tax office. A copy of the preliminary certification and value reports are provided to the executive officer of each taxing entity. The remaining copies are for the Chief Appraiser and the files.

Section 16.07 Files Maintained

The Chief Appraiser maintains a file on the preliminary values consisting of the signed copy of the certification form and the Recap by Property Use for each entity.

CERTIFIED APPRAISAL ROLL

Section 16.09 Form of Appraisal Roll

By April 1 of each year, each taxing entity must be consulted in writing as to the form in which the appraisal roll for that entity will be provided. PTC Section 26.01(a)

A letter outlining the format the appraisal roll will be submitted is prepared by the Administrative Assistant for the signature of the Chief Appraiser. The original and a copy of the letter are submitted to the tax assessor for each taxing entity, with the original being retained by the tax assessor and the copy being returned to the District. The tax assessor is requested to sign and date the copy of the letter and to indicate if the appraisal roll is to be submitted in a format other than the one indicated.

The returned copies of the letters are submitted to the Data Entry Department in order to ensure that the appraisal rolls are prepared in the correct format for each taxing entity.

Section 16.10 Appraisal Roll Generated

The Data Department generates a hard copy of the certified appraisal roll to be maintained in the FCAD lobby.

Section 16.11 Certification to Taxing Entities

Once the ARB has approved the appraisal records, the Chief Appraiser must certify the final values to the tax assessor for each taxing entity no later than July 25th of each tax year. PTC Section 26.01(a)

The same value reports used for the preliminary certification are generated. The original and a copy of the certification form are submitted along with the value reports to the tax office. The copy is signed and dated by the tax assessor-collector and returned to the District office with the original being retained by the tax office.

A copy of the final certification is sent to each taxing entity for their records.

Section 16.12 Appraisal Rolls Submitted to Taxing Entities

The Data Entry Department generates the appraisal rolls for each taxing entity in the requested format and submits them to the Chief Appraiser for delivery to the taxing entities.

Section 16.13 Certification to Property Tax Division

The Chief Appraiser certifies a copy of the District's appraisal roll to the Property Tax Division of the State Comptroller's Office. PTC Section 26.01(b)

The Data Entry Department submits a computer tape of the Appraisal roll to the Property Tax Division by the specified deadline, which varies each year. PTD Rule 163.6

Section 16.14 Pending Protests

If the ARB approves the appraisal records with pending protests, a listing of those properties that are pending must be furnished to each taxing entity at the time the appraisal roll is certified.

The Data Entry Department prepares the listing of pending protests that must include the appraised market value, the productivity value if applicable, and the taxable value for each account as determined by the District and also as claimed by the property owner, if available. (Refer to PTC Section 26.01(c) for procedures if property owner does not render an opinion of value.) PTC Section 26.01(c)

Once the ARB has determined any pending protests, the values are certified to the taxing entities through the appraisal roll adjustment process.

Section 16.15 Files Maintained

A copy of appraisal roll recaps with certified values for each of the taxing entities is maintained in the Chief Appraiser's office. Each of these copies has a signature line for a representative of the taxing entity to sign acknowledging the receipt of the certified recap.

ADJUSTMENTS TO APPRAISAL ROLL

25.25(c) Adjustments

Section 16.16 Adjustments Allowed

Once the appraisal records have been finalized by the ARB, the appraisal roll cannot be changed except as noted below:

1. Any type of clerical error that affects a property owner's liability. A clerical error is defined as an error in writing, copying, computing, etc. that prevents an appraisal roll or tax roll from accurately reflecting a determination made by the ARB, chief appraiser, or assessor.
2. Multiple appraisals of property (double assessments).
3. Inclusion of property that does not exist in the form or at the location described in the appraisal roll.

PTC Section 25.25(c)

A property owner or the Appraisal District may request changes under this section.

Section 16.17 Limitation on Changes

The ARB is limited to the current year plus a five-year period in which corrections may be made to the appraisal roll. Each tax year begins on January 1.

Section 16.18 Changes Resulting in Increase in Tax Liability

After the appraisal records are approved, the ARB cannot order an adjustment that will result in an increase in the tax liability of a property owner except in the case of a deleted exemption or a split out property. The property owner must be mailed a Notice of Change in Appraisal Records providing notification of the change. The notice must include a brief explanation of the procedures for protesting the change. Failure to deliver notice to a property owner as required nullifies the change. PTC Section 41.11

The Notice of Change forms are processed by the Data Entry Department. The forms are sent by certified mail and are mailed on the day the ARB meeting is held to approve the change.

Section 16.19 Protest Procedures

A property owner may protest any change ordered by the ARB by filing a Notice of Protest within 30 days after the date the Notice of Change is mailed. The protest filing deadline is indicated in the notice. PTC Section 41.44(a)(2)

A protest filed under this provision is handled in the same manner as all protests.

Section 16.20 Section 25.25c Motion Filed by Property Owner

If a property owner files a 25.25c Motion that the District objects to, a hearing must be scheduled before the ARB at their next meeting. The hearing is held in the same manner as a protest hearing as outlined in the Appraisal Review Board section of this manual. A hearing must be scheduled within 15 days of the date the 25.25c motion is filed. If an ARB meeting date is unknown at that time, a letter must be sent to the property owner within the 15 day deadline stating that a hearing will be scheduled at the next meeting of the ARB.

Section 16.21 Notification Procedures – Taxing Entities

Not later than the 15th day before the date of the hearing on the 25.25c motion, written notice must be provided to the presiding officer of the governing body of each affected taxing entity notifying them of the date, time, and place of the hearing. This notification is sent under the signature of the ARB Secretary.

Each taxing entity is entitled to appear to offer evidence or argument at the hearing. PTC Section 25.25(e)

Section 16.22 Tax Payment Requirements

A property owner who files a 25.25c motion must comply with the tax payment requirements of Section 42.08 of the Property Tax Code or the right to a final determination on the motion is forfeited. At the hearing on the motion, the property owner must present tax receipts for all tax years covered by the motion.

Supplemental Appraisal Records

Section 16.23 Definition

Supplemental appraisal records consist of those properties that should have been on the appraisal roll but escaped taxation. PTC Section 25.23(a)

Section 16.24 Notification to Property Owner

Once the appraised value of property listed in the supplemental appraisal records has been determined, the Data Entry Department sends a Notice of Appraised Value to the property owner. PTC Section 25.23(c)

The Notice of Appraised Value is generated by the Data Entry Department based on the data correction form submitted.

The Notice of Appraised Value is mailed at least 30 days prior to the date of the ARB meeting to receive the supplemental appraisal records.

Section 16.24 Notification to Taxing Entities

The Property Tax Code no longer requires notification to the taxing entities of the supplemental appraisal records; however, notification is still sent as a courtesy on all supplementals presented after the appraisal roll is certified. Notification is not sent for supplemental appraisal records submitted before the appraisal records are approved by the ARB.

The Data Entry Department or the mineral/industrial/utility appraisal firm prepares a listing of the taxing entities affected by the supplemental appraisal records as well as the total value for each entity to be

supplemented. This list is attached to a Change Form which is forwarded the taxing entities. The list is also submitted to the ARB with the total value of the supplemental accounts for their review and consideration.

Section 16.25 Protest Procedures

A property owner may protest a supplemental account by filing a protest within 30 days after the date the Notice of Appraised Value is mailed. The filing deadline will be indicated on the Notice of Appraised Value. PTC Section 25.23(d)

A protest filed under this provision is handled in the same manner as all protests.

25.25h Adjustments

Section 16.26 Adjustments Allowed

On the joint motion of the Chief Appraiser and a property owner, any error in the appraised value is corrected under this provision. Normally, the error would cause the appraised value to exceed the corrected value by at least 20 percent of the corrected value.

Section 16.27 Limitation on Changes

This type of adjustment must be made on the joint motion of the property owner and the Chief Appraiser and can only be made upon the recommendation of the Chief Appraiser.

Section 16.28 Motion Filed

A Joint Motion to Correct Error in Appraisal Records must be filed prior to the delinquency date for payment of taxes. It requires the signature of both the property owner and the Chief Appraiser.

25.25b Adjustments

Section 16.29 Adjustments Allowed

The Chief Appraiser may correct the following types of inaccuracies in the appraisal roll that do not increase the amount of tax liability without further action by the ARB:

1. Late-filed homestead exemptions that are permitted by law;
2. Correct the ownership and size of accounts on the appraisal roll to reflect the actual ownership and size of property holdings resulting from changes in ownership, including changes in the per unit value of property and adjustments to values on the changed accounts on the appraisal roll. (splits and combines)
3. Removal of property from the appraisal rolls if the property was not subject to taxation in the Appraisal District.
4. Correct the market, appraised, or taxable value of property to reflect the value required by law. In the case of changes in the roll due to inaccuracies in the market value of property, the Chief Appraiser may not correct such inaccuracies unless the inaccuracy is one that results in an error of 20 percent or more of the market value listed on the appraisal roll. Reductions in the market, appraised, or taxable value cannot exceed \$1,000,000.

Changes under this section are limited to the current and four previous tax years. PTC Section 25.25b

Section 16.30 Motion Filed

If the Appraisal District agrees that an error has been made under this provision, the adjustment is processed and does not require a formal motion.

A property owner may request that the Chief Appraiser correct an error under this provision by filing a Section 25.25b Motion to Correct Error in Appraisal Records form.

Section 16.31 Motion Reviewed by Appraiser

An appraiser will review any Section 25.25b Motion to Correct Error in Appraisal Records to determine if an error has been made. If the District does not agree that an error has been made, an adjustment will not be made. Failure for the District to agree to a Section 25.25b Motion filed by a property owner is not appealable to the ARB.

Substantial Error Motions

Section 16.32 Adjustments Allowed

The ARB may only grant a Motion for Substantial Error if all of the following conditions are met:

1. The property was not the subject of a protest hearing during the normal protest period.
2. The property owner did not agree in writing to the valuation.
3. The appraised value exceeds the correct value by more than one-third (33.3%).

Section 16.33 Filing Provisions

At any time prior to the date the taxes become delinquent, a property owner may file a Motion for Hearing to Correct Substantial Error requesting that the ARB hold a hearing to determine if a substantial error exists.

The Appraisal District reviews all substantial error motions. If the District recommends an adjustment that the property owner agrees to, a Joint Motion to Correct Error in Appraisal Records (25.25h) is filed.

If a joint motion is not entered into, a hearing must be scheduled within 15 days of the date the substantial error motion is filed. If an ARB meeting date is unknown at that time, a letter must be sent to the property owner within the 15-day deadline stating that a hearing will be scheduled at the next meeting of the ARB. All hearings on substantial error motions are held after the delinquency date for payment of taxes. PTC Section 25.25(e)

Section 16.34 Letter of Explanation to Property Owner

If a property owner requests a substantial error motion, a Letter of Explanation – Substantial Error is also mailed, detailing the procedures for the hearing, the tax payment requirements, and the late penalty provisions.

Section 16.35 Notification Procedures – Property Owner

A property owner is notified of the hearing on the substantial error in the same manner as all other protest hearings. The only exception being when the hearing is scheduled, a Notice of Hearing on Motion for Substantial Error is generated and mailed.

Section 16.36 Notification Procedures – Taxing Entities

Not later than the 15th day before the hearing on the substantial error, written notice must be mailed to the presiding officer of the governing body of each affected taxing entity notifying them of the date, time, and place of hearing. This notification is sent under the signature of the ARB Secretary.

Each taxing entity is entitled to appear to offer evidence or argument at the hearing. PTC Section 25.25(e)

Section 16.37 Tax Payment Requirements

A property owner who files a motion for a substantial error must comply with the tax payment requirements of Section 42.08 of the Property Tax Code or the right to a final determination of the motion is forfeited.

Once the motion is filed, a Notice of 42.08 Payment is mailed to the affected tax offices. This notice informs the tax office that a protest is pending on the property, indicates the type of protest pending, and gives the property owner's opinion of value, when known, in order for the tax office to calculate the 42.08 payment. PTC Section 25.25(e)

Section 16.38 Hearing Held

All hearings on substantial error motions are held after the delinquency date. A hearing is held and a cause folder is prepared in the same manner as all protest hearings. At this hearing the property owner must submit a tax receipt indicating that the current year taxes have been paid in accordance with Section 42.08 of the Property Tax Code.

Section 16.39 Final Decision

The ARB makes its final decision on the motion for substantial error in the same manner as all other protests using the Notice of Issuance of Order and Order Determining Motion for Substantial Error.

Adjustments Processed

Section 16.40 Assessment Change Docket Form Completed

An Assessment Change Docket Form must be completed for any type of adjustment outlined in this Section.

The Chief Appraiser must approve 25.25b, 25.25c, and 25.25h adjustments as well as supplemental appraisal records. The Chief Appraiser must give final approval of 25.25b and 25.25h motions.

For supplementals, 25.25b and 25.25c motions, and 25.25h adjustments, the Assessment Change Docket Form is submitted to the Data Entry Department for processing.

Section 16.41 Special Provision for Mineral and Industrial Changes

For industrial and mineral accounts, the Industrial Appraising Firm must submit all value changes.

The Industrial Appraising Firm submits the changes on a Change Form. The change forms are approved by the Chief Appraiser and submitted to the taxing entities for corrections to their rolls.

Section 16.42 Account History Record Generated

The Appraisal District generates all change forms for value changes to the real and business personal property. The Data Entry Department posts the changes to history and forwards the change form to the affected tax entities for corrections to their roll.

The Industrial Appraising Firm is responsible for making all changes to the mineral/industrial/utility appraisal records and keeping a listing of all value changes made during a tax year.

A listing of changes is presented to the Appraisal Review Board and the Board of Directors quarterly for their review and consideration.

Approval Procedures

Section 16.43 Adjustments Approved by ARB

The ARB meets as needed to approve adjustments to the appraisal roll. Generally, meetings are held during the months of January, May, and September. A meeting is not held to approve adjustments to prior years' appraisal rolls during the current year protest process. If supplemental appraisal records are submitted at a meeting, a second meeting is scheduled within 30 days to approve them. If a protest has been filed on a supplemental appraisal record and the protest has not been determined, the ARB must postpone approval until the protest has been heard. PTC Section 25.23d

The Chief Appraiser presents all adjustments to the appraisal rolls. These adjustments are submitted in the form of a listing generated by the Data Entry Department. Chief Appraiser changes, being 25.25b motions, granted exemptions, and final judgments on lawsuits, do not require ARB approval and are not submitted to them.

Post Approval Procedures

Section 16.44 Appraisal Records Maintained

Once the adjustments have been approved by the ARB, the Data Entry Department updates the adjustments in the District's computer system.

If the ARB does not approve some of the adjustments as submitted, the Data Entry Department is notified by the Chief Appraiser. The files are reset to the original status of the account prior to the proposed change.

Section 16.45 25.25b Quarterly Reports

Before the 10th day after the end of each calendar quarter, the Chief Appraiser submits a written report of each change made under Section 25.25b that decreases the tax liability of the property owner to the Secretaries of the Board of Directors and the Appraisal Review Board. This report includes a description of each property and the name of the property owner. PTC Section 25.25b

MISCELLANEOUS PROVISIONS

Section 16.46 Alphabetical Listing

The District must maintain an alphabetical index of property owners containing the name of the owner and the account number of the property. PTD Rule 9.3009

Section 17 PUBLIC REVIEW OF PROPOSED APPRAISALS

VALUE NOTIFICATION

Notice of Appraised Value

Section 17.01 Non-Reappraisal Year Notice Criteria

A Notice of Appraised Value is sent on every property that meets the following criteria:

1. Value change from preceding year (increase or decrease)
2. Rendered by property owner
3. Property not on appraisal roll in preceding year
4. Exemption of any type deleted
5. All personal property accounts, mineral accounts, and all industrial accounts
6. Change in ownership
7. Owner or authorized agent makes a written request

This short-form notice of appraised value as outlined in PTC Section 25.19(i) is not mailed by the Appraisal District. The full-version of the Notice of Appraised Value is the only format used by the Appraisal District for property valuation notification purposes as outlined under PTC Section 25.19. PTC Section 25.19 (a,i)

Section 17.02 Contents

The Notice of Appraised Value must meet the content requirements as outlined in Section 25.19(b,c) of the Property Tax Code. PTC Section 25.19(b,c)

Section 17.03 Reappraisal Year Notice Criteria

A Notice of Appraised Value is mailed on every parcel where:

1. Ownership of the property has changed;
2. Appraised value of the property has increased by at least \$1,000 over the previous years;
3. Property appears on appraisal roll for the first time; or,
4. Exemption or Special Valuation status has changed from previous year.

Section 17.04 Mailout of Notice of Appraised Value Delayed on Accounts with Rendition Extension

If an extension has been granted on a personal property account, a Notice of Appraised Value cannot be mailed to the property owner until after the applicable deadline.

Personal property accounts granted a rendition extension will be coded until the rendition is either filed or the applicable deadline expires.

Mail Procedures

Section 17.05 Notices Generated

The Data Entry Department generates and prints the Notices of Appraised Value.

Section 17.06 Notices Sorted

The Notices of Appraised Value are then sorted for mailing purposes as follows:

1. Tax reps are grouped together by tax rep and all notices in a group are mailed in one package.
2. Owners with multiple properties are also grouped together and mailed in one package.
3. All others are stuffed and mailed separately.

Section 17.07 Notices Mailed

All notices under this section must be mailed to the property owner prior to the date the appraisal records are submitted to the ARB.

Section 17.08 Mail Journal Maintained

The Administrative Assistant maintains a listing of all appraisal notices mailed which contains the following:

1. Date mailed
2. Number of owner number accounts mailed

Section 17.09 Returned Notices

Every attempt is made to forward any returned notices to the new address or owner.

All Notices of Appraised Value that are returned and the correct address cannot be determined are so noted in the District' computer system and filed.

SUBMISSION OF APPRAISAL RECORDS

Appraisal Records Submitted to ARB

Section 17.10 Date of Submission

By May 15 or as soon thereafter as practicable, the appraisal records are submitted to the Appraisal Review Board for their review and determination of protests. PTC Section 25.22(a)

Section 17.11 Affidavits Required

At the time the appraisal records are submitted, the Chief Appraiser and all appraisers must sign the Affidavit of Appraisers stating that they have made a diligent effort to place all property in the District on the appraisal rolls at the fair market value. PTC Section 25.22(b,c)

Section 17.12 Open Meeting Required

The appraisal records must be submitted to the ARB at a meeting that has been duly posted and meets all requirements of the Open Meetings Act.

TAXPAYER COMPLAINTS

Property Owner Contact

Section 17.13 Method of Contact

The property owner contacts the District stating some dissatisfaction with the property in any of these three methods:

1. Telephone
2. Walk-In
3. Mail

Section 17.14 Contact by Tax Agent

Agents representing property owners must file the appropriate appointment of agent forms with the appraisal district. Forms must be filed prior to value negotiations and settlement or withdrawal of protests.

Inquiry Record Generated

Section 17.15 Inquiry Record Defined

The Inquiry Record is generated for all contacts received over the telephone or for walk-in property owners.

The Inquiry Record is automatically generated by the computer when the operator enters the account/owner number and selects the Inquiry tab. All contact and discussion with the property owner is noted on the Inquiry Screen for future reference.

The Inquiry Record contains the following information:

1. Property Information
 - a. Account number
 - b. Legal description
 - c. Property owner's name and address
 - d. Contact name and telephone number
 - e. Value information
 - f. Exemption information
2. Appraiser Information
 - a. Call back information
 - b. Recheck information
 - c. Recommendations and comments
 - d. Determination of discussion

Protest Record Generated

Section 17.16 Protest Record Generated

The Protest Record is automatically generated by the computer when the operator enters the account/owner number and selects the Protest tab.

The Protest Record contains the following information:

1. Property Information
 - a. Account number
 - b. Legal description
 - c. Property owner's name and address
 - d. Value information
 - e. Exemption information

2. ARB Information
 - a. Date protest received
 - b. Reason for protest
 - c. Name of person who signed the protest
 - d. Case number assigned
 - e. Date and time of scheduled hearing
 - f. Board determination of hearing

Section 17.17 Case Number Assigned

A case number is assigned to any account for which a protest is received. If a property owner is protesting multiple accounts, all accounts in the same name are grouped under the same case number. There is no change in procedure for handling a protest whether it is received in person or by mail.

Appraiser Meeting with Property Owner

Section 17.18 Account Assigned to Appraiser

All inquiries are handled by appraisers in the order in which they are logged into the Inquiry Screen unless the inquiry is regarding a specific appraisal task assigned to a specific appraiser.

Business personal property inquiries are routed to the personal property appraiser;

Mineral, utility, and industrial inquiries are directed to the firm contracted to perform those appraisals.

Section 17.19 Property Owner Meeting

Once the property owner is contacted by the District, the appraiser enters the date and time of each call placed to the property owner on the Inquiry Screen and notes any comments regarding their discussion.

If the property owner makes his inquiry in person, the first available appraiser responsible for appraising that particular type of property meets with the owner.

Section 17.20 Appraiser Unable to Contact Property Owner

After three unsuccessful attempts to contact a property owner, a notation is made in the Inquiry Screen and no further action is taken.

Appraiser Recommendation

Section 17.21 Type of Recommendation

Based on the evidence and information presented by the property owner on the complaint, the appraiser makes a recommendation on the property as follows:

1. Change
2. No change
3. Recheck

If the appraiser recommends a recheck on the property, once the inspection is complete a recommendation for a change or no change must then be made.

Section 17.22 Confirmation of Appraiser Recommendation

Once a recommendation is made by the appraiser, the changes are made to the account and the owner is given a new appraisal card showing the changes. If the recommendation is made to make no change, the owner is notified and given the opportunity to file a protest with the Appraisal Review Board.

Section 17.23 Changes Resulting in Increase in Tax Liability

If a change is recommended by an appraiser that will increase the tax liability of a property owner, a Notice of Change in Appraisal Records must be mailed to the property owner at least 15 days before the ARB approves the appraisal records. PTC Sec. 41.11

Protest Procedures

Section 17.24 Protest Filing Requirements

If the property owner disagrees with the appraiser's recommendation and would like to request a protest hearing with the ARB, it is necessary for the property owner to file a Notice of Protest. A protest form is included with every Notice of Appraised Value. While it is not required that the protest be filed using this form, it is recommended in order to ensure that all of the information is submitted.

If the property owner did not receive a Notice of Appraised Value or does not have access to the protest form mailed in the notice, a protest form is mailed if the deadline for filing a protest is more than a week away.

If the property owner requests a protest hearing within one week of the filing deadline, the following procedures are followed:

TELEPHONE: The property owner is instructed to mail a letter to the Appraisal District stating that the appraised value is being contested or stating dissatisfaction with any other matter affecting the property value. The letter must bear the postmark of the deadline date or prior. The property owner also has the option of coming into the office and filing a protest form in person prior to the deadline date. Copies of protest forms, including fax copies, will not be accepted. This letter must identify the property being protested, include a mailing address, and express the property owner's dissatisfaction with the account. It is also helpful for the letter to include a daytime telephone number.

WALK-IN: Once the meeting with the property owner is completed, the appraiser has the owner to complete a Notice of Protest form, gives the protest form to the Administrative Assistant, and notifies the owner that they will be mailed a Notice of Hearing letter to notify them of their appointment date and time for their protest to be heard by the Appraisal Review Board.

Section 17.25 Special Procedures for Rechecks

For any property that is pending a recheck and a recommendation has not been made at least one week prior to the deadline for filing a protest, a letter is mailed notifying the owner to file a protest in order to protect their right to protest.

Section 18 MISCELLANEOUS FUNCTIONS

Action by Mail

Section 18.01 Timeliness Defined

When a property owner is required to file or deliver a report, application, statement, or other document or paper before a specified date as outlined in this Manual, the action is timely if it is sent by regular, first-class mail, properly addressed with postage prepaid, and it bears a post office cancellation mark of the deadline date or earlier. PTC Section 1.08

Section 18.02 Effect of Holiday or Weekend

If a deadline falls on a Saturday, Sunday, or legal state or national holiday, the deadline is extended to the next regular business day. PTC Section 1.06

Section 18.03 Delivery of Notice

A notice is presumed to be delivered when it is deposited in the mail. PTC Section 1.07©

Section 19 MAP DEPARTMENT GENERAL FUNCTIONS

Section 19.01 MAPS GENERALLY

A. *General Information*

Appraisal District maps are available to the public via computers located in the district's public area. Hard copies of historical maps created by the district or in the district's possession are also available for public use.

B. *Map System*

The map system maintained by the District shall conform to the guidelines set forth by the Property Tax Division Rule 155.2.

C. *Format*

The district creates and maintains its maps electronically in Bentley Microstation. Map files are created and maintained in the dgn format. The district utilizes Bentley Redline to allow the public and staff to view maps at each desktop computer in the district.

The district does not maintain hard copies of current maps because of the frequency of property conveyances.

D. *Data Maintained*

The district's maps shall include:

- Original abstract boundaries;
- Current parcel boundary lines;
- Boundaries of each of the taxing units in the district;
- Labeled street, road, and highway locations;
- Parcels numbers assigned by the district's CAMA system;
- Ownership and acreage labels as extracted from the district's CAMA system.
- General soil type maps as prepared by the USDA
- Aerial photography

Map layers may be manipulated by users to include or exclude any of the levels of information listed above while viewing the data in Bentley Redline.

E. *Maintenance*

The district contracts with an outside firm to create line files for new parcels that are created as a result of the splitting of a property or the creation of a new subdivision.

The district's mapping coordinator works directly with the firm to verify the quality of work produced as well as to provide additional data needed to create line data.

F. *Ownership Changes*

No ownership changes will be made to the district's records without proper documentation. Conveyance instruments including deeds, contracts, wills, heirship affidavits, and court ordered divisions and awards must be of public record. Recording information (i.e. volume, page) must be present on documents for the district to consider making the ownership changes to its records.

The mapping coordinator performs all splits resulting from property conveyances as well as those resulting from the creation of new subdivisions.

Copies of field notes for splits as well as new subdivision plats are sent to the mapping firm by the mapping coordinator.

The mapping coordinator updates owner name and acreage monthly to match the district's CAMA system through a utility program in Microstation that extracts the current information from the district's database. The utility may be ran more frequently when the volume of changes entered into the CAMA system is increased.

Dgn files are delivered to the district by the mapping firm electronically as changes are created.

G. *New Subdivisions*

When a new subdivision is created, a copy of the map of the subdivision is received from the County Clerk's office. The mapping coordinator assigns a number to the subdivision and creates parcel numbers for each tract. Once parcel numbers have been created, a copy of the filed subdivision map and a list of parcel numbers is sent to the mapping firm for entry into the district's mapping system.

The mapping coordinator codes the property to receive a temporary value in the CAMA system until the appraisers can inspect the property and create appropriate cost schedules for the new subdivision. These parcels are flagged for appraiser review and must be inspected by an appraiser prior to its addition to the appraisal roll.

H. *Appraiser Inspection*

The appraisal cards, as well as the work map, are submitted to the appraisers in order to appraise the property.

The appraiser inspects the property to determine if the streets have been laid and completed, if any other improvements to the land have been made, and if any improvements have been built on the property.

If an improvement has been made on the property, the appraiser completes the improvement information on the appraisal card as well as the drawing.

I. *Rechecks for Improvements Not Complete*

If upon inspection the appraiser determines that the improvements are partially complete, the parcel record is flagged in the CAMA system to review for improvement completions in the subsequent year.

J. *Land Values Determined*

Once the appraiser has completed the inspection of the new subdivision, a determination is made as to the condition of the streets. Based on this information, the appraisers determine land values and the Data Entry Department makes the necessary land value calculations. The land value data is noted on the note screen for any of the affected accounts.

Section 19.02 *Error Resolution*

A. *Prior Deed Verified*

If an error in a deed is found, any prior deeds on the property are reviewed to verify the error.

If an error in a deed is found and the error cannot be rectified after reviewing all prior deeds filed, the originator of the deed or the grantee is notified of the error.

B. Parties Notified

The originator or grantee of the deed is then informed of the error in order to make the necessary corrections.

C. Change Made

A change will not be entered into the appraisal records until a corrected deed is received. Upon receipt of a filed copy of the corrected deed, the change will be entered into the appraisal records according to the procedures outlined previously in this Section.

D. Maps Corrected

If an error in acreage is based on an incorrect survey, the map is corrected to reflect the correct acreage. The mapping coordinator makes the change on the appraisal records in the CAMA system and the map is corrected after running the scheduled updater utility in the mapping software.

Section 19.03 Miscellaneous Functions

A. Ownership Research

The mapping coordinator inspects instruments filed in the Freestone, Navarro, and Limestone county clerk's offices to discover properties with ownership changes. When ownership is difficult to determine, the mapping coordinator may utilize indexes in the county and district clerk's offices as well as abstract offices to discover additional information to determine appropriate ownership. When no clear owner can be determined, the property will be listed on the appraisal records under the name of the last recorded owner.

B. Jurisdiction Annexations

When an entity annexes property, a copy of the ordinance annexing property must be submitted to the appraisal district. The annexing ordinances are received and filed by the mapping coordinator.

The property involved in the annexation is determined, and the boundaries of all entities involved are adjusted and posted to the maps accordingly.

Jurisdiction codes on all affected parcels are changed in the CAMA system to reflect the annexation.

C. Public Record Requests

All mapping data is accessible to the public and may be reviewed in the district's office.

The public may obtain copies of the district's mapping data by filing a written request with the district. The data may be provided in accordance with the Open Records Act. The information may be delivered in hard copy or any of the file formats supported by Microstation.

Section 20 RECORDS MANAGEMENT

Section 20.01 Records Management Officer

A. Duties Defined

The Chief Appraiser is responsible for administering the Records Management Program of the District and ensuring that the records of the District are maintained, preserved, and disposed of in accordance with the Texas Local Government Records Act.

Section 20.02 Records Management Program

A. Records Management Program Established

The District has established a Records Management Program providing for the efficient and cost-effective maintenance of the District's records.

B. Amendments

Any amendment to this plan must be approved by a resolution by the Board of Directors.

C. Preparation and Filing of Records Control Schedules

The District has prepared a Records Control Schedule listing the following records and establishing a retention period for each:

- All records created or received by the District.
- Any record no longer created or received by the District and for which the records retention period has not expired.
- Any record no longer created or received by the District for which the records retention period has expired but the record will not be destroyed.

D. Amendments

The Records Control Schedule is reviewed and changed as necessary to reflect any new records created or received by the District or to revise the records retention schedules for existing records.

Any revisions to the Records Control Schedule must be approved by a resolution by the Board of Directors.

E. Destruction of Records Not Listed on Records Control Schedule

For any record not listed on the Records Control Schedule, the Department Head requesting that a record be destroyed must obtain approval of the Chief Appraiser prior to destroying a record.

F. Records Listed on Records Control Schedule

Records listed on the Records Control Schedule can be destroyed without the approval of the Chief Appraiser according to the schedule.

G. Transfer of Records to Storage Area

In order to transfer records from the active files to inactive storage, the Department Head must obtain approval of the Chief Appraiser.

Section 20.03 Annual Reports and Surveys

A. PTD Reports of Property Value

The District has contracted with Pritchard & Abbott, Inc. for software used in the operations of the District. As a part of this contract, Pritchard & Abbott, Inc. is responsible for electronically filing the Reports of Value (EDS) with the Property Tax Division of the Comptroller's Office (PTD) in the file format as required.

Once the PTD has accepted the electronic data, the Chief Appraiser is responsible for filing the short form reports that correspond with the EDS Reports.

1. Entities Identified

Reports of Property Value are prepared by the chief appraiser for each of the following entities:

- Freestone CAD
- Freestone County
- School districts
- Cities
- Hospital districts

2. Final Reports

Once all of the data has been verified for accuracy, copies of the Report of Property Value for each entity are generated and submitted to the following:

- Property Tax Division
- Each taxing entity
- Chief Appraiser
- County Tax Assessor/Collector

Section 20.04 Miscellaneous Reports

A. Operations Survey

The Administrative Assistant prepares the Operations Survey for the Property Tax Division.

B. Other Reports

The below listed reports are completed by the personal indicated:

- PTD Farm & Ranch Survey – Ag Appraiser
- Taxing Entity Confirmations of Appraised Value – Administrative Assistant
- Taxing Entity Confirmations of Appraisal District Contributions – Administrative Assistant
- PTD Utility Data Report – Pritchard & Abbott

Section 20.05 Lawsuit Files

A. Duties Assigned

All duties concerning lawsuits are the responsibility of the Administrative Assistant unless specifically noted.

B. File Folder Maintained

Once a lawsuit has been filed, the legal counsel must file an Answer within 20 days. Therefore, it is necessary to prepare a file folder on the lawsuit and submit a copy of the information to the legal counsel within three (3) days of receiving the lawsuit. The following items are maintained in the lawsuit file:

- Any information regarding the ARB hearing (Notice of Appraised Value, Notice of Protest, Notice of Hearing, Affidavit of Sworn Testimony, Minutes of the Hearing, etc.)
- Any evidence or exhibits presented by either party at the hearing
- Order Determination Letter and certified and return receipts
- Any correspondence regarding lawsuit
- Any other information pertaining to the account for the year in which the lawsuit was filed

C. Filing Dates Verified

In order to timely file a lawsuit, a property owner must file a Petition for Review with the District Court within 45 days of the date of receiving the final decision of the ARB. PTC Section 42.21(a)

The legal counsel is advised of any lawsuits that have been filed that do not meet the criteria as listed above.

D. File Folder Update

Once the lawsuit has been submitted to the legal counsel, he assumes responsibility for filing the necessary orders and motions as well as for preparing answers to requests from the plaintiff's legal counsel.

The lawsuit file is updated for information received from the legal counsel as follows:

- Defendant's Original Answer
- Request for Interrogatories and Production of Documents (if applicable)
- Final Judgment
- Correspondence and miscellaneous orders relating to the lawsuit

E. Payment Defined

A property owner who files a lawsuit on the appraisal records must pay the amount of taxes as outlined in Section 42.08 of the Property Tax Code, herein referred to as 42.08 payments.

The Code states that a property owner must pay the taxes on the property prior to the delinquency date using one of these two methods:

- The amount of taxes due on the property based on the final decision of the ARB, or
- The amount of taxes that would be due on the property based on the value not in dispute.

A property owner failing to comply with these provisions loses his right of appeal. PTC Section 42.08(b)

A property owner may file an oath of inability to pay the taxes at issue and be excused from the requirement of prepayment of taxes as a prerequisite to appeal. The court will hold a hearing to determine if payment of taxes under this section would constitute an unreasonable restraint on the property owner's right of access to the courts. PTC Section 42.08(d)

F. Notification to Taxing Entities

Once a lawsuit has been filed, the tax assessor-collector for each affected entity is notified that they may accept 42.08 payments.

G. Verification of 42.08 Payments

After taxes for the year become delinquent (February 1), a verification of 42.08 payment is requested from the affected tax assessor-collectors requesting the amount and date the taxes were paid.

The amount of taxes paid and the date paid for each account is verified to determine if the 42.08 payment requirement has been met. The legal counsel is then advised of the findings concerning these payments in order that proceedings may be instituted for any lawsuit not meeting the 42.08 payment requirements.

H. Final Judgments

Once a Final Judgment has been entered on a lawsuit, a copy of the judgment is submitted to the affected taxing entities as outlined in Section (list section number). The same procedure is followed for all judgments whether the judgment resulted in a value increase, a value decrease, or if the value remains unchanged.

I. Dismissals

If a lawsuit is dismissed, or non-suited, an adjustment to the appraisal roll is not processed. The taxing entities are notified that the lawsuit has been dismissed and that the value will remain unchanged for the affected tax year(s).

J. Timeliness of Certification of Change

Final judgments must be certified to the tax assessor within 45 days of the date the judgment was entered. PTC Section 41.41

K. Summary of Costs

A summary of costs involved in lawsuits is maintained by the Administrative Assistant in the District's financial records.

Section 21 REQUESTS FOR PUBLIC INFORMATION

Section 21.01 Appraisal District Records

A. Public Information

All records of the District are public information in accordance with the Open Records Act unless specifically listed below.

B. Confidential Records

Rendition statements and information voluntarily disclosed to the District concerning real or personal property sales prices after a promise it will be held confidential are confidential and not open for public inspection. PTC Section 22.27(a)

An application for agriculture-use designation (1-d) is confidential and not open for public inspection. PTC Section 23.45

A driver's license number, personal identification certificate number, or social security number provided in an exemption application is confidential and not open for public inspection. PTC Section 11.48(a)

An e-mail address of a member of the public that is provided for the purpose of communicating electronically with the District is confidential and not open for public inspection with the following exceptions:

- Provided by a person who has a contractual relationship with the District.
- Provided by a vendor or a vendor's agent who seeks to contract with the District.
- Contained in a request for bids or proposals, contained in a response for similar invitations soliciting offers or information relating to a potential contract, or provided in the course of negotiating the terms of a contract or potential contract.
- Provided on a letterhead, coversheet, printed document, or other document made available to the public. Gov Code 552.137

Home addresses of peace officers as defined by Article 2.12, Code of Criminal Procedure; county jailers as defined by Section 1701.001, Occupations Code; employees of the Texas Department of Criminal Justice; and commissioned security officers as defined by Section 1702.002, Occupations Code are confidential and not open for public inspection. PTC Section 25.025

Home addresses of victims of family violence as defined by Section 71.004, Family Code, are confidential and not open for public inspection, if as a result of the act of family violence against the victim, the actor is convicted of a felony or Class A misdemeanor. PTC Section 25.025

Information in the appraisal records for violence shelter centers and sexual assault programs is confidential and not open for public inspection. PTC Section 25.026

Section 21.02 Request Procedures

A. Requests for Property Information

All requests for property information are referred to the Appraisal Clerks.

In order to provide property information, the person making the request must be able to provide the account number, legal description, physical address, or name of the property owner. If the name of the property owner is given, the person making the request must further provide the

physical address of the property in order to ensure that the information is being furnished on the correct property.

B. Charges for Public Information

The normal fees charged to all individuals, other than the taxing entities the District serves, for copies of District records and information are shown on the Public Records Request form as shown in the Forms Section of this manual.

C. Exceptions to Charges

The Chief Appraiser, at his discretion, may waive any of the above charges for taxing entities or governmental agencies benefiting the taxing entities or the District.

For computer printing requiring special forms, the requesting party must either provide the necessary forms or reimburse the District for the actual cost of the forms.

D. Receipt for Charges

The appraisal clerk provides the requested information and completes a request and receipt form for the District's records. The appraisal clerk also prepares a recap report every week which balances to the money collected and gives the report and money collected to the Administrative Assistant to be deposited into the District's General Fund.

E. Timeliness of Action

The District shall respond timely to all requests for public information. All readily available information shall either be reproduced or made available for inspection promptly but at least within 10 business days of the request. Records are open for inspection during the normal office hours of the District.

If the information is not readily available or entails a large amount of information and cannot be provided within 10 business days of the request, the requesting party shall be notified in writing of the delay and a date and time within a reasonable period of time shall be set for when the information will be provided. ORA Section 552.221

Section 22 MISCELLANEOUS FUNCTIONS

Section 22.01 Telephone Procedures

The Appraisal Clerk and Exemption Clerk receive all incoming telephone calls other than those that go directly to the employee's extension. The calls are routed as follows:

- Abatements: Chief Appraiser via Administrative Assistant
- Agriculture-Use Appraisals: Deputy Chief Appraiser
- Budget Information: Administrative Assistant
- Exemptions: Exemption Clerk
- Personnel: Administrative Assistant
- Property Information (legal descriptions, lot sizes, square footages): Appraisal Clerk/Exemption Clerk
- Protest Information: Administrative Assistant
- Renditions – Personal Property: Personal Property Appraiser
- Renditions – Minerals/Utilities/Industrial: Refer to outside valuation company
- Entity Information: Appraisal Clerk
- Tax Information: Refer to appropriate tax office
- Values – General: Appraisal Clerk/Exemption Clerk
- Values – Industrial: Refer to outside valuation company
- Values – Mineral: Refer to outside valuation company
- Values – Specific: Appraisers

Section 22.02 Overlapping Parcel Letters Mailed (PTC Section 6.025)

In January of each year, a Joint Property Notification Letter is mailed to every property owner with property in both the Freestone County Appraisal District and the Limestone or Navarro County Appraisal District. These are the properties in the school districts that are located in two counties.