



METHODS AND ASSISTANCE PROGRAM 2016 REPORT Navarro Central Appraisal District



Glenn Hegar Texas Comptroller of Public Accounts

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2016-17 Final Methods and Assistance Program
Review
Navarro Central 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.

Mandatory Requirements	PASS/FAIL
Does the appraisal district have up-to-date appraisal maps?	PASS
Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	PASS
Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS

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

Appraisal District Ratings:

Meets All – The total point score is 100

Meets – The total point score ranges from 90 to less than 100

Needs Some Improvement – The total point score ranges from 85 to less than 90

Needs Significant Improvement – The total point score ranges from 75 to less than 85

Unsatisfactory – The total point score is less than 75

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Governance	12	12	100
Taxpayer Assistance	13	13	100
Operating Procedures	25	25	100
Appraisal Standards, Procedures and Methodology	27	27	100

**Glenn Hegar
Texas Comptroller of Public Accounts
2016-17 Final Methods and Assistance Program Tier 2 Review**

Navarro Central 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 to review appraisal districts' governance, taxpayer assistance, operating procedures and appraisal standards, procedures and methodology. Each appraisal district is reviewed every other year. This report details the results of the review for the appraisal district named above.

GOVERNANCE

Governance Review Question	Answer	Recommendation
1. By Jan. 1 of the current year, did the chief appraiser notify the Comptroller in writing that he or she is eligible to be appointed or serve as the chief appraiser, as described in Tax Code Section 6.05(e)?	YES	No Recommendation
2. Does the appraisal district board of directors regularly evaluate the chief appraiser?	YES	No Recommendation
3. Has the chief appraiser completed a chief appraiser ethics course within the previous two years as required by TDLR Rule 94.25?	YES	No Recommendation
4. Has the current chief appraiser completed open meetings training as described in Government Code Section 551.005 and open records training as described in Government Code Section 552.012?	YES	No Recommendation
5. Has the appraisal district's investment officer attended investment training as required by Government Code Section 2256.008?	YES	No Recommendation
6. Has the chief appraiser calculated the number of votes to which each taxing unit is entitled and delivered written notice of the voting entitlement by Oct. 1 of the most recent odd-numbered year as described in Tax Code Section 6.03(e)?	YES	No Recommendation
7. Did the board of directors meet at least quarterly with a quorum in the previous year as required by Tax Code Section 6.04(b)?	YES	No Recommendation
8. Do the appraisal district's board of directors' meeting agendas match what was discussed in the meetings?	YES	No Recommendation

Governance Review Question	Answer	Recommendation
9. Was the appraisal district's most recent preliminary budget produced and delivered to the taxing units according to the requirements of Tax Code Section 6.06(a)?	YES	No Recommendation
10. Did the appraisal district prepare and post the most recent budget notice according to the requirements of Tax Code Section 6.062?	YES	No Recommendation
11. Did the appraisal district board of directors provide notice of and host a public hearing for the most recent budget according to the requirements of Tax Code Section 6.06(b)?	YES	No Recommendation
12. Has the chief appraiser appointed a qualified agricultural appraisal advisory board and has that board met at least once within the previous year, as required by Tax Code Section 6.12?	YES	No Recommendation

TAXPAYER ASSISTANCE

Taxpayer Assistance Review Question	Answer	Recommendation
13. Did the appraisal district follow its public relations plan timeline in the previous year?	YES	No Recommendation
14. Is the information on the appraisal district's website up-to-date?	YES	No Recommendation
15. Does the appraisal district report, and make available to the public, the metered amount of electricity, water or natural gas consumed for which it is responsible to pay and the aggregate costs for those utility services as required by Government Code Section 2265?	YES	No Recommendation
16. Has the appraisal district developed an annual report in each of the previous two calendar years, and is it made available to the public as described in IAAO's Standard on Public Relations?	YES	No Recommendation
17. Are the written documents provided by the appraisal district to property owners, which explain how residential property is appraised, specific to the county in which the appraisal district is located and are those documents made available to the public?	YES	No Recommendation

Taxpayer Assistance Review Question	Answer	Recommendation
18. If the appraisal district mails survey cards to property owners who have a residence homestead exemption, was the process described in Tax Code Section 11.47 followed in the previous year?	N/A	No Recommendation
19. Are the written complaint procedures for the appraisal district made available to the public?	YES	No Recommendation
20. Are the complaint procedures for the appraisal review board made available to the public upon request?	YES	No Recommendation
21. Does the appraisal district have a procedure for receiving and responding to open records requests that complies with Government Code Chapter 552, and is the procedure being followed?	YES	No Recommendation
22. Does the appraisal district notify property owners when denying, modifying or cancelling exemptions as described in Tax Code Sections 11.43(h) and 11.45(d)?	YES	No Recommendation
23. For residence homestead exemptions cancelled after Sept. 1, 2015, did the appraisal district follow the procedure described in Tax Code Section 11.43(q) for individuals who are 65 years of age or older?	N/A	No Recommendation
24. Did the appraisal district publicize the notices required by Tax Code Sections 11.44(b), 22.21, 23.43(f), 23.54(g) and 23.75(g) in a manner designed to reasonably notify all property owners?	YES	No Recommendation
25. Does the appraisal district include, with each notice sent under Tax Code Section 25.19 to an eligible property owner, instructions for accessing and using the electronic protest system as described in Tax Code Section 41.415?	YES	No Recommendation
26. Has the appraisal district implemented a system that allows the owner of a property that has been granted a homestead exemption to electronically receive and review comparable sales data and other evidence that the chief appraiser intends to use at the protest hearing before the appraisal review board, as required by Tax Code Section 41.415(b)(2)?	YES	No Recommendation

Taxpayer Assistance Review Question	Answer	Recommendation
27. Did the appraisal district include an application form for a residence homestead exemption with the most recent notice of appraised value if the property did not qualify for a residence homestead exemption in that year, as described in Tax Code Section 25.19(b-2)?	YES	No Recommendation

OPERATING PROCEDURES

Operating Procedures Review Question	Answer	Recommendation
28. Did the appraisal district accurately and timely complete the Comptroller's most recent appraisal district operations survey?	YES	No Recommendation
29. If anyone in the appraisal district calculates and prepares tax bills, agricultural appraisal rollbacks, corrected or supplemental tax bills, tax ceilings or ported percentage tax bills, is someone on staff a registered tax assessor-collector?	YES	No Recommendation
30. Does the appraisal district receive and process arbitration requests as described in Tax Code Section 41A.05 and Comptroller Rule 9.804(b)(5)?	YES	No Recommendation
31. Do the exemption applications for homestead exempt properties match the appraisal records for those properties?	YES	No Recommendation
32. Does the appraisal district follow a procedure or policy for performing a periodic review of exempt properties?	YES	No Recommendation
33. Did the appraisal district compile a partial exemption list as described in Tax Code Section 11.46 and Comptroller Rule 9.3010 and was the most recent list made available to the public?	YES	No Recommendation
34. Does the appraisal district maintain documentation for deferrals as required by Tax Code Section 33.06(b)?	YES	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
35. Not later than April 30 of the most recent year, did the appraisal district prepare and certify to the assessor for each county, municipality and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit as described by Tax Code Section 26.01(e)?	YES	No Recommendation
36. Did the chief appraiser prepare and certify the two most recent appraisal rolls to the assessor for each taxing unit participating in the district as described in Tax Code Section 26.01(a)?	YES	No Recommendation
37. Are corrections of the appraisal roll presented to the appraisal district's board of directors and appraisal review board as described in Tax Code Section 25.25(b)?	YES	No Recommendation
38. When the appraisal roll is changed according to Tax Code Section 25.25(d), does the appraisal district notify the tax assessor-collector that a 10 percent penalty should be charged to the property owner and, if the appraisal district also performs collection functions, is a 10 percent penalty assessed according to the requirements of Tax Code Section 25.25(d)?	YES	No Recommendation
39. Has the appraisal district's records retention schedule that is on file with the State Library and Archives Commission, as described in Local Government Code Section 203.041, been implemented?	YES	No Recommendation
40. Does the appraisal district have comprehensive and workable written procedures concerning disaster recovery and mitigation?	YES	No Recommendation
41. Does the appraisal district's disaster recovery plan address how recovery will occur if the chief appraiser is incapacitated during the disaster?	YES	No Recommendation
42. Does the chief appraiser submit the completed appraisal records to the appraisal review board for review and determination of protests as described in Tax Code Section 25.22?	YES	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
43. Did all members serving on the appraisal review board in the previous two years attend the training and complete the statement required by Tax Code Sections 5.041(b), (b-1), (e) and (e-1)?	YES	No Recommendation
44. Do the appraisal review board's orders of determination comply with the requirements of Tax Code Sections 41.47(c)(1) and (2) and the Comptroller's model hearing procedures as they relate to Tax Code Section 5.103(b)(2)?	YES	No Recommendation
45. Did the appraisal review board hear and determine all or substantially all timely filed protests; determine all timely filed challenges; submit a list of approved changes in the records to the chief appraiser; and approve the appraisal records by the deadline established in Tax Code Section 41.12 in the previous year?	YES	No Recommendation
46. Was the most recent written reappraisal plan adopted by the appraisal district's board of directors by the Sept. 15 deadline listed in Tax Code Section 6.05(i)?	YES	No Recommendation
47. Did the appraisal district send copies of the most recent reappraisal plan to the presiding officers of the governing body of each taxing unit participating in the district and to the Comptroller by the date described in Tax Code Section 6.05(i)?	YES	No Recommendation
48. Does the appraisal district's written reappraisal plan define the market areas in the county as required by Tax Code Section 25.18?	YES	No Recommendation
49. Does the appraisal district's written reappraisal plan identify the properties to be appraised in each year covered by the plan and have those been reappraised as identified in the plan as required by Tax Code Section 25.18?	YES	No Recommendation
50. Does the appraisal district's written reappraisal plan reference or include a work schedule, calendar, timeline or other means to determine work completion dates?	YES	No Recommendation
51. Did the appraisal district submit the two most recent electronic appraisal roll and electronic property transaction submissions to the Comptroller timely?	YES	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
52. Are properties identified as sales in the most recent electronic property transaction submission correctly coded as sales?	YES	No Recommendation

APPRAISAL STANDARDS, PROCEDURES AND METHODOLOGY

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
53. Have the inspection dates in the appraisal records been updated within the previous six years as discussed in IAAO's <i>Standard on Mass Appraisal of Real Property</i> ?	YES	No Recommendation
54. Does the appraisal district add previously omitted real property to the appraisal roll for the previous five years as described in Tax Code Section 25.21?	YES	No Recommendation
55. Did the appraisal district complete and produce a written mass appraisal report in the previous two years as required by USPAP Standard 6?	YES	No Recommendation
56. Do the appraisal district's contracts contain the items described in IAAO's <i>Standard on Contracting for Assessment Services</i> ?	YES	No Recommendation
57. Does the appraisal district follow a procedure or process for reviewing, verifying or evaluating the work of their appraisal services and mapping contractors?	YES	No Recommendation
58. Does the appraisal district have appraisal related criteria and a process for determining whether the factors affecting market value of real property are unusually complex in certain areas of the county, as discussed in Tax Code Section 41.415(g)?	N/A	No Recommendation
59. Does the appraisal district use ratio studies effectively?	YES	No Recommendation
60. Are the appraisal district's cost schedules and appraisal models used in such a way that adjustments are made for neighborhood factors and property specific factors?	YES	No Recommendation
61. Has the appraisal district adjusted its residential property cost schedules based on sales data, ratio studies, local conditions or market factors within the previous two years?	YES	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
62. Has the appraisal district adjusted its commercial property cost schedules based on sales data, ratio studies, local conditions or market factors within the previous two years?	YES	No Recommendation
63. Did the appraisal district use discovery techniques for personal property accounts in the current or previous year, as discussed in IAAO's <i>Standard on Valuation of Personal Property</i> ?	YES	No Recommendation
64. Does the appraisal district have an up-to-date personal property manual or procedures as discussed in IAAO's <i>Standard on Valuation of Personal Property</i> ?	YES	No Recommendation
65. Does the appraisal district apply the rendition penalty for taxpayers who do not render timely according to Tax Code Section 22.28 and are penalties waived when necessary, as described in Tax Code Section 22.30?	YES	No Recommendation
66. Does the appraisal district perform multiple quality control steps to ensure the accuracy and uniformity of property valuations?	YES	No Recommendation
67. Does the appraisal district gather income and expense data and calculate values using the income approach for multi-family properties?	YES	No Recommendation
68. Does the appraisal district gather income and expense data and calculate values using the income approach for warehouse properties?	YES	No Recommendation
69. Does the appraisal district collect land sales and maintain a verified land sales file?	YES	No Recommendation
70. Does the appraisal district collect residential property sales and maintain a verified residential sales file?	YES	No Recommendation
71. Does the appraisal district adjust land sales?	YES	No Recommendation
72. Does the appraisal district adjust residential property sales?	YES	No Recommendation
73. Does the appraisal district perform inspections of properties as a result of receiving wildlife management use appraisal applications?	YES	No Recommendation
74. Does the appraisal district perform inspections of properties as a result of receiving agricultural use appraisal applications?	YES	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
75. For properties that have been granted agricultural use appraisal, are completed applications and required documentation on file?	YES	No Recommendation
76. Have agricultural appraisal intensity-of-use standards been evaluated or updated within the previous five years?	YES	No Recommendation
77. Did the appraisal district use information obtained from the sources listed in Tax Code Section 23.51(3) to establish subcategories for agricultural use appraisal, as described in that section?	YES	No Recommendation
78. Are net-to-land calculations for agricultural use land designated as native pasture reproducible from the appraisal district's appraisal records?	YES	No Recommendation
79. Are net-to-land calculations for agricultural use land designated as dry and irrigated cropland reproducible from the appraisal district's records?	YES	No Recommendation
80. Does the appraisal district notify the tax assessor-collector that an agricultural use appraisal change of use has occurred according to the Comptroller's Manual for the Appraisal of Agricultural Land and, if the appraisal district also performs collection functions, are rollback taxes calculated according to the requirements of Tax Code Section 23.55?	YES	No Recommendation