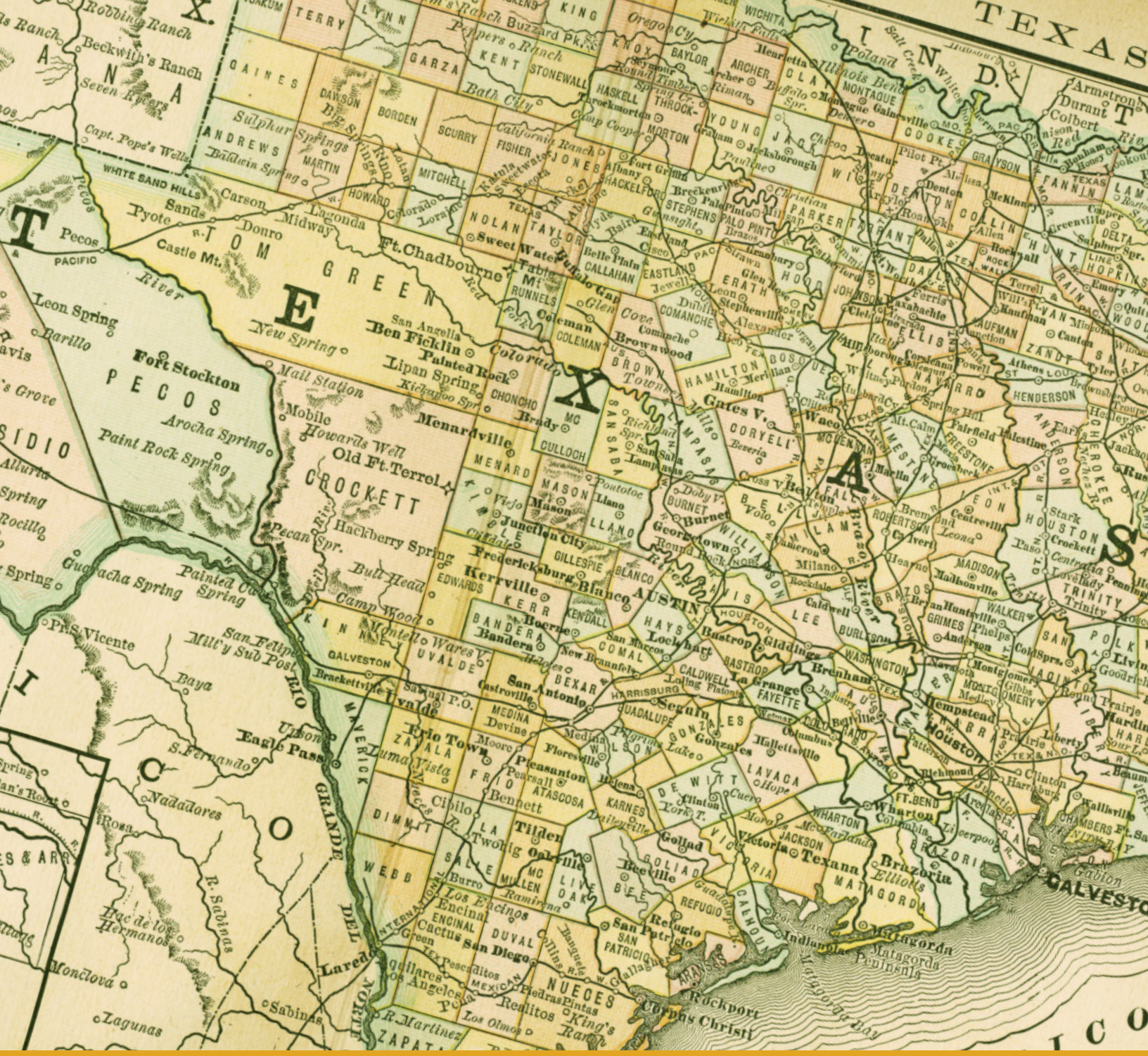

MAP

METHODS AND ASSISTANCE PROGRAM 2013 REPORT

Hood County Appraisal District

Susan Combs Texas Comptroller of Public Accounts

Texas Comptroller of Public Accounts

Susan Combs

January 22, 2014

Chief Appraiser
County Appraisal District Board of Directors
Superintendents
School District Boards of Trustees

Ladies and Gentlemen:

In 2009, the Texas Legislature enacted a new law that amended Tax Code Section 5.102. It requires the Comptroller of Public Accounts to review appraisal districts every two years. Called the Methods and Assistance Program (MAP), the reviews study the governance, taxpayer assistance, operating procedures and the appraisal standards, procedures and methodology of each appraisal district. The Property Tax Assistance Division (PTAD) performed the reviews for 125 appraisal districts in 2013.

Your appraisal district's MAP report is enclosed and includes an assessment of how well your appraisal district performs. It may include recommendations that will allow your appraisal district to comply with laws, rules, regulations, appraisal practices or operating best practices.

If recommendations are offered, they must be implemented within one year from the release of this report. Recommendations that are not complete, or not substantially complete, by that time will result in notification to the Texas Department of Licensing and Regulation (TDLR). The appraisal district will have another year to complete the outstanding recommendations. Recommendations still incomplete after one year could result in sanctions.

The Comptroller's office is committed to supporting the MAP review process and helping appraisal districts comply with existing laws, rules and regulations. PTAD will work with appraisal districts to improve their operations and to comply with each recommendation. We want to thank the chief appraiser, board chairman and the staff of the appraisal district for their help in making this new program a success.

For more information about the Property Tax Assistance Division, please see our website at www.window.state.tx.us/taxinfo/proptax/. If you have questions about your review, please feel free to contact Steve Atkinson, Methods and Assistance Program supervisor, at 1-888-207-3668 or steve.atkinson@cpa.state.tx.us.

Sincerely,

Susan Combs

cc: Steve Atkinson

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Hood County Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required by statute to review appraisal district governance, taxpayer assistance, operating procedures and appraisal standards.

Because of the diversity of property within Texas, some parts of the review may not be applicable to a county. If questions or a section of questions do not apply, such as when a county has no timber, the question or questions will be marked as "Not Applicable" or "NA" and the final score will not be negatively impacted by these questions.

Mandatory Requirements	PASS/FAIL
1. Does the appraisal district board of directors, through the chief appraiser, ensure that the appraisal district budget is prepared and followed according to Tax Code Chapter 6?	PASS
2. Do the chief appraiser and appraisal district staff communicate with the public concerning appraisal district duties and responsibilities and the role of taxpayers in the property tax system?	PASS
3. Do the appraisal district personnel or contractors have the education, training and experience to perform the duties of the appraisal district?	PASS
4. Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS

Appraisal District Activities	RATING
Governance	EXCEEDS
Taxpayer Assistance	EXCEEDS
Operating Procedures	EXCEEDS
Appraisal Standards, Procedures and Methodology	EXCEEDS

Appraisal District Ratings:

Exceeds – The total point score exceeds 89.

Meets – The total point score ranges from 80 to 89.

Needs Improvement – The total point score ranges from 70 to less than 80.

Unsatisfactory – The total point score is less than 70.

Governance

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Appraisal District Budget and Financial Audit CAD Board of Directors Oversight	7	7	100

Taxpayer Assistance

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Taxpayer Assistance	11	11	100

Operating Procedures

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Reappraisal Plan Appraisal Roll Production Exemptions Value Defense Appraisal District Staffing	23	23	100

Appraisal Standards, Procedures and Methodology

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Mass Appraisal Equal and Uniform Appraisal Agricultural Use Appraisal Special Appraisal Ratio Studies Identification and Listing of New Property Mapping Land Appraisal Income Approach Sales Verification Appraisal Manuals	49	49	100

Hood CAD
Review Questions and Answers

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required to review appraisal districts:

- governance;
- taxpayer assistance;
- operating procedures; and
- appraisal standards, procedures and methodology.

Electronic copies of procedures, policies, notices, documents, screen prints, manuals and related materials necessary for the completion of this review may be submitted on DVDs, CDs or via the Property Tax Assistance Division's FTP website. Comptroller reviewers collect preliminary information as well as information at the time of the on-site reviews. Each CAD is reviewed every other year. This report details the results of the review for the appraisal district named above.

GOVERNANCE

The CAD board of directors is responsible for setting policy, hiring the chief appraiser and selecting the appraisal review board (ARB). The chief appraiser prepares a preliminary budget, hires staff, manages the appraisal district, produces the appraisal roll and administers exemptions. The CAD board approves the budget and maintains a review of the budget and the CAD's expenditures over the course of each fiscal year.

Appraisal district governance is evaluated in two subsections: (1) appraisal district budgeting and financial auditing practices and (2) oversight by the board of directors.

Appraisal District Budget and Financial Audit

1.	Does the CAD credit unobligated payments to each taxing unit's budget allocation for the following year pursuant to Tax Code Section 6.06(j)?	YES	X	NO	
2.	Are the results of the CAD's financial audit presented to the CAD board of directors' in a public meeting?	YES	X	NO	
3.	If applicable, did the CAD respond to each audit finding by taking corrective actions timely?	YES		NO	
NOT APPLICABLE					
4.	Does the chief appraiser provide a financial report to the board of directors at every regular meeting of the board?	YES	X	NO	

CAD Board of Directors Oversight

5. Does the CAD board of directors comply with Tax Code Section 6.09 when selecting a depository?	YES	X	NO	
6. Did the CAD board of directors comply with Tax Code Section 6.11 and Local Government Code Chapter 252 when bidding out goods and services (other than legal or appraisal services)?	YES		NO	

NOT APPLICABLE

7. Does the CAD board of directors comply with Tax Code Section 6.15 regarding ex parte communication?	YES	X	NO	
8. Does the CAD board of directors comply with Government Code Chapter 551 regarding records of open meetings?	YES	X	NO	
9. Does the CAD board of directors comply with Government Code Chapter 551 by ensuring that meetings are not held without a quorum present?	YES	X	NO	

TAXPAYER ASSISTANCE

Taxpayer assistance in this review relates directly to the International Association of Assessing Officers (IAAO) *Standard on Public Relations*. This standard sets minimum requirements and duties of an appraisal district to keep the public informed of its actions. It also establishes how to address concerns of property owners as they relate to the duties of the appraisal district.

10. Does the CAD have, or is it developing, a written public relations plan as described in IAAO's *Standard on Public Relations* for implementation in 2014?	YES	X	NO	
11. Does the CAD make use of available media to communicate with taxpayers?	YES	X	NO	
12. Does the CAD maintain contact with the public by providing written publications and annual reports as described in IAAO's *Standard on Public Relations*?	YES	X	NO	
13. Does the CAD offer training to employees for customer service/public relations as described in IAAO's *Standard on Public Relations*?	YES	X	NO	
14. Does the CAD have a website where property owners can inspect their property values, as recommended by IAAO's *Standard on Public Relations*?	YES	X	NO	
15. Does the CAD use public feedback mechanisms as described in IAAO's *Standard on Public Relations*?	YES	X	NO	
16. Does the CAD respond to e-mails or phone messages from the public as described in IAAO's *Standard on Public Relations*?	YES	X	NO	
17. Does the CAD's website offer the ability to file protests online?	YES	X	NO	
18. Does the CAD have, or is it developing, written documents explaining how property is appraised for use by property owners for implementation in 2014?	YES	X	NO	

19. Does the chief appraiser or appraisal district staff provide information on how property is appraised to the public on its website, to the news media, to civic organizations or at public meetings? YES X NO ____

20. Does the chief appraiser or appraisal district staff hold or attend meetings of taxing units to explain issues, such as the CAD budget? YES X NO ____

OPERATING PROCEDURES

Operating procedures in this review concern: (1) reappraisal plans; (2) appraisal roll production; (3) administration of exemptions; (4) how the staff performs its duties; and (5) office operations.

Reappraisal Plan

21. Does the written reappraisal plan clearly demonstrate how the CAD will conduct the reappraisal? YES X NO ____

22. Does the CAD's reappraisal plan reflect the actual reappraisal activities of the CAD? YES X NO ____

23. Are the properties identified in the CAD's reappraisal plan inspected and reappraised in accordance with the reappraisal plan? YES X NO ____

24. Does the CAD identify and update relevant characteristics of each property in accordance with the reappraisal plan? YES X NO ____

25. Does the CAD use its appraisal results in the manner described in the reappraisal plan? YES X NO ____

Appraisal Roll Production

26. Does the chief appraiser certify the appraisal roll to the taxing units and the Comptroller according to Tax Code Sections 26.01 and 41.12(c)? YES X NO ____

27. Does the chief appraiser submit the completed appraisal records to the appraisal review board for review and determination according to Tax Code Section 25.22? YES X NO ____

28. Does the CAD have a systematic approach for producing supplemental appraisal rolls? YES X NO ____

Exemptions

29. Does the CAD comply with the requirements for granting residence homestead exemptions for disabled veterans under Tax Code Section 11.131? YES X NO ____

30. Does the CAD comply with the requirements for granting charitable organization exemptions under Tax Code Section 11.18? YES X NO ____

31. Does the CAD comply with the requirements for granting religious organization exemptions under Tax Code Section 11.20?	YES	X	NO	
32. Does the CAD comply with the requirements for granting school exemptions under Tax Code Section 11.21?	YES		NO	
NOT APPLICABLE				
33. Does the CAD comply with the requirements for granting disabled veterans exemptions under Tax Code Section 11.22?	YES	X	NO	
34. Does the CAD comply with the requirements for granting leased motor vehicle exemptions under Tax Code Section 11.252?	YES	X	NO	
35. Does the CAD comply with the requirements for granting solar and wind power energy devices exemptions under Tax Code Section 11.27?	YES		NO	
NOT APPLICABLE				
36. Does the CAD comply with the requirements for granting pollution control exemptions under Tax Code Section 11.31?	YES		NO	
NOT APPLICABLE				
37. Does the appraisal district issue a transfer of tax ceiling certificate for homeowners 65 or older, a surviving spouse of 55 or older or disabled property owner according to Tax Code 11.26 (h)?	YES	X	NO	
38. Does the CAD verify the accuracy of information on residence homestead applications?	YES	X	NO	
39. Does the CAD comply with the administrative requirements of Tax Code Section 11.45?	YES	X	NO	

Value Defense

40. Does the CAD follow written procedures for informal staff meetings with taxpayers to ensure consistency in the appeals process according to IAAO's *Standard on Assessment Appeal*?	YES	X	NO	
41. Does the CAD have evidence to support value changes resulting from informal staff meetings?	YES	X	NO	
42. Does the CAD present evidence to support its value during appraisal review board hearings as required by Tax Code Section 41.43(a)?	YES	X	NO	
43. Does the CAD follow written procedures for formal hearings before the appraisal review board to ensure consistency in the appeals process according to IAAO's *Standard on Assessment Appeal*?	YES	X	NO	

Appraisal District Staffing

44. Does the appraisal district have written procedures for hiring new staff that address specifying the job, advertising the job, screening applicants, interviewing candidates and selecting the most qualified candidate?	YES	X	NO	
45. Are employees' job descriptions and evaluations aligned to provide a clear evaluation of their performance?	YES	X	NO	
46. Does the chief appraiser ensure all appraisal staff completes all requirements for becoming a Registered Professional Appraiser by the Texas Department of Licensing and Regulation?	YES	X	NO	

APPRAISAL STANDARDS, PROCEDURES AND METHODOLOGY

The appraisal standards, procedures and methodology section reviews the appraisal activities and practices of an appraisal district. Appraisal districts are required to maintain files on all property, locate and appraise property and to use the most effective method for determining the value of each specific property.

Mass Appraisal

47. Are cost schedules (models) used in mass appraisal evaluated and updated annually as recommended in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
48. Are benchmarks established for each neighborhood as recommended in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
49. Does the mass appraisal include a well-defined property classification system as recommended in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
50. Does the CAD have a functional data collection manual that is regularly maintained and updated as discussed in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
51. Does the CAD provide training to staff on the data collection manual as recommended in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
52. Has the CAD established standards of accuracy for data collection as recommended in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
53. Has the CAD implemented a quality control program to ensure that data accuracy standards are met, as discussed in IAAO's Standard on *Mass Appraisal of Real Property*?	YES	X	NO	
54. Are the CAD's maps linked to the Computer Assisted Mass Appraisal (CAMA) system as suggested in IAAO's *Standard on Mass Appraisal of Real Property*?	YES	X	NO	

Equal and Uniform Appraisal

55. Do sold and unsold "like" properties within the same market area have similar noticed values?	YES	X	NO	
56. Does a sampling of residential neighborhoods show that similar properties have similar noticed appraised values?	YES	X	NO	
57. Does the CAD have adequate written procedures to ensure that categories of property are appraised equally and uniformly?	YES	X	NO	
58. Does the CAD follow its procedures to ensure equal and uniform appraisals?	YES	X	NO	

Aqricultural Use Appraisal

59. Are net-to-land calculations for all agricultural use categories reproducible from the CAD's documentation?	YES	X	NO	
60. Are the results of the written agricultural use surveys reflected in the net-to-land calculations?	YES	X	NO	
61. Do CAD records show that open-space land applications resulted in property inspections?	YES	X	NO	
62. Is open-space land valued according to the subcategories established by Tax Code Section 23.51(3)?	YES	X	NO	
63. Are open-space land values on property records reproducible using the CAD's schedule of productivity values?	YES	X	NO	
64. Is open-space land designated as used for wildlife management inspected regularly?	YES	X	NO	

Special Appraisal

65. Does the appraisal district comply with appraisal requirements for heavy equipment inventory (Tax Code Section 23.1241)?	YES	X	NO	
66. Does the appraisal district comply with appraisal requirements for manufactured housing inventory (Tax Code Section 23.127)?	YES	X	NO	
67. Does the appraisal district comply with appraisal requirements for vessel and outboard motor inventory (Tax Code Section 23.124)?	YES	X	NO	
68. Does the appraisal district comply with appraisal requirements for motor vehicle inventory (Tax Code Section 23.121)?	YES	X	NO	

69. Does the appraisal district comply with all requirements of Tax Code Section 23.01(c)?	YES	X	NO	
70. Does the appraisal district comply with all requirements of Tax Code Section 23.01(d)?	YES	X	NO	
71. Does the appraisal district comply with all requirements of Tax Code Section 23.01(e)?	YES	X	NO	

Ratio Studies

72. Does the CAD use ratio studies to calibrate schedule values?	YES	X	NO	
73. Does the CAD prepare ratio studies by appropriate market segments?	YES	X	NO	
74. Were adjustments to CAD schedules made by appropriate market segments based on CAD ratio studies?	YES	X	NO	
75. Were adjustments made to market segments based on sales information?	YES	X	NO	

Identification and Listing of New Property

76. Does the CAD follow its written procedures for identifying new property in compliance with IAAO's *Standard on Ratio Studies*?	YES	X	NO	
77. Does the CAD follow written procedures for identifying upgrades and new improvements to existing properties?	YES	X	NO	
78. Does the CAD maintain evidence showing that appraisal records are supplemented with newly discovered omitted property pursuant to Tax Code Section 25.21?	YES	X	NO	
79. Does the CAD use more than one technique to locate new property?	YES	X	NO	

Mapping

80. Does the CAD have a written procedure and schedule for updating maps?	YES	X	NO	
81. Are maps updated within 180 days of the receipt of ownership changes?	YES	X	NO	

Land Appraisal

82. Does the CAD maintain documentation for land sales that support land schedules?	YES	X	NO	
83. Does the CAD regularly update land schedules?	YES	X	NO	

Income Approach

84. Does a review of representative properties show that the CAD is correctly using the income approach?	YES	X	NO	
85. Does the CAD gather income data for applicable commercial property types such as office buildings and retail strip centers?	YES	X	NO	
86. Does the CAD gather and use income data for applicable multi-family properties?	YES	X	NO	
87. Does the CAD gather expense data to be used in income approach valuations?	YES	X	NO	
88. Was the income approach considered in appraising income producing properties, exclusive of rent houses?	YES	X	NO	

Sales Verification

89. Does the CAD verify sales according to IAAO's *Standard on Verification and Adjustment of Sales*?	YES	X	NO	
90. Does the CAD adjust sales according to IAAO's *Standard on Verification and Adjustment of Sales*?	YES	X	NO	
91. Does the CAD 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 and 3.4?	YES	X	NO	

Appraisal Manuals

92. Do the CAD's written procedures for residential appraisal match the appraisal practices used by its appraisers?	YES	X	NO	
93. Do the CAD's written procedures for land appraisal match the appraisal practices used by its appraisers?	YES	X	NO	
94. Do the CAD's written procedures for commercial appraisal match the appraisal practices used by its appraisers?	YES	X	NO	

Texas Comptroller of Public Accounts
Publication #96-1630
January 2014

http://www.window.state.tx.us/taxinfo/proptax/map/2013.html

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