

REAL PROPERTY INVENTORY

Developers of residential real property have the opportunity of having developed unsold residential property held on January 1 of each year appraised at a special valuation as provided by the Texas Property Tax Code §23.12. Below are the guidelines for qualification of Residential Real Property Inventory, as found in §9.4013 of the Texas Property Tax Laws.

The appraisal district establishes these procedures for the equitable and uniform appraisal of inventory for taxation. The procedures are published on the district's website and show one procedure is used for the determination of the quantity of property held in inventory without regard to the kind, nature, or character of the property comprising the inventory.

Market value is determined by applying generally accepted appraisal techniques.

Residential real property inventory is one or more platted lots or tracts, and improvements, if any, meeting the following criteria:

- (1) they are under the same ownership.
- (2) they are contiguous to one another or are located in the same subdivision of development;
- (3) they are held for sale in the ordinary course of business;
- (4) they are subject to zoning restrictions limiting them to residential use, or, if not subject to Zoning, they are:
 - (A) subject to enforceable deed restrictions limiting them to residential use; or
 - (B) their highest and best use is as residential property;
- (5) they have never been occupied for residential purposes; and
- (6) they are not presently leased or producing income.

A residential real property inventory shall be appraised as a unit at the price for which it would transfer to another person continuing the business, using generally accepted techniques for the appraisal of subdivisions and similar properties.

An annual application completed and returned to the Appraisal District by April 15 of each year is required.

Property held in inventory will be assessed at market value, then discounted in relation to whether the property has utilities, ingress/egress, roads, etc.

Inventory will be appraised as follows:

- | | |
|----|------------------------------|
| O1 | 80% of Market = 20% Discount |
| O2 | 75% of Market = 25% Discount |
| O3 | 60% of Market = 40% Discount |

Source: *Handbook of Texas Property Tax Rules* published by the State Comptroller's office §9.4013 of the Texas Property Tax Laws).

Source Note: The provisions of this §9.4013 adopted to be effective August 22, 1988, 13 TexReg 3877; transferred effective November 26, 1991, as published in the Texas Register September 18, 1992, 17 TexReg 6481