

Llano Central Appraisal District

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Real Property Inventory Valuation Procedures

Section 23.12 (a) of the Texas Property Tax Code states:

“The market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business. An inventory shall include residential real property which has never been occupied as a residence and is held for sale in the ordinary course of trade or business, provided that the residential real property remains unoccupied, is not leased or rented, and produces no income.”

Llano Central Appraisal District (LCAD) requires the owner, and/or the owner’s agent to complete the Rendition of Residential Real Property Inventory, Form 50-143, provided by the Comptroller of The State of Texas. A completed form is needed for each subdivision, (Ex: if you own property in different subdivisions then you will be required to complete a form for each subdivision). LCAD will need a completed form under ownership name on record as of January 1st of the current tax year. (Ex: if you own multiple properties under different ownership names we will need a completed Rendition for each ownership).

A completed Discounted Cash Flow (DCF) variable form is required. We have four different DCF forms. You will use the one that pertains to the number of lots you own. One DCF form will be sufficient for one owner. (Ex: if you have property under multiple names or subdivisions you will only fill out one DCF and the discount will be calculated as a whole). The discount rate will not exceed 15%, and the sales commission will not exceed 6%. You must list the number of lots to be sold each year. (Ex: you cannot put zeros on all years except for the last couple of years).

Evidence is required for all inventory property to be held for sale on January 1ST of the current tax year. (Ex: MLS sheet from your realtor, social media, website address, and newspaper ads, etc.).

The intention for Real Property Inventory is for Developers.

It is not the policy of LCAD to automatically grant inventory valuation(s). Since there are many variables we review on a case-by case basis.

If you have any questions please feel free to call our staff, and we will answer any questions you might have. LCAD will not complete the forms for you.

All forms required in the above procedures, and information needed to complete the Rendition can be found on our website. <http://www.llanocad.net>