



KEEPING THE HOUSE CLEAN!

Reviewing
Existing
Exemptions



THERE ARE.....

- Data Entry Errors
- Multiple Owner Properties
- Mailing Address Discrepancies
- Discrepancies in DPS data

MAKING EVERY EXEMPTION LEGITIMATE



- Options
 - 3rd Party Vendors
 - In-house Audits

DECISIONS, DECISIONS! WHAT'S AN APPRAISAL DISTRICT TO DO?



- Probably a combination of the 2, but we'd like to look at what can be done in-house. We have used 1 3rd party vendor with limited scope primarily to identify out of county and our of state exemptions.
- But there is a lot we can do and a lot you can do to audit the more obvious issues.

A LITTLE DETECTIVE WORK CAN SAVE THE DAY!

We do not have a fraud department, so we use our entire exemption staff at different times on different projects to work our audits! And it is working!

And helps the entities as well!



BEGIN BUILDING APPRAISAL RECORD DATA

- Retain Driver's License for all Homestead accounts in CAMA
- Retain all owner names
- Keep record of all exemption owner birthdates
- Create a surviving spouse flag
- Retain the Original effective date for surviving spouse for both Disabled and 65 or Older exemptions



BUILDING THAT BASE

- Having these fields allows us to query all exemption types and the characteristics of all.
- DCAD is using owner based fields that can be queried, rather than just scanned applications.
- Our characteristics or properties of the exemptions are owner based rather than account based.
- These fields are in addition to the account based information such as type of exemption and effective date.

The surviving spouse flag and original effective date fields for surviving spouses have resulted from H B 1313 (11.26)



Heir Ownership % Inherited Primary SSN DL/ID#

 100 - - 12312312 01/02/1933

 No DL - - / /

% Partial Use HS Date Override Employee

100 01/01/2006

% Date Reason

100 01/01/2016 X - OVER 65

% Date PRE Review Org DB Eff DOD

0 / / Qualified Surv Spouse / / / /

Year Reason Disab % Flat Rate

 UNASSIGNED 0 0

Year Reason Disab % Flat Rate

 UNASSIGNED 0 0

Jurisdiction Entity Date Allow Ceiling Transfer Ind Confirm Ceiling \$

 01/01/2016 9332.54

Type Effective Date Removal Date Name

 / / / /



ASSISTANCE FROM THE OUTSIDE

- Rental Property Reports from the Entities
- Water Records – Water account owner does not match CAD owner
- Team work with the entities



DEPARTMENT OF PUBLIC SAFETY- MORE THAN A LONG LINE

§521.049 Transportation Code – “The department shall disclose information relating to the name, date of birth, and most recent address” “To assist chief appraisers in determining the eligibility of individuals for residence homestead exemptions” §11.43 (m)

DPS IDEAS

- Receive data semi-annually.
- Use for qualifying new applications and for audits.
- Bounce DPS records off CAD Driver's license records for birthdates that do not match. Great for identifying Jr.'s and Sr.'
- Check for Driver's license numbers that no longer exist/match.
- Check for driver's license addresses that do not match property address.

VSU DEATH RECORDS

- Purify list by looking for surviving spouses.
- Separate by age.
- Try to identify account numbers
- Send letters with follow up date when property owner passes and we have no information for a surviving spouse.



Other In-House Ideas

IN-HOUSE IDEAS

- Research permits for demolished properties
- Internet searches of Zillow for rentals....
- Research evictions, court proceedings depending upon availability
- Fraud tips
- Mailing address/property address difference
 - Return mail
 - Change of address requests
 - Information from tax office or other entities

RETURN MAIL... HAVE THAT MANY PEOPLE MOVED?

Ideas for Researching that Exemption

— when no forwarding address is supplied by PO

- ❖ Obituary Searches
- ❖ Send Request to Reapply
- ❖ Third party searches – Public Data, Lexis Nexis

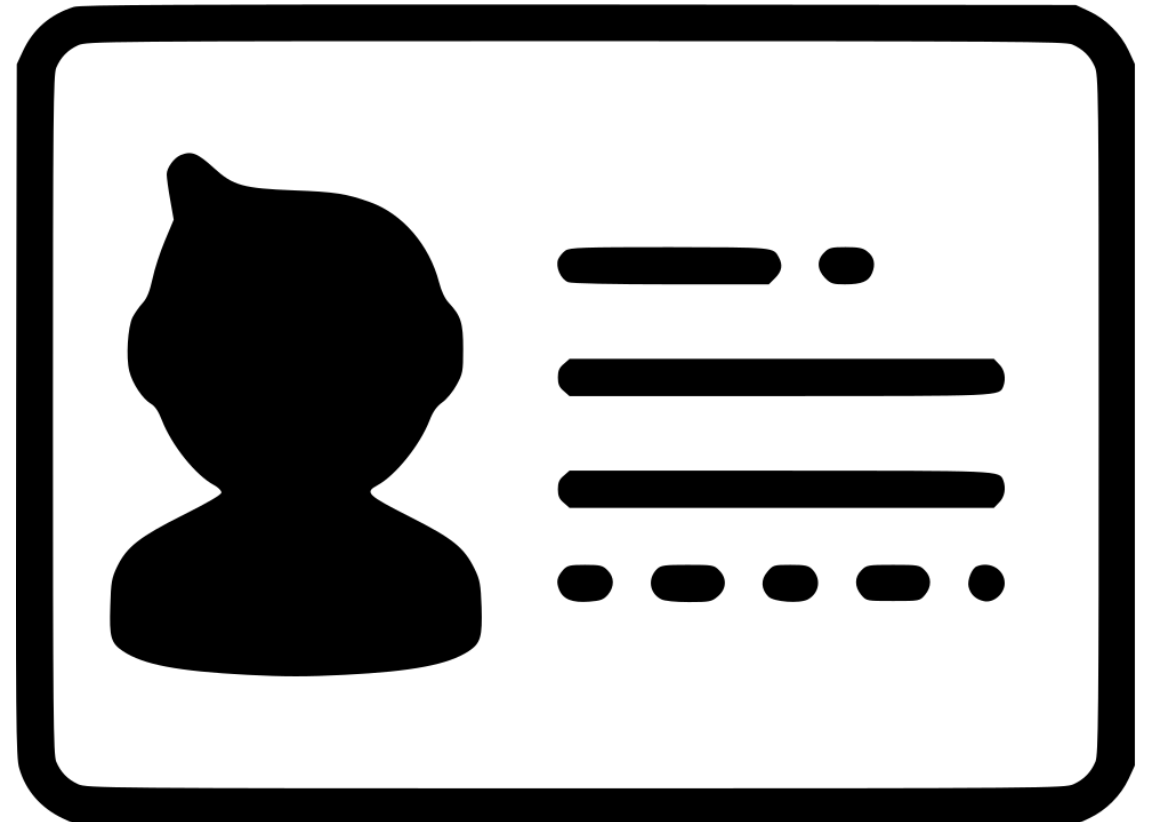


INTERNAL QUERIES



INTERNAL QUERIES

- Query Date of Birth to request reapply of individuals of a particular age
- System search for driver's license number
- Duplicate within system
- Search of Driver's license address in DPS data



HELPFUL AUDITS



- Check age 64 birthdates prior to applying 65 or Older exemption
- Compare applicant names with DPS data
- Review deferrals with deed date after deferral effective date
- Date of Birth over 65, but no 65 or Older exemption on the property



ADDITIONAL AUDITS

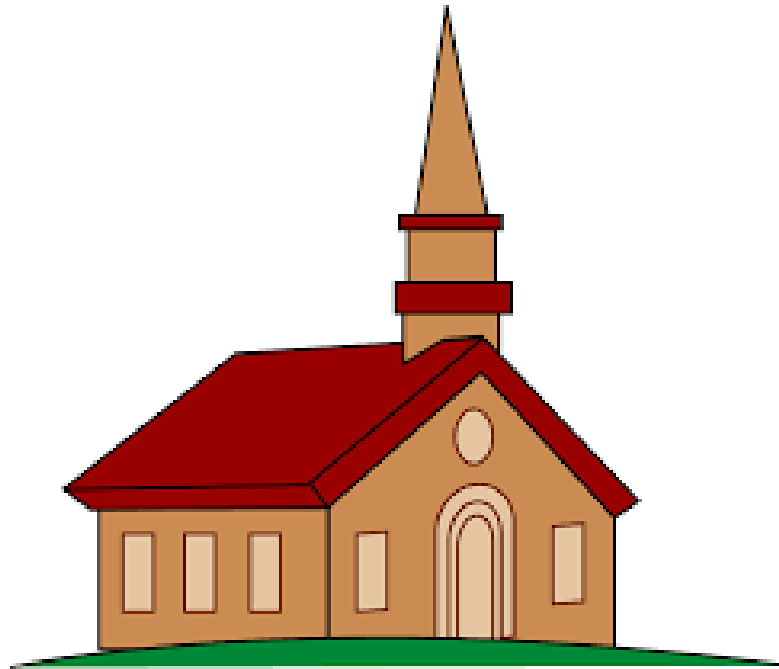
- Review Commercial Accounts with Homestead Exemptions
- Annual review of land accounts with homestead exemptions (primarily split jurisdictions)
- Accounts without applications on file (circa 1982 or microfiche)

SAFETY MEASURES

- System edits to prevent invalid entry dates
- System edits to prevent incorrect effective dates. i.e future year or nonsensical year.
- System produced pending dates to track letters
- Absent date field – to monitor the 2 years temporarily away Review
- Exemption Flags – field appraiser can flag system when they see questionable accounts



TOTAL EXEMPTIONS



CLERGY AUDITS RATIONALE

- Open Records Requests – we have current data on every property.
- Media inquiries
- Frequent turnover of clergy in today's churches.
- Due to financial constraints, residences may be rented.

CLERGY RESIDENCES

What are we looking for?

1. Individual occupying residence must be member of the clergy of that church
2. Principal Occupation must be to serve as member of the clergy
3. Produce no revenue





WHAT'S THE PLAN?

- Mail annual applications to all clergy residences in January.
- DCAD has separate application for clergy, 1 page.
- Flag in CAMA system to identify all clergy properties.
- Must reapply with 60 days or the exemption is removed.
- Require a Driver's License. Address should match property address.
- Required to be signed by clergy occupant and notarized.
- Specifically asks if rent is paid.
- We also require the occupant's name.



EXCESS LAND

- 1. Is excess land continuing to be used?
- 2. Being held for future sale?

WHAT'S A CAD TO DO?



KEEPING OUR EYE ON THINGS!



- 1. Flag in CAMA system to identify churches with excess land regardless of how the land is used at time of application.
- 2. Run query every 2 or 3 years.
- 3. Review the use by field inspection and/or new application.
- 4. Can require pictures of consistent use or copies of bulletins or calendars showing use.

RETIREMENT COMMUNITIES



CHARITABLE ORGANIZATION AUDITS

- Annual – D19 review
- Mail letter annually in January requesting compliance.
- Per Subsection B, at least 4% of the of the combined net resident revenue must be provided in charitable care to its residents.
- Spreadsheet or simple calculation is sufficient.
- The exemption is removed if they do not respond.
- So handy to have up to date data if entity questions a facility.

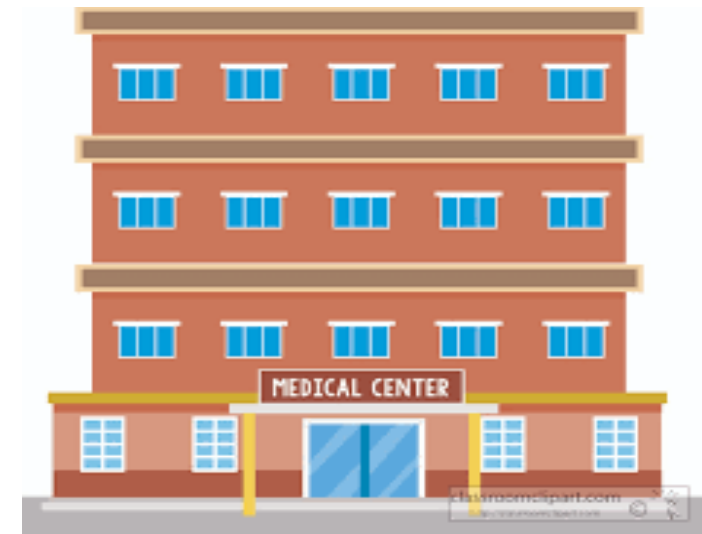
	<u>2022</u>
Net Resident Revenues	\$ 22,758,313
4% Charitable Care Requirement	\$ 910,333
<hr/>	
Provided Through:	
Charity Care Expenses:	
Elder Care	\$ 88,202
Social Worker	\$ 61,842
Transportation	\$ 90,690
Wellness and Education	\$ 587,269
Charity Care Resident Assistance	\$ 524,927
Total Yearly Charitable Care Provided	\$ 1,352,930

* Net Resident Revenues calculated on GAAP basis

* 100% Charitable Care provided to residents

MOB

- Numerous buildings with mixed use
- Request rent rolls from agents
- Periodic review of property
- Photos of Directories





PHYSICIAN'S GROUPS

- Medical Practices selling to Physician's Groups
- May retain the original group name...Westlake Family Clinic
- Request Physician's contracts
- No.....not the whole thing.....



AT THE END OF THE DAY....

It all boils down to being fair and equitable and keeping our exemptions clean!



QUESTIONS...IDEAS...

