

McCulloch County Appraisal District

HOW IS MY HOME APPRAISED?

The standard of tax appraisal in Texas is market value, the price that a property would typically sell for, if exposed to the market for a reasonable time and with normal motivations of the buyer and seller. The appraisal district is required to appraise homes between 95-105% of market value or schools in McCulloch County may face funding loss from the Texas Education Agency.

The district begins the process of appraisal by “classing” each home based on its cost. Local costs to build are the basis of the schedules incorporated into the district’s computer system. The software is called a computer-assisted mass appraisal system (CAMA). Very plain homes have a lower cost per square foot while very nice homes have a substantially higher cost. For example, the living area of a very nice home may have a cost of \$100.00 per square foot to build while a plain home may have a cost of \$55.00 per square foot. The classes of homes are based on the original quality of construction. Each component of the home is measured separately and a different price is applied to each component. Garages may have a cost of \$35.00 per square foot while a covered porch may cost only \$12.00 per square foot to build.

All of the individual components of the home are called “segments” and each segment value is reached by multiplying the number of square feet in that segment times the cost of that segment yielding a total cost of replacement.

Of course, not all homes are brand new, so these costs must be reduced by the amount of wear expressed as “depreciation”. If a home is 20 years old, the accumulated depreciation might be 20% leaving the home as “80% good”. The percent good is multiplied times the replacement cost of each segment giving a contributory value for that segment. All of the segments are added together for a total market value of the construction.

The value of the home is then added to the value of the land giving a total estimated value of the property. After all of the values of all homes in that neighborhood are calculated, the appraiser analyzes or compares the calculated values to sales prices of homes in that neighborhood. Based on the comparisons between the appraisals and the sales, an adjustment factor is applied to all homes in the neighborhood bringing down the cost estimate into the range of market value sales.

A notice of estimated value will be sent to taxpayers in the spring of each year if the value is increased. If the taxpayer thinks the value is higher than what he could sell the home for, he should appeal the value by filing a protest of value with the appraisal district. The taxpayer will have an opportunity to visit with an appraiser and discuss the proposed value. Through the sharing of information, an agreed value may be reached between the appraiser and the property owner. If so, a waiver of protest is signed by both parties and the value is settled. If the taxpayer doesn't think he has received a reasonable offer, he may appeal his value to a formal hearing before the Appraisal Review Board. If the final value set by the ARB is not acceptable to the owner, he may appeal that finding to district court, or in some cases, an arbitrator.