

The Residential Property Valuation Process

The Gillespie Central Appraisal District (GCAD) is required to appraise all property at its market value as of January 1 of each year according Section 23.01 of the Texas Property Tax Code. The Texas Property Tax Code Section 1.04 defines market value as “The price at which a property would transfer for cash or its equivalent under prevailing market conditions if: (A) exposed for sale in the open market with a reasonable time for a seller to find a purchaser; (B) both the seller and purchaser know of all uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and (C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.”

Residential properties within GCAD boundaries are appraised using mass appraisal standards. GCAD uses a computer-assisted mass appraisal program for residential properties. The first step is to enter residential schedules into the mass appraisal program. The schedule information is derived from sales of residential properties in Gillespie County.

The appraisal process performed by GCAD begins with discovery. Appraisers discover new construction, remodels, and/or additions to existing structures. Discovery resources include building permits obtained from the City of Fredericksburg, plats or replats filed with the city or county, septic permits issued by Gillespie County, aerial photography and aerial photography services, sales, physical inspections, 911 assignments of addresses and meter permits provided by Central Texas Electric Cooperative.

Each residential property is identified by what type of property it is, for example, a single family residence. The property is also grouped into a neighborhood based on the location of the property. Each neighborhood is defined by a boundary. Boundaries can be subdivisions, streets, schools, etc. Each property has a quality class assigned to it as well as a depreciation or percent good. The percent good is one of the tools that GCAD uses to adjust the values of properties within a neighborhood to arrive at market value.

Since appraisal districts are required to appraise property at market value, sales data must be entered into the mass appraisal program. GCAD receives sales information from multiple sources including property owners, the state comptroller’s office and fee appraisals.

Once the schedules and sales information are entered into the mass appraisal program then a sales ratio study is performed to determine the level of appraised value to the sales information. This sales ratio study is performed annually for each quality class of residence and in each subdivision or neighborhood. Based on the level of appraisal, the values in each area are either raised or lowered to an acceptable level of appraisal. The targeted level of appraisal is 100% of the appraised value to the sales price; but the acceptable level of appraisal is a ratio that is between 95 percent and 105 percent of the appraised value to the sales price.

If the appraised values are adjusted more than \$500 in any given year then a Notice of Appraised Value would be mailed to the property owner for that year indicating the appraised value. The Notices

of Appraised Values are generally mailed during May each year. If the property owner disagrees with their appraised value they may submit a Notice of Protest within 30 days of the date on the Notice of Appraised value. The property owner may also come to our office during the 30 days and discuss their property with appraisal staff in an informal review. If a Notice of Appraised Value is not mailed to a property owner then the same time frame exists for filing a protest as properties that received a Notice of Appraised Value, but the deadline would not be before May 31st.

Should you have any questions concerning the appraisal of your property please contact GCAD at (830) 997-9807.