



# The APPRISER

Texas Association of Appraisal Districts, Inc. 7701 North Lamar, Suite 315 Austin, Texas 78752-1023

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Two legislative school finance groups have been appointed by Lt. Gov. David Dewhurst and House Speaker Tom Craddick to continue working on a new way to finance public education and provide property tax relief.

Gov. Rick Perry and Dewhurst have said they want the Legislature to address school finance in advance of a court mandate. The governor has not said when he might call lawmakers to meet again, but a trial on a lawsuit brought by property-rich ISDs is set to begin August 9 in state district court in Travis County.

Any measure that might require voter approval, such as a state property tax, video gambling, or reduction in the cap on residential appraisals, would need to be passed by late August in order to be placed on the November general election ballot.

The committee on funding and property tax relief issues, which holds its first meeting June 8, will be headed by Rep. Talmadge Heflin, R-Houston and Sen. Steve Ogden, R-Bryan.

The other finance reform group senators are Gonzalo Barrientos, D-Austin; Ken Armbrister, D-Victoria; Kyle Janek, R-Houston; Kim Brimer, R-Fort Worth; and Tommy Williams, R-The Woodlands. The other House members are Fred Hill, R-Richardson; Jim Keffer, R-Eastland; Vilma Luna, D-Corpus Christi; Jim Pitts, R-Waxahachie; and Allan Ritter, D-Nederland.

Sen. Florence Shapiro, R-Plano and Rep. Kent Grusendorf, R-Arlington head the committee that will discuss education reforms; the committee plans to meet June 16.

The other senators in the education reform group are Robert Duncan, R-Lubbock; Todd Staples, R-Palestine; Royce West, D-Dallas; Jane Nelson, R-Lewisville; and Frank Madla, D-San Antonio. The other House members are Dianne White Delisi, R-Temple; Helen Giddings, D-Dallas; Bob Griggs, R-North Richland Hills; Carl Isett, R-Lubbock; and Rene Oliveira, D-Brownsville.

**Jim Robinson**

*TAAD Legislative Committee Chair*

This is the third issue of The APPRISER that I have been privileged to work on, and I hope you've found the changes to the newsletter exciting, even with its few glitches. As I become more familiar with TAAD and its issues, I expect this publication to become even more relevant and useful to you as members.

THE APPRISER is now available by email. All members who sign up will receive a .pdf copy of every issue. The electronic copy will arrive before the printed copy, giving you an opportunity to see what's happening a little sooner than you might have. In addition, we have begun archiving past issues on the website, beginning with the April 2004 issue.

The main pages of the new website have been tested and are now uploaded. Please plan to visit the site this month, and make a note of anything you think might improve its usefulness to you. Please report any problems or suggestions to me at [cdg@associationcommunications.com](mailto:cdg@associationcommunications.com).

My job performance is directly related to your satisfaction with the products you receive through the publication and the website. I look forward to hearing from you.

**Candy D. Graves**

*Association Communications*

Legislature Tackles School Issues

Publications/  
Website Notes

## TAAD's Mission Statement

The purpose of the Association shall be promoting the effective, professional and ethical administration of the appraisal districts in Texas.

- TAAD welcomes **Chris Boenig**, the new chief appraiser at **Guadalupe Appraisal District**. He's been with the GAD nearly nine years and has served in several capacities including residential appraiser as well as agriculture valuation appraiser. He's a 1993 graduate of Texas Tech University, with a degree in Agriculture Economics.
- **Howdy to Mary Lou Cantu**, taking over as chief appraiser at **Brooks County Appraisal District**. She's was on staff for BCAD for more than 23 years; as of May 5 she's the boss!
- **Representing TAAD** — welcome to TAAD's new state representatives to the International Association of Assessing Officers: **Roland Bieber** of **Jefferson CAD**, **Dave Kimbrough** of **Lubbock CAD**, **Jerry Lee** of **Erath CAD**, and **Jim Robinson** of **Harris CAD**.
- **The Real Estate Center at Texas A&M** is accepting registrations for the **18th Annual Legal Seminar on Ad Valorem Taxation** to be held Sept. 1-3 at the Hyatt Regency Riverwalk Hotel in San Antonio. Attendance is limited; the cost is \$310 with early registration. To register, click on [www.recenter.tamu.edu/seminars](http://www.recenter.tamu.edu/seminars). Reservations are also limited for the golf tournament to be held September 1 at the Westin La Cantera Golf Resort. The cost of the tournament is \$135. For hotel reservations, request the group rate (\$134/night) at the Hyatt Regency, 210-222-1234, [www.hyatt.com](http://www.hyatt.com). The cutoff date for these hotel rates is August 10.
- **Congratulations to Beverly Hill of Pritchard & Abbott**, promoted to district manager. She oversees company operations for 95 counties in south central Texas and has been with P&A since October 1, 2002.

• **Swisher Appraisal District** is currently accepting applications/resumes for the position of **Chief Appraiser**. Applicant must possess strong leadership skills and experience in administration and management. Prefer the applicant to possess a RPA or RTA or CTA designation or be actively seeking to obtain such designation. A minimum of five years experience in the property tax appraisal and/or property tax collection field and some experience in a supervisory capacity is recommended. Salary will be contingent upon qualifications and commensurate with experience. Applications/resumes will be accepted until 5:00 pm, July 30, 2004. Please submit applications/

resumes to Swisher Appraisal District, Attn: Rose Lee Powell; PO Box 8; Tulia, TX 79088. Phone: 806-995-4118; Fax: 806-995-4079.

• The **Comal Appraisal District** is accepting applications for the position of **Appraiser**. Responsibilities include office and field work associated with the appraisal of rural, residential, and commercial property. Must be a high school graduate or equivalent and possess good computer skills. Must have the BTPE certification or be willing to complete the requirements to obtain certification. Must have reliable transportation, a valid Texas driver's license, and proof of liability insurance. Salary is contingent upon

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Aug. 10	TAAD Third Quarter Executive Board meeting, Austin
Aug. 22-24	TAAO Annual Conference, Corpus Christi Omni Bayfront Hotel
Aug. 29-Sept. 1	IAAO Annual Conference, Boston
Sept. 1-3	18th Annual TREC/TAMU Legal Seminar, San Antonio Hyatt Riverwalk
Oct. 18-19	LBJ Tax Institute/Comptroller's Conference, Austin
Nov. 14-16	Texas Rural Chief Appraisers Conference, Austin Omni Southpark
Nov. 15-17	TACA Conference-VG Young Institute, College Station
Nov. 16	TAAD Fourth Quarter Executive Board meeting, Austin
Jan. 10, 2005	79th Legislature Convenes
Feb. 20-23, 2005	TAAD 24th Annual Conference, Renaissance Austin Hotel

**M**any seniors and Texans with disabilities may look forward to a property tax break, due to 2003 legislation subsequently approved by the state electorate.

House Bill 136 and its accompanying resolution, House Joint Resolution 16, granted cities, counties and junior college districts the option to grant a permanent tax freeze for homeowners in their districts aged 65 and older, as well as disabled homeowners. Voters approved the resolution, which appeared on the ballot as Proposition 13, by a four-fifths majority in September 2003.

The tax freeze can be adopted by the governing body of any Texas city, town, county or junior college district. In addition, voters can petition for an election to adopt the freeze with the signatures of five percent of the jurisdiction's registered electorate. Once adopted, the freeze becomes permanent and cannot be repealed or rescinded by any subsequent action of the governing body.

The new authority is under Section 11.261 of the Texas Tax Code. Under this provision, the total tax bills of eligible homeowners receiving the freeze can never increase beyond the amount they paid in the year the taxing unit adopts the tax freeze. If tax rates fall, the homeowners' tax bill can fall as well, but they can never increase beyond the amount of their individual tax "ceiling."

The freeze will not, however, apply to improvements made to a residence other than repairs. In such cases, subsequent tax increases would apply to the value of the improvement.

Section 11.261 also allows eligible homeowners to transfer the same percentage of taxes paid to another homestead in that taxing unit. In addition, surviving spouses aged 55 or older can retain their tax ceiling and transfer the benefit to a different qualified homestead in the same taxing unit.

### **Join the club**

According to the National Conference of State Legislatures, Texas joins 11 other states in offering some form of property tax freeze for seniors. The others are Arizona, Arkansas,

Connecticut, Illinois, Louisiana, New Jersey, Oklahoma, Rhode Island, South Dakota, Tennessee and Washington.

In Texas, the new benefit joins a similar tax freeze already granted to seniors for school property taxes.

The 2003 Legislature, moreover, extended the school tax freeze to disabled homeowners. The existing school tax freeze is similar to the new freeze except that the school tax benefit can be transferred to any homestead in the state.

In April, at least 18 municipalities, nine counties and two junior college districts had adopted the freeze, and more jurisdictions were considering it. The Legislative Budget Board (LBB) estimates that, if all eligible jurisdictions adopt the freeze, it would cost cities \$10.8 million in 2005, and would cost \$12.9 million in 2008. Counties would lose \$6.2 million in 2005, and \$7.4 million in 2008. The LBB did not attempt to estimate losses to junior college districts.

Some jurisdictions have attempted to estimate their own losses. San Antonio's budgeters, for example, have estimated that the freeze could cost the city almost \$37 million over the next 10 years. Kerr County expects a loss of \$7.3 million over a decade, while the city of Sugar Land projects a five-year loss of nearly \$705,000.

Supporters of the tax freeze for seniors and the disabled say that it provides welcome relief to those living on tight budgets. In many areas, rising property valuations have driven tax bills up sharply, even in the absence of rate increases.

"Most of our seniors are on a fixed income, and they're seeing escalating costs for medicine, and the last thing we need to do [is] burden them further," said County Judge Carl Griffith Jr. of Jefferson County, one of the first jurisdictions to adopt the freeze. "We thought it was a good thing, and over 70 percent of the county's voters voted for it."

Griffith sees the cost as minimal.

"In our county, it'll cost \$1.4 million over the next 10 years, out of a \$75 million budget." Many jurisdictions already offer substantial

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**T**he Governmental Accounting Standards Board Statement Number 34 (GASB 34), which state and local governments across the nation are now putting into practice, makes annual financial reports easier to understand and more useful to legislators, investors, creditors and the public.

While GASB has no enforcement authority, following GASB 34 ensures cities and counties comply with generally accepted accounting principles (GAAP). Reports prepared according to GAAP help local governments keep good bond ratings and borrowing costs low. Governments that issue bonds or have grants that require GAAP-based reporting must follow GASB 34.

In addition, Local Government Code Section 112.0002(c) requires counties with a county auditor and population of 190,000 or more to adopt a system of accounting that is consistent with GAAP.

## **Just the FAQs:**

To help local officials comply with GASB 34, the Comptroller's Local Government Assistance Division provided answers to some of the most frequently asked questions (FAQs) received from city and county employees.

**Q** How should cities and counties establish an accurate value of their capital assets before depreciating them?

**A** Capital assets are assets with a relatively high cost and an extended useful life. Before depreciating capital assets, officials must first determine their value, and the means for doing so depends on how they are acquired. For example, when purchasing a capital asset, officials should use the actual purchase price plus freight and any other charges necessary to place the asset into service.

If a capital asset, such as a building, is constructed, however, its value should include the cost of materials, labor, equipment usage and any overhead. If capital assets are donated, officials should estimate their fair market value at the time of donation. It is permissible to use the donor's purchase price if the asset has been bought recently. An

appraisal is also an acceptable way to estimate value.

When records are not available to determine the actual, historical cost or the fair market value of the donation, its historical cost may be estimated. One way to estimate an asset's historical cost is to determine the current replacement cost and "deflate" the cost back to the year it was acquired. A reverse index calculator and other useful information related to capital assets and infrastructure can be found at [www.window.state.tx.us/comptrol/san/gasb/local/gasb34\\_localintro.html](http://www.window.state.tx.us/comptrol/san/gasb/local/gasb34_localintro.html).

Local officials also must determine the useful lives over which these assets' values will be depreciated. Several depreciation methods exist, including straight-line depreciation in which the asset's value is divided by the number of years of its useful life.

**Q** GASB 34 requires local governments to report information on their expenses by function. How should that be accomplished?

**A** One way to report expenses by function is to assign a function to each item in the budget. Many accounting systems provide this option. If the option is not available, the accountant can use a spreadsheet or other method to group expenses by function.

The 2001 Legislature created the Texas County Financial Data Advisory Committee (FDAC) to develop and recommend a voluntary uniform chart of accounts for counties. The FDAC developed a list of seven expense functions in its Uniform Chart of Accounts for Texas Counties, which may be helpful. The seven functions are: general government; justice system; public safety; corrections and rehabilitation; health and human services; community and economic development; and infrastructure and environmental services. A city or county may allocate direct expenses and depreciation into these functions or to a list of functions local officials devise.

**Q** How should local governments distinguish in their financial reports between the revenues they receive from programs and those received as general revenue, such as property taxes?

**A** Program revenues are those that are generated because they are related to a specific

government function. For example, a grant received by the sheriff's department to buy a patrol car is a program revenue. Without a government's public safety function, there would be no grant. Revenue from fines and court costs are also program revenues, because they are related to a government's judicial operations. However, an unrestricted grant that can be spent on any item is general revenue, as are taxes and any interest earned on investments.

### **Need more info?**

The Governmental Accounting Standards Board has addressed hundreds of questions about GASB 34 in its two-volume implementation guide, which is available online at [www.gasb.org](http://www.gasb.org).

### **Inflation/Deflation Calculator**

GASB 34 requires governments to report infrastructure and depreciate their capital assets. Pre-existing "major" infrastructure assets that were purchased, constructed or donated in fiscal years ending after June 30, 1980, or that received major renovations,

restorations or improvements during that period and not already reported on financial statements will have to be reported at historical cost. If actual historical cost data is unavailable for infrastructure, the historical cost will have to be estimated by calculating the current replacement cost of a similar asset and deflating the cost through the use of price-level indexes to the acquisition year. To help local governments deflate the cost to the acquisition year, the Comptroller's office provides a reverse indexing calculator, available online at: [www.window.state.tx.us/comptrol/san/gasb/local/bridge\\_reverseindexcalc.html](http://www.window.state.tx.us/comptrol/san/gasb/local/bridge_reverseindexcalc.html).

### **GASB 34 reports**

The Texas Comptroller published a number of financial management reviews for helping cities and counties implement GASB 34. These reports may be useful to answer questions for cities and counties still working on this requirement. The reports can be downloaded from the Comptroller's Web site at: [www.window.state.tx.us/lga/fmr/](http://www.window.state.tx.us/lga/fmr/).

Reprinted from the July 2004 issue of *City and County Financial Management*, published by the Texas Comptroller of Public Accounts

#### *Classified Ads (cont.)*

experience and qualifications. Applications and/or resumes will be accepted until the position is filled. Send information to: Lynn E. Rodgers, Chief Appraiser; P. O. Box 311222; New Braunfels, TX 78131-1222. Comal Appraisal District is an Equal Opportunity Employer.

- The **Waller County Appraisal District** is accepting applications for the position of **Field Appraiser**. Responsibilities include office and fieldwork associated with the appraisal of rural, residential and commercial real property. Must be able to successfully complete the requirements for the RPA designation with the BTPE. Preferred qualifications include RPA, college degree in related field, mass or fee appraisal or additional years of real estate appraisal experience. Send resume to Katy I.S.D. Personnel Office; P.O. Box 159; Katy, TX 77492-0159. E-mail: [davidpiwonka@katyisd.org](mailto:davidpiwonka@katyisd.org).

- The **Austin County Appraisal District** is accepting applications for the position of **Field Appraiser**. Responsibilities include office and fieldwork associated with rural, residential, commercial and business personal property. Assisting other field appraisal staff as required, presentations before the appraisal review board, analysis of market data, and other duties as required. Familiarity with The Software Group appraisal software and Arcview is helpful. Ability to work with and listen to taxpayers is essential. Preferred qualifications include a minimum of five years of appraisal or real estate experience and hold an active RPA designation. Salary contingent upon qualifications and experience. Submit resumes no later than July 15, 2004 to Austin County Appraisal District; 906 E. Amelia; Bellville, TX 77418; Attn: Tommy Wade. Only applicants meeting stated qualifications will be considered. Austin County Appraisal District is an equal opportunity employer.

# 2004 TAAD Course Schedule

				Class Hours	Exam Hours	CEU Full Credit	CEU Audit
<b>August</b>	Aug. 9-11	Course 7	Property Tax Law	21	3	24	16
	Aug. 9-11	Course 10	Demo Appraisal Concepts	21	3	24	16
	Aug. 9-11	Course 12	Oil & Gas Appraisal	16	2	18	12
	Aug. 9-13	Course 2	Appraisal of Real Property	32	*4	*36	24
<b>September</b>	Sept. 13-15	Course 13	Appraisal of Ag & Open-Space Land	16	2	18	12
	Sept. 13-15	Course 11	Appraisal of Timber Land	16	2	18	12
	Sept. 13-17	Course 1	Intro to Texas Property Tax System	32	*4	*36	24
	Sept. 13-17	Course 9	Advanced Assessment & Collections	24	2	26	18
	Sept. 15-17	Course 14	Wildlife Appraisal	16	2	18	12
<b>October</b>	Oct. 11-14	Course 3	Income Approach to Value	24	2	26	18
	Oct. 11-14	Course 4	Personal Property Appraisal	24	2	26	18
	Oct. 11-14	Course 5	Mass Appraisal	24	2	26	18
	Oct. 11-14	Course 23	Advanced Income Approach	24	2	26	18
	Oct. 11-14	Course 27	Appraisal of Land	24	2	26	18
<b>December</b>	Dec. 6-8	Course 7	Texas Property Tax Law	21	3	24	16
	Dec. 6-8	Course 10	Demo Appraisal Concepts	21	3	24	16
	Dec. 6-9	Course 3	Income Approach to Value	24	2	26	18
	Dec. 6-10	Course 1	Intro to Texas Property Tax System	32	*4	*36	24
	Dec. 6-10	Course 2	Appraisal of Real Property	32	*4	*36	24

NOTE: No state courses are scheduled during April, May, June, July or November.

\* 2 hours for exam review and 2 hours for exam. Review may be omitted to reduce course to 34 CEUs.

## Open Season on Savings!

**T** AAD is offering employees of member appraisal districts a special registration fee of \$250 for attending Course 14: Wildlife Management Appraisal in conjunction with either Course 13: Appraisal of Agricultural and Open-Space Land OR Course 11: Appraisal of Timber Land. This is a price savings of \$100 over the cost of two individual courses. Students can earn up to 36 total continuing education units (CEUs) for attending two consecutive courses.

Associate or affiliate members of TAAD may register for consecutive classes for \$300 (savings of \$150) and nonmembers may register for \$350 (savings of \$200).

### Special Note to Prospective Students

It is imperative that students have prior knowledge of the agricultural appraisal procedures taught in Course 13: Appraisal of Agricultural and Open-Space Land.

For more information about the wildlife management appraisal course and its course objectives, contact Sarah Decker at 512-467-0402 or [sdecker@taad.org](mailto:sdecker@taad.org).

For more registration information, please refer to page 7.

1. **Class Hours:** Unless otherwise specified, course hours are from 8:30 am - 5 pm. Registration on the first day of class is 8-8:30 am.
  2. **Location/Hotel Accommodations:** Courses will be held at the *Austin North Hilton Hotel*, 6000 Middle Fiskville Road, Austin, Texas, 78752, (512) 451-5757. TAAD has a room block with a rate of \$80 single or double per night. To get these rates, students must reserve their room at least three weeks in advance and ask for the TAAD block.
  3. **CEUs:** All of TAAD's state certification courses are approved by BTPE for certification and continuing education units. The hours indicated on the course schedule represent the total number of hours received for the course, including examination time, as well as the credit given for auditing the course. Students must take and pass the exam to receive full credit for each course.
  4. **Audit:** Credit will be given to individuals who audit state certification courses. Consult the schedule (left) for the number of CEUs for each class.
  5. **Certificate:** All member districts will receive a certificate for \$50 off Member District Course Fee.
- Certificates are valid for one individual registration. To redeem, please enclose certificate along with remaining registration fee.
6. **Cancellations:** There will be a \$50 administrative charge for all course cancellations including faxed registrations. Refund requests must be received by TAAD in writing within two weeks after the last day of the course.
  7. **Cost for Courses:**
    - Courses 1, 2 & 8:**
      - \$250 for TAAD Member Districts
      - \$300 for TAAD Associate/Affiliate Members
      - \$350 for Non-members
    - Courses 3, 4, 5, 6, 7, 9, 10, 23, 25 & 27:**
      - \$225 for TAAD Member Districts
      - \$275 for TAAD Associate/Affiliate Members
      - \$325 for Non-members
    - Courses 11, 12, 13 & 14:**
      - \$175 for TAAD Member Districts
      - \$225 for TAAD Associate/Affiliate Members
      - \$275 for Non-members

## State Certification Course Registration Form

Course # \_\_\_\_\_ Course Date \_\_\_\_\_ BTPE # (if applicable) \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Jurisdiction/Firm \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ E-mail Address \_\_\_\_\_

Course Registration Fee	\$ _____
Property Assessment Valuation Book - required for Courses 2, 3, 4 & 5 (\$35)	\$ _____
Texas Ad Valorem Taxation Book - suggested for Courses 1, 6, 7, 8 & 9 (\$20)	\$ _____
PTEC Glossary (\$20)	\$ _____

**Total Amount Enclosed**                      \$ \_\_\_\_\_

- \_\_\_\_\_ I am taking this course for certification
- \_\_\_\_\_ I am auditing this course
- \_\_\_\_\_ I am taking this course for CEUs only
- \_\_\_\_\_ I am taking the exam
- \_\_\_\_\_ Please mail my class materials \*
- \_\_\_\_\_ I will pick up my class materials at registration

\* TAAD will mail materials only if we receive registration and payment **THREE WEEKS PRIOR** to class.

**Office Use Only:**

Date \_\_\_\_\_

Check# \_\_\_\_\_

Paid \_\_\_\_\_ DB \_\_\_\_\_

PC \_\_\_\_\_ PAV \_\_\_\_\_

ADV \_\_\_\_\_ Gloss \_\_\_\_\_

Materials Date \_\_\_\_\_

Please complete the registration form and return it along with payment to:  
TAAD; 7701 North Lamar, Suite 315; Austin, Texas 78752 512-467-0402

**I**s it time for a personnel policy overhaul? How current is your appraisal district's personnel policies manual?

If that's a question you'd rather not answer, or if you're not really sure, you probably have a lot of company! One of the most frequent questions we get at the TAAD office is for sample personnel policies or for information on the most current laws that govern those policies. (Another is requests for sample chief appraiser evaluations, but we'll address evaluations in another issue.)

Over the next several APPRISER issues TAAD will team with the Texas Workforce Commission to provide you with up-to-date information to enable you to examine your district's personnel policies and determine if revisions or updating are needed. This month we'll address vacation and sick leave, and accrued time payouts.

## **Vacation and Sick Leave**

### **Sick Leave**

- State which employees are entitled to sick leave; i.e. full-time vs. temporary or part-time employees. Explain how your company defines "full-time" and "part-time".
- Explain how sick leave is accrued and describe the company's policy for carrying over sick leave and whether employees will be paid for unused sick leave upon separation from the company.
- Define the company policy for entitlement to sick leave and whether proof of illness could be required.

### **Vacation Leave**

- State which employees are entitled to vacation; i.e. full-time vs. temporary or part-time employees.
- Explain when vacation is accrued and how it may be used.
- Describe how vacation time is accrued and whether it can be carried over to the next year. If so, explain.
- Explain if there is a distinction between those who voluntarily separate from the company and those who are discharged. State the company policy for payment of

unused vacation in the event of layoffs or other work separations.

No law in Texas requires employers to provide paid vacation or sick leave. (The only employers that are required to provide up to 12 weeks of unpaid job-protected leave under the federal Family and Medical Leave Act are those with 50 or more employees stationed within 75 miles of the employee who is to take such leave, and even then the employee has to meet the various eligibility conditions in order to be entitled to the leave.) However, most employers do provide either paid vacation or paid sick leave, or both, in varying amounts that are up to a company to determine for itself. If such leave is promised in a written policy or agreement, the leave is an enforceable part of the wage agreement under the Texas Payday Law. The written policy or agreement will be enforced according to what it provides.

### **Accrued Leave Payouts**

Similarly, there is no law requiring employers to pay employees for unused vacation, but on occasion, Texas courts have made such awards. The company policy will govern whether or not the employee is entitled to receive this pay. Therefore, it is imperative that the employee handbook state the company policy regarding unused vacation and sick leave. If the policy is silent, employers may need to be prepared to pay for unused leave. An example of a policy that clearly states a company's position would be as follows:

Generally, ABC Company does not pay accrued [type of] leave to employees who leave employment. Any unused paid [type of] leave is forfeited upon an employee's work separation. However, unused [type of] leave may be paid out under the following circumstances:

1. If an employee is involuntarily separated from employment for economic reasons as part of a company reorganization or a reduction in the workforce, the

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**D**o CADs pay the hotel/motel occupancy tax? The Comptroller of Public Accounts says yes, they do.

According to Irene Cage of the Comptroller's Office (800-531-5441), appraisal districts are not exempt from the Hotel Occupancy Tax imposed by state or local governments. She cites Section 156.103 of the Hotel Occupancy Code. (Although it does not specifically address local government exemptions, the absence of an exemption provision makes CADs eligible for incurring the tax.)

With few exceptions, employees of state agencies, boards, commissions, and institutions are not exempt and must pay state and local hotel taxes. Texas state agencies may request a refund of the hotel tax paid. Designated Texas state employees - mostly judicial

officials, heads of agencies, and members of state boards and commissions and the Texas Legislature - are issued a special hotel tax exemption photo ID or card and are exempt from the state, city, and county hotel taxes.

Employees of U.S. government agencies (including military personnel) traveling on official business are exempt from state and local hotel taxes. However, contractors working for the State of Texas or the federal government are not exempt. Employees of city and county governments are not exempt from state and local hotel taxes. Diplomatic personnel with a tax exemption card issued by the U.S. Department of State are exempt from state, city, and county hotel taxes, unless the card specifically excludes hotel taxes.

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*Personnel Manual (cont.)*

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employee will receive the full balance of accrued, but unused [type of] leave.

2. If an employee retires from employment pursuant to the Company's retirement policy, the employee will receive the full balance of accrued, but unused [type of] leave.
3. If an employee voluntarily resigns from employment with at least two weeks' advance written notice, the employee will receive the full balance of accrued, but unused [type of] leave.
4. If an employee voluntarily resigns from employment with less than two weeks' notice, but with at least one week's advance written notice, the employee will receive fifty percent (50%) of the balance of accrued, but unused [type of] leave.

Any payment made under this provision will be subject to set-offs and deductions for any amounts due

or owing pursuant to legal requirements and to the wage deduction authorization agreement signed by the employee.

The handbook should explain how sick leave and vacation time is actually earned. For example, is the time earned on a monthly basis, by pay period, or after a certain period of service with the company, such as one year?

Employers should keep in mind that any written promise to compensate employees for unused sick or vacation time should be kept. At the same time, failure to put a policy in writing can cause serious problems. Practice can often become policy when questions on compensation arise.

Helpful websites:

- [http://www.twc.state.tx.us/news/efte/family\\_and\\_medical\\_leave\\_act\\_fmlla\\_.html](http://www.twc.state.tx.us/news/efte/family_and_medical_leave_act_fmlla_.html)
- <http://www.twc.state.tx.us/news/efte/fringebenefits>

**Dates:**

August 4-7, 2004  
October 6-9, 2004

**Registration:**

TAAD member district \$250  
TAAD associate or affiliate member \$300  
Nonmember \$350

**CEUs:** 21 hours maximum

TAAD is proud to offer a **Level III/IV RPA Review** for BTPE registrants preparing to take the state certification exam. The sessions will be three comprehensive days of course review and working problems. An optional exam will be offered on the morning of the fourth day.

The sessions will be offered in Austin, prior to BTPE's Austin testing dates in 2004. The review session will use BTPE's study outline as a tool.

**Hotel Accommodations:**

Austin North Hilton Hotel  
6000 Middle Fiskville Road  
512/451-5757

**Room Rates:** \$80 single or double

Daily sessions will be from 8:30 a.m.- 5 p.m. and 7 - 9 p.m. Students attending should be aware that this is a review session, not primary instruction. The instructor will cover basic methodologies, definitions, etc. as outlined in the course material, but will not "re-teach" the courses. The evening lab will be time for working on specific concern areas which students may have. Students must have basic knowledge of Course 1 before taking course, because it will not be covered in the daily review.

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## **TAAD 2004 Level III/IV RPA Review Registration Form**

Name \_\_\_\_\_

Title \_\_\_\_\_ BTPE # (if applicable) \_\_\_\_\_

Jurisdiction/Firm \_\_\_\_\_

Mailing Address \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail Address \_\_\_\_\_

Fee Enclosed \$ \_\_\_\_\_

Date of 2004 Level III/IV RPA Review (check session attending)

August 4-7, 2004  
 October 6-9, 2004

Level III  
 Level IV

*Note: The review will be only for RPA testing.*

Please complete the registration form and return it along with payment to:  
TAAD; 7701 North Lamar, Suite 315;  
Austin, Texas 78752 512-467-0402

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homestead exemptions. Harris County, for instance, offers seniors an exemption of 20 percent of the value of their homestead plus \$156,240. In addition, the permanent nature of the tax freeze will limit local flexibility and make it hard to predict future revenues, particularly as waves of Baby Boomers enter their senior years.

“It seems like a simple issue, but it can be a lot more complex,” said Georgetown city manager Paul Brandenburg. “In Georgetown, we’re unique in our number of seniors and the amount of the tax base that represents. If you freeze 27 percent of your tax base, what does that mean for the rest of the community? We’re going the route of [offering] exemptions instead, for the time being.”

Moreover, according to Bennett Sandlin, Legal Services director for the Texas Municipal League, it’s going to shift the tax burden.

“It’s going to result in a lot of shifting of taxes from seniors to people who are younger, and whether cities can raise their rates to make up for the loss is a political matter,” he said. “No city wants to raise its rates. I think it’s going to result in some loss of revenue.”

## **Permanent freeze**

Another major concern is the April legislative session on school finance, which may

have profound effects on property taxation. Carey Boethel of the Texas Association of Counties said, “counties ought to take a good close look at their own circumstances before initiating the freeze.

“And we ought to link this wait-and-see approach to the special session and school tax finance,” she said. “There’s just too many variables out there.”

Sandlin agreed.

“We’ve got these uncertainties over school finance, and we’re telling our members that you might want to postpone the freeze,” he said.

But local jurisdictions may not have the luxury of waiting. Citizen groups across the state have mobilized in support of the tax freeze, and many intend to force elections on the topic. Organizers in Georgetown say they obtained more than 2,000 signatures for a vote in just 48 hours.

“We know that the people supporting [the tax freeze] have gathered enough signatures,” Brandenburg said. “They’re just waiting to see what the city councils will do. This can’t be repealed, so you have to make sure you do it right.”

*Bruce Wright*

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## **Public Funds Investment Law Workshop**

The Texas Municipal League will again offer its two-day seminar for officials responsible for managing public funds. The training course is designed to meet the requirements of the Public Funds Investment Act (PFIA).

This law governs the investment of governmental funds and requires the treasurer, the chief financial officer (if the treasurer is not the chief financial officer), and the investment officer of a municipality, county, school district, hospital district and any political subdivision of the state to attend at least 10-

hours of training relating to the investment responsibilities within 12 months after taking office or assuming duties and at least 10 hours of additional training every two years thereafter.

Sessions are tentatively scheduled for Thursday - Friday, August 26 - 27 in Corpus Christi; Thursday - Friday, December 2 - 3 in Mesquite and Thursday-Friday, January 27 - 28, 2005, in Austin. Hotel and registration information are available through the TML website at <http://www.tml.org>.

# TEXAS ASSOCIATION OF APPRAISAL DISTRICTS, INC.

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## BTPE Exam Schedule

The Board of Tax Professional Examiners (BTPE) will offer all its exams at each of the sessions listed below. Apply for exams using BTPE Form #3 – Request to be Examined and send the application to BTPE in Austin, regardless of the exam's location. BTPE must receive applications at least three weeks prior to the exam.

For more information and to obtain a study guide, contact BTPE at the William P. Hobby Building, 333 Guadalupe, Tower II, Suite 520, Austin, TX 78701, 512-305-7300.

## 2004 BTPE Exams and Locations

Aug. 9 Austin (all)

Sept. 3 Amarillo (all)

Oct. 11 Austin (all)

Oct. 15 Amarillo (all)



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