



METHODS AND ASSISTANCE PROGRAM 2017 REPORT

Lavaca County Appraisal District



Glenn Hegar Texas Comptroller of Public Accounts

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Texas Comptroller of Public Accounts
2016-17 Final Methods and Assistance Program
Review

Lavaca County Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required by statute to review appraisal district governance, taxpayer assistance, operating procedures and appraisal standards.

Mandatory Requirements	PASS/FAIL
Does the appraisal district have up-to-date appraisal maps?	PASS
Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	PASS
Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS

Appraisal District Activities	RATING
Governance	Meets All
Taxpayer Assistance	Meets All
Operating Procedures	Meets All
Appraisal Standards, Procedures and Methodology	Meets All

Appraisal District Ratings:

Meets All – The total point score is 100

Meets – The total point score ranges from 90 to less than 100

Needs Some Improvement – The total point score ranges from 85 to less than 90

Needs Significant Improvement – The total point score ranges from 75 to less than 85

Unsatisfactory – The total point score is less than 75

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Governance	12	12	100
Taxpayer Assistance	11	11	100
Operating Procedures	19	19	100
Appraisal Standards, Procedures and Methodology	22	22	100

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Texas Comptroller of Public Accounts
2016-17 Final Methods and Assistance Program Tier 3 Review

Lavaca County Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required to review appraisal districts' governance, taxpayer assistance, operating procedures and appraisal standards, procedures and methodology. Each appraisal district is reviewed every other year. This report details the results of the review for the appraisal district named above.

GOVERNANCE

Governance Review Question	Answer	Recommendation
1. By Jan. 1 of the current year, did the chief appraiser notify the Comptroller in writing that he or she is eligible to be appointed or serve as the chief appraiser, as described in Tax Code Section 6.05(c)?	YES	No Recommendation
2. Does the appraisal district board of directors regularly evaluate the chief appraiser?	YES	No Recommendation
3. Has the chief appraiser completed a chief appraiser ethics course within the previous two years as required by TDLR Rule 94.25?	YES	No Recommendation
4. Has the current chief appraiser completed open meetings training as described in Government Code Section 551.005 and open records training as described in Government Code Section 552.012?	YES	No Recommendation
5. Has the appraisal district's investment officer attended investment training as required by Government Code Section 2256.008?	YES	No Recommendation
6. Has the chief appraiser calculated the number of votes to which each taxing unit is entitled and delivered written notice of the voting entitlement by Oct. 1 of the most recent odd-numbered year as described in Tax Code Section 6.03(e)?	YES	No Recommendation
7. Did the board of directors meet at least quarterly with a quorum in the previous year as required by Tax Code Section 6.04(b)?	YES	No Recommendation
8. Do the appraisal district's board of directors' meeting agendas match what was discussed in the meetings?	YES	No Recommendation

Governance Review Question	Answer	Recommendation
9. Was the appraisal district's most recent preliminary budget produced and delivered to the taxing units according to the requirements of Tax Code Section 6.06(a)?	YES	No Recommendation
10. Did the appraisal district prepare and post the most recent budget notice according to the requirements of Tax Code Section 6.062?	YES	No Recommendation
11. Did the appraisal district board of directors provide notice of and host a public hearing for the most recent budget according to the requirements of Tax Code Section 6.06(b)?	YES	No Recommendation
12. Has the chief appraiser appointed a qualified agricultural appraisal advisory board and has that board met at least once within the previous year, as required by Tax Code Section 6.12?	YES	No Recommendation

TAXPAYER ASSISTANCE

Taxpayer Assistance Review Question	Answer	Recommendation
13. Is the information on the appraisal district's website up-to-date?	YES	No Recommendation
14. Does the appraisal district report, and make available to the public, the metered amount of electricity, water or natural gas consumed for which it is responsible to pay and the aggregate costs for those utility services as required by Government Code Section 2265?	YES	No Recommendation
15. Has the appraisal district developed an annual report in each of the previous two calendar years, and is it made available to the public as described in IAAO's Standard on Public Relations?	YES	No Recommendation
16. Are the written documents provided by the appraisal district to property owners, which explain how residential property is appraised, specific to the county in which the appraisal district is located and are those documents made available to the public?	YES	No Recommendation
17. Are the written complaint procedures for the appraisal district made available to the public?	YES	No Recommendation

Taxpayer Assistance Review Question	Answer	Recommendation
18. Does the appraisal district notify property owners when denying, modifying or cancelling exemptions as described in Tax Code Sections 11.43(h) and 11.45(d)?	YES	No Recommendation
19. For residence homestead exemptions cancelled after Sept.1, 2015, did the appraisal district follow the procedure described in Tax Code Section 11.43(q) for individuals who are 65 years of age or older?	YES	No Recommendation
20. Did the appraisal district publicize the notices required by Tax Code Sections 11.44(b), 22.21, 23.43(f), 23.54(g) and 23.75(g) in a manner designed to reasonably notify all property owners?	YES	No Recommendation
21. Does the appraisal district include, with each notice sent under Tax Code Section 25.19 to an eligible property owner, instructions for accessing and using the electronic protest system as described in Tax Code Section 41.415?	YES	No Recommendation
22. Has the appraisal district implemented a system that allows the owner of a property that has been granted a homestead exemption to electronically receive and review comparable sales data and other evidence that the chief appraiser intends to use at the protest hearing before the appraisal review board, as required by Tax Code Section 41.415(b)(2)?	YES	No Recommendation
23. Did the appraisal district include an application form for a residence homestead exemption with the most recent notice of appraised value if the property did not qualify for a residence homestead exemption in that year, as described in Tax Code Section 25.19(b-2)?	YES	No Recommendation

OPERATING PROCEDURES

Operating Procedures Review Question	Answer	Recommendation
24. Did the appraisal district accurately and timely complete the Comptroller's most recent appraisal district operations survey?	YES	No Recommendation
25. If anyone in the appraisal district calculates and prepares tax bills, agricultural appraisal rollbacks, corrected or supplemental tax bills, tax ceilings or ported percentage tax bills, is someone on staff a registered tax assessor-collector?	N/A	No Recommendation
26. Do the exemption applications for homestead exempt properties match the appraisal records for those properties?	YES	No Recommendation
27. Did the appraisal district compile a partial exemption list as described in Tax Code Section 11.46 and Comptroller Rule 9.3010 and was the most recent list made available to the public?	YES	No Recommendation
28. Does the appraisal district maintain documentation for deferrals as required by Tax Code Section 33.06(b)?	YES	No Recommendation
29. Not later than April 30 of the most recent year, did the appraisal district prepare and certify to the assessor for each county, municipality and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit as described by Tax Code Section 26.01(e)?	YES	No Recommendation
30. Did the chief appraiser prepare and certify the two most recent appraisal rolls to the assessor for each taxing unit participating in the district as described in Tax Code Section 26.01(a)?	YES	No Recommendation
31. Are corrections of the appraisal roll presented to the appraisal district's board of directors and appraisal review board as described in Tax Code Section 25.25(b)?	N/A	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
32. When the appraisal roll is changed according to Tax Code Section 25.25(d), does the appraisal district notify the tax assessor-collector that a 10 percent penalty should be charged to the property owner and, if the appraisal district also performs collection functions, is a 10 percent penalty assessed according to the requirements of Tax Code Section 25.25(d)?	N/A	No Recommendation
33. Has the appraisal district's records retention schedule that is on file with the State Library and Archives Commission, as described in Local Government Code Section 203.041, been implemented?	YES	No Recommendation
34. Does the appraisal district have comprehensive and workable written procedures concerning disaster recovery and mitigation?	YES	No Recommendation
35. Does the chief appraiser submit the completed appraisal records to the appraisal review board for review and determination of protests as described in Tax Code Section 25.22?	YES	No Recommendation
36. Did all members serving on the appraisal review board in the previous two years attend the training and complete the statement required by Tax Code Sections 5.041(b) , (b-1), (e) and (e-1)?	YES	No Recommendation
37. Do the appraisal review board's orders of determination comply with the requirements of Tax Code Sections 41.47(c)(1) and (2) and the Comptroller's model hearing procedures as they relate to Tax Code Section 5.103(b)(2)?	YES	No Recommendation
38. Did the appraisal review board hear and determine all or substantially all timely filed protests; determine all timely filed challenges; submit a list of approved changes in the records to the chief appraiser; and approve the appraisal records by the deadline established in Tax Code Section 41.12 in the previous year?	YES	No Recommendation
39. Was the most recent written reappraisal plan adopted by the appraisal district's board of directors by the Sept. 15 deadline listed in Tax Code Section 6.05(i)?	YES	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
40. Did the appraisal district send copies of the most recent reappraisal plan to the presiding officers of the governing body of each taxing unit participating in the district and to the Comptroller by the date described in Tax Code Section 6.05(i)?	YES	No Recommendation
41. Does the appraisal district's written reappraisal plan define the market areas in the county as required by Tax Code Section 25.18?	YES	No Recommendation
42. Does the appraisal district's written reappraisal plan identify the properties to be appraised in each year covered by the plan and have those been reappraised as identified in the plan as required by Tax Code Section 25.18?	YES	No Recommendation
43. Does the appraisal district's written reappraisal plan reference or include a work schedule, calendar, timeline or other means to determine work completion dates?	YES	No Recommendation
44. Did the appraisal district submit the two most recent electronic appraisal roll and electronic property transaction submissions to the Comptroller timely?	YES	No Recommendation
45. Are properties identified as sales in the most recent electronic property transaction submission correctly coded as sales?	YES	No Recommendation

APPRAISAL STANDARDS, PROCEDURES AND METHODOLOGY

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
46. Have the inspection dates in the appraisal records been updated within the previous six years as discussed in IAAO's <i>Standard on Mass Appraisal of Real Property</i> ?	YES	No Recommendation
47. Does the appraisal district add previously omitted real property to the appraisal roll for the previous five years as described in Tax Code Section 25.21?	YES	No Recommendation
48. Did the appraisal district complete and produce a written mass appraisal report in the previous two years as required by USPAP Standard 6?	YES	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
49. Do the appraisal district's contracts contain the items described in IAAO's <i>Standard on Contracting for Assessment Services</i> ?	YES	No Recommendation
50. Does the appraisal district follow a procedure or process for reviewing, verifying or evaluating the work of their appraisal services and mapping contractors?	YES	No Recommendation
51. Does the appraisal district use ratio studies effectively?	YES	No Recommendation
52. Did the appraisal district use discovery techniques for personal property accounts in the current or previous year, as discussed in IAAO's <i>Standard on Valuation of Personal Property</i> ?	YES	No Recommendation
53. Does the appraisal district apply the rendition penalty for taxpayers who do not render timely according to Tax Code Section 22.28 and are penalties waived when necessary, as described in Tax Code Section 22.30?	YES	No Recommendation
54. Does the appraisal district perform multiple quality control steps to ensure the accuracy and uniformity of property valuations?	YES	No Recommendation
55. Does the appraisal district gather income and expense data and calculate values using the income approach for warehouse properties?	YES	No Recommendation
56. Does the appraisal district collect land sales and maintain a verified land sales file?	YES	No Recommendation
57. Does the appraisal district collect residential property sales and maintain a verified residential sales file?	YES	No Recommendation
58. Does the appraisal district adjust land sales?	YES	No Recommendation
59. Does the appraisal district adjust residential property sales?	YES	No Recommendation
60. Does the appraisal district perform inspections of properties as a result of receiving wildlife management use appraisal applications?	YES	No Recommendation
61. Does the appraisal district perform inspections of properties as a result of receiving agricultural use appraisal applications?	YES	No Recommendation
62. For properties that have been granted agricultural use appraisal, are completed applications and required documentation on file?	YES	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
63. Have agricultural appraisal intensity-of-use standards been evaluated or updated within the previous five years?	YES	No Recommendation
64. Did the appraisal district use information obtained from the sources listed in Tax Code Section 23.51(3) to establish subcategories for agricultural use appraisal, as described in that section?	YES	No Recommendation
65. Are net-to-land calculations for agricultural use land designated as native pasture reproducible from the appraisal district's appraisal records?	YES	No Recommendation
66. Are net-to-land calculations for agricultural use land designated as dry and irrigated cropland reproducible from the appraisal district's records?	YES	No Recommendation
67. Does the appraisal district notify the tax assessor-collector that an agricultural use appraisal change of use has occurred according to the Comptroller's Manual for the Appraisal of Agricultural Land and, if the appraisal district also performs collection functions, are rollback taxes calculated according to the requirements of Tax Code Section 23.55?	YES	No Recommendation

Sec. 5.102. Review of Appraisal Standards

(a) The comptroller shall review the appraisal standards, procedures, and methodology used by each appraisal district that appraises property for an eligible school district as defined by Section 403.3011, Government Code, to determine compliance with generally accepted appraisal standards and practices. The comptroller by rule may establish procedures and standards for conducting the review.

(b) In conducting the review, the comptroller is entitled to access to all records and reports of the appraisal district and to the assistance of the appraisal district's officers and employees.

(c) If the review results in a finding that an appraisal district is not in compliance with generally accepted appraisal standards and practices, the comptroller shall deliver a report that details the comptroller's findings and recommendations for improvement to:

(1) the appraisal district's chief appraiser and board of directors; and

(2) the superintendent and board of trustees of each school district participating in the appraisal district.

(d) If the appraisal district fails to comply with the recommendations in the report and the comptroller finds that the board of directors of the appraisal district failed to take remedial action before the first anniversary of the date the report was issued, the comptroller shall notify the judge of each district court in the county for which the appraisal district is established, who shall appoint a board of conservators consisting of five members to implement the recommendations. The board of conservators shall exercise supervision and control over the operations of the appraisal district until the comptroller determines under Section 403.302, Government Code, that in the same year the taxable value of each school district for which the appraisal district appraises property is the local value for the school district. The appraisal district shall bear the costs related to the supervision and control of the district by the board of conservators.

SECTION 9.301. Appraisal District Reviews

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Latest version.

- (a) Definitions. The following words and terms when used in this subchapter shall have the following meanings unless the context indicates otherwise.

(1) Comptroller--The Texas Comptroller of Public Accounts or the comptroller's designee.

(2) District--A county appraisal district.

(3) Division--The Property Tax Assistance Division of the Office of the Comptroller of Public Accounts.

(4) Generally accepted appraisal standards, procedures, and methodology--Standards and procedures adopted or recommended by the International Association of Assessing Officers (IAAO) concerning appraisal, contracting, personnel, and administration of ad valorem taxation, and The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice.

(5) Review--The comptroller's review of the governance of each appraisal district, taxpayer assistance provided, and the operating and appraisal standards, procedures, and methodology used by each appraisal district as required by Tax Code, §5.102.

(6) Score--The measure of performance indicated at the conclusion of a review.

(7) Study--The property value studies required by Government Code, §403.302 and Tax Code, §5.10.

(8) Remedial action--Activities and decisions made by the board of directors of a district that demonstrate awareness of and concern for implementing the review's recommendations and actions taken which demonstrate significant progress towards implementing the recommendations in a timely manner.

(b) Biennial Review. A review of every district shall be conducted once every two years according to a schedule in which approximately one-half of the districts are subject to reviews each year. The comptroller may determine the schedule of reviews and assignments of districts based on considerations which include, but are not limited to, the efficient use of comptroller resources and coordination with the schedule for conducting the study.

(c) Scope of Review. The review shall be based on requirements of the Tax Code, comptroller rules, other laws, and generally accepted appraisal standards, procedures and methodology. The division shall develop questions, conduct physical inspections of property and appraisal records, and use other methods that are designed to determine compliance with these requirements and to develop a score. Compliance with §§9.3001, 9.3002, 9.3003, and 9.3004 of this title (relating to Appraisal Cards; Tax Maps; Uniform Tax Records System; and Appraisal Records of All Property) is mandatory and required to obtain a passing score.

(d) Scores. The results of a district review shall be scored at the conclusion of the review. Scores shall include pass or fail determinations for compliance requirements deemed mandatory by the comptroller. A district must pass all mandatory compliance requirements in order for a school district to be in compliance with the requirements of Government Code, §403.3011(2)(D). A recommendation shall be made by the division for each indication of non-compliance. Scores for other requirements shall be divided into the following categories:

(1) governance;

(2) taxpayer assistance;

(3) district operations; and

(4) appraisal standards, procedures and methodology.

(e) Reporting. The division shall provide a draft report of the review findings and recommendations to the district's chief appraiser by September 1 or as soon thereafter as practicable by United States Postal Service first-class mail or by e-mail. The review for each district shall be completed by the division no later than December 31. As soon thereafter as practicable, the division shall publish on the comptroller's website the comptroller's findings and recommendations for improvement resulting from the review. At or reasonably promptly after the findings and recommendations for improvement resulting from the review are published on the comptroller's website, the comptroller shall, by United States Postal Service first-class mail or by e-mail, notify the following that the findings and recommendations have been published: the district's chief appraiser and board of directors and the superintendent and board of trustees of each school district participating in the district.

(f) Compliance with review recommendations. The district and its board of directors shall take remedial action reasonably designed to ensure substantial compliance with each recommendation in the review within 12 months from the date that the results of the review were delivered as required by this section. The comptroller shall determine substantial compliance during December of the year following the year of the review. Substantial compliance may be determined if the district has taken remedial action for each recommendation in the review. If the comptroller determines that the district has not achieved substantial compliance, the Texas Department of Licensing and Regulation shall be notified and provided copies of the results and recommendations of the review within 30 days of the comptroller's determination.

Source Note: The provisions of this §9.301 adopted to be effective February 22, 2010, 35 TexReg 1468; amended to be effective December 4, 2011, 36 TexReg 8038

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