

BOND VALUES and PROPERTY TAX APPRAISALS

by Mitchell Vexler

There are two deterministic requirements from which bond values are determined, credit worthiness and continuous sufficient cash flow to cover the terms of the various bond types.

With regard to credit worthiness, many taxing entities, including LISD and DISD, as shown on the presentation boards, are knowingly participating in a fraudulent scheme emanating from DCAD where hyper-inflated property values with cumulative increases year over year. These values are manufactured to meet a pre-determined budget established by the taxing entities and that pre-determined budget has nothing to do with property valuation under the terms of USPAP. By knowingly participating in the scheme, the taxing entities are hiding and misleading the facts from the public and bond buyers. Past performance is not indicative of future performance. "The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information." "No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future." (per LISD Official Statements on the \$73,220,000 Bond Raise for 2023) Clearly certain taxing entities, who knowingly participate in the scheme, lack credit worthiness.

Bond values are also predicated on sufficient cash flow to cover the terms of the various bonds. The cash flow used to cover the vast majority of bond principal and interest payments is from funding derived/charged from property owners based on property valuations, which under law, include the criteria established within USPAP. The cash flow being derived from the real estate owners is in fact not determined under USPAP or within the confines of law (Texas Property Tax Code and Texas Constitution). As a result, we know that roughly 38% of households face bankruptcy or losing their home today. If values were to go up another \$100,000 per home, at the arbitrary whim of DCAD, where is that money going to come from, as those families don't have the resources? How much additional money will need to be raised to cover for those who lost their home or went bankrupt? What happens to property values when say 30,000+ homes hit the market? What happens to the bond and mortgage values when 30,000+ homes hit the market? The taxing entities believe they can cover up their mis-management and fraud by taxing in perpetuity, created with malice intent, as their job and pensions are based on illegally taking real estate taxpayer money.

Plaintiff's analysis shows roughly \$32 Billion of bond value will vanish, as the money to cover the existing bonds does not exist today, and any additional bond money raised will require additional tax revenue to offset the carry (principal & interest payments). To stem the damages, certain taxing entities should be put into conservatorship to determine the level of insolvency. Will the \$1.34 Billion in stolen taxes be refunded to taxpayers from the inflated valuations that occurred from 2017 to 2023?

Analysis Exhibit References:

[Home Affordability 2023](#)
[Review of Certified Totals 2017-2023](#)