

## **Information For Use By A Property Owner Concerning The Business Personal Property Valuation Process**

The Potter-Randall CAD's primary approach to the valuation of business personal property is the cost approach. The replacement cost new (RCN) is reported by the property owner with the year acquired and the appraiser enters this information into the rendition worksheet on the tangible system along with a description for each line item listed on the owner's rendered personal property for each account. The appraiser will verify the department codes in which the owner has listed each line item. The appraiser will adjust department codes as necessary on the rendition work sheet and not on the property owner's submitted rendition. The computerized calculation will show the depreciated value of the asset. The district uses the depreciated value of the asset as a general practice in the valuation of each account to ensure equalization and a level of uniformity for all business personal accounts.

At the time that the filed rendition is received via mail or in person, the rendition is date stamped as date received and imaged into the account history record file in the EC Imaging database. The rendition is given to the assigned appraiser to review for reappraisal. The owner's rendered value or opinion of market value of each item on the rendition is entered into the rendered value column on the rendition worksheet. The appraiser may use their judgment in a special situation to use the owner's rendered or opinion of market value instead of the depreciated value calculated by the computer. The appraiser will place a check mark in the use rendered column to override the depreciated value. A note addressing the judgment call is entered into the account note as a reference.

In the event that a property owner fails to comply with TPTC Sec 22.01 and not render the business personal property for the business, the appraiser will compare the non-rendered account with comparable rendered property with in the same PCA code for an accurate appraised value to maintain the level of appraisal and the level of uniformity among the business personal property accounts. The appraiser will research the properties with current filed renditions to place an appraised value for the property. All non-rendered personal property accounts are reappraised with a current appraised value using this comparison prior to the printing and mailing of business personal property rendition forms. The appraiser may place notes on each account that is reappraised and define the changes in appraised value. New business personal property accounts follow the same procedure for the valuing process.

### **Ratio Studies**

The Property Tax Division of the state comptroller's office conducts a biennial property value study (PVS). The PVS is a ratio study used to gauge appraisal district performance. Results from the PVS play a part in school funding. Rather than a sales ratio study, the personal property PVS is a ratio study using state cost and depreciation schedules to develop comparative personal property values. These values are then compared to Potter-Randall District personal property values and ratios are indicated.