

The history of your local appraisal district

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Special to the Prophet

The 86th Texas Legislature has come to a close with major steps toward property tax reform. With the passing of SB2 and the many different changes it covers, as well as continued focus on property tax reform, I'd like to take this opportunity to give you some historical information about the responsibilities of the Central Appraisal District of Bandera County and our role in the Texas Property Tax System.

Appraisal districts were formed by the Texas Legislature in 1979 as part of a sweeping change designed to standardize the administration of local property taxes. Senate Bill 621, or the "Peveto Bill," was named for Rep. Wayne Peveto from Orange, and formed the foundation of our current property tax system. Before 1979, each taxing entity appraised all properties within their boundaries, meaning your property could (and usually did) have widely varied appraised values for the school district, the county, the city, and other taxing entities.

The appraised values were the basis for your property tax levies to each entity, and there was no centralized process for informal discussion or formal protest of your valuation or tax amount. If you needed to resolve a dispute, you were required to visit each tax office. There was no uniformity in appraisal methods, the frequency of reappraisals, or the qualification for appraisers. There were even differences in what types of property were placed on the various tax rolls.

The solution was the creation of a centralized agency in each county, tasked with the appraisal of property for ad valorem tax purposes. These central appraisal districts were required to appraise each taxable property at market value and to reappraise at least once every three years. A state oversight board (now the Property Tax Assistance Division of the Comptroller's office) required the creation of appraisal review boards charged with hearing taxpayers' appeal protests. A tax code was written that prescribed appraisal standards and taxpayer appeal procedures and guaranteed each appraisal district was regularly reviewed by a state agency.

The 1979 legislation also provided for other "truth in taxation" laws. In addition to separating appraisals from tax collection, mandating one market value for each property, and providing property owners the right to protest, it also made other

important changes. The new law required notices to taxpayers containing appraisal values and tax estimates and ensuring the education and training of appraisal and collection staff. The governing bodies of taxing entities were also required to provide rate calculation information and to hold a public hearing before the adoption of tax rates.

We've been through quite a few legislative sessions since that time, and in most sessions some tax reform issue has been proposed. In fact, the Texas Property Tax Code is currently over 500 pages and will continue to grow as law are enacted. Governor Greg Abbott signed several property tax at the end of this legislative session. The most significant was Senate Bill 2, which makes several changes to the property appraisal and tax systems. It requires revamped appraisal notices, new administrative processes, and the creation of online real-time tax notices with clear information to show property owners what is going on with their taxes and where and when to discuss them with their local taxing units. The new law will also require cities and counties to obtain voter approval before levying more than 3.5% property tax revenue than the previous year. However, the revenue growth rate excludes taxes levied on new construction and can also be averaged over three years, allowing taxing units to exceed the 3.5% threshold in some instances. Senate Bill 2 and more information about it can be found at: <https://capitol.texas.gov/BillLookup/Text.aspx?LegSess=86R&Bill=SB2>

The staff at the Central Appraisal District of Bandera County will continue to uphold Texas law and state guidelines each and every day. We believe the property tax system in Texas far exceeds those of other states in fairness and equity. It's been 37 years since the appraisal district was organized, and we still strive to be the example of transparency in government, accuracy and cost efficiency in district operations, and excellence in customer service and public awareness. We encourage you to contact us with questions, concerns or suggestions.

Come by our office at 1206 Main Street, call us at 830-796-3039, or visit our website at www.bancad.org. Our goal is friendly and open communication with other appraisal districts, state and local officials, and the taxpayers we serve. We work for you, and we're always delighted to serve you.