



## EDWARDS CENTRAL APPRAISAL DISTRICT

### HOW IS YOUR PROPERTY APPRAISED?

At least once every three years, each parcel of property in Edwards County is visited and reviewed by a filed appraiser from the appraisal district in accordance with the Texas law.

During that visit, the appraiser reviews property characteristics and records any changes from the last review cycle. (For example, if you 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 of your property.

**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, the appraiser will review the interior of your home, only at your request and 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

#### **Market/Sales Approach**

**Cost approach, or the**

**Income approach**

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.

#### **1. Market Approach**

In order to determine the value of our 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.

#### **2. 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 the building has lost over time due to depreciation.

### 3. 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.

### 4. 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 and large groupings of similar properties are appraised at one time by adopted standards.

### 5. Oil and Gas Properties

The value of your oil or gas property is based on 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 in detail.

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

When you receive a Notice of Appraised Value from the Appraisal District in 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 market value. If you have applied for and are receiving a special valuation for agricultural or wildlife management use on your land, you will see the productivity value that has been assigned to your property. In this case, your taxes will be based on the special 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 on 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 or less 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 placed on your property, you should contact the Appraisal District within thirty days of receiving your 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, make a determination regarding the issues you have protested and set the value of your property.

**Appraisal Value and the Tax Rates**

The appraisal district is only responsible for determining what the market value of your property was on January 1 and has nothing to do with the assessment of taxes. The taxing jurisdictions (county, cities, schools, hospitals and special service district) 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. The entities hold public hearings prior to setting their tax rates.

**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	\$100,000
Less Exemptions	\$45,000
Taxable Value	\$ 85,000
Apply Tax Rate	<u>*.25/100</u>
Assessed Taxes	\$ 212.50

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

There is a variety of exemptions that are available to homeowners and disable 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 agricultural land. Your taxes would then be based on the land’s productivity value rather than its market value.

We want the property owners in Edwards County to understand the appraisal process and are here to assist you. For information please contact us directly:

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