

**OCHILTREE COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTOR POLICIES**

A INTRODUCTION TO THE OCAD

1. OCAD ADMINISTRATION

The OCAD is governed by a board of directors appointed by the taxing units that have voting entitlement as set out in Section 6.08(c) of the Tax Code. All powers of the OCAD are vested in and exercised by the board of directors. The primary responsibilities are:

- (Sec. 6.01) Establish the appraisal office for the appraisal district.
- (Sec. 6.04) Make general policy regarding the operation of the appraisal district.
- (Sec. 6.05) Hire the chief appraiser
- (Sec. 6.06) Adopt the annual operating budget for the district and allocate the costs among the taxing units.
- (Sec. 6.41) Appoint the Appraisal Review Board Members
- (Sec. 25.01) Contract for any necessary services.

The board is composed of a chairperson and seven members, seven of whom serve for two-year terms. Section 6.03(a) requires the county tax assessor/collector to serve on the board as a nonvoting member and is considered the eighth member. The OCAD invoked the three-quarter rule in the appointment of the board of directors.

The chief appraiser is the executive administrator and chief operating office of the OCAD and appoints all other employees. With the exception of matters reserved to the board of directors, the final authority for any personnel matter rests with the chief appraiser, who may delegate it as is deemed necessary and proper.

Supervisors are responsible for proper and effective administration of rules and regulations within their respective departments. Their jobs are specialized. Each of these people is responsible for a specific service, which the OCAD provides. However, part of your supervisor's job is to help you get adjusted to your work after you are placed on the job. So, if you have any questions concerning your job, or anything related to your work situation, ask your immediate supervisor.

2. EQUAL EMPLOYMENT OPPORTUNITIES

The OCAD is an equal opportunity employer and provides methods of selection which comply with Federal regulations. It is the policy of the OCAD to employ, train, compensate and make available all conditions and privileges of employment with consideration of an individuals' race, color, religion, sex, national origin, belief, handicap, age, marital status or other non-merit factors.

3. PURPOSE OF PERSONNEL REGULATIONS

Personnel regulations are established to provide a uniform policy for all OCAD employees. A thorough understanding of personnel policies promotes cooperation and improves efficiency.

Mail this
w/ Rendition
& last year's - LIST

Ochiltree County Appraisal District
825 S. Main, Suite 100
Perryton, Texas 79070

GUIDE TO PERSONAL PROPERTY RENDITION

Senate Bill 340, passed in the 2003 regular legislative session, took effect January 1, 2004. You can get a copy of the bill from the Texas Legislature's website at www.capitol.state.tx.us. SB 340 made sweeping changes to the laws concerning rendition, or reporting, of business assets for property tax purposes. If you own a business, you are required by this law to report personal property that is used in that business to your county appraisal district. There are substantial penalties for failure to report or for falsification and tax evasion. The Ochiltree County Appraisal District has prepared this document to assist you in complying with this new and very important law.

What is a rendition?

A rendition is a form that provides information about property that you own. The appraisal district uses the information you provide to appraise your property for taxation.

Who has to render?

There are two categories of taxpayers who must render:

- Owners of tangible personal property that is used for the production of income (see below)
- Owners of property on which an exemption has been cancelled or denied
- Owners who have been formally notified by the chief appraiser that they must render.

What kinds of property must be rendered?

For taxation purposes, your property is classified as either real property (land, buildings, and other items attached to the land) or personal property (items that can be owned but are not attached to land). *Personal property that you use to produce income-or for business purposes-must be rendered unless the total value of all of the personal property is \$ 500 or less.* This includes furniture and fixtures, equipment, machinery, computers, inventory held for sale or rental, raw materials, finished goods, and work in process. You are not required to render intangible personal property-items that can be owned but do not have a physical form-such as cash, accounts receivable, goodwill, custom computer software, and other similar items. If your organization qualifies for an exemption that applies to personal property- for example, a religious or charitable organization, you are not required to render the exempt property.

Which forms will I need to file?

For Ochiltree County Appraisal District, most businesses will need to file the general business personal property rendition.

When must the rendition be filed?

The last day to file your rendition is April 15, 2008. If you mail it, it must be postmarked on or before April 15. If you hand deliver it or use a private delivery service it must be physically received in our office before close of business on April 15. If your property

must be rendered because the chief appraiser has denied or cancelled an exemption, you must render it within 30 days of the date the chief appraiser denies or cancels the exemption.

Where must the rendition be filed?

Renditions for property in Ochiltree County Appraisal District must be filed with OCAD. The mailing address for the rendition forms is Ochiltree County Appraisal District, 825 S. Main, Suite 100, Perryton, Tx. 79070. If your property is appraised by two or more appraisal districts, you must file renditions before the deadline with both districts.

Can I file electronically?

Yes, you can file electronically. In order to file electronically, contact Terry Symons at ocadappr@ptsi.net. Or 806-435-9623.

What will the appraisal district do with my rendition?

Your rendition will be analyzed and used, along with other information we collect on similar businesses, to develop an estimate of value for your property.

Is my information confidential?

Yes. Information contained in a rendition cannot be disclosed to third parties except in very limited circumstances. In addition, the code specifically provides that any estimate of value you provide is not admissible in proceedings other than a protest to the ARB or court proceedings related to penalties for failure to render. The final value we place on your property is public information, but your rendition is not.

What do I have to file if my personal property is valued at less than \$ 20,000?

Unless your total business personal property assets are valued at less than \$500, you will have to file at least the general rendition form. However, you will only be required to fill out a short table generally describing your assets and giving their location.

What information is required for the rendition?

Depending on the type of property you own and its value, you can expect to provide the following information:

Location

You will need to give the address where the property was located on January 1. If the property was in transit on January 1 or is regularly used in more than one location you should provide additional information about the property's normal location and circumstances on January 1.

General description

A general description should give enough information to identify the property and distinguish it from other items that you own. At minimum, you should identify the major categories of personal property assets that you own, using the same terminology you would use in reporting to the Internal Revenue Service. You have the option of providing an itemized listing of the various assets in any category. For vehicles, you will need to provide the plate and VIN number, as well as the year, make, and model.

Quantity of items

If you own an inventory of items that you hold for sale or rental, you will need to provide an estimate of the quantity of each type of item that you hold in inventory. Again, you can provide an itemized list if you prefer for any category.

Good faith estimate of market value

The appraisal district will estimate the market value of your inventory on the basis of your rendition and other information in its possession. Under the new rendition law, you must provide for either a good faith estimate of the market value of your items or the historical cost and acquisition date (discussed below) of the items. If you choose to give a market value estimate, you should be aware that there are several different definitions of market value that may apply. For items other than inventory, market value is defined as follows:

“Market Value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- (A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- (B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- (C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other. (Sec. 1.04, Texas Tax Code)

For inventory, market value is defined by the tax code as “the price for which it would sell as a unit to a purchaser who would continue the business.” (Sec. 23.12, Texas Tax Code)

If your business has 50 or fewer employees you may base your estimate of value on federal income tax depreciation schedules. You will need to be prepared to defend your estimate and explain how it was developed.

Original cost

Instead of providing a good faith estimate of market value, you may provide the original cost and date you acquired the property. Original cost (the code uses the term “historical cost when new”) refers to the amount you paid to acquire the property. Your cost would include transportation and any other necessary expenses incurred in acquiring the property. If you purchased a used item, you should note on the form that you purchased it used and give the amount you paid.

Date of acquisition

Date of acquisition is simply the date you bought or acquired ownership of the property.

How should I estimate market value?

Publications that provide value information on assets are helpful tools in estimating market value. For example, there are numerous publications on vehicles and computer equipment that provides a range of value information for these assets. If you choose to use published value information, you must use a value that would reflect the assets worth near January 1st. Developing an estimated useful life and replacement cost of an asset is

another method of estimating market value. Divide the actual age of the asset by the estimated useful life in order to calculate the depreciation for the asset. Multiply the depreciation percentage by the replacement cost to estimate an amount of depreciation. Subtract the amount of depreciation from the replacement cost to arrive at an estimate of market value.

How should I determine original cost?

To determine original cost, you need to refer to your accounting records such as, original journal entries and account ledgers. Use original purchase documents, such as invoices or purchase orders to determine the original cost of the asset. You need to add all cost that is attributed to getting the asset functioning, such as freight and set-up cost.

What are the penalties for failure to comply?

There are two levels of penalties for failure to comply. If you fail to file your rendition before the deadline or you do not file it at all, the penalty is equal to 10% of the amount of taxes ultimately imposed on the property. If a court determines that you have committed fraud or done other acts with the intent of evading taxes on the property, a penalty equal to 50% of the taxes ultimately imposed on the property will be levied. The appraisal district imposes and collects this penalty. It will not appear on your tax bill.

If I can't file on time, what should I do?

The law provides for two extensions of time. If you make the request in writing before the deadline, the chief appraiser must automatically extend your deadline to May 15. If you provide good cause and need a little extra time, the chief appraiser has the discretion to further extend the deadline to May 30.

How do I find out whether the appraisal district received my rendition on time?

Call the appraisal district at (806-435-9623).

What are my rights if a penalty is assessed against me?

If a penalty is assessed against you, you can file a request for a waiver of penalty. You must file the request in writing with the chief appraiser within 30 days after you receive the notice that the penalty has been imposed. Your request must include documentation showing that either you substantially complied with the rendition law or that you made a good faith effort to do so. The documentation should also address:

- (1) your compliance history with respect to paying taxes and filing statements or reports;
- (2) the type, nature, and taxability of the specific property involved;
- (3) the type, nature, size, and sophistication of your business;
- (4) the completeness of your records;
- (5) your reliance on advice provided by the appraisal district that may have contributed to your failure to comply and the imposition of the penalty;
- (6) any other factors that may have caused you to fail to timely file a statement or report.

The chief appraiser is required by law to consider these factors and notify you in writing. If the chief appraiser declines to waive a penalty and you have made a timely request for waiver, you may protest the imposition of the penalty to the appraisal review board. The

board may waive the penalty if it finds that you substantially complied with the rendition law or made a good faith effort to do so.

When can the chief appraiser request an explanatory statement from me?

If you provide a good faith estimate of market value instead of original cost and instead of original cost and acquisition date for any items, the chief appraiser may request an explanatory statement from you. The chief appraiser must make the request in writing, and you must provide the statement within 20 days of the date you receive the chief appraiser's request.

What must I include in an explanatory statement?

The explanatory statement must set out a detailed explanation of the basis for the estimate(s) of market value given in your rendition. The statement must include adequate information to identify the property. It must describe the physical and economic characteristics of the property that are relevant to its market value. It must give the source(s) of information used in valuing the property, and explain the basis for the value estimate.

What happens if I don't file my statement on time?

If you don't file your statement on time, a penalty equal to 10% of the amount of taxes on the property will be imposed. There is also a 50% penalty if a court finds you engaged in fraud or other actions with intent to evade taxes. You have the same waiver and appeal rights discussed above.

What if the appraisal district values my property at a higher amount than what I render?

You may file a protest with the appraisal review board.

If I can't file by the extension deadline, what should I do?

You should file your rendition as soon as you can, and include with it a request for waiver of penalty and explanation of your reasons for missing the deadline as described above. If you receive a notice from the chief appraiser regarding the imposition of a penalty, be sure to file the request for waiver within 30 days of the date you receive it.

For more information, contact the Ochiltree County Appraisal District at (806) 435-9623.