

LET'S DISCOVER "AEGIS" FOR ALL TEXANS.
PASS IT ON TO THE 80TH TEXAS LEGISLATURE.
Equal Triangle: Fair Money; Action Acts; Equity For All.
Uniform Triangle: Taxpayers; Constitution; Taxing Units.

*LOOKING TO THE STARS OVER TEXAS *
2007

What is "FAIR MONEY" ? Fair money is money paid for government services on an equal & uniform basis not sky high fees for certain groups of Texans & bargain basement or no cost fees for other groups ! Public Education and other government services are not free. Fair money fees for all Texans and various visitor groups teach many important lessons to both the spenders and the providers of both "fair money" and "unequal money" in regards to the ways each individual share is calculated.

One vitally important interrogatory question for all Texans and all visitor groups is what happens when a large group of, let's say, deer whose group grows larger and larger until the Texas native pasture is eaten up and no food is left?

Let's consider an innovation in regards to school funding that in reality will be a worthwhile endeavor for all Texans and all visitor groups. Parents and students who pay fees to schools will be motivated to get a better education and the schools performance and accountability will be enhanced.

"Nuts & Bolts"

Step 1: Establish; "Hearts of Texans School Equalization Fund" [HEART] with various levels of yearly tax deductible contributions from individuals and the business universe. Create a very special place of Honor in the Capitol Rotunda for certain levels of yearly contributions with a nearby public computer lock boxed on the complete up to date Honor Roll. Create an outstanding web site to honor all levels of contributions in a virtual reality time frame that can be viewed all across the great State of Texas.

Step 2: Establish; 2 cents of State Sales Tax Locked Boxed for HEART and broaden the base. Current reports using the present base from the Governor's Office and the Texas Comptroller put the yield of one penny at 2.5 billion. In 2005 the school property tax levy was about 20 billion therefore 2 cents would provide 5 billion that would translate into a 25% school levy reduction for all school taxpayers.

Step 3: Single IRS filers and joint IRS filers without any students in public schools or charter schools shall contribute a one fee amount yearly to HEART. Over 65 Texans shall be exempt. In lieu of dollars, any person may provide service to any school to make their contribution and receive a voucher for that service to provide to the Comptroller. The Comptroller shall oversee HEART contributions and school service in kind vouchers by all legal means.

Step 4: Each student in public school or charter school shall contribute one fee to their school directly with no transfer to the HEART Fund Assets in the care of the Texas Comptroller. Each school will have the student contribution to wisely use at any time a need arises and the Comptroller shall calculate the HEART fund yearly distributions to each school taking into account the total number of students actually in school on October 1 of that year. The Comptroller shall make yearly distributions of 99% of HEART assets in the month of December. Schools shall provide service in kind fee payments at the requests of a parent or student. After school tax rates are set by schools, their tax assessor/collectors shall reduce the school tax rate to a revenue neutral result in regards to the HEART distribution.

Step 5: Establish a property improvement abatement that any property owner can buy for a one time payment of the then current state sales tax rate on the total abatement amount with a 10 year abatement or until the property changes hands. The abatement amount upper level shall be 20% of the then current market value established by the county appraisal district. Only one abatement may be in force on a given property at any time. Abatement proceeds shall be locked box for the HEART fund. Consider a one time fee of 1% for new construction? Again, the new construction fee shall be lock boxed for the HEART fund.

What are the "Action Acts" ? These "Action Acts" are proposed law changes !

An Act 1: Increase state sales tax from 6.25 to 8.25 & broaden the base with the 2 pennies lock boxed for schools which would enable a 25% reduction of school property taxes for all Texans per data from the Governor's office & the Comptroller. Some sales tax items could be phased out but now is the time to rethink the standard argument: "Sales tax eats up 3.7% of their [poor] income; the richest pay just 0.6% of their income in sales tax." VAST MIDDLE ?

An Act 2: Enact a single unified Texas Home Appraisal Manual that binds under penalty of law appraisal districts and their individual non fee appraisers to adhere to that official state manual in all aspects. Enact a Texas unified home

"SELF CHECK" report form.

An Act 3: Enact into the section of the law [Sec. 5.04] dealing with training and education of CAD appraisers, that non-appraisal district or non taxing unit training and education shall be completed and passed before in house CAD indoctrination is undertaken. The non in house education and training would mirror the requirements for fee appraisers.

**An Act 4: Enact in Sec. 5.041 Training of Appraisal Review Board Members
All non-comptroller ARB education and training shall not be conducted by an appraisal district or by a taxing unit or by the Texas Association of Appraisal Districts.**

**An Act 5: Enact in Sec. 6.03 Board of Directors
Add: Two Directors shall be elected in a general public election and the Public Representative Directors shall, via the internet or other means, make at least a quarterly report on how the CAD is functioning as to taxpayers that can reasonable be reviewed by citizens of that County. The present taxing unit selected directors status remains status quo.**

**An Act 6: Enact in Sec. 43.01 Authority to Bring Suit
Add to Taxing Units Authority, single taxpayers or group of taxpayers that can bring suit.**

An Act 7: Enact in Sec. 41A.01 to allow all Nine Taxpayer Protest Rights [Sec. 41.41] to go to Binding Arbitration. Like the American Spirit of Fairness Chief Appraiser of HCAD, Jim Robinson, awards fairness to Shell Oil Company inside the Houston Chronicle story: "Mayor gives oil Taxes a Lube Job"? Have Taxpayers been "SKEWED & LUBED" for years?

**An Act 8: Enact revisions of Property Tax Code Sec. 41.47 (e) and Subchapter B.
Sec. 42.21(A) to establish Small Claims Court Tax Appeal. Just as Chief Appraiser, Jim Robinson, Awards Fairness to Shell Oil, Taxpayers shall have the same constitutional rights to trial by Jury as Valero Oil vigorously exercises in a cost effective manner for Valero.**

An Act 9: Enact on all Taxing Unit's a 4% effective tax rate and it shall be on the ballot without any signature requirements.

An Act 10: Enact to prohibit or remove any present or former public official from a taxing unit or any person who may directly or indirectly profit from increased property values from serving on the Appraisal Review Board OR the Board of Directors of an Appraisal District. Examples: Real Estate Agents, Title Company Employees, Insurance Agents, or any other person with a conflict of interest or the Appearance of a Conflict of Interest.

An Act 11: Enact to change appraisal cycle from once in three years at the option of the Chief Appraiser to only once in two years and divide accounts by neighborhoods or some other fair way for reappraisal every other year. CAD appraisers should do much better work with only half of the accounts to reappraise in a year with the other half of the accounts remaining status quo until their turn for reappraisal for the following year. Protests would therefore be cut in half each year, lawsuits also would be cut in half, and Taxpayers' time, dollar costs, and all other kinds of costs to the taxpayers would be greatly reduced.

The cap limitations do not accumulate - nor should it be interpreted as 20%, once every two years.

An Act 12: Enact an innovative Texas Disclosure of Sales Transactions Law. Establish a 1% fee on the adjusted fair market value of any change of hands transaction of any kind. However, the buyer shall have the option to a standard 10% reduction of sales price or a ARB Hearing to prove in that individual transaction the facts warrant a higher deduction.

First however remember: The resulting adjusted sale price may or may not be fair market value. See: pages 35 & 36 IAAO Red Book. [Comptroller approved]

Second: Mass appraisal under Texas Law [USPAP] must be done via a single recalibrated model that is used for both non-selling and sold property in the same manner.

An Act 13: Enact "Earned Appraisal Cap Credit". What is and why should "Earned Appraisal Cap credit" be established? Homeowner sells his home with a market value of \$200,000 in a year when the owner had a \$150,000 taxable cap. The owner is entitled to a Texas Portable Earned Appraisal Cap credit voucher of \$50,000 from his

current appraisal district. In the same year or later that owner may file the credit voucher with the proper appraisal district and that appraisal district shall reduce the Taxable Value of the newly bought home by the owner's credit voucher amount.

"Jump start the Economy" don't "Choke or Starve to Death the Economy."

An Act 14: Enact an elected Chief Appraiser
Meet Leonard Sullivan elected in Oklahoma
www.oklahomacounty.org/assessor/meetleonard.htm

An Act 15: Enact Initiative and Referendum.
An Act 16: Enact total exemption for 100% Disabled Veterans.
An Act 17: Enact a Texas Taxpayer Bill of Rights.
An Act 18: Enact a 3% cap on Homesteads that does not accumulate.
An Act 19: Enact a 5% cap on all other Real Property that does not accumulate.

An Act 20: Enact into Law "Let's take one simple step to IMPROVE EQUITY in the property value study and the protesting of individual unequal appraisal TO MAKE IT WORKABLE AND UNDERSTANDABLE! In the tax code require any sale used in any equity ratio study to be computed USING THE APPRAISAL MARKET VALUE ON THE SALE JUST PRIOR TO THE SALE WHERE THE APPRAISER HAS NO KNOWLEDGE OF THE SALE PRICE. In short, no retrospective appraisals are allowed on any equity ratio study!

Let's lay one other cornerstone of equitable appraisal by putting into Law: The CAD's SHALL provide ALL SALES they have any knowledge of in their district to the State P.T.D!"

An Act 21: Enact a law that all legal opinions on tax matters shall be made only by the Attorney General.

An Act 22: Enact a law that all Board of Directors Meetings and Appraisal Review Boards Meetings shall be open to public comment during the entire meetings.

An Act 23: Enact a law that will allow, seek, and invite the business world to pay for all types of school buildings and activities, thereby the business world shall be compensated thru on and off campus advertisement and the very important public recognition and patronage.

Equity for All

"No greater asset accrues to the appraiser than uniformity in appraisal. Nothing so discourages complaint. On the other hand, from the standpoint of the public, nothing so stimulates resentment, revolution, and rebellion as a feeling of discrimination or favoritism in taxation. The greatest asset of merchant, manufacturer or real estate owner is his sense of security in the enjoyment of equality of appraisement with his neighbor."

UNIFORMITY TRIANGLE The Texas Constitution Article 8 - TAXATION AND REVENUE

Section 20 - FAIR CASH MARKET VALUE NOT TO BE EXCEEDED; DISCOUNTS FOR ADVANCE PAYMENT

"No property of any kind in this State shall ever be assessed for ad valorem taxes at a greater value than its fair cash market value nor shall any Board of Equalization of any government or political subdivision or taxing district within this State fix the value of any property for tax purposes at more than its fair cash market value"

Various kinds of Government for various reasons have been given a free pass in regards to Article 8 - Section 20. Governmental spenders have pushed and propelled the median of Texas property values to 100 which means about 50% of all Texans are being taxed unconstitutionally period. Establish real discounts for advance payment of taxes !

IT'S TIME FOR CHANGE! TEXAS ONE AND INDIVISIBLE *
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STATE OF TEXAS
OFFICE OF THE GOVERNOR

GEORGE W. BUSH
GOVERNOR

November 15, 1995

Coach Dan Hart
71 Hibury Drive
Houston, Texas 77024

Dear Dan:

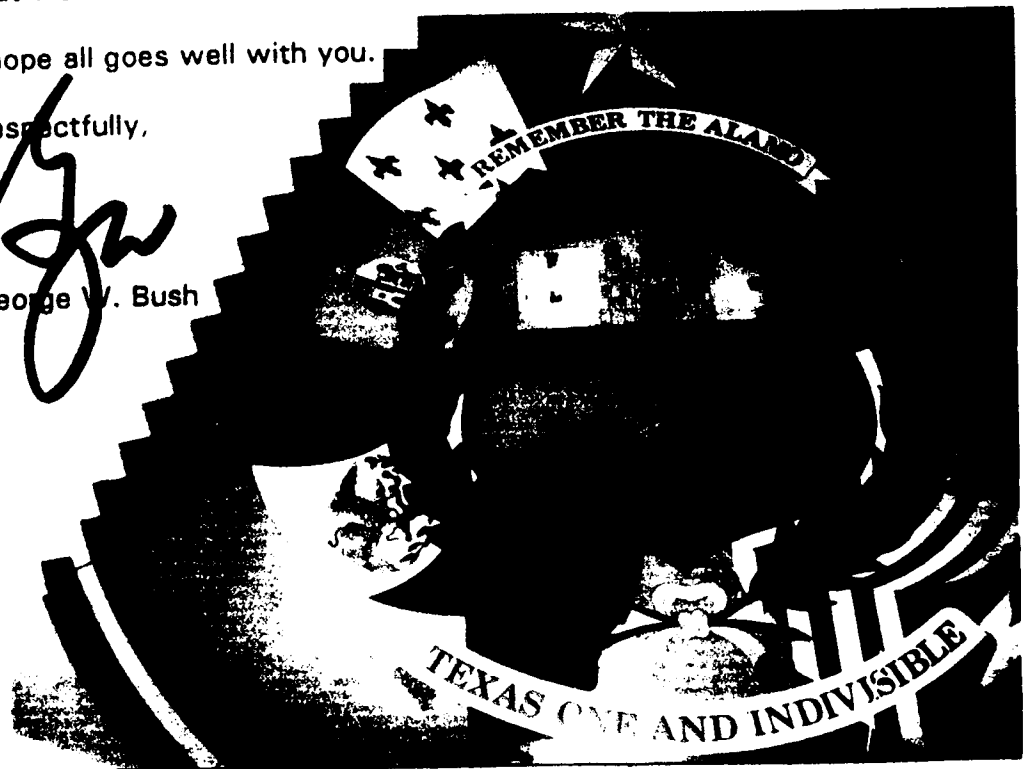
Thank you very much for your letters and information. Like yourself, I am concerned about property taxes.

Vance tells me that he hears from you often. If all your calls are not answered, you should not take that as an indication that we are not interested in what you feel.

I hope all goes well with you.

Respectfully,


George W. Bush



90%

Statewide Median Appraisal Ratios 1985 through 1996 Property Value Studies

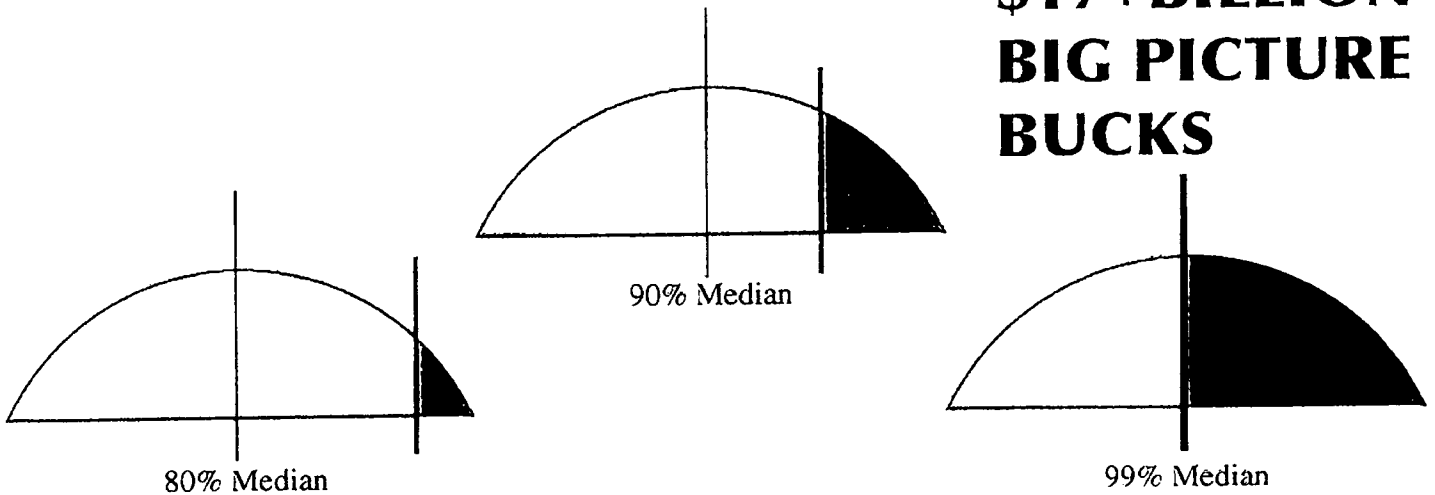
100%

PROPERTY CATEGORY	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
OVERALL	<u>.90</u>	.93	.95	.96	.97	.99	.99	.99	.99	.99	<u>1.00</u>	.99

TAXPAYER PAYS FOR MEDIAN HIGHER & HIGHER

RED LINE = CONSTITUTIONAL 100% LIMIT

\$ \$ \$ \$
**\$17+BILLION
BIG PICTURE
BUCKS**



1. What happens to taxpayers when CADs shoot for higher and higher medians?
2. Why do schools “desire” higher medians?
3. Does state protest process promote equity for taxpayers or CADs/ISDs?
4. Do you know how a taxpayer may protest?

WHO IS SKEWED?

The International Association of Assessing Officers:

“The median is the midpoint or middle ratio when the ratios are arrayed in order of magnitude. It divides the ratios into two equal groups.”
“Normal distribution is characterized by a symmetrical bell-shaped curve -- nonnormal distributions are skewed either to the left or the right of the median.”