

RECEIVED

SEP 24 2009

OPINION COMMITTEE

The State of Texas
House of Representatives



P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0730
FAX 512-463-5896

BYRON COOK
State Representative
District 8

P.O. BOX 1397
CORSIANA, TEXAS 75151
903-872-9766

Via Regular Mail

September 23, 2009

FILE # ML-46176-09
I.D. # 46176

The Honorable Greg Abbott
Attorney General of Texas
P. O. Box 12548
Austin, Texas 78711-2548

RQ-0827-GA

RE: Opinion Request regarding the Property Tax Code Section 25.08

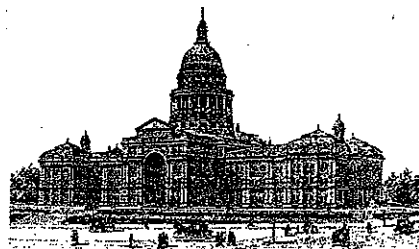
Dear General Abbott:

This issue deals with appraisal districts combining the real property with the improvements that are on that land, on one single parcel identification number for appraisal district records.

In the Property Tax Code section 25.08 it states that improvements to real property "may" be added to the account of the real property, but it does not state "who" may add the improvements to the account of the real property.

A constituent has experienced the following example with both the Tarrant and Smith county appraisal districts:

Comparative sales data for convenience stores sold are collected using one total sales price for land and improvements, divided by the total square feet in the convenience store, giving a "price per foot" for convenience store sales in that area. However, no consideration is given to the size of land, or to special issues regarding the land. This seems to distort the "per foot" value based on the size of the store, thereby giving the appraiser an "inflated" range on convenience store values. When confronted with the misallocations on the sales price, an argument can be made that the improvements are over-valued and should be reduced. However, the appraiser maintains that if the improvements are reduced, the land must be increased by the same amount to keep the value consistent with the "average" per foot values.



Anderson★Freestone★Limestone★Navarro

Page Two
Attorney General Greg Abbott
Opinion Request
September 23, 2009


If one finds that the land is overvalued based on surrounding values, the appraiser states that any decrease in land must be added to the improvements, to keep the overall "per foot" values in the acceptable range of values.

It seems that because both land and improvements are on one account, and comparable sales data start with one sale price that usually should be allocated between land, improvements, business, personal property and any other intangible assets, the appraisal district has a built in value increase, when looked at as a "per square foot" value for convenience store sales.

Respectfully, a possible solution to this problem would be to allow the property owner to render the land and any improvements separately, solely at the property owner's discretion. This would mean that both the land and improvements to the land, would be classified as separate parcels of property with separate account identification numbers for the appraisal district records. Accordingly, I am requesting an issuance of an opinion as to the interpretation of the Property Tax Code 25.08, particularly as it relates to "who" may add the improvements to the account of the real property.

Thank you for your time and consideration.

Sincerely,


State Representative Byron Cook