

**Methods and Assistance Program Review
Mandatory Requirements Guidelines
2020-21 MAP Reviews
October 22, 2019**

The Property Tax Assistance Division (PTAD) publishes these guidelines to assist the Methods and Assistance Program (MAP) reviewers in answering MAP questions during the course of a review. PTAD trains MAP reviewers on the use of these guidelines. That training includes gathering and evaluating information, using professional judgment and determining when to contact management concerning processes, procedures or policies that may not, at first sight, meet the requirements of the MAP instrument. Appraisal district staff may use these guidelines to better understand the MAP reviewers' activities and better understand the MAP instrument. PTAD does not intend these guidelines to serve as specific instructions to appraisal districts.

PTAD periodically reviews these guidelines and reserves the right to change or add to the MAP instrument. Additionally, PTAD may provide further explanations in areas affected by variation among appraisal districts in complexity, size, topography, property types and duties. Instrument additions or changes may result from:

- law and rule changes;
- changes in appraisal standards;
- changes in generally accepted appraisal practices;
- court and attorney general opinions; or
- opinions issued by appraisal organizations and entities.

The most current version of these procedures is the version with the most recent date.

QUESTION 1

Does the appraisal district have up-to-date appraisal maps?

For more information relating to mapping requirements, see [Comptroller Rule 9.3002](#)

This question relates to internal appraisal maps

Data

- Access to (either electronic or hardcopy) appraisal or tax maps
- Listing of all residential, commercial and vacant land properties
- Listing of properties that had record changes requiring an appraisal map change

Step 1

- Interview the chief appraiser or the employee who is in charge of mapping and determine how often map changes are made
 - Determine if changes needed are made within 180 days
 - Obtain a list of properties for which map changes were needed more than 6 months ago, but within the previous 2 years
 - Select 10 properties from the list and review the maps and records of mapping changes for the properties to determine whether the changes were made within 180 days
 - If the only property information on the maps are property identification numbers, only splits or new property changes must be verified on the maps
 - All reviewed maps must show the required changes in order to get a PASS

Step 2

- Select a random sample of single-family residential (category A), vacant lots and tracts (category C1), qualified open-space land (category D1) and commercial (category F1) using the appraisal district appraisal roll
 - **Tier 1:** Ensure the properties in the sample are from **AT LEAST HALF of the ISDs** within the county
 - **Tier 2-3:** Ensure the properties in the sample are from **ALL of the ISDs** within the county
 - The sample sizes for each tier are:
 - Tier 1: 25 category A, 10 category C1, 20 category D1, 10 category E and 15 category F1
 - Tier 2: 15 category A, 10 category C1, 20 category D1, 10 category E and 10 category F1
 - Tier 3: 10 category A, 10 category C1, 20 category D1, 5 category E and 5 category F1
- Determine if the properties in the sample can be identified on the appraisal district's maps

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- If more than 5 properties cannot be identified on the maps, then the question gets a FAIL

In order to get a PASS, both steps must have PASS answers

QUESTION 2

Is the implementation of the appraisal district's most recent reappraisal plan current?

Data

- Current reappraisal plan
- Access to appraisal records
- Work schedule, calendar or timeline

If the appraisal district does not have a current reappraisal plan covering the correct two-year period, this question is a FAIL

If the appraisal district has a current reappraisal plan, perform the following assessment of the plan:

1. Does the appraisal district have all the statutory components of Tax Code Section 25.18 included in the plan?

- Identify the properties to be appraised
- Provide for identifying and updating relevant characteristics of each property in the appraisal records
- Define the market areas for the county
- Provide for identifying and updating relevant characteristics that affect property value in each market area, including:
 - the location and market area of property;
 - physical attributes of property (size, age, and condition);
 - legal and economic attributes; and
 - easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions
- An appraisal model that reflects the relationship among the property characteristics of the properties being appraised
- Provide for applying the conclusions reflected in the model to the characteristics of the properties being appraised
- Provide for reviewing the appraisal results to determine value

2. Does the reappraisal plan reference or include a work schedule, calendar, timeline or other means to determine a "completed work by" timeline?

- A reference to a work plan outside of the reappraisal plan is acceptable (obtain a copy of the work plan)
- The work schedule, calendar, or timeline must include tasks involved in the appraisal district's reappraisal work, it cannot just be a tax calendar that lists statutory deadlines, etc

If the appraisal district does not have a work plan (work schedule, calendar, timeline or other means to determine a "completed work by" timeline), this question is a FAIL

3. Have scheduled activities been completed timely?

- Review the work plan to determine which appraisal activities should have been completed by the date you are in the appraisal district (from the start of the current year's appraisal work through the date you are in the appraisal district)
- Interview the chief appraiser or designee and have them show you proof that the activities have been completed and are on track with the work plan
 - This includes looking at appraisal records for a sample of 15 properties, chosen by the MAP reviewer, that were reappraised for the current year according to the reappraisal plan
 - Verify that those property records were updated, and that the reappraisal of the accounts was completed according to the schedule in the reappraisal plan
- If any of the activities are incomplete, request a written explanation for the delay, including an estimated time of completion
 - Determine if the explanation is reasonable (this may require review by your supervisor) (e.g. a natural disaster or any other disaster beyond the control of the appraisal district that delayed completing appraisal activities by the planned date)

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4. Does the appraisal district have ratio studies for each named market area in the current reappraisal plan?

- Refer to market areas defined in appraisal district's reappraisal plan
- Review ratio studies run by market area as defined in appraisal district's reappraisal plan.

5. Did the appraisal district board of directors provide notice of and host a public hearing for the 2019-20 reappraisal plan by September 15, 2018 or the 2021-22 reappraisal plan by September 15, 2020 pursuant to Tax code Section 6.05(i)?

- See the 2020-21 tier 1 question 11, tier 2 question 11 or tier 3 question 10 guidelines
 - Determine if the secretary of the board of directors delivered to the governing body of each taxing units participating in the district a written notice of the date, time and place of the public hearing to approve the reappraisal plan
 - Email is acceptable
 - If the board of directors has given the authority to the chief appraiser, view documentation making that designation
 - Determine if notices were delivered not later than the 10th day before the date of the hearing
 - Determine if the public hearing to approve the reappraisal plan was held on the date, time and place listed in the notice
 - Determine if a quorum was present

In order to get a PASS, the answers to all five sub-questions must be YES

QUESTION 3

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?

Appraisal records and appraised values from the previous year will be used to make determinations for this mandatory item.

If the appraisal district does not have written appraisal procedures and classification guidelines, the answer to this question is a FAIL

The samples for this question will be the residential and commercial accounts selected in mandatory question 1, step 2

Under no circumstance should the reviewer use personal knowledge of appraisal practices to calculate a value if the appraisal district's written procedures do not include the requisite steps necessary to appraise the property. The reviewer may, within the written descriptions provided in the appraisal district's procedures, use appraiser judgment when the procedures specifically call for appraiser judgment. In doing so, the reviewer should keep detailed notes of such decisions for the work papers. This does not mean the MAP reviewer is appraising the properties.

Data

- Residential appraisal manual and procedures
- Commercial appraisal manual and procedures
- Classification guidelines for residential and commercial properties
- Access to appraisal record

1. Does the appraisal district follow its guidelines for classifying residential, commercial and vacant land properties?

Step 1

- Select a random sample of single-family residential (category A) and commercial (category F1) properties
 - The sample sizes for each tier are:
 - Tier 1: 40 category A, 15 category F1, 10 category C
 - Tier 2: 25 category A, 10 category F1, 10 category C
 - Tier 3: 10 category A, 5 category F1, 10 category C
 - Request appraisal records for the properties in the sample

Step 2

- Perform inspections of the sample properties to determine if the properties are classed according to the appraisal district's property classification guidelines

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- Inspections of the sample properties may consist of either viewing aerials, pictometry or performing field inspections
 - Aerials and/or pictometry may only be used if the images are clear enough to identify the property characteristics; otherwise, field inspections must be performed for the remaining properties in the sample
 - Physical inspections are not required on category C properties
- Complete the following checklist for the sample properties (increase the size of the checklist as needed)

Account Number	Property Class	Is the class one that is listed in the appraisal district's classification guide? (Yes/No)	Does the type of improvement match the classification guide? (Yes/No)	Does the type of construction match the classification guide? (Yes/No)	Do the exterior construction materials match the classification guide? (Yes/No)
Sample	Sample	Sample	Sample	Sample	Sample
Sample	Sample	Sample	Sample	Sample	Sample

If more than one of the properties is determined to not be classed properly, ask for an explanation from the chief appraiser and discuss the explanation with management.

2. Does the appraisal district gather available real estate transfer documents and use available third-party sources in gathering sales information, according to IAAO's *Standard on Verification and Adjustment of Sales*, Sections 3.1 through 3.4?

- **Tier 1:** Question 64
- **Tier 2:** Question 63
- **Tier 3:** Question 62

3. Do sold and unsold "like" properties within the same market area have similar noticed values?

- **Tier 1:** Question 65
- **Tier 2:** Question 64
- **Tier 3:** Question 63

4. Does the appraisal district have Yes or Not Applicable answers on all questions relating to ratio studies and adjusting cost schedules?

- **Tier 1:** Questions 66 - 69
- **Tier 2:** Questions 65 - 68
- **Tier 3:** Questions 63 - 64

5. Does the appraisal district have Yes or Not Applicable answers on all questions relating to using or considering the income approach to value properties?

- **Tier 1:** Questions 75 - 79
- **Tier 2:** Questions 74 - 78
- **Tier 3:** Questions 73 - 77

In order to get a PASS on this question, the answers to all five of the sub-questions must be YES

QUESTION 4

Are values reproducible using the appraisal district's written procedures and appraisal records?

Data

- Access to appraisal records
- Appraisal manuals and procedures

*** The samples for this question will be the same accounts selected in mandatory question 1, step 2, excluding the category D1 properties***

*** Under no circumstance should the reviewer use personal knowledge of appraisal practices to calculate a value if the appraisal district's written procedures do not include the requisite steps necessary to appraise the property. The reviewer may, within the written descriptions provided in the appraisal district's procedures, use appraiser judgment when the procedures specifically call for appraiser judgment. In doing so, the reviewer should keep detailed notes of such decisions for the work papers. This does not mean the MAP reviewer is appraising the properties.***

Step 1

- Request appraisal records for the properties in the sample
 - For any appraisal records which note that the final value in the record is the result of an appraisal review board (ARB) decision, discard that appraisal card (although maintain it as part of the work papers) and request another appraisal card for another randomly selected property
 - If the appraisal district's original values are in the appraisal records in addition to the ARB value, you may use the appraisal record and compare the original value by the appraisal district to the value that is calculated using the appraisal district procedures
 - You may wish to consider requesting more appraisal records to avoid having to request additional records in the event some of the original records had ARB adjustments

Step 2

- During the residential and commercial property inspections performed for mandatory question 3, record any missing information on the appraisal card
- Use only the information on the appraisal card to evaluate the land properties

Step 3

- Use the written appraisal procedures and value schedules and the information in the appraisal records (including any missing information noted) to calculate the value based on the appraisal district's procedures and schedules, using the appraisal record data
 - Fill in an excel spreadsheet including the property identification number, the appraisal district's market and/or appraised value and the reviewer calculated value for market and/or appraised value

Step 4

- Review the results of the spreadsheet
 - For each property category, the total calculated values must be within 5 percent, plus or minus, to be considered reproducible
 - If the total values vary by more than 5 percent, the values are not reproducible and the appraisal district gets a FAIL
 - However, if five or fewer individual properties vary more than 10 percent, ask for a written explanation from the chief appraiser or designee for the variance and present it to management for review and determination
 - If an explanation cannot be given about why the variance is reasonable, the appraisal district gets a FAIL
 - If more than 5 properties vary by more than 10 percent each, the values are considered insufficiently reproducible and the appraisal district gets a FAIL
 - Division management may decide to collect an entirely new sample and start the review over if management determines the original sample may have lacked representativeness of the population

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- If it is suspected that the original sample may have lacked representativeness, contact the MAP supervisor to discuss it

Questions to be answered by the MAP reviewer:

- 1. Are the physical inspection dates in the appraisal records more than six years old?**
 - If the answer is YES, this question is a FAIL
- 2. Do the MAP reviewer calculated values match the appraisal district values?**
 - If the answer is YES, and the answer to question 1 is NO, this question is a PASS
 - If the answer is NO, answer question 3 below
- 3. Does the percent variance between the total calculated values and the appraisal district values exceed 5 percent?**
 - If the answer is YES, this question is a FAIL
 - If the answer is NO, answer questions 4 and 5 below
- 4. Does the variance of five or fewer properties exceed 10 percent?**
 - If the answer is YES, ask for a written explanation from the chief appraiser or designee for the variance and present it to management for review and determination
- 5. Does the variance of more than five properties exceed 10 percent?**
 - If the answer is YES, this question is a FAIL