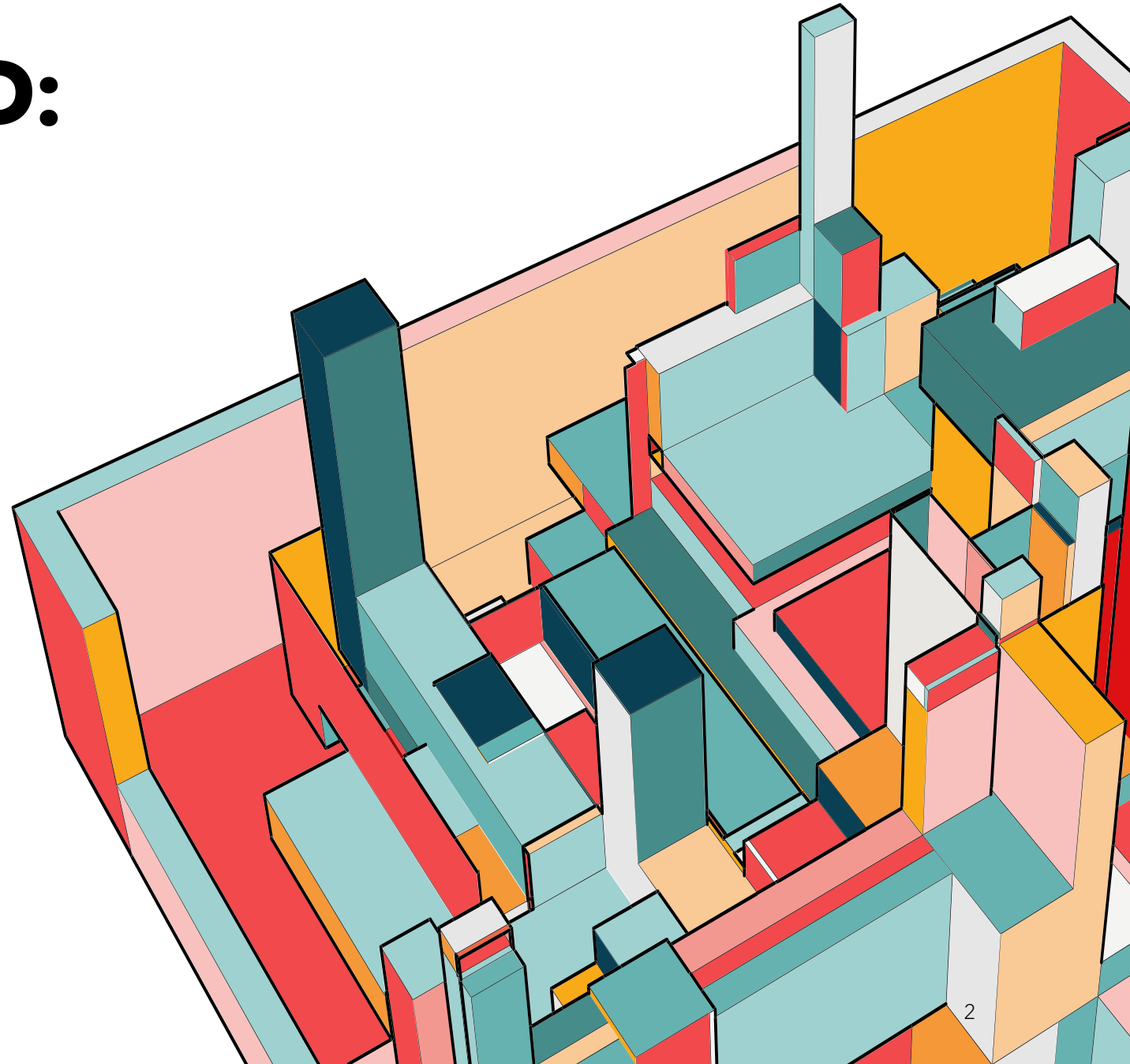


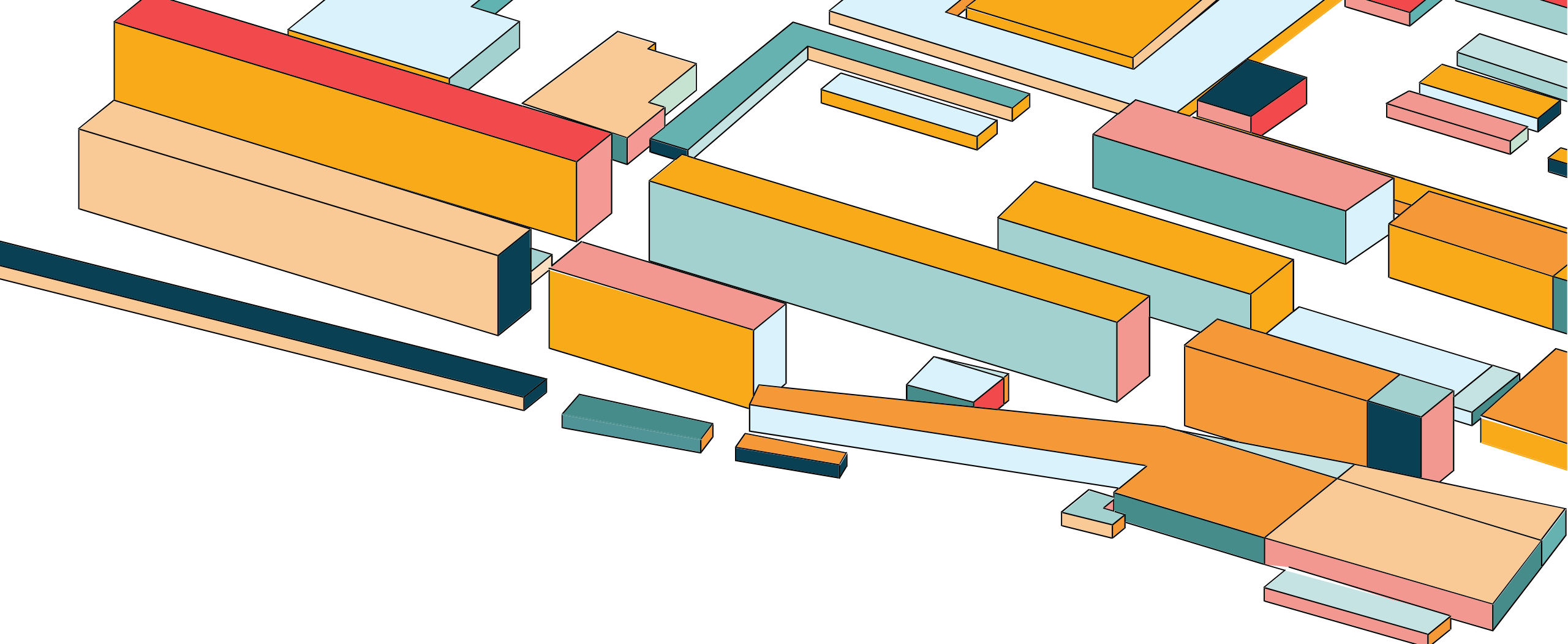
# **SCHOOL DISTRICT PROPERTY VALUE STUDY (SDPVS)**

Lorraine Miller, Field Studies Manager  
Heather Hicks, Division Operations  
Property Tax Assistance Division  
December 14, 2022

# TOPICS COVERED:

- SDPVS Definition and Purpose
- Timeline
  - Pre-Preliminary Release & Clerical Error Reports
  - Preliminary Release & Data Release
- SDPVS Protests
- SDPVS Findings

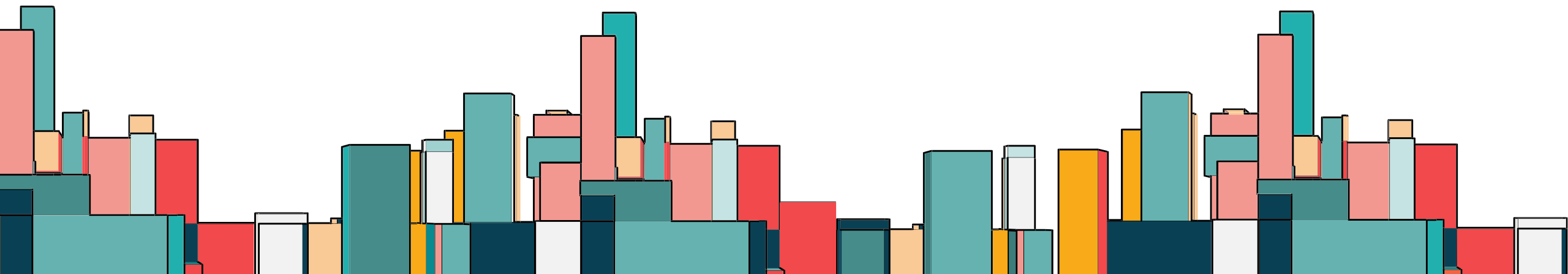




# **THE SCHOOL DISTRICT PROPERTY VALUE STUDY**

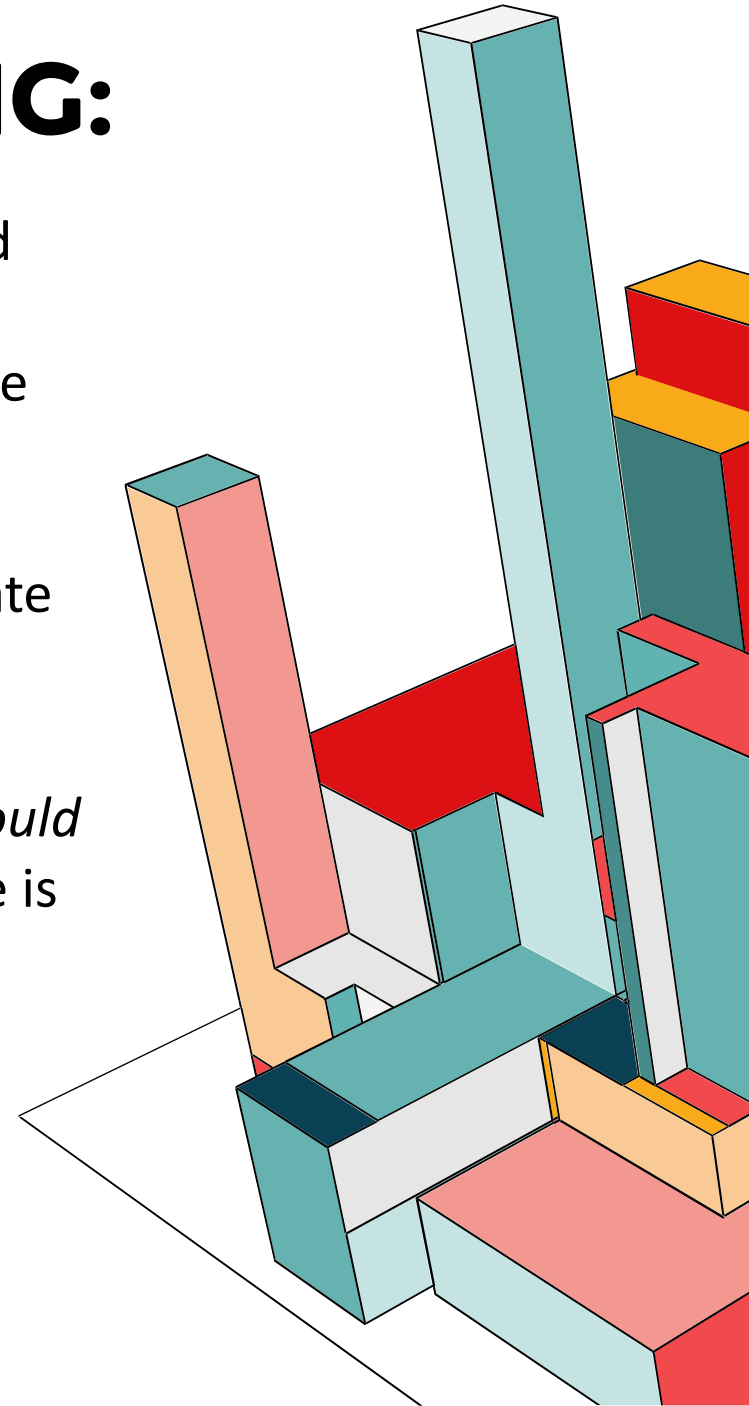
# SDPVS DEFINITION AND PURPOSE

- SDPVS is a study to determine the **total taxable value**, as defined by Government Code, of all property in each school district.
  - **Relies on samples** selected through generally accepted sampling techniques
  - Uses **comparable/market sales**, when available.
- Primary purpose of SDPVS is to help ensure equitable distribution of **state funding** for public school
  - Tex. Gov't Code §403.302



# STATE SHARE OF SCHOOL FUNDING:

- State law required our office to conduct a study of the locally appraised property values (SDPVS) at least every two years and to certify taxable property value to TEA annually. Texas Constitution mandates this for the support and maintenance of public education.
- TEA commissioner uses the SDPVS findings to determine how much state funding each school district is eligible to receive.
  - Foundation School Program (FSP) calculates the local funding assignment, or the local share of funding that the M&O tax rate *would have* generated on the state certified property value and that value is used to adjust the state share of funding. As local shares decrease, state shares in funding increase.
  - The state shares funding responsibility with over 1,000 local school districts



# DIRECT EQUALIZATION

- The process of converting ratio study results into adjustment factors (trends) and changing locally determined appraised or assessed values to more nearly reflect market value or the legally required level of assessment.
- In Texas, required level of assessment is 100 percent of market value.
- **Only appraisal districts and ARBs can directly equalize, change, local values.**



# INDIRECT EQUALIZATION

- The process of computing hypothetical values that represent the oversight agency's best estimate of taxable value, given the legally required level of assessment or market value.
- Indirect equalization **allows proper distribution of intergovernmental transfer payments** between state or provincial and local governments despite different levels of appraisal between jurisdictions or property classes.
- SDPVS is a type of indirect equalization that estimates the tax base for school funding; it **does NOT directly equalize or change local values.**



# **SDPVS DOES NOT:**

**Directly  
equalize  
(change)  
local value**

**Change  
local tax  
collections**

**Change  
tax  
rates**

**Measure the  
degree of  
uniformity or  
the median  
level of  
appraisals**

\*Ratio Study is detailed  
in Tax Code §5.10



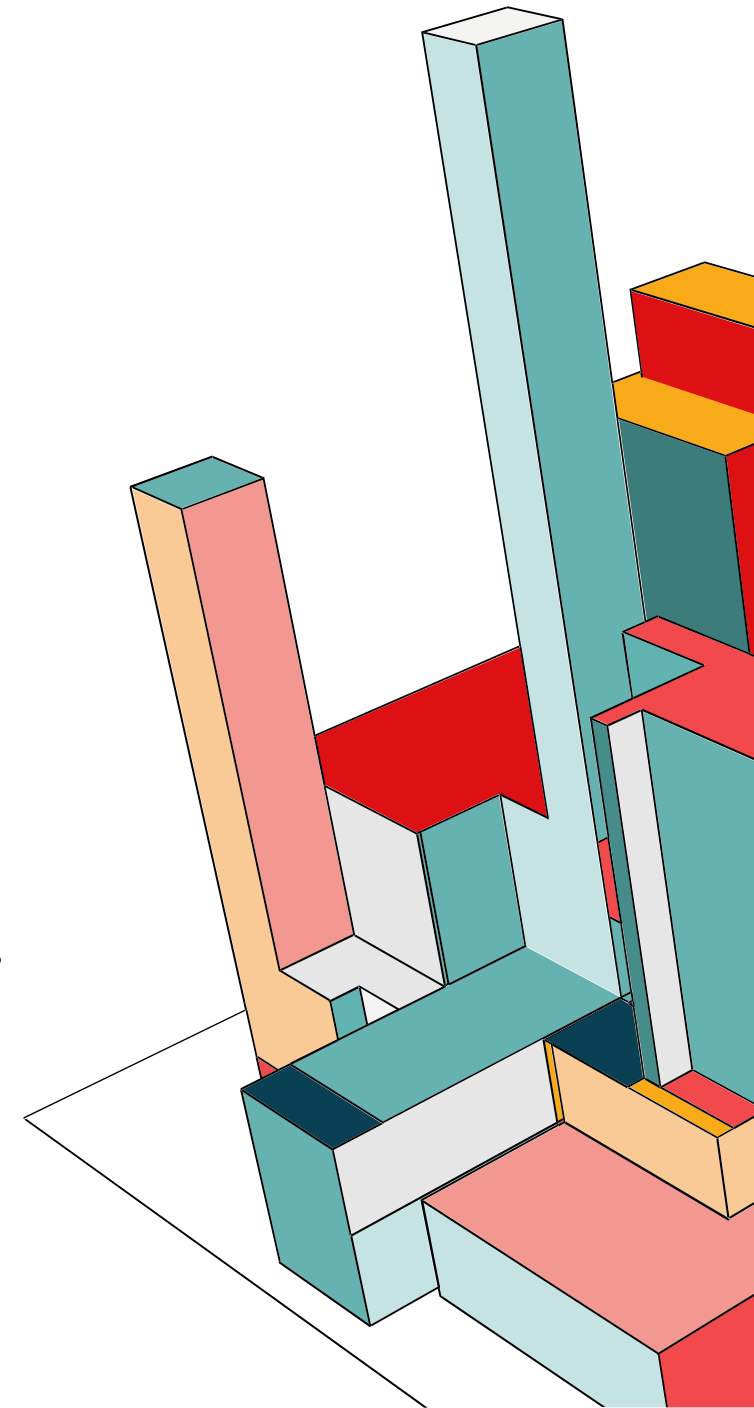
# EDUCATION CODE 48

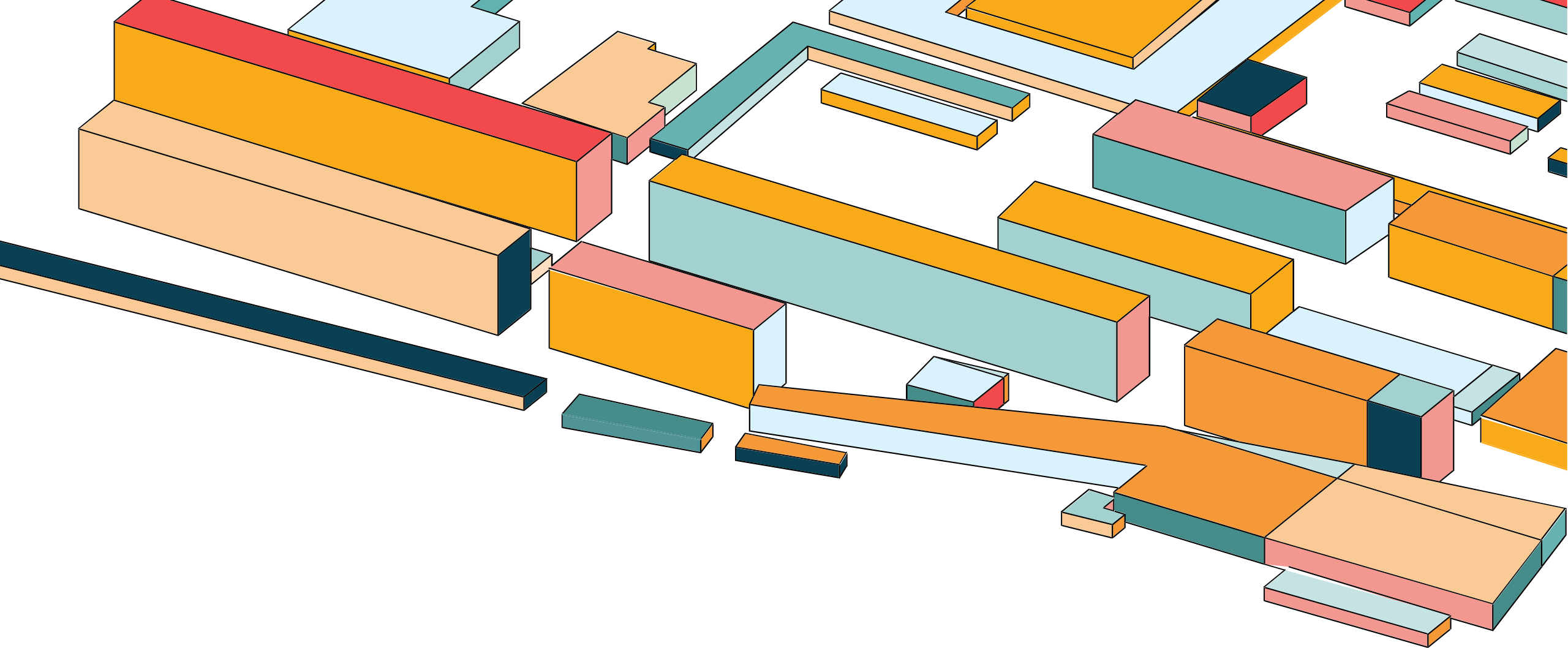
The Comptroller renders SDPVS findings to the Texas Education Agency for use in the school funding formula.

The Education Code describes how the commissioner of education uses these findings in the formula calculation to determine the uniform distribution of state funds.

For questions about state aid or the funding formula, contact the Texas Education Agency (TEA) at the link shown below on this slide.

[www.tea.texas.gov](http://www.tea.texas.gov)



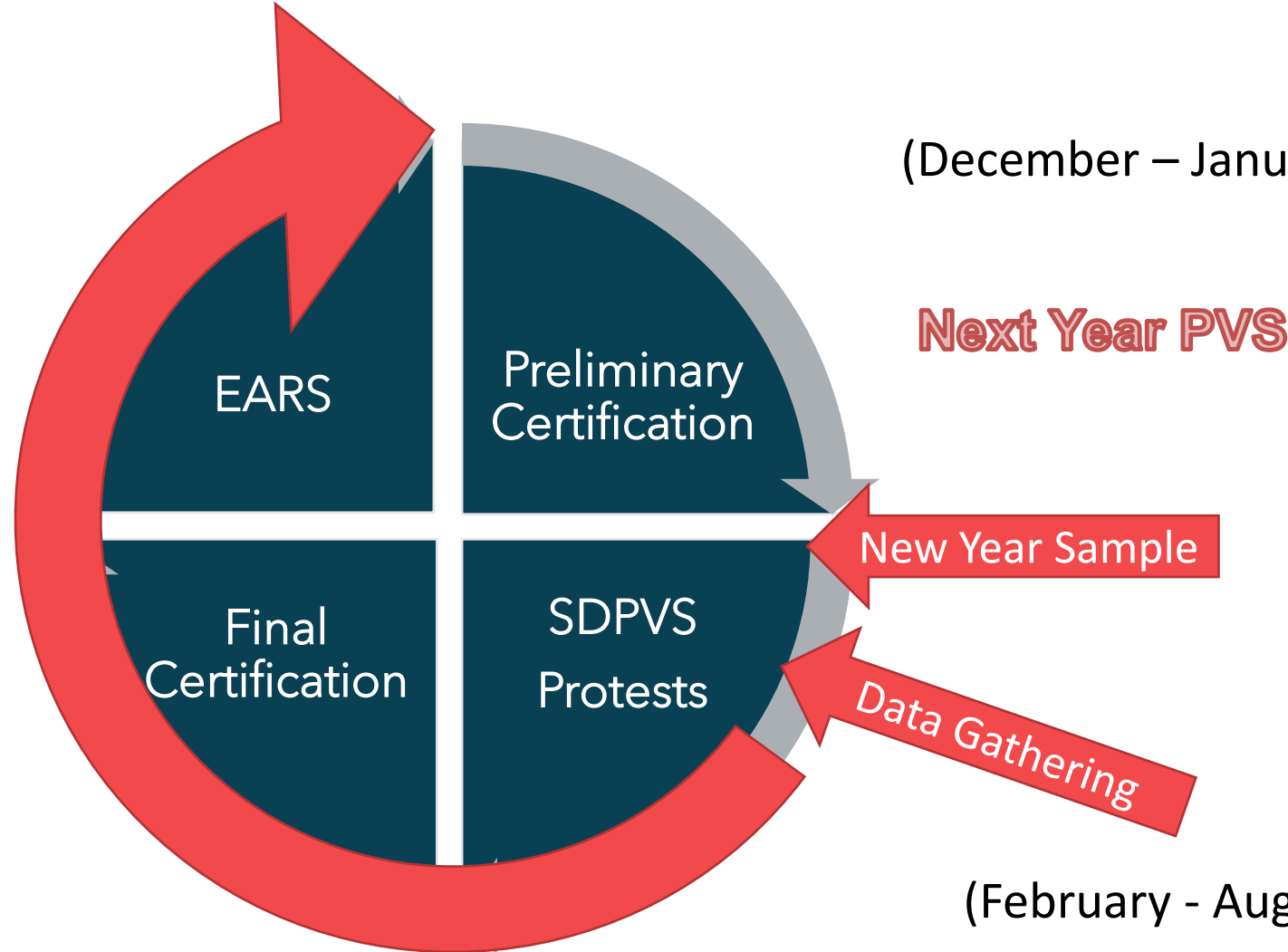


# TIMELINE

# SDPVS CYCLE

(August 15 – December 1)

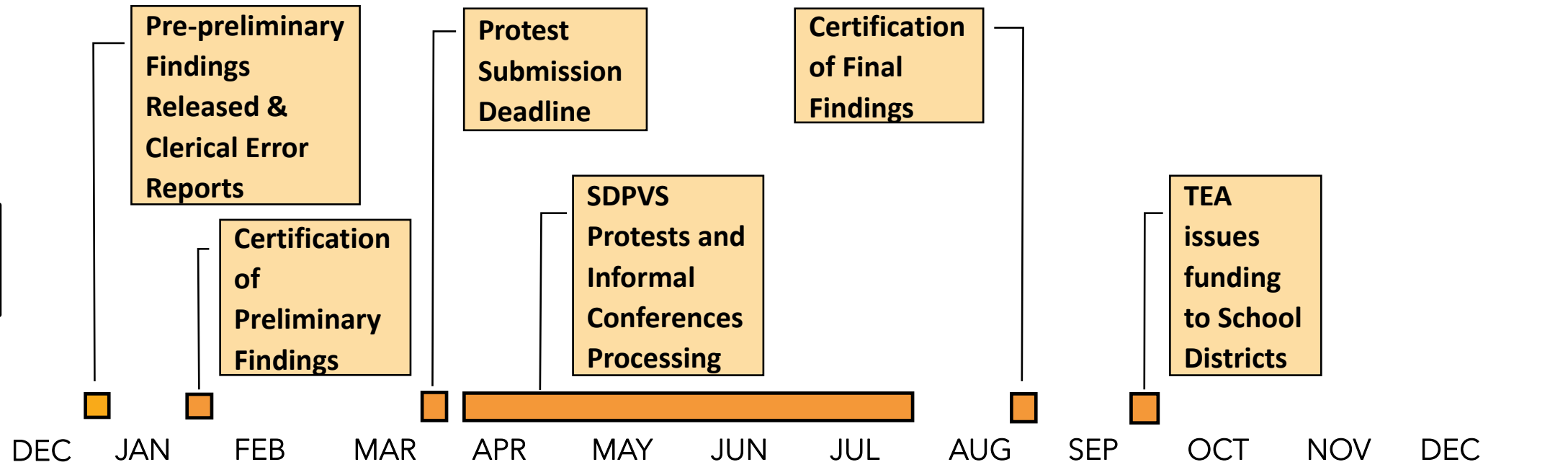
(December – January 31)



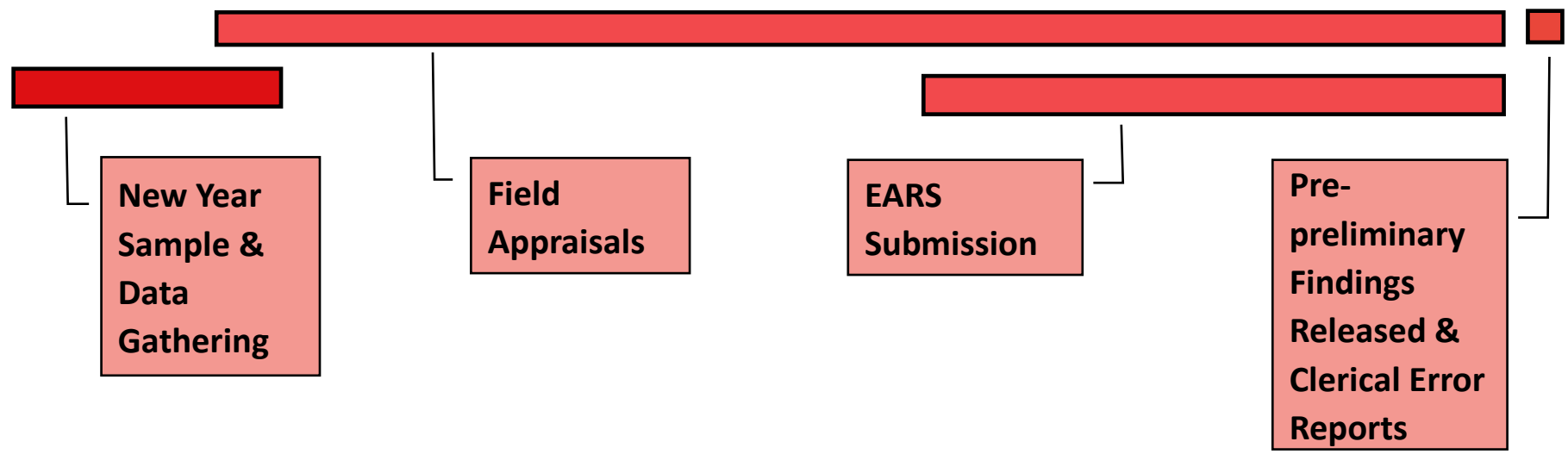
(Approx. August 15)

(February - August)

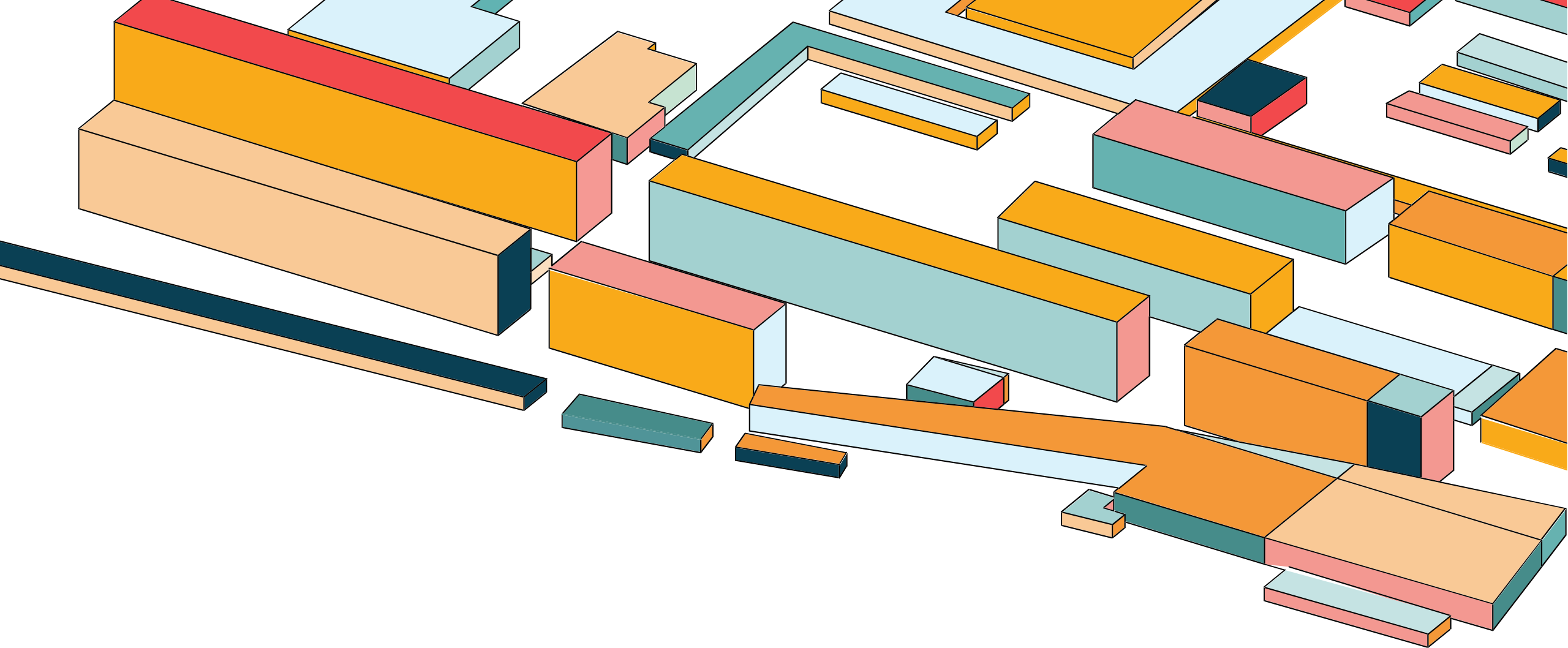
2022  
SDPVS



2023  
SDPVS



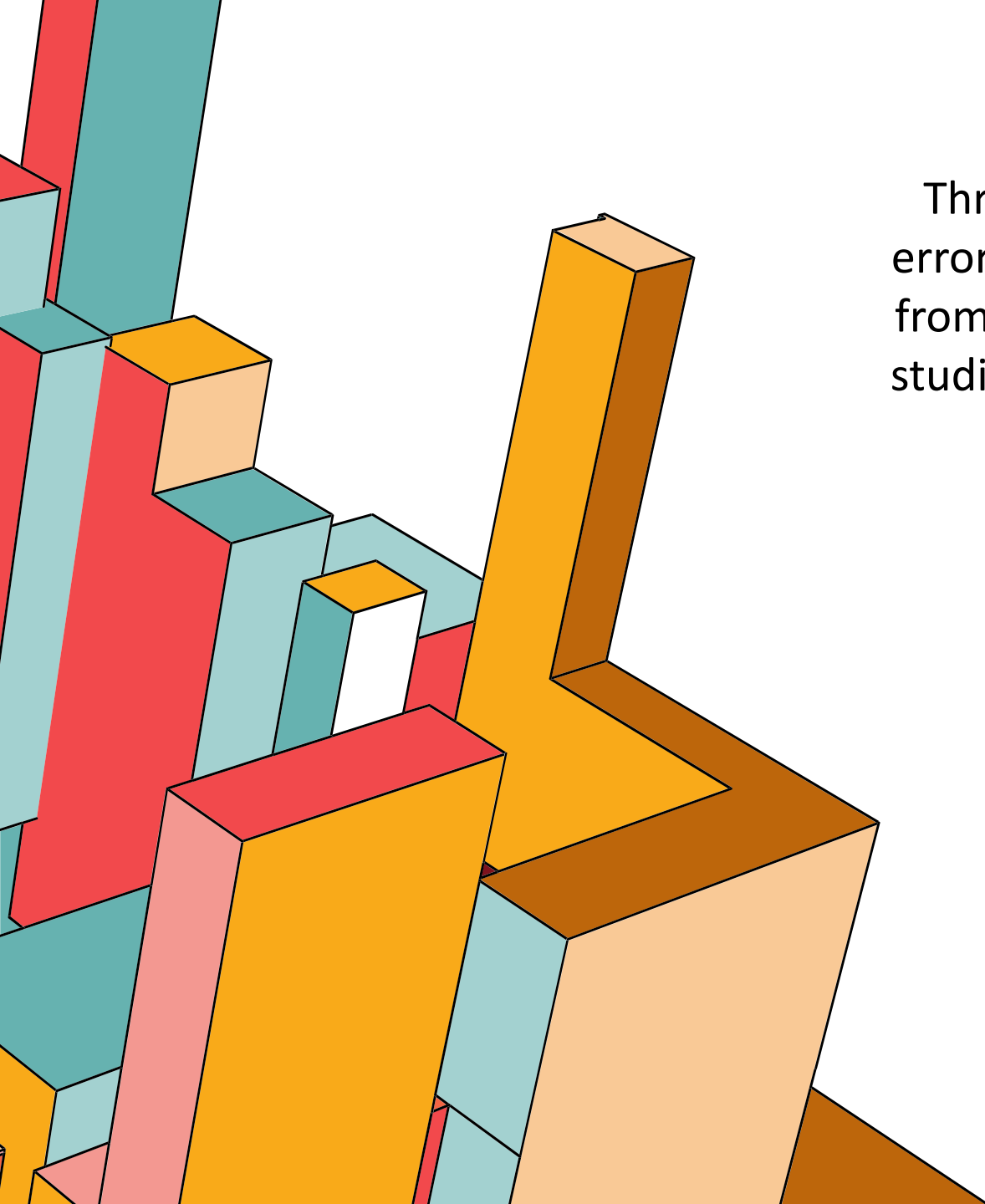
# SDPVS TIMELINE - OVERLAP



# **PRE-PRELIMINARY VALUES AND CLERICAL ERRORS**

# PRE-PRELIMINARY RELEASE

- In December, PTAD releases local data and values for sampled properties in SDPVS to chief appraiser appraisers, appraisal firms and school superintendents for review. This data does not include values as determined by PTAD.
- PTAD will send pre-preliminary data in the following in separate emails:
  - pre-preliminary self-report data to chief appraisers and superintendents (not specific to individual accounts in the School District PVS sample);
  - pre-preliminary Category G data to chief appraisers and appraisal firms; and
  - pre-preliminary Category J data to chief appraisers and appraisal firms.



Throughout the year, the PTAD field staff sends clerical error reports to chief appraiser to verify the data received from their offices that is specific to the sample properties studied in the current school district property value study.

ADDRESSING THESE  
**CLERICAL ERRORS** DURING THE  
**PRE-PRELIMINARY DATA RELEASE**  
PERIOD CAN REDUCE THE NEED FOR  
SOME PROTESTS

# CLERICAL ERROR ITEMS TO IDENTIFY

## Local Values

The total value reflected on the report includes only the value of the category being sampled.

### Documentation needed:

- CAD Appraisal Card indicating correct local value.

## ARB Values

Identify all property values in the SDPVS sample that were determined by the ARB pursuant to protest under Tax Code Section 41.43 and that are different than the property values determined by the CAD for the **CURRENT** SDPVS year.

### Documentation needed:

- Copy of the ARB order determining value
- Copy of the property owner's protest upon which ARB based its order
- Evidence of the appraisal district value as it was submitted pursuant to Tax Code Section 25.22 or 25.23 (in most cases, the notice sent to the property owner pursuant to Tax Code Section 25.19 will suffice for this.)



# COMMON MISTAKES IN CLERICAL ERROR REPORTING:

## DO NOT:

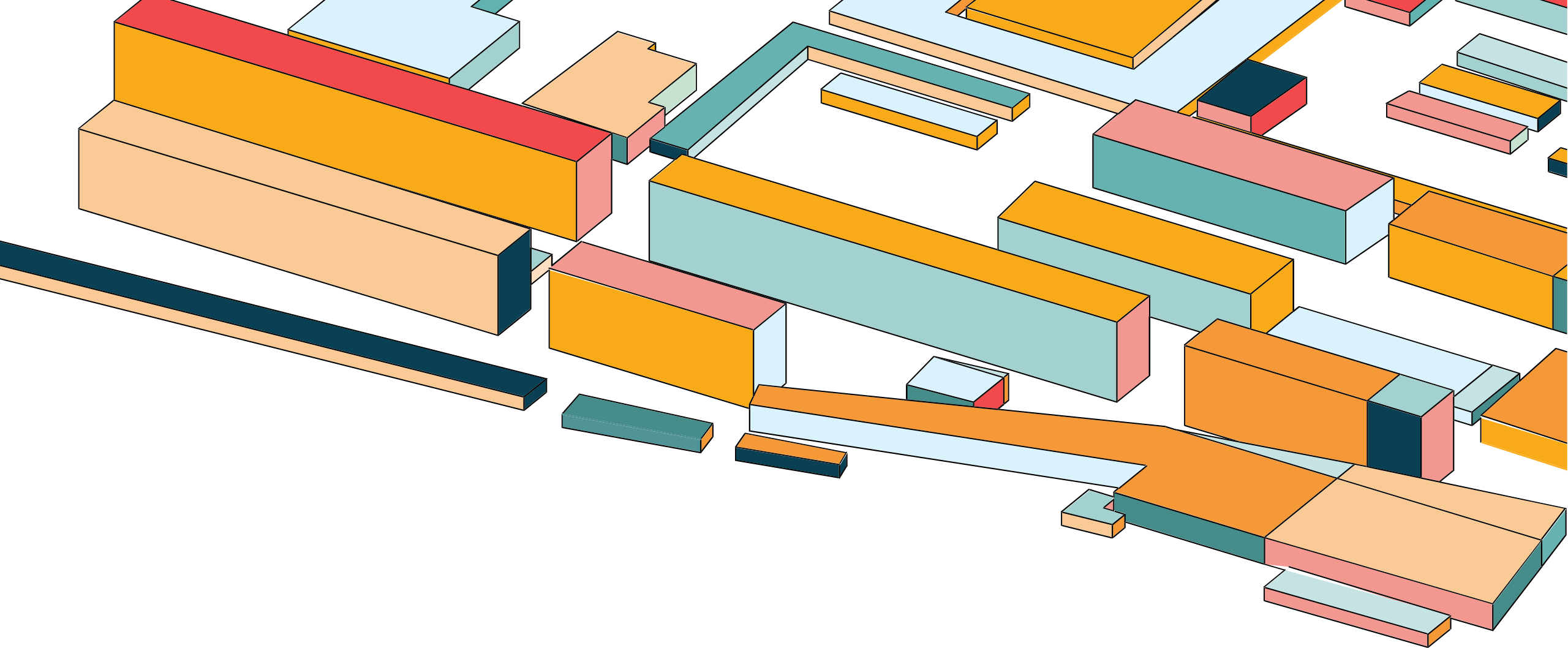
Correct values to  
include categories  
not tested

## DO NOT:

Indicate  
Settlement and  
Waiver values as  
ARB  
Determinations

## DO NOT:

Indicate ARB  
Determinations  
where there was  
no change made  
by the ARB



# SDPVS FINDINGS

# POSSIBLE SDPVS FINDINGS

## VALID

The local value is, within a statistical degree of certainty, representative of market value.

- State portion of school funding is equitable when based on local value.

## INVALID

The local value is, within a statistical degree of certainty, not representative of market value.

- State portion of school funding is not equitable when based on local value.
- Compared to other ISDs, invalid ISD would be over – or – under-funded by the state.

# CERTIFYING VALUES TO TEA:

The state determines the independent estimate sent to TEA through the SDPVS by adjusting school district appraisal roll values to market value.

## IF...

If the locally appraised value in a school district (Local Value) is within acceptable range of the adjusted value (State Value), PTAD certifies the local value to TEA.

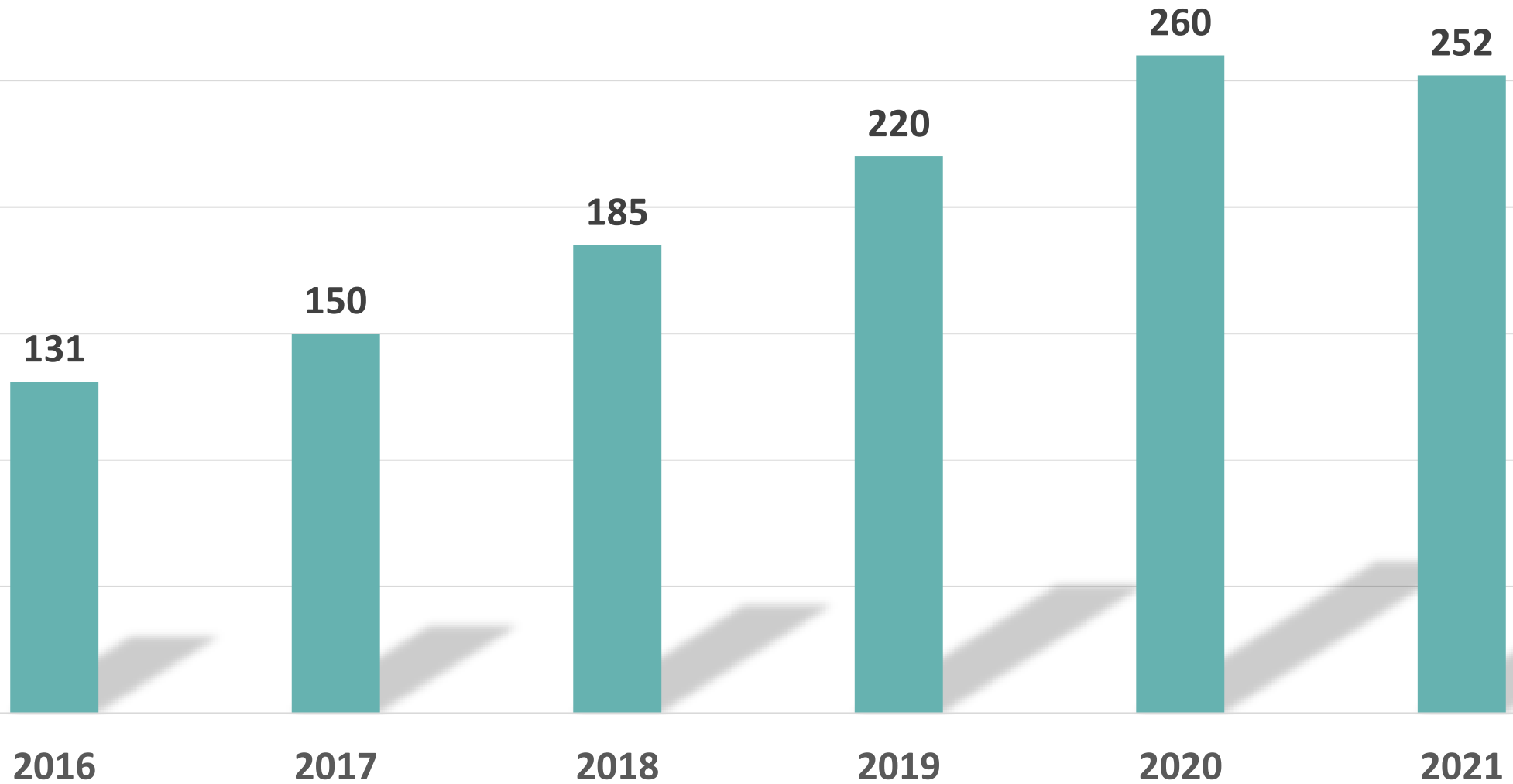
## IF NOT, THEN...

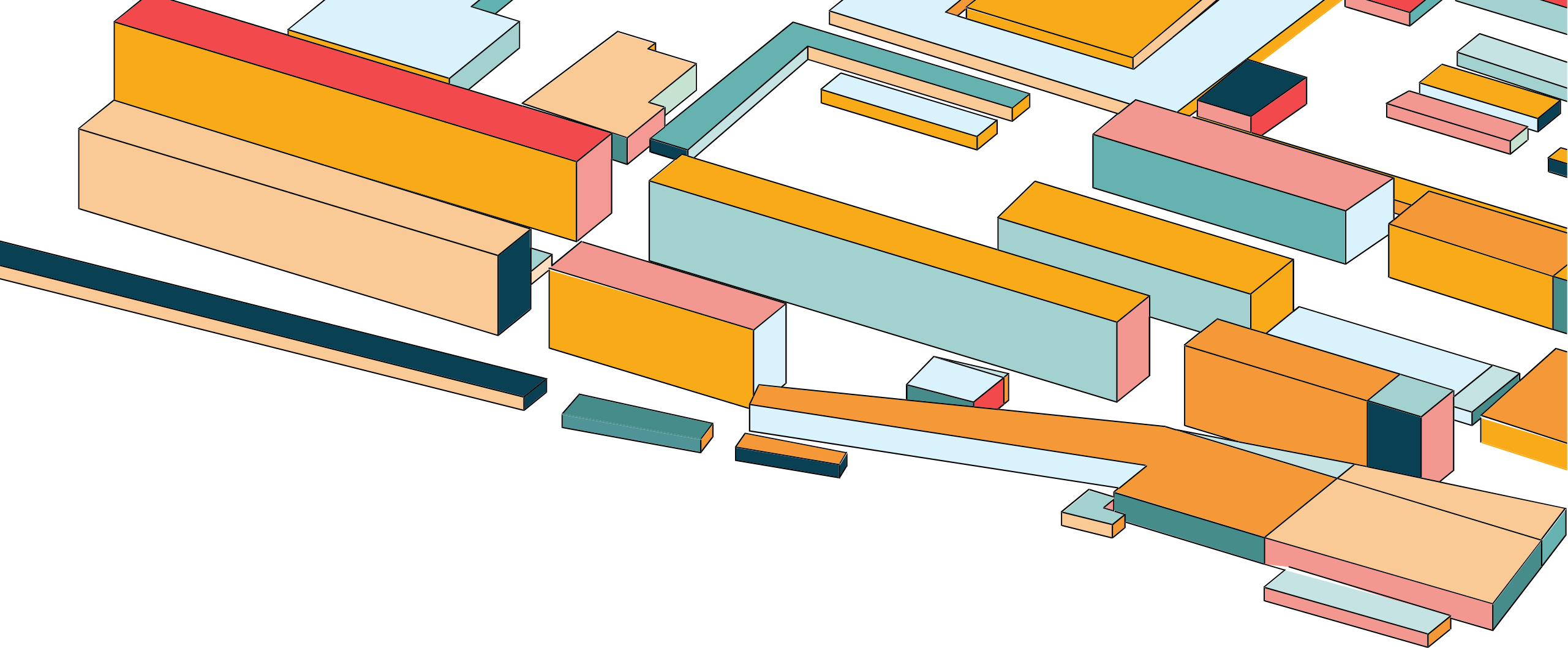
If not, then the locally appraised value in a school district (Local Value) is outside of the acceptable range of the adjusted value (State Value), and PTAD certifies the state value to TEA.

## UNLESS...

Unless the school district's value is higher than the acceptable range, or the school district is eligible for a grace period, in which PTAD will certify local value.

## Preliminary Invalid Findings





# DATA REQUESTS

# DATA RELEASE – GENERAL INFORMATION

- School superintendents and the authorized agents may request information from PTAD for school districts for which the current SDPVS preliminary findings indicate **invalid** local value.
- The data release may be requested after January 1, but the information will not be available until after the SDPVS preliminary findings are certified (by Jan 31).
- This data release will contain standard, commonly requested SDPVS information and is available to school districts to assist in the preparation of a protest of the SDPVS preliminary findings.
- Confidential information included in the data release MUST remain confidential in the possession of the school district or authorized agent and may NOT be distributed to a person who is not authorized to receive or inspect the information.

# Data Release Request for School District Property Value Study Preliminary Findings – Invalid Findings

Form 50-827

**GENERAL INFORMATION:** School superintendents or their authorized agents use this form to request information from the Property Tax Assistance Division (PTAD) for school districts for which the current School District Property Value Study preliminary findings indicate invalid local value. A *Data Release School District Listing Template* must be included with this form when requesting information for multiple school districts.

**FILING INSTRUCTIONS:** Complete this request form and the *Data Release School District Listing Template*, if applicable, and email them to [ptad.open.records@cpa.texas.gov](mailto:ptad.open.records@cpa.texas.gov). These forms can be submitted after Jan. 1, but the data release information will not be available until after the School District Property Value Study preliminary findings are certified to the Commissioner of Education.

To request available information for a school district for which the current School District Property Value Study preliminary findings indicate valid local values, you must submit a separate open records request to [ptad.open.records@cpa.texas.gov](mailto:ptad.open.records@cpa.texas.gov).

**ADDITIONAL INFORMATION:** The data release is part of protest prehearing exchanges under Comptroller Rule 9.4311. This data release will contain standard, commonly requested, School District Property Value Study information and is available to school districts to assist in the preparation of a protest of the School District Property Value Study preliminary findings pursuant to Government Code Section 552.149(d). Information released may or may not be confidential under law or judicial decision, including, but not limited to information confidential under Tax Code Sections 22.27, 25.025 and 25.026 and Government Code Sections 403.304, 552.137 and 552.149. Confidential information included in the data release must remain confidential in the possession of the school district or authorized agent and may not be distributed to a person who is not authorized to receive or inspect the information.

The data release will be accessible by a secure file transfer process (FTP). When the data release is available, you will receive an email at the email address included on this form with a link to access a secure FTP site from which you may access and download the files. The files will only be available on the FTP site for seven (7) calendar days. We recommend that you save a copy of the files. After seven days, the information will no longer be available on the FTP site and you will need to contact [ptad.open.records@cpa.texas.gov](mailto:ptad.open.records@cpa.texas.gov) to request a new link.

## SECTION 1: Requestor Contact Information

Name of Requestor		Title
Name of Requestor's School District, Company, or Organization		
Primary Phone Number (area code and number)	Email Address*	
Mailing Address, City, State, ZIP Code		

## SECTION 2: School District

Information is requested for the 2021 School District Property Value Study for:

ISD #	County	Split (if applicable)	School District Name

If you are the authorized agent for multiple school districts complete and attach the *Data Release School District Listing Template*.

## SECTION 3: Certification and Signature

By signing this request, you certify that the above information is true and correct to the best of your knowledge and belief.

**sign here**  

Signature of Superintendent or Authorized Representative Date

If you make a false statement on this form, you could be found guilty of a Class A misdemeanor or a state jail felony under Penal Code Section 37.10.

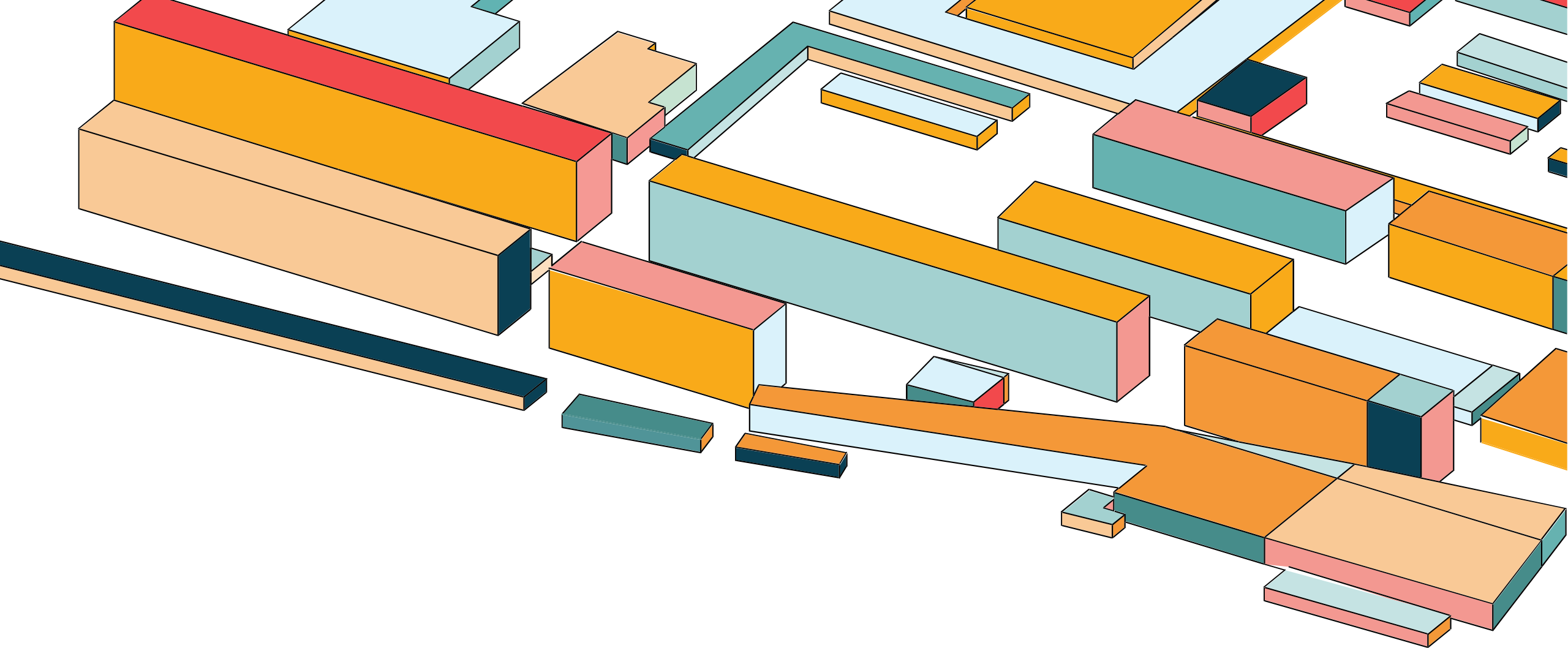
\*May be confidential under Government Code §552.137; however, by including the email address on this form, you are affirmatively consenting to its release under the Public Information Act.

## Important Information

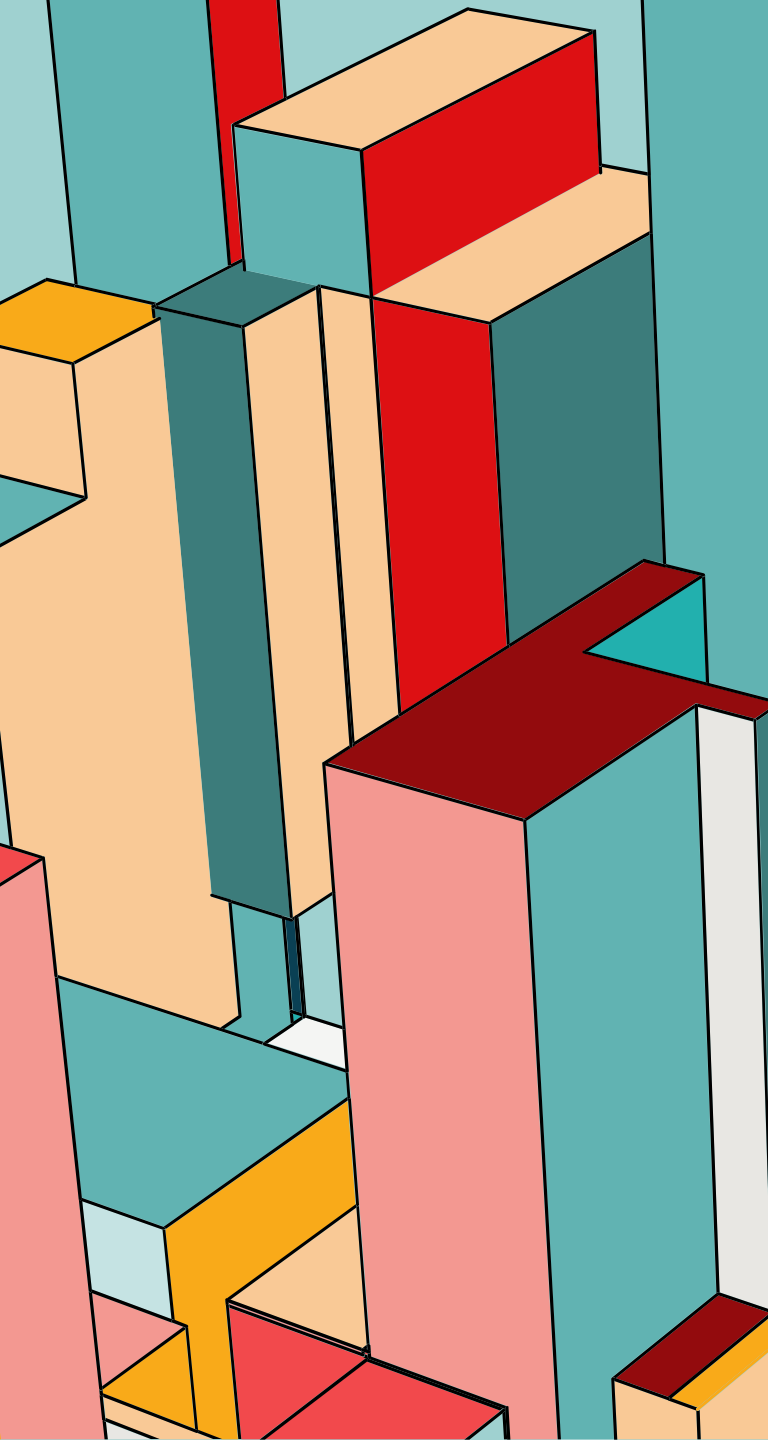
The list below details the standard information included in the data release for school districts for which the current School District Property Value Study preliminary findings indicated invalid local value. Data or information not included in the data release process must be requested through a separate open records request to [ptad.open.records@cpa.texas.gov](mailto:ptad.open.records@cpa.texas.gov).

Appraisal District Level Information Released for Each School District	
Clerical Error Report	CAD Local Modifier Data Sheet
CAD EPTS Aug.	CAD Local Modifier Orion Cards
CAD EPTS Feb.	CAD MH Local Modifier Data Sheet
CAD Land Schedule - Residential	CAD MH Modifier Sale Verifications
CAD Land Schedule - Rural	CAD MH Modifier CAD Cards
CAD Land Schedule Data - Residential	CAD Random Number List
CAD Land Schedule Data - Rural	CAD Septic Information
CAD Local Modifier Sale Verification	General Data - ISD Comparison
CAD Local Modifier CAD Cards	
School District and Property Category Specific	
CAD Cards - Appraisals	Commercial Land Schedule
CAD Cards - Sales	Commercial Land Sales Data
Outlier Report	Costar Sales Data and Cap Rates (excel)
Random Sales Selection	Costar/Trepp Market Reports and Income and Expense Data
PTAD Appraisal Reports	Commercial General Market Summary
Sale Verifications - Excel	CAD Income and Expense Data
Sale Verifications - PDF	Renditions
Mixed Use-Parcel Adjustment Worksheets	Miscellaneous Data, Articles, Time Adjustments, and Research Used for Appraisals
Sample Property Summary Report	





# SDPVS PROTESTS



**HELP ME HELP YOU**

# **PART A – PETITION**

KEY POINTS TO AVOID COMMON MISTAKES

**1**

**Complete  
all  
contact  
information**

**2**

**Make sure  
total taxable  
value claimed  
is submitted**

**3**

**Ensure  
all appropriate  
signatures  
are present**

**4**

**Document  
submitted in  
PDF  
format**

# **PART B – SCHEDULE OF OBJECTIONS**

## KEY POINTS TO AVOID COMMON MISTAKES

**1**

**Complete all protest information fields and category field on Part B Schedule of Objections form**

**2**

**All fields for Columns 1-8 should have an input; no blanks**

**3**

**Do not combine objections for property IDs into one row; each objection must be on a separate line**

**4**

**Document submitted in WORD format; this allows for PTAD's recommendations and responses.**

Form 50-210-b

\*Refer to Texas Administration Code, Title 34, 9.4308 for more information

# **PART C – EVIDENCE**

## KEY POINTS TO AVOID COMMON MISTAKES

**1**

**Complete all  
information fields  
on Part C  
Evidence Cover  
Sheet**

**2**

**Name/Description  
of evidence should  
match what is  
listed in column 8  
of Part B objection**

**3**

**List all objections  
that reference the  
evidence -  
“various” or  
“multiple” is not  
an appropriate  
entry**

**4**

**Evidence files  
should be  
compiled and  
submitted as a  
SINGLE  
PDF file**

# IMPORTANT DATES

No Later Than...

**Dec 31**

PRE-PRELIMINARY  
FINDINGS

Time period for clerical errors  
reporting and corrections  
prior to certification of  
Preliminary Findings

No Later Than...

**Jan 31**

PRELIMINARY  
FINDINGS  
CERTIFIED

Data releases and  
preparation of protests  
for submission

No Later Than...

**Mar 13**

DEADLINE FOR  
PROTEST  
SUBMISSIONS

Requests for FTP upload links  
must be made by 4pm on this  
date

# WATCH YOUR DEADLINES

## 15 DAYS

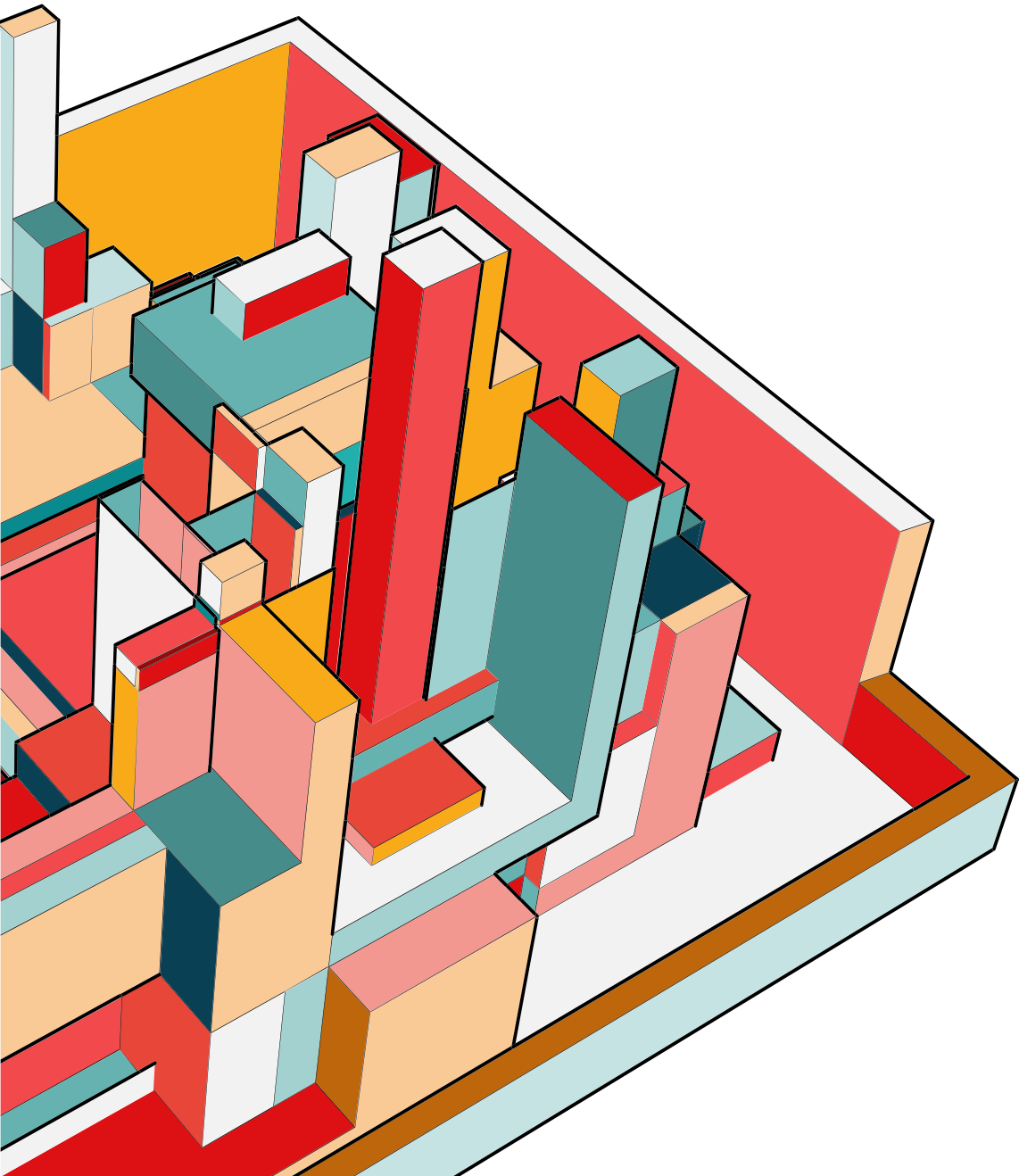
Deadline to respond to PTAD's **INITIAL Recommendations** with the resolution form agreeing or disagreeing, and the Part B per category that states A for agree or D for disagree in column 11 of each objection.

## 7 DAYS

Deadline to respond to PTAD's **REVISED Recommendations** with the resolution form agreeing, or disagreeing and requesting an informal conference, along with the Part B per category that states A or D for each outstanding objection.

## 7 DAYS

Deadline to submit a written **SOAH request** to the Director of PTAD following the conclusion of the informal conference.



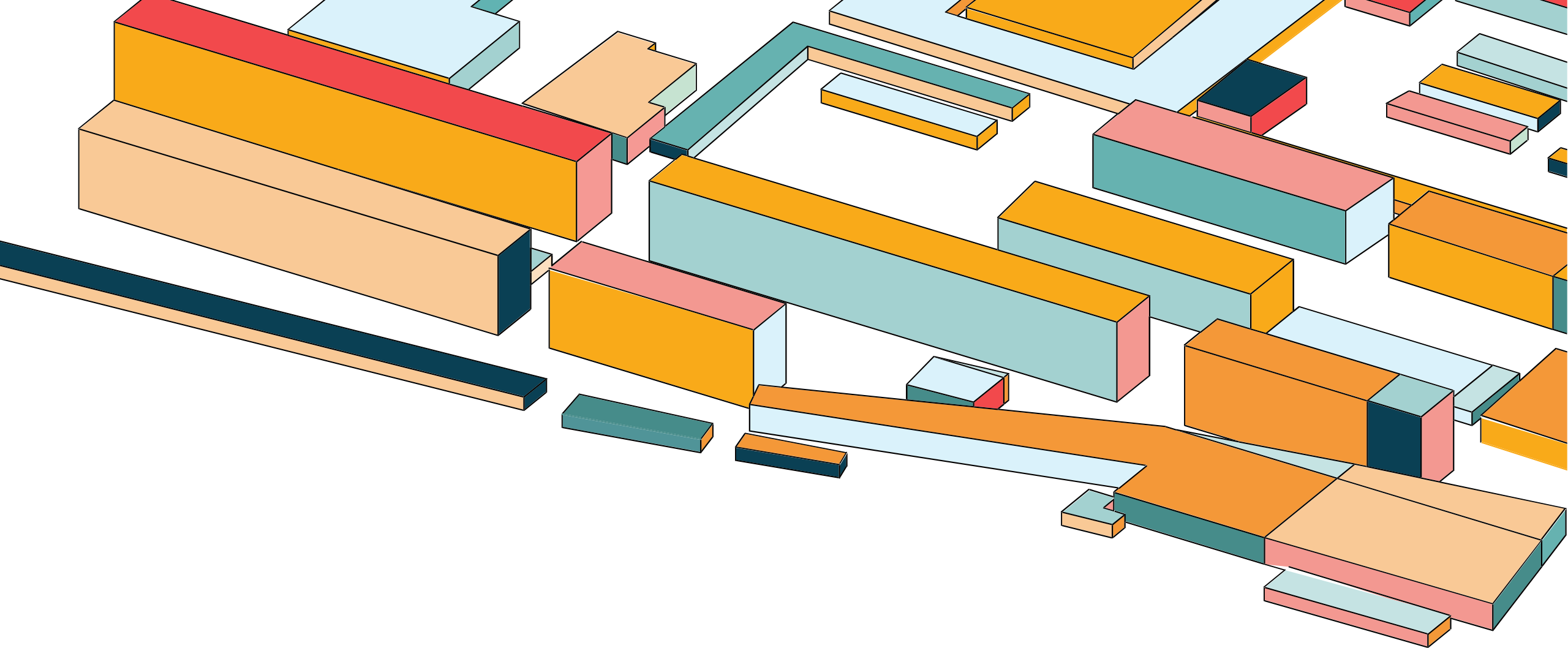
# INFORMAL CONFERENCES

Introducing an option for block out dates to agents for the scheduling informal conferences during the initial submission and initial recommendation phases.

The goal is to allow to timely completion of informal conferences that may require the scheduling and presence of many parties.

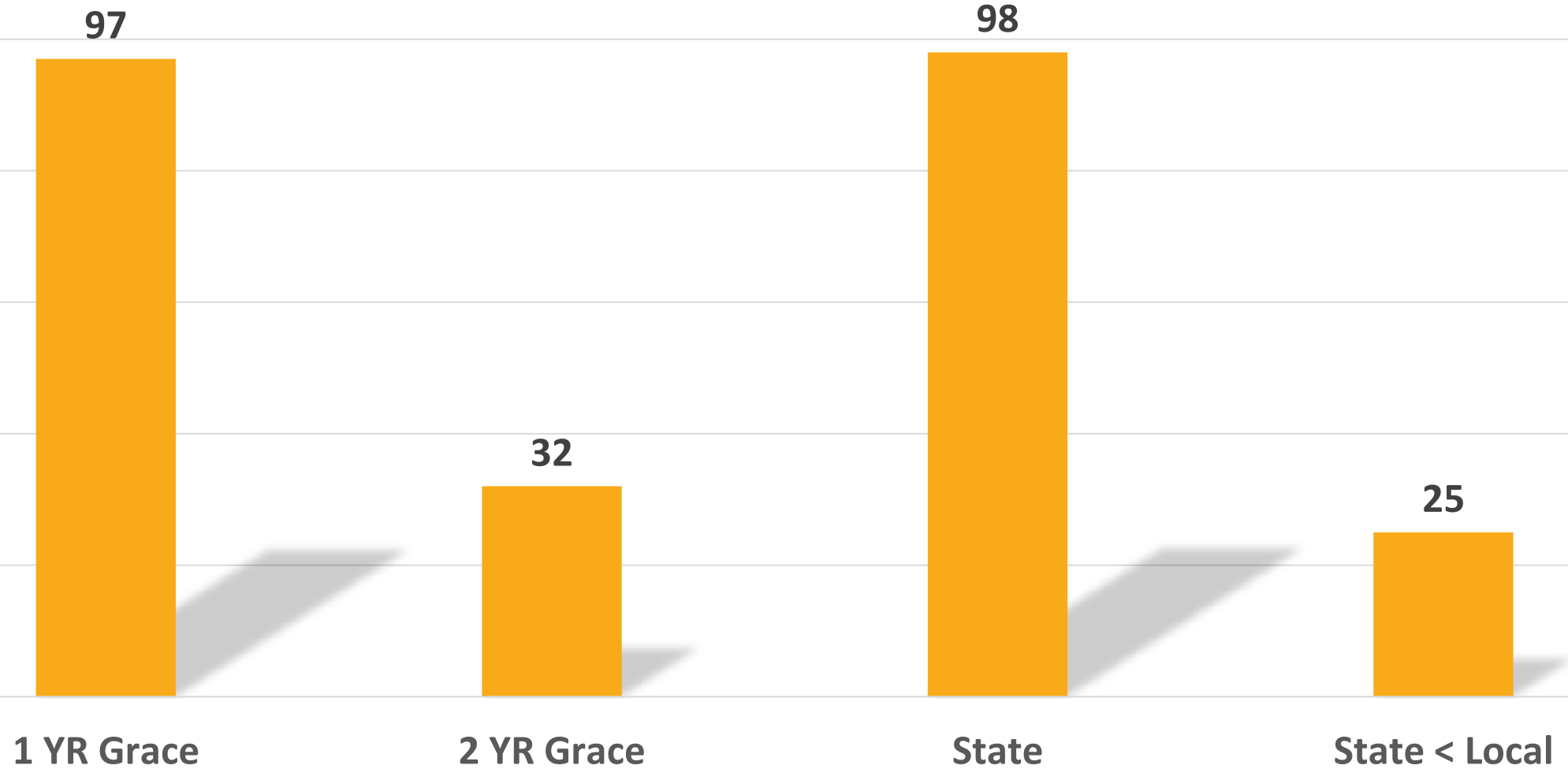
Agents may block out specific dates in order to secure the time to coordinate with parties that will need to be in attendance. Block out dates will be withdrawn if it is determined that a protest is concluded, and an informal conference is no longer necessary.



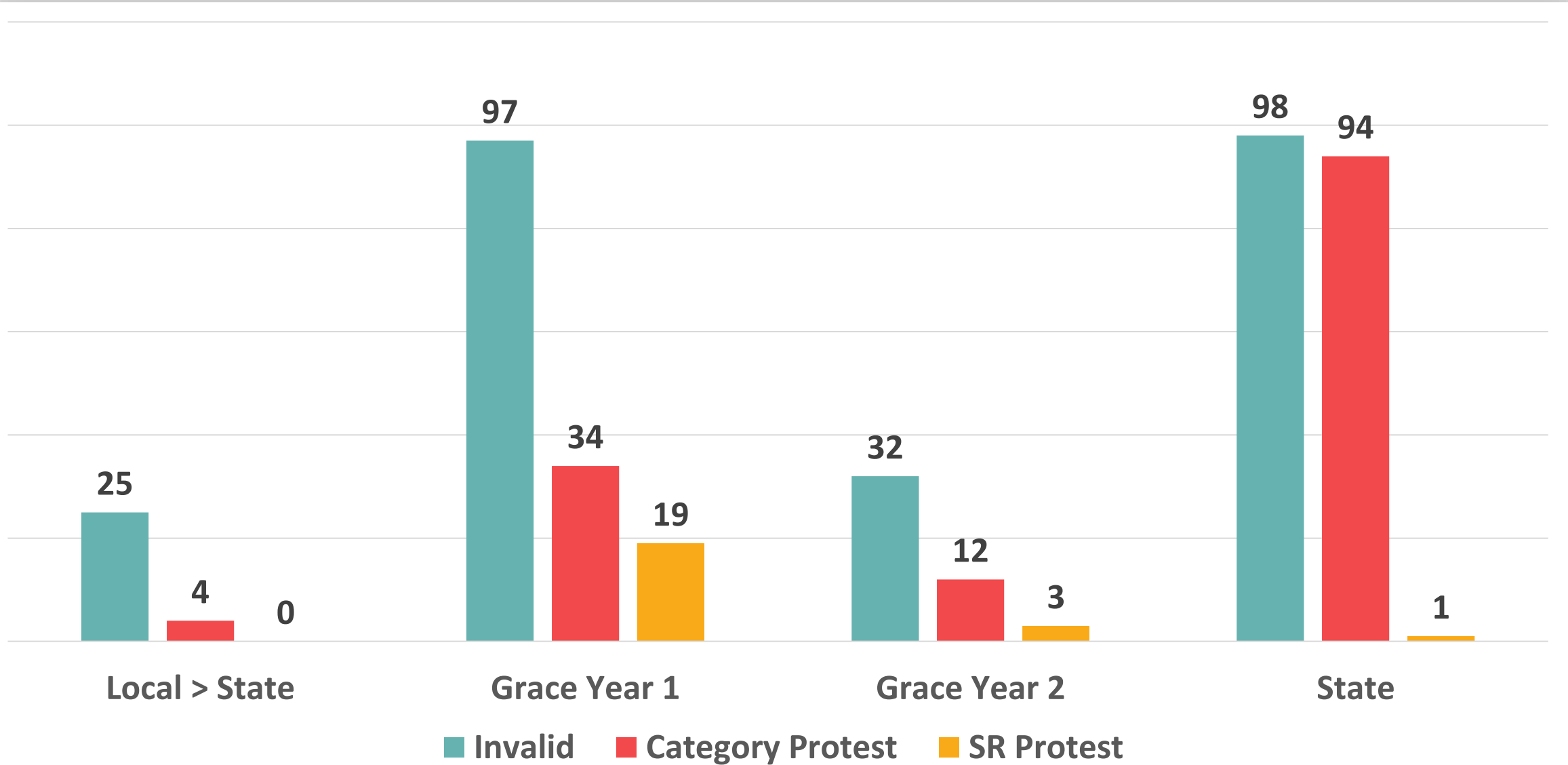


# 2021 SDPVS

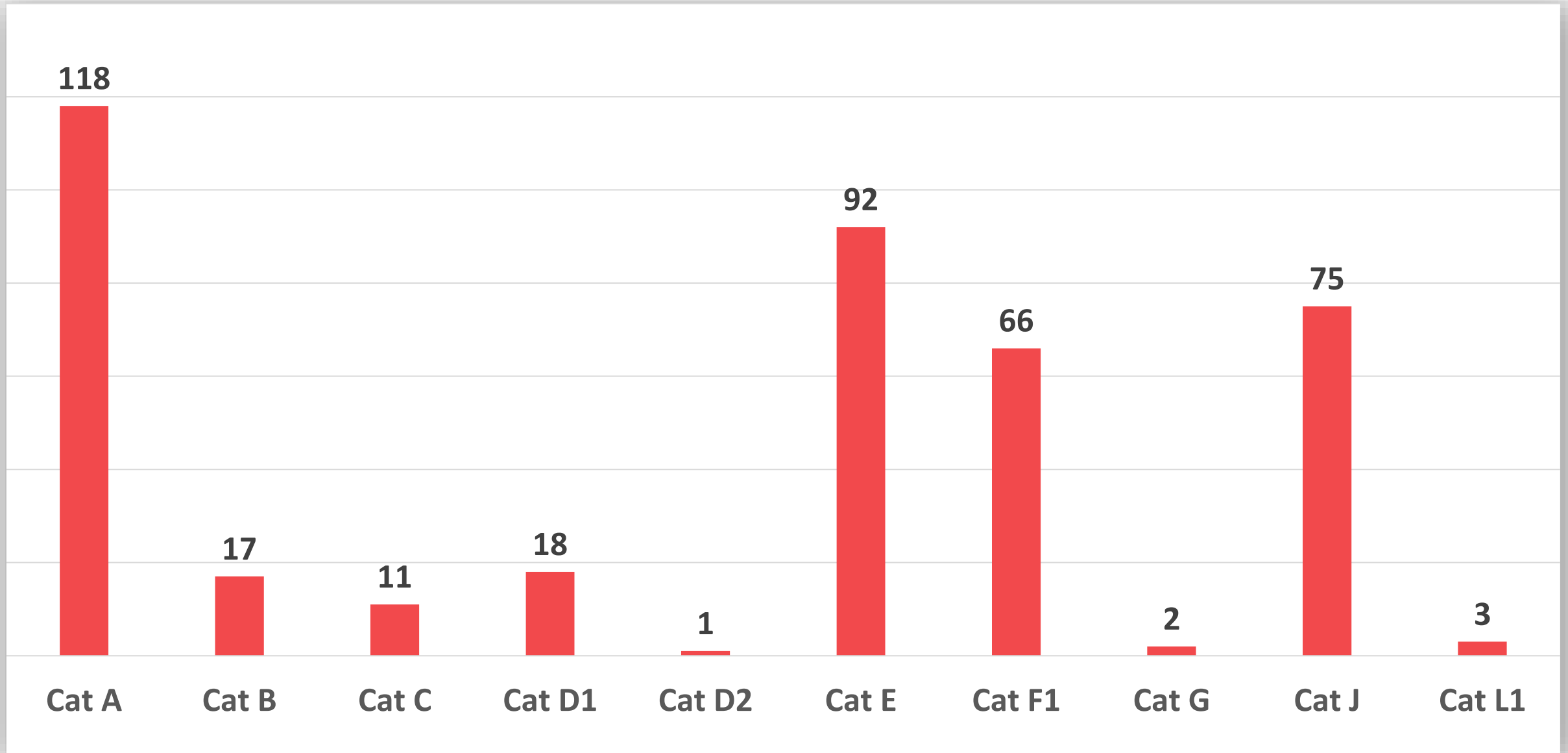
# 2021 Preliminary Invalid Findings



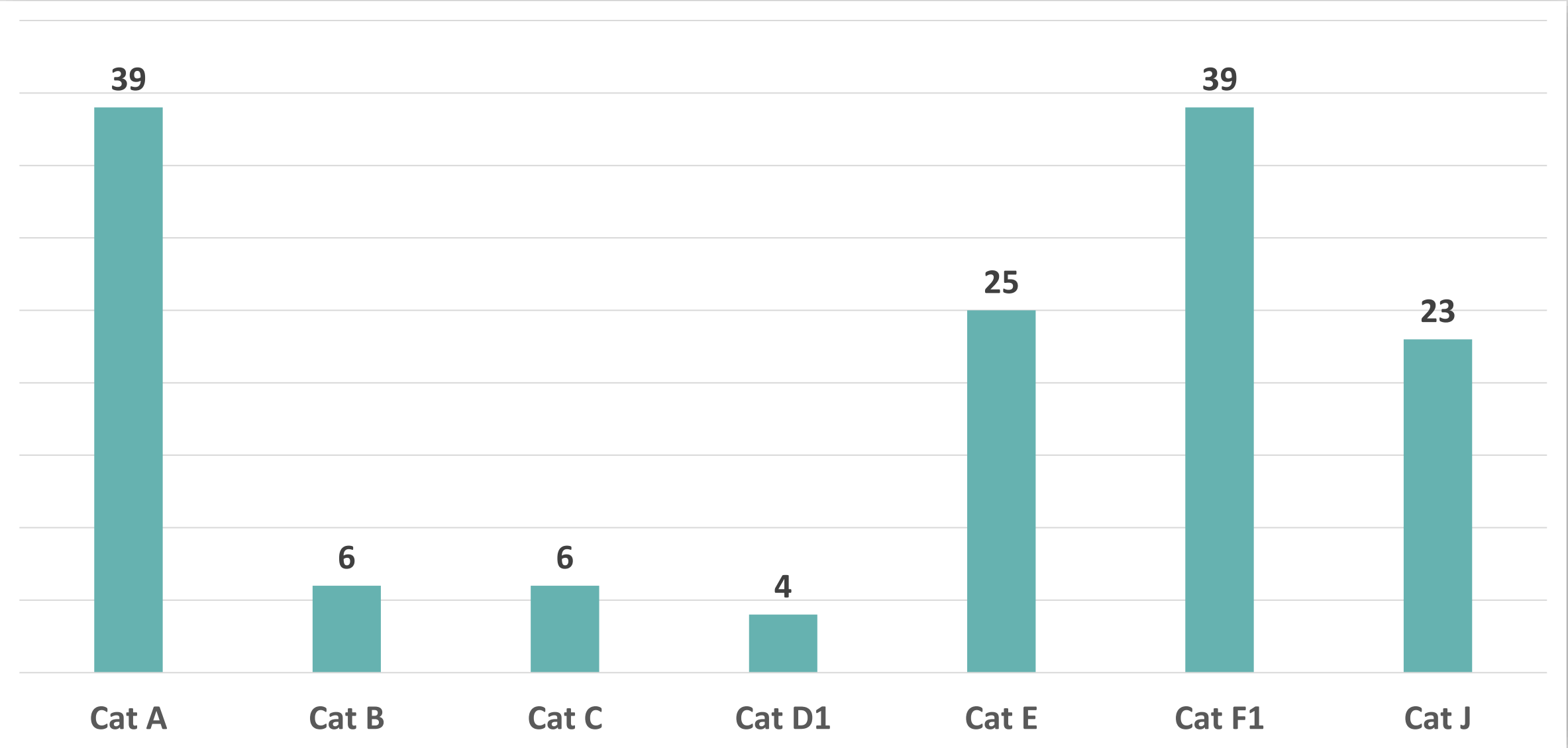
# Number of Preliminary Invalid Findings Protested



# 2021 SDPVS Protests by Category



# 2021 SDPVS Informal Conferences by Category



# 2021 SCHOOL DISTRICT PVS FINDINGS

	2021 SDPVS Preliminary	2021 SDPVS Final	Amount of Change
Valid School Districts	1,302	1,360	4.5% increase
Invalid School Districts	252	193	23% decrease
State	98	70	-28.5%
Grace Year 1	97	74	-23.4%
Grace Year 2	32	27	-15.6%
Local > State	25	22	-12.0%
T2 Value	\$3,183 trillion	\$3,169 trillion	\$13.3 billion increase in state funding

# THANK YOU

Lorraine Miller

[lorraine.miller@cpa.texas.gov](mailto:lorraine.miller@cpa.texas.gov)

325-247-2527

Heather Hicks

[heather.hicks@cpa.texas.gov](mailto:heather.hicks@cpa.texas.gov)

512-936-5796

