

OPEN LETTER TO THE TAXPAYERS OF MARFA AND PRESIDIO COUNTY

My name is Richard Petree, and I am a consultant to the Presidio County Appraisal District. As such, I set many of the appraisal factors that drive the proposed values for the entire county, but particularly Marfa. Those values are derived from the market prices being paid for homes, land, and commercial property in Marfa.

The purpose of increasing values is not to punish property owners or to raise additional funds. The purpose is to accurately measure the values represented in the market and to pass the Property Value Study that the State Comptroller does on PCAD work. We failed this past year as the sales indicated an 86% appraisal of property compared to its sales price. Recent sales indicate a greater difference in those numbers, and that was the reason for the significant increases being proposed. The board and the chief appraiser tried to hold the value for the most part in 2019 and that act of kindness unfortunately resulted in adverse consequences, because when the values are not correct the state funding to local schools is impacted negatively. In the case of Marfa ISD, it means that they must send additional dollars back to the state because they have a high wealth per weighted average daily attendance. It is a complicated issue.

For those of you who are more familiar with other states, there are some key bits of information that may help you understand our problem. First, Texas is a market value state. Taxes are based on the market value of all types of properties unless there is a special constitutional provision allowing a departure from that standard. Agricultural values, for instance, are assessed for taxes instead of market value under VIII (1) D 1 of the constitution and those values are based on income. Secondly, Texas is not a full-disclosure state meaning that when a home or land is purchased, the owner does not have to share the purchase with anyone. This causes extreme difficulty in accurately appraising properties of any type. Realtors share purchase prices with fee appraisers which allow them to do their "fee appraisals", typically a more accurate method than "mass appraisal" that is done by the district. We often get the sales data from these information sources, but it is often after we have set the values for the year and then the state often gets those sales because they send a very official letter to buyers and many buyers will respond with the actual sales prices. That being said, the job of mass appraisal is very difficult in any market but in the Marfa market, it is near impossible. Lastly, Texas does not have an income tax so that makes property taxes very high and all tax units rely very heavily on the property tax to generate funding for local services that impact everyone such as emergency services and city maintenance, as well as public schools.

Suffice it say, we must set reasonable values. When those values are turned over to the tax units in August, they then set the tax rates. If the values rise, the rates typically go down which means that overall, taxes remain the same under state law (no new revenue).

To increase the rate requires public hearings on the tax rate and budget. A postcard will be mailed to all owners in August telling them the information about that process.

Finally, all the appraisal district wants to do is accurately appraise the properties. This means that each property “pays its fair share”. Most people don’t mind if they are feeling that they are treated fairly, so it is important to ask this question before reacting to the notice of value. “Could I sell my home, business, or land for what the estimate of value is?” If the answer is “yes” then you have probably been treated fairly. If the answer is “no”, then get evidence together as to why. Bring a closing statement to the district if you have bought your home recently. If you bought your house a few years ago and have made repairs and remodeling, bring your original cost plus the remodeling costs. If you still have significant repair issues to address in your property, bring pictures and estimates of repairs from contractors. We want to work with you to get the value accurate.

Finally, please do not blame the local chief appraiser and the staff there. When the changes are made, it is on my authority and under my responsibility. They are good people trying to do a very difficult job.