

**Texas House of Representatives
Business & Industry Committee
Hearing on HB 1036 by Rep. Michelle Beckley
April 2, 2019**

Hearing video:

http://tlchouse.granicus.com/MediaPlayer.php?view_id=44&clip_id=16872

HB 1036 was taken up at 1:05:30 on the video

Marya Crigler 2:29 on video

My name is Marya Crigler. I'm chief appraiser for Travis Central Appraisal District and I'm here for the bill. To give you a little background in addition to being the chief appraiser I was also director of IT. So I come from a very data-driven perspective. And any time I can have additional data to help refine my models, to make them more accurate, I welcome the additional data. In Travis County we have the unique pleasure of being sued by our city because of our commercial values in the city, and effecting a challenge for the level of commercial properties was under-appraised. In going through that it was both a blessing and a curse, but I like to look at the bright side and it was a blessing in that I was able to go back to my taxing entities and ask them for additional funding to help the appraisal district purchase the tools that we would need in order to ensure we were doing the best job possible and the most accurate job possible for both residential and commercial properties. We went back and asked for a 20 percent increase in our total budget. It was almost 2-1/2 million dollars to help fund us both for the research effort we needed to do to access the data but also to help us fund for litigation moving forward because we had no reserves for litigation. We typically on an average year in combined cost for us to do the research for picking up a phone, from going out and visiting various locations, the subscriptions that we purchased, the data mining we purchased. We actually go out and hire experts, so we hired people to produce the appraisals for us so that we can test them and balance our models and also gather data from the appraisals. We spend about a million and a half dollars every year getting the data we need to appropriately appraise our properties, both commercial and residential.

Chair Rep. Trey Martinez Fischer: In previous testimony you may have overheard one of the suggestions was for appraisal districts to go out and buy that information or to use consultants. And you're saying you're spending \$2.5 million?

At 2:31 on the video

Crigler: we spend about a million and a half a year in Travis Central Appraisal District. **We do not, we have never had access to MLS data. Our Board of Realtors does not give that access to our appraisal district.** In talking to other appraisal districts across the state, more and more frequently they are losing access to that data.

Martinez Fischer: What do you mean by losing access?

Crigler: **They refused to sell us a subscription. We don't have access to MLS data. We do not subscribe to their database, so**

Martinez Fischer: there was witness testimony previous to you that indicated if you spend the money you can get data, there are various third-party commercial means to access data, and you're saying that MLS data, that you cannot contract for it?

Crigler: **We cannot.**

Martinez Fischer: Have you tried?

Crigler: **Yes. We tried for 30 years.**

Martinez Fischer: what's the response?

Crigler: No.

Martinez Fischer: **Are there any third parties that have access to MLS data that you might be able to contract with?**

Crigler: **Yes, and we pay for it and it can be pretty expensive for us to get other access to the data.**

Martinez Fischer: That's in addition to the \$1.5 million you're spending?

Crigler: No that's included within the \$1.5 million.

Martinez Fischer: **And have you ever had any occasion when you've engaged in those kinds of contracts, that third party loses access to the MLS service?**

Crigler: Yes, we've also had relative to commercial, there were some parties we would subscribe to, to get data from them that we used to update our models and once it was known they were selling a subscription to the appraisal district they cut us off. They told us we can't give you the data anymore because the other clients will refuse to give us the data we need to produce our surveys if we continue to provide the data to you.

Martinez Fischer: just so I'm clear, on the one hand you have a set of guardrails at the comptroller's office that provides dos and don'ts. You have a plus or minus 5 percent to get it right or wrong. You're balancing that out. On the other end of and you're sued by the City of Austin because they believe you're not appraising accurately. But if you're under-appraising which means there's a loss of revenue somewhere. So you have to deal

with that and the lawsuits and you don't get represented for free I would imagine.

Crigler: no it's all in the district's budget.

Martinez Fischer: You're trying to say, just by way of background for the rest of the committee, is it fair to say your testimony has been pretty valuable, in the Ways & Means in both the House and the Senate, as it relates to the appraisal reform and visibility piece that we're working on.

Crigler: Yes.

Martinez Fischer: Not to put words in your mouth but I've heard folks refer to you specifically as the gold standard when it comes to the appraisal district you operate.

Crigler: We hope to be.

Martinez Fischer: and with those accolades and accomplishments aside, you still are systemically under review by the comptroller's office for missing the audit number and probably are subjected to almost annual audits. Is that fair?

Crigler: we have actually have passed the comptroller study. In any given year that the city of Austin challenged us, we did pass our comptroller's study. But I would say that whenever we get the study results back we get the data that they used, we always go through that with a fine-toothed comb. We're looking at what are they're using, where did they get their samples at. What is the data that they have that used to do a study that they did for us? And for the most part the data that they're using to do a study on me is data we provided to them. We have to as part of our annual submission to the comptroller, we have to give them an electronic property tax submission of all transactions that we've had, every deed transaction that we've had in the county, every sales price that we have associated with those properties. The comptroller does get some data we may not have but it's not ever a significant amount. For the most part I'm studied on the data that I'm providing to the comptroller.

Martinez Fischer: do you believe you have all the tools in your toolbox to access that information that Representative Beckley seeks to provide in her bill?

2:36:10

Crigler: No. I can't get to that. If I had another \$2 million I might be able to get to it and if I had more time. Again, a lot of what we do in terms of the data research takes time to do it, but I've got an appraisal cycle and I have a limited amount of time in which I can do that research. We're always struggling with the time resource issue, do I have enough resources to do the research that I need or purchase the resource that I need.

2:36:44

Rep. Hugh Shine: Appreciate you being here, appreciate your work. Is there a disconnect with some of the entities you have to work with that maybe adds to this cost and problem that you have in compiling this data and information?

Crigler: With our taxing entities, I would say, they sued me, and they were in a position they couldn't tell me no on my budget. They have always been very cooperative with me in getting me the resources that we need in order to get the data. We're cognizant that we're spending taxpayers dollars so we're trying not to overspend and create an additional burden on the taxing entities and ultimately the taxpayers. There's a fine line and a balance (makes juggling motion). We probably spend more than many other appraisal districts and I know some other appraisal districts that are not funded to do anything. I know they struggle with it. It is a chore for us to get the data that we need but I think that we do a pretty good job but I also pay a pretty penny to do it.

Shine: your office is pretty innovative in making that approach and we certainly appreciate that. I think it's setting a standard we can look at in many ways. We've talked a little bit about toolbox and the chair was asking questions. If you had this additional information, based on how you run your operation now, how much more would that add to what you do? Would it be appreciable? Would it be just be more helpful? Can you quantify that a little bit?

Crigler: Yeah. In fact I can quantify it for you, comparing the year before and the year after we got a lawsuit and after we were able to get the resources and the data that we need, and we had a substantial increase in commercial values because we were able to find data.

Shine: sales price data?

Crigler: they were getting both sales price data and income data. It was a variety.

Shine: How did you get that?

Crigler: Again it's the purchase of a lot of subscriptions, it is the hiring of experts,

Shine: subscriptions such as?

Crigler: subscriptions to third-party vendors that do that kind of work. CoreLogic is one that most people are familiar with but there are several others. I'm hesitant to say who because I don't want them to cut me off from getting the data. (Panelists laugh.) But there are others that we subscribe to and get the data from. Again from the year before and the year after we increased our commercial values over 20 percent across the board

and that represented almost a 5 percent shift in the property tax burden from residential to commercial. I saw the overall tax burden shift as a result of the increase in our values. I would like to say that what I do generates revenue, because I'm not about revenue, I'm about equity and putting a fair value on the property. The revenue is done on the tax rate side and while we have on our website ... but again, we did see a shift in where that burden was distributed. I believe 5 percent is substantial but I'll leave it to policymakers to decide that.

Shine: How long you been doing this?

Crigler: I have been the chief appraiser since 2011 but I've been an appraiser at the district since 1989 so going on 30 years.

Shine: thank you ma'am.

2:40:38

Martinez Fischer: anyone else want to ask a question?

Rep. Michelle Beckley: So if this bill were to go through and you had access to this data could you quantify how much time and money you would save to do your job?

Crigler: I could guesstimate I could save around a million dollars. I can say this. It would be a benefit to the other smaller and mid-size districts that don't have access to any data or are not funded to any data. One of the concerns from my constituents I hear them bring this up all the time is that your value is so high and nobody else's values are quite so much and we're paying too much in recapture, because you guys are doing too good of a job in Travis County. So hopefully if everybody had access to the same data and we're all able to get our values up, it might equalize and ease a little bit of the pressure off of our taxpayers in Travis County relative to recapture.

Beckley: Do you have any idea how much time people in your district are spending trying to collect data?

Crigler: in my office I have a staff of, just in commercial, I've got a staff of nine. It's done intermittently throughout the season because it's combined with all our other work but I would say it would probably save two to three months solid based on 40 hour week, spread throughout the year.

2:42:00 Crigler's testimony ends.

Transcription by Ken Martin, *The Austin Bulldog*