

Austin Regional Affordability Committee

Overview of

- Round Rock ISD
- Williamson County

Charles Chadwell

9/25/17

Historical Growth Perspective

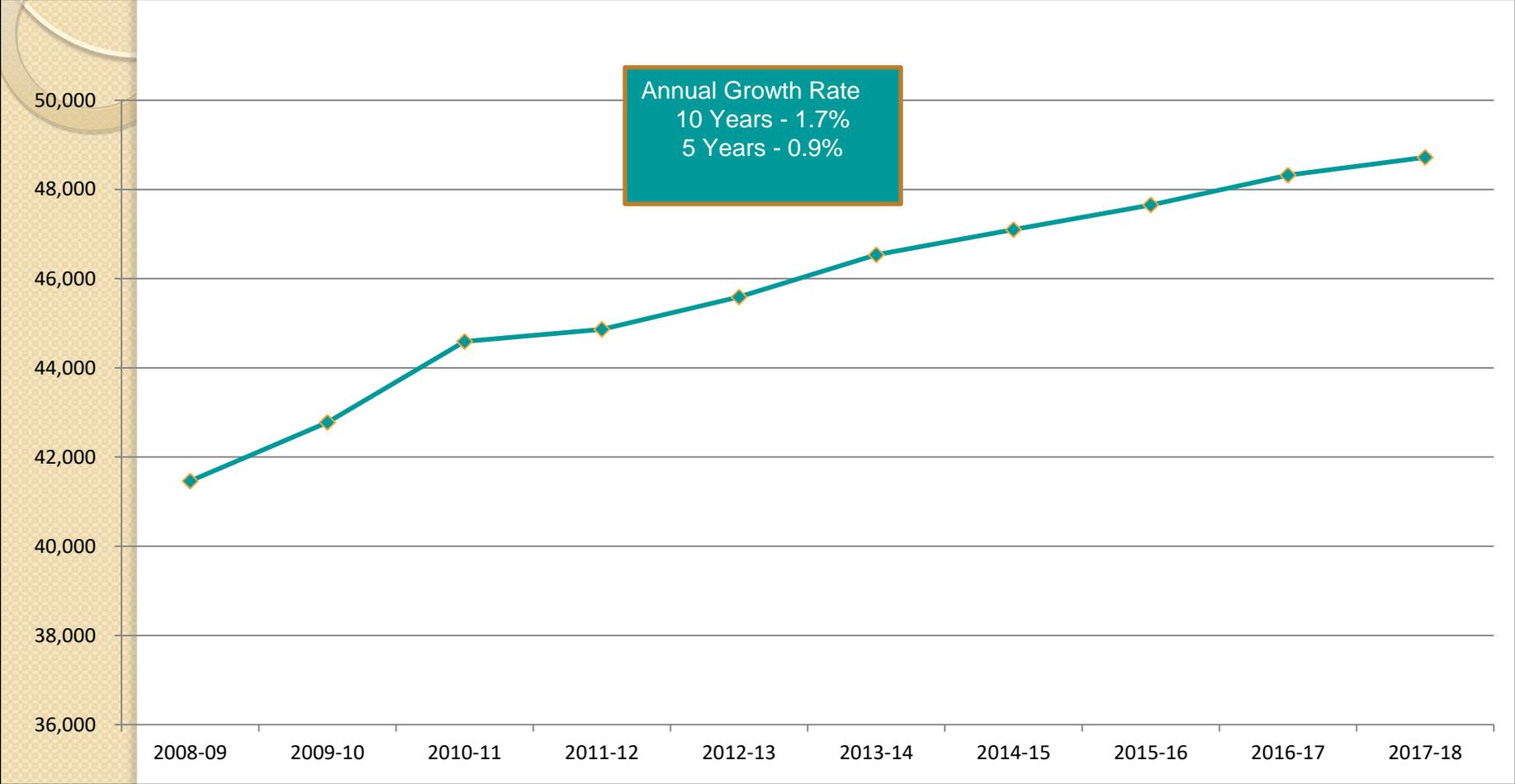


ROUND ROCK
INDEPENDENT SCHOOL DISTRICT

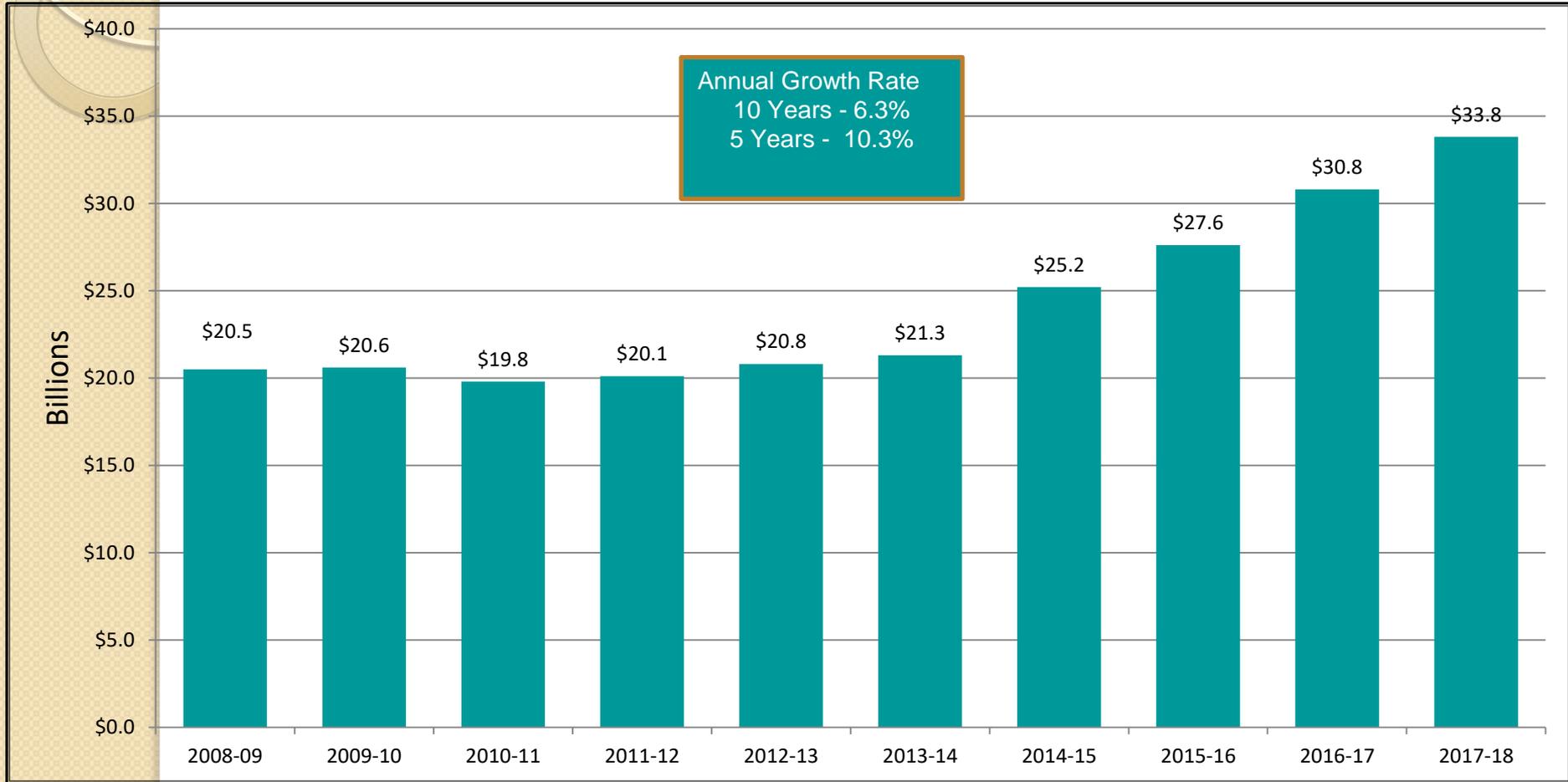


September 2017

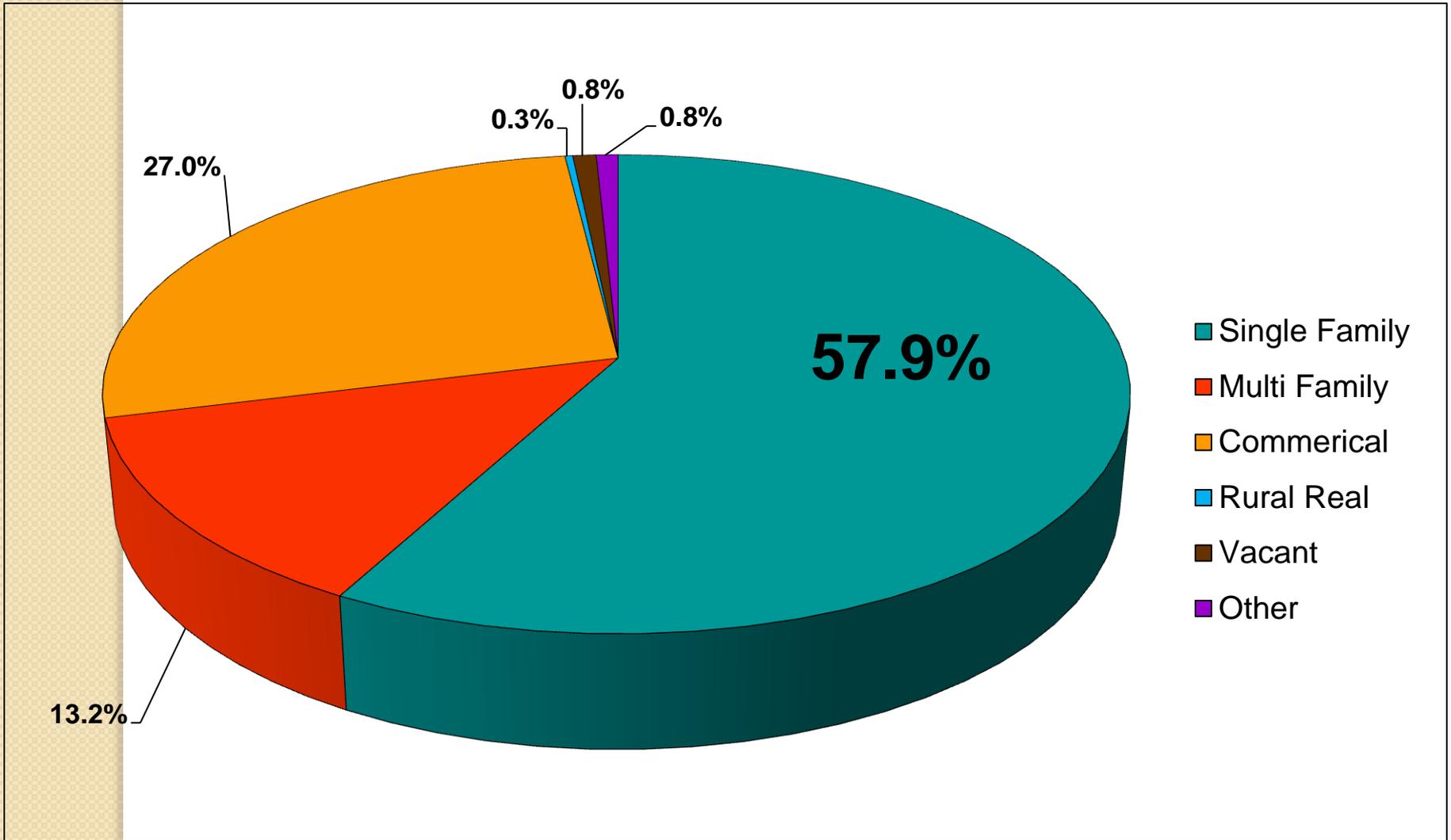
STUDENT ENROLLMENT TREND



TAXABLE PROPERTY VALUE TREND



PROPERTY VALUE DIVERSIFICATION

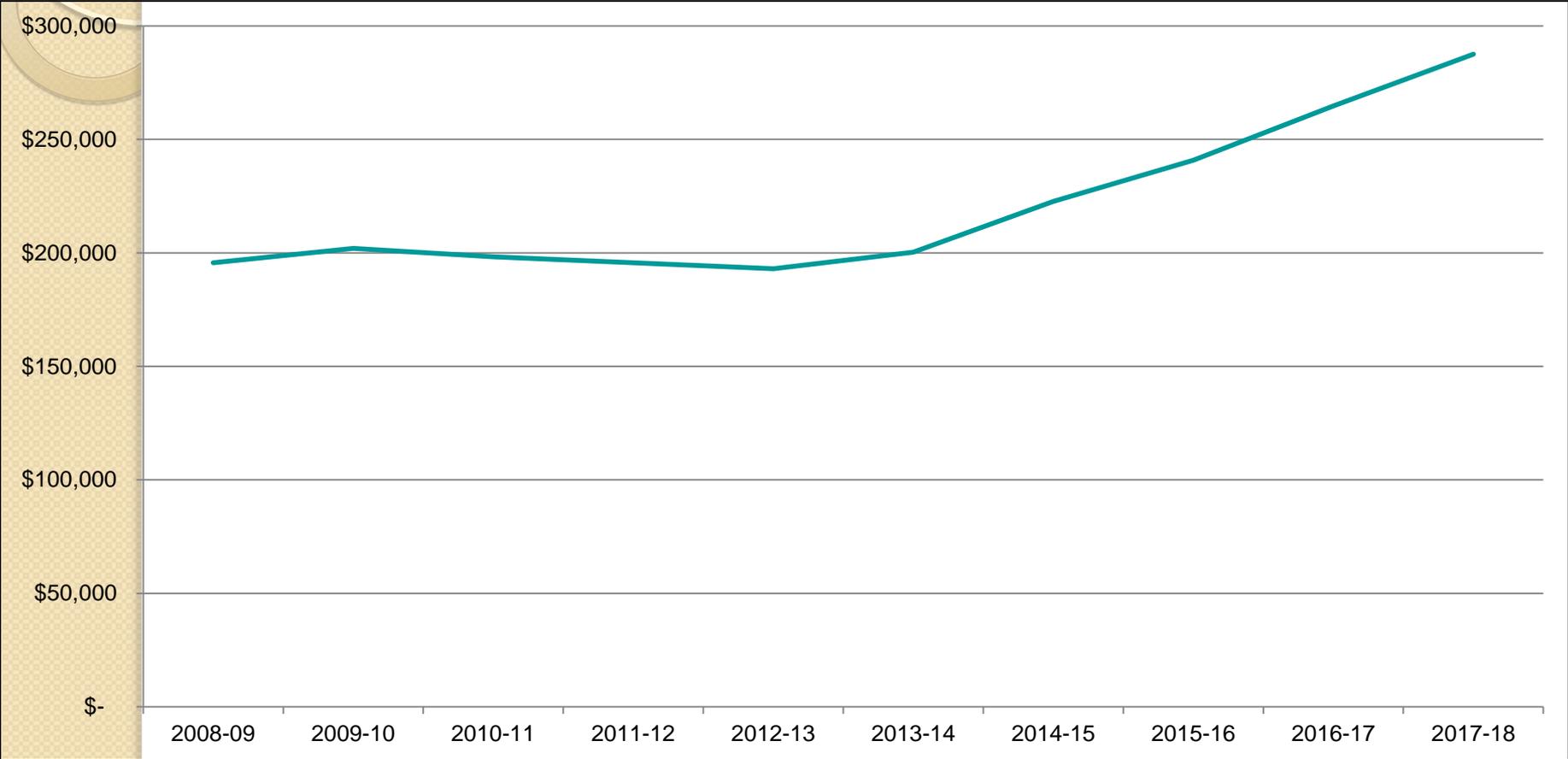


PERCENTAGE OF PROPERTY VALUES OF SINGLE FAMILY HOMES

District	Percentage
Round Rock ISD	58%
Leander ISD	71%
Pflugerville ISD	62%*
Hutto ISD	59%*
Georgetown ISD	63%
Austin ISD	48%

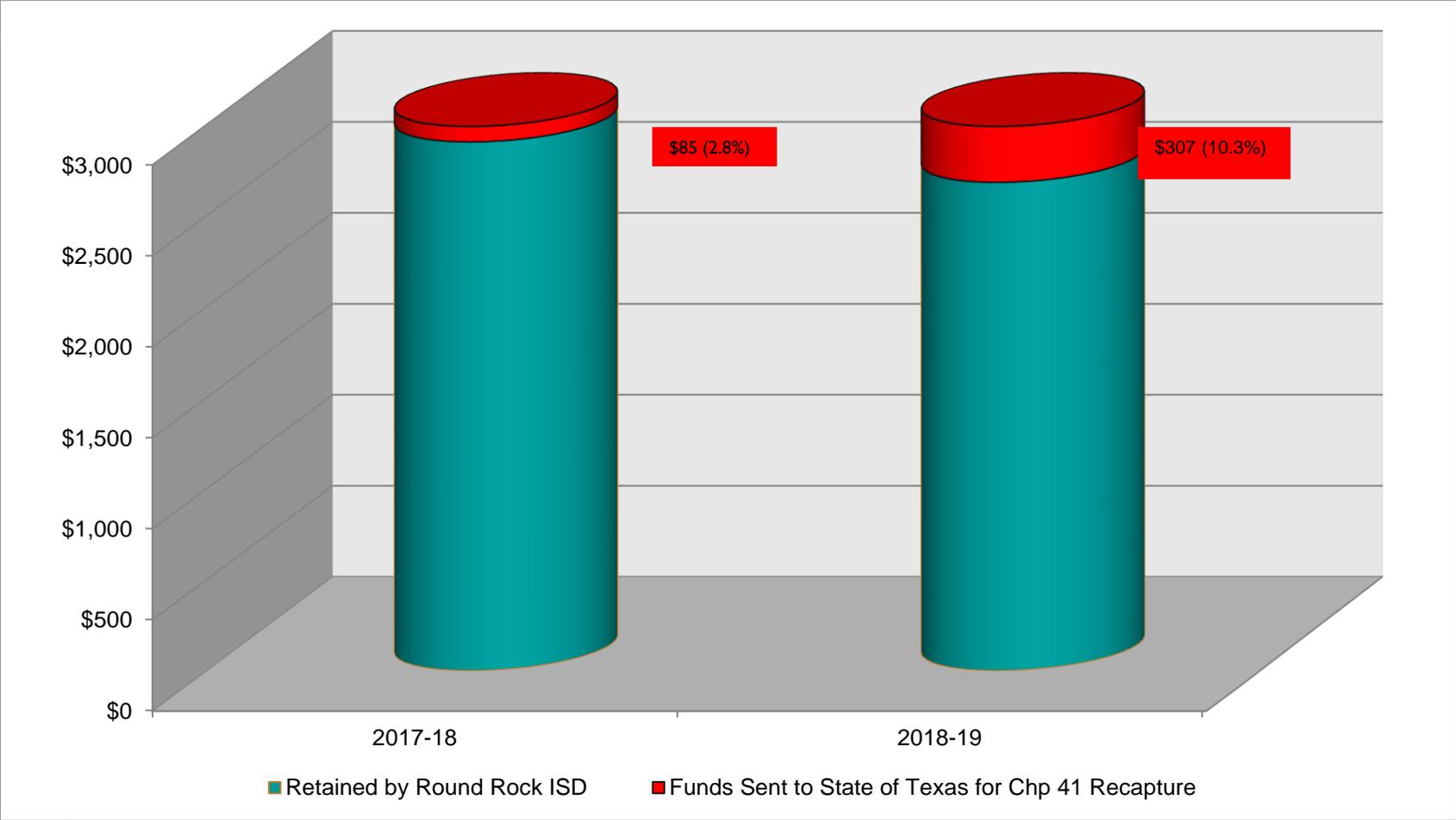
Source: Other district's finance offices (data as of 2017, except * which is 2015 data)

AVERAGE TAXABLE HOME VALUE TREND



Note: After homestead exemption applied.

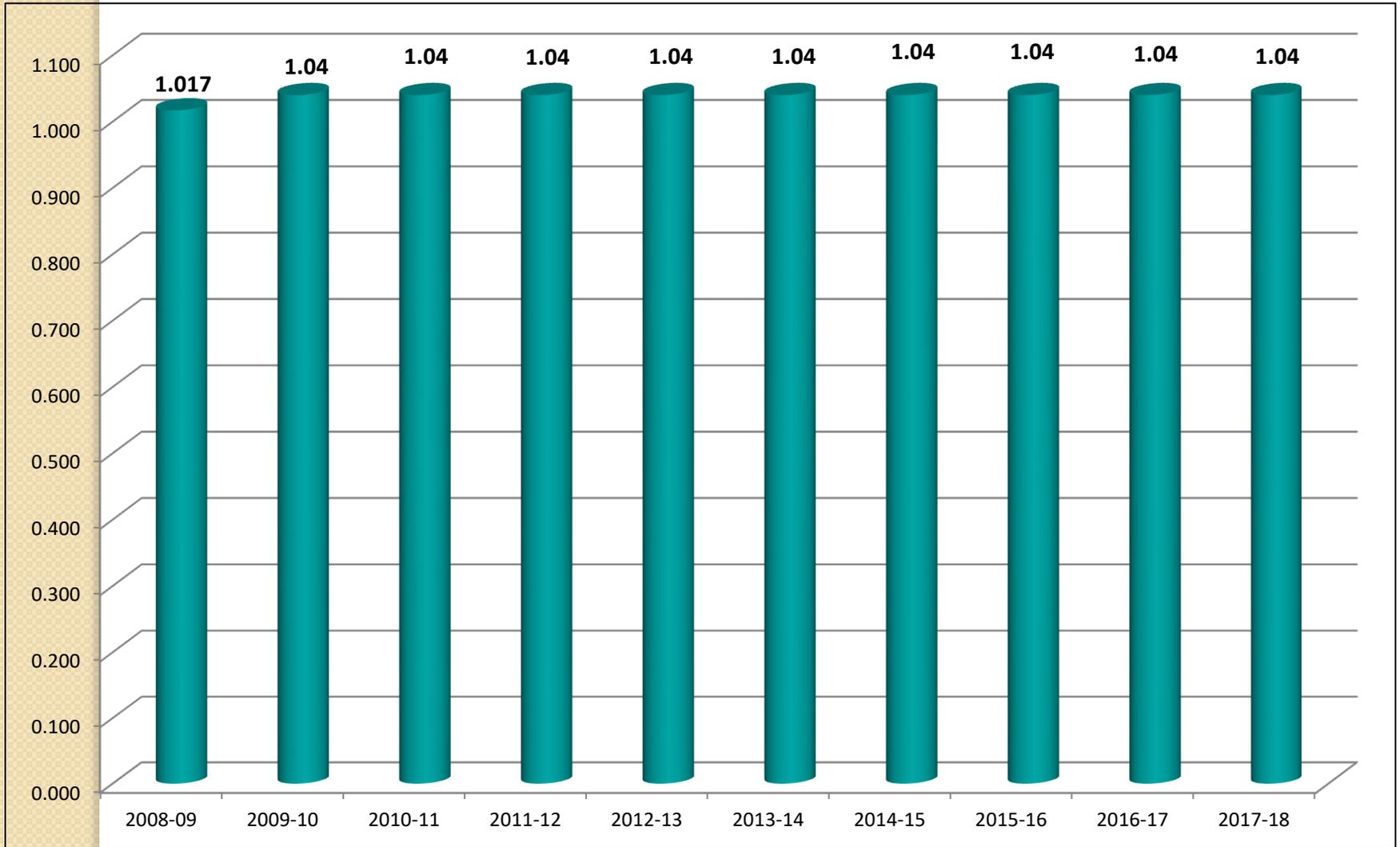
M & O PROPERTY TAXES OF AVERAGE HOMEOWNER - \$2,990



Note: Assumes no change in average homeowner taxable value of \$287,492.

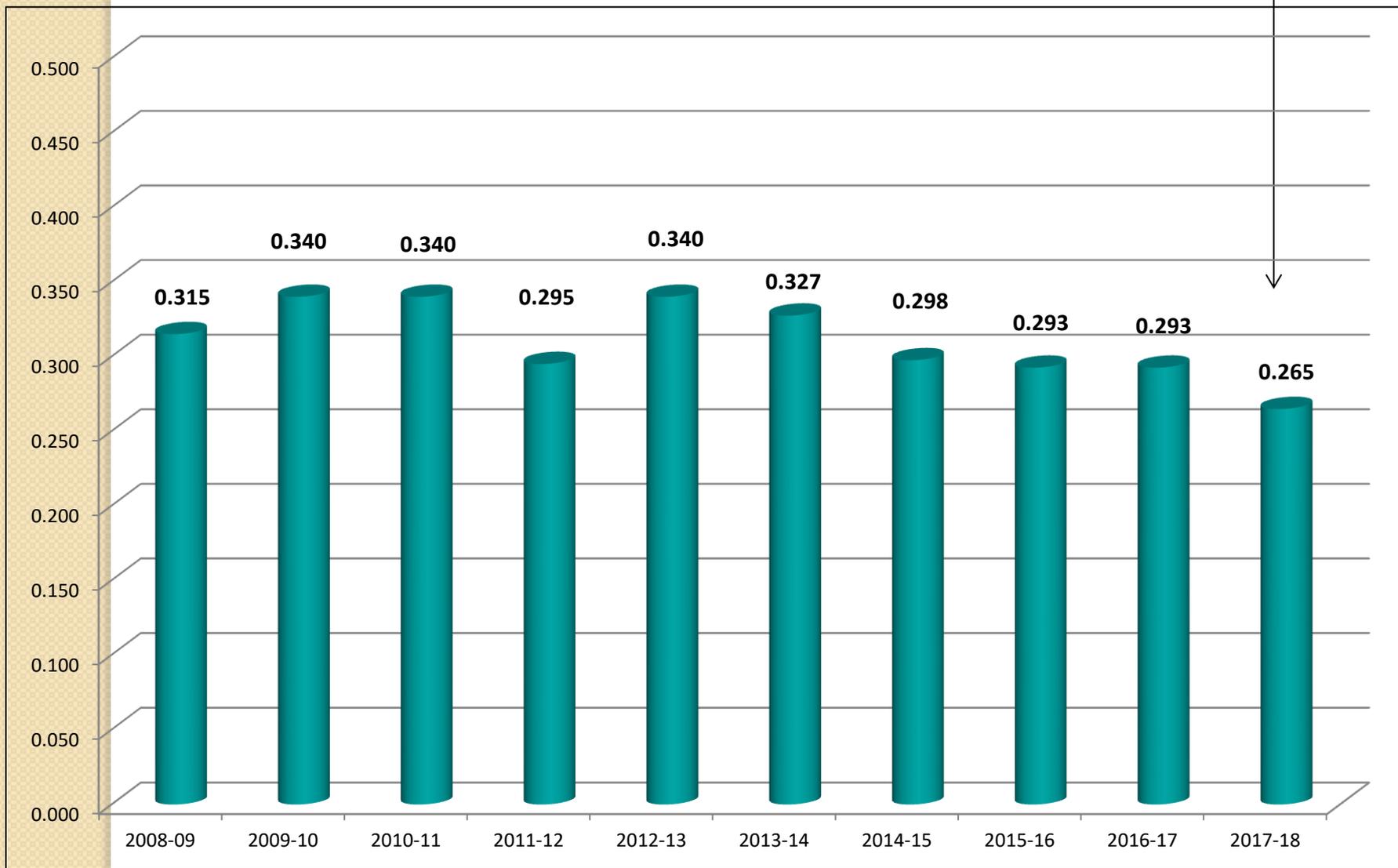
MAINTENANCE & OPERATIONS TAX RATE TREND

Same M&O Tax Rate
Since 2008-09



Note: The 2017-18 tax rate is scheduled to be adopted September 21.

DEBT SERVICE TAX RATE TREND



Note: The 2017-18 tax rate is scheduled for adoption on September 21.

2008-09

- \$314,926,048

- Actual Expenditures

2017-18

- \$413,773,093

- Adopted Budget

COMPARISON OF GENERAL OPERATING EXPENDITURES



Williamson Central Appraisal District Statistical Information



Appraisal Districts were enacted by the 66th Texas State Legislature – Senate Bill 621.

Appraisal District created..... 1979

WCAD Officially started operations..... 1982

Form of Government..... Political Subdivision of the State of Texas

Area of District (Williamson County) – Square Miles..... 1,134.4

Population of District (Williamson County)..... 483,599 – est. 2015

Source: Texas Demographic Center

Number of WCAD Board of Director Members..... 6 (A/C non-voting member)

Number of WCAD Employees..... 69

Number of Offices..... 1

625 FM 1460, Georgetown, TX

Number of Parcels – 2017 214,419

Real..... 200,313

Business Personal Property..... 13,933

Minerals..... 173

Number of Taxing Entities - 2017..... 159

Taxing

County & RFM..... 2

Cities..... 17

School Districts..... 16

MUDs..... 43

ESD's..... 12

Special Districts..... 10

Non-Taxing

MUDs..... 18

Special Districts..... 28

TIF's & TIRZ's..... 13



How to Improve Your Funding (Through Fairness) Without Winning a School Finance Lawsuit

By creating a more equal share of the property tax
burden for all

Presented By:

Alvin Lankford

Chief Appraiser Williamson Central Appraisal District

Charles (Chad) Chadwell

Round Rock ISD, School Board Trustee

Williamson CAD, Board of Directors Member



Pays Property Taxes on **98% - 100%** of Market Value



Pays Property Taxes on **70% - 80%**
of Market Value

Examples of Equal and Uniform Abuse

Towers at Williams Square in Las Colinas (Dallas Area)



- Sold in 2012 for \$226 Million
- Equal and Uniform Litigated Value = \$147 Million
- Paying Property Taxes on 65% of Sale Price

Examples of Equal and Uniform Abuse



- Cost = \$200 Million
- Travis CAD Appraised Value = \$111 Million
- Equal and Uniform Lawsuit Adjusted Value = \$98 Million
- Paying Property Taxes on 48% of original cost

Examples of Equal and Uniform Abuse

- JW Marriott Hill Country Resort and Spa & San Antonio



- Cost = \$600 Million
- 2011 Appraisal = \$150 Million
- Under Equal and Uniform Lawsuit Every Year....
- Paying taxes on 25% of their cost to construct

Texas Property Tax Law's 2 Basic Principles in the Texas Constitution

- All taxable property should be taxed in proportion to its market value.
- All taxable property should be taxed in an equal and uniform manner.
 - Article 8, Section 1, Texas Constitution

Market Value No Longer Matters for Large Commercial and Industrial Properties

- While the average home owner discusses what their home may be worth, the owners of large commercial and industrial properties choose to shield themselves from this discussion by invoking the Equal and Uniform argument

Non – Sales Disclosure States



Why would anyone want to tell the government about the price they paid?

- “It’s a privacy issue”
 - That would make sense but....
 - Websites now display home sales



REDFIN

How do Appraisal Districts Obtain Residential Home Sales?

- Utilizing websites
- Sending Sales Questionnaires
- Realtors and Brokers
- Property owner provided
- Appraisal Districts obtain **80-90%** of ALL residential sales
- This large sample of sales creates a fairly accurate appraisal of most homes.
 - The average appraisal is typically **98-99%** of the sale price or actual market value in most metropolitan counties.
- However, Million Dollar plus homes do not report on MLS or any other source
 - The owners of these high value homes typically pay less in proportion to their market value because of the lack of information

Let's Break It Down.....

- “Reasonable Number of Comparable Properties” - Who defines what a reasonable number is? What does “comparable” mean? – There is no guidance given on either.
- “Appropriately Adjusted” – Who decided what is “appropriate”

Let's Break It Down.....

- The tax code already defines what a “comparable property” is for valuation using the sales comparison approach:
 - 23.013(d) Whether a property is comparable to the subject property shall be determined by similar:
 - Location
 - Square Footage
 - Age
 - Condition
 - Income & Expenses (on income producing commercial properties – apartments, retail strip centers, etc.)
 - Etc...

Real Property Values for Texas

- <http://realvaluesfortexas.org/>
- <http://youtu.be/TRsYnCfo7ZA>

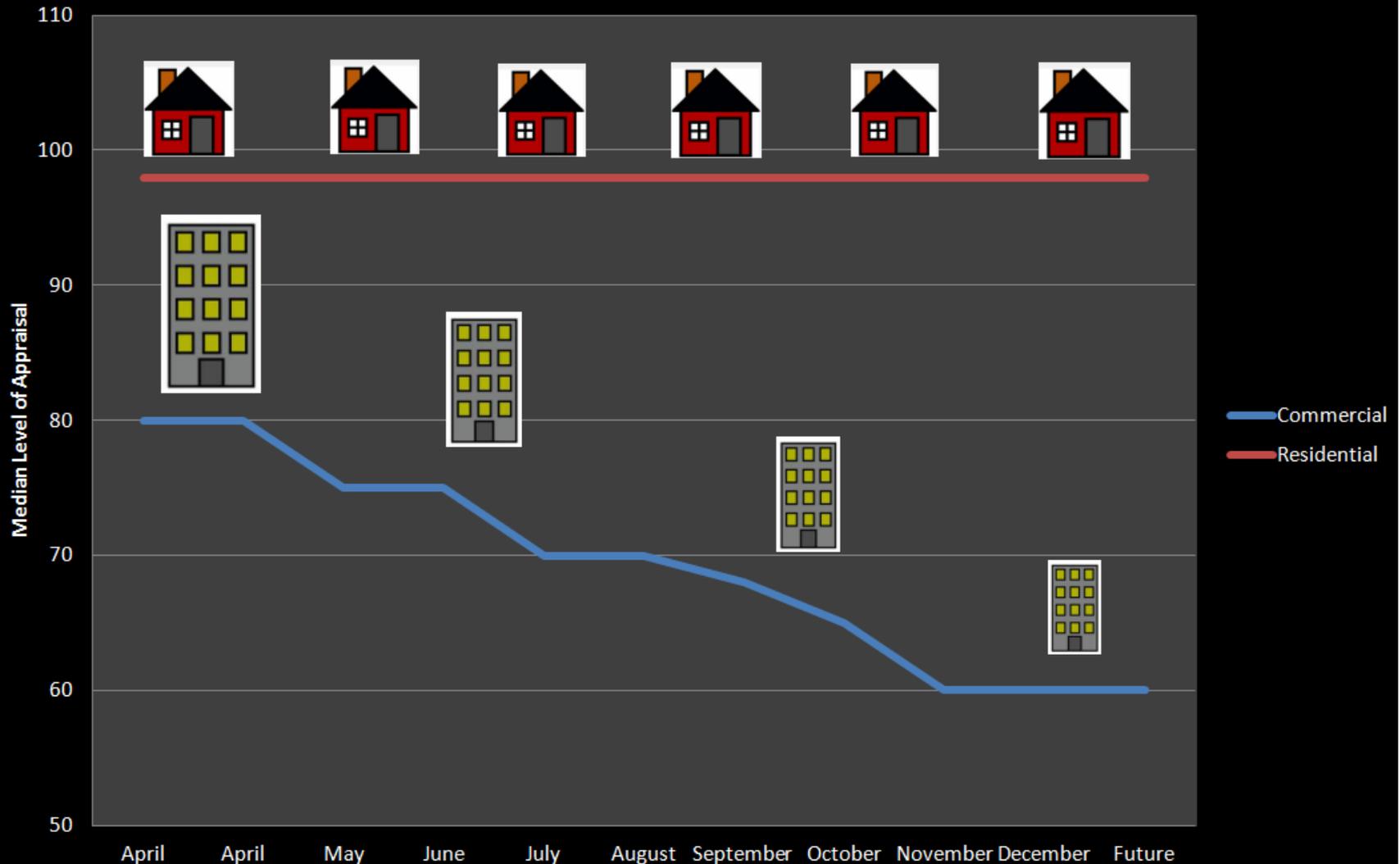


The Deterrence of Litigation

- You may ask yourself...”Why don’t Appraisal District’s fight these values at court?”
 - The potential for paying other side’s attorneys fees.
 - These fees penalize appraisal districts for trying to hold a fair value.
 - If the value is lowered we are liable for their attorney’s fees
- CADs/Chief Appraisers are sued more than any other entity within the county!
 - Due to this provision on attorney’s fees and low risk by large commercial owners

The Shrinking Value of Large Commercial

Equal and Uniform Appraisal???



Value Lost to Equal and Uniform Lawsuits in the Last 4 Years:

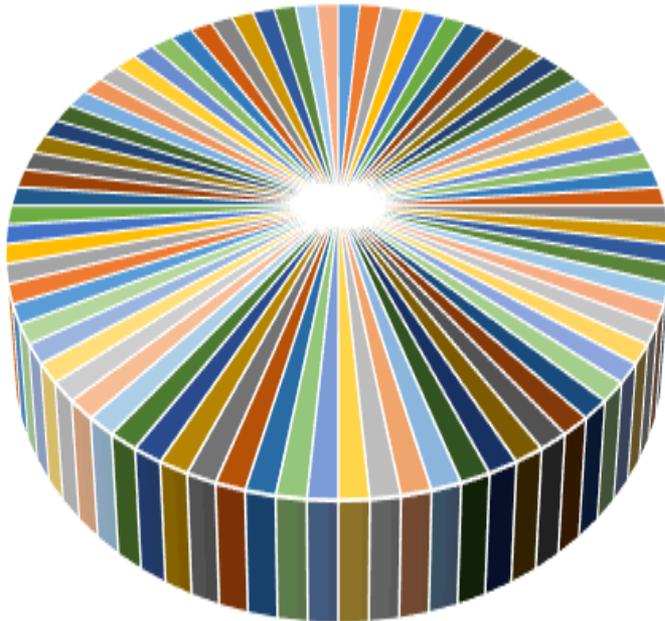
- HARRIS COUNTY
 - \$38.75 Billion
- DALLAS COUNTY
 - \$14 Billion
- TRAVIS COUNTY
 - \$9.8 Billion
- BEXAR COUNTY
 - \$3.8 Billion
- JEFFERSON COUNTY
 - \$2.6 Billion
- WILLIAMSON COUNTY
 - \$1.15 Billion
- **TOTAL VALUE LOST:**
 - **Over \$70 Billion!**

Tax Revenue Lost to Equal and Uniform Lawsuits in the Last 4 Years:

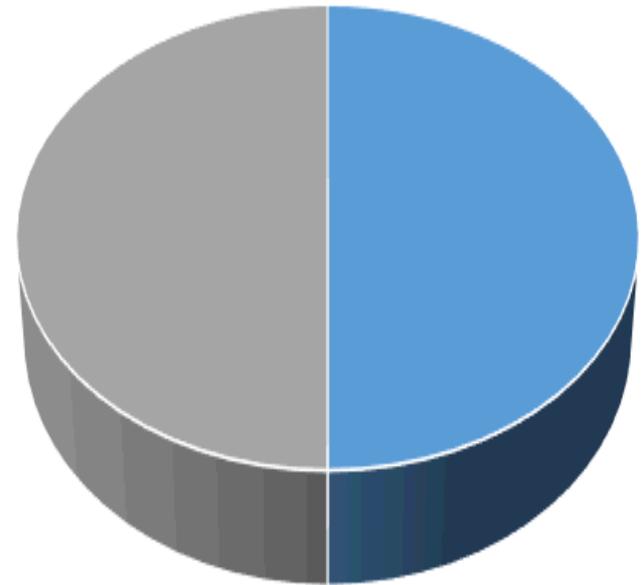
- HARRIS COUNTY
 - \$914 Million
- DALLAS COUNTY
 - \$333 Million
- TRAVIS COUNTY
 - \$213 Million
- BEXAR COUNTY
 - \$101 Million
- JEFFERSON COUNTY
 - \$24 Million
- WILLIAMSON COUNTY
 - \$30 Million
- **TOTAL TAX REVENUE LOST:**
 - **Over \$1.6 Billion!**

What does this mean to homeowners?

80 Homes (X) \$250,000ea = \$20,000,000
Paying Taxes on \$20,000,000



One Commercial Office Building = \$20,000,000
Market Value
Paying Taxes on \$10,000,000



Texas Association of Appraisal District's Focus

- Minimize the impact of this law and increase the **FAIRNESS!**
- Create Standards that all appraisers must follow when choosing comparable properties and adjusting those comparables
- Comparables should be chosen from the same county
- Attorney's Fees