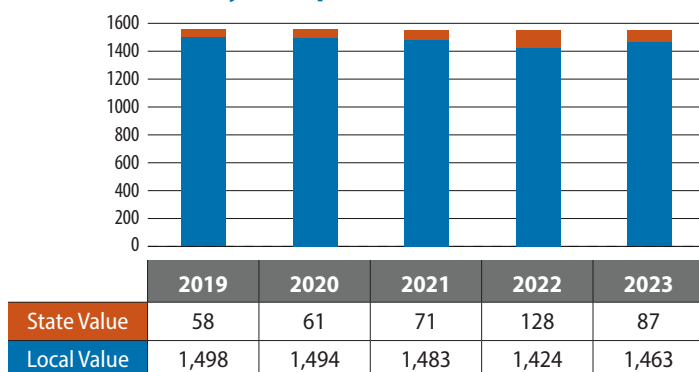


School District Property Value Study

Government Code Section 403.302

The School District Property Value Study (SDPVS) is an independent ratio study in which the Comptroller's office evaluates whether local appraisal districts appraise property at market value and certifies its findings to the Texas Education Agency's commissioner of education (TEA). It is a statutory requirement to ensure uniformity in local property appraisal, equity among taxpayers in the burden of school district taxes and equity among school districts in the distribution of state financial aid for public education.

Certified Value by ISD Split, 2019-2023



Local Value

Local value is the value as determined by the local appraisal district, less deductions required by law. The Comptroller's office reports local values to the commissioner of education for school districts when local values are representative of market value. The Comptroller's office also reports local value for school districts that are in the grace period, have local values above market value or were not studied.

State Value

State value is the Comptroller's estimate of market value less deductions described by law. The Comptroller's office reports state values to the commissioner of education for school districts that have local values that are significantly below market value and are not eligible for the grace period.

The commissioner of education uses the state value to ensure that an appraisal district's error in underestimating its total tax base does not result in inequitable funding of public schools.

Note: The state does not have a similar mechanism to make up for lost tax rate compression due to locally unrecognized property value growth.

Grace Period

The grace period is a two-year period during which state law allows the Comptroller's office to certify local value to the commissioner of education, even though the school district's property values are not representative of market value.

The grace period is a temporary mechanism wherein the state will make up the loss of local funding due to below-market values for two years. Otherwise, state funding must be based on market value to ensure equitable state aid for all school districts.

Margin of Error

The SDPVS margin of error (MOE) reflects the accuracy of the study. It measures uncertainty in using a representative sample of properties to estimate a tax base. PTAD selects enough sample properties to establish an MOE of 5%, when practicable. A higher MOE occurs when a sample has less data points and indicates less confidence in the accuracy of the state value.



The MOE does not change the statutory requirement that appraisal districts appraise property at market value or as otherwise required by law (e.g., special valuation for agricultural land).

Confidence Interval

The confidence interval is a range of values that includes true market value. Local values are statistically valid if they fall within an acceptable range of the state value, typically 95% to 105% of state value. Local values that are too low and outside of the confidence interval are not representative of market value and instead the state value will be reported to TEA.



If local value fails anywhere in the range of the confidence interval, it likely represents market value and is valid. If local value is below the lower limit of the confidence interval, it is not representative of market value and is invalid.

How does the SDPVS affect school districts?

Texas funds public education through state and local funds. Texas bases the state's portion of school funding on the total taxable property value within each school district, as determined by the SDPVS. The Education Code describes how TEA uses the SDPVS findings in the school funding formula to determine the amount of state aid each school district will receive.

Do SDPVS findings affect a school district's local property values?

No. PTAD does not assign local values and does not have the authority to require appraisal districts to change local values. Texas law requires appraisal districts to appraise property at market value as of Jan. 1.

The SDPVS studies values the year after appraisal districts certify their appraisal rolls to the taxing units and the taxing units adopt tax rates and collect taxes for that year.

What makes a school district eligible for a grace period?

School districts are eligible for a grace period if:

- the local value is invalid and does not exceed the state value in the current SDPVS year;
- the local value was valid in the two preceding SDPVS years;
- the aggregate local value of all studied categories is not less than 90 percent of the lower limit of the confidence interval in the current SDPVS year; and
- the appraisal district that appraises property for the school district was found in compliance during the most recent Methods and Assistance Program review.

What happens if a school district receives consecutive invalid findings?

If a school district receives invalid SDPVS findings for three consecutive years, Government Code Section 403.302(k-1) requires the Comptroller's office to conduct a targeted review of the appraisal district that appraises property for that school district. This review seeks to determine why a school district's values are statistically invalid and provides recommendations for improvement to the appraisal district regarding appraisal standards, procedures and methodologies.

For more information, visit our website:

comptroller.texas.gov/taxes/property-tax

Texas Comptroller of Public Accounts
Publication #98-1059
February 2025