



## Local News

# Appraisers see flaws in system

Below-market values hurt homeowners and school funding, they say

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By **TERRENCE STUTZ** / The Dallas Morning News

AUSTIN – Texas schools lost \$4 billion last year because property appraisers are unable to judge the true market value of property, according to a new study.

The solution, according to the state's property appraisal officials, is for the Legislature to require disclosure of all real estate sales prices.

The study by officials with the Texas Association of Appraisal Districts found that lack of such information has caused appraisers in urban areas to undervalue commercial property by an average of 40 percent and residential property by 15 percent.

Multifamily property is undervalued by 25 percent.

If those three types of property were listed on the tax rolls at their true value, it would have generated at least \$4 billion in additional operating revenue for schools this year based on the current maximum tax rate of \$1.33 per \$100 of valuation. That figure represents additional revenue of about 12 percent based on what districts spent last year.

Alternatively, full-market appraisals would allow districts to raise the same amount with a lower tax rate. Cities and counties would have had the same choice, too.

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[Appraisal gap \(.pdf\)](#)

Mike Amezcuita, chief appraiser for the Bexar County Appraisal District and immediate past president of the Texas Association of Appraisal Districts, said Thursday that the study offers compelling arguments for ending Texas' status as one of five states that do not require public disclosure of real estate prices.

"The current system is a public policy travesty," Mr. Amezcuita said. "It is set up to hurt homeowners, and so much money for schools is being left on the table."

A blue ribbon committee looking at property appraisals in Texas is considering mandatory sales price disclosure as one of its recommendations to the Legislature. But the proposal is drawing strong opposition from real estate agents, business groups and representatives for apartment complex owners.

'Tremendous disparity'