

Introduction

One of the oldest and most firmly established forms of taxation as well as a principal source of income for the counties, cities and school districts of the State is that of ad valorem or property taxation.

Chapter 6, Subsection 6.01 of the Texas Property Tax Code provides for the establishment of an appraisal district in each county and further states that the district is responsible for appraising property in the district for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the district.

Ad valorem taxes are imposed upon specific properties in this State, at a rate of 100% of the market value of the said properties.

Section 1.04 (7) of the Texas Property Tax Code defines "market value" as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- (1) Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- (2) Both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- (3) Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

Taxable properties are set out by the Texas Property Code, and defined under Section 1.04 as follows:

- (1) "Property means any matter or thing capable of private ownership.
- (2) "Real property" means:
 - [a] land
 - [b] an improvement
 - [c] a mine or quarry
 - [d] a mineral in place
 - [e] standing timber
 - [f] an estate or interest, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated in Paragraph 2 [a] through 2[e].
- (3) "Improvement" means;
 - [a] a building, structure, fixture, or fence erected on or affixed to land
 - [b] a transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to

land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally located at a particular place only temporarily.

[c] for purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the

[i] subdivision of land by plat

[ii] installation of water, sewer, or drainage lines

[iii] paving of undeveloped land

- (4) "Personal property" means property that is not real property
- (5) "Tangible personal property" means personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value
- (6) "Intangible personal property" means a claim, interest, right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document (i.e.: a stock, bond, note or account receivable, franchise, license or permit, demand or time deposit, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill).

This Appraisal Manual was developed with data gathered from La Salle County market research and appraisal publications. The purpose of this manual is to guide and assist La Salle County Appraisal District staff in appraising more efficiently and with greater overall consistency. It is important to bear in mind, when using this manual, that it is only a guide for reference.

Article VIII, Section 1 of the Texas Constitution requires that all property shall be assessed equally and uniformly. It is the belief of the La Salle County Appraisal District that this fundamental principal is the cornerstone and foundation upon which all properly administered tax rolls rest. Such mandatory requirements must be met in order to ensure the safety of the tax rolls of each taxing jurisdiction from lateral attack.

The primary purpose of this manual and its main objective is to provide uniform methods of appraisal to establish equitable market values of various properties throughout the district.

The instructions on the following pages are designed to serve as a guide for measuring property components, obtaining information on each parcel of property, and classifying each property. The information recorded on the field work sheet is extremely important. For this reason, the field appraiser must use extreme care in recording data accurately and completely.

Even though the appraisal employs a mass appraisal approach to value, each property must be approached as an individual parcel.

Conceptual Overview

The system outlined in this manual is based on the following market value equations:

1. **Market Value of Residential Property =**
Replacement Cost New x Total Percent Good + Depreciated Additive Values+ Land Value
(Adjusted by Market Indicators as determined by Sales Data, as available)
2. **Market Value of Commercial Property =**
Replacement Cost New x Total Percent Good + Depreciated Additive Values+ Land Value
(Adjusted by Market Indicators as determined by Sales Data, as available)
3. **Market Value of Manufactured Housing =**
Replacement Cost New x Total Percent Good + Depreciated Additive Values
4. **Market Value of Commercial Personal Property =**
Units x (Price/Unit of Inventory) + Units x (Price/Unit of FFE x Percent Good) + Additive Values
(Verified and adjusted by yearly Personal Property Renditions)
5. **Market Value of Vacant Lots or Acreage =**
Units x Price/Unit
(As determined by Market Transactions)
6. **1-d-1 Special Use Valuation (Ag Value) =**
Units x Value per Acre of Agricultural Use
(As determined by Net Income per Acre/State Mandated Cap Rate)

General Procedures

Real Property Valuation

In accordance with Sec: 11.01 of the Texas Property Tax Code, the La Salle County Appraisal District strives to discover, appraise, and assess all taxable property within the jurisdictions served by the Appraisal District.

Each parcel shall be appraised including all determinable improvements, factors, and conditions affecting the value of the property as a whole.

Improvements, as defined in Sec. 1.04 (3), includes any structures affixed to the land that is not readily, reasonably, and immediately portable. As such, the structure adds value to the property and would be typically included in any sale of the property as a whole. This application includes, but is not limited to:

1. Above ground swimming pools,
2. Patios,
3. Storage buildings or units, regardless of its permanent attachment, or lack thereof, to the land by means of metal tie-downs, or anchorage to a foundation.

Mobile or Manufacture Homes can be either Real Estate or Tangible Personal Property depending on the ownership of the land to which the structure is affixed, and/or the status of the Title or the Statement of Location as determined by the Texas Department of Housing and Community Affairs. In either case, Mobile or Manufactured Homes are taxable under Sec. 11.14 of the Texas Property Tax Code. With proper proof of ownership, Mobile or Manufactured Homes are eligible to apply for Residential Homestead Exemption.

Fences, residential, commercial, or agricultural, are considered appurtenances to the land and are included in the value of the site.

Square foot measurements of each type of building are based on the perimeter measurements of that building. Schedule values are originally based on locally modified construction cost, adjusted over time by market conditions determined by sales. Therefore, a buildings value per square foot applies not to useable area (space) but constructed area.

Using the building code descriptions and schedules, each structure is assigned an undepreciated value per square foot. Depreciation (physical, functional, and economic) factors are applied to each structure as is necessary.

Land values are determined from available information and applied using the appropriate basis (square footage, front footage, acreage, etc.).