

How Is My Property Appraised?



At least once every three years, each parcel of property in Upshur County is visited and reviewed by an appraiser (or data collector) from the appraisal district in accordance with Texas Law.

During that visit, the appraiser reviews property characteristics and records any changes from the last review cycle. (For example, if you have added or removed a barn, shed, or swimming pool.) The appraiser also looks closely at your improvements (houses or buildings) to see if there is any change in the exterior condition of your property.

Appraisal district appraisers never ask to inspect your home from the interior.

Typically, an appraiser will validate the:

- Size of your improvements,
- Construction quality of your improvements, and
- Physical condition of your improvements.

If your property has an interior problem that is not visible from the exterior, an appraiser will review the interior of your home with you present.

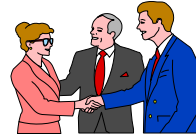
Using these facts, the appraisal district will determine the market value of your property as of January 1 considering one of three methods of appraisal:

- Sales comparison/market approach,
- Cost approach, or the
- Income approach.

And because the appraisal district is placing a value on a large number of properties annually, the appraisal district must utilize applicable features of each method and apply them uniformly to similar properties in a process known as **mass appraisal**.

Sales Approach

In order to determine the value of your property, the appraisal district must first know what properties have sold, and how much they are selling for in today's market. By maintaining a database of real estate transactions, we can arrive at the property value by studying sales of comparable properties.



Cost Approach

This method of appraising property is based on how much it would cost today to build an identical structure on the property. If the property is not new, we must also determine how much value the building has lost over time (depreciated).

Income Approach

This method is preferred when appraising an income-producing property. This approach determines value through analysis of income and expenses to determine market value. Consideration is given for operating expenses, maintenance costs, and the return (or profit) that could be reasonably expected on the property.

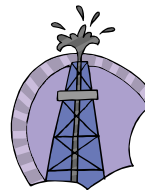


Mass Appraisal

There are basically only two kinds of appraisal: *fee appraisal* and *mass appraisal*. Both types of appraisals utilize the same basic appraisal principles and theories. A fee appraisal utilizes the three methods discussed above but with only one parcel of property being valued. Mass appraisal values the entire county where market areas, neighborhoods, subdivisions, and large groupings of similar properties are appraised at one time by adopted standards.

What about my oil or gas property?

The value of your oil or gas property is based upon the reserves left in the ground rather than the amount of money you received in the last calendar year. If you need more information about the appraisal of this complex



property, the appraisal district can provide someone to explain the appraisal method to you.

Market Value and Taxable Value- What's the difference?

When you receive a Notice of Appraised Value from the appraisal district in April (or May), you will see a listing of market values both from last year and proposed for this year for your land and improvements. If you have a residential homestead exemption on your property, you might notice that your *taxable 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 ten percent per year, regardless of how much the market value increases. (Your taxable value may increase at a rate of ten percent per year until it matches the district's appraised market value.)

If you have applied for and are receiving a special valuation for agricultural, timber, or wildlife management use on your land, you will also see the productivity value that has been assigned to your property. In this case, your taxes in October will be based upon the productivity value rather than the market value of the property.

How can appraised value change from year to year?

Property tax is "ad valorem," which means "based upon value." When the market value of a property changes, so may its appraised value. Your property's market value can change as a result of the economy in general or because of changes you've made to the property, making it more valuable. A sluggish economy, slow growth, and no demand or few potential buyers in the market may cause a decline in property values. Likewise, a growing economy with rapid growth may cause a rapid increase in property values.

What if I disagree with the value placed on my property by the appraisal district?

If you disagree with the value that has been proposed on your property, you should contact the appraisal district within thirty days of receiving a Notice of Appraised Value. If you are not satisfied with the explanation that has been given to you,



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 and make a determination regarding the issues you have protested.

Appraised Value and the Tax Rate

Appraisal district appraisers are not the tax collector, and have nothing to do with the total amount of taxes assessed.

The appraisal district is only responsible for determining what the market value of your property was on January 1.

The taxing jurisdictions (county, cities, schools, and hospital 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.

How are my taxes calculated?

Your taxes are calculated by dividing your taxable value by one hundred and multiplying by the jurisdiction's tax rate. For example:

Market Value	\$100,000
Less Exemptions	-15,000
Taxable Value	\$85,000
Apply Tax Rate	* 0.25/100
Assessed Taxes	\$212.50

Is there anything I can do to lessen my tax burden?

There are a variety of exemptions that are available to homeowners and disabled veterans. If you own a farm or ranch, or grow some type of crop, you may be eligible to receive a special valuation under the provisions of open space land where your taxes will be based upon your land's productivity capability rather than its market value.

For more information, visit our website or contact us.

Upshur County Appraisal District
105 Diamond Loch Road
Gilmer TX 75644
903-843-3041

www.upshur-cad.org