

## General Information

Smith County Appraisal District (SCAD) is responsible for appraising property for the purpose of ad valorem property tax assessment on behalf of the 24 local governing entities in Smith County. The appraisal district is a political subdivision of the State of Texas. Our duties include establishing and maintaining accurate property values for all real and business personal property. The Texas Property Tax Code is the primary source of law and guidance for the Texas property tax system.



## How often is your property appraised?

Smith CAD reviews and appraises property in the county annually. Market activity of an area plays a major role in determining updates. The January 1st assessment date establishes the point in time by which appraisals are estimated.



## How is your property valued?

The appraisal district collects detailed descriptions of each taxable property in the district. It then classifies properties according to a variety of factors such as size, use and construction type. Using comparable sales, income and/or cost data, a SCAD appraiser applies generally accepted appraisal techniques to derive a value for your property. With over 100,000 accounts to be appraised, we use mass appraisal techniques. As a consequence, sometimes we do not have all property information. So, please take a close look at your notice of appraised value and call us if you have any questions.

## What are the generally accepted appraisal techniques?

The appraisal district may use three common methods to value property: market, cost and income approaches.

**Market**—What are similar properties to this property selling for?

**Cost**—How much would it cost to replace the property with one of equal utility?

**Income**—What would an investor pay in anticipation of future income from the property?



## Why did my value change?

When an area is reviewed, value changes may occur for several reasons:

1. An adjustment due to a property change such as a change in square footage, an addition to the property, or a correction of property characteristics.
2. A value may change for equalization purposes.
3. Sales information may indicate the current appraisal is lower/higher than fair market value.



## What is fair market value?

Fair market value means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

Exposed for sale in the open market with a reasonable time for the seller to find a purchaser. Both the seller and the purchaser know 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. Both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of each other.