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PUBLIC SCHOOL FINANCE

Report of The Governor's
Office, Education Resources

Dolph Briscoe
Governor of Texas

February 1, 1977



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PUBLIC SCHOOL FINANCE STUDY:

A report of findings and
recommendations

The Governor's Office
Education Resources

Dolph Briscoe
Governor of Texas

February 1, 1977



STATE OF TEXAS
OFFICE OF THE GOVERNOR
AUSTIN

DOLPH BRISCOE
GOVERNOR

November 1, 1976

TO MEMBERS OF THE 64TH LEGISLATURE:

As directed by Section 10 (d) of H.B. 1126, I submit the following preliminary report of the findings and recommendations on school finance by my office. Under H.B. 1126 my office was given two major responsibilities. Section 10 (a) directed me to "conduct a study to determine methods of allocating state funds to school districts..." Section 10 (b) directed that such a study include "a determination of each school district's ability to support public education based on the value of taxable property in the district."

Included in this report are descriptions of the procedures used to meet the mandate of Section 10 (b) as well as my recommendations in response to Section 10 (a). Along with this report I submit to the members of the Legislature our findings as to the value of taxable property in each of the State's school districts.

Sincerely,

A handwritten signature in black ink, appearing to read "Dolph Briscoe", written in a cursive style.

Dolph Briscoe
Governor of Texas



OFFICE OF THE GOVERNOR
EDUCATION RESOURCES
STATE CAPITOL
AUSTIN, TEXAS 78711

DOLPH BRISCOE
GOVERNOR

JOHN POERNER
DIRECTOR

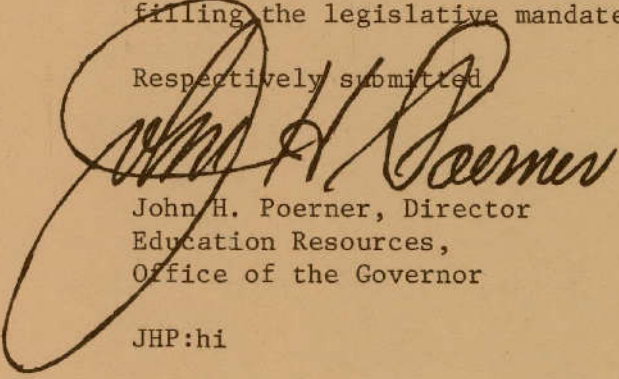
November 1, 1976

The Honorable Dolph Briscoe
Governor of Texas
Capitol Building
Austin, Texas

Dear Governor:

Pursuant to your directive for me to perform the necessary functions of government to comply with the provisions of Section 10, H. B. 1126, 64th Legislature, Regular Session, I submit herewith to you the attached report. I have examined its contents and represent it to you as fulfilling the legislative mandate.

Respectively submitted,


John H. Poerner, Director
Education Resources,
Office of the Governor

JHP:hi

ERNST & ERNST

1900 FROST BANK TOWER
SAN ANTONIO, TEXAS 78205

October 15, 1976

Mr. John H. Poerner, Director
Governor's Office Education Resources
State Capitol
Austin, Texas 78711

Dear Mr. Poerner:

We have completed our assignment to assist your staff in certain portions of the market value study and to review the approach and project methodology as designed.

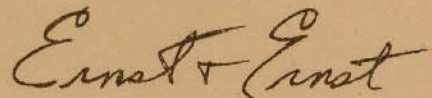
As a result of our review, we believe that the approach and methodology was designed so as to provide reasonable estimates of taxable values on an equitable basis determined in a uniform and consistent manner.

Our report outlines the background, objectives, and the overall project methodology as designed. Our opinion on the overall project methodology is shown in the summary section. The body of our report contains the details of the work which we performed related to the 16,256 property value forms, documentation of methodology and work programs, planning and review of the work performed by the Certified Texas Assessors, and the computer data collection and analysis systems. Further, we have included for your consideration, a section outlining our recommendations for improvements in the overall tax assessing functions.

We wish to particularly thank the members of your staff who assisted us in our portion of the assignment. Their interest, cooperation, and dedication were extremely beneficial, not only to the successful completion of our tasks, but to the accomplishment of the overall project goals. We wish to thank you for the opportunity to perform this assignment. We share your desire to improve the equity in public school financing.

Please feel free to contact us if we can assist in clarification or explanation of any of the items contained in our report.

Very truly yours,



DRR:jc

THE GOVERNOR'S OFFICE
EDUCATION RESOURCES

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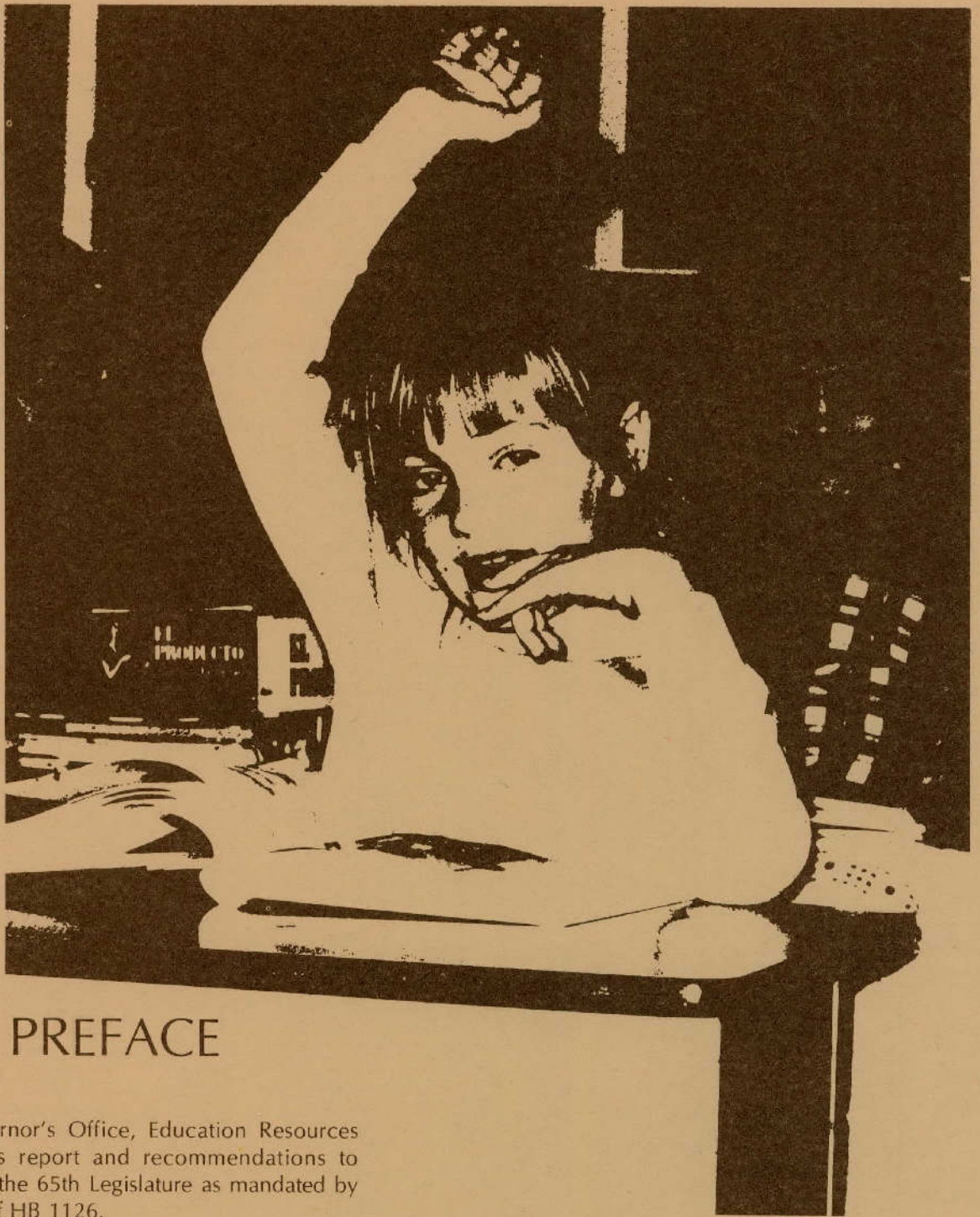
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PREFACE

The Governor's Office, Education Resources presents this report and recommendations to members of the 65th Legislature as mandated by Section 10 of HB 1126.

Since the task was a massive one, it would not have been possible to complete it without the cooperation and assistance of many people. Our sincere appreciation is expressed to Advisory Committee members, Lt. Gov. William Hobby, Speaker of the House Bill Clayton, Sen. A. M. Aikin, Jr., Sen. Oscar Mauzy, Rep. Tom Massey, and Rep. Joe Wyatt, Jr. for the leadership they provided. The cooperation of the Texas Education Agency and each school district was essential to the successful completion of the study. Critically needed computer facilities were provided by the Texas Water Development Board. While it is impossible to list all those involved, we appreciate the assistance of consultants, the universities, the

many associations and others who provided information and counsel. Our special appreciation is expressed to each of the Certified Texas Assessors for the key role they played in the study.

As in all studies, limitations and constraints influence methods and procedures. With a fourteen month time limitation, no study could provide an exact measure of the full taxable value for each of the 1,095 Texas school districts. However, we are confident the methods and procedures utilized by this study are sound and reasonable and, most importantly, that the estimates generated are consistent and accurately reflect the relative wealth of all districts.

INTRODUCTION

BACKGROUND

On March 21, 1973, midway through the 63rd Session of the Texas Legislature, the United States Supreme Court handed down its decision in the now famous *Rodriguez* case. In deciding the case, the Court held that while the Texas school finance laws fostered serious inequities in educational opportunities available to public school students, they did not violate provisions of the United States Constitution. In essence, while the opinion did not require immediate changes in the Texas law, it stressed the responsibility of the Texas Legislature to address the serious flaws which did exist.

The Legislature, however, was unable to pass corrective legislation in the time remaining in the 63rd Session. As a result, the Governor created the Governor's Office of Educational Research and Planning to conduct a comprehensive study of school finance and develop legislative proposals to be introduced in the 64th Session. In addition, the Governor formally requested the Legislative Property Tax Committee (LPTC) "to conduct a study of market value for each of the State's 1,100-plus school districts." In making his request, the Governor indicated that "the market value data provided by the Committee would be considered for use in the development of new formulas for the distribution of State aid to public schools."

The Governor's request to LPTC and the creation of the Office of Educational Research and Planning were steps taken in recognition of the fact that the primary responsibility of the 64th Session of the Texas Legislature would be a major reform of school finance laws. There was general agreement among the State leadership and the educational community that the Gilmer-Aikin Act of 1949 had become outdated. As the U.S. Supreme Court had pointed out, the allocation of State funds for education under existing laws had little relation to the actual financial needs of the various school districts. Due to the practical problems inherent in the application of the complicated County Economic Index, State funding was distributed in a highly inequitable manner.

The County Economic Index as administered was such a poor measure of the relative ability of districts to support education locally that the Attorney General, in Opinion H-448, ruled that its continued use was unconstitutional. This opinion effectively mandated that the Legislature develop a new funding formula. However, LPTC had narrowed its efforts in this regard. After reviewing its resources and capabilities, LPTC had determined to do an in-depth study of only 35 school districts.

This decision left the Governor and the Legislature with no information as to the ability of the school districts to support their educational programs.

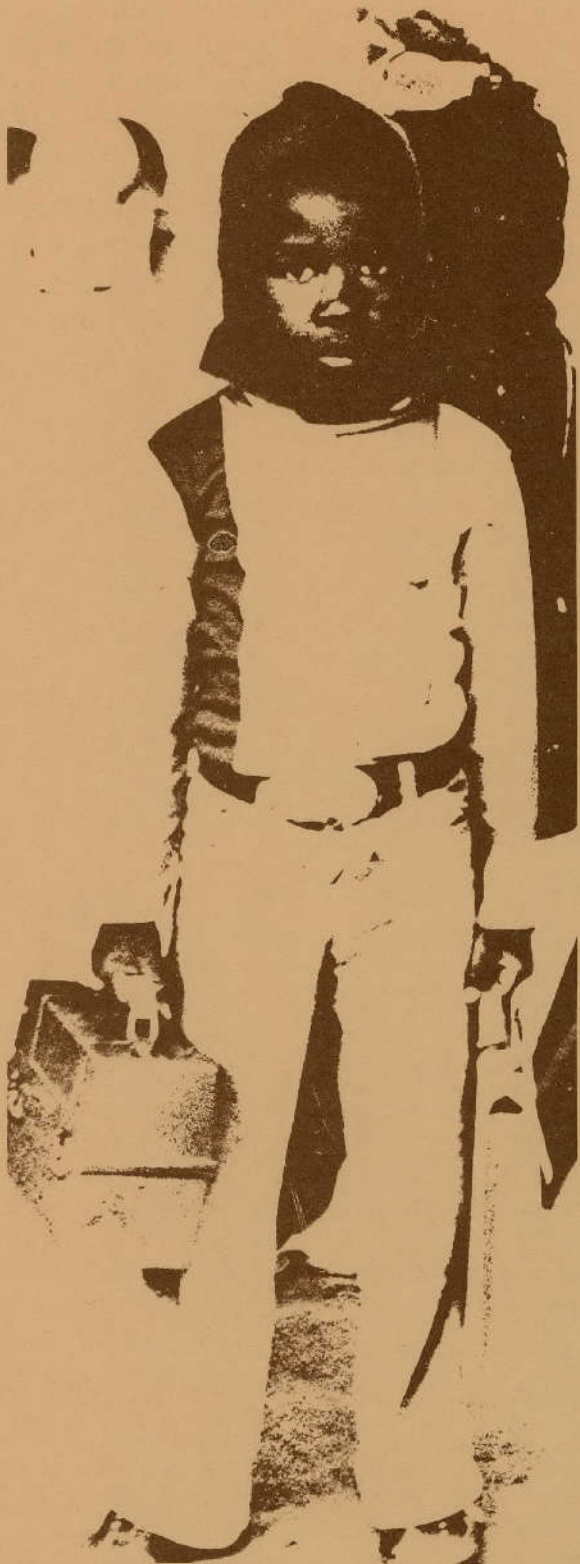
The Governor's Office and other agencies and associations continued with the preparation of proposed legislation to reform educational funding. The key ingredient of a reasonably equitable funding index remained missing until the Governor's Office entered into a contract with Management Services Associates (MSA), an Austin consulting firm, for the development of an index of market values for each of the State's school districts. The \$150,000 contract with MSA provided for the development of the index within 90 days.

At the start of the 64th Session, five comprehensive school finance bills were introduced in the Legislature. It was late in the session before agreement was finally reached on the reform legislation. However, the executive and legislative leadership had agreed on two important issues well before the bill emerged. The two points of agreement were that the index of values generated by MSA for the Governor would be used in any bill which passed and that the bill would include funding for a more comprehensive study of school district values for use in the development of an improved funding index.

HB 1126

HB 1126, which was passed by the 64th Session, brought several major changes to school finance in Texas. It provided an increase of approximately \$650 million in State support for education. Much of the additional funding went into increasing the level of the Foundation School Program (FSP), primarily to raise the minimum salary schedule for professional employees. The starting salary for a beginning teacher with a B.A. degree was increased from \$6,600 to \$8,000 per year. The bill changed the method for allocation of personnel, allowing for more flexibility at the local level by allocating personnel units based upon the number of students in average daily attendance (ADA) in the various grade levels. The districts, in turn, were free to use their units to fund any combination of personnel which they felt would fulfill their needs. The bill increased the funding for maintenance and operation to \$95 per ADA in the 1976-77 school year. Transportation funding schedules were increased to more nearly meet the actual costs incurred by the school districts.

In addition to general increases in the level of the FSP, several new components were added to the school finance laws. Of major significance was the introduction of the State Equalization Aid component which provided enrichment support to the State's poorer districts. While the concept of



the program was good, its impact was limited due to an expenditure ceiling of \$50 million per annum and to the structure of the equalization formula which allowed districts with 62.5% of the State's ADA to qualify for assistance. Another new program added by HB 1126 was Support for Educationally Disadvantaged Pupils, which provided \$25.4 million per annum to districts with such students. Unfortunately, while the intent was to supply funds to support disadvantaged students

on campuses not receiving federal assistance under Title I of the Elementary and Secondary Education Act, inflexible federal "comparability" guidelines prohibited such uses in the majority of school districts.

While these and other changes enhanced the equity of school finance in Texas, perhaps the most significant change was made in the funding index. The new law eliminated the multi-factor, highly inequitable County Economic Index and replaced it with a single-factor index based on the value of taxable property in the districts. The index was, in effect, the market value estimates generated by MSA for the Governor. The index was used to determine the required level of local support for the FSP. The Local Fund Assignment (LFA) was set at a level of 35¢ per \$100 of estimated taxable value (30¢ per \$100 in 1975-76). The use of the single-factor index was a major improvement because it gave practical recognition to the fact that, based on taxable wealth, abilities to support educational programs vary tremendously. The use of the index caused an increase in the proportion of the state's total LFA carried by the wealthier districts and a decline in the proportion carried by the poorer districts.

The changes required by HB 1126 had a significant impact on the State funding available to many districts. In an effort to ease the transition from the old formulas to the new, the Legislature built into the law several "hold-harmless" provisions to be effective over the first biennium of the bill's operation. The net effect of these provisions was to cushion many districts from abrupt changes in the amount of State funding they received and to reduce the burden of a dramatically increased LFA.

In summary, HB 1126 accomplished two main goals of the State's educational community. First, it significantly increased the level of the FSP. Second, it reformed funding formulas to reflect the varying capabilities of the school districts to support their local educational programs. However, while the overall impact of HB 1126 was to promote equity in educational opportunities, the Legislature recognized that it had not provided the complete solution. That was acknowledged by the inclusion of Sections 10 and 12 of the bill. Section 10 mandated a more comprehensive study of the methods of allocating State funds and a more thorough review of the value of taxable property in each of the State's school districts. Section 12 mandated the Legislative Budget Board (LBB) and the Texas Education Agency (TEA) to make a comprehensive study of the effectiveness of special education and vocational education expenditures. Both of these Sections were designed to provide the 65th Session of the Legislature with reliable information upon which to base modifications of school finance laws.

PROPERTY VALUE STUDY

MANDATE

By changing the school finance laws to distribute FSP funds on the basis of the estimated market value of taxable property, the Legislature had to rely on the estimates generated by MSA for the Governor's Office. However, the Legislature clearly recognized two major limitations inherent in the use of those values. The first limitation was to be found in the consistency and accuracy of the methods used to generate the values. The Legislature realized that no study conducted in 90 days at a cost of \$150,000 could provide a completely reliable level of accuracy as to the market-value of taxable property in each of the State's 1,100 school districts. The second limitation was that any index of market values, by its very nature, becomes outdated quickly as a result of changing market conditions. Therefore, the Legislature incorporated into HB 1126 a provision which called for a more comprehensive study of taxable values. That provision is found in Section 10 of the bill which reads as follows:

"Sec. 10. (a) The governor shall conduct a study to determine methods of allocating state funds to school districts which will insure that each student of this state has access to programs and services that are appropriate to his educational needs regardless of geographical differences and varying local economic factors. The Lieutenant Governor, the Speaker of the House, and the chairmen of the following committees: the Senate Finance Committee, the House Ways and Means Committee, the Senate Education Committee, and the House Public Education Committee, shall advise and consult on all aspects of the study.

(b) The study shall include a determination of each school district's ability to support public education based on the value of taxable property in the district. The determination shall be made in accordance with the provision of relevant Acts of the 64th Legislature, Regular Session. All records and property of the Legislative Property Tax Committee are hereby transferred to the governor to assist him in carrying out the study.



(c) In conducting the study, the governor may require state agencies and school districts to submit any information deemed relevant to the purposes of the study. The Legislative Council and the Legislative Budget Board and all other state agencies shall cooperate with the governor's office in the conduct of the study.

(d) The governor shall submit a summary of his recommendations and proposed legislation to implement them to each member of the legislature not later than November 1, 1976.

(e) There is hereby appropriated to the governor from the General Revenue Fund for the biennium ending August 31, 1977, the sum of \$5,000,000 to carry out the provisions of this section.

(f) The provisions of this section expire August 31, 1977."

In response to this mandate, the Governor appointed John H. Poerner as director of Education Resources, a new division of the Governor's Office. When it began operation on September 1, 1975, The Governor's Office, Education Resources (GOER) first had to interpret Section 10 (b) in a manner which best reflected the Legislature's intent. It can be argued that the Texas Constitution requires the application of ad valorem taxes to all properties and therefore GOER's determination of taxable values should have included all properties. This argument, however, ignores the realities tax assessors face in developing their tax rolls. For example, the constitutional definition of taxable property includes such properties as household goods and intangibles. Realistically, however, a tax assessor lacks either

the legal authority or the practical ability to locate and assess such properties. As a result, they are generally excluded from tax rolls except where the taxpayer makes a voluntary rendition. GOER recognized that even if it could estimate the value of such property in each school district, the inclusion of such values in any state-adopted index of school district values would create a distorted picture of the local districts' abilities to support public education. It was eventually determined that the study would address all properties which a school tax assessor has both the legal authority and the practical ability to locate, assess, and place on the tax roll. Because tax rolls are not usually complete until October following the January 1 rendition date, 1975 was the most recent tax year on which the study could be based.

Another matter of interpretation which had to be considered was the Legislature's intent in directing that the study be "made in accordance with the provisions of relevant Acts of the 64th Legislature." GOER determined that this language referred only to HB 1535 dealing with the productive-use valuation of agricultural lands. As well as conducting a study based on the market value of taxable property, GOER also developed estimates of the productive value of agricultural lands throughout the State.

PRELIMINARY INVESTIGATIONS

When GOER began operation on September 1, 1975, the staff first researched and reviewed all sources of pertinent information. The lack of property value data on a school district level quickly became apparent. Almost all financial and economic data collected by State and Federal agencies are on a county or city rather than a school district basis. In addition, GOER found a complete lack of information on the operation of school district tax offices as well as on the compositions of school district tax rolls.

GOER initiated several projects to provide the basic information necessary to the study. A joint effort by GOER and the Texas Department of Highways and Public Transportation developed maps of the entire State with school district boundaries indicated. GOER also sent to each school district a questionnaire soliciting information on the types of properties located in the district and on the types of records maintained in the tax office. (See Appendix A.)

Coinciding with these initial efforts to gather information, GOER began developing a structural outline for the operation of the study. In mid-September, GOER directed a letter to the presidents of each state university requesting their appropriate department or research bureau to submit suggested approaches for conducting a taxable value study. The consensus of the submitted

recommendations was that a statistically rigorous system of stratified random sampling would have been the best method to conduct the taxable value study. However, most of the proposals also expressed sincere doubts as to the possibility of conducting such a study within GOER's time and funding limitations.

The only possibility, then, for obtaining a statistically rigorous study of taxable values was to contract with an existing organization having such capability. After reviewing the alternatives and eliminating them as either too costly or too time-consuming, GOER was left with one potential source of assistance. In October 1975, GOER initiated discussions with the United States Bureau of the Census, which had pioneered the use of random sampling in taxable value studies, concerning their assistance in such a study. GOER contracted with the Census Bureau to plan and field test a survey to develop estimates of the ratio of assessed value to market value of taxable real property for each school district. In February, the Census Bureau submitted its proposed approach and methodology. Until receipt of the proposal, GOER had intended to rely upon the Census Bureau information as a foundation for value estimates of real property. However, the \$1.8 million proposal had to be rejected because the Bureau estimated it could only provide usable information in about 60% of Texas' school districts and only one overall estimate of the ratio of assessment in the districts.

Having exhausted the available alternatives for conducting a statistically rigorous study, GOER developed a study methodology which relied on judgement sampling by highly qualified professionals in the fields of tax assessing and real estate appraisal. These professionals were directed by GOER to base their sampling on valid sales and not to consider speculative transactions.

Another major activity initiated by GOER was the codification of Texas property tax laws. In the early stages of the project, GOER recognized that a complete codification of the State's property tax laws was a prerequisite to improved property tax administration. As a result, GOER entered into a contract with the Legislative Council for the development of proposed legislation codifying Texas property tax laws. Unfortunately, due to litigation brought by a member of the Legislature and failure of the State Board of Control to take positive and affirmative action on the approval of the contract, GOER eventually withdrew from the project even though it won the lawsuit which had been brought. The GOER withdrawal did not, however, terminate the project. Fortunately, the Lt. Governor set up a special committee to deal with the codification issue, and directed the Legislative Council to provide the committee all necessary assistance.



PROJECT METHODOLOGY

The overriding consideration in conducting the study was to treat all districts fairly and uniformly, while producing the best possible data for the 65th Legislature. Within that framework, the methods selected by GOER were subjected to three additional requirements:

- (1) that each category of property within a district be tested separately. (Previous studies have indicated that intra-district discrepancies in assessing different categories of properties are as severe as discrepancies between districts.)
- (2) that professionals thoroughly familiar with taxation and property evaluation test properties and review assessment practices; and
- (3) that independent cross-checks and extensive review be made to assign the most accurate value to each district.

These requirements are evident in the study's three basic components: the categorization of property by the local tax assessor, the Certified Texas Assessors on-site reviews, and the independent studies.

THE LOCAL TAX ASSESSOR

A review of GOER's options and limitations led to the conclusion that school districts themselves had to be relied upon for a categorization of their tax rolls.

Fortunately, HB 1126 included an amendment to the Education Code, Section 16.256, which provided the first legal authority for the centralized collection of information relating to school district tax rolls and property valuation methods:

"Section 16.256. DUTIES OF TAX ASSESSORS. (a) Each school district tax assessor shall report to the commissioner the full taxable value of property in the district each year. The tax assessor shall also report the assessed value and assessment level utilized for tax purposes of all property in the district.

(b) The reports shall be made on forms developed by the commissioner with the approval of the governor. The commissioner shall specify the time at which the reports are to be submitted."

Since the information which the commissioner was required to gather was similar to that needed in the market value study, GOER entered into an agreement with TEA to develop a reporting form usable by both agencies. GOER used the expertise

of the public accounting firm of Ernst & Ernst and a committee of Certified Texas Assessors to develop 16.256 form titled the *1975 School District Report of Property Value*. (See Appendix B.)

The report required each school district tax assessor to separate the properties on his tax roll into 14 categories, to describe the assessment procedures used in arriving at values, and to report the assessment level used and 100% value in each category. The categories of property listed were:

- A. Real. Residential. Single-Family
- B. Real. Residential. Multi-Family
- C. Real. Vacant Platted Lots/Tracts
- D. Real. Acreage (Land Only)
- E. Real. Farm and Ranch Improvements
- F. Real. Commercial and Industrial
- G. Real. Oil and Gas, and Other Mineral Reserves
- H. Tangible Personal. Vehicles
- I. Real. & Intangible Personal. Banks
- J. Real. & Tangible Personal. Utilities
- K. Tangible Personal. Farms and Ranches
- L. Tangible Personal. Business
- M. Tangible Personal. Other
- N. Intangible Personal.

The completed forms provided GOER with a reasonably accurate description of the properties being taxed in each school district, as well as a description of the district's assessment practices. GOER was then able to design a testing system to locate assessment discrepancies within districts. During the study, GOER attempted to measure the true level of assessment in each district on a



category-by-category basis. Once the level of assessment in a given category was determined, GOER applied the estimated assessment level to the assessed value as reported by the school district to arrive at an estimate of full taxable value.

To insure that the information provided by the districts was as accurate and consistent as possible, GOER and TEA staff members conducted briefings at each of the 20 Education Service Centers to explain proper preparation of the reports. Additionally, GOER provided a full-time employee to answer any questions arising during completion of the report. GOER also sponsored three workshop sessions designed to provide personal assistance to tax assessors in the completion of the forms.

Despite these efforts, it was inevitable that definitions and instructions would be interpreted differently. Therefore, the 16,256 forms were subjected to a comprehensive review by GOER staff to locate errors and to specify necessary corrections. Approximately 350 districts were requested to revise their reports.

CERTIFIED TEXAS ASSESSORS

The key component in the entire market value study was the work performed by the Certified Texas Assessors (CTA) - the professional designation of the Texas Association of Assessing Officers. GOER contracted with a group of these individuals carefully selected for their knowledge, training, background, and experience to conduct "on-site reviews" in each school district.

The work program GOER designed with Ernst & Ernst for the CTAs gave them three major responsibilities. (See Appendix C.) The first was an on-site audit of the information provided by each school district in the *1975 School District Report of District Property Values*. While this responsibility was the least important of the CTA's tasks, it was designed to give GOER some assurance that the information found in each report was accurate.

The second and most important responsibility of the CTAs was to test the assessment practices of each district on a category-by-category basis.

Recognizing that the time a CTA would have available in each district would be limited, GOER assigned CTAs to geographic areas where they were familiar with typical properties and market conditions. The CTAs gathered sales information in categories A through E, wherever such information was available, to test the assessment levels being claimed by the district. Where no sales information was available or where a category was not subject to frequent sales, such as mineral properties or utilities, the CTAs used their professional judgement in testing the actual level of as-

essment and in arriving at the market value of the properties in question. In such instances, the CTAs tested the reasonableness of the assessment procedures used by the school district or used a comparison of value of similar properties in areas where the market sales information was available. In categories where no comparable information was available, the CTAs tested sample properties to develop their estimates of market value for the entire category.

The CTAs also searched for properties not being taxed and for misclassifications on the *1975 School District Report of Property Value*. They then estimated the value of properties not being taxed and reclassified those which had been improperly categorized by the school district. In carrying out their responsibilities, the CTAs contacted local real estate agents, bankers, professional appraisers, county extension agents and others who could provide useful information.

The third responsibility given to the CTAs was the assignment of district values which will be discussed in detail below.

Review and Control Procedures

In order to test the validity and usefulness of the work program, and to determine if the on-site review could be completed in the time allocated, 20 CTAs performed a pilot study in selected school districts. Prior to the pilot study, the CTAs met for two days in Austin and were instructed in the procedures and requirements of the work program. Each CTA completed the work program in two districts.

The completed work programs were reviewed by Ernst & Ernst and GOER to determine if the program provided sufficient documentation of the work performed in each district. After the review, minor changes were made.

At the conclusion of a two day workshop to explain these changes, the CTAs began their on-site reviews. After each had completed several districts, his reports were reviewed by Ernst & Ernst and GOER. Because deficiencies were noted in several of the work programs, it was decided to bring the CTAs to Austin for an additional four days of review and training. At the conclusion of that session, the CTAs were prepared to complete their work as described in the work program.

As the CTA reports were completed, Ernst & Ernst reviewed:

- 1) the support for conclusions reached,
- 2) the rationale for property classification adjustments,
- 3) the completeness of the data,
- 4) the documentation of revisions, and
- 5) the consistency of results.

Ernst & Ernst conducted detailed audits of approximately 50% of the work programs submitted by the CTAs.

INDEPENDENT STUDIES

An important feature of the methodology developed by GOER was the development of an independent estimate of value for the various categories of property. These estimates served as a cross-reference to the work performed by the CTAs and assisted them in the determination of the most accurate estimate of value for each district.

Seven studies, covering 12 of the 14 categories, were completed:

STUDY	CATEGORY
1. Independent Fee Appraiser Project	A, B, C, D, E
2. Commercial-Industrial Audit	F & L
3. Mineral Valuation Project	G
4. Vehicle Valuation Project	H
5. Bank Valuation Project	I
6. Utility Valuation Project	J
7. Farm and Ranch Personal Property Valuation Project	K

Two other studies were conducted to generate estimates of the productive value of agricultural lands.

FEE APPRAISERS ON-SITE REVIEW

Five categories of properties (Residential Single-Family; Residential Multi-Family; Vacant Platted Lots/Tracts; Acreage — land only — and Farm/Ranch Improvements) frequently exchange in the market. As a consequence, it is possible to determine market values of such property through the use of a sales or appraisal ratio study. A ratio study compares either sales or appraised values of several properties to their corresponding assessed values on the tax roll in order to estimate the actual ratio of assessment used by the district.

To develop the capability of conducting a sales or appraisal ratio study, GOER designed a work program to be used by independent fee appraisers. (See Appendix D.) To test the adequacy of the work program, three independent fee appraisers were selected to conduct a pilot study. The pilot was completed in three types of districts - urban, suburban, and rural. After the completion of the pilot study, the results were carefully reviewed and several minor modifications were made in the work program. GOER then recruited 87 independent fee appraisers, all of whom had met the requirements for inclusion on the Texas Department of Highways and Public Transportation list of approved appraisers, to perform a ratio study in

each of the State's school districts. Each appraiser was instructed to utilize all recognized standard and acceptable professional techniques to establish uniform and equitable estimates of market value as outlined in the work program. Ratios generated by this study were provided to the CTAs as additional base information to use in the determination of assigned values.

INDUSTRIAL-COMMERCIAL AUDIT

Industrial-commercial property includes all real and personal property owned by manufacturing, wholesaling, retailing, construction, and service businesses. Several methods were reviewed and tested to arrive at an independent estimate of the value of these properties. Consultants from the Bureau of Business Research of the University of Texas proposed a model utilizing computer tapes developed by Dun & Bradstreet, Inc. on file with the Texas Water Development Board. These tapes list a large portion of all business firms in the State, and for individual firms they provide the four digit Standard Industrial Classification code and other information including tangible net worth, number of employees, and sales volume. The information from Dun & Bradstreet was supplemented by a data base maintained by the College of Business Administration of the University of Texas.

By utilizing tape information and business ratios, GOER attempted to estimate the total inventory and total fixed assets for each firm. The sum of inventory and fixed assets represented an approximation of the taxable value of the firm. By placing each firm in the proper school district and summing the total assets, an estimate of the taxable wealth of industrial and commercial property of each school district was to be obtained. After substantial testing, this approach was rejected due to the lack of consistency in the base information and the extreme difficulty of assigning resulting values to the proper school district.

GOER reviewed and tested a second approach which involved the development of an appraisal ratio study to be conducted in approximately 30 counties where commercial-industrial property is a significant portion of the taxable property. The resulting ratios would have been used to test the assessment levels in each school district within a county through the development of a comparison of school district assessments to county assessments on the same properties. The pilot study showed this approach to be infeasible due to lack of uniformity between county and school district tax rolls and due to inconsistencies in county assessment.

The approach selected and used by GOER was similar to that used by the independent fee ap-

praisers in their study of categories A through E. The 117 districts with the heaviest concentrations of industrial/commercial properties were included. Independent fee appraisers, with experience in evaluation of commercial and industrial properties then performed a market value ratio study for the commercial and industrial real category and the tangible business personal category. The work program designed by GOER directed the appraisers to utilize previous appraisals to which they had access and to perform evaluations as necessary to estimate actual assessment ratios. (See Appendix E.) Ratios generated by this study were provided to the CTAs as additional base information to use in the determination of assigned values.

OIL, GAS AND OTHER MINERAL RESERVES

Producing oil and gas wells and other minerals being mined, including coal, ores, metals, etc., are included in the definition of minerals. The values of non-producing minerals, including mineral rights, are also included in this category.

The value of mineral reserves is the value of the reserves in the ground after giving consideration to the length of time and the cost required to obtain the reserve. The value of related equipment is normally included in this category.

GOER considered utilizing a system to develop annual production, average unit values, and average unit costs to calculate an estimate of annual income. Annual net income would then be capitalized as a measure of value. This alternative was rejected because the value generated would not accurately estimate the value of the reserve. Because production units decline as reserves are depleted, an average price would not reflect product value for all leases, an average cost would not reflect production costs for all leases, and the capitalization formula would not be accurate for fluctuating income flow.

Another alternative was to sample and evaluate properties within districts and estimate actual ratios of assessment. This alternative was rejected due to lack of available qualified personnel and time to evaluate sample properties, and to the complexity of sample requirements necessary to obtain a valid estimate.

In most districts where oil and gas is of significant value, professional evaluation firms are hired by the districts to evaluate reserves. GOER reviewed the various methods and procedures of the firms serving school districts and found them to be reasonable and consistent.

The firms were asked to submit 100% full taxable value for the minerals evaluated in the school districts and counties which they served. The firms were also asked to provide a list of minerals included in their evaluation and the value for

each.

GOER contracted with the Railroad Commission and the Bureau of Economic Geology, University of Texas, to provide estimates of 1974 mineral commodity production and estimates of production value for each commodity by school district. In addition, the Railroad Commission provided a listing of oil and gas leases and production from these leases for each school district.

The above information was utilized to generate estimates of the relationship between 1975 reserve value and production value for 1974. While not an absolute standard, this relationship provided a test of the accuracy of mineral reserve values submitted by the school districts, identified districts which apparently under-valued or reported improperly, and provided guidelines for necessary adjustments for the category. (See Appendix F.)

The values generated were provided to the CTAs as additional base information to use in the determination of assigned values.

VEHICLE VALUATION

School districts treat this category of property in many different ways. Some districts attempt to tax all motor vehicles, some tax only business vehicles or those rendered, while still other districts do not tax vehicles at all. In the index of ability to support public education, the value of vehicles had to be either included or excluded for all districts. Since HB 1126 mandated a study of each district's ability to support public education, GOER decided to include vehicles in the index. School districts do have the ability to tax vehicles within their jurisdiction, as evidenced by those districts which make the effort to tax all vehicles.

The lack of uniform treatment of vehicles by all districts precluded the use of a ratio study to factor assessed value up to full value because it could not be assumed that all vehicles were on the roll. Therefore, a method of estimating values had to be developed independent of the tax rolls.

Motor vehicles are registered by county in Texas. No statewide source of information currently exists which identifies vehicles by school district location of owners. Only a detailed examination of each registration could produce a completely accurate assignment of vehicles to the proper school districts. To attempt this time-consuming process for 6.7 million vehicle registrations was not feasible. Instead, it was necessary to use an apportionment formula.

GOER obtained from the Texas Department of Highways and Public Transportation a listing of 1975 vehicle registrations by county with breakdowns for each county by vehicle weight and age. All 5,244,689 business and personal au-

tomobiles, and 1,485,186 pickups and other light trucks registered in 1975 were included in the study. The *N.A.D.A. Official Used Car Guide* is the accepted vehicle valuation authority. Most tax assessors use N.A.D.A. "average trade-ins" as the full value of vehicles. For this reason these values were adopted for use in the study.

Using the *N.A.D.A. Guide*, GOER determined the average value of three typical cars in each weight category:

- * 0 - 3000 lbs.
- * 3001 - 4000 lbs.
- * 4001 - 6000 lbs.
- * pickups and light trucks

The average values for each weight and age category were processed on the computer against the corresponding number of registered vehicles in each category to yield the total value of vehicles within each county.

GOER then designed an apportionment formula to divide the value of vehicles registered in a county into those school districts within the county. The most logical indicator to use in such a formula would be school district population, but reliable estimates of population are not available by school district. The best available alternative was the use of average daily membership (ADM) - a figure which is known for every district. The basic formula for apportioning county vehicle value to those districts within the county is:

$$\frac{\text{District ADM}}{\text{County ADM}} \times \text{County Vehicle Value}$$

This formula is complicated by the existence of nearly 400 districts which overlap county boundaries. Because all the ADM of a county-line district is assigned by TEA to only one county, adhering strictly to the ADM allocation method can result in inequitable apportionment. Consequently, two formulas were developed to compensate for county boundary overlap. The formulas took into account county ADM, county population and other available information. Where applicable, county values were adjusted by the formula which most nearly described the degree of overlap as shown in the *State of Texas School District Atlas (TEA, 1975)*.

Because the formula used to apportion county values to school districts does not take into account intra-county variations in wealth, a "circuit-breaker" was used to avoid assigning to any district an unreasonably high value. No district in a multi-district county was assigned a vehicle value exceeding 15% of the district's full value in categories A through F (real property).

The values generated were provided to the CTAs as additional base information to use in the determination of assigned values.

BANK VALUATION

Assessment of banks is specifically covered under Article 7166, *Texas Revised Civil Statutes Annotated*.

As an independent check on the full taxable value of banks reported by the local tax assessors, GOER computed the value of banks by an independent means.

Arriving at the "market value" of bank stock presents a problem although the law requires shareholders to render their stock at "their actual value." Since taxes must be paid before paying a dividend or transferring shares, banks have adopted the practice of acting as agents for their stockholders in rendering stock and paying taxes.

While the law requires all bank stock to be assessed at actual value, determining actual value of approximately 1,300 banks in Texas and the precise number of bank shares outstanding January 1, 1975 for each bank was not feasible.

An alternate approach, and one used by many tax assessors to arrive at market value, is to use the bank's capital structure to arrive at "book value." Since GOER's objective was to test the self-reported value for reasonableness, the book value was computed for each bank.

The Banks of Texas 1975, published by Sheshunoff & Co. Inc. contains the capital structure of 1,294 banks in Texas. By totalling the capital accounts of capital, surplus, capital reserves, and undivided profits, the book value for each bank was determined. For those banks not included in the Sheshunoff publication, call statements reflecting the bank's financial condition as of December 31, 1974, were utilized.

The primary difficulty in valuing banks on a school district basis was placing each bank in the proper district. GOER contacted each bank to determine school district location. This was then double-checked with school district superintendents and local tax assessors during the CTAs on-site review. Once the location of each bank had been verified, GOER developed lists of banks by school district. Values for each bank were then computed and summed to obtain school district totals. (See Appendix G.)

The values were provided to the CTAs as additional base information to use in the determination of assigned values.

UTILITY VALUATION

Railroads, electric companies and cooperatives, gas distribution companies, telephone companies, pipeline companies, water systems, and other companies commonly classified as utilities are included in this category. Evaluation procedures utilized by individual school districts vary sig-

nificantly. In some districts, utilities are evaluated by professional evaluation engineers. In other districts, utilities are evaluated based upon schedules and unit standards. Still other districts accept the values rendered by the individual firms. Other districts utilize some combination of methods.

Numerous approaches to the evaluation of utilities were considered. Some of the approaches considered and the reasons for their rejections include: 1) appraisal of utility properties in each school district was not feasible due to the complexity of properties and cost and time constraints; 2) development of sales-assessment ratios was not possible due to limited sales data; and, 3) review of rendition forms submitted to the school districts and application of fixed unit standards were not feasible due to the lack of uniformity in renditions and the time required to compile and analyze the data.

The most severe limitation in evaluating utility properties was the lack of published information by school district. After considering various alternatives, GOER solicited the cooperation of utility firms in providing such information. GOER staff met with representatives of each major utility classification and requested each utility to provide a breakdown of utility property by size and type for each school district as of January 1, 1975, and an estimate of total taxable value of utility property. Estimates of values were to be obtained using similar methods for each school district.

This approach furnished a central file of base information on utility properties by school districts and identified units and unit standards allowing evaluation of data submitted.

GOER recognized that it would be impossible to obtain the cooperation of all utility firms in providing necessary information and that the estimates of taxable values submitted by the firms for each district would be contingent on the integrity of the individual firms. To insure that information was received from each firm, GOER maintained check-lists of firms and school districts in which the various firms operated. After reviewing the data, GOER prepared district totals of utility values. (See Appendix H.)

Values and utility work forms were provided to the CTAs as additional base information to use in the determination of assigned values.

FARM AND RANCH PERSONAL VALUATION

Tangible personal property of farms and ranches includes machinery, equipment, livestock and other personal property commonly used on farm and ranch operations. While all such property is taxable, the actual assessing and taxing procedures utilized by school districts vary sig-

nificantly. The total taxable value of this category may not constitute a major portion of taxable wealth for any individual school district. However, local tax assessors do have the ability to tax such property and, therefore, it was included in the study.

The major types of taxable property included in this category are machinery and equipment, cattle and calves (both beef and dairy), cattle on feed, sheep, goats, and swine. Due to the relatively small segments of wealth included in other classifications of property in this category, and limitations associated with determining location and estimates of value, they were omitted from the analysis.

The nature of the property and the various taxing procedures utilized by individual school districts limited the development of reasonable estimates of value by the CTAs. Commonly used mass appraisal techniques, such as ratio studies, were not applicable. Another major problem was that data related to machinery, equipment, and livestock, the major items of value for this category, is not maintained by school districts. Development of estimates of value by school districts required analysis of county data. County values were allocated to the school districts based on percentages of acreages in various agricultural use categories. (See Appendix I.)

The values were provided to the CTAs as additional base information to use in the determination of assigned value.





LAND USE-VALUE STUDIES

Separate from the market value study, two studies were conducted on Category D (Acreage) to provide additional information to the Legislature. These studies estimated the use-value of land based upon income generated from its use in agriculture and timber production.

Agricultural Use Study

Agricultural use-value is the value of land based upon its use in agricultural production. Article VIII, sec. 1-d of the Texas Constitution provides authority to the local assessor to define and classify real estate devoted to agriculture and to authorize taxation of qualifying real estate based upon use-value. While section 1-d provides the authority and general provisions for qualification of both land and owner, it does not define the methods and procedures to be used to establish use-value.

The only legislation which could provide any guidelines was HB 1535 as passed by the 64th Legislature. It provided for the use of the income capitalization approach, based on a five year average of operator budgets. The income capitalization approach is a method of determining value by dividing the net return to land by a rate that is assumed to be a "fair rate of return." Ascertaining the net return to land was the primary focus of

this study.

In order to generate net returns to land on a district-by-district basis, staff visited each county. These individuals interviewed county extension personnel, agricultural lenders, farmers, ranchers, and others. Additionally, sources of information included the Texas Crop and Livestock Reporting Service, the Texas Agricultural Extension Service, and the Soil Conservation Service.

The net return to land was capitalized at 10.5% to estimate an agricultural use-value per acre by use category. These estimates were multiplied by the acreage in each category to generate an agricultural use-value for each school district.

Timber Study

Timberland does not qualify for use-value assessment under Article VIII, sec. 1-d. However, it was included in provisions of HB 1535 for use-value assessment. The objective of this study was to define an alternative system for the evaluation of timberlands and to develop independent, uniform estimates of their productive values in districts with significant acreages of timberland. As with agricultural use-value, the value of the timber resource could be estimated utilizing the income capitalization approach to value. GOER contracted with the Department of Forest Science, the Texas Agricultural Experiment Station, the Texas A & M University System for this study.

FINAL ASSIGNMENT OF VALUES

Three phases were designed and performed to insure uniformity and accuracy in determining final assigned values for each school district.

CTA Preliminary Assignment of Value

Following the completion of the independent studies and on-site reviews, the CTAs established preliminary assigned values for each district. A work program was developed which defined procedures to follow in assigning values and a computer format was designed to facilitate review of information. Full documentation was required in value assignment. (See Appendix J.)

Prior to assignment of values, the methods and procedures utilized by each independent study were explained to insure a complete understanding of support materials.

Preliminary assigned values were made for each district by the CTA who conducted the on-site review. For each district, values were assigned by category of property with the total value being the sum of all categories. Values were tested for mathematical accuracy.

Review Committee Recommendations

After the CTAs assigned preliminary district values, a review committee consisting of three CTAs and two GOER staff members was established to review all districts for uniformity and consistency, to identify possible errors, and to make recommendations for adjustments.

CTA Assignment of Final Value

Recommendations were then reviewed by the CTA who worked the district. Taking the recommendations into consideration, the CTA used his best judgment in assigning a final value that most accurately reflected full market value. Documentation was required for any adjustments and is included in the districts' files. This elaborate system of checks and reviews was deemed necessary to insure that final assigned values were uniform and accurate for each district.

REVIEW AND APPEALS

Despite numerous checks to insure accuracy of working data, transfers of information, and mathematical procedures, possibility existed that error could occur in establishing the assigned value for a district.

For this reason, a system was established through which districts could request a review of their assigned value by an appeals panel appointed by the Governor.

DATA BASE

In order to assimilate and prepare the data for analysis and reporting, a series of computer programs was developed with the assistance of Ernst & Ernst.

Data Base Maintenance System

This system organized and maintained a computer file of all property value data. The computer file, or data base, was used in the analysis and reporting systems. It also serves as an historical record of the data gathered during the project and provides a source for future property value research.

The completed data base contains approximately 71,500 records. There are 65 records for each of the 1,095 districts. Some of the information sources, such as the CTA and LTA projects, provided values for all property categories, while independent studies provided values for only selected categories. A separate set of records, identified as "assigned value," contains the full taxable value for each category of each district.

To assist in processing and controlling the input from all sources, a data base management procedures manual was prepared.

Property Value Analysis System

This system organized and compared the information to assist the review process. The primary phase of the analysis system was designed to assist the CTAs in their assignment of values. Reports were prepared to display all of the information in the data base for each district. These reports also provided space in which the CTA could insert his assigned value for each category. Upon completion of the worksheets, they were compiled and submitted to the data base.

Property Value Reporting System

This system printed various reports for public distribution. Included are reports which list school district market values and district values with agricultural use-value on rural acreage. A comparison report shows the values assigned in the 14 property categories for each district and several surrounding districts.

SUMMARY OF ERNST & ERNST REPORT

The Governor's Office Education Resources defined their objective under "Section 10(b) of House Bill 1126" of the Sixty-Fourth Legislature, to be the determination of full taxable property value estimates in each of the approximately 1,100 Texas school districts. The approach which the Governor's Office utilized to achieve the objective of section 10(b) was to conduct a market value study.

Ernst & Ernst was engaged to review the overall project methodology of the market value study to determine whether the approach as designed would provide reasonable estimates of taxable values on an equitable basis determined in a uniform and consistent manner. In the design of their approach, the Governor's Office placed major emphasis on consistency so as to insure uniformly developed market values.

Obviously, this type of study by its very nature could not supply 100% correct market values in each of the Texas school districts. Given the time constraint of less than one year to accomplish the project objectives, there was simply not enough time to perform all of the tests and procedures, and to conduct the in-depth training of personnel that would have been required. Further, this was the first time that standard property use classifications were required in the various Texas school districts. The Governor's Office determined that local tax rolls are not standardized, various exemptions are not uniformly treated, and wide variance in resources exists at the local tax assessor level. Misinterpretations and misunderstandings regarding definitions of tax and accounting terms and procedures are prevalent. Many of the properties required evaluations by various estimating techniques. The very nature of the project involved sampling, estimations, and evaluations by a large number of independent professional contractors.

Notwithstanding the above, we believe that the overall project methodology represented a reasonable approach. A sales ration study was conducted by a group of independent fee appraisers for the categories of residential property and acreage; professional assessors were utilized to visit each school district to make on-site reviews of the local tax assessors' methods of valuation and to form independent opinions of the values; other contractors supplied independent data to test the categories of commercial and industrial, oil and gas, other mineral reserves, utilities, and farm and ranch personal property. Other studies were conducted to arrive at values for vehicles and banks. An agricultural use study was conducted to determine the value of land used for agricultural purposes.

In addition, standard work programs were created for use by the Certified Texas Assessors

(CTAs) to perform tests and to document their estimates of taxable value. The work of the CTAs was tested for compliance with the work program and for consistency of application. Similar work programs were developed for and utilized by the independent fee appraisers. Computer programs were created to report on the data collected and provided a means of analysis. All of the above techniques were designed to provide uniform and consistent treatment of the valuations made by the professional groups associated with the project.

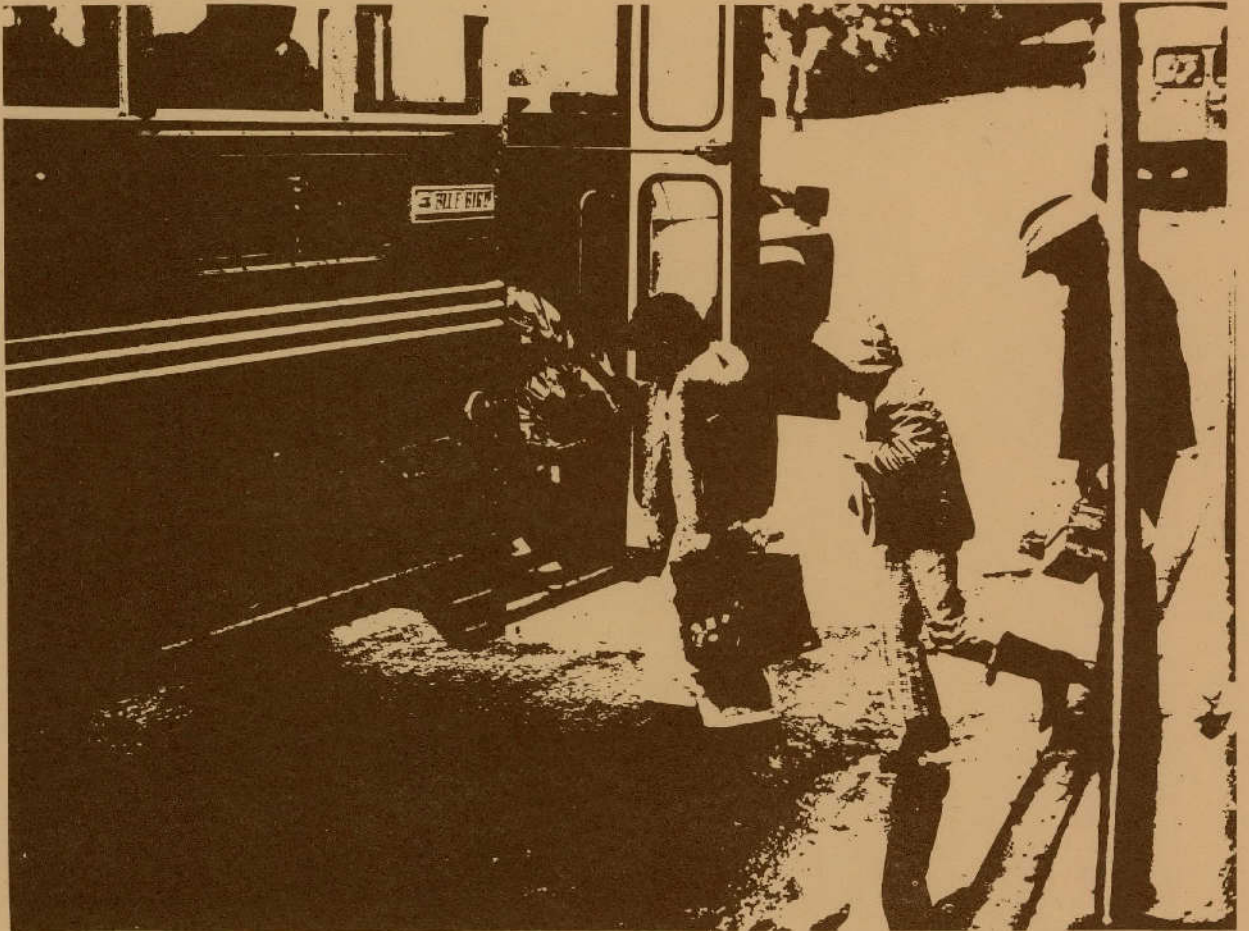
As a result of our review, we believe that the approach and methodology was designed so as to provide reasonable estimates of taxable values on an equitable basis determined in a uniform and consistent manner.

Ernst & Ernst was not retained to review the values or the results of the work performed by GOER personnel or the independent contractors, other than certain portions of the field work performed by the CTAs. We did discuss the project methodology with GOER personnel, assisted in the documentation of the methodology, and advised GOER personnel on forms and data collection methods pertaining to the accumulation of data input.

During the conduct of our assignment, we did not become aware of any significant areas where the project methodology which we reviewed was not utilized in the conduct of the assignment.



SCHOOL DISTRICT VALUES



		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
021-901	A & M CONS ISD	264,517,990	222,775,534	064-901	ASHERTON ISD	34,242,199	10,538,711
109-901	ABBOTT ISD	17,901,217	8,535,767	217-901	ASPERMONT ISD	153,398,025	118,551,796
095-901	ABERNATHY ISD	300,083,305	277,831,316	107-901	ATHENS ISD	167,758,164	137,497,927
221-901	ABILENE ISD	979,714,242	963,594,737	034-901	ATLANTA ISD	181,564,830	158,157,191
014-901	ACADEMY ISD	30,342,553	22,957,764	061-907	AUBREY ISD	32,874,428	19,113,855
180-903	ADRIAN ISD	56,970,712	37,341,256	227-901	AUSTIN ISD	4,338,196,393	4,062,807,275
178-901	AGUA DULCE ISD	63,976,589	52,134,002	196-901	AUSTWELL-TIVOLI ISD	187,032,465	141,937,602
015-901	ALAMO HEIGHTS ISD	515,995,109	515,995,109	070-901	AVALON ISD	12,458,719	5,819,189
090-901	ALANREED ISD	22,443,263	12,630,789	194-902	AVERY ISD	33,730,523	19,847,085
250-906	ALBA GOLDEN ISD	40,790,601	26,716,182	034-902	AVINGER ISD	18,564,255	9,532,260
209-901	ALBANY ISD	121,975,986	72,741,333	161-718	AXTELL RHSD	31,656,787	14,794,635
101-902	ALDINE ISD	1,302,545,222	1,160,911,517	220-915	AZLE ISD	168,373,646	119,229,698
184-907	ALEDO ISD	82,774,543	31,751,906	125-902	B BOLT-PALITO BLANCO	86,706,801	71,383,467
125-901	ALICE ISD	223,216,611	180,455,927	030-903	BAIRD ISD	61,669,887	32,448,866
101-903	ALIEF ISD	985,395,651	635,151,858	200-901	BALLINGER ISD	109,826,375	67,527,253
115-002	ALLAMOORE CSD	21,484,828	7,776,741	195-902	BALMORHEA ISD	22,546,521	13,012,431
043-901	ALLEN ISD	59,607,744	38,219,769	010-902	BANDERA ISD	141,313,286	83,837,791
242-904	ALLISON ISD	52,282,612	43,007,988	025-901	BANGS ISD	45,710,131	27,065,053
022-901	ALPINE ISD	95,060,987	52,928,515	178-913	BANQUETE ISD	77,487,763	60,234,837
037-901	ALTO ISD	62,473,302	28,607,509	036-902	BARBERS HILL ISD	401,369,611	303,188,053
126-901	ALVARADO ISD	61,403,831	41,020,135	014-902	BARTLETT ISD	41,035,981	22,273,909
020-901	ALVIN ISD	1,122,604,210	916,159,087	011-901	BASTROP ISD	212,495,354	118,819,172
249-901	ALVORD ISD	43,273,177	30,350,128	158-901	BAY CITY ISD	403,847,251	372,967,044
188-901	AMARILLO ISD	1,462,038,174	1,458,216,656	123-901	BEAUMONT ISD	681,926,489	674,470,193
140-901	AMHERST ISD	30,291,365	23,197,533	183-901	BECKVILLE ISD	39,736,290	26,644,624
036-901	ANAHUAC ISD	445,790,699	418,832,340	013-901	BEEVILLE ISD	209,412,090	155,306,430
093-901	ANDERSON-SHIRO CONS	110,664,732	34,292,236	039-904	BELLEVUE ISD	33,677,993	12,009,240
002-901	ANDREWS ISD	1,207,055,170	1,183,488,003	091-901	BELLS ISD	25,392,364	15,538,928
020-902	ANGLETON ISD	714,722,669	565,403,521	008-901	BELLVILLE ISD	316,450,346	140,345,716
043-902	ANNA ISD	25,126,551	16,416,190	014-903	BELTON ISD	176,526,916	159,822,296
127-901	ANSON ISD	83,426,910	57,988,003	066-901	BENAVIDES ISD	369,440,152	203,990,724
071-906	ANTHONY ISD	16,753,670	15,470,603	138-704	BENJAMIN RHSD	30,709,297	15,627,940
110-901	ANTON ISD	43,045,928	38,168,389	107-909	BETHEL ISD	18,778,317	6,084,338
228-905	APPLE SPRINGS ISD	32,483,989	16,132,500	187-901	BIG SANDY ISD	51,383,713	31,012,029
109-912	AQUILLA ISD	23,533,596	9,190,142	230-901	BIG SANDY ISD	79,624,743	55,949,590
004-901	ARANSAS COUNTY ISD	250,111,401	228,915,007	114-901	BIG SPRING ISD	339,406,144	321,036,665
205-901	ARANSAS PASS ISD	83,933,040	83,547,505	220-902	BIRDVILLE ISD	708,396,786	670,210,496
005-901	ARCHER CITY ISD	89,607,116	54,685,942	178-902	BISHOP CONS ISD	211,872,089	193,017,052
225-804	ARGO RISD	5,580,129	2,498,415	177-703	BLACKWELL RHSD	59,072,942	39,903,858
061-710	ARGYLE RHSD	68,252,018	35,532,468	016-902	BLANCO ISD	131,386,305	45,081,871
220-901	ARLINGTON ISD	2,190,088,178	2,011,694,854	116-915	BLAND ISD	20,403,791	10,142,016
212-901	ARP ISD	36,978,161	21,578,159	025-704	BLANKET RHSD	14,019,571	5,881,894

040-903	BLEDSD	61,767,462	48,671,496	121-903	BUNA ISD	79,468,215	53,492,351
034-708	BLOOMBURG RHSD	13,002,238	7,548,613	243-901	BURKBURNETT ISD	165,105,133	148,405,915
175-902	BLOOMING GROVE ISD	58,761,009	24,370,670	176-901	BURKEVILLE ISD	91,731,970	40,031,116
235-901	BLOOMINGTON ISD	68,197,167	54,675,272	126-902	BURLESON ISD	170,296,115	141,512,955
043-717	BLUE RIDGE RHSD	31,499,534	13,604,123	027-903	BURNET CONS ISD	258,997,149	141,819,560
072-804	BLUFF DALE CSD	15,624,019	5,846,343	239-903	BURTON ISD	81,065,334	29,883,967
109-913	BLUM ISD	37,970,437	18,791,669	188-004	BUSHLAND CONS CSD	167,333,942	135,938,233
130-901	BOERNE CO LINE ISD	210,826,163	129,987,948	221-012	BUTTERFIELD CSD	15,500,634	11,609,890
116-916	BOLES HOME ISD	2,839,138	2,242,328	039-901	BYERS ISD	15,439,609	9,942,200
241-901	BOLING ISD	200,913,500	155,927,165	109-902	BYNUM ISD	25,054,225	11,731,177
074-903	BONHAM ISD	140,512,155	114,533,254	116-901	CADDO MILLS ISD	34,871,043	21,229,900
148-901	BOOKER ISD	66,190,666	55,184,563	178-903	CALLEN ISD	122,432,342	114,477,458
017-901	BORDEN COUNTY ISD	330,017,601	255,598,577	026-901	CALDWELL ISD	176,325,148	71,430,766
117-901	BORGER ISD	210,519,613	208,871,950	029-901	CALHOUN COUNTY ISD	657,170,578	607,677,098
161-923	BOSQUEVILLE ISD	16,194,269	10,051,232	049-905	CALLISBURG ISD	99,963,499	80,631,608
185-901	BOVINA ISD	83,992,086	63,219,469	198-902	CALVERT ISD	52,269,723	31,925,234
169-901	BOWIE ISD	151,424,468	118,416,607	166-901	CAMERON ISD	128,690,149	69,237,739
249-902	BOYD ISD	34,861,737	25,241,941	116-910	CAMPBELL ISD	12,706,981	6,965,821
136-901	BRACKETT ISD	186,270,684	43,072,915	106-901	CANADIAN ISD	285,333,696	244,681,708
160-901	BRADY ISD	157,464,748	80,907,798	189-004	CANDELARIA CSD	3,002,544	1,100,328
020-905	BRAZOSPORT ISD	1,593,064,422	1,532,095,004	234-902	CANTON ISD	101,954,716	67,953,629
215-901	BRECKENRIDGE ISD	213,325,669	135,956,042	071-907	CANUTILLO ISD	89,062,077	60,572,277
198-901	BREMOND ISD	55,040,248	26,509,132	191-901	CANYON ISD	258,531,015	220,609,435
239-901	BRENHAM ISD	409,041,635	212,750,798	067-901	CARBON ISD	31,529,873	17,574,796
181-901	BRIDGE CITY ISD	251,703,234	237,320,769	201-913	CARLISLE ISD	53,290,582	36,272,276
249-903	BRIDGEPORT ISD	114,112,046	96,776,207	104-904	CARNEY ISD	18,288,852	14,292,145
242-906	BRISCOE ISD	71,303,937	63,890,284	064-903	CARRIZO SPRINGS ISD	333,237,181	179,750,412
203-902	BROADDUS ISD	29,908,627	16,271,758	220-919	CARROLL ISD	44,970,478	15,531,354
184-909	BROCK ISD	34,362,575	10,923,353	057-903	CARROLLTON FRMRS BR	1,021,159,575	832,737,203
041-901	BRONTE ISD	56,414,774	38,679,150	069-803	CARTA VALLEY RISD	19,219,350	6,048,024
121-902	BROOKELAND ISD	57,552,079	32,937,553	183-902	CARTHAGE ISD	285,578,682	212,570,957
025-808	BROOKESMITH RISD	22,545,112	8,227,180	220-917	CASTLEBURY ISD	116,722,255	116,538,532
024-901	BROOKS ISD	465,402,873	342,882,942	001-902	CAYUGA ISD	84,033,903	42,182,024
223-901	BROWNFIELD ISD	208,304,606	188,502,159	057-904	CEDAR HILL ISD	118,329,549	73,352,894
107-902	BROWNSBORO ISD	120,274,105	74,903,905	116-902	CELESTE ISD	17,701,553	9,745,000
031-901	BROWNSVILLE ISD	647,982,457	581,125,423	043-903	CELINA ISD	50,950,035	24,866,212
025-902	BROWNWOOD ISD	170,540,560	153,248,974	210-901	CENTER ISD	122,138,368	86,637,793
161-719	BRUCEVILLE-EDDY RHSD	28,077,558	14,930,500	133-901	CENTER POINT ISD	47,612,601	22,773,281
021-902	BRYAN ISD	634,279,527	486,171,959	228-904	CENTERVILLE ISD	26,221,297	9,328,467
119-901	BRYSON ISD	39,958,381	19,839,814	145-902	CENTERVILLE ISD	118,208,614	38,989,256
166-907	BUCKHOLTS ISD	19,889,780	9,539,003	174-908	CENTRAL HEIGHTS ISD	30,739,965	13,207,565
186-901	BUENA VISTA ISD	97,864,036	85,086,152	003-907	CENTRAL ISD	59,138,352	32,140,143
221-009	BUFFALO GAP CSD	8,668,350	5,406,688	101-905	CHANNELVIEW ISD	225,101,322	201,968,747
145-901	BUFFALO ISD	47,528,431	30,791,829	103-901	CHANNING ISD	104,834,309	83,935,184
212-902	BULLARD ISD	48,957,162	30,199,288	212-909	CHAPEL HILL ISD	136,354,875	111,460,617

		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
225-706	CHAPEL HILL RHSD	17,472,407	7,170,006	057-922	COPPELL ISD	167,693,144	65,156,080
007-901	CHARLOTTE ISD	85,433,176	45,471,992	050-910	COPPERAS COVE ISD	160,884,119	144,225,471
206-803	CHEROKEE ISD	33,976,454	10,246,724	178-904	CORPUS CHRISTI ISD	1,975,111,797	1,962,876,035
229-906	CHESTER ISD	57,337,999	31,085,903	187-904	CORRIGAN-CAMDEN ISD	172,323,654	107,938,757
249-904	CHICO ISD	62,905,130	53,890,977	175-903	CORSICANA ISD	246,055,262	187,736,380
038-901	CHILDRESS ISD	102,286,350	83,467,557	095-902	COTTON CENTER ISD	48,743,239	29,844,419
099-902	CHILLICOTHE ISD	56,724,569	40,183,941	142-901	COTULLA ISD	193,347,611	63,150,081
073-901	CHILTON ISD	31,352,786	20,848,691	246-018	COUPLAND ISD	16,128,104	7,873,741
161-920	CHINA SPRING ISD	37,505,835	22,960,005	109-903	COVINGTON ISD	18,849,618	8,981,697
174-901	CHIRENO ISD	26,851,405	9,401,167	129-901	CRANDALL ISD	42,946,324	21,314,731
226-901	CHRISTOVAL ISD	58,261,548	29,140,495	052-901	CRANE ISD	792,054,243	783,688,398
067-902	CISCO ISD	72,671,851	60,764,978	018-908	CRANFILLS GAP ISD	31,437,198	12,468,049
243-906	CITY VIEW ISD	40,510,753	37,857,600	161-901	CRAWFORD ISD	41,186,371	13,823,034
065-901	CLARENDON ISD	100,409,040	74,914,831	053-001	CROCKETT CO CONS ISD	370,787,784	251,006,849
194-904	CLARKSVILLE ISD	133,186,172	82,346,719	113-901	CROCKETT ISD	125,492,108	79,941,992
006-902	CLAUDE ISD	97,967,634	63,793,245	101-906	CROSBY ISD	186,061,319	114,076,562
084-910	CLEAR CREEK ISD	1,471,700,845	1,350,574,050	054-901	CROSBYTON ISD	78,532,064	55,996,091
126-903	CLEBURNE ISD	239,577,738	210,194,088	030-901	CROSS PLAINS ISD	8,240,964	40,342,816
146-901	CLEVELAND ISD	150,545,608	102,007,910	107-904	CROSS ROADS ISD	55,903,918	31,901,446
018-901	CLIFTON ISD	97,524,826	61,835,922	078-901	CROWELL ISD	79,390,086	53,869,309
071-901	CLINT ISD	157,625,503	126,603,015	220-912	CROWLEY ISD	129,641,186	80,780,964
030-902	CLYDE ISD	63,300,337	40,700,876	254-901	CRYSTAL CITY ISD	147,870,466	80,890,830
114-902	COAHOMA ISD	105,648,621	91,286,066	062-901	CUERO ISD	152,774,950	98,434,397
204-901	COLDSPRING-OAKHURST	179,292,591	110,306,559	055-901	CULBERSON CO ISD	230,045,192	201,010,815
042-901	COLEMAN ISD	73,503,137	47,109,875	112-905	CUMBY ISD	19,873,609	10,153,418
091-902	COLLINSVILLE ISD	21,116,252	11,623,646	174-902	CUSHING ISD	75,897,683	38,889,580
229-901	COLMESNEIL ISD	58,440,930	30,953,546	101-907	CYPRESS-FAIRBANKS ISD	1,597,419,742	1,112,914,387
168-901	COLORADO ISD	147,365,994	130,700,646	172-902	DAINGERFIELD- LONE STAR ISD	271,097,748	251,158,346
020-907	COLUMBIA-BRAZORIA ISD	472,617,171	374,947,709	056-901	DALHART ISD	168,956,672	135,073,399
045-902	COLUMBUS ISD	239,003,591	112,118,047	057-905	DALLAS ISD	12,763,203,010	12,604,390,022
046-902	COMAL ISD	438,782,482	261,213,655	020-910	DAMON ISD	37,743,891	18,427,234
047-901	COMANCHE ISD	140,288,137	84,142,736	020-904	DANBURY ISD	49,312,991	33,497,820
130-902	COMFORT ISD	147,313,467	55,798,195	148-905	DARROUZETT ISD	41,065,786	33,772,153
116-903	COMMERCE ISD	99,188,382	82,017,717	175-904	DAWSON ISD	50,241,685	24,082,827
043-918	COMMUNITY ISD	37,209,339	24,520,496	058-902	DAWSON ISD	122,447,522	107,635,595
112-908	COMO-PICKTON ISD	52,487,759	33,074,213	146-902	DAYTON ISD	166,059,661	138,923,130
233-903	COMSTOCK ISD	71,606,360	21,210,931	249-905	DECATUR ISD	116,178,061	80,816,075
161-921	CONNALLY ISD	74,820,898	63,244,212	101-908	DEER PARK ISD	1,811,352,024	1,712,140,514
170-902	CONROE ISD	1,647,650,620	1,089,801,636	019-901	DEKALB ISD	68,707,608	52,128,614
188-003	CONSOLIDATED CSD	192,678,157	182,998,759	227-910	DEL VALLE ISD	130,945,752	83,969,961
147-901	COOLIDGE ISD	38,150,323	18,855,732	047-902	DELEON ISD	100,151,428	56,524,350
060-902	COOPER ISD	78,812,855	55,706,003				

115-903	DELL CITY ISD	34,667,181	22,530,399	241-903	EL CAMPO ISD	375,233,456	271,830,851
139-905	DELMAR ISD	31,705,824	18,436,936	071-902	EL PASO ISD	2,993,654,939	2,977,788,304
091-903	DENISON ISD	310,791,622	273,092,460	243-902	ELECTRA ISD	100,368,104	82,574,339
061-901	DENTON ISD	618,777,372	554,307,069	011-902	ELGIN ISD	108,467,736	61,826,950
251-901	DENVER CITY ISD	1,407,528,408	1,393,950,320	001-903	ELKHART ISD	64,903,758	32,085,003
057-906	DESOTO ISD	185,669,467	163,749,572	102-906	ELYSIAN FIELDS ISD	70,514,111	55,924,560
194-905	DETROIT ISD	43,344,825	20,013,867	070-903	ENNIS ISD	215,692,037	175,379,328
146-903	DEVERS ISD	64,025,948	50,596,962	048-702	EOLA RHSD	25,010,838	10,396,459
163-901	DEVINE ISD	155,055,483	92,341,673	049-906	ERA ISD	51,214,710	24,595,843
081-004	DEW CSD	15,896,907	7,496,564	096-901	ESTELLINE ISD	26,505,374	15,553,275
176-903	DEWEYVILLE ISD	54,375,664	41,536,480	174-010	ETOILE CSD	20,244,516	8,093,555
003-905	DIBOLL ISD	106,610,622	71,672,276	030-906	EULA ISD	41,209,761	28,004,523
084-901	DICKINSON ISD	483,835,715	462,615,844	107-905	EUSTACE ISD	67,103,022	48,712,813
082-902	DILLEY ISD	139,999,248	61,433,245	121-906	EVADALE ISD	137,016,079	135,962,246
144-903	DIME BOX ISD	29,033,809	9,532,923	050-901	EVANT ISD	49,037,451	23,901,932
035-901	DIMMITT ISD	196,842,207	158,944,702	220-904	EVERMAN ISD	149,308,440	129,683,178
133-012	DIVIDE CSD	43,557,490	10,627,054	210-047	EXCELSIOR CSD	8,318,459	3,760,780
177-704	DIVIDE RHSD	28,781,248	14,009,526	143-054	EZZELL CSD	83,423,022	50,023,411
074-704	DODD CITY RHSD	16,285,683	9,139,004	071-903	FABENS ISD	43,995,641	30,722,008
108-902	DONNA ISD	116,657,176	96,409,913	081-902	FAIRFIELD ISD	250,955,029	176,455,157
086-024	DOSS CSD	24,248,811	7,724,397	128-904	FALLS CITY ISD	71,209,062	50,862,990
077-018	DOUGHERTY CSD	22,941,924	16,799,454	060-914	FANNINDEL ISD	40,731,762	29,761,019
174-013	DOUGLASS CSD	30,742,374	18,275,919	043-904	FARMERSVILLE ISD	49,637,759	28,467,813
105-904	DRIPPING SPRINGS ISD	325,020,326	160,071,349	185-902	FARWELL ISD	78,320,496	63,240,974
178-905	DRISCOLL ISD	62,913,079	54,423,970	075-906	FAYETTEVILLE ISD	42,791,438	16,288,432
072-902	DUBLIN ISD	91,405,888	44,091,199	070-905	FERRIS ISD	61,199,445	31,434,650
171-901	DUMAS ISD	495,039,201	450,649,588	075-901	FLATONIA ISD	128,567,798	46,822,740
057-907	DUNCANVILLE ISD	408,021,046	367,534,112	246-902	FLORENCE ISD	49,268,143	14,239,178
163-902	D'HANIS ISD	83,969,748	23,100,426	247-901	FLORESVILLE ISD	505,263,244	431,095,611
159-901	EAGLE PASS ISD	303,025,295	172,717,207	178-914	FLOUR BLUFF ISD	301,584,265	292,974,003
220-918	EAGLE-MT SAGINAW ISD	229,522,039	196,359,921	077-901	FLOYDADA ISD	137,047,050	109,528,930
227-909	EANES ISD	210,384,702	145,581,778	208-906	FLUVANNA ISD	32,041,081	20,037,635
025-909	EARLY ISD	31,677,092	22,251,927	148-902	FOLLETT ISD	56,981,354	45,829,852
241-902	EAST BERNARD ISD	109,217,088	74,475,401	169-910	FORESTBURG ISD	30,125,854	11,473,758
015-911	EAST CENTRAL ISD	261,700,002	152,666,921	129-902	FORNEY ISD	78,479,462	41,333,109
036-903	EAST CHAMBERS ISD	100,838,089	92,650,083	114-904	FORSAN ISD	101,909,149	93,529,224
067-903	EASTLAND ISD	67,107,517	53,835,750	079-907	FORT BEND ISD	1,108,790,517	769,190,021
068-901	ECTOR COUNTY ISD	2,225,553,539	2,191,397,624	220-905	FORT WORTH ISD	4,658,217,016	4,605,869,261
074-705	ECTOR RHSD	10,322,932	7,181,598	198-903	FRANKLIN ISD	134,875,369	49,915,361
108-903	EDCOUCH-ELSA ISD	42,380,995	37,741,272	001-904	FRANKSTON ISD	120,810,001	106,651,419
048-901	EDEN ISD	61,396,857	29,959,742	086-901	FREDERICKSBURG ISD	303,927,049	161,843,300
015-905	EDGEWOOD ISD	217,658,876	214,037,524	152-907	FRENSHIP ISD	75,007,636	68,862,144
234-903	EDGEWOOD ISD	82,963,099	65,350,020	084-911	FRIENDSWOOD ISD	152,086,800	137,850,872
108-904	EDINBURG ISD	550,246,903	433,079,529	185-903	FRIONA ISD	166,699,184	144,468,525
120-901	EDNA ISD	224,148,315	140,698,371	043-905	FRISCO ISD	110,302,177	43,737,377

		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
175-905	FROST ISD	27,793,350	15,727,473	246-905	GRANGER ISD	39,487,575	17,151,564
234-909	FRUITVALE ISD	19,834,130	12,525,292	226-907	GRAPE CREEK-PULLIAM ISD	32,300,427	15,561,217
122-901	FT DAVIS ISD	54,776,941	18,754,060	113-902	GRAPELAND ISD	88,739,981	48,589,779
115-901	FT HANCOCK ISD	40,426,276	37,955,385	220-906	GRAPEVINE ISD	256,396,956	201,751,361
186-902	FT STOCKTON ISD	1,097,985,559	1,029,989,317	116-905	GREENVILLE ISD	300,836,576	269,545,578
049-901	GAINESVILLE ISD	195,337,067	168,143,862	165-902	GREENWOOD ISD	61,452,410	54,437,950
101-910	GALENA PARK ISD	990,121,015	895,343,636	205-902	GREGORY-PORTLAND ISD	352,107,963	337,272,478
084-902	GALVESTON ISD	1,066,505,085	957,275,239	147-902	GROESBECK ISD	157,227,160	88,199,974
120-902	GANADO ISD	148,723,673	123,265,711	033-901	GROOM ISD	56,284,904	46,139,065
057-909	GARLAND ISD	1,341,650,963	1,259,177,889	228-901	GROVETON ISD	124,230,695	59,427,986
184-083	GARNER CSD	11,081,033	5,915,981	098-901	GRUVER ISD	222,512,953	191,610,238
174-903	GARRISON ISD	52,386,622	23,239,506	091-717	GUNTER RHSD	23,979,209	11,214,127
183-904	GARY ISD	23,776,828	15,420,816	047-903	GUSTINE ISD	30,714,906	16,716,144
050-902	GATESVILLE ISD	1,16,077,344	85,890,810	135-001	GUTHRIE CSD	113,823,727	64,340,346
166-902	GAUSE ISD	23,587,624	7,874,192	095-903	HALE CENTER ISD	81,425,357	61,603,280
149-901	GEORGE WEST ISD	321,844,078	197,894,757	155-007	HALL CSD	5,786,971	3,375,986
246-904	GEORGETOWN ISD	168,269,691	108,943,967	143-901	HALLETSVILLE ISD	234,499,332	119,506,662
161-012	GHOLSON CSD	7,341,449	4,213,445	161-010	HALLSBURG ISD	48,375,409	43,763,702
144-901	GIDDINGS ISD	128,671,742	63,141,218	102-904	HALLSVILLE ISD	266,915,177	221,213,349
230-902	GILMER ISD	142,995,235	104,367,703	221-001	HAMBY CSD	32,561,301	17,865,682
092-901	GLADEWATER ISD	305,191,042	282,874,963	097-902	HAMILTON ISD	111,118,672	62,603,822
087-901	GLASSCOCK ISD	101,723,079	75,952,793	127-903	HAMLIN ISD	102,853,146	82,322,429
213-901	GLEN ROSE ISD	72,674,982	37,672,128	123-914	HAMSHIRE-FANNETT ISD	164,068,052	149,073,628
126-911	GODLEY ISD	48,648,694	20,261,603	219-901	HAPPY ISD	87,031,111	75,538,592
169-906	GOLDBURG ISD	43,192,284	16,285,848	146-904	HARDIN ISD	79,197,148	52,774,834
167-901	GOLDTHWAITE ISD	66,301,786	32,603,264	100-905	HARDIN-JEFFERSON ISD	148,849,414	117,125,355
088-902	GOLIAD ISD	250,451,831	128,018,400	015-904	HARLANDALE ISD	350,730,295	350,457,270
089-901	GONZALES ISD	245,261,866	101,077,794	102-905	HARLETON ISD	28,252,200	12,308,253
187-903	GOODRICH ISD	40,526,735	25,969,205	031-903	HARLINGEN ISD	433,716,421	397,803,743
101-911	GOOSE CREEK ISD	1,652,952,846	1,572,563,518	230-905	HARMONY ISD	60,282,761	29,172,280
182-901	GORDON ISD	36,442,446	17,869,570	086-902	HARPER ISD	87,552,118	26,912,689
138-901	GOREE ISD	21,532,652	14,462,256	244-901	HARROLD ISD	39,810,189	30,789,378
067-904	GORMAN ISD	39,923,791	26,826,038	035-902	HART ISD	59,658,389	43,766,056
156-905	GRADY ISD	80,352,993	72,854,878	103-902	HARTLEY ISD	74,184,704	60,464,667
182-902	GRAFORD ISD	52,173,945	32,594,479	225-030	HARTS BLUFF CSD	10,674,431	4,990,766
252-901	GRAHAM ISD	208,110,787	169,353,141	104-901	HASKELL ISD	66,633,293	57,936,534
111-901	GRANBURY ISD	258,642,995	203,375,655	250-902	HAWKINS ISD	672,904,806	652,010,831
057-910	GRAND PRAIRIE ISD	750,159,829	693,555,444	127-904	HAWLEY ISD	31,205,414	19,656,882
234-904	GRAND SALINE ISD	62,585,869	44,868,712	105-906	HAYS CONS ISD	218,025,010	102,425,543
238-904	GRANDFALLS-ROYALTY ISD	163,111,150	159,074,563	198-905	HEARNE ISD	101,505,358	65,133,054
126-904	GRANDVIEW ISD	40,775,095	26,290,194	065-902	HEDLEY ISD	18,703,520	10,629,440
090-905	GRANDVIEW-HOPKINS ISD	57,772,667	50,963,878	202-903	HEMPHILL ISD	107,311,748	60,860,727

237-902	HEMPSTEAD ISD	151,598,999	54,430,989	070-907	ITALY ISD	29,305,589	18,336,502
201-902	HENDERSON ISD	234,131,833	167,270,919	109-907	ITASCA ISD	47,552,276	22,563,205
039-902	HENRIETTA ISD	110,984,446	57,351,007	119-902	JACKSBORO ISD	154,956,872	98,449,626
059-901	HEREFORD ISD	405,489,927	347,959,591	037-904	JACKSONVILLE ISD	238,091,247	204,038,230
208-901	HERMLEIGH ISD	36,196,052	21,817,144	246-907	JARRELL ISD	36,240,923	17,655,488
097-903	HICO ISD	39,933,155	19,942,278	121-904	JASPER ISD	192,862,728	146,123,029
108-905	HIDALGO ISD	55,325,003	49,149,712	132-902	JAYTON-GIRARD ISD	394,325,800	362,785,478
148-903	HIGGINS ISD	27,050,822	18,624,059	155-901	JEFFERSON ISD	159,442,762	119,756,858
084-903	HIGH ISLAND ISD	38,714,997	33,463,871	124-901	JIM HOGG COUNTY ISD	181,327,097	90,494,181
177-905	HIGHLAND ISD	60,161,132	45,110,886	221-911	JIM NED ISD	90,190,053	65,734,896
057-911	HIGHLAND PARK ISD	704,802,364	704,802,364	210-902	JOAQUIN ISD	41,420,227	23,549,653
109-904	HILLSBORO ISD	107,987,824	81,847,895	016-901	JOHNSON CITY ISD	149,336,104	41,298,386
084-908	HITCHCOCK ISD	89,247,131	79,393,333	050-709	JONESBORO ISD	30,288,473,	12,740,430
076-901	HOBBS ISD	179,168,040	167,608,604	126-905	JOSHUA ISD	81,767,650	57,651,853
014-905	HOLLAND ISD	23,365,949	14,601,387	007-902	JOURDANTON ISD	118,615,446	72,731,645
005-902	HOLLIDAY ISD	75,600,224	42,532,472	015-916	JUDSON ISD	336,043,627	317,293,179
163-904	HONDO ISD	171,851,558	97,933,243	134-901	JUNCTION ISD	180,287,342	59,261,960
074-907	HONEY GROVE ISD	51,066,846	35,202,599	233-004	JUNO CSD	35,669,943	11,419,241
019-902	HOOKS ISD	25,803,707	20,934,465	102-901	KARNACK ISD	33,040,991	13,013,713
101-912	HOUSTON ISD	18,078,730,478	18,079,418,194	128-901	KARNES CITY ISD	149,668,803	96,159,577
091-905	HOWE ISD	44,611,896	30,072,472	101-914	KATY ISD	1,004,763,864	661,083,515
019-055	HUBBARD CSD	5,165,196	2,960,239	129-903	KAUFMAN ISD	123,247,997	88,617,690
109-905	HUBBARD ISD	27,550,977	15,875,779	126-906	KEENE ISD	21,604,961	19,247,932
072-708	HUCKABAY RHSD	35,815,046	15,498,008	220-907	KELLER ISD	133,954,553	98,712,276
003-902	HUDSON ISD	58,840,864	39,171,166	242-905	KELTON ISD	57,106,478	51,032,263
101-925	HUFFMAN ISD	91,368,675	61,523,681	129-904	KEMP ISD	57,659,782	30,131,727
034-903	HUGHES SPRINGS ISD	85,668,787	63,553,290	079-908	KENDLETON ISD	25,485,966	12,074,117
146-905	HULL-DAISETTA ISD	66,501,862	58,273,403	131-001	KENEDY CO WIDE CSD	230,956,283	123,318,330
101-913	HUMBLE ISD	359,307,810	263,717,388	128-902	KENEDY ISD	88,790,265	68,175,450
133-902	HUNT ISD	60,960,376	19,376,947	113-906	KENNARD ISD	61,880,842	23,252,610
003-904	HUNTINGTON ISD	57,945,452	33,050,682	220-914	KENNEDALE ISD	43,634,733	35,799,734
236-902	HUNTSVILLE ISD	423,078,977	277,743,408	175-907	KERENS ISD	91,637,759	61,687,019
220-916	HURST-EULESS-BEDFORD	950,605,336	792,752,757	248-901	KERMIT ISD	296,270,504	290,342,254
246-906	HUTTO ISD	37,034,369	17,779,406	133-903	KERRVILLE ISD	232,349,166	194,028,183
152-910	IDALOU ISD	81,744,425	61,856,881	092-902	KILGORE ISD	238,252,153	213,253,040
120-905	INDUSTRIAL ISD	547,097,400	496,026,129	014-906	KILLEEN ISD	358,280,171	312,195,673
205-903	INGLESIDE ISD	114,658,866	114,462,948	137-901	KINGSVILLE ISD	487,602,622	475,746,676
133-904	INGRAM ISD	71,726,312	30,014,297	121-905	KIRBYVILLE ISD	77,653,392	55,389,354
093-903	IOLA ISD	55,699,985	19,720,850	101-915	KLEIN ISD	611,124,277	382,239,732
243-903	IOWA PARK CONS ISD	125,235,376	103,006,308	058-905	KLONDIKE ISD	157,633,793	112,384,351
208-903	IRA ISD	82,848,289	74,823,312	232-901	KNIPPA ISD	32,941,314	14,083,628
186-903	IRAAN-SHEFFIELD ISD	637,562,377	622,796,794	138-902	KNOX CITY ISD	31,482,865	23,485,816
018-706	IREDELL RHSD	29,849,848	12,335,933	018-707	KOPPERL RHSD	25,967,141	14,017,512
118-902	IRION COUNTY ISD	121,670,107	66,857,545	100-903	KOUNTZE ISD	79,226,936	61,071,506
057-912	IRVING ISD	1,544,262,810	1,402,114,503	219-905	KRESS ISD	88,258,902	65,342,174

		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
061-905	KRUM ISD	58,862,274	29,380,895	146-906	LIBERTY ISD	163,408,351	150,618,735
181-908	L CYPRESS-MAURICEVIL	186,758,426	167,203,363	019-908	LIBERTY-EYLAU ISD	129,815,430	116,025,683
031-905	LA FERIA ISD	49,619,731	40,363,804	126-809	LILLIAN RISD	12,626,768	7,908,812
125-021	LA GLORIA CSD	100,800,381	94,240,770	212-903	LINDALE ISD	98,801,938	70,752,982
075-902	LA GRANGE ISD	193,986,238	99,939,197	034-905	LINDEN-KILDARE ISD	83,417,904	44,114,692
108-912	LA JOYA ISD	208,730,165	155,012,639	049-907	LINDSAY ISD	38,206,164	29,663,973
084-904	LA MARQUE ISD	571,975,224	564,441,824	072-709	LINGLEVILLE RHSD	29,013,807	13,230,605
101-916	LA PORTE ISD	764,621,592	690,670,328	111-902	LIPAN ISD	34,626,994	14,849,832
107-910	LA POYNOR ISD	202,238,017	167,987,547	148-804	LIPSCOMB RISD	27,976,795	20,272,146
254-902	LA PRYOR ISD	43,647,366	21,349,765	061-914	LITTLE ELM ISD	49,598,361	33,228,943
161-906	LA VEGA ISD	79,618,206	68,344,335	140-904	LITTLEFIELD ISD	96,942,354	86,480,135
247-903	LA VERNIA ISD	49,478,264	20,733,382	187-907	LIVINGSTON ISD	296,543,413	194,869,599
108-914	LA VILLA ISD	48,277,312	41,687,200	150-901	LLANO ISD	337,940,576	197,729,509
227-002	LAGO VISTA CSD	120,718,089	114,945,866	028-902	LOCKHART ISD	166,514,571	99,993,955
061-912	LAKE DALLAS ISD	45,613,628	38,997,960	077-902	LOCKNEY ISD	87,298,781	73,377,333
220-910	LAKE WORTH ISD	66,678,194	55,411,926	160-805	LOHN RISD	26,866,341	9,465,644
096-908	LAKEVIEW ISD	28,809,995	20,098,171	141-902	LOMETA ISD	50,077,111	17,175,784
079-901	LAMAR CONS ISD	1,158,213,908	774,017,326	178-906	LONDON ISD	32,391,206	27,105,054
058-906	LAMESA ISD	210,913,016	172,117,536	116-906	LONE OAK ISD	35,195,039	20,819,763
141-901	LAMPASAS ISD	210,112,538	120,203,350	092-903	LONGVIEW ISD	632,646,334	598,205,646
057-913	LANCASTER ISD	173,206,767	122,406,622	083-902	LOOP ISD	153,475,097	143,816,534
201-903	LANEVILLE ISD	33,325,709	17,252,103	168-902	LORAIN ISD	30,628,436	19,420,845
240-901	LAREDO ISD	419,202,162	419,202,162	161-907	LORENA ISD	37,943,900	23,252,486
245-901	LASARA ISD	34,617,076	24,229,057	054-902	LORENZO ISD	75,925,146	53,119,642
113-905	LATEXO ISD	36,683,140	17,984,839	031-906	LOS FRESNOS CISD	192,973,501	138,167,728
137-805	LAURELS RISD	192,250,329	156,104,619	241-906	LOUISE ISD	101,956,981	59,456,988
185-904	LAZBUDDIE ISD	7,697,941	52,305,858	043-032	LOVEJOY CSD	24,687,940	17,441,461
193-902	LEAKEY ISD	94,051,085	31,255,258	113-903	LOVELADY ISD	115,687,329	51,397,510
246-913	LEANDER ISD	200,521,012	103,930,859	151-901	LOVING ISD	71,555,330	68,893,387
019-067	LEARY CSD	4,116,297	3,108,321	152-901	LUBBOCK ISD	1,606,635,213	1,577,328,468
090-902	LEFORS ISD	70,542,313	66,064,827	152-906	LUBBOCK-COOPER ISD	73,008,874	60,116,207
187-906	LEGGETT ISD	60,892,316	46,939,521	003-903	LUFKIN ISD	555,195,153	479,828,937
242-907	LELA ISD	13,392,568	9,595,215	028-903	LULING ISD	95,379,599	67,965,140
145-911	LEON ISD	96,598,891	34,708,199	100-907	LUMBERTON ISD	57,876,448	51,539,150
074-909	LEONARD ISD	27,980,714	18,438,401	245-902	LYFORD ISD	153,171,402	118,080,694
127-905	LEUDERS-AVOCA ISD	50,001,348	24,297,424	007-904	LYTLE ISD	36,193,180	22,732,345
110-902	LEVELLAND ISD	374,381,657	350,601,047	129-905	MABANK ISD	97,900,933	76,204,190
201-904	LEVERETTS CHAPEL ISD	52,857,409	50,549,691	154-901	MADISONVILLE ISD	179,628,567	95,971,664
061-902	LEWISVILLE ISD	571,146,045	328,330,673	170-906	MAGNOLIA ISD	178,679,338	73,510,312
144-902	LEXINGTON ISD	97,365,866	32,219,458	107-906	MALAKOFF ISD	114,760,386	94,912,407
126-033	LIBERTY CHAPEL CSD	10,802,285	6,924,873	109-908	MALONE ISD	18,974,832	9,831,299
246-908	LIBERTY HILL ISD	50,933,654	17,970,957	019-008	MALTA CSD	3,859,363	2,649,814

227-907	MANOR ISD	124,475,164	59,878,075	165-901	MIDLAND ISD	1,005,290,151	982,059,128
220-908	MANSFIELD ISD	194,498,420	124,692,858	070-908	MIDLOTHIAN ISD	133,256,347	103,105,542
022-902	MARATHON ISD	52,101,128	13,705,747	039-905	MIDWAY ISD	62,410,544	31,457,986
027-904	MARBLE FALLS ISD	157,396,526	134,619,470	161-903	MIDWAY ISD	231,587,947	220,462,024
189-901	MARFA ISD	76,263,434	41,585,113	166-903	MILANO ISD	41,189,076	14,699,519
034-908	MARIETTA ISD	7,414,282	3,999,988	175-910	MILDRED ISD	36,665,762	22,308,211
094-904	MARION ISD	45,529,195	25,860,643	200-902	MILES ISD	36,989,728	18,046,584
073-903	MARLIN ISD	157,725,382	110,396,401	070-909	MILFORD ISD	29,935,499	15,308,024
102-902	MARSHALL ISD	362,367,524	297,356,657	112-707	MILLER GROVE RHSD	19,688,300	8,303,484
161-908	MART ISD	55,111,037	33,437,732	184-904	MILLSAP ISD	43,977,100	19,610,754
234-905	MARTINS MILL ISD	25,073,188	10,078,440	250-903	MINEOLA ISD	73,287,194	53,617,348
174-809	MARTINVILLE RISD	16,115,754	8,058,220	182-903	MINERAL WELLS ISD	146,229,664	127,253,437
157-901	MASON ISD	187,153,931	64,516,976	240-902	MIRANDO CITY ISD	17,026,243	9,673,377
158-904	MATAGORA ISD	52,464,419	37,520,456	108-908	MISSION ISD	115,076,037	105,398,563
205-904	MATHIS ISD	96,762,915	78,499,349	235-904	MISSION VALLEY ISD	37,527,887	23,205,782
019-903	MAUD ISD	15,912,062	14,214,922	242-901	MOBEETIE ISD	27,764,111	19,436,062
025-705	MAY RHSD	38,156,292	18,615,837	238-902	MONAHANS-WICKET-PYOTE	651,284,786	645,092,195
037-905	MAYDELLE ISD	26,682,472	9,544,274	169-908	MONTAGUE ISD	10,068,466	6,377,866
070-915	MAYPEARL ISD	34,133,136	15,289,169	108-915	MONTE ALTO ISD	25,455,524	17,154,122
063-902	MCADOO ISD	15,995,316	10,016,602	170-903	MONTGOMERY ISD	285,790,020	144,401,816
108-906	MCCALLEN ISD	523,216,101	502,697,619	161-910	MOODY ISD	44,561,429	27,423,812
231-901	MCCAMEY ISD	195,749,427	189,971,004	209-902	MORAN ISD	27,753,739	13,597,003
076-902	MCCAULLEY ISD	23,660,587	21,241,642	018-903	MORGAN ISD	15,152,064	7,699,650
011-805	MCDADE RISD	23,801,229	8,172,043	072-810	MORGAN MILL RISD	17,333,595	5,821,502
235-803	MCFADDIN RISD	32,887,937	25,153,381	098-903	MORSE ISD	44,699,808	39,460,028
161-909	MCGREGOR ISD	59,893,788	47,069,407	040-901	MORTON ISD	75,751,343	61,492,642
043-907	MCKINNEY ISD	199,225,829	151,397,504	173-901	MOTLEY COUNTY ISD	109,219,143	43,898,673
090-903	MCLEAN ISD	5,858,195	47,677,720	143-902	MOULTON ISD	41,740,365	19,734,907
034-906	MCLEOD ISD	10,162,218	3,731,041	109-910	MOUNT CALM ISD	14,891,754	6,065,405
162-904	MCMULLEN ISD	181,546,155	109,015,750	225-902	MOUNT PLEASANT ISD	266,004,521	230,852,490
223-902	MEADOW ISD	39,576,960	30,030,745	042-805	MOZELLE RISD	30,104,149	12,432,387
010-901	MEDINA ISD	84,414,643	24,107,438	201-907	MT ENTERPRISE ISD	30,062,126	17,387,480
163-908	MEDINA VALLEY ISD	161,154,777	77,351,181	080-901	MT VERNON ISD	142,752,491	116,002,588
005-903	MEGARGEL ISD	25,631,943	13,548,466	049-902	MUENSTER ISD	71,701,234	43,711,700
043-708	MELISSA RHSD	23,779,367	9,916,532	009-901	MULESHOE ISD	161,859,249	158,353,704
096-904	MEMPHIS ISD	59,644,172	48,669,998	167-902	MULLIN ISD	47,014,975	16,255,636
164-901	MENARD ISD	135,882,524	42,600,352	198-906	MUMFORD ISD	15,012,941	9,559,814
108-907	MERCEDES ISD	73,676,573	62,147,296	138-903	MUNDAY ISD	39,780,190	30,946,507
018-902	MERIDIAN ISD	47,880,954	27,393,561	107-908	MURCHISON ISD	9,696,761	6,899,166
221-904	MERKEL ISD	84,309,971	60,801,939	234-810	MYRTLE SPRINGS RISD	8,245,373	5,775,782
057-914	MESQUITE ISD	800,315,504	655,532,885	174-904	NACOGDOCHES ISD	369,537,568	294,099,192
147-903	MEXIA ISD	119,373,061	87,024,161	163-903	NATALIA ISD	29,033,286	18,274,766
062-020	MEYERSVILLE CSD	32,267,999	17,036,132	094-903	NAVARRO ISD	51,778,493	32,706,823
197-902	MIAMI ISD	142,298,492	111,052,539	093-904	NAVASOTA ISD	245,960,115	100,107,243
171-003	MIDDLE WELL CSD	64,082,332	55,288,415	035-903	NAZARETH ISD	32,460,387	22,301,223

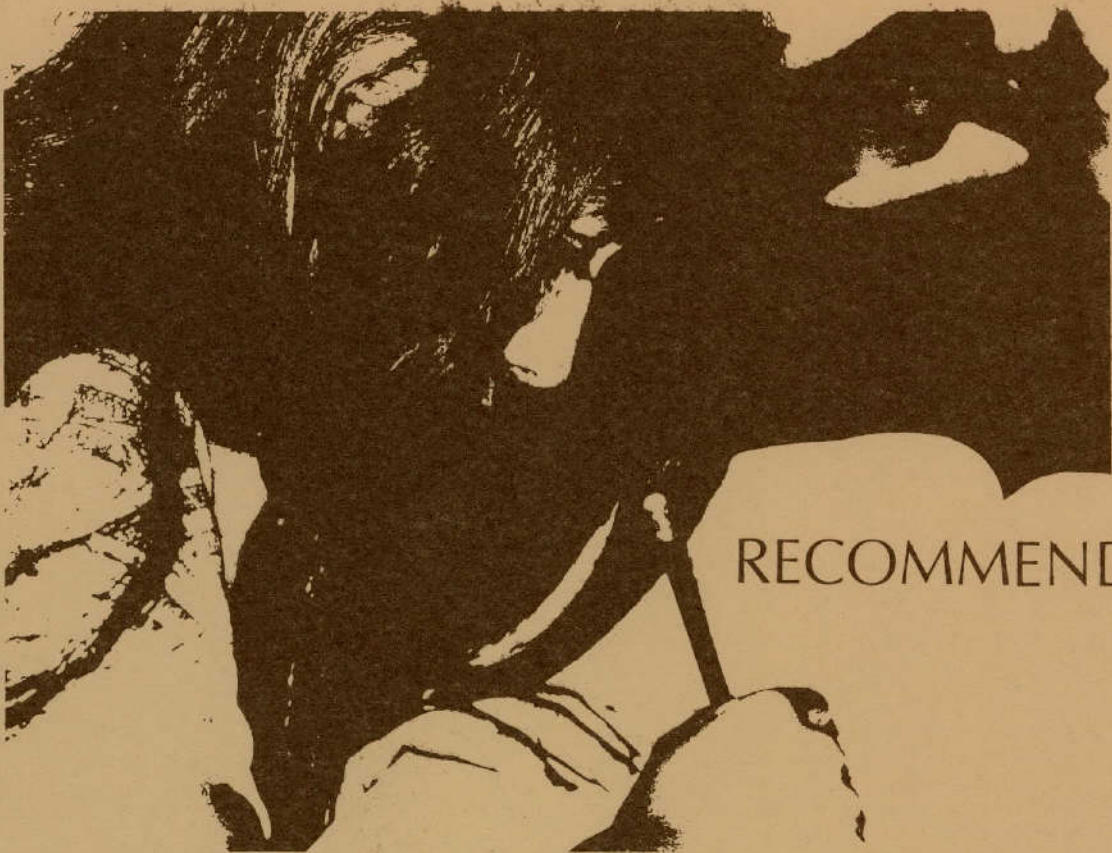
		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
001-906	NECHES ISD	60,063,655	43,797,624	051-901	PADUCAH ISD	100,633,097	54,613,919
123-905	NEDERLAND ISD	346,269,974	341,487,263	011-903	PAIGE ISD	18,024,267	6,457,397
079-906	NEEDVILLE ISD	218,630,010	88,610,196	104-707	PAINT CREEK RHSD	54,637,480	36,710,292
019-905	NEW BOSTON ISD	55,471,263	48,340,716	048-903	PAINT ROCK ISD	46,047,945	18,420,787
046-901	NEW BRAUNFELS ISD	225,357,260	204,261,862	158-905	PALACIOS ISD	212,992,290	167,838,544
170-908	NEW CANEY ISD	193,443,396	112,527,710	001-907	PALESTINE ISD	212,951,428	168,505,423
252-902	NEW CASTLE ISD	33,080,883	16,564,371	070-910	PALMER ISD	31,063,181	21,552,481
152-902	NEW DEAL ISD	54,247,515	35,458,943	182-706	PALO PINTO RHSD	28,660,957	12,077,214
230-906	NEW DIANA ISD	29,978,197	17,691,205	090-904	PAMPA ISD	354,131,889	339,775,007
153-905	NEW HOME ISD	37,275,195	25,725,654	033-902	PANHANDLE ISD	191,097,222	156,180,592
037-908	NEW SUMMERFIELD ISD	16,334,321	10,229,209	249-906	PARADISE ISD	39,053,193	29,320,073
236-901	NEW WAVERLY ISD	82,836,146	34,068,228	139-909	PARIS ISD	180,573,728	175,937,352
176-902	NEWTON ISD	116,207,448	73,521,447	101-917	PASADENA ISD	1,950,282,290	1,874,139,044
089-903	NIXON ISD	75,989,958	29,967,839	063-906	PATTON SPRINGS ISD	28,090,356	16,430,719
169-902	NOCONA ISD	78,981,033	60,179,090	013-902	PAWNEE ISD	49,598,265	30,366,710
062-902	NORDHEIM ISD	49,224,128	30,341,089	020-908	PEARLAND ISD	236,030,193	167,951,124
145-906	NORMANGEE ISD	88,065,658	59,511,563	082-903	PEARSALL ISD	233,073,171	106,798,389
015-910	NORTH EAST ISD	1,990,884,360	1,920,719,009	184-908	PEASTER ISD	27,446,632	9,379,060
101-909	NORTH FOREST ISD	414,912,746	379,985,077	195-901	PECOS-BARSTOW-TOYAH	480,893,513	469,863,557
112-906	NORTH HOPKINS ISD	45,995,580	33,828,422	109-914	PENELOPE ISD	14,160,186	6,174,076
139-911	NORTH LAMAR ISD	206,026,472	143,898,066	110-803	PEP RISD	11,851,303	8,802,527
154-903	NORTH ZULCH ISD	29,478,955	13,459,917	119-903	PERRIN ISD	38,243,746	18,621,822
244-905	NORTHSIDE ISD	38,483,026	30,544,749	179-901	PERRYTON ISD	320,696,946	285,351,121
015-915	NORTHSIDE ISD	1,265,576,938	1,125,873,883	095-904	PETERSBURG ISD	56,972,031	43,480,817
061-911	NORTHWEST ISD	153,038,743	73,107,604	039-903	PETROLIA ISD	44,438,481	22,443,885
042-906	NOVICE ISD	29,652,798	12,945,535	013-903	PETTUS ISD	137,512,277	107,885,063
069-902	NUECES CANYON ISD	99,663,884	35,775,721	172-905	PEWITT ISD	109,465,223	81,275,912
235-005	NURSERY CSD	25,198,559	15,759,030	227-904	PFLUGERVILLE ISD	86,783,442	67,357,903
145-907	OAKWOOD ISD	77,247,778	24,150,723	108-909	PHARR-SAN JUAN-ALAMO	258,510,168	242,095,518
205-905	ODEM ISD	94,676,622	68,462,673	117-902	PHILLIPS ISD	118,887,381	118,348,214
050-904	OGLESBY ISD	17,319,391	8,509,664	061-903	PILOT POINT ISD	72,183,527	35,081,076
217-703	OLD GLORY RHSD	19,391,170	14,347,031	092-904	PINE TREE ISD	399,594,571	394,715,010
225-012	OLD UNION CSD	4,084,260	2,257,373	032-902	PITTSBURG ISD	114,478,330	78,900,319
200-039	OLFEN CSD	4,577,375	2,075,046	251-902	PLAINS ISD	605,893,445	581,013,635
252-903	OLNEY ISD	85,798,568	60,790,050	095-905	PLAINVIEW ISD	434,162,957	363,597,850
140-905	OLTON ISD	96,941,439	66,688,508	043-910	PLANO ISD	832,085,097	667,826,024
187-910	ONALASKI ISD	56,060,176	38,039,843	019-042	PLEASANT GROVE CSD	66,150,675	52,518,576
125-903	ORANGE GROVE ISD	70,446,104	44,495,893	007-905	PLEASANTON ISD	149,970,219	92,741,825
181-905	ORANGEFIELD ISD	75,374,869	44,852,553	117-906	PLEMONS ISD	39,296,971	24,820,264
230-903	ORE CITY ISD	40,531,192	24,844,018	031-909	POINT ISABEL CISD	341,949,448	279,604,014
201-908	OVERTON ISD	25,373,062	21,965,910	061-906	PONDER ISD	32,210,378	9,290,067
153-903	O'DONNELL ISD	73,883,567	55,247,583	184-901	POOLVILLE ISD	28,609,582	11,215,105

178-908	PORT ARANSAS ISD	110,308,817	86,341,169	031-911	RIO HONDO ISD	57,307,010	39,782,624
123-907	PORT ARTHUR ISD	1,004,250,869	997,929,510	126-907	RIO VISTA ISD	32,951,269	13,437,668
123-908	PORT NECHES ISD	477,743,247	475,122,759	067-908	RISING STAR ISD	34,672,797	20,024,059
085-902	POST ISD	171,514,968	140,535,222	188-902	RIVER ROAD ISD	49,196,239	43,377,222
007-906	POTEET ISD	50,628,319	31,841,477	137-903	RIVIERA ISD	76,764,060	53,010,114
247-904	POTH ISD	79,824,738	34,133,705	041-902	ROBERT LEE ISD	100,595,158	73,631,099
091-813	POTTSBORO RISD	63,609,157	55,050,285	161-922	ROBINSON ISD	68,627,497	48,173,995
097-904	POTTSVILLE ISD	36,925,366	10,451,282	178-909	ROBSTOWN ISD	103,018,919	87,317,137
028-906	PRAIRIE LEA ISD	33,914,874	23,448,298	076-903	ROBY ISD	38,017,026	22,130,023
169-909	PRAIRIE VALLEY ISD	27,198,552	22,225,230	160-904	ROCHELLE ISD	46,716,623	12,759,608
139-912	PRAIRILAND ISD	85,852,995	56,693,736	104-902	ROCHESTER ISD	29,562,082	24,345,779
125-905	PREMONT ISD	430,048,879	403,041,697	166-904	ROCKDALE ISD	225,944,247	181,165,232
189-902	PRESIDO ISD	11,725,358	8,727,472	069-901	ROCKSPRINGS ISD	140,167,069	57,091,930
167-904	PRIDDY ISD	26,040,715	10,715,453	199-901	ROCKWALL ISD	167,398,490	123,271,385
043-911	PRINCETON ISD	45,779,388	26,022,302	086-005	ROCKY HILL CSD	11,624,588	3,841,604
117-908	PRINGLE ISD	49,723,776	46,715,509	014-907	ROGERS ISD	49,941,804	32,171,210
108-910	PROGRESSO ISD	21,550,120	17,012,527	214-903	ROMA ISD	102,707,904	43,600,413
043-912	PROSPER ISD	64,677,462	30,543,767	152-908	ROOSEVELT ISD	60,792,446	46,047,345
241-907	PROVIDENT CITY ISD	26,476,063	13,073,158	110-905	ROPES ISD	72,179,122	61,395,962
030-705	PUTNAM RHSD	23,752,867	10,886,214	177-901	ROSCOE ISD	44,740,694	33,443,908
044-703	QUAIL RHSD	26,120,120	12,504,064	073-905	ROSEBUD-LOTT ISD	103,200,976	65,467,360
099-903	QUANAH ISD	111,331,263	90,078,884	076-904	ROTAN ISD	64,163,751	57,424,516
034-907	QUEEN CITY ISD	90,727,461	79,362,275	246-909	ROUND ROCK ISD	305,657,166	223,382,271
116-908	QUINLAN ISD	81,906,528	63,760,606	075-908	ROUND TOP-CARMINE ISD	57,678,885	23,946,790
250-904	QUITMAN ISD	134,040,754	113,922,313	139-908	ROXTON ISD	28,470,285	16,675,374
190-903	RAINS ISD	88,389,366	55,026,956	237-905	ROYAL ISD	496,169,837	382,660,452
054-903	RALLS ISD	97,429,586	68,703,790	199-902	ROYSE CITY ISD	54,192,423	32,244,363
066-005	RAMIREZ CSD	34,488,776	16,789,636	189-002	RUIDOSA CSD	1,135,938	559,058
067-907	RANGER ISD	59,903,218	38,839,516	104-903	RULE ISD	26,632,745	18,096,082
231-902	RANKIN ISD	128,674,002	115,765,830	128-903	RUNGE ISD	40,530,029	24,251,113
245-903	RAYMONDVILLE ISD	91,017,926	78,904,298	037-907	RUSK ISD	128,422,146	85,616,395
192-901	REAGAN ISD	188,526,945	167,869,516	091-714	S & S CONS RHSD	86,081,982	58,114,255
019-010	RED LICK CSD	5,419,607	3,613,054	232-902	SABINAL ISD	89,377,374	32,898,516
070-911	RED OAK ISD	55,374,361	34,742,317	092-906	SABINE ISD	157,527,607	149,493,669
019-906	REDWATER ISD	18,614,206	14,026,346	123-913	SABINE PASS ISD	110,116,385	105,332,285
196-903	REFUGIO ISD	577,855,747	522,400,736	169-911	SAINT JO ISD	42,527,813	20,430,020
161-912	REISEL ISD	39,626,428	31,347,374	014-908	SALADO ISD	50,954,155	22,661,888
184-910	RENO ISD	13,523,062	4,527,884	112-709	SALTILLO RHSD	16,248,444	8,433,314
137-902	RICARDO ISD	40,091,171	36,892,739	074-917	SAM RAYBURN ISD	27,134,590	17,651,975
045-903	RICE CONS ISD	358,347,970	240,240,165	044-704	SAMNORWOOD RHSD	37,507,647	23,654,765
175-002	RICE CSD	21,648,798	8,447,488	226-903	SAN ANGELO ISD	585,360,650	563,163,316
093-905	RICHARDS ISD	37,061,426	12,794,235	015-907	SAN ANTONIO ISD	2,489,361,025	2,427,694,398
057-916	RICHARDSON ISD	2,147,741,745	2,118,881,415	203-901	SAN AUGUSTINE ISD	106,286,634	61,068,678
206-902	RICHLAND SPRINGS ISD	51,970,820	18,918,001	031-912	SAN BENITO CONS ISD	142,558,156	114,369,464
214-901	RIO GRANDE CITY ISD	204,031,709	150,847,063	066-902	SAN DIEGO ISD	148,065,549	70,870,277

		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
071-904	SAN ELIZARIO ISD	17,922,066	7,213,087	013-905	SKIDMORE-TYNAN ISD	97,170,475	56,057,315
233-901	SAN FELIPE-DEL RIO CISD	243,294,776	194,066,466	152-903	SLATON ISD	111,025,119	98,770,952
214-902	SAN ISIDRO ISD	166,228,314	135,460,935	249-908	SLIDELL ISD	30,349,362	14,219,333
105-902	SAN MARCOS ISD	248,546,575	200,343,232	001-909	SLOCUM ISD	45,216,511	29,679,534
245-904	SAN PERLITA ISD	54,044,582	32,992,045	089-904	SMILEY ISD	50,296,640	17,660,217
206-901	SAN SABA ISD	90,214,469	44,896,479	011-904	SMITHVILLE ISD	109,707,705	46,113,856
022-002	SAN VICENTE CSD	6,131,036	1,920,321	110-906	SMYER ISD	58,939,246	50,296,351
058-909	SANDS ISD	52,180,427	37,693,993	026-903	SNOOK ISD	67,367,182	26,927,151
117-903	SANFORD ISD	62,412,524	60,333,352	208-902	SNYDER ISD	2,553,000,683	2,513,595,905
061-908	SANGER ISD	84,029,498	30,711,119	015-908	SO SAN ANTONIO ISD	227,041,671	222,465,458
042-903	SANTA ANNA ISD	50,646,998	26,904,355	071-909	SOCORRO ISD	87,376,069	76,764,100
178-910	SANTA CRUZ ISD	60,593,066	45,973,832	015-909	SOMERSET ISD	75,951,517	44,086,505
084-909	SANTA FE ISD	150,522,623	117,752,075	026-902	SOMERVILLE ISD	61,847,796	36,107,862
137-904	SANTA GERTRUDIS ISD	302,619,634	280,668,211	218-901	SONORA ISD	337,126,565	226,935,545
031-913	SANTA MARIA ISD	19,452,794	11,986,739	123-910	SOUTH PARK ISD	1,213,498,812	1,180,781,035
031-914	SANTA ROSA ISD	22,517,799	17,296,039	077-008	SOUTH PLAINS CSD	24,027,517	17,080,481
182-904	SANTO ISD	62,755,909	34,686,480	085-903	SOUTHLAND ISD	26,678,411	18,737,540
074-911	SAVOY ISD	52,083,100	44,956,703	015-917	SOUTHSIDE ISD	75,615,132	44,959,637
094-902	SCHERTZ-CIBOLO-U CITY	164,828,955	135,963,655	015-912	SOUTHWEST ISD	150,961,527	105,323,697
207-901	SCHLEICHER ISD	147,253,114	79,998,050	140-906	SPADE ISD	22,238,160	18,031,772
075-903	SCHULENBURG ISD	95,885,886	50,949,887	098-904	SPEARMAN ISD	197,904,893	171,022,178
129-910	SCURRY-ROSSER ISD	39,842,633	13,517,382	161-913	SPEEGLEVILLE ISD	19,678,659	13,339,135
083-901	SEAGRAVES ISD	103,413,246	93,140,870	170-907	SPLENDORA ISD	83,106,275	42,603,745
008-902	SEALY ISD	174,586,510	88,372,814	101-920	SPRING BRANCH ISD	2,889,567,222	2,816,612,750
094-901	SEGUIN ISD	321,101,488	244,877,394	117-907	SPRING CREEK ISD	35,323,013	30,362,989
083-001	SEMINOLE ISD	1,489,189,936	1,436,774,612	092-907	SPRING HILL ISD	159,150,665	156,566,748
012-701	SEYMOUR RHSD	135,462,155	81,659,812	101-919	SPRING ISD	592,115,972	393,756,088
152-909	SHALLOWATER ISD	38,903,842	30,847,183	140-907	SPRINGLAKE-EARTH ISD	79,688,480	62,116,796
242-902	SHAMROCK ISD	53,458,713	43,880,201	184-902	SPRINGTOWN ISD	70,285,495	37,001,414
108-911	SHARYLAND ISD	58,639,022	45,886,075	063-903	SPUR ISD	55,149,723	37,634,818
210-903	SHELBYVILLE ISD	39,020,133	14,906,736	229-905	SPURGER ISD	25,640,457	13,660,217
101-924	SHELDON ISD	393,747,275	331,847,346	127-906	STAMFORD ISD	66,117,404	50,031,991
204-904	SHEPHERD ISD	62,430,139	38,687,453	156-902	STANTON ISD	104,331,750	87,545,140
091-906	SHERMAN ISD	455,855,436	431,879,121	167-903	STAR ISD	27,985,151	9,831,761
143-903	SHINER ISD	73,567,128	46,106,237	072-903	STEPHENVILLE ISD	166,249,982	114,182,339
047-905	SIDNEY ISD	23,177,222	11,769,987	216-901	STERLING CITY ISD	111,462,932	46,551,198
115-902	SIERRA BLANCA ISD	34,139,408	26,501,524	117-904	STINNETT ISD	46,536,694	42,456,561
100-904	SILSBEE ISD	165,843,040	149,338,875	247-906	STOCKDALE ISD	58,369,242	28,392,651
023-902	SILVERTON ISD	87,548,875	63,182,061	211-902	STRATFORD ISD	224,835,770	187,254,746
019-006	SIMMS CSD	24,463,637	10,832,244	182-905	STRAWN ISD	22,729,648	10,969,019
205-906	SINTON ISD	198,504,894	162,209,043	140-908	SUDAN ISD	81,088,527	70,994,939
049-079	SILVELLS BEND CSD	36,802,713	25,388,575	112-910	SULPHUR BLUFF ISD	33,568,565	16,913,112

112-901	SULPHUR SPRINGS ISD	253,479,201	198,982,873	178-912	TULOSO-MIDWAY ISD	184,442,111	158,163,379
110-907	SUNDOWN ISD	552,532,430	548,286,844	096-905	TURKEY-QUITAQUE ISD	61,816,547	42,322,479
057-919	SUNNYVALE ISD	50,605,640	21,954,233	212-905	TYLER ISD	968,480,469	920,769,469
171-902	SUNRAY ISD	120,149,123	105,098,689	230-908	UNION GROVE ISD	29,991,771	19,329,389
020-906	SWEENEY ISD	448,017,336	405,893,108	230-904	UNION HILL ISD	23,724,200	15,055,110
143-041	SWEET HOME CSD	24,070,031	6,738,174	223-903	UNION ISD	31,449,791	25,367,972
177-902	SWEETWATER ISD	185,516,697	162,852,730	240-903	UNITED ISD	497,180,725	298,772,540
205-907	TAFT ISD	123,444,569	102,848,354	232-904	UTOPIA ISD	68,228,456	11,121,517
153-904	TAHOKA ISD	96,332,447	71,306,390	232-903	UVALDE CONS ISD	377,944,965	186,799,948
194-903	TALCO-BOGATA CONS	126,405,822	82,052,467	122-902	VALENTINE ISD	28,466,993	9,391,843
042-804	TALPA-CENTENNIAL RISD	45,133,413	20,369,279	018-904	VALLEY MILLS ISD	50,104,084	22,288,149
146-907	TARKINGTON ISD	101,084,076	62,188,646	108-017	VALLEY VIEW CSD	11,706,052	9,428,147
201-910	TATUM ISD	54,033,313	38,218,679	049-903	VALLEY VIEW ISD	37,791,872	18,554,743
246-911	TAYLOR ISD	108,826,481	86,997,712	091-908	VAN ALSTYNE ISD	35,129,998	26,364,955
081-904	TEAGUE ISD	97,429,267	63,223,995	234-906	VAN ISD	373,124,863	320,908,462
014-909	TEMPLE ISD	504,251,734	494,361,786	158-906	VAN VLECK ISD	233,867,183	156,405,030
210-904	TENAHA ISD	29,546,050	21,027,199	180-902	VEGA ISD	64,521,062	46,979,478
022-004	TERLINGUA CSD	6,908,535	1,776,732	126-908	VENUS ISD	23,276,606	11,735,352
222-901	TERRELL COUNTY ISD	130,764,301	74,514,444	226-908	VERIBEST-BYRD ISD	29,748,097	15,630,766
129-906	TERRELL ISD	183,445,492	143,783,587	244-903	VERNON CONS ISD	176,630,434	146,287,980
019-907	TEXARKANA ISD	396,670,630	388,201,950	235-902	VICTORIA ISD	959,760,729	853,713,495
084-906	TEXAS CITY ISD	771,761,395	768,234,931	181-907	VIDOR ISD	267,724,745	240,900,650
211-901	TEXHOMA ISD	52,965,803	42,618,995	143-029	VYSEHRAD CSD	25,723,824	18,317,278
056-902	TEXLINE ISD	87,631,722	71,849,746	181-906	W ORANGE-COVE CONS	629,832,804	612,115,528
166-905	THORNDALE ISD	49,580,567	23,704,552	161-914	WACO ISD	844,947,322	840,550,060
246-912	THRALL ISD	51,479,516	18,005,564	089-905	WAELDER ISD	57,552,355	17,273,583
149-902	THREE RIVERS ISD	112,081,868	55,505,953	179-903	WAKA ISD	33,247,029	30,582,962
009-903	THREE WAY ISD	50,497,627	37,716,005	059-902	WALCOTT ISD	60,531,578	44,458,056
072-050	THREE-WAY CSD	17,082,453	5,244,033	226-906	WALL ISD	84,093,075	39,298,860
224-901	THROCKMORTON ISD	127,852,530	54,157,094	237-904	WALLER ISD	236,062,157	94,202,730
158-902	TIDEHAVEN ISD	216,726,847	144,443,344	008-903	WALLIS-ORCHARD ISD	121,122,568	67,534,652
210-905	TIMPSON ISD	40,137,948	26,168,334	049-010	WALNUT BEND CSD	35,697,582	32,395,259
091-807	TIOGA RISD	13,264,766	6,162,382	018-905	WALNUT SPRINGS ISD	25,556,084	11,264,985
111-903	TOLAR ISD	33,641,339	14,883,064	229-904	WARREN ISD	105,512,688	80,322,608
091-918	TOM BEAN ISD	25,304,402	19,487,641	102-903	WASKOM ISD	47,073,150	35,869,399
101-921	TOMBALL ISD	254,249,012	205,683,085	226-905	WATER VALLEY ISD	58,818,794	17,624,356
071-908	TORNILLO ISD	15,202,293	10,091,010	070-912	WAXAHACHIE ISD	195,897,004	158,317,435
221-905	TRENT ISD	44,366,188	34,788,467	184-903	WEATHERFORD ISD	246,140,551	162,587,332
074-912	TRENTON ISD	17,550,934	12,407,462	240-022	WEBB CONS CSD	104,830,714	37,939,557
107-907	TRINIDAD ISD	32,608,990	29,672,228	045-905	WEIMAR ISD	100,940,719	58,353,500
228-903	TRINITY ISD	92,267,825	56,665,913	104-706	WEINERT RHSD	30,886,980	18,522,370
212-904	TROUP ISD	42,686,546	28,596,871	044-902	WELLINGTON ISD	67,10,185	50,528,168
014-910	TROY ISD	50,682,527	29,491,438	223-904	WELLMAN ISD	80,256,922	72,873,755
001-908	TUCKER ISD	73,789,814	51,914,088	037-909	WELLS ISD	40,781,203	16,566,831
219-903	TULIA ISD	176,897,608	149,905,957	108-913	WESLACO ISD	175,675,616	163,096,355

		MARKET VALUE	AG USE ADJUSTED VALUE			MARKET VALUE	AG USE ADJUSTED VALUE
100-908	WEST HARDIN ISD	81,481,203	44,235,718	057-920	WILMER-HUTCHINS ISD	193,547,510	148,669,453
161-916	WEST ISD	85,925,868	57,425,131	153-907	WILSON ISD	40,504,610	28,966,810
139-910	WEST LAMAR ISD	30,487,065	16,575,810	074-713	WINDOM RHSD	12,017,281	6,657,970
178-915	WEST OSO ISD	92,925,210	81,970,160	005-904	WINDTHORST ISD	19,434,414	13,250,210
201-914	WEST RUSK ISD	235,563,314	221,035,856	225-805	WINFIELD RISD	20,419,875	13,825,563
202-905	WEST SABINE ISD	51,067,158	33,768,946	200-905	WINGATE ISD	12,407,935	6,867,052
168-703	WESTBROOK ISD	111,144,765	98,423,680	248-902	WINK ISD	269,034,300	265,689,425
043-913	WESTMINSTER ISD	12,346,622	8,164,636	250-907	WINNSBORO ISD	90,890,913	66,906,841
062-705	WESTOFF RHSD	22,418,284	9,104,169	212-910	WINONA ISD	85,012,543	71,279,447
073-011	WESTPHALIA CSD	6,938,133	4,338,245	200-904	WINTERS ISD	74,187,802	46,780,377
241-904	WHARTON ISD	270,748,610	227,872,954	174-906	WODEN ISD	32,087,751	14,643,791
242-903	WHEELER ISD	47,943,190	41,385,528	116-909	WOLFE CITY ISD	44,336,881	26,490,814
033-904	WHITE DEER ISD	144,441,141	127,589,014	196-902	WOODSBORO ISD	106,346,756	74,327,302
092-908	WHITE OAK ISD	416,854,396	412,907,732	224-902	WOODSON ISD	30,497,802	15,189,088
220-920	WHITE SETTLEMENT ISD	122,313,341	99,692,150	229-903	WOODVILLE ISD	113,193,433	81,750,672
040-902	WHITEFACE ISD	277,061,798	260,787,059	081-905	WORTHAM ISD	55,504,530	40,239,309
212-906	WHITEHOUSE ISD	103,199,130	81,329,004	043-914	WYLIE ISD	56,505,335	44,754,374
091-909	WHITESBORO ISD	113,471,379	89,914,007	221-912	WYLIE ISD	48,800,851	31,963,822
091-910	WHITEWRIGHT ISD	30,074,185	20,588,103	250-905	YANTIS ISD	27,203,197	18,320,603
110-908	WHITHARRAL ISD	34,940,828	23,126,886	062-903	YOAKUM ISD	159,305,908	96,968,688
109-911	WHITNEY ISD	70,990,547	54,508,377	062-904	YORKTOWN ISD	107,507,454	64,309,511
184-805	WHITT RISD	11,566,478	5,200,487	071-905	YSLETA ISD	1,230,144,258	1,001,992,153
243-905	WICHITA FALLS ISD	851,417,861	833,714,870	253-901	ZAPATA ISD	185,769,215	108,429,773
180-904	WILDORADO ISD	30,039,418	23,648,148	003-906	ZAVALLA ISD	32,416,169	19,831,383
170-904	WILLIS ISD	274,109,052	174,425,198	025-806	ZEPHYR RISD	9,635,109	3,378,633
234-907	WILLS POINTS ISD	113,978,523	65,399,911		TOTAL	232,586,006,303	194,906,188,433



RECOMMENDATIONS

NEW STATE FUNDING

Recognizing the high priority of public education, GOER recommends that State funding be increased by \$850 million over the next biennium with the money to be divided among the following programs:

Increase in State Support of FSP	\$634 million
Maintenance and Operation	50 million
Transportation	25 million
“Hold Harmless” Formula for Districts under 1,000 ADA	15 million
Renewal and Accountability	10 million
Equalization Aid	100 million
Tax Office Assistance	10 million
Tax Assessment Practices Board	6 million
Total Additional for the Biennium	\$850 million

Recommendation 1: Increase State Support of the Foundation School Program

In Section 10 (a) of HB 1126 the Legislature mandated a study

“to determine methods of allocating state funds to school districts which will ensure that each student of this state has access to programs and services that are appropriate to his educational needs regardless of geographical differences and varying local economic factors.”

GOER interprets this language as a directive to develop proposals which provide for a quality educational program regardless of varying local resources. This interpretation recognizes that a basic program of education is a responsibility of the State as a whole rather than a responsibility of the individual districts. The funding provided for this basic educational system is an investment in the State's future, and as a result should receive strong State support.

The Foundation School Program was originally designed to meet this responsibility, but as educational costs have risen, State support has not kept pace. Even with the increase in funding provided by HB 1126, the State only supported approximately 75% of the total FSP cost.

It should also be recognized that the FSP does not cover all educational expenditures; in fact, during the 1976-77 school year, the State will provide only 55% of the total dollars spent on education. The remaining expenditures will be borne by local taxpayers. In order to reduce the reliance on varying local resources, GOER recommends that the State share of the total FSP cost be increased to 90%. With this change it is estimated that the State's share of the total educational expenditure will increase to 65%. This change would require approximately \$634 million in additional State funding over the biennium.

GOER will submit legislation which mandates the State Board of Education to:

1. Calculate a Local Fund Assignment index rate by dividing 10 percent of the total statewide cost of the FSP by the State-determined total value of all taxable resources;
2. Calculate each district's share of the cost of the FSP by multiplying the LFA index rate by the value of taxable resources in the district.

Further, the legislation shall authorize the Commissioner of Education to reduce the LFA of a district in which a local natural or economic disas-

ter has occurred. It shall also authorize the Commissioner to reduce the LFA of a district to reflect the amount of value legally exempted by the district in the year preceding the calculation of the LFA index rate. For the years 1977-1978 and 1978-1979 the value of taxable resources in a district will be the 100% Market Values generated by GOER as adjusted as provided above by the Commissioner of Education.

Recommendation 2: Increase in State Support for Maintenance and Operation

The foundation program under which Texas financed public schools from 1949-1975 had three basic funding components: professional salaries, operations, and transportation. The operations allotment provided funds to cover school district expenses for current maintenance and operations (M & O), i.e., utilities, custodial services, secretarial salaries, etc.

As the years passed, the operating expenses of school districts for items other than foundation program salaries and transportation grew rapidly while the State M & O formula remained almost unchanged. For example, in 1974-75, the operations allotment amounted to approximately \$30 per ADA while inflation adjustments of 1974 TEA estimates indicated that the average district spent \$165 per ADA. HB 1126 included a more adequate operating allotment of \$90 per ADA in 1975-76 and \$95 in 1976-77, which represented significant progress in meeting the needs of school districts for funds.

An estimate of the State average expenditure for operations is highly dependent upon definitions and accounting procedures; however, the energy shortage and inflation have taken their toll. Insurance rates and mandated coverage have increased. Materials, supplies and the cost of skilled labor associated with maintaining facilities and equipment have escalated. These factors necessitate increases in the State M & O allotment.

As a result of these considerations, GOER will submit legislation to the 65th Legislature to increase the M & O allotment by \$50 million in the next biennium to provide approximately \$105 per ADA.

Recommendation 3: Increase in State Support for Transportation

HB 1126 provided significant increases in funding for transportation. Even with these increases, the funding failed to meet the costs actually incur-

red by the districts. In order to more adequately support this component, GOER will submit legislation to provide an additional \$25 million in transportation funding and to alter funding formulas to determine transportation allotments to the districts on the basis of the district's density factor. The density factor shall be calculated by dividing the number of eligible students transported daily by the average number of route miles traveled daily.

Recommendation 4: Personnel Allocations for Districts With Fewer Than 1,000 ADA

School districts with fewer than 1,000 ADA face unique problems in providing an acceptable educational program under the regular personnel allocation formulas. The 64th Legislature made special provisions in HB 1126 to address these problems. GOER has determined that an adjustment formula should continue in effect, but should be expanded to include all districts with fewer than 1,000 ADA, not just those with over 300 square miles as set forth in HB 1126.

GOER will submit legislation to fund such adjustments to the extent of \$15 million over the next biennium.

Recommendation 5: Renewal and Accountability

Historically, there has been no orderly change process in education, little coordination of research and development, and no systematic method for looking at the needs and accomplishments of schools. Consequently, Texas has, in effect, institutionalized the status quo in public education by failing to invest wisely in procedures to facilitate the evaluation of educational programs and re-examination of goals.

GOER will submit legislation to provide \$10 million over the next biennium for renewal and accountability efforts to include: (1) assessment of student progress - \$3.5 million, (2) development of planning, budgeting, and evaluation of pilot projects - \$1 million, and (3) further development of the Management Information System (MIS) - \$5.5 million.

Recommendation 6: Increase in State Support of Equalization Aid

State funding to school districts through the FSP is generally equalized through the use of the Local Fund Assignment which is based on the district's ability to support the program. Available local revenues, on the other hand, are anything but equal.

The vast differences in the wealth base supporting each student allow many districts with a high value base to provide a high level of enrichment with little tax effort, while other districts are condemned by a low value tax base to make a high tax effort with little or no resulting enrichment.

One approach to equity was contained in HB 1083, developed and introduced by the Governor in the last session. The bill would have expanded the FSP and raised the total LFA to such an extent that a large percentage of the funds presently being spent on local enrichment would have been captured into the FSP. This would have reduced the ability of wealthy districts to provide enrichment while increasing for all districts the level of the FSP.

Another approach to equity is to recognize that enrichment above the FSP will occur and to use State funds to help poorer school districts enrich their programs. This equalization approach hinges upon the concept of the State guaranteeing an adequate level of revenue based upon a reasonable local tax effort. The current equalization formula found in HB 1126 utilizes this approach. It does not, however, adequately address the equity issue since too many districts qualify and the ceiling on expenditures is too low. Presently the highest level of enrichment support which any district is receiving is only \$56 per ADA.

The formula for State Equalization Aid in HB 1126 now reads as follows:

$$SEA = \left(1 - \frac{\frac{DLFA}{ADA}}{\frac{SLFA}{ADA} \times 1.25} \right) \times ADA \times \$70$$

DLFA = District Local Fund Assignment
 SLFA = Statewide Local Fund Assignment
 SEA = State Equalization Aid

To address the equity problems while guaranteeing a higher level of enrichment, the formula should be amended to read as follows:

$$SEA = \left(1 - \frac{\frac{DLFA}{ADA}}{\frac{SLFA}{ADA}} \right) \times ADA \times \$210$$

By eliminating the factor of 1.25 from the present formula, district with higher than average wealth will not qualify. With that factor, districts containing 62.5% of the State's ADA qualified for assistance. By eliminating the factor, only the bottom 50% of the districts will qualify. This will assure the expenditure of State equalization dollars

in the districts which need them most and will avoid diluting the effect of the equalization program by excluding richer than average districts. The second change will be to replace the \$70 figure with a \$210 figure. This will bring the guaranteed enrichment up to a level which provides a real benefit to the poorer districts of the State.

The State funding necessary to support this level of enrichment equalization will be approximately \$250 million over the next biennium. GOER will submit legislation to fund this program as follows:

1. retain the present \$50 million per annum equalization funding as provided for in HB 1126;
2. shift the \$25.4 million per annum presently allocated under HB 1126 as Support for Educationally Disadvantaged Pupils to equalization funding;
3. supplement the fund with an additional \$100 million in new State monies; and
4. distribute SEA based on the amended formula.

Recommendation 7: Aid to Local Tax Offices

GOER recognized the need to improve the standards of local tax assessing. Insufficient tools of office (office space, appraisal cards, ownership maps, etc.); inadequate staffing; lack of state standards, qualifications and certification; and insufficient salaries are some of the factors limiting local tax administration.

Since public education now relies on the values of taxable property as the basis for distributing State aid, local districts will have to meet higher standards of tax administration. For example, Section 16.256 of the Education Code now requires detailed and uniform reporting from the tax offices to the Commissioner of Education. It is apparent that, as standards of uniformity are developed and implemented, local tax assessors will be required to refine their professional capabilities.

To assist the local tax offices in meeting expanding responsibilities, GOER will submit legislation to allocate \$10 million over the next biennium to be distributed to local school district tax offices. GOER legislation will further provide that tax assessors be included at level 10 on the minimum salary schedule outlined in Chapter 16 of the Education Code.

Recommendation 8: Establishment of State Agency to Maintain Wealth Base and Certify School District Tax Assessors

One fact evident throughout GOER's study was that local tax administration lacks consistency in its assessment practices and procedures. This problem can be attributed to the lack of statewide standards for and supervision of local tax administration. Additionally, GOER recognizes that some system should be established to update and revise the information it has developed as to the taxable value of property in school districts.

In order to address these two issues, GOER will submit legislation to create a State agency with authority to 1) design and implement a system for up-dating estimates of taxable wealth of school districts, and 2) establish operational standards for the training, registration and certification of school district tax assessors.

A State agency charged with the responsibility to conduct ratio studies and/or appraisals should be exempt by State law from revealing the identity, location, legal description, name of owner, seller or predecessor in title of real estate which is considered in the evaluation of assessment levels.

Recommendation 9: Local Control of Taxation

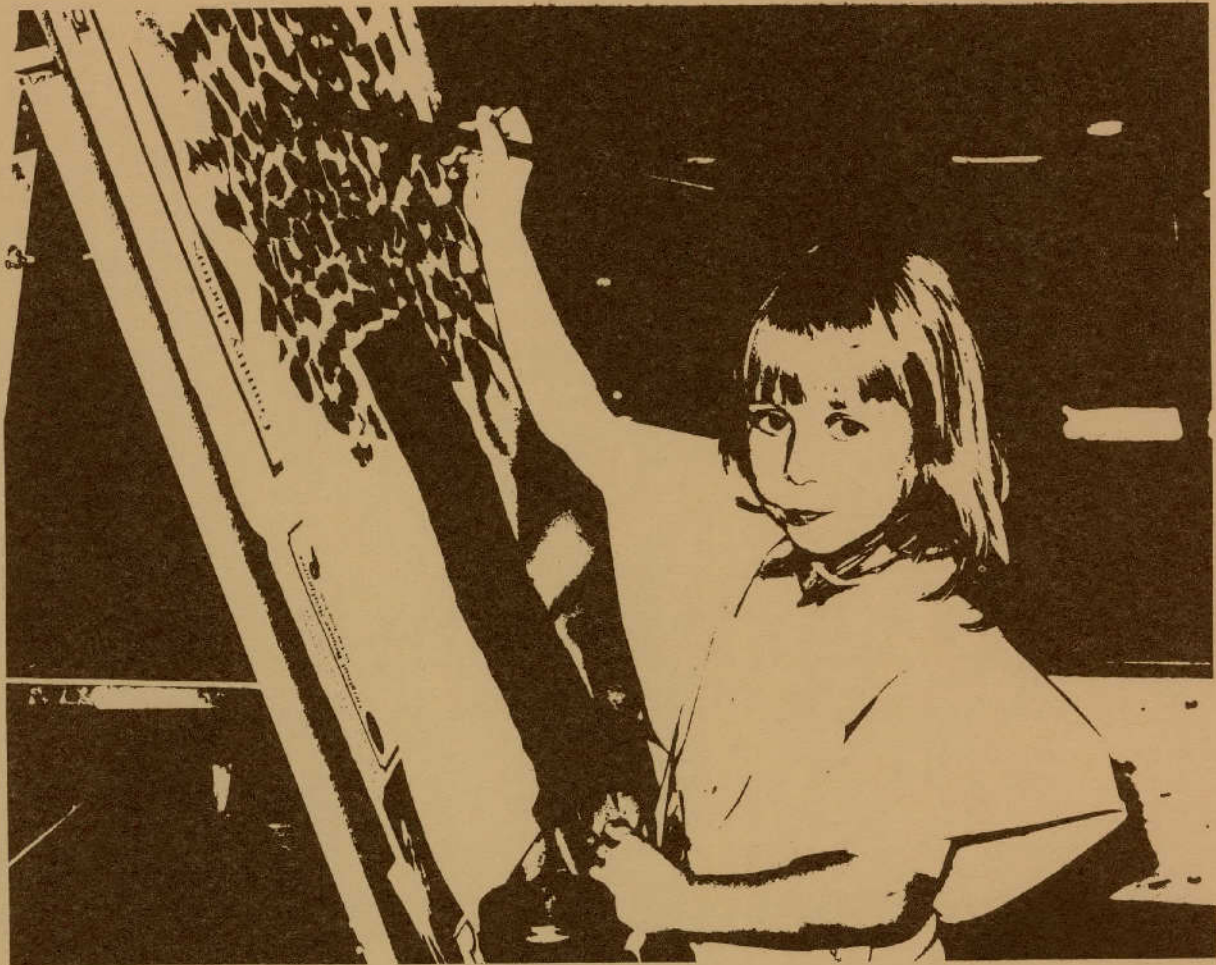
The great majority of school districts in the State have been given the authority to establish their own tax rates and assessment levels. However, there still remain a few districts operating under special law which do not have the statutory authority to make such decisions. Such arrangements deprive those holding the legal responsibility for providing a quality educational program of the authority necessary to meet their responsibilities.

As a result of these considerations, GOER will submit legislation authorizing all boards of trustees to establish their school district's tax rate and assessment ratio notwithstanding any previous statutory provision in conflict.

Recommendation 10: Vehicle Registration

One obstacle which confronted GOER in conducting the market value study was the lack of motor vehicle registration information on the school district level. In addition, this information would greatly assist local districts in their efforts to identify those vehicles taxable in their jurisdiction.

GOER will submit legislation to the 65th Legislature to require a school district identity code on each registration form at the time the vehicle is registered.



PROPOSED LEGISLATION

A BILL TO BE ENTITLED

AN ACT

relating to public school education; amending various provisions of the Texas Education Code, as amended, as follows: amending Section 16.151, relating to the operating cost allotment to school districts; amending Section 16.206(b) and (c), relating to the allotment to school districts for transportation services; amending Section 16.102(d), relating to the personnel unit allotment for certain sparsely populated districts; amending Section 16.252, relating to each school district's share of the foundation school program cost; amending Subchapter H, Chapter 16, relating to equalization aid for program enrichment; adding Subsection (e) to Section 16.056, relating to addition of tax assessors to the Texas Public Education Compensation Plan; adding Chapter 14, relating to a system of accountability for various state, regional, and local agencies and officers; adding Subchapter D to Chapter 20, relating to tax assessment practices of school districts; amending Section 20.03, relating to property appraisals, assessment ratios, and tax rates of certain school districts; amending Section 20.04(d), relating to maximum tax rates for maintenance and for debt service and the election propositions on those issues; repealing Sections 16.176, 16.256, 16.206(d), (e), and (f), and 16.207(d); and including transition provisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Sec. 1. Section 16.151, Texas Education Code, as amended, is amended to read as follows:

"Sec. 16.151. OPERATING COST ALLOTMENT. Each school district shall be allotted \$105 for each student in average daily attendance during each school year."

Sec. 2. Subsections (b) and (c), Section 16.206, Texas Education Code, as amended, are amended to read as follows:

"(b) A school district is entitled to a basic annual allotment to provide transportation services for its eligible students. An eligible student is a student who lives two or more miles from the school to which he is assigned.

"(c) Each district's annual allotment shall be determined by applying the district's density factor, calculated by dividing the average number of eligible students transported daily by the average number of route miles traveled daily, to the following schedule:

Density Factor	Annual Allowance Per Pupil Transported
.200 and below	\$200
.201 to .250	194
.251 to .299	185
.300 to .349	178
.350 to .399	165
.400 to .449	154
.450 to .499	144
.500 to .599	135
.600 to .699	128
.700 to .799	121
.800 to .999	109
1.000 to 1.199	94
1.200 to 1.399	88
1.400 to 1.599	78
1.600 to 1.799	71
1.800 to 1.999	69
2.000 to 2.499	65
2.500 to 2.999	59
3.000 to 3.999	53
4.000 to 5.999	46
6.000 and above	40

Sec. 3. Subsection (d), Section 16.102, Texas Education Code, as amended, is amended to read as follows:

"(d) The personnel unit allotment for a school district which has not more than 1,000 students in average daily attendance in its regular education program shall be adjusted according to the following formula:

$$[1 + (1000 - ADA) (.0003)] \times RPU = APU$$

where RPU is the district's regular personnel units determined in accordance with Subsection (c) of this section; and APU is the district's adjusted personnel units."

Sec. 4. Section 16.252, Texas Education Code, as amended,

is amended to read as follows:

"Sec. 16.252. LOCAL SHARE OF PROGRAM COST. (a) Each school year the State Board of Education shall calculate a local fund assignment index rate for the determination of each school district's share of the district's foundation school program for the next school year. The index rate shall be calculated by dividing 10 percent of the total statewide cost of the foundation school program for the then current school year, based on the laws and approved school budgets in effect when the estimate is made, by the total taxable value of all taxable property in the state for the tax year commencing in the school year one year before the school year in which the index rate is calculated.

"(b) The State board shall calculate each district's share of the cost of the foundation school program in the district for the next school year by multiplying the local fund assignment index rate by the taxable value of taxable property in the district for the tax year used in calculating the index rate.

"(c) The taxable value of taxable property in the state and in each school district shall be determined by the School Tax Assessment Practices Board.

"(d) Corrections in the taxable value of taxable property in a district made by the School Tax Assessment Practices Board after the index rate has been calculated shall not affect the index rate. However, the corrected value shall be used in calculating an adjusted local fund assignment for the district.

"(e) The commissioner may reduce the local fund assignment of a district in which local natural or economic disaster has dramatically reduced the value of taxable property in the intervening two-year period.

"(f) For the 1977-1978 and 1978-1979 school years, no school district's local fund assignment shall reduce the amount of state aid received by the school district below what it would have been entitled to pursuant to the relevant provisions of the foundation school program in effect for the 1976-1977 school year.

"(g) A school district need not raise its total local share of its program cost."

Sec. 5. Notwithstanding the provisions of Section 16.252, Texas Education Code, as amended by Section 4 of this Act, the State Board of Education shall calculate the local fund assignment index rate and the local fund assignment for each school district in the state for the 1977-1978 and 1978-1979 school years not later than August 15, 1977. The local fund assignment index rate and the local fund assignment for each school district for both school years shall be determined on the basis of the taxable value of taxable property in the state and in each school district reported in the 1976 official compilation of school district property values prepared by the Governor's Office of Educational Resources. However, the commissioner of education, with the approval of the governor, shall adjust the values reported in the official compilation to reflect reductions in taxable value of property resulting from actual tax exemptions or the valuation of property according to its agricultural use pursuant to Article VIII, Section 1-d of the Texas Constitution, for the 1975 tax year.

Sec. 6. Subchapter H, Chapter 16, Texas Education Code, as amended, is amended to read as follows:

"SUBCHAPTER H. EQUALIZATION AID FOR PROGRAM ENRICHMENT

"Section. 16.301. DISTRICT ELIGIBILITY. A school district with a local fund assignment per student in average daily attendance which is less than the total statewide local fund assignment per student in average daily attendance in the state is eligible for state equalization aid for the enrichment of its educational program beyond the level guaranteed under the Foundation School Program. The amount of state equalization aid shall not exceed \$210 per student in average daily attendance.

"Sec. 16.302. DETERMINATION OF EQUALIZATION AID ENTITLEMENT. (a) The amount of state equalization aid to which a district is entitled is determined by the formula:

$$SEA = \left(1 - \frac{DLFA/ADA}{(SLFA/ADA)} \right) \times ADA \times \$210$$

where

'SEA' is the state equalization aid guaranteed to the district:

'DLFA/ADA' is the district's local fund assignment divided by the number of students in average daily attendance in the district;

'SLFA/ADA' is the total statewide local fund assignment divided by the number of students in average daily attendance in the state; and

'ADA' is the number of students in average daily attendance in the district.

"Sec. 16.303. REQUIRED LOCAL EFFORT. (a) In order to receive the full amount of equalization aid available to a district, the district must raise local funds in an amount which exceeds its local fund assignment by the difference between the amount derived by multiplying the number of students in average daily attendance in the district by \$210 and the amount of equalization guaranteed by the state.

"(b) If the district chooses to raise local funds in an amount less than that required to receive the full state equalization entitlement, the amount of state aid shall be reduced in proportion to the amount of local funds actually raised by the district.

"Sec. 16.304. PAYMENT OF STATE AID; LIMITATION. (a) The state's equalization aid for program enrichment shall be paid from the Foundation School Fund pursuant to regulations of the State Board of Education.

"(b) If the amount of state aid required by this subchapter exceeds \$125 million per year for the 1977-1978 or 1978-1979 school year, the amount of state equalization aid guaranteed to each district shall be reduced proportionately until the total amount of funds required equals \$125 million. Each district's required local share shall also be reduced in proportion to the amount by which the state's share is reduced."

Sec. 7. Section 16.056, Texas Education Code, as amended, is amended by adding Subsection (e) to read as follows:

"(e) Beginning with the 1978-1979 school year, the position of tax assessor shall be added to the positions listed in Subsection (b) of this section. The position shall be placed at pay grade 10 and paid for 12 months each year. In order to qualify for the position, a person must be certified as a tax assessor by the School Tax Assessment Practices Board and must be employed on a full-time basis."

Sec. 8. The Texas Education Code is amended by adding Chapter 14 to read as follows:

"CHAPTER 14. ACCOUNTABILITY AND RENEWAL

"SUBCHAPTER A. PROCEDURES

"Sec. 14.01. PURPOSE. The purpose of this subchapter is to initiate an orderly process of change which will prevent the status quo in public education from becoming institutionalized and which will insure that the public schools respond to the changing needs of students and society.

"Sec. 14.02. ACCOUNTABILITY. (a) The governor, as chief planning and budget officer of the state, shall require any reports he deems necessary to provide for the inclusion in his proposed budget and general legislative program items that will appropriately meet the educational needs of the state.

"(b) The Central Education Agency shall:

"(1) assess the educational needs of Texas students and society at the local, regional, and state level;

"(2) develop statewide core goals and objectives which are fundamental and which shall be included in the goals and objectives of regional education service centers and local education agencies;

"(3) develop through cooperative arrangements models for the cost-effective delivery of educational services which meet state, regional and local goals and objectives;

"(4) develop a program budgeting system to be used by all public education agencies which will allow the tracing of the flow of funds to program outcomes;

"(5) develop models for the evaluation of all programs and personnel on state, regional and local levels;

"(6) require evaluation of all programs and personnel on state, regional and local levels; and

"(7) prepare all regular and special reports, at the request of the governor or the legislature, which reflect the status of educational attainment in relationship to the cost-effective accomplishment of each established goal and objective of the state system of public education.

"(c) In complying with the requirements outlined in Subsection (b) of this section, regional service centers and local education agencies shall cooperate with the Central Education

Agency.

"(d) The Central Education Agency, within each five-year period beginning in the 1979-1980 school year, shall perform a self-study of management and effectiveness, and be subject to a formal management audit conducted by a firm under contract to the comptroller's office, the results of which shall be reported to the governor and the legislature.

"Sec. 14.03. MANAGEMENT INFORMATION SYSTEM. (a) The purpose of a management information system is to identify, collect, and store by computer, in a readily accessible form, data relevant to the decision making processes of state, regional, district, campus, and program levels. Current data shall be available to all levels of educational decision makers.

"(b) The Central Education Agency shall determine which information is necessary for the effective management of the state system of public education and each participant level shall be expected to augment the required data collection with additional data which is uniquely appropriate to its level.

"(c) The regional education service center computer network shall be used to assist in the accomplishment of the purposes stated in Subsection (a) of this section.

"Sec. 14.04. RESEARCH AND DEVELOPMENT. (a) With the approval of the State Board of Education, the commissioner shall develop and implement a statewide design for research and development to address local, regional, and state needs in areas that have become evident through the needs assessment process.

"(b) The primary function of the Central Education Agency in this context shall be to develop the statewide design and to coordinate the research and development activities through contracting or formula provisions with private research and development agencies, colleges and universities, regional education service centers, and local education agencies.

"Sec. 14.05. ACCREDITATION. (a) The State Board of Education shall establish minimum standards for quality educational opportunities which must be attained by all school districts in the State of Texas.

"(b) Principles and standards for accreditation shall be revised and modified by the State Board of Education to reflect the state goals. Thereafter, the State Board of Education shall annually review, and modify if necessary, the principles and standards to insure that they continue to reflect current state goals, objectives, and priorities.

"(c) Once every five years, the local education agency shall initiate and conduct a self-evaluation along guidelines provided by the State Board of Education or the Southern Association of Schools and Colleges. A report on the evaluation shall be distributed by the board of trustees to professional staff members and shall be made available to citizens of the district.

"(d) Once every five years, and no more than two years after the self-evaluation cited in Subsection (c) of this section is completed, the Central Education Agency shall conduct an accreditation visit to evaluate the degree to which the local education agency is achieving the established accreditation standards. The results of this evaluation shall determine the accreditation status of the district.

"(e) If a district fails to become accredited, the Central Education Agency shall assist the district in the development of a plan which will result in accreditation within a reasonable period that shall be established by the commissioner, but not to exceed three years.

"(f) The State Board of Education shall require each local school district to prepare and annually update a five-year plan for the development of its programs. The updated plan should reflect input from the processes delineated in Sections 14.03, 14.04, and 14.05 of this code.

"Sec. 14.06. FUNDING FOR RENEWAL. In order to carry out the provisions of this subchapter, funds shall be appropriated to the Central Education Agency annually from the Foundation School Program Fund."

Sec. 9. Chapter 20, Texas Education Code, is amended by adding Subchapter D to read as follows:

"SUBCHAPTER D. SCHOOL DISTRICT ASSESSMENT PRACTICES

"Sec. 20.71. PURPOSE. It is the policy of this state to ensure equity among taxpayers in the burden of school district taxes and among school districts in the payment of state financial aid to schools. The purpose of this subchapter is to promote that equity by providing for uniformity in the tax

assessment practices and procedures of school district tax offices, for improvement in the administration and operation of school district tax offices, and for greater competence among persons assessing school district taxes.

"Sec. 20.72. SCHOOL TAX ASSESSMENT PRACTICES BOARD. (a) The school tax assessment practices board is established. The board consists of six members appointed by the governor with the advice and consent of the senate. A vacancy on the board is filled in the same manner for the unexpired portion of the term.

"(b) Members of the board hold office for terms of six years, with the terms of two members expiring on March 1 of each odd-numbered year. In making the initial appointments, the governor shall designate two members for terms expiring March 1, 1979, two members for terms expiring on March 1, 1981, and two members for terms expiring on March 1, 1983.

"(c) To be eligible to serve on the board, a person must have been a resident of this state for at least five years.

"(d) After January 1, 1983, at least two members shall be qualified assessors pursuant to the provisions of this subchapter.

"(e) A majority of the board constitutes a quorum.

"(f) The governor shall designate one of the members of the board to serve as chairman for a term, in that capacity, of two years expiring March 1 of each odd-numbered year.

"(g) The board shall maintain a principal office in Austin.

"(h) The board shall meet at least once in each calendar quarter and may meet at other times at the call of the chairman or as provided by the rules of the board. Within 60 days after appointment of the members, the governor shall call an organizational meeting of the board.

"(i) Members of the board are entitled to \$75 for each day the board meets and to reimbursement for actual and necessary expenses incurred in the performance of official duties.

"Sec. 20.73. BOARD PERSONNEL. (a) The board shall employ an executive director who shall be the administrative and executive director of the board and who shall administer board operations as directed by the board.

"(b) The director may employ professional, clerical, and other personnel to assist him in the performance of his duties.

"Sec. 20.74. TRAINING AND EDUCATION OF ASSESSORS.

(a) The board shall develop curricula for and shall conduct or sponsor courses of instruction and in-service and intern training programs on the technical, legal, and administrative aspects of property taxation.

"(b) The board shall cooperate in developing curricula with other public agencies, with educational institutions, and with private organizations interested in training and educating assessors, and the board may cooperate with them in conducting or sponsoring courses of instruction and training program.

"(c) A school district shall reimburse a school district employee engaged as chief administrator of an office responsible for assessing property for school taxation for all actual and necessary expenses, tuition and other fees, and costs of materials incurred in attending a course or training program that is necessary to qualify for or maintain certification by the board.

"Sec. 20.75. TRAINING SCHEDULE FOR SCHOOL ASSESSORS. The board shall establish by rule a minimum annual number of hours of education and training for a chief administrator of an office assessing property for school taxes who does not hold a certificate issued by the board under Section 20.76 of this code.

"Sec. 20.76. CERTIFICATION OF QUALIFIED ASSESSORS.

(a) The board shall promulgate rules providing for certification of persons engaged in appraising or assessing property for taxation who:

"(1) comply with training, experience, and other requirements; and

"(2) demonstrate knowledge and understanding of the basic technical, legal, and administrative aspects of property taxation.

"(b) The board shall prepare and, at least twice each calendar year, administer an examination designed to test a person's knowledge and understanding of the technical, legal, and administrative aspects of property taxation. The board may charge a reasonable fee to defray the expenses of administering examinations, but shall administer the examination without charge to a school district employee engaged as chief administrator of an office responsible for assessing property for

school taxation.

"(c) The board shall issue a certificate to a person who:

"(1) successfully completes the certification examination; and

"(2) furnished satisfactory proof, as provided by board rules, that he complies with the minimum requirements for certification.

"(d) The board shall provide for issuance of a certificate without an examination and proof of compliance with its requirements to a person holding a comparable certificate issued by a private association of assessors prior to the enactment of this section.

"(e) The board may provide that certificates have limited duration and require periodic completion of specified education or training programs conducted or sponsored by the board as a condition of renewal.

"(f) The board may revoke or suspend a certificate or may reprimand a certificate holder if it finds that the grounds for the disciplinary action exist. The board shall promulgate rules specifying the grounds and procedures for disciplinary actions.

"(g) A person is entitled to a hearing in accordance with the Administrative Procedure and Texas Register Act if he is denied a certificate or if the board proposes to revoke or suspend his certificate or to reprimand him.

"Sec. 20.77. MINIMUM STANDARDS FOR OPERATIONS OF SCHOOL TAX OFFICES. (a) The Board shall promulgate rules establishing minimum standards for the administration and operation of an office engaged in assessing property for school taxation. The minimum standards for a tax office may vary according to the number of parcels and the degree of variation in the kinds of property the office is responsible for assessing.

"(b) The board may require from each office engaged in assessing property for school taxation an annual report, on a form prescribed by the board, on the administration and operation of the office. The board shall provide for inspection of all offices engaged in assessing property for school taxation by board personnel to determine compliance with the standards at least once every three years.

"Sec. 20.78. SANCTION FOR NONCOMPLIANCE. (a) After December 31, 1982, a school district is ineligible for state financial aid if the office assessing property for the district's tax purposes:

"(1) does not comply with the minimum standards for administration and operation of the office established pursuant to Section 20.77 of this code;

"(2) is not administered by a person holding a certificate issued by the board under Section 20.76 of this code;

"(3) has unreasonably failed to file a completed report required by the board pursuant to this subchapter; or

"(4) has unreasonably refused to permit board personnel to make an inspection.

"(b) After December 31, 1977, and before January 1, 1983, a school district is ineligible for state financial aid if the chief administrator of the office assessing property for the district's tax purposes:

"(1) does not hold a certificate issued by the board under Section 20.76 of this code;

"(2) has held the position for more than one year; and

"(3) has failed to complete successfully the minimum amount of education and training required under Section 20.75 of this code.

"Sec. 20.79. DETERMINATION OF NONCOMPLIANCE. (a) If the board determines that a school district is ineligible for state financial aid under Section 20.78 of this code, the board shall notify the presiding officer of the district's board of trustees, the district's superintendent, and the chief administrator of the office assessing property for the district of its determination. The notice shall be delivered by certified mail, return receipt requested, and shall state the grounds for the board's determination.

"(b) A district is entitled to petition the board for a hearing within 60 days after delivery of the notice to contest the board's determination or to show that it has substantially remedied the cause of ineligibility.

"(c) If after opportunity for a hearing the board finds that the district is ineligible for state financial aid under Section 20.78 of this code, the board shall certify its finding to the commissioner of education.

"(d) At any time after a school district has been found

ineligible for state aid, the district may submit evidence that it has substantially remedied the cause of its ineligibility. Within 30 days after receipt of a submission under this subsection, the board shall hold a hearing to determine whether the district has become eligible for state financial aid. The board may find that a district has become eligible for state financial aid without a hearing. If the board finds that a district has become eligible for state financial aid, it shall certify its finding to the commissioner of education.

“(e) After receipt of a certification that a school district is ineligible for state financial aid, the commissioner of education may not approve payment of aid to the district until he receives a certification that the district has become eligible. If a district becomes eligible for state financial aid during a fiscal year, the commissioner of education may approve payment of all aid to which the district is entitled for that year, but the commissioner may not approve payments of state aid for a prior fiscal year in which a district was found ineligible for state aid.

“Sec. 20.80. SCHOOL DISTRICT WITHDRAWAL FROM NONCOMPLYING TAX OFFICE. (a) A school district that is required by law or contract to impose property taxes on the basis of values determined by the assessor and board of equalization for a county or any other taxing unit other than the district may establish a tax office, employ an assessor, and provide for a board of equalization in the same manner as an independent school district or may contract with some other taxing unit to assess its taxes if, because the office assessing property for the district's taxes refuses to comply or is unreasonably delaying compliance with the requirements of this subchapter, the district will lose its eligibility for state financial aid.

“(b) A school district seeking to withdraw from a tax office pursuant to Subsection (a) of this section may petition the board for a determination of its eligibility to do so if the board has not yet found that a district's tax office is not in compliance with this subchapter. On receipt of the petition the board shall notify the office from which the district seeks to withdraw and hold a hearing. The board shall make a final determination within 90 days after the date the petition is filed.

“(c) If the board has found a district's tax office is not in compliance with this subchapter, the district may withdraw from a tax office pursuant to Subsection (a) of this section without a board determination.

“Sec. 20.81. CONTRACT WITH COMPLYING OFFICE. If a school district that operates its own tax office is found ineligible for state financial aid under this subchapter, the district may contract with any other tax office that is in compliance with this subchapter to assess property for the district.

“Sec. 20.82. REPORTS OF SCHOOL DISTRICT VALUES. (a) Each office assessing property for school district taxes shall file an annual report listing both the market value and the assessed value of all taxable property in the district and other information required by the board.

“(b) The report shall be on form prescribed by the board and shall be delivered to the board before a date prescribed by the board.

“Sec. 20.83. DETERMINATION OF SCHOOL DISTRICT VALUES. (a) The board shall conduct a biennial study of the total market value and total taxable value of taxable property in each school district. For purposes of this section, ‘total taxable value’ means total market value less:

“(1) the total dollar amount of all disabled veterans exemptions and all homestead exemptions for persons 65 years of age or older that a district lawfully granted in the year that is the subject of the study; and

“(2) the difference between the market value and the agricultural use value of all land lawfully designated for agricultural use pursuant to Article VIII, Section 1-d, of the Texas Constitution, in the year that is the subject of the study.

“(b) The study shall determine the values as of January 1 of the most recent year practicable.

“(c) The board shall publish its findings, listing values by district, before June 1 of each odd-numbered year, and on that date it shall certify its findings to the commissioner of education. In even-numbered years the board shall compile current figures on exemptions and agricultural use designations and shall certify its findings to the commissioner before June 1.

“(d) A school district may protest the board's findings within 60 days after the date on which the findings are certified

to the commissioner by filing a petition with the board specifying the grounds for its objection. Within 90 days after receipt of a petition, the board shall hold a hearing. If after a hearing the board concludes that its findings should be changed, the board shall order the changes it finds appropriate and shall certify the changes to the commissioner of education.

“Sec. 20.84. CONFIDENTIALITY. (a) All information the board obtains from a person, other than a government or governmental subdivision or agency, under an assurance that the information will be kept confidential, in the course of conducting a study of school district values is confidential and may not be disclosed except as provided in Subsection (b) of this section.

“(b) Information made confidential by this section may be disclosed:

“(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

“(2) to the person who gave the information to the board; or

“(3) for statistical purposes if in a form that does not identify specific property or a specific property owner.

“Sec. 20.85. FUNDING. (a) In order to carry out the provisions of this subchapter the legislature shall appropriate funds to the board for the administration of the board and for the maintenance and improvement of school district tax offices.

“(b) For the fiscal year ending on August 31, 1978, and 1979, each school district's share of the total amount of funds appropriated annually for the maintenance and improvement of district tax offices shall be that percentage of the total amount expressed by the relationship between the school district's value as reported in the 1976 official compilation of school district taxable resources, less that district's value as reported to and approved by the Central Education Agency on the 1975 School District Report of Values and the total value of taxable property in the state as reported in the 1976 official compilation of school district taxable resources less the statewide total value for all school districts as reported to and approved by the Central Education Agency in 1975 School District Report of Values. No district shall receive more than two percent nor less than .01 percent of the total annual funds appropriated. Any surplus remaining after the board has distributed the funds according to this section shall be apportioned equally among the districts.

“(c) For all subsequent fiscal years, each school district's share of the total amount of funds appropriated annually for the maintenance and improvement of district tax offices shall be that percentage of the total amount expressed by the relationship between the school district's local taxable value of taxable property and the total taxable value of taxable property in all school districts in the state.

“(d) If a school district's taxes are assessed or collected by another taxing unit, the governing board of the school district shall allocate the funds to the taxing unit for use in improving the assessment of school taxes and for preparing reports required by law relating to the school district's taxes.”

Sec. 10. Section 20.03, Texas Education Code, as amended, is amended to read as follows:

“Sec. 20.03. ASSESSMENT OF PROPERTY; TAX RATES. (a) Notwithstanding a provision of general or local law to the contrary, a school district required by law or contract to use the tax office of another taxing unit may adopt its own assessment ratio and tax rate. The district shall use the appraised values determined by the office required by law or contract to assess its taxes but may impose taxes on the basis of a different proportion of market value than that of the taxing unit administering the tax office.

“(b) A school district may not levy a tax for the maintenance and operation of its schools at a rate greater than \$1 per \$100 of the total value of taxable property in the district as determined pursuant to Subsection (c), Section 16.252, of this code.”

Sec. 11. Subsection (d), Section 20.04, Texas Education Code, as amended is amended to read as follows:

“(d) In each proposition submitted to authorize the levy of maintenance taxes there shall be included the question of whether the governing board or commissioners court shall be authorized to levy, and cause to be assessed and collected, annual ad valorem taxes, for the further maintenance of public free schools, of not to exceed the rate (which shall be not more than either \$1 per \$100 of the total value of taxable property in

the district as determined pursuant to Subsection (c), Section 16.252, of this code or \$1.50 on the \$100 valuation of taxable property in the district, whichever is less, stated in said proposition."

Sec. 12. Records and materials compiled by or transferred to the governor pursuant to Section 10, Chapter 334, Acts of the 64th Legislature, Regular Session, 1975, are transferred to the School Tax Assessment Practices Board to assist it in performing its duties under this Act.

Sec. 13. Sections 16.176 and 16.256, Subsections (d), (e), and (f) of Section 16.206, and Subsection (d) of Section 16.207, Texas Education Code, as amended, are repealed.

Sec. 14. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

A BILL TO BE ENTITLED

AN ACT

relating to information required on an application for motor vehicle registration; and amending Subsections (a) and (b), Section 3, Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, as amended (Article 6675a-3, Vernon's Texas Civil Statutes).

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. Subsections (a) and (b), Section 3, Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, as amended (Article 6675a-3, Vernon's Texas Civil Statutes), are amended to read as follows:

"(a) Application for the registration of a vehicle required to be registered hereunder shall be made on a form furnished by the Department. Each such application shall be signed by the owner of the vehicle, and shall give his name and address in full, and shall contain a brief description of the vehicle to be registered. The description, in case of a new motor vehicle, shall include: the trade name of the vehicle; the year model; the style, type of body and the weight, if a passenger car, or the net carrying capacity and gross weight if a commercial motor vehicle; the motor number; the date of sale of manufacturer or dealer to the applicant. The application shall identify the public school in which the owner of the vehicle resides or, if the vehicle is used for business purposes, maintains his principal place of business, and shall contain such other information as may be required by the Department.

"(b) It is expressly provided that the owner of a vehicle previously registered in any State for the preceding or current year may, in lieu of filing an application as hereinbefore directed, present the license receipt and transfer receipts, if any, issued for the registration or transfer of the vehicle for the preceding calendar year, together with information identifying the public school district in which the owner of the vehicle resides or, if the vehicle is used for business purposes, maintains his principal place of business. The receipt or receipts and information shall be accepted by the County Tax Collector as an application for the renewal of the registration of the vehicle, provided the receipts show that the applicant is the rightful owner thereof. Provided, however, that if an owner or a claimed owner offering to register a vehicle has lost or misplaced the registration receipt or transfer, then upon his furnishing satisfactory evidence to the Tax Collector by affidavit or otherwise that he is the real owner of the vehicle and after furnishing the other information required by this subsection, it shall become the duty of the Tax Collector to issue him license therefor. It shall be the duty of the Tax Collector to date each registration receipt issued for the vehicle the same date that application is made for registration of such vehicle."

Sec. 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.



APPENDIX A
Preliminary questionnaire to school districts

APPENDIX B
1975 School District Report of Property Value

APPENDIX C
CTA Work Programs I and II

APPENDIX D
Fee Appraiser Work Program

APPENDIX E
Commercial-Industrial Audit reporting forms

APPENDIX F
Oil and Gas work forms

APPENDIX G
Bank work forms

APPENDIX H
Utility reporting forms

APPENDIX I
Farm and Ranch Personal work forms

APPENDIX J
CTA instructions for full taxable value
determination

APPENDIX A

Preliminary questionnaire
to school districts

School District _____

TEA County District No. _____

District Representative to
Contact for Assessment Information _____

	ESTIMATED NUMBER OF ACCOUNTS	PERCENT OF TOTAL ASSESSED VALUE
I. <u>PROPERTY CATEGORIES</u>		
1. OIL, GAS, & OTHER MINERALS (include equipment and well personal property)	_____	_____
2. UTILITIES AND PUBLIC CARRIERS (pipelines, railroads, electric systems, etc.)	_____	_____
3. INDUSTRIAL (include real and personal property)	_____	_____
4. LAND		
(a) Urban	_____	_____
(b) Rural (farming, ranching, forestry)	_____	_____
(c) Wasteland	_____	_____
5. IMPROVEMENTS		
(a) Residential	_____	_____
(b) Commercial	_____	_____
(c) Rural	_____	_____
6. PERSONAL PROPERTY		
(a) Personal automobiles and registered craft (boats, aircraft, trailers, etc.)	_____	_____
(b) Mobile homes	_____	_____
(c) Household goods	_____	_____
(d) Furniture, fixtures and equipment	_____	_____
(e) Business inventories	_____	_____
(f) Livestock	_____	_____
(g) Banks	_____	_____
(h) Intangibles	_____	_____
		100%

GOVERNOR'S EDUCATION RESOURCES

October 8, 1975
Page 2

% of District's Total
Property which is Exempt

7. EXEMPT PROPERTIES
(Churches, Government Property, Parks, etc.) _____

II. ASSESSMENT OPERATIONS

1. Which of the following assessing tools are
used by your office?

YES

NO

(a) Land Value Maps _____

(b) Detailed Appraisal Card Record _____

(c) Ownership Record _____

(d) Sales data records _____

(e) Cost Schedules (Buildings) _____

(f) Declaration Forms (Personal Property) _____

Part-Time

Full-Time

2. How many employees in the Tax Office? _____

DUE IN THE GOVERNOR'S OFFICE OCTOBER 28, 1975

Appendix B

1975 School District Report
of Property Value

DISTRICT NAME

COUNTY/DISTRICT NO.

COUNTY NAME

TEXAS EDUCATION AGENCY
Division of Finance

1975 School District Report of Property Value

(In accordance with requirements of Section 16.256 of the Texas Education Code (VTCS))

- I A. Total Assessed Value per Tax Roll. Total certified dollar value of entire 1975 tax roll as approved by the School District Board of Equalization. This figure must be before Elderly Homestead Exemptions (if any). If the certified tax roll in your district is after homestead exemptions, include the total (I B below) in this line. Dollar figure can be verified in total by adding roll. Detail breakdown by category in Section II must be totaled and balanced to this figure.
- B. Total Value of Elderly Homestead Exemptions. Total dollar value of elderly exemptions (if any).
- C. Total Assessed Value for School Tax Purposes. Subtract I B from I A.
- D. 1975 Tax Rate. 1975 tax rate per \$100 of assessed value.
- E. Total 1975 Tax Levy. Actual 1975 school district tax levy (total).

II Property. The thing owned and thus subject to specific rights in the owner of use, possession and alienation.

Real Property. Land and all buildings, structures and improvements thereon and all mines, minerals, quarries and fossils in and under the same.

Personal Property. Every kind of property which is not real property.

Tangible Personal Property. Property which is capable of perception through its substance, with its value related to that substance. Examples include machinery and equipment, livestock, furniture, motor vehicles, inventories, etc.

Intangible Personal Property. Property without physical existence in any significant sense. It is valuable solely or chiefly for what it represents. Examples include corporate stock, bonds, money on deposit, patents, etc.

Property Use Category. A classification based on the actual, principal utilization of the property. The use categories developed for this form have been determined after giving consideration to standard categories developed by governmental agencies such as the U. S. Census Bureau; testing and validation procedures to be utilized by the Office of the Governor, Education Resources, including auditing and verification procedures to be utilized by Certified Texas Assessors; comparability of results to prior studies and reports; and the general workload which will be required on the part of the local school district tax assessors to arrive at and maintain the use categories.

Full Taxable Value. Section 16.256 of the Texas Education Code requires that "each school district tax assessor shall report to the commissioner the full taxable value of property in the district each year. The tax assessor shall also report the assessed value and assessment level utilized for tax purposes of all property in the district". Accordingly, column (4) of Section II is to reflect full taxable value. If tax rolls are complete and properly valued, column (4) may be computed by dividing amounts in column (2) by amounts in column (3).

Assessed Value. Value per the tax roll before elderly homestead exemptions (if any).

Assessment Level. Stated assessment level. Relationship, expressed as a percentage, between market value and the assessed value.

II A. Real Property. Residential. Single-Family. All types of single-family houses not on farms including detached houses; single-family parts of semidetached and row or town houses if separately assessed; rural and suburban residences and estates (not primarily used for farming); and single-family units of a condominium.

No distinction will be made between rural and urban residential housing as long as the principal use category is residential. However, a house located on a piece of property which is principally used for farm or ranch land would be in a subsequent category called Farm and Ranch Improvements.

II B. Real Property. Residential. Multi-Family. All types of residences containing two or more living units and not on farms, including duplexes and apartment houses. This group includes apartment houses with street level stores and offices. This category does not include motels or hotels (see II F).

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DISTRICT NAME

COUNTY/DISTRICT NO.

COUNTY NAME

TEXAS EDUCATION AGENCY
Division of Finance

1975 School District Report of Property Value

(In accordance with requirements of Section 16.256 of the Texas Education Code (VTCS))

- II C. Real Property. Vacant Platted Lots. Parcels described in terms other than acreage, usually by means of lot and block numbers plus subdivision name. They are located either within municipalities or in adjacent or otherwise proximate territory. This category includes platted lots and/or subdivided tracts.
- II D. Real Property. Acreage. Farms and acreage. This category includes forest timberland, ranches, recreational acreage, idle land and waste land. Major criteria are rural location and description in terms of acreage. However, it is possible for farms to be located within city limits.
- II E. Real Property. Farm and Ranch Improvements. Property value of residence, barns, silos, and all other items normally classified as real property improvements, and located on farm or ranch acreage.
- II F. Real Property. Commercial and Industrial. Stores, stores with living quarters, office buildings, hotels and motels, gasoline service stations, commercial garages, parking lots, warehouses, theater buildings, financial institutions (other than banks), credit unions, savings and loan associations, finance companies and insurance companies, clinics and nursing homes, and all other commercial and industrial enterprises excluding banks and utilities.

This category also includes real property of factories, bakeries, dairy plants, other food processing plants, mills, mines, quarries, and any manufacturing organizations. Specifically excluded from this category is the real property value of banks and utilities shown in subsequent categories.

This category only includes the real property and specifically excludes personal property such as inventories, machinery and equipment, business automobiles, etc.

- II G. Real Property. Oil, Gas, and Other Mineral Reserves. Producing oil and gas wells, and all other minerals being mined including coal, ores, metals, etc. The value here is the value of the reserves in the ground after giving consideration to the length of time required in years to obtain the total reserve and the cost of obtaining the reserve. The equipment used to bring the product to surface may be included in this category. The value of the surface land is excluded from this category and the land should be in the "Acreage" category. The value of non-producing wells and non-mined minerals (including mineral rights) should be shown in this category.
- II H. Tangible Personal Property. Vehicles. This category includes business automobiles, personal automobiles, pick-ups, and other light trucks. Automobiles normally classified as business must be shown in this category and not some other personal property tax category.
- II I. Real and Intangible Personal Property. Banks. This category is specifically for the real estate and the intangibles included in the stock value of banks, both state or national, as covered by Article 7166 VTCS.
- II J. Real and Tangible Personal Property. Utilities. This category includes the real property and the machinery, fixtures, equipment of all types for railroads, electric and gas companies, telephone companies, water systems, T. V. and cable companies, cooperatives and others commonly classified as utilities.
- II K. Tangible Personal Property. Farm and Ranch Equipment, Machinery, and Livestock. This category includes the machinery, equipment, livestock, etc., for all tangible personal property commonly used or residing on farms and ranches of all types.
- II L. Tangible Personal Property. Business. This category includes machinery and equipment, inventories, fixtures, and all other tangible personal property of commercial and industrial businesses other than that included in banks, utilities, and farms.
- II M. Other Tangible Personal Property. This category includes aircraft, watercraft, household goods greater than \$250 per household, and all other tangible personal property not otherwise shown in above categories.
- II N. Intangible Personal Property. All intangible personal property not otherwise classified.

DISTRICT NAME _____

COUNTY/DISTRICT NO. _____

COUNTY NAME _____

TEXAS EDUCATION AGENCY
Division of Finance

1975 School District Report of Property Value

(In accordance with requirements of Section 16.256 of the Texas Education Code (VTCS))

I. Enter the following data from your Tax Roll.

- A. Total Assessed Value per Certified 1975 Tax Roll and before Elderly Homestead Exemptions (if any) \$ _____
- B. Total Value of Elderly Homestead Exemptions (if any) \$ _____
- C. Total Assessed Value for School Tax Purposes - 1975 \$ _____
- D. 1975 Tax Rate (per \$100 of assessed value) _____
- E. Total 1975 Tax Levy \$ _____

II. For the following categories, list from the tax roll the number of real parcels or personal property accounts, assessed value, stated assessment level (%), and compute full taxable value. If values are not on the tax roll for category, check (✓) the box for "not taxed" or "none in school district". For each category A-N, there must be a value in each horizontal row or a check mark (✓) in "Item Not Taxed" or "None in School District".

PROPERTY USE CATEGORY	(1) No. of Real Parcels or Personal Property Accounts	(2) Assessed Value Total of this Column must Balance to 1 A above	(3) Assess- ment Level %	(4) Full Taxable Value	(5) Item Not Taxed	(6) None in School Dist.
A Real. Residential. Single-Family						
B Real. Residential. Multi-Family						
C Real. Vacant Platted Lots/Tracts						
D Real. Acreage (Land only)						
E Real. Farm and Ranch Improvements						
F Real. Commercial and Industrial						
G Real. Oil and Gas, & Other Mineral Reserves						
H Tangible Personal. Vehicles						
I Real & Intangible Personal. Banks						
J Real & Tangible Personal. Utilities						
K Tangible Personal. Farms and Ranches						
L Tangible Personal. Business						
M Tangible Personal. Other						
N Intangible Personal.						
TOTALS						

The property values and information shown on this form, plus the attachments, are true, complete, and correct.

Signature of local school district tax assessor and date.

Signature of local school board president and date.

Signature of school superintendent and date

III. This section is to be used to note if specific types of property are on your district's tax roll. If the item is on the tax roll, check the box for method of valuation you use. If rendition only, check the box. If appraised by the official tax office for the school district, check the box, the percentage of the category that was revalued and the latest appraisal date, and complete the Section IV category. If property is appraised by an outside contracted appraiser or firm, write name of firm or appraiser, enter the percentage of the category that was revalued and the latest date of appraisal, and complete the Section IV category. If other valuation methods are used, check "Other" box, and complete the Section IV category. If not on tax roll, check the box asking whether any such items are in your district.

PROPERTY USE CATEGORY	If Item Is on Roll Check the Method of Valuation							If not on tax roll, are there any such items in your District? Yes No		
	Rendition Only	Revalued By School Tax Office			Revalued By Outside Contracted Appraiser or Firm					Other
		Latest Revaluation		Name of Appraiser/Firm	Latest Revaluation					
		(✓) Category If Property Yes Revalued	% of Category Property Year		% of Category Property Revalued	Year				
A1 Real. Residential. Single-Family										
A2 Real. Residential Mobile Homes										
B1 Real. Residential. Multi-Family										
C1 Real. Vacant Platted Lots/Tracts										
D1 Real. Acreage Ranch Land										
D2 Timberland										
D3 Farm Land										
D4 Undeveloped										
E1 Real. Farm and Ranch Improvements										
F1 Real. Commercial and Industrial										
G1 Oil, Gas, and Mineral Reserves										
H1 Tangible Personal. Vehicles										
I1 Banks										
J1 Real & Tangible Personal Utilities. Water Systems										
J2 Gas Companies										
J3 Electric Companies										
J4 Telephone Companies										
J5 Railroads										
J6 Pipelines										
J7 Other. Describe										
J8 Other. Describe										
K1 Tangible Personal. Farms										
L1 Tangible Personal. Business										
M1 Tangible Personal. Other. Watercraft										
M2 Tangible Personal Other. Private Aircraft										
M3 Tangible Personal Other. Mobile Homes										
M4 Household Goods										
M5 Miscellaneous										
N1 Intangibles										

IV

This section is to be used if the item is on your district's tax roll, and a method of valuation other than rendition is used to value the property.

ITEM	METHOD OF VALUATION	YES	NO
A1 <u>RESIDENTIAL, SINGLE FAMILY</u>	Building Class and Unit Cost Schedules Used?	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	If yes, _____ Name of Schedule Used		
_____	Is Land Value shown separately from Building Value on Tax Roll?	<input type="checkbox"/>	<input type="checkbox"/>
_____	Are land values developed by use of land value maps and current sales data?	<input type="checkbox"/>	<input type="checkbox"/>
A2 <u>RESIDENTIAL, MOBILE HOMES</u>	Mobile Home valuation guide used?	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	Are year, model, length considered in evaluation?	<input type="checkbox"/>	<input type="checkbox"/>
_____	Do you assess mobile homes outside of parks?	<input type="checkbox"/>	<input type="checkbox"/>
B1 <u>RESIDENTIAL, MULTI FAMILY</u>	Building Class and Unit Cost Schedules Used?	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	If yes, _____ Name of Schedule Used		
_____	Are land values developed by use of land value maps and current sales data?	<input type="checkbox"/>	<input type="checkbox"/>
_____	Is the income approach used?	<input type="checkbox"/>	<input type="checkbox"/>
C1 <u>VACANT, PLATTED LOTS/TRACTS</u>	Are land values developed by use of land value maps and current sales data?	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	Do you give special consideration to lots held by the developer?	<input type="checkbox"/>	<input type="checkbox"/>

D1 <u>RANCH LAND</u>	Fixed assessed \$ value per acre? _____ Amount per Acre	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	Fluctuating assessed value per acre? _____ Average \$ Amt. Per Acre		
_____	Are values based primarily on agricultural productivity?	<input type="checkbox"/>	<input type="checkbox"/>
D2 <u>TIMBERLAND</u>	Do you evaluate standing timber separate from the land?	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	Fixed assessed \$ value per acre? _____ Amount Per Acre	<input type="checkbox"/>	<input type="checkbox"/>
_____	Fluctuating assessed value per acre? _____ Average \$ Amt. Per Acre		
_____	Are values based primarily on agricultural productivity?	<input type="checkbox"/>	<input type="checkbox"/>
D3 <u>FARM LAND</u>	Fixed assessed \$ value per acre? _____ Amount Per Acre	<input type="checkbox"/>	<input type="checkbox"/>
Describe other methods of valuation used _____	Fluctuating assessed value per acre? _____ Average \$ Amt. Per Acre		
_____	Are values based primarily on agricultural productivity?	<input type="checkbox"/>	<input type="checkbox"/>

ITEM	METHOD OF VALUATION	YES	NO
D4 <u>UNDEVELOPED LAND</u> Describe other methods of valuation used _____ _____ _____	Fixed assessed \$ value per acre? _____ <div style="text-align: right;">Amount Per Acre</div> Fluctuating assessed value per acre? _____ <div style="text-align: right;">Average \$ Amt. Per Acre</div>	<input type="checkbox"/>	<input type="checkbox"/>
E1 <u>FARM & RANCH IMPROVEMENTS</u> Describe other methods of valuation used _____ _____ _____	Building Class and Unit Cost Schedules Used? If yes, _____ <div style="text-align: right;">Name of Schedule Used</div> Is this value included in the value of the land?	<input type="checkbox"/>	<input type="checkbox"/>
F1 <u>COMMERCIAL & INDUSTRIAL</u> Describe other methods of valuation used _____ _____ _____	Building Class and Unit Cost Schedules Used? If yes, _____ <div style="text-align: right;">Name of Schedule Used</div> Are land values developed by use of land value maps and current sales data? Is the income approach used?	<input type="checkbox"/>	<input type="checkbox"/>
G1 <u>OIL, GAS & MINERAL</u> Describe other methods of valuation used _____ _____ _____	Are all properties valued by an outside appraiser?	<input type="checkbox"/>	<input type="checkbox"/>
H1 <u>VEHICLES</u> Describe other methods of valuation used _____ _____ _____	Do you obtain listings from motor vehicle registration records? Do you use NADA or other valuation guides? Are they removed from the roll after a fixed number of years?	<input type="checkbox"/>	<input type="checkbox"/>
I1 <u>BANKS</u> Describe other methods of valuation used _____ _____ _____	Do you tax the shares of stock in the Bank? If yes, describe how the worth is determined _____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
J1 <u>WATER SYSTEMS</u> Describe other methods of valuation used _____ _____ _____	Is valuation based on capital investment? Is valuation based on "per connection"?	<input type="checkbox"/>	<input type="checkbox"/>

ITEM	METHOD OF VALUATION	YES	NO
J2 <u>GAS COMPANIES</u> Describe other methods of valuation used _____ _____ _____	Are financial statements furnished and used in the valuation? Are schedules per connection used?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
J3 <u>ELECTRIC COMPANIES</u> Describe other methods of valuation used _____ _____ _____	Are financial statements furnished and used in the valuation? Are schedules per connection used?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
J4 <u>TELEPHONE COMPANIES</u> Describe other methods of valuation used _____ _____ _____	Are financial statements furnished and used in the valuation? Are schedules per connection used?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
J5 <u>RAILROADS</u> Describe other methods of valuation used _____ _____ _____	Is valuation based on miles and weight of rails?	<input type="checkbox"/>	<input type="checkbox"/>
J6 <u>PIPELINES</u> Describe other methods of valuation used _____ _____ _____	Is valuation based on miles and size of pipelines?	<input type="checkbox"/>	<input type="checkbox"/>
J7 <u>OTHER. Describe</u> _____ _____ _____ _____	Describe methods of valuation used _____ _____ _____ _____		
J8 <u>OTHER. Describe</u> _____ _____ _____ _____	Describe methods of valuation used _____ _____ _____ _____		

ITEM	METHOD OF VALUATION	YES	NO
K1 <u>FARM. PERSONAL</u> Describe other methods of valuation used _____ _____ _____	Do you use schedules for livestock? Do you require an itemized listing of farm machinery?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
L1 <u>BUSINESS. PERSONAL</u> Describe other methods of valuation used _____ _____ _____	Do you require an itemized listing? Do you check the business books and records and/or published reports for verification?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
M1 <u>WATERCRAFT</u> Describe other methods of valuation used _____ _____ _____	Are registration records used in discovery? Are valuation guides used?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
M2 <u>PRIVATE AIRCRAFT</u> Describe other methods of valuation used _____ _____ _____	Are registration records used in discovery? Are valuation guides used?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
M3 <u>MOBILE HOMES</u> Describe other methods of valuation used _____ _____ _____	Mobile Home valuation guide used? Are year, model, length considered in evaluation? Do you assess mobile homes outside of parks?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
M4 <u>HOUSEHOLD GOODS</u> Describe your method of valuation used _____ _____ _____	Do you tax income producing household goods? Do you tax nonincome-producing household goods?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
M5 <u>MISCELLANEOUS</u> Describe property _____ _____ _____ _____	Describe your method _____ _____ _____ _____		
N1 <u>INTANGIBLES</u> Describe your method _____ _____ _____ _____	Describe your method _____ _____ _____ _____		

This section is to be used to report historical and other information relative to your tax roll.

Historical and Other Information

A.	* Assessed Value	Stated Assessment Level (%)	Tax Rate	Remarks
1970	_____	_____	_____	_____
1971	_____	_____	_____	_____
1972	_____	_____	_____	_____
1973	_____	_____	_____	_____
1974	_____	_____	_____	_____
1975	_____	_____	_____	_____

* Assessed value per Tax Roll before Elderly Homestead Exemption (if any).

B. Area in square miles for your district

_____	Urban Taxable
_____	Rural Taxable
_____	Exempt
_____	Total

C. Do you use a building schedule for valuation of:

1. Residential Property

_____	Yes	_____	No
-------	-----	-------	----

If no, describe method used _____

If yes, complete the following assessed valuation:

Typical 3 bedroom brick, 2 bath, 1,500-1,600 square feet, double garage, new, on standard lot.

Per square foot on house	\$ _____
Per square foot on garage	\$ _____
Extras, if any	\$ _____
Land value	\$ _____
TOTAL	\$ _____

2. Average Grocery Store - chain or discount type on two acre lot.

Is a building schedule used?

_____	Yes	_____	No
-------	-----	-------	----

If no, describe method used _____

If yes, complete the following:

Per square foot on building \$ _____ per sq. ft.

Land value \$ _____
 Total Land Value

Personal Property _____
 Method Used

3. Rural Land

All same value per acre \$ _____ Value

Broken down according to frontage, distance from town, etc.

Describe _____

If different values give examples:

Category	Per Acre	\$
_____	_____	_____
"	"	"
_____	_____	_____
"	"	"
_____	_____	_____
"	"	"
_____	_____	_____
"	"	"

D. Please answer the following based on your knowledge and experience. For an average arm's-length sale of rural land, rural land is selling for:

10 acre site -	\$ _____ per acre	\$ _____ Total
50 acre site -	\$ _____ " "	\$ _____ "
250 acre site -	\$ _____ " "	\$ _____ "

What value would you carry each on your tax roll?

10 acre site -	\$ _____ Total
50 acre site -	\$ _____ "
250 acre site -	\$ _____ "

E. Which of the following assessing tools are used by your office?

	Yes	No
1. Land value maps	_____	_____
2. Detailed appraisal card record	_____	_____
3. Ownership record	_____	_____
4. Sales data records	_____	_____
5. Cost schedules (Buildings)	_____	_____
6. Declaration forms (Personal Property)	_____	_____

F.	Part Time	Full Time	Total
How many total employees in the tax office?	_____	_____	_____
How many appraisers in the tax office?	_____	_____	_____
How many assessment/clerical employees in the tax office?	_____	_____	_____
Other. Describe _____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

G.	Is your tax roll maintained on?	Yes	No
1.	Addressograph	_____	_____
2.	Punched cards	_____	_____
3.	Magnetic tape or disk	_____	_____
4.	Typewritten	_____	_____
5.	Hand written	_____	_____
6.	Other. Describe _____	_____	_____
	_____	_____	_____

H.	Name	Assessed Value
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____
	TOTAL	=====

I.	Name	Assessed Value
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
	TOTAL	=====

J. How many approved applications for Agricultural Use Assessments under Article VIII 1(d) do you have on file for 1975? _____
 Number

How many rejections have you had for 1975? _____
 Number

Total acreage qualified _____

1975 assessed value based on market value _____
 Total \$

1975 assessed value based on agricultural value _____
 Total \$

K. Do you grant Homestead Exemptions for individuals over 65 years of age? _____
 Yes No

Amount of exemption _____
 Individual Amount Total \$ on Roll

Was the exemption granted by referendum vote or board action?

Referendum vote Board action

L. Does the school district assess its own taxes? _____
 Yes No

If not, who does the assessment? _____
 County City Other

Describe "Other" if checked _____

Does the school district collect its own taxes? _____
 Yes No

If not, who does the collection? _____
 County City Other

Describe "Other" if checked _____

Describe below (or on additional sheets) any additional information which might affect the value of properties in your district.

Appendix C

CTA Work Programs I and II

1975

WORK PROGRAM FOR ON-SITE REVIEW OF SCHOOL DISTRICT TAX OFFICES

GOVERNOR'S OFFICE EDUCATION RESOURCES

STATE OF TEXAS

(Revised March 18, 1976)

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C O N T E N T S

Part I - Basic Objectives and Instructions:

Background and Purpose of On-Site Review of Tax Offices

Objectives of On-Site Review

Scope of the On-Site Review

Use of the Work Program

Use of Findings

Documentation Standards and Methods

Submitting On-Site Review Files to Governor's Office

School District Report of Property Values - 1975

Property-Use Categories and Procedures for Testing

Definition and Purpose of Terms Used on "Report of
Property Values - 1975"

Discussion of Definitions for Property-Use Categories

Physical Inspection of Properties and Use of
Local Resources

Part II - Procedures for On-Site Review (see separate binder):

Instructions For Completing Part II of the
Work Program

General Procedures

General Information About Tax Office Records and Personnel

1975 Tax Roll Information

Revaluations and Appraisal Methods

Physical Inspection and Use of Local Resources

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PART I - BASIC OBJECTIVES AND INSTRUCTIONS

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BACKGROUND AND PURPOSE OF ON-SITE REVIEW OF TAX OFFICES

The Certified Texas Assessors are an essential group being used by the Governor's Office Education Resources to establish the full taxable value of property in every school district in the State of Texas. (In this program references to the "Governor's Office" mean the Governor's Office Education Resources.) Recent amendments to the Texas Education Code changed the basis of allocating State funds to school districts. A school district's share of its guaranteed entitlement under the Foundation School Program is determined by multiplying the total taxable value of the property in the district by an index amount. The CTA's who will serve as on-site reviewers in the districts are, therefore, a key component in the determination of the total (or full) taxable value of property and the amount of State funds that each school district will receive in the future.

Throughout this program the terms "on-site review" and "on-site reviewer" are used and shall have the following meanings:

On-site review is the process used in a school district to complete the requirements imposed by this work program and other directives received from the Governor's Office. The review will take place in the school district and includes visits to the district's tax assessor and with others who may provide information required for the determination of the district's full taxable value.

On-site reviewer is the person appointed by the Governor's Office Education Resources to be in charge of the on-site review. He is authorized to use assistants, but the reviewer bears primary responsibility for the on-site review. When an assistant performs a procedure required by this work program, the assistant must sign the program beside the procedure description. His work must be supervised and reviewed by the on-site reviewer.

A wide variety of assessing practices exists in the 1,100 Texas school districts. The range in sizes of districts and qualifications of the tax office personnel will make each review different from others and a challenge. The task of the on-site reviewer is made more difficult by the necessity of imposing very tight time limits on the examination of each tax office.

The Governor's Office must rely on the professionalism of the on-site reviewers to apply at least certain minimum procedures and tests in each district tax office. Yet, it is equally important that the tests and procedures used in each tax office be as uniform and consistent in terms of scope as possible. For that reason the Governor's Office has developed this work program which will be used and completed by the on-site reviewers for each school district in the State of Texas.

OBJECTIVES OF ON-SITE REVIEW

The on-site reviewer is to obtain information that will be used in evaluating the reliability of each tax office's records, being sure that the Governor's Office receives data that are needed for further analysis of tax rolls, and assuring that values are determined for all properties that are not on the tax rolls. The information that is being sought and tested relates to tax rolls for the year 1975. The on-site reviewer is searching for all information that will be required later by him to compute an amount for the full taxable value of property in the school district.

The reviewer must satisfy himself regarding the ratios of assessed values to total taxable values for various categories of properties. He must satisfy himself that the tax assessor has classified or can classify properties according to instructions for the Sec. 16.256 form to be completed by the tax assessor. After his on-site review the reviewer will have to use these ratios and information about property-use categories to test information on the tax assessor's Sec. 16.256 form.

The final computation of full taxable value of property (to be made by the Office of the Governor) will result from the Governor's Office using the data compiled by the on-site reviewers as well as using data gathered from several other sources. These other sources include bank call reports, Texas Highway Department, and Texas Railroad Commission. The accuracy of the data compiled by the on-site reviewer will affect all subsequent analyses and calculations made to compute full taxable value.

Fulfillment of the objectives of the on-site review is, therefore, most critical to the entire project of the Governor's Office.

SCOPE OF THE ON-SITE REVIEW

The on-site reviewer is to use the work program as his basic guide for the scope of each tax office review. The work program cannot provide for variations such as the size of tax rolls, the number of personnel in a tax office, or the expertise used in assembling tax office records. The reviewer is to use his judgment in applying the procedures so that he will determine:

1. General reliability of the tax office records and data furnished him.
2. Compliance of data with the classifications and definitions established in the form "School District Report of Property Values - 1975" (the Sec. 16.256 form).
3. Valuations of properties in the district which are not on the tax roll.
4. What amount of physical inspections of properties will be required for each district.

If tax records and data are determined to be unreliable or deficient in certain ways, the on-site reviewer must determine the best method for acquiring reliable data, offer guidance to the tax assessor-collector in gathering the data, make arrangements to obtain data at a later date, or collect, while in the school district, the best available information that will permit him to establish proper values later.

SCOPE OF THE ON-SITE REVIEW - continued

Uniformity of scope from district to district is important in several ways. It permits budgeting of time and setting of deadlines, which are critical in this entire project. Further, it will assure each school district that it was subjected to the same basic tests and analysis used for similar size school districts with similar data. The Governor's Office does not want to be subject to criticism for applying more rigid tests to one district than it did to another. The testing must be thorough and professional within the time constraints available.

USE OF THE WORK PROGRAM

The Work Program for On-Site Review of School District Tax Offices is to be used for each review. It consists of two parts:

Part I - Basic Objectives and Instructions

Part II - Procedures for On-Site Review

Each on-site reviewer will receive a copy of Part I and will use that copy throughout the entire period he is engaged to make on-site reviews. The Governor's Office may periodically issue changes to Part I or issue other general directives; these should be attached to Part I as received.

The reviewer will receive a copy of Part II for each district that he is assigned to review. The cover of Part II includes information which will identify the district to which it applies. The reviewer must complete all information blanks in Part II, and he must complete and sign all procedural steps or explain why they were not completed. Part II will be part of the file prepared for the district and is to be returned to the Governor's Office as part of that file.

The work program's purposes are:

1. To describe the approach to be used in the review.
2. To establish uniformity in testing tax record reliability.
3. To prescribe documentation standards and methods to be used in creating evidence of matters considered.

USE OF THE WORK PROGRAM - continued

4. To assure that documentation required for later use in establishing full taxable value of the school district.
5. To identify to the on-site reviewer those tax roll classifications for which the Governor's Office needs specific information.
6. To highlight problems that could not be resolved during the field review.
7. To solicit comments on certain matters that will be of importance in later reviews by the Governor's Office and the Texas Legislature.

USE OF FINDINGS

The reviewer's findings will be used by him to compute a full taxable value of property within each school district. The procedures leading to this computation of a full taxable value will generally be as described below. The reviewer will submit a completed Part II of this Work Program to the Governor's Office as soon as possible after completing his on-site review. The information inserted on page 2 of Part II will be used to adjust reported tax roll valuations by using the reviewer's representative assessment ratios and other information. The adjusted valuations will become part of a computerized data file. The computer will compare the reviewer's adjusted valuations with other information and prepare various analyses. These analyses and comparisons will be given to the on-site reviewer by the date he is to determine full taxable value for a school district. With his files that he accumulated while in the district and using the analyses prepared by the Governor's Office, the on-site reviewer will compute his amount for full taxable value of the district.

In order to compute a full taxable value of properties in a school district, the on-site reviewer will work with the fourteen property categories which are listed on the page 2 worksheet of Part II. Those categories are the same as in the Sec. 16.256 form being prepared by each district's tax assessor-collector. Part II of this program includes the procedures the on-site reviewer is to follow in testing property values and obtaining the information for the page 2 worksheet. Beginning on page 15 of Part I is a list of suggestions to follow in completing Part II. The on-site reviewer should follow these suggestions so that he is sure he obtained at least the minimum amount of information required by the Governor's Office.

USE OF FINDINGS - continued

Part II of this program includes space for listing unresolved matters. The program should be submitted to the Governor's Office only after the on-site reviewer has tried hard to clear all such matters. If the reviewer expects information to be sent to him by the tax assessor or persons knowledgeable of the district's values, he should keep his file until he receives the needed information. If the information is not received in a reasonable length of time, the reviewer must contact the person responsible and try to get the information. Generally the only unresolved matters to be listed in Part II will be those which are serious and with which the reviewer needs some form of assistance from someone other than the district's tax assessor or other locally knowledgeable person.

DOCUMENTATION STANDARDS AND METHODS

Each reviewer must accumulate a file of worksheets, documentation, and comments which will support his findings and conclusions from an on-site review. Documentation should include reproduced copies of forms, appraisal reports (at least the pages which identify scope and valuations), rendition forms for commercial and industrial properties, and similar matter. This documentation should be put in the file so that the reviewer can show the basis for major valuations in a district and the assessment ratios he feels should apply to the various property-use categories.

The work done by the Governor's Office in its overall program to establish full taxable values must be represented by reports and supplemental documentation in files that will be subjected to review by key personnel in the Governor's Office. These files may be presented to the Legislature where it will again be reviewed and scrutinized as the Legislature incorporates the overall findings into new legislation. Therefore, each on-site reviewer is charged with preparing a file that will support his findings. He is further charged with signing the completed steps of the work program and making it part of the file.

Notes and comments must be readable and understandable by others who were not part of the on-site review. Unanswered questions or unresolved matters must be summarized in one section of the file with appropriate cross-referencing to details in the file so that all such matters may be resolved before the reviewer completes his calculation of full taxable value for the district.

DOCUMENTATION STANDARDS AND METHODS - continued

At the conclusion of his on-site review, the reviewer must write comments which (1) briefly describe his opinion on the degree of reliance he feels can be placed on the tax records of the district, (2) outline areas in which he spent unusual amounts of time, (3) describe the extent of his inspection of properties, (4) discuss the seriousness of unresolved matters, and (5) state his general conclusions regarding the results of his on-site review.

Prior to visiting a school district tax office, the reviewer will be given a packet of information about the assigned district. Along with the packet he will receive a blank work program and other forms to be completed.

SUBMITTING ON-SITE REVIEW FILES TO GOVERNOR'S OFFICE

The reviewers should complete their documentation files as they leave each district if practicable and send them to the following address:

Governor's Office Educational Resources
1106 Clayton Lane
Suite 500 E
Austin, Texas 78723

They will be reviewed for completeness, compliance with the work program, conclusions of the on-site reviewer, and matters which will require additional procedures. Through the use of these file review procedures the Governor's Office may be able to offer assistance by detecting common problems and issuing supplemental instructions, by assisting with follow-up requests from those districts that could not supply required data or information, or by revising the approach to certain aspects of the on-site reviews.

After all school districts have been visited by the on-site reviewers, the Governor's Office will hold a meeting in Austin of all reviewers. At that meeting the files will be returned to the reviewers who will make their final determination of a full taxable value for each district.

Regarding matters that need follow-up procedures, the on-site reviewers must keep in mind that they know better than anyone what is required to complete their reviews and that the Governor's Office has very little capability to provide much assistance in such cases. If the reviewer needs additional data from a tax office, he should periodically pursue his own requests. If he is unsuccessful because he cannot obtain compliance from the district, then he should seek assistance from the Governor's Office.

SCHOOL DISTRICT REPORT OF PROPERTY VALUES - 1975

Sec. 16.256 of the Texas Education Code requires that each school district tax assessor report to the Commissioner of Education the full taxable value of property in his district each year. He is also to report the assessed value and assessment level utilized for tax purposes of all property in the district. The Texas Education Agency in conjunction with the Governor's Office has prescribed a form for reporting this required information, and it will be of assistance to the on-site reviewer if it has been completed prior to the on-site review.

The official Sec. 16.256 form includes definitions and purposes of terms used in the form. Those definitions and purposes are repeated beginning on page 18 of Part I of this Work Program and are referenced to various sections of the Sec. 16.256 form. The property categories listed on the page 2 worksheet in Part II of this Work Program are identical to the categories in the Sec. 16.256 form.

At the time he leaves the school district, a reviewer may not have tax roll valuations for the property categories. He should, however, have the total tax roll assessed value and his own calculations used to determine assessment levels or ratios for certain categories. Steps in Part II of this Work Program give the requirements for obtaining information required for each category. Also see page 14 of Part I for important suggestions to follow in completing Part II.

PROPERTY-USE CATEGORIES AND PROCEDURES FOR TESTING

The property-use categories used in the Sec. 16.256 form have been determined after giving consideration to several important needs of the Governor's Office. Other agencies and groups will be compiling statistics about certain of these categories; therefore, the on-site reviewer must know and understand exactly what he is to do to obtain the minimum information for completing the page 2 worksheet in Part I of this Work Program. The following procedures are to be followed by each reviewer as he gathers data and makes tests. All references are to the Part II, page 2 worksheet and to other pages in Part II of this program.

1. Use your summary comments to describe the operation of the school district as best you can. If you cover a question that arises later in the form, refer to the summary comments. You may want to enlarge your summary comments and reduce your work later in the report.
2. In categories A, B, C, D, E, F, L and M be sure to complete columns 2 and 3. Also complete columns 4 and 5 if they are applicable. Complete N if the information is available.
3. The Sec. 16.256 forms should be available to you. You can copy their pages 7 and 18. Ask the local tax assessor if he thinks those pages are correct when you are there.
4. Listed below are suggestions for each category. You will note that G, H, I, J and K do not require any testing but do require you to ask the local tax assessor some questions. Record his answers in Column 2. Explain on page 13 or 14 how you obtained the information.
5. In all adjustments (columns 4 and 5) use a figure representing 100% fair market value.

PROPERTY-USE CATEGORIES AND PROCEDURES FOR TESTING - continued

A. Real, Residential Single-Family

1. Complete columns 2 and 3 unless there are none in district.
2. If none, say none.
3. Complete columns 4 and 5 if there is property not on the tax roll or if adjustments are required.

B. Real, Residential Multi-Family

1. Complete columns 2 and 3 unless there are none in district.
2. If none, say none.
3. Complete columns 4 and 5 if there is property not on the tax roll or if adjustments are required.

C. Real, Vacant Platted Lots/Tracts

1. Complete columns 2 and 3 unless there are none in district.
2. If none, say none.
3. Complete columns 4 and 5 if there is property not on the tax roll or if adjustments are required.

D. Real, Acreage (Land only)

You will receive a chart showing acreage in each school district by land classification. Obtain values of land per acre in each classification and multiply that value by the acres. The results when added will equal 100% fair market value. Show that figure at 100% ratio in columns 2 and 3.

E. Real, Farm and Ranch Improvements

1. Complete columns 2 and 3 as best you can. Use definitions outlined in Part I as nearly as possible. You may have to reclassify from Category A to Category E if farm residences were grouped in Category A. Use column 5 to reclassify.

F. Real, Commercial and Industrial

1. Test and fill out columns 2 and 3 to the best of your ability.
2. Use columns 4 and 5 if they are applicable.

PROPERTY-USE CATEGORIES AND PROCEDURES FOR TESTING - continued

- G. Real, Oil and Gas and Other Minerals
1. Ask if an appraisal firm gave them an appraisal figure.
 2. Obtain that figure.
 3. Ask what ratio the local tax assessor applied to that figure.
 4. Record in column 2 those figures.
 5. Do not test unless you want to.
- H. Tangible, Vehicles--Personal
1. Do not test.
 2. Ask if vehicles are assessed in some other category. If so, obtain that figure and record in column 5 as an increase in Category H and deduction from the other category.
- I. Real and Intangible--Personal, Banks
1. Check the list of banks provided you; add any omitted.
 2. Do not test unless you want to.
- J. Real and Tangible--Personal, Utilities
1. Ask for figure on tax roll.
 2. Ask how figure obtained.
 3. If figure was obtained from appraisal firm, get a copy.
 4. Ask what ratio the local tax assessor applied to that figure.
 5. Ask if he thinks the appraisal firm gave him a 100% fair market value figure; if not, ask what percentage it was.
 6. Record the information in column 2.
 7. Do not test unless you want to.
- K. Tangible--Personal, Farms and Ranches
1. Ask if the tax assessor taxed these items.
 2. If so, ask what ratio was applied.
 3. Do not test unless you want to.

PROPERTY-USE CATEGORIES AND PROCEDURES FOR TESTING - continued

- L. Tangible Personal, Business
 - 1. Test and complete columns 2 and 3 to the best of your ability.

- M. Tangible--Personal, Other
 - 1. Test and complete columns 2 and 3 to the best of your ability.
 - 2. Use columns 4 and 5 if applicable.

- N. Intangible--Personal
 - 1. If information is available, test and complete columns 2 and 3.
 - 2. Complete columns 4 and 5 if applicable.

DEFINITION AND PURPOSE OF TERMS USED ON "REPORT OF PROPERTY VALUES - 1975"

Section

- I A. Total Assessed Value per Tax Roll. Total certified dollar value of entire 1975 tax roll as approved by the School District Board of Equalization. This figure must be before Elderly Homestead Exemptions (if any). If the certified tax roll in your district is after homestead exemptions, include the total (I B below) in this line. Dollar figure can be verified in total by adding roll. Detail breakdown by category in Section II must be totaled and balanced to this figure.
- B. Total Value of Elderly Homestead Exemptions. Total dollar value of elderly exemptions (if any).
- C. Total Assessed Value for School Tax Purposes. Subtract I B from I A.
- D. 1975 Tax Rate. 1975 tax rate per \$100 of assessed value.
- E. Total 1975 Tax Levy. Actual 1975 school district tax levy (total).

II Property. The thing owned and thus subject to specific rights in the owner of use, possession and alienation.

Real Property. Land and all buildings, structures and improvements thereon and all mines, minerals, quarries and fossils in and under the same.

Personal Property. Every kind of property which is not real property.

Tangible Personal Property. Property which is capable of perception through its substance, with its value related to that substance. Examples include machinery and equipment, livestock, furniture, motor vehicles, inventories, etc.

Intangible Personal Property. Property without physical existence in any significant sense. It is valuable solely or chiefly for what it represents. Examples include corporate stock, bonds, money on deposit, patents, etc.

Property Use Category. A classification based on the actual, principal utilization of the property. The use categories developed for this form have been determined after giving consideration to standard categories developed by governmental agencies such as the U. S. Census Bureau; testing and validation procedures to be utilized by the Officer of the Governor, Education Resources, including auditing and verification procedures to be utilized by Certified Texas Assessors; comparability of results to prior studies and reports; and the general workload which will be required on the part of the local school district tax assessors to arrive at and maintain the use categories.

Full Taxable Value. Section 16.256 of the Texas Education Code requires that "each school district tax assessor shall report to the commissioner the full taxable value of property in the district each year. The tax assessor shall also report the assessed value and assessment level utilized for tax purposes of all property in the district". Accordingly, column (4) of Section II is to reflect full taxable value. If tax rolls are complete and properly valued, column (4) may be computed by dividing amounts in column (2) by amounts in column (3).

Assessed Value. Value per the tax roll before elderly homestead exemptions (if any).

Assessment Level. Stated assessment level. Relationship, expressed as a percentage, between market value and the assessed value.

- II A. Real Property. Residential. Single-Family. All types of single-family houses not on farms including detached houses; single-family parts of semi-detached and row or town houses if separately assessed; rural and suburban residences and estates (not primarily used for farming); and single-family units of a condominium.
- No distinction will be made between rural and urban residential housing as long as the principal use category is residential. However, a house located on a piece of property which is principally used for farm or ranch land would be in a subsequent category called Farm and Ranch Improvements.
- B. Real Property. Residential. Multi-Family. All types of residences containing two or more living units and not on farms, including duplexes and apartment houses. This group includes apartment houses with street level stores and offices. This category does not include motels or hotels (see II F).
- C. Real Property. Vacant Platted Lots. Parcels described in terms other than acreage, usually by means of lot and block numbers plus subdivision name. They are located either within municipalities or in adjacent or otherwise proximate territory. This category includes platted lots and/or subdivided tracts.
- D. Real Property. Acreage. Farms and acreage. This category includes forest timberland, ranches, recreational acreage, idle land and waste land. Major criteria are rural location and description in terms of acreage. However, it is possible for farms to be located within city limits.
- E. Real Property. Farm and Ranch Improvements. Property value of residence, barns, silos, and all other items normally classified as real property improvements, and located on farm or ranch acreage.
- F. Real Property. Commercial and Industrial. Stores, stores with living quarters, office buildings, hotels and motels, gasoline service stations, commercial garages, parking lots, warehouses, theater buildings; financial institutions (other than banks), credit unions, savings and loan associations, finance companies, and insurance companies; clinics and nursing homes, and all other commercial and industrial enterprises excluding banks and utilities.

This category also includes real property of factories, bakeries, dairy plants, other food processing plants, mills, mines, quarries, and any manufacturing organizations. Specifically excluded from this category is the real property value of banks and utilities shown in subsequent categories.

This category only includes the real property and specifically excludes personal property such as inventories, machinery and equipment, business automobiles, etc.

- G. Real Property. Oil, Gas, and Other Mineral Reserves. Producing oil and gas wells, and all other minerals being mined including coal, ores, metals, etc. The value here is the value of the reserves in the ground after giving consideration to the length of time required in years to obtain the total reserve and the cost of obtaining the reserve. The equipment used to bring the product to surface may be included in this category. The value of the raw land is excluded from this category and the land should be in the "Acreage" category. The value of non-producing wells and non-mined minerals should be shown in this category.
- H. Tangible Personal Property. Vehicles. This category includes business automobiles, personal automobiles, and other light trucks. Automobiles normally classified as business must be shown in this category and not some other personal property tax category.
- I. Real and Intangible Personal Property. Banks. This category is specifically for the real estate and the intangibles included in the stock value of banks, both state or national, as covered by Article 7166 VTCS.
- J. Real and Intangible Personal Property. Utilities. This category includes the real property and the machinery, fixtures, equipment of all types for railroads, electric and gas companies, telephone companies, water systems, T. V. and cable companies, cooperatives and others commonly classified as utilities.
- K. Tangible Personal Property. Farm and Ranch Equipment, Machinery, and Livestock. This category includes the machinery, equipment, livestock, etc., for all tangible personal property commonly used or residing on farms and ranches of all types.
- L. Tangible Personal Property. Business. This category includes machinery and equipment, inventories, fixtures, and all other tangible personal property of commercial and industrial businesses other than that included in banks, utilities, and farms.
- M. Other Tangible Personal Property. This category includes aircraft, watercraft, household goods greater than \$250 per household, and all other tangible personal property not otherwise shown in above categories.
- N. Intangible Personal Property. All intangible personal property not otherwise classified.

DISCUSSION OF DEFINITIONS FOR PROPERTY-USE CATEGORIES

The use categories developed for the forms shown in this report were determined after giving careful consideration to standard categories developed by the U. S. Census Bureau; testing and validation procedures to be performed and as explained by the Education Resources staff, including the auditing and verification procedures to be performed by Certified Texas Assessors: comparability of results to prior studies and reports such as the 1974 Market Value Compilation prepared by Management Services Associates; and the general workload which would be required on the part of local school district tax assessors since the tax rolls may not and probably are not currently maintained by the use categories suggested.

These use categories have been reviewed by the Education Resources staff, selected Certified Texas Assessors (CTA), and the Texas Education Agency. In determining the use categories, various pros and cons related to each were discussed and reviewed, and among these were the following:

Residential, Single Family, Nonfarm

- Should land be segregated from improvements? Normal valuation processes require such a segregation. However, these were combined into one use category corresponds to the use category set up by the U. S. Census Bureau.
- Should urban residential be segregated from rural? These were not segregated primarily because the U. S. Census Bureau does not make such a distinction; the advantages of such a segregation were felt to be offset by the amount of time such a segregation would require on the part of local school district tax assessors; and the consideration that a house is a house regardless of where located.
- Should the value of residential home located on acreage which is principally used for farm or ranch land be included in this category? The U. S. Census Bureau does not include such in its use category. Also, since the residence normally should be appraised separately from the land, it was felt that the residence and other farm improvements should be placed in a separate category.

Residential, Multifamily, Nonfarm

- Should multifamily units be combined with single family? This would reduce the number of categories to be reported. However, these were set out as a separate category primarily because apartment house valuation normally gives consideration to the income approach and occupancy percentages; multifamily units do not normally have as much sales activity as single family; the CTA should test the multifamily category separately and should have an overall value to test for reasonableness. Also, the U. S. Census Bureau utilizes a separate category for this use.

Vacant Platted Lots

- Should vacant platted lots and subdivided tracts be combined with residential property? This would reduce the number of categories to be reported. However, these were set out as a separate category primarily because the valuation process is normally different. Also, the U. S. Census Bureau has a separate use category for such property. Some consideration was given to requiring a further division of this category based on zoning. However, it was felt that such a distinction would require too much effort on the part of the local school district tax assessor.

Acreage

- Should the real property value of farm and ranch land be segregated from the personal value of machinery and equipment? Because the method of valuation is normally different, and since real and personal property was to be tested separately for reasonableness by the CTA, it was decided to require separate use categories for each.
- Should acreage be reported in separate categories by type? It was felt that farm, ranch, timber, and wasteland, while having unique values for each, could not reasonably be categorized by the local school district tax assessor and no such distinction was required.

Farm and Ranch Improvements

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness.

Commercial and Industrial

- Should commercial property be segregated from industrial? The U. S. Census Bureau makes such a use distinction. However, primarily because of the difficulty that local school district tax assessors would have in making such a segregation, and because such segregations are difficult to determine in general, it was decided to combine these into one use category. Also, since the method of testing each for reasonableness was felt to be similar, these were not segregated.
- Should the real property value of real estate be segregated from business machinery, inventories, etc.? These were set out as separate categories primarily because the method of valuation of each is normally different and would be separately tested for reasonableness by the CTA.

Oil, Gas, and Other Mineral Reserves

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness. It was also decided to only include the value of "producing" wells and "minerals being mined" in this category because of the method to be utilized in testing the value. Reserves were segregated from the raw land value for the same reason. Evidences of "mineral rights", if separately valued, were included in this category.

Vehicles

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness.

Banks

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness. The real value of the property and the intangible personal value of the bank stock were combined in one category because these are normally treated as such for valuation purposes.

Utilities

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness. The real value of the property and the personal tangible value of property were combined primarily because of the difficulty that local school district tax assessors would have in making such a segregation.

Farm and Ranch Equipment

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness.

Business Personal Property

- Should categories such as inventory, machinery, be segregated? It was felt that such a segregation would require too much time on the part of local school district tax assessors.
- Should the personal property be segregated from the business real property? Primarily because of the different methods of valuation, and the need to test each for reasonableness, it was decided to require such a distinction.

Other Tangible Personal Property

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness and the need for a general "other" category. It was decided not to require any further breakdown of this category because of the amount of work that would be required on the part of the local school district tax assessor.

Intangible

- This was set out as a separate category because of the methods to be utilized in testing the value for reasonableness.

PHYSICAL INSPECTION OF PROPERTIES AND USE OF LOCAL RESOURCES

The primary objective of inspecting properties and using local resources (other than the district tax assessor) is to form an opinion on the actual ratios of property market values to the values on the tax rolls. These conclusions will be used to calculate full taxable values for property-use categories shown on page 2 in Part II of this program.

On-site reviewers should inspect as many pieces of property in material categories as possible during their limited time in districts. They should inspect properties for all material categories not on the tax roll. Physical inspection should be coordinated with inquiries made of local real estate agents, county agents, and others knowledgeable in district real values.

In very small school districts the effect of leaving a single business's personal property off the roll may be significant to the district's tax roll yet most insignificant to the total value of property in the State. It is, therefore, important to gain information quickly in such a case in order to treat fairly that district and others of its approximate size when State appropriations are made, but it does not merit much time when compared to the value of properties in the entire State.

The extent to which each on-site reviewer examines properties will be primarily a matter of his professional judgment in applying the guidelines of the Work Program. If the review procedures indicate that a tax office has been using competent appraisers, that their appraisals are either current or are up-dated using sound methods, and that records show tax rolls are reasonably complete,

PHYSICAL INSPECTION OF PROPERTIES AND USE OF LOCAL RESOURCES - continued

the physical inspection may be limited to touring the district to obtain an overview of the economic status of the district and how it compares with what tax records show, with actual testing of perhaps ten to fifteen pieces of property.

If large industrial and commercial concerns are located in the district and appear to have received favored tax treatment, the on-site reviewer may be faced with a rather formidable job of establishing the taxable values of those businesses and doing so in a very limited amount of time. He would necessarily feel compelled to pass inspection of smaller businesses. The use of local real estate agents or others knowledgeable of values in the district must be considered.

1975

WORK PROGRAM FOR ON-SITE REVIEW
OF SCHOOL DISTRICT TAX OFFICES

Part II - Procedures for On-Site Review

_____ School District

County No. _____ District No. _____

Address of School District Tax Office:

Tax assessor-collector is appointed/elected by:

School District _____

County _____

City _____

Other _____

Give Name: _____

Give Name: _____

Identify: _____

On-Site Reviewers:

In-charge: _____

Assistant: _____

Dates of On-Site Review in District:

Arrival: _____ Departure: _____

Arrival: _____ Departure: _____

INSTRUCTIONS FOR COMPLETING PART II OF THE WORK PROGRAM

This is Part II of a two-part work program for on-site review of school district tax offices. Part I describes the basic objectives and contains instructions for completing the on-site review. Part I must be read and understood by the on-site reviewer before he begins his review of a school district.

Part II has been designed to contain most of the information gathered about a district. The on-site reviewer is to provide answers to questions directly in this program. Certain information is required to be entered directly into this program. The major part of the file for a district's on-site review which must be attached are copies of independent appraisals, local tax office renditions, and the on-site reviewer's sales and appraisal information which are important to support his findings.

The procedures to be applied within each school district must have approximately the same scope. That is, districts of similar size and characteristics throughout the state should be subjected to approximately uniform tests. This work program is to be used regardless of the size of the school district being tested. It is intended solely as a guide in obtaining a uniform and consistent approach for reviewing all school district tax offices.

As each step is completed, the reviewer or assistant working with him is to sign the work program. If any procedures cannot be completed or are otherwise not applicable, the reason therefor should be noted in the space provided for the reviewer's signature.

To the extent possible use tax office personnel to gather data and documentation for you when it is not readily available. For example, have tax personnel obtain the 1975 assessed values for both real and personal property owned by banks if your assigned school district has numerous banks. Then compare enough values to the roll to satisfy yourself that the list came from the 1975 roll and that amounts were correctly listed.

Page references throughout Part II are to pages in Part II.

On-site reviewers are not to complete the Sec. 16.256 form for any school district. If the form has been completed by the district it should be used as an aid during the on-site review. Some of the information required in Part II may be taken from the Sec. 16.256 form.

Instructions for Completing Page 2

Included as page 2 is the "On-Site Reviewer's Worksheet for Property Categories". In this program the worksheets are referred to as page 2, consisting of three sheets.

Page 2 must be completed by the on-site reviewer during his visit to the school district. If parts of page 2 are applicable but cannot be completed during the on-site review, the information that is needed for completion must be recorded on page 5 under "Unresolved Matters".

The information to be included on page 2 is that information about property tax values which must be considered in arriving at the district's full taxable value. Certain procedures in this program refer to the numbered columns of page 2. The contents and purposes of the numbered columns are discussed following:

Column (1) - The property use categories in column (1) are the same as those used in Section II of the Sec. 16.256 form being completed by the school district. The letter in front of each category corresponds to that used in the form. Definitions of the property use categories are in Part I of the Work Program for On-Site Review of School District Tax Offices.

Column (2) - After "Market value of property tested" enter the total sales prices or the total market value of all properties you sampled. After "Assessed value of property tested" enter the total of all assessed values as shown on the 1975 tax roll for the same properties. Compute the ratio of total assessed value to total sales prices or market prices for the category, and enter the ratio in the percentage (%) blank in column 2.

Column (3) - Enter in column (3) for each category the assessment ratio which you believe is representative. If this percentage differs from the ratio computed in column (2), you must explain the reasons. See page 16, procedure 2 for description of comments you are to write.

INSTRUCTION FOR COMPLETING PART II OF THE PROGRAM - #2

Column (4) - Enter descriptions of any properties in the district which are not on the 1975 tax roll if the properties are legally subject to taxes. See page 11 for your testing requirements. If more space is required for a category, list omitted properties on page 11 and enter the total of those properties in column (4). If you cannot determine a value for a class of property not on the tax roll, list the property on page 5 under "Unresolved Matters" so that you can later determine how to treat the properties in your calculations. If you find that the district has no omissions for a category, write "None" in column (4).

Column (5) - Various other adjustments may be required in unusual situations to determine full taxable value of a district's properties. These adjustments may either increase or decrease tax roll values. An example requiring an increase would be an industrial property for which an assessment was made at far below market value and below the overall assessment ratio for commercial and industrial real property (category F). An example of a decrease would be the amount of reduction in value which resulted from a natural disaster (see page 8, procedure 8). Adjustments which indicate decreases should have the amounts enclosed by parentheses.

You must complete all three sheets of page 2 during your on-site review to the extent possible. Any matters which prevent you from completing page 2 must be listed on page 5 under "Unresolved Matters."

INSTRUCTIONS FOR COMPLETING PART II OF THE WORK PROGRAM

This is Part II of a two-part work program for on-site review of school district tax offices. Part I describes the basic objectives and contains instructions for completing the on-site review. Part I must be read and understood by the on-site reviewer before he begins his review of a school district.

Part II has been designed to contain most of the information gathered about a district. The on-site reviewer is to provide answers to questions directly in this program. Certain information is required to be entered directly into this program. The major part of the file for a district's on-site review which must be attached are copies of independent appraisals, local tax office renditions, and the on-site reviewer's sales and appraisal information which are important to support his findings.

The procedures to be applied within each school district must have approximately the same scope. That is, districts of similar size and characteristics throughout the state should be subjected to approximately uniform tests. This work program is to be used regardless of the size of the school district being tested. It is intended solely as a guide in obtaining a uniform and consistent approach for reviewing all school district tax offices.

As each step is completed, the reviewer or assistant working with him is to sign the work program. If any procedures cannot be completed or are otherwise not applicable, the reason therefor should be noted in the space provided for the reviewer's signature.

To the extent possible use tax office personnel to gather data and documentation for you when it is not readily available. For example, have tax personnel obtain the 1975 assessed values for both real and personal property owned by banks if your assigned school district has numerous banks. Then compare enough values to the roll to satisfy yourself that the list came from the 1975 roll and that amounts were correctly listed.

Page references throughout Part II are to pages in Part II.

On-site reviewers are not to complete the Sec. 16.256 form for any school district. If the form has been completed by the district it should be used as an aid during the on-site review. Some of the information required in Part II may be taken from the Sec. 16.256 form.

Instructions for Completing Page 2

Included as page 2 is the "On-Site Reviewer's Worksheet for Property Categories". In this program the worksheets are referred to as page 2, consisting of three sheets.

Page 2 must be completed by the on-site reviewer during his visit to the school district. If parts of page 2 are applicable but cannot be completed during the on-site review, the information that is needed for completion must be recorded on page 5 under "Unresolved Matters".

The information to be included on page 2 is that information about property tax values which must be considered in arriving at the district's full taxable value. Certain procedures in this program refer to the numbered columns of page 2. The contents and purposes of the numbered columns are discussed following:

Column (1) - The property use categories in column (1) are the same as those used in Section II of the Sec. 16.256 form being completed by the school district. The letter in front of each category corresponds to that used in the form. Definitions of the property use categories are in Part I of the Work Program for On-Site Review of School District Tax Offices.

Column (2) - After "Market value of property tested" enter the total sales prices or the total market value of all properties you sampled. After "Assessed value of property tested" enter the total of all assessed values as shown on the 1975 tax roll for the same properties. Compute the ratio of total assessed value to total sales prices or market prices for the category, and enter the ratio in the percentage (%) blank in column 2.

Column (3) - Enter in column (3) for each category the assessment ratio which you believe is representative. If this percentage differs from the ratio computed in column (2), you must explain the reasons. See page 16, procedure 2 for description of comments you are to write.

ON-SITE REVIEWER'S WORKSHEET FOR PROPERTY CATEGORIES

SCHOOL DISTRICT

1975 TAXABLE PROPERTY INFORMATION

(1) PROPERTY USE CATEGORY	(2) Summary of On-Site Reviewer's Tests (Attach worksheets prepared from physical inspection or from appraisals to show sources of amounts listed below.)	(3) On-Site Reviewer's Assessment Ratio	(4) Taxable Property Not On Tax Roll		(5) Other Adjustments Required	
			Description of Property	Full Taxable Value	Description of Property and Reason for Adjustment	Value on 1975 Tax Roll
F Real. Commercial and Industrial	Market value of property tested \$ _____	%		\$ _____		\$ _____
	Assessed value of property tested \$ _____			\$ _____		\$ _____
	Ratio of assessed value to market value, per tests _____ %			\$ _____		\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	
G Real. Oil and Gas, & Other Mineral Reserves	Market value of property tested \$ _____	%		\$ _____		\$ _____
	Assessed value of property tested \$ _____			\$ _____		\$ _____
	Ratio of assessed value to market value, per tests _____ %			\$ _____		\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	
H Tangible Personal Vehicles	(Assessment levels for vehicles is not to be tested. However, on-site reviewer must obtain the amount of assessed values for vehicles which are in other categories such as category L, tangible personal business property.)	(Not Applicable)	(Not applicable)			\$ _____
						\$ _____
						\$ _____
						TOTALS \$ _____
I Real & Intangible Personal. Banks	(Obtain assessed values for banks and the assessment level stated by the school district. Do not make tests of bank assessments. See procedures 9 and 10 on page 12 of this work program.)	(Not Applicable)		\$ _____		\$ _____
				\$ _____		\$ _____
				\$ _____		\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	
J Real & Tangible Personal. Utilities	Market value of property tested \$ _____	%		\$ _____		\$ _____
	Assessed value of property tested \$ _____			\$ _____		\$ _____
	Ratio of assessed value to market value, per tests _____ %			\$ _____		\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	

ON-SITE REVIEWER'S WORKSHEET FOR PROPERTY CATEGORIES

SCHOOL DISTRICT

1975 TAXABLE PROPERTY INFORMATION

(1) PROPERTY USE CATEGORY	(2) Summary of On-Site Reviewer's Tests (Attach worksheets prepared from physical inspection or from appraisals to show sources of amounts listed below.)	(3) On-Site Reviewer's Assessment Ratio	(4) Taxable Property Not On Tax Roll		(5) Other Adjustments Required	
			Description of Property	Full Taxable Value	Description of Property and Reason for Adjustment	Value on 1975 Tax Roll
L Tangible Personal Business	Market value of property tested \$ _____	%	_____	\$ _____	_____	\$ _____
	Assessed value of property tested \$ _____		_____	\$ _____	_____	\$ _____
	Ratio of assessed value to market value, per tests _____ %		_____	\$ _____	_____	\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	
K Tangible Personal. Farms and Ranches	Market value of property tested \$ _____	%	_____	\$ _____	_____	\$ _____
	Assessed value of property tested \$ _____		_____	\$ _____	_____	\$ _____
	Ratio of assessed value to market value, per tests _____ %		_____	\$ _____	_____	\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	
H Tangible Personal. Other	Market value of property tested \$ _____	%	_____	\$ _____	_____	\$ _____
	Assessed value of property tested \$ _____		_____	\$ _____	_____	\$ _____
	Ratio of assessed value to market value, per tests _____ %		_____	\$ _____	_____	\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	
N Intangible Personal	Market value of property tested \$ _____	%	_____	\$ _____	_____	\$ _____
	Assessed value of property tested \$ _____		_____	\$ _____	_____	\$ _____
	Ratio of assessed value to market value, per tests _____ %		_____	\$ _____	_____	\$ _____
			TOTAL \$ _____	TOTALS \$ _____	\$ _____	

GENERAL PROCEDURES

The following procedures must be completed to assure that the on-site reviewer was properly prepared for his visit to the school district tax office and that he completed all work that was required during the visit.

Completed
By _____

1. Read Part I of the Work Program in order to assure an understanding of the objectives of the on-site review and testing. _____
2. Obtain packet of materials for use in reviewing this school district. The Governor's Office has prepared a packet containing such information as Municipal Advisory Council reports, a list of banks, and maps. Return the packet to the Governor's Office with your complete files. _____
3. Upon completion of your review of the school district, prepare in the space below and on the next page a written summary of the principal procedures, findings, and conclusions of your on-site review. This summary should be completed on additional sheets if necessary and attach them to page 4. The summary should contain your comments about the following matters:
 - a. General condition of tax roll and related records
 - b. Principal categories of properties in the district and the extent they were tested by the reviewer
 - c. Types of properties not on the rolls, their values, and method used to value for your purposes
 - d. Areas of work which required the most time
 - e. Any unresolved matters, and their magnitude
 - f. Briefly the extent of physical inspection of properties in the district_____

SUMMARY COMMENTS

UNRESOLVED MATTERS

List below all unresolved questions, information to be received after the on-site review, and any valuations or assessment levels that were not determined during on-site review. If information is to be sent to you by the tax assessor or someone else, this should be listed along with the estimated date of receipt.

GENERAL INFORMATION ABOUT TAX OFFICE RECORDS AND PERSONNEL

This section of the program seeks information to assist in evaluating the qualifications of the tax office personnel and the quality of the tax records. Answers to the questions should be verified by some degree of observation and testing. As you complete the following questions and procedures, limit your time to a very minimum in forming an opinion about the tax office itself. Your judgment and experience in this area are two of your best aids.

Completed
By _____

1. By inquiring of the tax assessor or a key assistant, complete the sections on the next page of this program. _____
2. Inquire about the causes for any significant changes in assessed values from 1970 to 1975. Add your findings in the "Remarks" column on the next page.
3. Inquire about any significant changes in property classifications since the assessment date for 1975. Any changes in the property since the 1975 assessment date are not part of the study. _____
4. Determine the district's policy for granting exemptions from taxation. Describe the classes of properties granted exemptions (other than normal government-owned properties and churches). _____
5. Inspect tax office records for their apparent completeness, neatness, or other evidence that indicates their reliability. This inspection should include such items as 1975 current tax roll and recent delinquent tax rolls, appraisal records, block books, maps, and rendition files. _____

(Comments relating to items 1 to 5 should be written below.)

GENERAL INFORMATION ABOUT TAX OFFICE RECORDS AND PERSONNEL - #2

A.	* Assessed Value	Stated Assessment Level (%)	Tax Rate	Remarks
1970	_____	_____	_____	_____
1971	_____	_____	_____	_____
1972	_____	_____	_____	_____
1973	_____	_____	_____	_____
1974	_____	_____	_____	_____
1975	_____	_____	_____	_____

* Assessed value per Tax Roll before Elderly Homestead Exemption (if any).

B.	Tax Office Personnel	Part Time	Full Time	Total
	How many total employees in the tax office:	_____	_____	_____
	How many assessment/clerical employees?	_____	_____	_____
	Other. Describe _____	_____	_____	_____
	_____	_____	_____	_____

C. List top ten taxpayers in your district.

	Name	Assessed Value
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____
	TOTAL	=====

D. List top five taxpayers which you have included in the commercial and industrial categories (Categories F and L)

	Name	Assessed Value
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
	TOTAL	=====

GENERAL INFORMATION ABOUT TAX OFFICE RECORDS AND PERSONNEL - #3

Completed
By _____

- 6. Inquire about the qualifications and experience of the tax assessor, his appraisers, and other tax office personnel. Brief comments should be written below. _____
- 7. Inquire as to the occurrence of any natural or economic change which has "dramatically reduced the value of taxable property" since the assessment date. (Quotation is from Sec. 16.252, Texas Education Code.) If such a change occurred include details in your comments. _____
- 8. Inquire as to any existing or pending litigation effecting the tax roll, assessment levels, or board of equalization. _____
- 9. Determine the procedures used to add personal property and real estate improvements to the tax rolls. For example, use of city building permits, use of information from other tax offices in the district, or physical inspection. _____
- 10. Obtain tax assessor's opinion on the uniformity with which the stated assessment level is applied to properties within each category shown on page 2 of this program. _____

(Comments relating to items 6 to 10 should be written below.)

1975 TAX ROLL INFORMATION

The 1975 tax roll of the school district is the basic source of information to be used in determining full taxable value; therefore, the on-site reviewer must be sure that he has enough information about the roll to establish controls over the information he will be testing. Both sections I and II of the Sec. 16.256 form deal with information which must agree with the 1975 tax roll.

Completed
By _____

1. Complete the following information about the 1975 tax roll:

- A. Total Assessed Value per Certified 1975 Tax Roll and before Elderly Homestead Exemptions (if any) \$ _____
- B. Total Value of Elderly Homestead Exemptions (if any) \$ _____
- C. Total Assessed Value for School Tax Purposes - 1975 \$ _____
- D. 1975 Tax Rate (per \$100 of assessed value) \$ _____
- E. Total 1975 Tax Levy \$ _____
- F. Give source from which above amounts were obtained. (Preferred source is certificate of approval by Board of Equalization): _____

2. Ask whether a board of equalization functioned and to what extent it worked in equalizing property values. _____

3. Review the method and authority for making changes to the tax roll after original approval. Review the magnitude of such changes. If large changes have occurred to the roll determine the nature of the changes to see whether they indicate a general revaluation of certain properties may be required. _____

(Comments relating to items 1 to 3 should be written below.)

Completed
By _____

- 4. Using the best source available, determine which categories of property (as listed on page 2 of this program) are most significant to the school district. These significant categories are to be tested during your on-site review. Use the Sec. 16.256 form completed by the local tax assessor if it is available. Another source is the "1974 Market Value Compilation" given you in the packet issued by the Governor's Office. You must enter on page 2 in column 3 the percentage which you think is representative of the actual ratio of assessed values to market values for each category of property. Page 2 should be completed during the on-site review except for the categories affected by unresolved matters listed on page 5 of this program. _____

- 5. Scan the 1975 tax roll to become familiar with the classifications used in its preparation. If major work would be required to obtain the category information required for Sec. II of the Sec. 16.256 form, explain in the space below the primary problem and how the local tax assessor will obtain amounts for categories. _____

- 6. Determine the number of parcels in the entire tax roll. Because of variances in tax rolls the best available indication of the number of parcels may be the number of taxpayers, the number of tax statements prepared, or summaries the local tax assessor may have prepared. Indicate the source you used to determine the number of parcels.

Number of parcels: _____

Source for number of parcels: _____

(Comments relating to items 4 to 6 should be written below.)

Completed
By _____

7. Investigate items that are reported to be in the district but not taxed. Use page 18 of this program to determine categories not on tax roll but in the district. Explain below all omissions from the tax rolls and estimate the amount of taxable value. Such values will require later testing by inspection or other means unless it is obvious the amounts are small and will have little effect on the district's taxable value.
8. Regardless of the amount show on page 2 in column 4 an estimate of any values omitted from the tax roll. (Do not include omissions of automobiles and light trucks, household goods not normally taxed, or some other form of property not normally taxed because values for these items will be supplied later.)

(Comments relating to properties not on the tax roll should be written below and the back of the preceding page.)

Completed
By _____

9. Using the list of banks received from the Governor's Office, have the tax assessor list for each bank the assessed value, as shown by the local tax assessor. Trace enough assessed values to the tax roll to satisfy yourself that the values agree with the 1975 tax roll. Be sure that all banks in the district are on the list. _____

10. For the banks listed in step 9 above obtain from the tax assessor his stated assessment level or ratio and a description of his method of assessment. Do not make tests of assessments or ratios in this category. _____

(Comments relating to bank assessments and assessment ratios should be written below or on the list of banks received from the Governor's Office)

REVALUATIONS AND APPRAISAL METHODS

Sections III and IV of the Sec. 16.256 form being used by the local tax assessor should be used by you in reviewing the methods used periodically by the school district to revalue properties and to show who, if anyone, makes the appraisals. For purposes of the on-site review, page 18 (Sec. III of the Sec. 16.256 form) is reproduced in this program for your use and must be completed. It should be used to provide more information about the appraisals.

Because of the time limitations on each reviewer, he must use his judgment in allocating his time for testing appraisal methods and values on the tax roll. If Section III indicates recent revaluations by outside contracted appraisers or firms, the reviewer should obtain access to the firms' reports and determine the extent of the revaluations. If the appraisers' reports indicate complete coverage of a property-use classification, the reviewer may be able to accept the valuations for the classification and use his time where values have neither been established recently nor at all.

Section III of the form in this program includes a supplemental sheet (page 19) which should be used to describe appraisal methods and to add your comments about procedures used in the district.

Completed
By _____

1. If the tax office relies on rendition only for its values, review the file of rendition forms for evidence that the rendition process includes all properties and that the values have been challenged by the tax office. Indicate in your files the details included on the rendition form and obtain a copy if possible. Also indicate in your files whether the tax roll classifies properties as either rendered or unrendered, and whether the board of equalization maintained minutes or records showing results of its hearings. _____

2. Scan local tax assessor's files in order to determine if such files contain sufficient information to support appraisals and dates of appraisals. _____

(Comments relating to local rendition procedures, if an important part of assessment procedures, should be written below.)

REVALUATIONS AND APPRAISAL METHODS - #2

Completed
By _____

3. Obtain for your files copies of recent appraisals or at least the summaries of such values. You must write such values into your papers and identify the source. Also indicate in your comments what assessment ratios are used on the tax rolls. _____

4. Review copies of reports from outside appraisal firms for all important property-use classifications, and determine to what extent they appraised properties in each classification. If the reappraisal covered only part of a classification, indicate in the files the scope of the revaluations. _____

5. For appraisals relating to a large percentage of any category and for appraisals of mineral interests, determine basis for appraisers' fees. Contingency fees based on increased appraised values may indicate appraisals you should question further. _____

6. If recent appraisals have not been made, is there a method to adjust the tax rolls by some index or factor Yes _____
in an effort to keep the values current? Indicate in your files what methods are used to keep the appraisals current. No _____

(Comments relating to items 3 to 6 should be written below.)

REVALUATIONS AND APPRAISAL METHODS - #3

Completed
By _____

- 7. Determine the district's practices for reappraisal of properties in the district. Note at bottom of this page the frequency of cycle if continuing reappraisal is used and the properties for which cyclic reappraisals are made. _____

- 8. If properties in the district are being revalued on a cyclic basis (that is, complete revaluation occurs periodically through use of continuing appraisals) are adjustments made annually to properties not reappraised during the last year? If values are reappraised each year on some properties but not all, estimate the effect.
Yes _____
No _____

- 9. Try to determine whether any individual properties are receiving special treatment in determining their valuations. Those which should be considered are larger industrial facilities, low-income neighborhoods, the homes of elderly persons, quasi-public organizations that own sites awaiting historic classification, etc. _____

(Comments relating to items 7 to 9 should be written below.)

PHYSICAL INSPECTION AND USE OF LOCAL RESOURCES

The primary objective of inspecting properties and using local resources (other than the district tax assessor) is to form an opinion on the actual ratios of property market values to values on the tax rolls. The conclusions will be used to calculate full taxable values for property-use categories. Read in Part I the comments on physical inspection and use of local resources.

By inspecting properties and using persons who are familiar with local sales and market values, you can add credibility to your entire review. These procedures aid in forming opinions on local economic conditions, general conditions of real estate and improvements, and specific commercial and industrial properties.

Completed
By _____

1. Include in your files all important information used to determine market values and actual assessed values for each piece of property or each business examined. Attach to this program the worksheets used to determine sales or market values and related assessed values. _____

2. Prepare for each property-use category tested a total of sales or market values and assessed values and determine the ratio of these values. (Totals shown on page 2 in column 2 should be the totals of properties tested for each property-use category.) Comment on whether or not this ratio is, in your opinion, representative of the true ratio for the category. If it is not representative, explain below the factors influencing your opinion and state what you believe to be the representative assessment ratio. Enter the representative ratio on page 2 in column 3 in this program. _____

3. Properties which are not on the tax rolls and are normally subject to taxation should be described on page 11. Explain the procedures used by you to establish their values. _____

(Comments relating to items 1 to 3 should be written below and on the back of the preceding page if necessary.)

Completed
By _____

4. Comment on knowledge gained while in the district, describing the principal types of properties and information useful in establishing values. For example, describe quality of farmland, timberland, and industry. _____
5. Describe any procedures other than those covered by the preceding steps which you used in determining values or ratios. Identify local sources of information and knowledgeable persons who assisted you. _____

(Comments relating to items 4 and 5 should be written below.)

III. This section is to be used to note if specific types of property are on your district's tax roll. If the item is on the tax roll, check the box for method of valuation you use. If rendition only, check the box. If appraised by the official tax office for the school district, check the box, the percentage of the category that was revalued and the latest appraisal date, and complete the Section IV category. If property is appraised by an outside contracted appraiser or firm, write name of firm or appraiser, enter the percentage of the category that was revalued and the latest date of appraisal, and complete the Section IV category. If other valuation methods are used, check "Other" box, and complete the Section IV category. If not on tax roll, check the box asking whether any such items are in your district.

PROPERTY USE CATEGORY	If Item Is on Roll Check the Method of Valuation								If not on tax roll, are there any such items in your District? Yes No	
	Rendition Only	Revalued By School Tax Office			Revalued By Outside Contracted Appraiser or Firm			Other		
		Latest Revaluation		Name of Appraiser/Firm	Latest Revaluation					
		(✓) If Yes	% of Category Property Revalued		% of Category Property Revalued	Year				
A1 Real. Residential. Single-Family										
A2 Real. Residential Mobile Homes										
B1 Real. Residential. Multi-Family										
C1 Real. Vacant Platted Lots/Tracts										
D1 Real. Acreage Ranch Land										
D2 Timberland										
D3 Farm Land										
D4 Undeveloped										
E1 Real. Farm and Ranch Improvements										
F1 Real. Commercial and Industrial										
G1 Oil, Gas, and Mineral Reserves										
H1 Tangible Personal. Vehicles										
I1 Banks										
J1 Real & Tangible Personal Utilities. Water Systems										
J2 Gas Companies										
J3 Electric Companies										
J4 Telephone Companies										
J5 Railroads										
J6 Pipelines										
J7 Other. Describe										
J8 Other. Describe										
K1 Tangible Personal. Farms										
L1 Tangible Personal. Business										
N1 Tangible Personal. Other. Watercraft										
N2 Tangible Personal Other. Private Aircraft										
M3 Tangible Personal Other. Mobile Homes										
M4 Household Goods										
M5 Miscellaneous										
N1 Intangibles										

SUPPLEMENT TO SECTION III

Use this space to comment on any of the proper-use categories on page 18 and related appraisal methods used in the district.

Classification _____

Classification _____

Classification _____

Classification _____

Classification _____

Classification _____

Classification _____

Classification _____

Classification _____

Classification _____

Appendix D

Fee Appraiser Work Program

EXHIBIT "A"

WORK PROGRAM FOR ON-SITE REVIEW
OF SCHOOL DISTRICT TAXABLE PROPERTIES
BY FEE APPRAISERS

_____ School District
Name

County No. _____ District No. _____

Address of School District Tax Office:

Dates of On-Site Review in District:

Arrival: _____ Departure: _____

Arrival: _____ Departure: _____

I hereby certify that to be best of my professional judgment, the values and ratios contained in the attached report are accurate.

Signature

Date

INSTRUCTIONS FOR GENERAL WORK PROGRAM

Chapter 334 of the acts of the 64th Legislature provides that, "(a) The Governor shall conduct a study to determine methods of allocating state funds to school districts..." and that "(b) The study shall include a determination of each school district's ability to support education based on the value of taxable property in the district..."

In order to comply with the above cited provisions of House Bill 1126, it will be necessary to establish a ratio between the market value and the School District's assessed value for real properties in the following categories: Residential Single-Family; Residential Multi-Family; Vacant Plotted Lots/Tracts; Acreage (land only) and Farm/Ranch Improvements.

You will be required to utilize all recognized, standard and acceptable professional techniques to establish uniform and equitable market values among each of the various parcels of real estate and improvements considered in developing the required ratio between market value and assessed value. In order to accomplish this objective you will obtain sufficient sales and/or well documented appraisals to ensure adequate sample size for each of the specified property categories. The number of sales and/or appraisals required to ensure adequate sample size for each category will depend upon the activity of the market in the area under consideration and your professional judgment based upon standard and accepted practice within your profession.

After market value has been determined for a sufficient number of parcels in each of the several categories, you will obtain the assessed value for the corresponding property from the school district's 1975 official tax role, making certain the rendition (real estate and improvements) of the parcel as assessed on the role is the same as when market value was determined. The ratio for each category of property will be a comparison between the total market values and the total assessed values for the properties examined in each category.

The total of assessed and market values and the ratio for each of the categories previously listed will be included in the "On-Site Reviewer's Worksheet for Property Categories" of this program. The individual ratios for each parcel considered should be included on the "Category and Parcel Worksheet" without identification or specific location of the parcel and the average of the individual ratios for each category shall also be included in the "Category and Parcel Worksheet".

Upon completion of your determination of the required values and ratios for the school district, prepare a written summary of the principal procedures, findings, and conclusions of your on-site review.

In addition to the information required above there are several procedural steps to be taken to assure similarity of methodology. The completed Work Program should be signed and submitted by first class mail to:

The Governor's Office of Education Resources
1106 Clayton Lane, Suite 500-E
Austin, Texas 78723

There will be a simple weekly progress report required from each fee appraiser. The report should include the number of days worked, the school districts completed, and the percentage of your assignment remaining. This should be placed in the mail to the above address on each Friday evening.

DEFINITION OF PROPERTY
USE CATEGORIES

- A. Real Property. Residential. Single-Family. All types of single-family houses not on farms including detached houses; single-family parts of semi-detached and row or town houses if separately assessed; rural and suburban residences and estates (not primarily used for farming); and single-family units of a condominium.

No distinction will be made between rural and urban residential housing as long as the principal use category is residential. However a house located on a piece of property which is principally used for farm or ranch land would be in a subsequent category called Farm and Ranch Improvements.

- B. Real Property. Residential. Multi-Family. All types of residences containing two or more living units and not on farms, including duplexes and apartment houses. This group includes apartment houses with street level stores and offices. This category does not include motels or hotels.
- C. Real Property. Vacant Platted Lots. Parcels described in terms other than acreage, usually by means of lot and block numbers plus subdivision name. They are located either within municipalities or in adjacent or otherwise proximate territory. This category includes platted lots and/or subdivided tracts.
- D. Real Property. Acreage. Farms and acreage. This category includes forest timberland, ranches, recreational acreage, idle land and waste land. Major criteria are rural location and description in terms of acreage. However, it is possible for farms to be located within city limits.
- E. Real Property. Farm and Ranch Improvements. Property value of residence, barns, silos, and all other items normally classified as real property improvements, and located on farm or ranch acreage.

ON-SITE REVIEWER'S WORKSHEET FOR PROPERTY CATEGORIES

School District _____

1975 Taxable Property Information Summary

(1)

Property Use Category	Summary of On-Site Reviewer's Tests
A. Real. Residential Single Family	Market Value of Property Tested \$ _____ Assessed Value of Property Tested \$ _____ Ratio of Assessed Value to Market Value _____ %
B. Real. Residential Multi-Family	Market Value of Property Tested \$ _____ Assessed Value of Property Tested \$ _____ Ratio of Assessed Value to Market Value _____ %
C. Real. Vacant Platted Lots and Tracts	Market Value of Property Tested \$ _____ Assessed Value of Property Tested \$ _____ Ratio of Assessed Value to Market Value _____ %
D. Real. Acreage (Land Only)	Market Value of Property Tested \$ _____ Assessed Value of Property Tested \$ _____ Ratio of Assessed Value to Market Value _____ %
E. Real. Farm and Ranch Improvements	Market Value of Property Tested \$ _____ Assessed Value of Property Tested \$ _____ Ratio of Assessed Value to Market Value _____ %

SUMMARY: Principal procedures, findings, and conclusions of your on-site review per Instructions for General Work Program.

INSTRUCTIONS: Development of the On-Site Reviewer's Taxable Property Ratio Information Category and Parcel Worksheet.

A "Category and Parcel Worksheet" is provided for each of the five "Property Use Categories" assigned to this work program. Each worksheet should be completed according to the following guidelines:

Obtain within the School District under consideration comparable sales and/or appraisals for the calendar year 1975.

In each case you should sample sufficient parcels and take adequate measure to assure yourself of the comparability and accuracy of the sale value or appraisal. You will then make a value determination for each of the parcels.

When you have made a fair cash market value determination for each of the individual parcels in the five property use categories you will go to the school district's tax office and determine the assessed value for each of the parcels, making certain the rendition (real estate and improvements) of the parcel as assessed on the role is the same as when market value was determined. If a parcel has been added to, subdivided, or changed so as to make a major difference in value it should be dropped from the ratio compilation.

Compute a ratio of sales or appraisal to assessed value by parcel and enter the information in the appropriate line and column on the "Category and Parcel Worksheet" for the purpose as identified by the "Property Use Category" description. When this has been completed for each parcel, total and determine a ratio for that particular property use category according to instructions on both the summary sheet and the category and parcel worksheet.

Following the category, parcel, and ratio portion of the worksheet, comment on knowledge gained while in the district. Describe the principal types of properties and information useful in establishing values. For example, describe quality of housing, farmland, ranchland, and other classifications of taxable property.

Graphically illustrate with the four quadrant grid on The Category and Parcel Worksheet the general locations of the parcels used in the determination of the ratio.

Describe any procedures other than those covered in these guidelines which you used in determining values. Identify, if possible, local sources of information and knowledgeable persons which assisted you in arriving at property values.

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

School District _____

Property Use
Category: A. Real, Residential
Single Family

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					11				
2					12				
3					13				
4					14				
5					15				
6					16				
7					17				
8					18				
9					19				
10					20				

*Sum the above ratios and divide by the number of parcels and give the average ratio: _____%

*If this average ratio is significantly different than the summary ratio on Page 4 or 5, explain.

*In my opinion the ratio of this category of property is approximately _____%.

COMMENTS:

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

_____ School District

Property Use
Category: B. Real Residential
Multi-Family

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					6				
2					7				
3					8				
4					9				
5					10				

*Sum the above ratios and divide by the number of parcels and give the average ratio _____%.

*If this average ratio is significantly different than the summary ratio on Page 4 or 5, explain.

*In my opinion the ratio of this category of property is approximately _____%.

COMMENTS:

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

_____ School District

Property Use
Category: C. Real, Vacant
Platted Lots
and Tracts

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					11				
2					12				
3					13				
4					14				
5					15				
6					16				
7					17				
8					18				
9					19				
10					20				

*Sum the above ratios and divide by the number of parcels and give the average ratio: _____ %

*If this average ratio is significantly different than the summary ratio on Page 4 or 5, explain.

*In my opinion the ratio of this category of property is approximately _____ %.

COMMENTS:

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

School District _____

Property Use
Category: D. Real. Acreage
(Land Only)

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					8				
2					9				
3					10				
4					11				
5					12				
6					13				
7					14				

- * Sum the above ratios and divide by the number of parcels and give the average ratio _____%.
- * If this average ratio is significantly different than the summary ratio on Page 4 or 5, explain.
- * In my opinion the ratio of this category of property is approximately _____%.

COMMENTS:

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

_____ School District

Property Use
Category: E. Real. Farm
and Ranch Improvements

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					11				
2					12				
3					13				
4					14				
5					15				
6					16				
7					17				
8					18				
9					19				
10					20				

* Sum the above ratios and divide by the number of parcels and give the average ratio _____%.

* If this average ratio is significantly different than the summary ratio on Page 4 or 5, explain.

* In my opinion the ratio of this category of property is approximately _____%.

COMMENTS:

Appendix E

Commercial-Industrial Audit
reporting forms

Commercial/Industrial

Audit

_____ School District

County No. _____ District No. _____

Address of School Tax Office:

Dates of On-Site Review in District:

I hereby certify that to the best of my professional judgment, the values and ratios contained in the attached report are reliable and accurate.

Signature

Date

Instructions

Chapter 334 of the acts of the 64th Legislature provides that, "(a) The Governor shall conduct a study to determine methods of allocating state funds to school districts....." and that "(b) The study shall include a determination of each school district's ability to support education based on the value of taxable property in the district....."

In order to comply with the above cited provisions of House Bill 1126, it is necessary to establish a ratio between the full taxable value and the School District's assessed value of the various categories of ad valorem taxable property. To achieve this, multiple independent components have been carried out.

To further verify the reliability and uniformity of the work which has been completed an audit of the more complicated Commercial/Industrial real and personal property categories is in order.

The purpose of this audit is to obtain reliable estimates of the actual ratios of assessment used by a school district in assessing Commercial/Industrial real and personal property.

Commercial/Industrial Defined:

For the purposes of this study commercial/industrial shall include wholesale, retail and service businesses, including stores, office buildings, hotels and motels, service stations, warehouses, clinics, nursing homes, eating establishments and others. In addition, factories, mills, manufacturing and industrial plants are included in the category.

Specifically excluded from this category are banks, utilities, and all types of residential property such as duplexes and apartments.

Real property is land and all improvements thereon. Personal property is inventories, machinery and equipment, furniture and fixtures, and other tangible personal property.

Time Period

Estimated ratios of assessment for both real and personal property should be based upon full taxable value as of January 1, 1975 and assessed value from the 1975 school district tax roll.

Requirements

Individuals shall be required to provide to the Governor's Office Education Resources, an estimate of the actual ratio of assessment for

(1) Commercial/Industrial real property and

(2) Commercial/Industrial personal property,

based upon his professional judgment and expertise.

In addition, support information shall be required to document the work performed and support the accuracy of the ratios provided.

Support information shall include the completion of: (1) category work sheets; (2) aggregate summary sheet; and (3) an overall summary comment sheet.

As general parameters, properties to be included in this audit shall be a minimum value of \$30,000.00 and a maximum value of \$10,000,000.00. The sample chosen to be used in determining the ratio should be as representative of the commercial/industrial makeup of the school district as possible and at the same time the parcels should be representative of their particular classification.

Upon completion of the work on a given school district, prepare the work program documents and mail them to:

The Governor's Office of Education Resources
1106 Clayton Lane, Suite 500-E
Austin, Texas 78723

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

_____ School District

Property Use
Category: F. Real, Commercial
and Industrial

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					11				
2					12				
3					13				
4					14				
5					15				
6					16				
7					17				
8					18				
9					19				
10					20				

In my opinion the ratio of this category of property is approximately _____.

COMMENTS ON THE CHARACTERISTICS OF THIS CATEGORY AND/OR PARCELS INCLUDED ON THIS WORKSHEET:

ON-SITE REVIEWER'S TAXABLE PROPERTY RATIO INFORMATION
CATEGORY AND PARCEL WORKSHEET

_____ School District

Property Use
Category: L. Tangible Personal,
Business

Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.	Parcel Number	Parcel Ratio	Check Here if Sale	Check Here if Appr.	Date Mo./Yr.
1					11				
2					12				
3					13				
4					14				
5					15				
6					16				
7					17				
8					18				
9					19				
10					20				

In my opinion the ratio of this category of property is approximately _____.

COMMENTS ON THE CHARACTERISTICS OF THIS CATEGORY AND/OR PARCELS INCLUDED ON THIS WORKSHEET:

ON-SITE REVIEWER'S AGGREGATE SUMMARY SHEET

Property Use Category	Aggregate Summary of Tests
F. <u>Real, Commercial and Industrial</u>	Full Taxable Value of Property Tested _____ Assessed Value of Property Tested _____ Ratio of Assessed Value to Full Taxable Value _____
L. <u>Tangible Personal Business</u>	Full Taxable Value of Property Tested _____ Assessed Value of Property Tested _____ Ratio of Assessed Value to Full Taxable Value _____

SUMMARY COMMENTS: Principal procedures, findings, and conclusions of your on-site review audit.

Appendix F

Oil and Gas reporting forms

CATEGORY G. REAL OIL AND GAS AND OTHER MINERAL RESERVES

SCHOOL DISTRICT NAME _____ CODE _____

I. 16.256 FORM DATA: Professionally Appraised? _____

<u>Assessed Value for Category</u>	<u>Assessment Ratio</u>	<u>Full Taxable Value</u>	
_____	_____	_____	(#1)

II PROFESSIONAL APPRAISAL FIRM DATA:

A. Full Taxable Value of Minerals _____ (#2)

B. Minerals included in evaluation:

_____ Oil _____ Gas

Others (list):

III. BUREAU OF ECONOMIC GEOLOGY DATA:

<u>Commodity</u>	<u>1974 Production</u>	<u>1974 Average Value per Unit</u>	<u>1974 Production Value</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Value of 1974 Production _____ (#3)

Ratio of Full Taxable Value to Value of 1974 Production _____ (1+3)

IV. VALUE OF OTHER MINERALS NOT INCLUDED IN PROFESSIONAL APPRAISAL FIRM EVALUATIONS:

<u>Commodity</u>	<u>1974 Production</u>	<u>Conversion Factor</u>	<u>Taxable Value</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Value of Other Minerals _____ (#4)

V. IF NOT PROFESSIONALLY EVALUATED, COMPARABLE DISTRICTS IDENTIFIED:

<u>Comparable Districts</u>	<u>Value</u>	<u>Comments</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

VI. DISTRICT VALUE OF OIL, GAS AND OTHER MINERAL RESERVES _____

Basis for Selection:

_____ 16.256 form plus value of other minerals, if any (1+4)

_____ Appraisal firm data, plus value of other minerals, if any (2+4)

_____ Comparable district method

16.256 Value _____ Evaluation Firm _____

Comments: _____

Railroad Commission Data:

	<u>Units</u>	<u>Unit Value</u>	<u>Production Value</u>
Oil	_____	_____	_____
Casinghead Gas	_____	_____	_____
Gas Well Gas	_____	_____	_____
Condensate	_____	_____	_____
Total Production Value Oil and Gas			_____

Comments: _____

Oil and Gas Mineral Reserve Value _____

Comments: _____

Oil and Gas GROSS INCOME MULTIPLIER _____

Comments: _____

Adjusted Oil and Gas Value _____ x _____ = _____

Other mineral value from Tax Roll _____

Economic geology Data

<u>Commodity</u>	<u>Units</u>	<u>Conversion</u>	<u>Value</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Value Other Minerals			_____

County 100% Value _____

<u>School Districts</u>	<u>Value</u>
_____	_____
_____	_____
_____	_____
_____	_____

Comparable Districts

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Comments: _____

Comments: _____

Appendix G

Bank reporting forms

Form I. REAL AND INTANGIBLE PERSONAL, BANKS

Name of Bank: _____

City Located: _____

Capital Structure:

	<u>dollars in thousands</u>
Preferred Stock	_____
Common Stock	_____
Surplus	_____
Undivided Profits	_____
Capital Reserves	_____
1. Total Capital Structure	_____
Estimated Taxable Value (1 X \$1,000)	_____

Bank Assigned to:

School District _____ Code: _____

Appendix H

Utility reporting forms

UTILITY SUMMARY SHEET A

School District _____ Code _____

Utility Category	Total District Value
I Electric Number of firms _____	_____
II Gas Distribution Number of firms _____	_____
III Telephone Number of firms _____	_____
IV Railroads Number of firms _____	_____
V Pipelines Number of firms _____	_____
VI Others Number of firms _____	_____

TOTAL ALL UTILITIES _____

Total number of firms _____

UTILITIES

ADDENDUM TO SUMMARY SHEET A

These are values for firms received after summary sheet A was completed.

Clip all completed forms J received after summary sheet A has been filled out to this addendum sheet and place in front of ISD folder.

When these data are entered on summary sheets B and A and attached forms J are placed behind the summary sheets, date this sheet below and place in rear of ISD folder.

TYPE UTILITY _____

FIRM _____

100% VALUE _____

TYPE UTILITY _____

FIRM _____

100% VALUE _____

TYPE UTILITY _____

FIRM _____

100% VALUE _____

TYPE UTILITY _____

FIRM _____

100% VALUE _____

DATE ENTERED ON SUMMARY SHEETS B AND A _____ CERTIFIED BY _____

FORM J, - Telephone Utilities

The Governor's Office of Education Resources is conducting a study of the taxable wealth of Texas school districts. Telephone companies and cooperatives have been asked to submit estimates of taxable value in each school district based upon property owned January 1, 1975. Your assistance in completing one form for each school district in which property is owned is appreciated.

Name of School District _____ County _____

Company or Cooperative Name _____

Address _____

Representative to Contact _____ Phone _____

I. Estimated Total Taxable Value of Telephone Plant Facilities:
(Exclude items reported in II) \$ _____

Include:

- Outside plant facilities; poles, wire, cable, conduit, etc.
- Other plant facilities: Central office equipment, radio telephone equipment, station apparatus, station connections, P.B.X.'s, etc.

II. General Plant

Includes:

- A. Land and Buildings \$ _____
- B. Vehicles \$ _____
- C. Furniture, Fixtures, Materials, Supplies, and other taxable assets \$ _____

Total General Plant (A,B,C) \$ _____

Estimated Total Taxable Value for District
(Sum of I and II) \$ _____

Total Number of Main Stations in District _____

MARKET VALUE OF TAXABLE PROPERTY IN:

_____ IND. SCH. DIST. _____ COUNTY(S)
 owned by: _____ as of January 1, 1975.

For additional information, contact: Name _____ Phone: _____
 Address: _____

Item 1. : All lands or real estate and mineral interests, exclusive of right of way and depot grounds.
 (also known as Non-Operating Property)

Total number of acres: _____ Total Value: \$ _____

Item 2.: TRANSPORTATION CORRIDOR properties (Operating Property)

(a) _____ mi. Main Line _____ lb. rail(avg) at \$ _____ per mi., \$ _____

(b) _____ mi. Branch Line _____ lb. rail(avg) at \$ _____ per mi., \$ _____

(c) _____ mi. Side, Yard and Spur Track at \$ _____ per mi., \$ _____

_____ mi. Right of Way at \$ _____ per mi., \$ _____
 (a+b+c)

_____ mi. Block Signals at \$ _____ per mi., \$ _____

_____ mi. CTC Signals at \$ _____ per mi., \$ _____

Depots, Buildings and misc. structures \$ _____

Total Value Item 2. \$ _____

Item 3.: Personal Property:

Furniture, fixtures, material and supplies , tools, etc. \$ _____

Automotive Equipment (if available) \$ _____

Total Value Item 3. \$ _____

TOTAL MARKET VALUE ALL PROPERTY
 WITHIN THIS DISTRICT.....\$ _____

NOTE: This statement of property and the market values affixed thereto are submitted to and in
 co-operation with the Governors Commission on Education Resources.

The Governor's Office, Education Resources is conducting a study of the taxable wealth of Texas school districts. Electric companies and cooperatives have been asked to submit information on taxable value in each school district based upon property owned January 1, 1975. Your assistance in completing one form for each school district in which property is owned is appreciated.

Name of School District _____ County _____

Company or Cooperative Name _____

Address _____

Representative to Contact _____ Phone _____

GENERATING FACILITIES

I. Total Taxable Value of Generating Facilities \$ _____

Includes: (list power plants, fuel type and capacities)

Other: (includes special structures, land and inventories specific to generating facilities)

TRANSMISSION FACILITIES

II. Total Taxable Value of Transmission Facilities \$ _____

Includes: (list total miles of transmission lines by voltage)

DISTRIBUTION FACILITIES

III. Total Taxable Value of Distribution Facilities \$ _____

Includes: (total miles of rural distribution lines)

Total Number of Urban Meters _____ Meters

List Substations and Capacities

GENERAL PLANT

IV. Total Taxable Value of General Plant \$ _____

Includes:

A. Land and Building \$ _____

B. Vehicles _____

C. Furniture, fixtures, supplies, general inventories and other taxable assets _____

Show individual totals for each of the above.

TOTAL TAXABLE VALUE FOR DISTRICT

(Sum of I, II, III, and IV)

\$ _____

The Governor's Office, Education Resources is conducting a study of the taxable wealth of Texas school districts. Gas distribution companies have been asked to submit information on taxable value in each school district based upon property owned January 1, 1975. Your assistance in completing one form for each school district in which property is owned is appreciated.

Name of School District _____ County _____

Company Name _____

Address _____

Representative to Contact _____ Phone _____

TRANSMISSION
FACILITIES

I. Total Taxable Value of Transmission Facilities \$ _____

Includes: (list size and miles of lines)

Size line	Miles	Size line	Miles
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Compressor Stations (list and indicate horsepower):

Gas Liquid Plants (list and indicate designed capacity):

Inventories and assets to support transmission:

DISTRIBUTION
FACILITIES

II. Total Taxable Value of Distribution Facilities \$ _____

Number of Meters in School District _____

GENERAL
PLANT

III. Total Taxable Value of General Plant \$ _____

- Includes:
- A. Land and Buildings \$ _____
 - B. Vehicles _____
 - C. Furniture, fixtures, supplies, general inventory and other taxable assets _____

TOTAL TAXABLE VALUE FOR SCHOOL DISTRICT \$ _____
(Sum of I, II, III)

FORM J-PIPELINE UTILITIES

NAME OF SCHOOL DISTRICT _____ CODE _____

FIRM _____

VALUE OF OIL AND GAS PIPELINES

Line Size	Type of Line								
	Oil Main Miles	Value Per Mile	Value Oil Main	Gas Main Miles	Value Per Mile	Value Gas Main	Gathering Lines Miles	Value Per Mile	Value Gathering
2"	_____	\$1920	_____	_____	\$1920	_____	_____	\$1680	_____
3"	_____	2880	_____	_____	2880	_____	_____	2720	_____
4"	_____	3920	_____	_____	3920	_____	_____	3520	_____
5"	_____	5000	_____	_____	5000	_____	_____	4000	_____
6"	_____	6000	_____	_____	6000	_____	_____	5000	_____
8"	_____	10,000	_____	_____	8000	_____	_____	8000	_____
10"	_____	13,000	_____	_____	10,000	_____	_____	10,000	_____
12"	_____	15,000	_____	_____	12,000	_____	_____	12,000	_____
14"	_____	16,400	_____	_____	14,000	_____	_____	_____	_____
16"	_____	18,800	_____	_____	16,000	_____	_____	_____	_____
18"	_____	21,400	_____	_____	19,400	_____	_____	_____	_____
20"	_____	24,000	_____	_____	23,000	_____	_____	_____	_____
22"	_____	26,600	_____	_____	26,600	_____	_____	_____	_____
24"	_____	29,200	_____	_____	29,200	_____	_____	_____	_____
26"	_____	31,800	_____	_____	31,800	_____	_____	_____	_____
28"	_____	34,800	_____	_____	34,800	_____	_____	_____	_____
30"	_____	37,800	_____	_____	37,800	_____	_____	_____	_____
31"	_____	40,000	_____	_____	40,000	_____	_____	_____	_____
36"	_____	50,000	_____	_____	50,000	_____	_____	_____	_____
Total Value Oil Main \$ _____			Total Value Gas Main \$ _____			Total Value Gathering \$ _____			

I. Total Value all Pipelines \$ _____

Associated Assets:	100% Value
Compressor Stations	\$ _____
Pump Stations	\$ _____
Others: (list)	_____
_____	\$ _____
_____	\$ _____

II. Associated Assets Total Value \$ _____

Total Value for District \$ _____

Verified by _____

Appendix I

Farm and Ranch Personal
reporting forms

CATEGORY K. TANGIBLE PERSONAL; FARMS & RANCHES

School District: Number _____

Total Value for K for School District: \$ _____

Name _____

Verified by: _____

COUNTY					
ESTIMATED VALUE OF EQUIPMENT & MACHINERY					
ESTIMATED VALUE OF LIVESTOCK					
Cattle and Calves					
Hogs					
Sheep					
Goats					
Cattle in Feedlots					

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ESTIMATED VALUE OF MACHINERY AND EQUIPMENT

County _____

School District Code _____

Total Value _____

	Acres	Acres	Acres	Acres	Acres	Acres	Acres
1. Irrigated Cropland							
2. Dryland Cropland							
3. Weight Factor x #1 (2.5)							
4. Sum of #2 and #3							Total
5. % of Total							
6. District Value (Equip & Mach.)							

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ESTIMATED VALUE OF ALL LIVESTOCK

County _____

School District Code _____

Total Value Cattle _____
 Hogs _____
 Goats _____ Sheep _____

	Acres	Acres	Acres	Acres	Acres	Acres	Acres
1. Improved Pasture							
							Total #1
2. Native Pasture & Range							
3. Weight Factor x #1 (3)							Total #2
4. Sum of #2 and #3							
5. % of Total #2							
6. District Value (Cattle)							Total #3
7. Total Acres (All classes)							
8. % of Total #3							
9. District Value (Hogs)							
10. % of Total #1 (Native Pasture)							
11. Dist. Value (Sheep)							
12. Dist. Value (Goats)							

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CATEGORY K.

TANGIBLE PERSONAL; FARMS & RANCHES

I. ESTIMATED VALUE OF EQUIPMENT AND MACHINERY

County _____	Value \$ _____
_____	_____
_____	_____
_____	_____

Total Equipment Value for School District \$ _____

II. ESTIMATED VALUE OF LIVESTOCK

CATTLE AND CALVES

County _____	Value \$ _____
_____	_____
_____	_____
_____	_____

Total Cattle Value \$ _____

HOGS

County _____	Value \$ _____
_____	_____
_____	_____
_____	_____

Total Hog Value \$ _____

SHEEP

County _____	Value \$ _____
_____	_____
_____	_____
_____	_____

Total Sheep Value \$ _____

GOATS

County _____	Value \$ _____
_____	_____
_____	_____
_____	_____

Total Goat Value \$ _____

III. OTHER (CATTLE ON FEED, ETC.)

County _____	Value \$ _____
_____	_____
_____	_____
_____	_____

Total Other Value \$ _____

TOTAL VALUE FOR K FOR SCHOOL DISTRICT \$ _____

When all segments have been checked and included, please initial.

Verified by: _____

Appendix J

CTA instructions for determination
of full taxable value

INSTRUCTIONS TO CTA's FOR COMPUTATION OF
FULL TAXABLE VALUE OF PROPERTY
IN TEXAS SCHOOL DISTRICTS

Issued by Governor's Office Education Resources, July 1976

INTRODUCTION

These instructions are to be used by the Certified Texas Assessors (CTA's) who made on-site reviews of school district tax offices for the Governor's Office Education Resources. You are to use this same set of instructions to compute the full taxable value of property for each school district you previously reviewed. These instructions explain what you are to do and what forms you are to complete to support your determination of full taxable value.

OBJECTIVES

These instructions will be used to meet the following objectives:

1. Assure the public that your computation of full taxable value for each district was made after consistently applying uniform testing procedures to each school district.
2. Furnish the Governor's Office a uniform method for revising the data base created for each school district through the CTA's on-site reviews and other independent studies.
3. Describe the information available to you for your final determination of full taxable value.
4. Prescribe the minimum procedures you should follow in your final determination of full taxable value.

DESCRIPTION OF DATA BASE

A file of data, called the data base, on every Texas school district has been established in a computer. This file contains the values and assessment level ratios you reported as a result of your on-site review of school district tax offices. It also contains data gathered during other studies made by the Governor's Office.

SUMMARY OF CTA's PROCEDURES TO BE COMPLETED

Your work will consist of three separate phases. Detail procedures are contained in the next sections of these instructions. The three phases are:

1. Completing the work program and file for your on-site review of each school district tax office.
2. Reviewing all data available and determining the full taxable value of property in each of the 14 property categories.
3. Completing your determination of full taxable value of all property in each district and having files accepted by the Governor's Office Education Resources.

COMPUTER PRINTOUTS FOR CTA's USE

You will be given two types of computer-prepared reports. They are:

1. "School District Valuation Worksheet" - This report shows various values for each property category in a district. A one-page report was prepared for each district. These are the reports you will use to show the amounts you determine to be full taxable values.
2. "Source Data Ranking Summary" - This report ranks all 1,094 school districts according to the percentage of variance between CTA's preliminary values from your on-site reviews and the values reported by local tax assessors. The number 1 in the "rank" column indicates the district with the lowest variance; the number 1,094 indicates the district with the largest variance. This report also shows a variance ranking for each property category in a district. The report has about 45 pages.

COMPUTER PRINTOUTS FOR CTA'S USE - continued

A third report, which is very long, is available for your use when you begin your determination of full taxable values. It is the "Source Data Variance Report" which shows for each property category the ranking of the variance between the LTA's taxable value and your preliminary taxable value. All 1,094 school districts are ranked for each of the 14 categories. This report also gives the values used in computing variance rankings shown in the "Source Data Ranking Summary".

EXPLANATION OF "SCHOOL DISTRICT VALUATION WORKSHEET"

This computer-printed form contains data which you will review to determine the full taxable value for each category of property in the school district identified in the heading of each page. Information on the form is described below:

Page: # - This is the number assigned by the computer. Each school district has a different page number.

Location - Below the work "Location" is a number such as "G17". This number was assigned by the Governor's Office and is not important to you.

1975 ADA - Below this title is a number for the average daily attendance of the district in 1975.

Property Categories - These are the same categories which you used in reporting tax roll information. Various values for these categories are shown under several column headings. These columns have the following meanings.

LTA - This means "local tax assessor" and is above five columns. All amounts in the first three columns are those reported by the local tax assessor on TEA Form FIN-119. The other two columns are headed "ND" for "none in district" and "NT" for "not taxed". An X in one of these columns indicates why the LTA used a zero value for the category.

CTA - This means "Certified Texas Assessor", which refers to the CTA who made the on-site review of the school district. The three columns under "CTA" are as follows:

Adjusted Value - If your page 2 worksheet in Part II of the Work Program for On-site Review had no column 4 or column 5 adjustments, the values in this column should agree with the "LTA-Assessed Value" amounts. If your page 2 worksheet did have column 4 or column 5 adjustments, those adjustments have been applied by the Governor's Office to the LTA's assessment value to arrive at the "adjusted value".

Assessment Level - The 2-digit decimal fractions in this column were taken from your completed page 2 worksheet in Part II of the Work Program for On-site Review.

Taxable Value - Amounts in this column were computed by dividing the "CTA-Adjusted Value" column by the decimal fraction in the "CTA-Assessment Level" column.

Independent Studies - The Governor's Office has made studies of several categories of property. Methods used in these studies will have been explained to you before you begin using these instructions. If you have any questions, be sure to ask someone from the staff of the Governor's Office.

Sales Ratio - This is a ratio of assessed (tax roll) values to actual values. The ratio was determined by studies for some, but not all, categories. Several categories have a number in parenthesis in the "Sales Ratio" column. Do not be concerned about numbers in parenthesis.

Taxable Value - Amounts in this column represent full taxable value as determined by the independent studies.

MSA Value - Values were taken from the 1974 reports prepared by the school districts using forms with categories which differed from the 1975 forms. The 1974 values were entered in categories which conform to 1975 categories.

Assigned Taxable Value - The computer entered no values in this column. When you have completed your work in accordance with this program, you will have entered an amount for every category in this column.

EXPLANATION OF "SCHOOL DISTRICT VALUATION WORKSHEET" - continued

Workpaper Ref - This column will remain blank unless you have completed a sheet called "Explanation of Assigned Taxable Value" for a category. If you complete such a sheet, sign your initials in this column on the line for the category.

PROCEDURES FOR DETERMINING FULL TAXABLE VALUE

Your job is to use your professional judgment to determine a reasonably accurate amount for the full taxable value of all property in each school district you have tested. The following procedures should be followed as you make your determinations. You must complete the "Assigned Taxable Value" column on each "School District Valuation Worksheet" before your job is complete.

- A. For each of your assigned school districts, obtain the file you prepared during your on-site review, then do the following:
1. Read the comments prepared by persons who have reviewed your files. Do the work necessary to correct deficiencies noted in those comments. Then sign your initials beside each review comment to show you completed this work.
 2. In Part II of the Work Program for On-site Review, page 5 was used to identify unresolved matters at the time of your review. Be sure all such matters are resolved. If you listed items on page 5, you must write comments on page 5 stating that you resolved all such matters, and briefly explain how.
 3. Review page 2 of Part II of the Work Program for changes made by the Governor's Office personnel during the review of your file. Determine whether you agree with the changes.
 4. Determine that the "CTA-Adjusted Value" amounts on the "School District Valuation Worksheet" are the amounts you want after making any adjustments or reclassifications you had shown in columns (4) and (5) of page 2 of Part II.
 5. Compare the assessed value shown on line 1A of page 9 of Part II with the total of the "LTA-Assessed Value" column of the "School District Valuation Worksheet". The two amounts should agree. If they do not, you should determine the reason they do not. You may need to make a correction to the data base to correct the disagreement.
- B. The Governor's Office has added various materials to your file for each district. These other materials include items from independent studies made for the Governor's Office. You should do the following:
1. Scan the entire file and become familiar with additions to your own work. Learn what other materials say about extent of tests made and see how this compares with work you did on related property categories.
 2. If the other tests affected categories with significant portions of a district's total taxable value, you must study the other materials and see how they compare with what you know about the district's property values.
 3. If you find significant differences between your own findings and those of the other studies, and if the differences are not explained in the files, you should:
 - a. Write an explanation into your file if you know the reasons for the differences, or
 - b. Discuss differences with someone on the Governor's Office staff who is familiar with the independent study, and determine whether you want to accept your findings or those of the independent study.
- C. Carefully review the computer-prepared reports and do the following:
1. Using the "School District Valuation Worksheet", review various values and determine which property categories contain the significant values or largest portions of a district's total value.
 2. Locate the school district on the "Source Data Ranking Summary" report. A high number in the "rank" column will indicate that all category values taken together for a district have a large variance between your values and the values reported by the local tax assessor.

PROCEDURES FOR DETERMINING FULL TAXABLE VALUE - continued

C. continued

3. Scan the property category columns on the "Source Data Ranking Summary" for each of your assigned districts and determine which categories had the largest variances. Again, a high number indicates a large variance. If the large variance categories contain large values you should investigate the reasons for the variances. Normally, your file should already contain an explanation of the variances. If it does not, look at files from the other studies to find an explanation.
4. Consider the problems which may exist in certain categories due to their uniqueness or the difference between your work and that of the special studies. Consider the following categories:

D and E - Separation of land values from improvements was difficult. Totals of D and E together may be comparable but each category may not. To determine values under the "agricultural use" method, category D must contain only land values. Corrections may be required to the data base.

G - This was to contain oil and gas and mineral reserves. The district may have included oil and gas companies' real and personal properties in G, but they should have been in F and L. Large variances between LTA or CTA value and the independent study value for category G may be evidence of this misclassification. Also look at the taxpayers shown in item D on page 7 of Part II of the Work Program.

H - Values for vehicles were reported by the LTA, but your testing of this category was limited. Determine whether the value of H in the independent studies column is reasonable in relation to what you know about the District. Consider population and average wealth of families in the district.

I - You obtained information about banks, if any, in each district. An independent study used uniform procedures to value banks. Review your data on banks to see if the study considered the correct banks for the district.

K - Farm and ranch improvements total value should be reviewed in relation to your knowledge of the types of farms and ranches you saw while in the school district.

- D. The amount which you determine to be the reasonably correct value for each property category of a district must be entered by you in the "Assigned Taxable Value" column of the "School District Valuation Worksheet". Complete the "Assigned Taxable Value" column as follows:

1. Consider the results of all work done as you followed these instructions. The amounts you enter should be for properly classified property. They should correct errors in classifications or of any other nature.
2. The file you have prepared must support your conclusions if you select the exact amount shown in the "CTA-Taxable Value" column, except for categories H and I, vehicles and banks.
3. You must complete an "Explanation of Assigned Taxable Value" sheet in the following situations:
 - a. If you select a value other than the exact amount printed in the "CTA-Taxable Value" column for any category except H or I.
 - b. If you select a value for H or I other than that printed in the "Independent Studies-Taxable Value" column.
4. Write on the "Explanation of Assigned Taxable Value" the reasons you selected the value you did for a category. Do this only for the two reasons given in 3 above. Explanations can be very brief, but they must fully explain the reasons for your decision. Each sheet must discuss only one property category.
5. If a property category has no value, you must write a zero in the space under "Assigned Taxable Value".

PROCEDURES FOR DETERMINING FULL TAXABLE VALUE - continued

D. continued

6. After you have entered an amount in the "Assigned Taxable Value" column for each category, add all 14 amounts and enter the total of the column. Compare this total with other column totals to see if it looks reasonable. This column total is the amount of full taxable value you feel is reasonable for the district.

E. To complete your work for a district you will need to do the following:

1. Sign the certificate which indicates you have completed your work in determining full taxable value.
2. Assemble your file and the other materials you were given for the district. Be sure all items shown on the list of file contents have been placed back into the file.
3. Present the file to a representative of the Governor's Office Education Resources so that that person may review it and accept your work as complete.

EXPLANATION OF ASSIGNED TAXABLE VALUE

_____ School District

TEA County-District No. _____

Category _____

Printout Page No. _____

Printout Date _____

I have assigned to the category described above a full taxable value which differs from the amount shown on the computer printout, also described above. I chose the assigned taxable value for the following reasons:

Completed by: _____
Certified Texas Assessor

Check box if additional sheets are used to complete your explanation.

