

**Methods and Assistance Program Review**  
**Mandatory Requirements Guidelines**  
**2014-15 MAP Reviews**  
**July 30, 2014**

These guidelines are meant to assist the Methods and Assistance Program (MAP) reviewers in answering MAP questions during the course of a review. They are not intended to give specific instructions to appraisal districts, although they may be used by appraisal districts to better understand the reviewers' activities and better understand the MAP instrument. Reviewers are trained on the use of these guidelines. That training includes gathering and evaluating evidence, using professional judgment and determining when to contact management concerning processes, procedures or policies that may not, at first sight, meet the requirements of the MAP instrument.

Variation among appraisal districts in complexity, size, topography, property types and duties can result in additional explanation in some areas. These guidelines are periodically reviewed and are subject to changes or additions. Additions or changes may result from:

- law and rule changes;
- changes in appraisal standards;
- changes in generally accepted appraisal practices;
- court and attorney general opinions; or
- opinions issued by appraisal organizations and entities.

The most current version of these procedures is the one with the most recent date.

**QUESTION 1**

**Does the appraisal district have up-to-date appraisal maps?**

\*For more information relating to mapping requirements, see [Comptroller Rule 9.3002](#)\*

\*NOTE: This question relates to internal appraisal maps\*

**Data**

- Access to (either electronic or hardcopy) appraisal or tax maps
- Listing of all residential, commercial and vacant land properties
- Listing of properties that had record changes requiring an appraisal map change

**Step 1**

- Interview the chief appraiser or the employee who is in charge of mapping and determine how often map changes are made
  - Determine if changes needed are made within 180 days
    - Obtain a list of properties for which map changes were needed more than 6 months ago, but within the previous 2 years
    - Select 10 properties from the list and review the maps and records of mapping changes for the properties to determine whether the changes were made within 180 days
      - If the only property information on the maps are property identification numbers, only splits or new property changes must be verified on the maps
    - All reviewed maps must show the required changes in order to get a PASS

**Step 2**

- Randomly select a list of 25 residential (category A) properties, 15 category C1 properties and 10 commercial properties using the CAD appraisal roll submission data and provide this list to the appraisal district
- Determine if the 50 properties in the sample can be identified on the appraisal district's maps
  - If more than 15 properties cannot be identified on the maps, then the question gets a FAIL

**Step 3**

- Select three residential and three commercial properties from the sample and go out in the county and locate the properties using only the appraisal district's maps
  - If the properties cannot be found using only the appraisal district's maps, make note of missing information from the map that prevents the property from being located and ask the chief appraiser or designee for an explanation
    - If an explanation is provided, contact management to discuss the specific situation
  - If any of the properties cannot be found using only the map; and the chief appraiser or designee's explanation has been found to be unacceptable, this question gets a FAIL
  - If properties cannot be located because of property owner restrictions, such as an inaccessible property behind a locked gate, contact the MAP supervisor for further instruction

**\*In order to get a PASS, all three steps must have PASS answers\***

**QUESTION 2**

**Is the implementation of the appraisal district’s most recent reappraisal plan current?**

**Data**

- Current reappraisal plan
- Access to appraisal records
- Ratio studies

**\*If the CAD does not have a current reappraisal plan covering the correct two-year period, this question is a FAIL\***

**If the CAD has a current reappraisal plan, perform the following assessment of the plan:**

**1. Does the CAD have all the statutory components included in the plan? YES \_\_\_\_\_ NO \_\_\_\_\_**

- Identify the properties to be appraised
- Provide for identifying and updating relevant characteristics of each property in the appraisal records
- Define the market areas for the county (the actual market areas for the county must be identified, the plan cannot just explain how market area analysis will be done or just give explanatory information about what a market area is)
- Provide for identifying and updating relevant characteristics that affect property value in each market area, including:
  - the location and market area of property;
  - physical attributes of property (size, age, and condition);
  - legal and economic attributes; and
  - easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions
- An appraisal model that reflects the relationship among the property characteristics of the properties being appraised
- Provide for applying the conclusions reflected in the model to the characteristics of the properties being appraised
- Provide for reviewing the appraisal results to determine value

**2. Does the reappraisal plan reference or include a work schedule, calendar, timeline or other means to determine a “completed work by” timeline? YES \_\_\_\_\_ NO \_\_\_\_\_**

- A reference to a work plan outside of the reappraisal plan is acceptable (obtain a copy of the work plan)
- The work schedule, calendar, or timeline must include tasks involved in the CAD’s reappraisal work, it cannot just be a tax calendar that lists statutory deadlines, etc.

**NOTE: If the CAD does not have a work plan (work schedule, calendar, timeline or other means to determine a “completed work by” timeline), this question is a FAIL**

**3. Have all scheduled activities been completed timely? YES \_\_\_\_\_ NO \_\_\_\_\_**

- Review the work plan to determine which appraisal activities should have been completed by the date you are in the CAD (from the start of the current year’s appraisal work through the date you are in the CAD)
- Interview the chief appraiser or designee and have them show you proof that the activities have been completed and are on track with the work plan
  - This includes looking at appraisal records for a sample of 15 properties, chosen by the MAP reviewer, that were reappraised for the current year according to the reappraisal plan
  - Verify that those property records were updated, and that the reappraisal of the accounts was completed according to the schedule in the reappraisal plan
- If any of the activities are incomplete, request a written explanation for the delay, including an estimated time of completion
  - Determine if the explanation is reasonable (this may require review by your supervisor) (e.g. a natural disaster or any other disaster beyond the control of the appraisal district that delayed completing appraisal activities by the planned date)

4. Are the appraisal results analyzed and used according to the plan? YES \_\_\_\_\_ NO \_\_\_\_\_
- Review and become familiar with the appraisal district's reappraisal plan
  - Interview the chief appraiser or designee and have them explain how the reappraisal results are used
  - Have the chief appraiser or designee show you the results and an example of how they were used (e.g. ratio studies)
    - Determine if the appraisal district is using the results in the ways described in the reappraisal plan

5. Are ratio studies used in accordance with the plan? YES \_\_\_\_\_ NO \_\_\_\_\_
- Identify how the reappraisal plan explains that ratio studies will be used
  - Obtain onsite a list of ratio studies performed for the most recent reappraisal (or access the studies onsite), and select a sample of 5 studies to determine if the results were used as outlined in the reappraisal plan
    - If the appraisal district does not have 5 ratio studies, review the studies that have been done

**\*In order to get a PASS, the answers to all five questions must be YES\***

**QUESTION 3**

**Does the appraisal district comply with its written procedures for appraisal?**

**\*NOTE: Use the previous year’s data to answer this question\***

**\*NOTE: If the appraisal district does not have written appraisal procedures, the answer to this question is a FAIL\***

**\*NOTE: The samples for this question will be the same accounts selected in mandatory question 1, step 2 (for residential, commercial and land)\***

**\*NOTE: Under no circumstance should the reviewer use personal knowledge of appraisal practices to calculate a value if the appraisal district’s written procedures do not include the requisite steps necessary to appraise the property. The reviewer may, within the written descriptions provided in the appraisal district’s procedures, use appraiser judgment when the procedures specifically call for appraiser judgment. In doing so, the reviewer should keep detailed notes of such decisions for the work papers. This does not mean the MAP reviewer is appraising the properties.\***

**Residential Appraisal (Category A)**

**\*NOTE: The guidelines for this section are also used to answer question 38 (tiers 1 and 2)/30 (tier 3) in the MASTER guidelines document\***

**Data**

- Access to appraisal records
- Residential appraisal manual and procedures

**Steps**

- Review and become familiar with the appraisal district’s residential appraisal procedures and fill in this checklist:

<b>Steps in the procedures for appraising residential property:</b>	<b>Addressed in walk-through (yes/no)?</b>	<b>Documentation/Examples</b>
•		
•		
•		
•		
•		
•		

- Select a random sample of 25 residential properties using the appraisal district’s appraisal roll submission
  - Request appraisal records for the properties in the sample
- Determine what steps in the appraisal process are done at the appraisal district (steps that do not involve property inspection)
- Interview the chief appraiser or designee, have them walk you through the residential appraisal process and complete the checklist above to determine if the appraiser is following the written residential appraisal procedures for the onsite portion of the appraisal process
  - This will include checking market sales comparison approach steps, cost approach steps and any others steps used to value the sample properties
- Perform field inspections (aerials, pictometry, etc. can be used in lieu of field inspections) of the sample properties to determine if appraisal district procedures were followed and that all needed components are noted in the appraisal records for the sample, including property characteristics and depreciation and complete the checklist on the next page:

Sample Property Account Numbers:	Are components current (roof, siding, garage, etc.)? (yes/no) include Notes	Property Characteristics Noted Correctly (yes/no)?	Depreciation Noted (yes/no)?
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			
22.			
23.			
24.			
25.			

1. Does the appraisal district comply with its written procedures for residential appraisal? YES \_\_\_\_\_ NO \_\_\_\_\_
- If more than 1 step in the appraisal procedures is missed for more than 1 property, the answer to this question is NO

**Land Appraisal**

**\*NOTE: The guidelines for this section are also used to answer question 39 (tiers 1 and 2)/31 (tier 3) in the MASTER guidelines document\***

**Data**

- Access to appraisal records
- Land appraisal manual and procedures

**Steps**

- Review and become familiar with the appraisal district’s land appraisal procedures and fill in the following checklists:

Steps in the procedures for appraising land (Category C1):	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
•															
•															
•															
•															
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•															
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•															

- Select a random sample of 15 category C1 properties using the appraisal district’s appraisal roll submission
  - Request appraisal records for the properties in the sample
- Interview the chief appraiser or designee and have them walk you through the process the appraisal district uses to appraise vacant land using the sample properties, with documentation
  - This will include checking all steps used in the market sales comparison approach valuations and any other steps used to value each of the sample properties
- Complete the checklists above to determine if the appraisal district is following the written land appraisal procedures

**2. Does the appraisal district comply with its written procedures for land appraisal?    YES \_\_\_\_\_ NO \_\_\_\_\_**

- If more than 1 step in the appraisal procedures is missed for more than 1 property, the answer to this question is NO

**Commercial Appraisal**

**\*NOTE: The guidelines for this section are also used to answer question 40 (tiers 1 and 2)/32 (tier 3) in the MASTER guidelines document\***

**Data**

- Access to appraisal records
- Commercial appraisal manual and procedures

**Steps**

- Review and become familiar with the appraisal district’s commercial appraisal procedures and fill in the following checklist:

Steps in the procedures for appraising commercial property:	Addressed in walk-through (yes/no)?	Documentation/Examples
•		
•		
•		
•		

- Select a random sample of 10 commercial properties using the appraisal district’s appraisal roll submission
  - Request appraisal records for the properties in the sample
- Determine which method of valuation was used for each property (cost, market, or income)
- Determine what steps in the appraisal process are done at the appraisal district (the steps that do not involve property inspection)
- Interview the chief appraiser or designee, have them walk you through the commercial appraisal process and complete the checklist above to determine if the appraiser is following the written commercial appraisal procedures for determining the appraised value of the properties, exclusive of the steps that would be done when inspecting the properties
  - This will include checking market sales comparison approach steps, income approach steps, cost approach steps and any others steps used to value the sample properties
- Perform field inspections (aerials, pictometry, etc. can be used in lieu of field inspections) of the sample properties to determine if appraisal district procedures were followed and that all needed components are noted in the appraisal records for the sample, including property characteristics and depreciation as needed for cost approach appraisals, and complete the following checklist:

**\*NOTE: For properties in the sample that were appraised using the income approach, only the first 2 columns should be completed\***

Sample Property Account Numbers:	Property Exists as Described (yes/no)?	Property Characteristics Noted Correctly (yes/no)?	Depreciation Noted (yes/no)?
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

**3. Does the appraisal district comply with its written procedures for commercial appraisal?** YES \_\_\_\_\_ NO \_\_\_\_\_

- If more than 1 step in the appraisal procedures is missed for more than 1 property, the answer to this question is NO

**Business Personal Property Appraisal**

**\*NOTE: The guidelines for this section are also used to answer question 41(tiers 1 and 2)/33 (tier 3) in the MASTER guidelines document\***

**Data**

- Access to appraisal records
- Business personal property appraisal manual and procedures

**Steps**

- Review and become familiar with the appraisal district’s business personal property appraisal procedures and fill in the following checklist:

Steps in the procedures for appraising business personal property:	1	2	3	4	5	6	7	8	9	10
•										
•										
•										
•										
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- Select a random sample of 10 business personal property accounts using the appraisal district’s appraisal roll submission
  - Request appraisal records for the properties in the sample
- Interview the chief appraiser or designee and have them walk you through the process the appraisal district uses to appraise business personal property using the sample properties, with documentation
  - Check to see what steps the appraisal district took to verify information submitted on renditions, and determine if those steps match the written procedures
  - Check the steps taken to value the accounts regardless of whether renditions were or were not submitted
- Complete the checklist above to determine if the appraisal district is following the business personal property appraisal procedures

**4. Does the appraisal district comply with its written procedures for business personal property appraisal?**

YES \_\_\_\_\_ NO \_\_\_\_\_

- If more than 1 step in the appraisal procedures is missed for more than 1 property, the answer to this question is NO

**\*In order to get a PASS, the answers to all four questions must be YES\***

## QUESTION 4

Are values reproducible using the appraisal district's written procedures and appraisal records?

### Data

- Access to appraisal records
- Appraisal manuals and procedures

**\*NOTE: The samples for this question will be the same accounts selected in mandatory question 3, excluding the business personal property accounts\***

**\*NOTE: Under no circumstance should the reviewer use personal knowledge of appraisal practices to calculate a value if the appraisal district's written procedures do not include the requisite steps necessary to appraise the property. The reviewer may, within the written descriptions provided in the appraisal district's procedures, use appraiser judgment when the procedures specifically call for appraiser judgment. In doing so, the reviewer should keep detailed notes of such decisions for the work papers. This does not mean the MAP reviewer is appraising the properties.\***

### Step 1

- Request appraisal records for the properties in the sample
  - For any appraisal records which note that the final value in the record is the result of an appraisal review board (ARB) decision, discard that appraisal card (although maintain it as part of the work papers) and request another appraisal card for another randomly selected property
    - If the appraisal district's original values are in the appraisal records, in addition to the ARB value, you may use the appraisal record and compare the original value by the appraisal district to the value that is calculated using the CAD procedures
  - You may wish to consider requesting more appraisal records to avoid having to request additional records in the event some of the original records had ARB adjustments

### Step 2

- During the residential and commercial property inspections performed for mandatory question 3, record any missing information on the appraisal card
- Use only the information on the appraisal card to evaluate the land properties

### Step 3

- Use the written appraisal procedures and value schedules and the information on the appraisal card (including any missing information noted) to calculate the value based on the appraisal district's procedures and schedules, using the appraisal card data
  - Fill in an excel spreadsheet including the property identification number, the appraisal district's market and/or appraised value and the reviewer calculated value for market and/or appraised value

### Step 4

- Review the results of the spreadsheet
  - For each property category, the total calculated values must be within 5 percent, plus or minus, to be considered reproducible
  - If the total values vary by more than 5 percent, the values are not reproducible and the appraisal district gets a FAIL
    - However, if five or fewer individual properties vary more than 10 percent, ask for a written explanation from the chief appraiser or designee for the variance and present it to management for review and determination
    - If an explanation cannot be given about why the variance is reasonable, the appraisal district gets a FAIL
    - If more than 5 properties vary by more than 10 percent, the values are considered insufficiently reproducible and the appraisal district gets a FAIL
  - Division management may decide to collect an entirely new sample and start the review over if management determines the original sample may have lacked representativeness of the population
    - If it is suspected that the original sample may have lacked representativeness, contact the MAP supervisor to discuss it

**Questions to be answered by the MAP reviewer:**

- |   |   |
|---|---|
| <p><b>1. Are the inspection dates in the appraisal records more than 5 years old?</b></p> <ul style="list-style-type: none"> <li>• If the answer is YES, this question is a FAIL</li> </ul>   | <p><b>YES</b> _____ <b>NO</b> _____</p> |
| <p><b>2. Do the MAP reviewer calculated values match the appraisal district values?</b></p> <ul style="list-style-type: none"> <li>• If the answer is YES, and the answer to question 1 is NO, this question is a PASS</li> <li>• If the answer is NO, answer question 3 below</li> </ul>           | <p><b>YES</b> _____ <b>NO</b> _____</p> |
| <p><b>3. Does the percent variance between the total calculated values and the appraisal district values exceed 5 percent?</b></p> <ul style="list-style-type: none"> <li>• If the answer is YES, this question is a FAIL</li> <li>• If the answer is NO, answer questions 4 and 5 below</li> </ul> | <p><b>YES</b> _____ <b>NO</b> _____</p> |
| <p><b>4. Does the variance of five or fewer properties exceed 10 percent?</b></p> <ul style="list-style-type: none"> <li>• If the answer is YES, fill in the chief appraiser or designee explanation below and present it to management for determination</li> </ul>                                | <p><b>YES</b> _____ <b>NO</b> _____</p> |

**For 5 or fewer properties with variances of 10 percent or more, what are the explanations provided by the chief appraiser or designee for the differences?**

- |  |   |
|--|---|
| <p><b>5. Does the variance of more than five properties exceed 10 percent?</b></p> <ul style="list-style-type: none"> <li>• If the answer is YES, this question is a FAIL</li> </ul> | <p><b>YES</b> _____ <b>NO</b> _____</p> |
|--|---|