

Amid data fight, TCAD says it won't update residential appraisals for 2020

STATESMAN

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Posted Feb 12, 2020 at 6:42 PM

In a move that could have significant financial implications, the Travis Central Appraisal District told nine local school districts Wednesday that the appraisal district will not be reappraising residential properties this year.

School districts across Travis County will see the biggest impact in 2020, said Marya Crigler, chief appraiser for the appraisal district.

With no state income tax, the state government and local taxing entities rely heavily on property tax revenue to fund schools and a number of local services.

Crigler said the decision to not reappraise residential properties stems from a [cease-and-desist order issued last year by the Austin Board of Realtors](#). The order prohibits the appraisal district from using sales data derived from the board's proprietary Multiple Listing Service, or MLS, to calculate appraisals, Crigler said.

"That data is critical to being able to appraise properties in Travis County accurately and equally," Crigler said.

Texas is among several states that do not require sales data from real estate transactions to be made public.

Crigler said the cease-and-desist order has had an "absolute chilling effect on our ability to get sales data from any other source."

Those include third-party vendors, developers of new housing subdivisions and a variety of other sources, Crigler said. She declined to identify those other sources, citing confidentiality agreements.

"We don't want to be in a dispute with anybody," Crigler said. "We are just trying to do our job as required by the law, and in order to do that I need market data."

While there is more than one approach to appraising properties, Crigler said, "no approach can be done in the complete absence of market data."

Appraisal districts typically obtain sales data through third-party sources, including MLS and market data vendors, Crigler said. Limited information can be obtained from deeds, protest hearings and mail questionnaires, she said.

Crigler said the appraisal district "has made significant efforts to obtain verifiable sales data through other means, but has had limited success."

James Valadez, chairman of the appraisal district's board of directors, said the appraisal district "has made every effort possible to obtain market data within the confines placed on it by the Austin Board of Realtors."

"Unfortunately, these restrictions have made it impossible to do the job (the appraisal district) is required to do under state law. It's unfortunate that our school districts are going to be hurt by ABoR's unreasonable actions," Valadez said in an email.

The Austin Board of Realtors issued a statement saying that the appraisal district's statements are misleading, and that it is "unfortunate that TCAD is threatening to stop the reappraisal process at the expense of our schools."

"TCAD obtains sales price data that homeowners provide willingly. TCAD can create statistically sound models for the bulk appraisal of residential property using the rendered data they collect. ... The cease and desist order should have no impact on TCAD's ability to reappraise homes. It did so for many years without use of (the MLS) proprietary data," the group's statement said.

Keith Strama, an attorney for the appraisal district, said the district is exploring "a variety of legal options" in the matter.

Strama said the district believes it still has a valid contract with CoreLogic, the vendor through whom it previously accessed the sales data. "We have expressed that to them, and we are hopeful they will fulfill their obligations under the contract," he said.

From 2012 to 2019, the appraisal district was able to obtain sales data from 98% of sales in Travis County, Crigler said. The district has only been successful in obtaining data from 15% of sales for the 2020 appraisal year, Crigler said.

Although residential properties will not be appraised, some property owners will still see increases in their property's taxable value, Crigler said. For example, a homeowner whose taxable value has not increased to market value due to a homestead exemption could see a 10% increase in their taxable value in 2020.

The Austin market has seen home prices rise sharply in recent years. For 2019, the median taxable home value in Travis County jumped 7.4%, rising to \$275,112, according to the appraisal district.

For homes with a homestead exemption, raising the value of those properties as they catch up to their capped value "might result in only a 1% to 2% in the overall appraisal roll for 2020," Crigler said. That projected percentage growth would mirror the growth rates seen during the last recession, compared with increases ranging from 9% to more than 16% in the overall roll in recent years.

Representatives from the Austin, Del Valle, Eanes, Lake Travis, Elgin, Marble Falls, Lago Vista, Pflugerville and Round Rock school districts attended Wednesday's meeting at the appraisal district's headquarters.

"They are extremely concerned about the impact this may have on their budgets and operations," said Crigler, who did not give an estimate of the potential financial impact. "I think they still need to have those discussions internally to calculate and run those numbers."

Messages left for an Austin school district official were not immediately returned Wednesday. The Austin school district's general budget [for the 2019-20 school year is \\$1.6 billion](#).

Travis County Tax Assessor-Collector Bruce Elfant, who is a nonvoting member of the appraisal district's board, called Crigler's decision unsurprising, even though he said he wasn't aware of it in advance of Wednesday's meeting.

"The best source of fair market value is data about what properties sell for, and appraisal districts (in Texas) aren't allowed to see that information," he said. "From my perspective, Texas should be a sales-price disclosure state."

He declined to say if he supports Crigler's decision. He said the issue likely will be discussed next week at a previously scheduled board meeting.

American-Statesman staffers Bob Sechler and Lori Hawkins contributed to this report.