

# WHO. WHAT. WHY.

## WILSON CAD APPRAISAL NOTICE NEWSLETTER

### WHO IS THE APPRAISAL DISTRICT?

Appraisal Districts were formed by the Texas Legislature in 1979 to standardize the administration of local property taxes. Before 1979, each taxing entity appraised all properties within their boundary, meaning your property could have widely varied appraised values for the school district, the county, the city and other taxing entities. For example, the county could have your property appraised at \$50,000 and the school had it on their roll for \$75,000.

These appraised values were the basis for your property tax levies to each entity, and there was no centralized process for informed discussion or formal protest of your valuation or tax amount. If you needed to resolve a dispute, you were required to visit each tax entity office.

The creation of appraisal districts tasked one centralized agency in each county with the appraisal of property for ad valorem tax purposes, mandating one market value for each property. A Tax Code was written that prescribed appraisal standards, taxpayer appeal procedures and guaranteed each appraisal district was regularly reviewed by a state agency (now the Property Tax Assistance Division of the Comptroller's office). WCAD passed the latest review, the 2021 Property Value Study.

Appraisal Districts are not a taxing entity. The appraisal district is a political subdivision of the state that is governed by a board of directors. The taxing entities are responsible for appointing members to the board.

### WHAT IS A NOTICE OF APPRAISED VALUE?

A Notice of Appraised Value is not a tax bill. They are a notice that allows the property owner to review the proposed value of their property for a given year. When you receive a notice, you will see a listing of market values both from last year and proposed for this year for your land and improvements (structures). If you have a residential homestead exemption on your property, you might notice that the taxable value (assessed value) is less than your market value. That's because Texas law provides that the taxable value of a residence homestead property can only increase by 10% per year, regardless of how much the market value increases. If a homestead exemption was not in place on the property for the same owner in the previous year, the 10% capped increase is not in effect. New tax accounts will only have the current year's values.

If you have applied for and are receiving a special valuation for agriculture, timber production or wildlife management use on your land, you will see the market value for ag/timber land and a productivity value. The taxable value is based on the productivity value for that acreage, not the market value.

If you disagree with the value that has been proposed on your property, you should contact the appraisal district by the deadline to protest. If you are not satisfied with the explanation for the value, you have the right to file a formal protest with the Appraisal Review Board (ARB). The ARB is a panel of local citizens that will listen to evidence presented by both you and the appraisal district. After being presented the evidence they will make a determination regarding the issues you have protested.

All tax accounts will not generate a notice. Appraisal notices are generated if the account has a new owner as of Jan 1, the account is new for the current year, there is an increase in value or an exemption or special valuation was canceled or reduced for the current year. You may file a protest for an account if an appraisal notice was not generated.

**The deadline to file a protest is May 15.**

**Due to May 15th being a Sunday, protests will be marked timely if filed on Monday, May 16th.**

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**You may file a protest in person, drop box, mail or online at [wilson-cad.org](http://wilson-cad.org)**

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**Protests will be scheduled for an ARB hearing. You may speak to an appraiser informally any time before your hearing.**

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**If you choose to have your hearing notice sent by e-mail, please check your junk folder. Hearing notices will be sent from [arb@wilson-cad.org](mailto:arb@wilson-cad.org)**

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**If you have any questions about your notice or to speak to an appraiser, please call (830) 393-3065.**

## WHY DID THE VALUE CHANGE?

Your property's market value can change as a result of the real estate market in your area or from changes you've made to the property. The appraisal district is responsible for determining what the market value of your property was on January 1 of each year. To accomplish this task the appraisal district uses the sales data received. These sales are used to determine if they are representative of or affecting the market in each neighborhood.

Sellers and Buyers are not required to report a sales price to our office. Sales prices are not public record. Appraisal Districts, nor employees of appraisal districts, are granted access to MLS. WCAD sets values, a statutory requirement, using the sales data that is provided to our office by owners who choose to disclose and realtors who share some sales data. The data received is analyzed to determine our schedules. Mass appraisal provides appraisal districts the ability to accomplish such a large task in a proficient and unbiased manner. This process is repeated annually.

Per the Tax Code, the appraisal district has a statutory requirement to appraise property at market value each year and is not able to limit the amount of increase or decrease. However, "taxable" value of certain homestead properties is subject to the 10% cap.

An appraisal district not in compliance with setting property at market value is subject to failing the Property Value Study and the Methods and Assistance Program Review.

## WHY DOES THE NOTICE NOT INCLUDE AN ESTIMATE OF TAXES?

This year's notice will have a different look than in the years past: notices will not include the total estimated tax. Instead, taxpayers may visit the truth in taxation website, [wilson.countytaxrates.com](http://wilson.countytaxrates.com), in late August for property information and view an estimated amount due.

The new procedures were mandated under Senate Bill 2. As part of the bill, truth in taxation websites were created to allow taxpayers to see their estimated tax due and proposed rates from the taxing entities. Every taxing entity will be providing their tax rate calculations, meeting dates, etc. The appraisal district will be maintaining the website, but the tax entities are responsible for providing the updated information.

The appraisal district does not set the tax rates or determine the total amount of taxes assessed. Your taxes are calculated by multiplying your taxable value by the entity's tax rate and dividing by one hundred. For example:

$\$300,000 \text{ Market Value} - \$25,000 \text{ Exemption} = \$275,000 \text{ Taxable Value. } \$275,000 \times .25 \text{ (tax rate)}/100 = \$687.50 \text{ Assessed Tax}$

The taxing entities (county, cities, schools and special districts) determine your tax burden based upon the tax rates they adopt to fund their operating budgets. These tax rates are expressed as a dollar amount for every \$100 of taxable value and are adopted every year in August or September after public hearings. Legislative changes have capped how much additional revenue from property taxes a taxing entity can collect without going to the voters for approval. The tax assessor distributes the taxes collected to the taxing units and not the appraisal district.

## Important Changes to the Homestead Exemption

The 87th Texas Legislature during the third special session, passed SB1 and SJR2 which if approved by voters will increase the residence homestead exemption for ISD's from the current \$25,000 to \$40,000.

The vote on this constitutional amendment will not occur until May 7, 2022. If passed, the increased amount will go into effect for the 2022 tax year.

Effective January 1, 2022, a buyer may file for a homestead exemption immediately after closing if the seller did not have a homestead exemption on the property for the current tax year.

If you qualify for homestead, please be sure to submit your application to the appraisal district. You may apply in person, online or e-mail your application and required documentation to [wilsoncad@wilson-cad.org](mailto:wilsoncad@wilson-cad.org)