

Appraisals Generally

(a) Except as otherwise provided by the Texas Property Tax Code chapter, all taxable property will be appraised at its market value as of January 1.

(b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and 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, and all available evidence that is specific to the value of the property shall be taken into account in determining the property's market value.

(c) In determining the market value of a residence homestead, we may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead being appraised and would otherwise be considered in appraising the residence homestead because the other residential property:

(1) was sold at a foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood; or

(2) has a market value that has declined because of a declining economy.

(d) The market value of a residence homestead shall be determined solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.

(e) If the appraised value of property in a tax year is determined under Informal Settlement & Waiver or by Formal Appraisal Review Board Decision the appraised value of the property as finally determined under that action is considered to be the appraised value of the property for that tax year. In the following tax year, appraiser may not increase the appraised value of the property unless the increase by the appraiser is reasonably supported by substantial evidence when all of the reliable and probative evidence in the record is considered as a whole. If the appraised value is finally determined in a protest under Section 41.41(a)(2) – unequal appraisal or an appeal under Section 42.26 – unequal appraisal, the appraiser may satisfy the requirement to reasonably support by substantial evidence an increase in the appraised value of the property in the following tax year by presenting evidence showing that the inequality in the appraisal of property has been corrected with regard to the properties that were considered in determining the value of the subject property. The burden of proof is on the Appraisal District to support an increase in the appraised value of property under the circumstances described by this subsection.

Consideration of Alternate Appraisal Methods

In determining the market value of property, the chief appraiser shall consider the cost, income, and market data comparison methods of appraisal and use the most appropriate method.

Cost Method of Appraisal

If the appraiser uses the cost method of appraisal to determine the market value of real property, the appraiser shall:

- (1) use cost data obtained from generally accepted sources;
- (2) make any appropriate adjustment for physical, functional, or economic obsolescence;
- (3) make available to the public on request cost data developed and used by the appraiser as applied to all properties within a property category and may charge a reasonable fee to the public for the data;
- (4) clearly state the reason for any variation between generally accepted cost data and locally produced cost data if the data vary by more than 10 percent; and
- (5) make available to the property owner on request all applicable market data that demonstrate the difference between the replacement cost of the improvements to the property and the depreciated value of the improvements.

Income Method of Appraisal

- (a) If the income method of appraisal is the most appropriate method to use to determine the market value of real property, the appraiser shall:
 - (1) analyze comparable rental data available to the appraiser or the potential earnings capacity of the property, or both, to estimate the gross income potential of the property;
 - (2) analyze comparable operating expense data available to the appraiser to estimate the operating expenses of the property;
 - (3) analyze comparable data available to the chief appraiser to estimate rates of capitalization or rates of discount;
 - (a) and base projections of future rent or income potential and expenses on reasonably clear and appropriate evidence.
 - (b) In developing income and expense statements and cash-flow projections, the appraiser shall consider:
 - (1) historical information and trends;
 - (2) current supply and demand factors affecting those trends; and
 - (3) anticipated events such as competition from other similar properties under construction.

Market Data Comparison Method of Appraisal

- (a) If the chief appraiser uses the market data comparison method of appraisal to determine the market value of real property, the appraiser shall use comparable sales data and shall adjust the comparable sales to the subject property.
- (b) A sale is not considered to be a comparable sale unless the sale occurred within 24 months of the date as of which the market value of the subject property is to be determined, except that a sale that did

not occur during that period may be considered to be a comparable sale if enough comparable properties were not sold during that period to constitute a representative sample.

(c) A sale of a comparable property must be appropriately adjusted for any change in the market value of the comparable property during the period between the date of the sale of the comparable property and the date as of which the market value of the subject property is to be determined.

(d) Whether a property is comparable to the subject property shall be determined based on similarities with regard to location, square footage of the lot and improvements, property age, property condition, property access, amenities, views, income, operating expenses, occupancy, and the existence of easements, deed restrictions, or other legal burdens affecting marketability.

Exclusion of Property as Real Property

Except when using the income approach on properties that include personal property valued as a portion of the income on the real property, determining the market value of real property, the appraiser shall analyze the effect on that value of, and exclude from that value the value of, any:

- (1) tangible personal property, including trade fixtures;
- (2) intangible personal property; or
- (3) other property that is not subject to appraisal as real property.

If you have any further questions about the appraisal of your property please contact us at the Wise County Appraisal District 400 East Business 380 Decatur, Texas 76234 Office Hours Monday – Friday 8:00 AM to 5:00 PM. Phone 940-627-3081 Email wcad1@embarqmail.com .