

**AMENDED  
REAPPRAISAL PLAN**

**2023-2024**

**SAN SABA CENTRAL  
APPRAISAL DISTRICT**

*Adopted*  
**December 14, 2022**

## **TABLE OF CONTENTS**

<b>Executive Summary</b>	Page 4-9
<b>General Information</b>	Page 10
Personnel Resources	Page 11
Staff Education	Page 11
Data Systems	Page 11
Shared Boundaries	Page 12
Independent Performance Test	Page 12-13
<b>General Appraisal Information</b>	Page 14
Appraisal Resources	Page 14
Appraisal Frequency and Methods	Page 14
Data Collection, Sources, Collection, and Maintenance	Page 14-18
<b>Individual Value Review Procedures</b>	Page 18
Field Review	Page 17
Office Review	Page 17
Performance Test	Page 17
<b>Residential Appraisal Valuation Process</b>	Page 18
Scope of Responsibility	Page 18
Appraisal Resources	Page 18
Valuation Approach	Page 18
Land Analysis	Page 18
Area Analysis	Page 18
Neighborhood and Market Analysis	Page 19
Highest and Best Use Analysis	Page 20
Valuation and Statistical Analysis	Page 20-24
Individual Value Review Procedures	Page 24
Performance Test	Page 25
<b>Commercial and Industrial Property Valuation Process</b>	Page 26
Scope of Responsibility	Page 26
Appraisal Resources	Page 26
Preliminary Analysis	Page 27
Land Value	Page 27
Area Analysis	Page 27
Neighborhood Analysis	Page 27
Highest and Best Use Analysis	Page 28
Market Analysis	Page 28
Data Collection and Validation	Page 29
Data Collection Manuals	Page 29
Sources of Data	Page 29

Valuation Analysis	Page 29
Cost Schedules	Page 29
Income Models	Page 30
Sales Comparison Approach	Page 33
Final Valuation Schedules	Page 33
Statistical and Capitalization Analysis	Page 33
Individual Value Review Procedures	Page 35
Field Review	Page 35
Office Review	Page 35
Performance Tests	Page 35
Sales Ratio Studies	Page 36
Comparative Appraisal Analysis	Page 36
<b>Business Personal Property Valuation Process</b>	Page 37
Scope of Responsibility	Page 37
Appraisal Resources	Page 37
Valuation Approach	Page 37
SIC Code Analysis	Page 37
Highest and Best Use Analysis	Page 37
Data Collection and Validation	Page 37
Valuation and Statistical Analysis	Page 38
Cost Schedules	Page 38
Statistical Analysis	Page 38
Depreciation Schedule and Trending Factors	Page 38
Computer Asstd. Personal Property Appraisal	Page 39
Individual Value Review Procedures	Page 39
Performance Tests	Page 40
<b>Rural Land Valuation Process</b>	Page 40-42
<b>Tax Calendar</b>	Page 43-50



## EXECUTIVE SUMMARY

The San Saba Central Appraisal District has prepared and published this reappraisal plan to provide our Board of Directors, citizens and taxpayers with a better understanding of the district's responsibilities and activities. This plan has several parts: a general introduction and then, several sections describing the appraisal effort by the appraisal district.

The Central Appraisal District of San Saba County (CAD) is a political subdivision of the State of Texas created January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A Board of Directors, appointed by the taxing units within the boundaries of the Central Appraisal District of San Saba County, constitutes the district's governing body. The chief appraiser, appointed by the Board of Directors, is the chief administrator of the appraisal district.

The appraisal district is responsible for local property tax appraisal and exemption administration for eight jurisdictions or taxing units in the county. Each taxing unit sets its own tax rate to generate revenue to pay for police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. The District also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation.

Real Estate in San Saba CAD is appraised by San Saba CAD appraisers, Utilities and minerals are appraised by Pritchard & Abbott, Inc. Valuation Consultants.

In this executive summary, please find the legal requirement of a reappraisal plan passed by the Texas Legislature in the 2005 regular session and our response to these requirements immediately below the law in bold italics. Intricate details of how the plan will be implemented are discussed in the body of this document.

### TAX CODE REQUIREMENT

Section 6.05, Tax Code, is amended by adding Subsection (i) to read as follows:

- (i) To ensure adherence with generally accepted appraisal practices, the Board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10<sup>th</sup> day before the date of the hearing, the secretary of the board shall deliver to

the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

## PLAN FOR PERIODIC REAPPRAISAL

Subsections (a) and (b), Section 25.18, Tax Code, are amended to read as follows:

- (a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
  - (1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;

*The San Saba Central Appraisal District receives listings of all deeds filed in San Saba County through the County Clerk. Deeds are read and abstracted by the clerical staff of the District. Information is recorded in the computer assisted mass appraisal (CAMA) software including grantor, grantee, date of recording, volume, and page in the county clerk's records. Property identification numbers are assigned to each parcel of property that remain with the property for its life.*

*Business personal property is located by canvassing the county, street by street, using data sources such as yellow pages and other business listing publications to ensure that all property owners are located. All businesses are mailed a rendition about January 1 of each year. Owners are required by state law to list all their business personal property. Failure to render results in an immediate 10% penalty and a possible 50% penalty if fraud is involved in a false rendition. Lists of commercial vehicles are also purchased annually and these vehicles are tied to appropriate business accounts.*

*Renditions are also required of utility companies, railroads, and pipelines. Utility companies, wind farms, railroads, pipelines and minerals are valued by Pritchard & Abbott, Inc., a professional appraisal company headquartered in Fort Worth.*

*Maps have been developed for years that show ownership lines for all real estate. These maps are stored digitally using software provided by BIS. The updates of property splits indicated by deeds and surveys are done by BIS. The maps are available to the public through the website of the District.*

- (2) Identifying and updating relevant characteristics of each property in the appraisal records;

*For 2023, all of the parcels in the Cherokee ISD area will be updated by personal inspection. The appraisers drive to neighborhoods within the towns and rural areas of*

*San Saba County and gather data about each home, commercial business, or vacant land tract in the designated area. The appraisers drive from property to property noting the condition of the property and observing and noting any changes to the property since the previous year's inspection. Pictures are captured regularly. Those pictures are stored in the CAMA software and assist the appraiser in making value decisions when he or she returns to the office. Other data stored in the CAMA system includes an exterior sketch of the improvement which allows the computer system to calculate square footage for the various areas of the building, and components within the building such as bathrooms, fireplaces, air conditioning, type of roof, type of exterior, etc. Richland Spring ISD area will be inspected in 2024 and San Saba ISD area will be inspected in 2025 using the same process as noted above.*

(3) Defining market areas in the district:

*Annually, the chief appraiser combines similar types of property into "neighborhoods". These neighborhoods have improvements that are of similar construction and type as well as similar years of construction. Market sales are examined to confirm which areas are similar.*

*Land is also put into regions or neighborhoods with other parcels having similar characteristics, school districts, and amenities. Using these neighborhoods, values are applied to all parcels. The formula takes into consideration location, size, topography, and other characteristics that the market recognizes as significant.*

(4) Identifying property characteristics that affect property value in each market area, including:

- (A) The location and market area of the property;
- (B) Physical attributes of property, such as size, age, and condition;
- (C) Legal and economic attributes; and
- (D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

*Each parcel of property has detailed information recorded in the CAMA system. For land, the legal description, dimensions, size, available utilities, and special characteristics are noted in a form that can be used and compared with other land parcels.*

*Each improvement shows the sketch and dimensions, a picture of the improvement, the class which indicated original construction quality, the year of construction of each part of the improvement, the type of roof, the roof covering, the exterior covering of the improvement, number of baths if available, fireplaces, air conditioning type, and other attributes, as well as overall condition of the improvement.*

(5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;

*The CAMA system begins with the cost approach to value to estimate original cost of each improvement. That cost is based on local modifiers to the Marshall-Swift*

cost system, a nationally recognized cost estimation provider. By utilizing these cost systems, properties are equalized as to their original costs. Components measured in the cost include the size of the structure, number of bathroom fixtures, quality of kitchen appliances and number of built-in appliances, type of roof structure, roof covering, exterior covering, special features such as fireplaces, pools, cabinetry and other special amenities. The market sales are then studied for improvement contributions in each neighborhood and adjustments to cost are applied to each neighborhood in the form of all types of depreciation. Finally, each structure is rated as to its current condition. Ratings range from poor to excellent. Sales are also categorized using the same condition rating system so that sales comparisons will be made to properties of like construction and condition.

Utilities, railroads and pipelines are individually appraised using the three approaches to value. The appraisal is a "unit appraisal" that looks at the entire company to be appraised, value is based on original cost less depreciation, net income to the company, and comparable sales if they exist. Then the value for each jurisdiction is set based on the amount of equipment, lines, or customers, within that jurisdiction.

(6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and

By utilizing sales data for each neighborhood, the appraiser measures accrued depreciation of structures by condition rating. Similar properties with similar condition are assigned values per square foot based on the linear regression formula for that neighborhood. By utilizing the age, quality, condition, construction components, and other variables, the model is developed and applied to all parcels within the neighborhood.

For commercial property and apartments, factors are applied to cost figures to align values with current sales data. Models are developed and the CAMA system applies all the factors and assigns value to each parcel.

(7) Reviewing the appraisal results to determine value.

After completing the process of assigning values to all parcels within a neighborhood using the computer assisted mass appraisal programs, printouts are run to make comparisons of values per square foot and comparison of those appraised values per square foot with current sales data from the neighborhood. A sales ratio is run to determine if the values that have been assigned are within required ratios of law (95%-105%).

Commercial property and apartments are compared by category or type of business. Adjustments are made in mass by the appraiser utilizing the CAMA system. All similar improvements are compared to verify reasonableness of value and equality.



*The Central Appraisal District of San Saba County, by policy, reviews all property in the district every year. Inspections are done at least once every three years.*

*San Saba ISD area will be re-inspected in 2022. Cherokee ISD area will be re-inspected in 2023. Richland Springs ISD area will be re-inspected in 2024.*

# San Saba Central Appraisal District

## Reappraisal Plan Details

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### INTRODUCTION

#### *Scope of Responsibility*

Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its “market value” as of January 1<sup>st</sup>. Under the tax code, “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 buyer know of 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, and;
- both the seller and buyer seek to maximize their gain and neither is in a position to take advantage of the exigencies of the other.

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1<sup>st</sup> of the year preceding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1<sup>st</sup>.

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district’s current policy is to conduct a general reappraisal of taxable property every year. Appraised values are reviewed annually and are subject to change. Business personal properties, minerals and utility properties are appraised every year.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal programs, and recognized appraisal methods and techniques, information is compared with the data for similar properties, and with recent cost and market data. The district follows the standards of

the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures and subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable.

### ***Personnel Resources***

The Chief Appraiser is primarily responsible for overall planning, organizing, coordinating, and controlling of district operations. The appraisers are responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, and business personal. The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation. Support functions including records maintenance, information and assistance to property owners, and the conducting of ARB hearings coordinated by office personnel.

The appraisal district staff consists of 3 employees with the following classifications:

- 1 - Official/Administrator (chief appraiser)
- 1 – Assistant Chief Appraiser
- 1 - Appraiser
- 2 - Administrative Support (customer service, collection, and clerical)
- 1 – Financial Secretary

### ***Staff Education and Training***

Appraisers that are performing appraisal work are registered with the Texas Department of Licensing and Regulation (TDLR) are required to take appraisal courses to achieve the status of Registered Professional Appraiser within five years of employment as an appraiser. After they are awarded their license, they must receive additional training of 30 hours of continuing education every two years. Failure to meet these minimum standards results in the termination of the employee.

Additionally, all appraisal personnel receive extensive training in data gathering processes including data entry into the I-pad used in field work and statistical analyses of all types of property to ensure equality and uniformity of appraisal of all types of property.

### ***Data***

The district is responsible for establishing and maintaining approximately 12,581 real and personal property accounts covering San Saba County as of July 2022. Data

collected includes property characteristics, ownership, and exemption information. Property characteristic data on new construction is updated through an annual field effort; existing property data is maintained through a field review. Sales are routinely validated during a separate field effort and as part of the new construction and field inspections. General trends in employment, interest rates, new construction trends, cost, and market data are acquired through various sources, including internally generated questionnaires to buyer and sellers, university research centers, market data centers and vendors.

The District has a geographic information system (GIS) that maintains cadastral maps and aerial photography. The district's website makes a broad range of information available for public access, including information on the appraisal process, property characteristics data, certified values, protests and appeal procedures. Downloadable files of related tax information and district forms, including exemption applications and business personal property renditions are also available.

### ***Information Systems***

The chief appraiser and assistant chief appraiser manage and maintain the district's data processing, software applications, Internet website, and geographical information system. Pritchard and Abbott, Inc. provides software services for appraisal applications.

### ***Appraisal District Boundaries***

The appraisal district's boundaries are the same as the county's boundaries.

### ***Independent Performance Test***

According to Chapter 5 of the Texas Property Tax Code and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Assistance Division (PTAD) conducts property value study (PVS) of each Texas school district and each appraisal district every other year. As part of this study, the code requires the Comptroller to: use sales and recognized auditing and sampling techniques; review each appraisal district's appraisal methods, standards and procedures to determine whether the district used recognized standards and practices (MAP review); tests the validity of school district taxable values in each appraisal district and presumes the appraisal roll values are correct when values are valid; and, determines the level and uniformity of property tax appraisal in each appraisal district. The methodology used in the property value study includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analyses of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the

percentage of properties within 25% of the median, and price-related differential (PRD) for properties overall and by state category.

There are three independent school districts that have property in San Saba CAD for which appraisal rolls are annually developed. The preliminary results of this study are released February 1 in the year following the year of appraisal. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) the following July of each year. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

# Appraisal Activities

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## INTRODUCTION

### *Appraisal Responsibilities*

The contract field appraisers are responsible for collecting and maintaining property characteristic data for classification, valuation, and other purposes. Accurate valuation of real and personal property by any method requires a comprehensive physical description of personal property, and land and building characteristics. This appraisal activity is responsible for administering, planning and coordinating all activities involving data collection and maintenance of all commercial, residential and personal property types located within the boundaries of San Saba County and the jurisdictions of this appraisal district. The data collection effort involves the field inspection of real and personal property accounts, as well as data entry of all data collected into the existing information system. The goal is to periodically inspect residential, commercial, and personal properties in the district every other year. The appraisal opinion of value for all property located in the district is reviewed and evaluated each year.

### *Appraisal Resources*

- **Personnel** - The appraisal activities are conducted by San Saba CAD appraisers, and Pritchard & Abbott, Inc..
- **Data** - The data used by field appraisers includes the existing property characteristic information contained in Computer Assisted Mass Appraisal System (CAMA) from the district's computer system. The data is printed on a property record card, or personal property data sheets. Other data used includes maps, sales data, fire and damage reports, building permits, photos and actual cost and market information. Sources of information are gathered using buyers, sellers, realtors, and appraisers.
- ***Appraisal Frequency and Method Summary***
  - **Residential Property**- Residential property is physically examined every three years with appraisers driving or walking in front of each home, noting condition of the improvement and looking for changes that might have occurred to the property since the last on-site check. Exterior pictures are taken of homes as updates are needed. Every market area is statistically analyzed annually to ensure that sales that have occurred in the subdivision during the past 12 months are within a +/-3% range of appraised value. If the sales do not indicate that range, adjustments are made to the subdivision using a process outlined in detail in the Residential Appraisal section of this report.

- **Commercial Property-** Commercial and industrial real estate is observed annually to verify class and condition. Pictures are taken of the improvements as updates are observed. Real estate accounts are analyzed against sales of similar properties in San Saba County as well as similar communities in West Texas that have similar economies. The income approach to value is also utilized to appraise larger valued commercial properties that typically sell based on net operating income.
- **Business Personal Property-** Business personal property is observed annually with appraisers actually going into businesses to develop quality and density observations. A rendition is left or mailed to new businesses to complete. Similar businesses to the subject are analyzed annually to determine consistency of appraisal per square foot. Rendition laws provide additional information on which to base values of all BPP accounts.

### ***Data Collection/Validation***

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal) software. The information contained in CAMA includes site characteristics, such as land size and topography, and improvement data, such as square footage of living area and other areas of the improvement, year built, quality of construction, and condition. Field appraisers are required to use a property classification system that establishes uniform procedures for the correct listing of real property. All properties are coded according to a classification system. The approaches to value are structured and calibrated based on this coding system and property description and characteristics. The field appraisers use property classification references during their initial training and as a guide in the field inspection of properties. Data collection for personal property involves maintaining information on software designed to record and appraise business personal property. The type of information contained in the BPP file includes personal property such as business inventory, furniture and fixtures, machinery and equipment, with details such as cost and location. The field appraisers conducting on-site inspections use a personal property classification system during their initial training and as a guide to correctly list all personal property that is taxable.

### ***Sources of Data***

The sources of data collection are through property inspection, new construction field effort, data review/relist field effort, data mailer questionnaires, hearings, sales validation field effort, commercial sales verification and field effort, newspapers and publications, and property owner correspondence by mail or via the Internet. Area and regional real estate brokers and managers are sources of market and property information. Data surveys of property owners requesting market information and property description information is also valuable data. Soil surveys and agricultural

surveys of farming and ranching property owners and industry professionals are helpful for productivity value calibration. Data review of entire neighborhoods is generally a good source for data collection. Appraisers walk or drive entire neighborhoods to review the accuracy of our data and identify properties that have to be relisted. The sales validation effort in real property pertains to the collection of market data for properties that have sold. In residential, the sales validation effort involves on-site inspection by field appraisers to verify the accuracy of the property characteristics and confirmation of the sales price.

Property owners are one of the best sources for identifying incorrect data that generates a field check. Frequently, the property owner provides reliable data to allow correction of records without having to send an appraiser on-site. As the district has increased the amount of information available on the Internet, property owners have the opportunity to review information on their property and forward corrections via e-mail. For the property owner without access to the Internet, letters are sometimes submitted notifying the district of inaccurate data. Properties identified in this manner are added to a work file and inspected at the earliest opportunity. Accuracy and validity in property descriptions and characteristics data is the highest goal and is stressed throughout the appraisal process from year to year. Appraisal opinion quality and validity relies on data accuracy as its foundation.

### ***Data Collection Procedures***

The appraisers are assigned specific areas throughout the district to conduct field inspections. Appraisers of real estate conduct field inspections and record information using an I-pad device that holds all data dealing with the property. The quality of the data used is extremely important in estimating market values of taxable property. While work performance standards are established and upheld for the various field activities, quality of data is emphasized as the goal and responsibility of the appraiser. A quality assurance process exists through supervisory review of the work being performed by the field appraiser. Quality assurance supervision is charged with the responsibility of ensuring that appraisers follow listing procedures, identify training issues and provide uniform training.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The date of last inspection and the appraiser responsible are listed on the CAMA record. If a property owner or jurisdiction disputes the district's records concerning this data during a hearing, via a telephone call or other correspondence received, the record may be corrected based on the evidence provided or an on-site inspection may be conducted. Typically, a field inspection is requested to verify this information for the



current year's valuation or for the next year's valuation. Every year a field review of real property located in certain areas or neighborhoods in the jurisdiction is done during the data review/re-list field effort. A field review is performed on all personal property accounts, with available situs, each year.

### ***Office Review***

Office reviews are completed on properties where update information has been received from the owner of the property and is considered accurate and correct. Data mailers frequently verify some property characteristics or current condition of the property. When the property data is verified in this manner, and considered accurate and correct, field inspections may not be required. The personal property rendition forms are mailed in December or January of each year to assist in the annual review of the property.

### ***Performance Test***

The chief appraiser is responsible for conducting ratio studies and comparative analysis. Ratio studies are conducted on property located within certain areas or districts. The sale ratio and comparative analysis of sale property to appraised value, forms the basis for determining the level of appraisal and market influences and factors for the neighborhood. This information is the basis for updating property valuation for the entire area of property.

# Residential Valuation Process

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## INTRODUCTION

### *Scope of Responsibility*

The contract residential appraiser is responsible for estimating equal and uniform market values for residential improvements. There are approximately 3,578 residential improvements in San Saba County as of 2022.

### *Appraisal Resources*

- **Personnel** -The following appraisers are responsible for estimating the market value of residential property:  
San Saba CAD appraisers
- **Data** - An individualized set of data characteristics for each residential dwelling and multiple family units in this district are collected in the field and data entered into the computer. The property characteristic data drives the application of computer-assisted mass appraisal (CAMA) under the Cost, Market, and Income Approaches to property valuation.

## VALUATION APPROACH

### *Land Analysis3578*

Residential land valuation analysis is conducted prior to neighborhood sales analysis. The value of the land component to the property is estimated based on available market sales for comparable and competing land under similar usage. Because of limited sales data in many areas, the abstraction method or allocation method may be used to value land. Specific land influences are considered, where necessary, and depending on neighborhood and individual lot or tract characteristics, to adjust parcels outside the neighborhood norm for such factors as access, view, shape, size, and topography. The appraisers use abstraction and allocation methods to ensure that estimated land values best reflect the contributory market value of the land to the overall property value.

### *Area Analysis*

Data on regional economic forces such as demographic patterns, regional locational factors, employment and income patterns, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources and provide the field appraiser a current economic outlook on the real estate market. Information is gleaned

from real estate publications and sources of continuing education including IAAO and TDLR approved classes.

### ***Neighborhood and Market Analysis***

A neighborhood is a group of properties that share important characteristics. A neighborhood is typically a distinct group of properties that is often identified by a geographic (physical) boundary, or a group of properties that reacts in a similar manner to market influences.

Neighborhood analysis involves the examination of how physical, economic, governmental and social forces and other influences affect property values. The effects of these forces are also used to identify, classify, and stratify comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. Residential valuation and neighborhood analysis are conducted on various market areas within each of the political entities known as independent school districts. Analysis of comparable market sales forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area, neighborhood or district. Market sales indicate the effects of these market forces and are interpreted by the appraiser into an indication of market price ranges and indications of property component change considering a given time period relative to the date of appraisal. Cost and market approaches to estimate value are the basic techniques utilized to interpret these sales. are

The first step in neighborhood analysis is the identification of a group of properties that share certain common traits. A "neighborhood" for analysis purposes is defined as the largest geographic grouping of properties where the property's physical, economic, governmental and social forces are generally similar and uniform. Geographic stratification accommodates the local supply and demand factors that vary across a jurisdiction. Once a neighborhood with similar characteristics has been identified, the next step is to define its boundaries. This process is known as "delineation". Some factors used in neighborhood delineation include location, sales price range, lot size, age of dwelling, quality of construction and condition of dwellings, square footage of living area, and story height. Delineation can involve the physical drawing of neighborhood boundary lines on a map, but it can also involve statistical separation or stratification based on attribute analysis. Part of neighborhood analysis is the consideration of discernible patterns of growth that influence a neighborhood's individual market. Few neighborhoods are fixed in character. Each neighborhood may be characterized as being in a stage of growth, stability or decline. The growth period is a time of development and construction. As new neighborhoods in a community are developed, they compete with existing neighborhoods. An added supply of new homes tends to induce population shift from older homes to newer homes. In the period of stability, or equilibrium, the forces of supply and demand are about equal. Generally, in the stage of equilibrium, older neighborhoods can be more desirable due to their

stability of residential character and proximity to the workplace and other community facilities. The period of decline reflects diminishing demand or desirability. During decline, general property use may change from residential to a mix of residential and commercial uses. Declining neighborhoods may also experience renewal, reorganization, rebuilding, or restoration, which promotes increased demand and economic desirability.

In San Saba County, the school districts of San Saba, Richland Springs, and Cherokee are considered neighborhoods.

### ***Highest and Best Use Analysis***

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal, unless the property is appraised under a *JURISDICTIONAL EXCEPTION*. The highest and best use must be physically possible, legal, financially feasible, and productive to the maximum allowed usage of the property. The highest and best use of residential property is normally its current use. This is due in part to the fact that residential development, in many areas, through use of deed restrictions and zoning, precludes other land uses. In areas of mixed residential and commercial use, the appraiser reviews properties in these areas on a periodic basis to determine the individual property that qualifies for an appraisal under *JURISDICTIONAL EXCEPTION*.

## **VALUATION AND STATISTICAL ANALYSIS (Model Calibration)**

### ***Cost Schedules***

All residential parcels in the district are valued with a replacement cost estimated from cost schedules based on the improvement classification system using a comparative unit method. The district's residential cost schedules are estimated from Marshall and Swift, a nationally recognized cost estimator service. These cost estimates are compared with sales of new improvements and evaluated from year to year and indexed to reflect the local residential building and labor market. Costs may also be indexed for neighborhood factors and influences that affect the total replacement cost of the improvements in a smaller market area based on evidence taken from a sample of market sales.

A review of the residential cost schedule is performed at least every three years. As part of this review and evaluation process of the estimated replacement cost, newly constructed sold properties representing various levels of quality of construction in the district are considered.

### ***Sales Information***

A sales file for the storage of “snapshot” sales data at the time of sale is maintained for real property. Residential vacant land sales, along with commercial improved and vacant land sales are maintained in a sales information system. Residential improved and vacant sales are collected from a variety of sources, including district questionnaires sent to buyer and seller, field discovery, protest hearings, fee appraisals, and realtors. A system of type, source, validity and verification codes has been established to define salient facts related to a property’s purchase or transfer and to help determine relevant market sale prices. The effect of time as an influence on price was considered by paired comparison and applied in the ratio study to the sales as indicated within each neighborhood area. Neighborhood sales reports are generated as an analysis tool for the appraiser in the development and estimation of market price ranges and property component value estimates. Abstraction and allocation of property components based on sales of similar property is an important analysis tool to interpret market sales under the cost and market approaches to value. These analytical tools help determine and estimate the effects of change, with regard to price, as indicated by sale prices for similar property within the current market.

### ***Statistical Analysis***

The residential valuation appraisers perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market. Ratio studies are conducted on each of the residential valuation neighborhoods in the district to judge the two primary aspects of mass appraisal accuracy--level and uniformity of value. Appraisal statistics of central tendency generated from sales ratios are evaluated and analyzed for each neighborhood. The level of appraised values are determined by the weighted mean ratio for sales of individual properties within a neighborhood, and a comparison of neighborhood weighted means reflect the general level of appraised value between comparable neighborhoods.

The appraiser, through the sales ratio analysis process, reviews every neighborhood annually. The first phase involves neighborhood ratio studies that compare the recent sales prices of neighborhood properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. The appraiser, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level in a neighborhood needs to be updated or whether the level of market value in a neighborhood is at an acceptable level.

Appraisers relate physical individual property changes gathered during the annual property inspection to annual depreciation rates. Sales data are analyzed to estimate annual depreciation of each sale and that data is used to develop typical annual

depreciation for each property condition. The software multiplies the annual depreciation times the age of the improvement to arrive at total depreciation. That depreciation is from two sources of depreciation, physical and economic. Additional functional depreciation may be added in a separate category based on taxpayer interviews and the appeals process.

### ***Market and Cost Reconciliation and Valuation***

Neighborhood analysis of market sales to achieve an acceptable sale ratio or level of appraisal is also the reconciliation of the market and cost approaches to valuation. Market factors are developed from appraisal statistics provided from market analyses and ratio studies and are used to ensure that estimated values are consistent with the market and to reconcile cost indicators. The district's primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not particularly specified in a pure cost model.

The following equation denotes the hybrid model used:

$$MV = LV + (RCN - AD)$$

In accordance with the cost approach, the estimated market value (MV) of the property equals the land value (LV) plus the replacement cost new of property improvements (RCN) less accrued depreciation (AD). As the cost approach separately estimates both land and building contributory values and uses depreciated replacement costs, which reflect only the supply side of the market, it is expected that adjustments to the cost values may be needed to bring the level of appraisal to an acceptable standard as indicated by market sales. Thus, demand side economic factors and influences may be observed and considered. These markets, or location adjustments, may be abstracted and applied uniformly within neighborhoods to account for locational variances between market areas or across a jurisdiction. In accordance with the Market Approach, the estimated market value of the property equals the basic unit of property, under comparison, times the market price range per unit for sales of comparable property. For residential property, the unit of comparison is typically the price per square foot of living area, or the price indicated for the improvement contribution. This analysis for the hybrid model is based on both the cost and market approaches as a correlation of indications of property valuation. A significant unknown for these two indications of value is determined to be the rate of change for the improvement contribution to total property value. The measure of change for this property component can best be reflected and based in the annualized accrued depreciation rate. This cost related factor is most appropriately measured by sales of similar property. The market approach, when improvements are abstracted from the sale price, indicates the depreciated value of the improvement component, and in effect, measures changes in accrued depreciation. The level of improvement contribution to the property

is measured by abstraction of comparable market sales, which is the property sale price less land value. The primary unknown for the cost approach is to accurately measure accrued depreciation affecting the amount of loss attributed to the improvements as age increases and condition changes. This evaluation of cost results in the depreciated value of the improvement component based on age and condition. The evaluation of this market and cost information is the basis of reconciliation and indication of property valuation under this hybrid model.

When the appraiser reviews a neighborhood, the appraiser reviews and evaluates a ratio study that compares recent sales prices of properties, appropriately adjusted for the effects of time, within a delineated neighborhood, with the value of the properties based on the estimated depreciated replacement cost of improvements plus land value. The calculated ratio derived from the sum of the sold properties' estimated value divided by the sum of the time adjusted sales prices indicates the neighborhood level of appraisal based on sold properties. This ratio is compared to the acceptable appraisal ratio, 95% to 105%, to determine the level of appraisal for each neighborhood. If the level of appraisal for the neighborhood is outside the acceptable range of ratios, adjustments to the neighborhood are made.

If reappraisal of the neighborhood is indicated, the appraiser analyzes available market sales, appropriately adjusted for the apparent effects of time, by market abstraction of property components. This abstraction of property components allows the appraiser to focus on the rate of change for the improvement contribution to the property by providing a basis for calculating accrued depreciation attributed to the improvement component. This impact on value is usually the most significant factor affecting property value and the most important unknown to determine by market analysis. Abstraction of the improvement component from the adjusted sale price for a property indicates the effect of overall market suggested influences and factors on the price of improvements that were a part of this property, recently sold. Comparing this indicated price or value allocation for the improvement with the estimated replacement cost new of the improvement indicates any loss in value due to accrued forms of physical, functional, or economic obsolescence. This is a market driven measure of accrued depreciation and results in a true and relevant measure of improvement marketability, particularly when based on multiple sales that indicate the trending of this rate of change over certain classes of improvements within certain neighborhoods. Based on this market analysis, the appraiser estimates the annual rate of depreciation for given improvement descriptions considering age and observed condition. Once estimated, the appraiser recalculates the improvement value of all property within the sale sample to consider and review the effects on the neighborhood sale ratio. After an acceptable level of appraisal is achieved within the sales sample, the entire neighborhood of property is recalculated utilizing the indicated depreciation rates taken from market sales. This depreciation factor is the basis for trending all improvement values and, when combined with any other site improvements and land value, brings

the estimated property value through the cost approach closer to actual market prices as evidenced by recent sale prices available within a given neighborhood. Therefore, based on analysis of recent sales located within a given neighborhood, estimated property values will reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values. The estimated property values calculated for each updated neighborhood are based on market indicated factors applied uniformly to all properties within a neighborhood. Finally, with all the market-trend factors applied, a final ratio study is generated that compares recent sale prices with the proposed appraised values for these sold properties. From this set of ratio studies, the appraiser judges the appraisal level and uniformity in both update and non-update neighborhoods and verifies appraised values against overall trends as exhibited by the local market, and finally, for the school district as a whole.

### ***Treatment of Residential Homesteads***

Beginning in 1998, the State of Texas implemented a constitutional classification scheme concerning the appraisal of residential property that receives a residence homestead exemption. Under that law, beginning in the year after a property receives a homestead exemption, increases in the assessed value of that property are capped or limited to not more than 10% increase annually. The value for tax purposes (assessed value) of a qualified residence homestead will be the LESSER of:

- the market value; or
- the preceding year's appraised value plus 10 percent plus the value of any improvements added since the last re-appraisal.

Assessed values of capped properties must be recomputed annually. If a capped property sells, the cap automatically expires as of January 1<sup>st</sup> of the year following the sale of the property and the property is appraised at its market value. An analogous provision applies to new homes. While a developer owns them, unoccupied residences may be partially complete and appraised as part of an inventory. This valuation is estimated using the district's land value and the percentage of completion for the improvement contribution that usually is similar to the developer's construction costs as a basis of completion on the valuation date. However, in the year following changes in completion or sale, they are appraised at market value.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**



### ***Field Review***

The appraiser identifies individual properties in need of field review through sales ratio analysis. Sold properties are field reviewed on a monthly and periodic basis to check for accuracy of data characteristics.

### ***Office Review***

When field review is completed, the appraiser conducts a routine valuation review of all properties as outlined in the discussion of ratio studies and market analysis. Valuation reports comparing previous values against proposed and final values are generated for all residential improved and vacant properties. The percentage of value differences are noted for each property within a delineated neighborhood allowing the appraiser to identify, research and resolve value anomalies before final appraised values are released. Previous values resulting from a hearing protest are individually reviewed to determine if the value remains appropriate for the current year.

When the appraiser is satisfied with the level and uniformity of value for each neighborhood within his area of responsibility, the estimates of value go to noticing.

## **PERFORMANCE TESTS**

### ***Sales Ratio Studies***

The primary analytical tool used by the appraisers to measure and improve performance is the ratio study. The district ensures that the appraised values that it produces meet the standards of accuracy in several ways. Overall sales ratios are generated for each neighborhood to allow the appraiser to review general market trends within their area of responsibility and provide an indication of market appreciation over a specified period of time.

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## Commercial and Industrial Property Valuation Process

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### INTRODUCTION

#### *Scope of Responsibility*

This mass appraisal assignment includes all of the commercially described real property which falls within the responsibility of the San Saba Central Appraisal District and located within the boundaries of this taxing jurisdiction. Appraisers appraise the fee simple interest of properties according to statute and court decisions. However, the affect of easements, restrictions, encumbrances, leases, contracts or special assessments are considered on an individual basis, as is the appraisal of any nonexempt taxable fractional interests in real property (i.e. certain multi-family housing projects). Fractional interests or partial holdings of real property are appraised in fee simple for the whole property and divided programmatically based on their prorated interests.

#### *Appraisal Resources*

**Personnel** - The improved real property appraisal responsibilities are categorized according to major property types of multi-family or apartment, office, retail, warehouse and special use (i.e. hotels, hospitals and, nursing homes).

The following appraisers are responsible for estimating the market value of commercial and industrial property:

San Saba CAD appraisers

**Data** - The data used by the commercial appraisers includes verified sales of vacant land and improved properties and the pertinent data obtained from each (sales price levels, capitalization rates, income multipliers, equity dividend rates, marketing period, etc.). Other data used by the appraisers includes actual income and expense data (typically obtained through the hearings process), actual contract rental data, leasing information (commissions, tenant finish, length of terms, etc.), and actual construction cost data. In addition to the actual data obtained from specific properties, market data publications are also reviewed to provide additional support for market trends.

## **PRELIMINARY ANALYSIS**

### ***Market Study***

Market studies are utilized to test new or existing procedures or valuation modifications in a limited sample of properties located in the district and are also considered and become the basis of updating whenever substantial changes in valuation are made. These studies target certain types of improved property to evaluate current market prices for rents and for sales of commercial and industrial real property. These comparable sale studies and ratio studies reveal whether the valuation system is producing accurate and reliable value estimates or whether procedural and economic modifications are required. The appraiser implements this methodology when developing cost approach, market approach, and income approach models.

## **VALUATION APPROACH**

### ***Land Value***

Commercial land is analyzed annually to compare appraised values with recent sales of land in the market area. If appraised values differ from sales prices being paid, adjustments are made to all land in that region. Generally, commercial property is appraised on a price per square foot basis. Factors are placed on individual properties based on corner influence, depth of site, shape of site, easements across site, and other factors that may influence value. The land is valued as though vacant at the highest and best use. If sales are not available, the abstraction or allocation method is used to appraise land.

### ***Area Analysis***

Area data on regional economic forces such as demographic patterns, regional location factors, employment and income patterns, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources.

### ***Neighborhood Analysis***

The neighborhood and market areas are comprised of the land area and commercially classed properties located within the boundaries of this appraisal jurisdiction. These areas consist of a wide variety of property types including multiple-family residential, commercial and industrial. Neighborhood and area analysis involve the examination of how physical, economic, governmental and social forces and other influences may affect property values within subgroups of property locations. The effects of these forces are also used to identify, classify, and organize comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. In the mass appraisal of commercial and industrial properties these

subsets of a universe of properties are generally referred to as market areas, neighborhoods, or economic areas.

Economic areas are defined by each of the improved property use types (apartment, office, retail, warehouse and special use) based upon an analysis of similar economic or market forces. These include but are not limited to similarities of rental rates, classification of projects (known as building class by area commercial market experts), date of construction, overall market activity or other pertinent influences. Economic area identification and delineation by each major property use type is the benchmark of the commercial valuation system

### ***Highest and Best Use Analysis***

The highest and best use is the most reasonable and probable use that generates the highest net to land and present value of the real estate as of the date of valuation, unless the property is appraised with a *JURISDICTIONAL EXCEPTION*. The highest and best use of any given property must be physically possible, legally permissible, financially feasible, and maximally productive. For improved properties, highest and best use is evaluated as improved and as if the site were still vacant. This perspective assists in determining if the existing improvements have a transitional use, interim use, nonconforming use, multiple uses, speculative use, is excess land, or a different optimum use if the site were vacant. For vacant tracts of land within this jurisdiction, the highest and best use is considered speculative based on the surrounding land uses. Improved properties reflect a wide variety of highest and best uses which include, but are not limited to: office, retail, apartment, warehouse, light industrial, special purpose, or interim uses. In many instances, the property's current use is the same as its highest and best use. This analysis ensures that an accurate estimate of market value (sometimes referred to as value in exchange) is derived.

On the other hand, value in use represents the value of a property to a specific user for a specific purpose. This perspective for value may be significantly different than market value, which approximates market price under the following assumptions: (i) no coercion of undue influence over the buyer or seller in an attempt to force the purchase or sale, (ii) well-informed buyers and sellers acting in their own best interests, (iii) a reasonable time for the transaction to take place, and (iv) payment in cash or its equivalent.

### ***Market Analysis***

A market analysis relates directly to examining market forces affecting supply and demand. This study involves the relationships between social, economic, environmental, governmental, and site conditions. Current market activity including sales of commercial properties, new construction, new leases, lease rates, absorption rates, vacancies, allowable expenses (inclusive of replacement reserves), expense ratio

trends, capitalization rate studies are analyzed to determine market ranges in price, operating costs and investment return expectations.

## **DATA COLLECTION / VALIDATION**

### ***Data Collection Manuals***

Data collection and documentation for commercial/industrial property is continually updated, providing a uniform system of itemizing the multitude of components comprising improved properties.

### ***Sources of Data***

In terms of commercial sales data, San Saba CAD receives a copy of the deeds recorded in San Saba County that convey commercially classed properties. These deeds involving a change in commercial ownership are entered into the sales information system and researched in an attempt to obtain the pertinent sale information. Other sources of sale data include the protest hearings process and local, regional and national real estate and financial publications.

For those properties involved in a transfer of commercial ownership, a sale file is produced which begins the research and verification process. The initial step in sales verification involves a computer-generated questionnaire, which is mailed to both parties in the transaction (Grantor and Grantee). If a questionnaire is answered and returned, the documented responses are recorded into the computerized sales database system. Other sources contacted are the brokers involved in the sale, property managers or commercial vendors. In other instances, sales verification is obtained from local appraisers or others that may have the desired information. Finally, closing statements are often provided during the hearings process. The actual closing statement is the most reliable and preferred method of sales verification.

### **Valuation Analysis**

Model calibration involves the process of periodically adjusting the mass appraisal formulae, tables and schedules to reflect current local market conditions. Once the models have undergone the specification process, adjustments can be made to reflect new construction procedures, materials and/or costs, which can vary from year to year. The basic structure of a mass appraisal model can be valid over an extended period of time, with trending factors utilized for updating the data to the current market conditions

### ***Cost Schedules***

The cost approach to value is applied to improved real property utilizing the comparative unit method. This methodology involves the utilization of national cost data

reporting services as well as actual cost information on local comparable properties whenever possible. Cost models are typically developed based on the Marshall Valuation Service which indicates estimated hard or direct costs of various improvement types. Cost models include the derivation of replacement cost new (RCN) of all improvements represented within the district. These include comparative base rates, per unit adjustments and lump sum adjustments for variations in property description, design, and types of improvement construction. This approach and analysis also employ the sales comparison approach in the evaluation of soft or indirect costs of construction. Evaluating market sales of newly developed improved property is an important part of understanding total replacement cost of improvements. What total costs may be involved in the development of the property, as well as any portion of cost attributed to entrepreneurial profit can only be revealed by market analysis of pricing acceptance levels. In addition, market related land valuation for the underlying land value is important in understanding and analyzing improved sales for all development costs and for the abstraction of improvement costs for construction and development. Time and location modifiers are necessary to adjust cost data to reflect conditions in a specific market and changes in costs over a period of time. Because a national cost service is used as a basis for the cost models, location modifiers and estimates of soft cost factors are necessary to adjust these base costs specifically for various types of improvements located in San Saba County.

Accrued depreciation is the sum of all forms of loss affecting the contributory value of the improvements. It is the measured loss against replacement cost new taken from all forms of physical deterioration, functional and economic obsolescence. Accrued depreciation is estimated and developed based on losses typical for each property type at that specific age. Depreciation estimates have been implemented for what is typical of each major class of commercial property by economic life categories. Estimates of accrued depreciation have been calculated for improvements with a range of variable years expected life based on observed condition considering actual age. These estimates are continually tested to ensure they are reflective of current market conditions. The actual and effective ages of improvements are noted in CAMA. Effective age estimates are based on the utility of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the marketplace. Effective age estimates are considered and reflected based on five levels or rankings of observed condition, given actual age.

Additional forms of depreciation such as external and/or functional obsolescence can be applied if observed. A depreciation calculation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings on the property data characteristics. These adjustments are typically applied to a specific condition adequacy or deficiency, property type or location and can be developed via ratio studies or other market analyses.

The result of estimating accrued depreciation and deducting that from the estimated replacement cost new of improvements indicates the estimated contributory value of the improvements. Adding the estimated land value, as if vacant, to the contributory value of the improvements indicates a property value by the cost approach. Given relevant cost estimates and market related measures of accrued depreciation, the indicated value of the property by the cost approach becomes a very reliable valuation technique.

### ***Income Models***

The income approach to value is applied to those real properties which are typically viewed by market participants as “income producing”, and for which the income methodology is considered a leading value indicator. The first step in the income approach pertains to the estimation of market rent on a per unit basis. This is derived primarily from actual rent data furnished by property owners and from local market surveys conducted by the district and by information from area rent study reviews. This per unit rental rate multiplied by the number of units results in the estimate of potential gross rent.

A vacancy and collection loss allowance are the next item to consider in the income approach. The projected vacancy and collection loss allowance is established from actual data furnished by property owners and local market survey trends. This allowance accounts for periodic fluctuations in occupancy, both above and below an estimated stabilized level. This feature may also provide for a reasonable lease-up period for multi-tenant properties, where applicable. The market derived stabilized vacancy and collection loss allowance is subtracted from the potential gross rent estimate to yield an indication of estimated annual effective gross rent to the property.

Next, a secondary income or service income is considered and, if applicable, calculated as a percentage of stabilized effective gross rent. Secondary income represents parking income, escalations, reimbursements, and other miscellaneous income generated by the operations of real property. The secondary income estimate is derived from actual data collected and available market information. The secondary income estimate is then added to effective gross rent to arrive at an effective gross income, when applicable.

Allowable expenses and expense ratio estimates are based on a study of the local market, with the assumption of prudent management. An allowance for non-recoverable expenses such as leasing costs and tenant improvements may be included in the expenses. A non-recoverable expense represents costs that the owner pays to lease rental space. Relevant expense ratios are developed for different types of commercial property based on use and market experience. For instance, retail properties are most frequently leased on a triple-net basis, whereby the tenant is responsible for all operating expenses, such as ad valorem taxes, insurance, and

common area and property maintenance. In comparison, a general office building is most often leased on a base year expense stop. This lease type stipulates that the owner is responsible for all expenses incurred during the first year of the lease. As a result, expense ratios are implemented and estimated based on observed market experience in operating various types of commercial property.

Another form of allowable expense is the replacement of short-lived items (such as roof or floor coverings, air conditioning or major mechanical equipment or appliances) requiring expenditures of lump sum costs. When these capital expenditures are analyzed for consistency and adjusted, they may be applied on an annualized basis as stabilized expenses. When performed according to local market practices by commercial property type, these expenses when annualized are known as replacement reserves. For some types of property, typical management does not reflect expensing reserves and is dependent on local and industry practices.

Subtracting the allowable expenses (inclusive of non-recoverable expenses and replacement reserves when applicable) from the annual effective gross income yields an estimate of annual net operating income to the property.

Return rates and income multipliers are used to convert operating income expectations into an estimate of market value for the property under the income approach. These include income multipliers, overall capitalization rates, and discount rates. Each of these multipliers or return rates are considered and used in specific applications. Rates and multipliers may vary between property types, as well as by location, quality, condition, design, age, and other factors. Therefore, application of the various rates and multipliers must be based on a thorough analysis of the market for individual income property types and uses. These procedures are supported and documented based on analysis of market sales for these property types.

Capitalization analysis is used in the income approach models to form an indication of value. This methodology involves the direct capitalization of net operating income as an indication of market value for a specific property. Capitalization rates applicable for direct capitalization method and yield rates for estimating terminal cap rates for discounted cash flow analysis are derived from the market. Sales of improved properties from which actual income and expense data are obtained provide a very good indication of property return expectations a specific market participant is requiring from an investment at a specific point in time. In addition, overall capitalization rates can be derived and estimated from the built-up method (band-of-investment). This method relates to satisfying estimated market return requirements of both the debt and equity positions in a real estate investment. This information is obtained from available sales of property, local lending sources, and from real estate and financial publications.

Rent loss concessions are estimated for specific properties with vacancy problems. A rent loss concession accounts for the impact of lost rental income while



the building is moving toward stabilized occupancy. The rent loss is calculated by multiplying the rental rate by the percent difference of the property's stabilized occupancy and its actual occupancy. Build out allowances (for first generation space or retrofit/second generation space as appropriate) and leasing expenses are added to the rent loss estimate. The total adjusted loss from these real property operations is discounted using an acceptable risk rate. The discounted value (inclusive of rent loss due to extraordinary vacancy, build out allowances and leasing commissions) becomes the rent loss concession and is deducted from the value indication of the property at stabilized occupancy. A variation of this technique allows a rent loss deduction to be estimated for every year that the property's actual occupancy is less than stabilized occupancy.

### ***Sales Comparison (Market) Approach***

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized not only for estimating land value but also in comparing sales of similarly improved properties to parcels on the appraisal roll. As previously discussed in the Data Collection / Validation section of this report, pertinent data from actual sales of properties, both vacant and improved, is pursued throughout the year in order to obtain relevant information which can be used in all aspects of valuation. Sales of similarly improved properties can provide a basis for the depreciation schedules in the Cost Approach, rates and multipliers used in the Income Approach, and as a direct comparison in the Sales Comparison Approach. Improved sales are also used in ratio studies, which afford the appraiser an excellent means of judging the present level and uniformity of the appraised values.

### ***Final Valuation Schedules***

Based on the market data analysis and review discussed previously in the cost, income and sales approaches, the cost and income models are calibrated and finalized. The calibration results are keyed to the schedules and models in the CAMA system for utilization on all commercial properties in the district. Market factors reflected within the cost and income approaches are evaluated and confirmed based on market sales of commercial and industrial properties. The appraisers review the cost, income, and sales comparison approaches to value for each of the types of properties with available sales information. The final valuation of a property is estimated based on reconciling these indications of value considering the weight of the market information available for evaluation and analysis in these approaches to value.

### ***Statistical and Capitalization Analysis***

Statistical analysis of final values is an essential component of quality control. This methodology represents a comparison of the final value against the standard and

provides a concise measurement of the appraisal performance. Statistical comparisons of many different standards are used including sales of similar properties, the previous year's appraised value, audit trails, value change analysis and sales ratio analysis.

Appraisal statistics of central tendency and dispersion generated from sales ratios are calculated for each property type with available sales data. These summary statistics including, but not limited to, the weighted mean, provide the appraisers an analytical tool by which to determine both the level and uniformity of appraised value of a particular property type. The level of appraised values can be determined by the weighted mean for individual properties within a specific type, and a comparison of weighted means can reflect the general level of appraised value.

The appraisers review every commercial property type annually through the sales ratio analysis process. The first phase involves ratio studies that compare the recent sales prices of properties to the appraised values of the sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the appraised values. The appraiser, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level of a particular property type needs to be updated in an upcoming reappraisal, or whether the level of market value is at an acceptable level.

Potential gross rent estimates, occupancy levels, secondary income, allowable expenses (inclusive of non-recoverable and replacement reserves), net operating income and capitalization rate and multipliers are continuously reviewed. Income model estimates and conclusions are compared to actual information obtained on individual commercial and industrial income properties during the protest hearings process, as well as with information from published sources and area property managers and owners.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The date of last inspection, extent of that inspection, and the San Saba County appraiser are responsible for data listed in the CAMA system. If a property owner disputes the District's records concerning this data in a protest hearing, CAMA may be altered based on the credibility of the evidence provided. Normally, a new field check is then requested to verify this information for the current year's valuation or for the next year's valuation.

Field review of real property accounts is accomplished while business personal property is reviewed and inspected in the field. Additionally, the appraisers frequently field review subjective data items such as building class, quality of construction (known as cost modifiers), condition, and physical, functional and economic obsolescence

factors contributing significantly to the market value of the property. In some cases, field reviews are warranted when sharp changes in occupancy or rental rate levels occur between building classes or between economic areas. With preliminary estimates of value in these targeted areas, the appraisers test computer assisted values against their own appraisal judgment. While in the field, the appraisers physically inspect sold and unsold properties for comparability and consistency of values.

### ***Office Review***

Office reviews are completed on properties subject to field inspections and are performed in compliance with the guidelines required by the existing classification system. Office reviews are typically limited by the available market data presented for final value analysis. These reviews summarize the pertinent data of each property as well as comparing the previous value to the proposed value conclusions of the various approaches to value. These evaluations and reviews show proposed value changes, income model attributes or overrides, economic factor (cost overrides) and special factors affecting the property valuation such as new construction status, and a three year sales history (USPAP property history requirement for nonresidential property). The appraiser may review methodology for appropriateness to ascertain that it was completed in accordance with USPAP or more stringent statutory and district policies. This review is performed after preliminary ratio statistics have been applied. If the ratio statistics are generally acceptable overall the review process is focused primarily on locating skewed results on an individual basis. Previous values resulting from protest hearings are individually reviewed to determine if the value remains appropriate for the current year based on market conditions. Each appraiser's review is limited to properties in their area of responsibility by property type (improved) or geographic area (commercial vacant land).

When the appraiser is satisfied with the level and uniformity of value for each commercial property within their area of responsibility, the estimates of value go to noticing. Each parcel is subjected to the value parameters appropriate for its use type.

### **Performance Tests**

The primary tool used to measure mass appraisal performance is the ratio study. A ratio study compares appraised values to market prices. In a ratio study, market values (value in exchange) are typically represented with the range of sale prices, i.e. a sales ratio study. Independent, expert appraisals may also be used to represent market values in a ratio study, i.e. an appraisal ratio study. If there are not enough examples of market price to provide necessary representativeness, independent appraisals can be used as indicators for market value. This can be particularly useful for commercial or industrial real property for which sales are limited. In addition, appraisal ratio studies can be used for properties statutorily not appraised at market value but reflect the use-value requirement. An example of this are multi-family housing projects subject to

subsidized rent provisions or other governmental guarantees as provided by legislative statutes (affordable housing) or agricultural lands to be appraised on the basis of productivity or use value.

### ***Sales Ratio Studies***

Sales ratio studies are an integral part of estimating equitable and accurate market values, and ultimately property assessments for these taxing jurisdictions. The primary uses of sale ratio studies include the determination of a need for general reappraisal; prioritizing selected groups of property types for reappraisal; identification of potential problems with appraisal procedures; assist in market analyses; and, to calibrate models used to estimate appraised values during valuation or reappraisal cycles. However, these studies cannot be used to judge the accuracy of an individual property appraised value. Overall sales ratios are generated by use type semi-annually (or more often in specific areas) to allow appraisers to review general market trends in their area of responsibility and for the Property Value Study from the Property Tax Division of the Comptroller's Office. These ratio studies aid the appraisers by providing an indication of market activity by economic area or changing market conditions (appreciation or depreciation).

### ***Comparative Appraisal Analysis***

The commercial appraiser performs an average unit value comparison in addition to a traditional ratio study. These studies are performed on commercially classed properties by property use type (such as apartment, office, retail and warehouse usage or special use). The objective to this evaluation is to determine appraisal performance of sold and unsold properties. Appraisers' average unit prices of sales and average unit appraised values of the same parcels and the comparison of average value changes of sold and unsold properties. These studies are conducted on substrata such as building class and on properties located within various economic areas. In this way, overall appraisal performance is evaluated geographically, by specific property type to discern whether sold parcels have been selectively appraised. When sold parcels and unsold parcels are appraised equally, the average unit values are similar. These sales and equity studies are performed prior to final appraisal and to annual noticing.

# **Business Personal Property Valuation Process**

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## **INTRODUCTION**

### ***Scope of Responsibility***

There are four different personal property types appraised by the district's personal property section: Business Personal Property accounts; leased assets; vehicles and aircraft; and multi-location assets.

- **Personnel** - The personal property staff consists of:  
San Saba CAD Staff  
Contractors with Pritchard & Abbott, Inc. LLC
- **Data** - The personal property appraisers collect the field data and maintain electronic property files making updates and changes gathered from field inspections, newspapers, property renditions, sales tax permit listing and interviews with property owners.

## **VALUATION APPROACH**

### ***Highest and Best Use Analysis***

The highest and best use of property is the reasonable and probable use that supports the greatest income and the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and productive to its maximum. The highest and best use of personal property is normally its current use.

## **DATA COLLECTION/VALIDATION**

### ***Data Collection Procedures***

Personal property data collection procedures are published and distributed to all appraisers involved in the appraisal and valuation of personal property. The appraisal procedures are reviewed and revised to meet the changing requirements of field data collection.

**Sources of Data**

The district’s business personal property characteristic data is collected through a field data collection effort. From year to year, reevaluation activities permit district appraisers to collect new data through an annual field inspection. This project results in the discovery of new businesses, changes in ownership, relocation of businesses, and closures of businesses not revealed through other sources. Tax assessors, city and local newspapers, and the public often provide the district information regarding new personal property and other useful facts related to property valuation.

Vehicles

An outside vendor provides San Saba CAD with a listing of commercial vehicles within the jurisdiction. The vendor develops this listing from the Texas Department of Transportation (TxDOT) Title and Registration Division records. Other sources of data include property owner renditions and field inspections.

Leased and Multi-Location Assets

The primary source of leased and multi-location assets is property owner renditions of property. Other sources of data include field inspections.

**VALUATION AND STATISTICAL ANALYSIS (model calibration)**

***Depreciation Schedule and Trending Factors:***

Business Personal Property

San Saba CAD’s primary approach to the valuation of business personal property is the cost approach. The replacement cost new (RCN) is either developed from property owner reported historical cost or from CAD developed valuation models. The trending factors used by the CAD to develop RCN are based on published valuation guides. The percent good depreciation factors used by San Saba CAD are also based on published valuation guides. The index factors and percent good depreciation factors are used to develop present value factors (PVF), by year of acquisition, as follows:

$$PVF = INDEX FACTOR \times PERCENT GOOD FACTOR$$

The PVF is used as an “express” calculation in the cost approach. The PVF is applied to reported historical cost as follows:

$$MARKET VALUE ESTIMATE = PVF \times HISTORICAL COST$$

This mass appraisal PVF schedule is used to ensure that estimated values are uniform and consistent within the market and reflect current economic pressures of supply and demand.

CAPPA model values are used in the general business personal property valuation program to estimate the value of new accounts for which no property owner's rendition is filed. Model values are also used to establish tolerance parameters for testing the valuation of property for which prior data years' data exist or for which current year rendered information is available. The calculated current year value or the prior year's value is compared to the indicated model value by the valuation program. If the value being tested is within an established acceptable percentage tolerance range of the model value, the account passes that range check and moves to the next valuation step. If the account fails the tolerance range check, it is flagged for individual review. Allowable tolerance ranges may be adjusted from year to year depending on the analysis of the results of the prior year.

### Vehicles

Value estimates for commercial vehicles are provided by an outside vendor and are based on Red Book published book values, and there are also considerations available for high mileage. Vehicles that are not valued by the vendor are valued by an appraiser using PVF schedules or published guides.

### Leased and Multi-Location Assets

Leased and multi-location assets are valued using the PVF schedules mentioned above. If the asset to be valued in this category is a vehicle, then Red Book published book values are used. Assets that are not valued by the vendor are valued by an appraiser using PVF schedules or published guides.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Office Review***

#### Business Personal Property

Property owner renditions, accounts with field or other data changes, accounts with prior hearings, new accounts, and SIC cost table changes are all considered. The accounts are processed by the valuation program and pass or fail preset tolerance parameters by comparing appraised values to prior year and model values. The appraisers review accounts that fail the tolerance parameters.

## **PERFORMANCE TESTS**

### ***Ratio Studies***

Every other year the Property Tax Division of the state comptroller's office conducts a property value study (PVS). The PVS is a ratio study used to gauge appraisal district performance. Results from the PVS play a part in school funding. Rather than a sales ratio study, the personal property PVS is a ratio study using state cost and depreciation schedules to develop comparative personal property values. These values are then compared to San Saba CAD's personal property values and ratios are indicated.



# Rural Land Valuation Process

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## Introduction

### Scope of Responsibility

The appraisal district is responsible for estimating a market value on each rural parcel of land in the County. Additionally, each parcel is assigned an agricultural use value which is based on the production capability of the land and any other income associated with the land that is not taxed in some other manner such as mineral value. Specific requirements of law determine whether the land is taxed as “agricultural” or at its market value. Those details are located in Chapter 23 of the Property Tax Code.

### Development of Market Value

Rural land is considered acreage outside the towns of the County and not developed into residential tracts. In many cases the land is used for the production of crops or livestock. The market value of land is normally developed using the sales comparison approach. Recent sales are analyzed to examine the driving forces in the transaction. The size of the tract, the mix of pasture to cultivated land, the type of soils on the tract, the quality of hunting in the area, the scenic views on the tract, the proximity of utilities, the type of roads to the parcel, and the influence of potential flooding are just some of the factors that influence the sales price. These factors are captured in as much detail as possible on each parcel so that the market value of all land parcels is equal and uniform.

Using the sales available and the characteristics of those sales, models are developed containing price per acre for various sizes of tracts with adjustments based from the sales data on other factors about each parcel.

### Development of Agricultural Use Value

Although the process of development of agricultural use values is very detailed, the explanation is to offer the reader a general idea of the process of developing those values. The primary concept in the development of value is to determine typical gross income to various types of rural tracts of similar soils and use and then develop typical expenses that the owner must incur to maximize the potential of the land. Subtracting the expenses from the gross income yields what is referred to as “net income to the land”. That net income is then divided by a capitalization rate mandated in state law. Currently that rate is 10% meaning that the owner of the land is entitled to a 10% return on his investment. Therefore, the agricultural value is developed by using the following formula:

$$\text{Gross Income} - \text{Expense} = \text{Net Income} / \text{Capitalization Rate}$$

Income and expense figures are developed from surveys, discussions with local landowners, state agricultural publications, and the Agricultural Advisory Committee appointed by the Board of Directors.

## 2023 Calendar of Key Events

### Physical inspections on a three-year cycle

The CAD is divided into three market areas. Each year, all real, residential and commercial property within one of the areas will be reappraised, regardless of any ratio study/report findings. The areas are identified as follows:

- a. Market Area One – 2022 San Saba I.S.D.
- b. Market Area Two – 2023 Cherokee I.S.D.
- c. Market Area Three – 2024 Richland Springs I.S.D.

### Throughout the year

#### CAD Staff:

Research returned mail.

Mail applications for special appraisals and exemptions requiring annual applications, such as new homestead exemptions, surviving spouse, historic exemptions, ag-use applications due to change of ownership.

Gather sales data from sales confirmation letters, deed records and other sales sources for sales files.

Pick up copies of filed deeds from County Clerk's office.

Research property ownership.

Key name/address changes splits/combiners, new property and personal property into CAMA. Track value loss due to property acquiring 1<sup>st</sup> time exemptions and 1<sup>st</sup> time 1-d or 1-d-1 appraisal, value gain due to new improvements for taxing units.

Send copies of associated mineral deeds to Pritchard & Abbott, Inc.

Send copies of splits/combine parcels to mapping company

Update address change file as new addresses received.

Process and sell digital copies of appraisal rolls to taxpayers.

Prepare and post Board of Directors agenda for meetings.

Prepare and mail Board of Directors packets for meetings.

Answer phone calls and assist walk-in customers.

### **January 2023**

#### Appraisal Department

Conduct field inspections on residential, land, mobile homes, commercial, industrial, pipelines and personal property.

All real property in Cherokee ISD area visually inspected and checked for accuracy in class and depreciation.

Take pictures of improvements and download to CAMA.

Check for new construction and demolition of improvements.

Begin planning sales ratio studies for all areas within the CAD.

Review schedules in comparison to available sales data to determine areas needing significant adjustment or close review.

Review renditions as received.

#### CAD Staff

Create list of renditions mailed and note date when rendition and/or extension request received.

Check for 65 and over homestead exemptions that need to be granted automatically.

Check that mapping updates have been processed as scheduled.  
Post updated public service announcement in CAD office.  
Place ¼ page ad in local newspaper on availability of exemptions, rendition requirements, special appraisals, and tax deferrals.

### **February 2023**

#### Appraisal Department

Real property appraiser continues to work renditions as received.  
Renditions received, scanned, and processed.  
Appraisers continue to work on discovery of property and appraisals.

#### CAD Staff

Prepare for financial audit by independent CPA firm.  
Submit sales information and deed transactions to State Comptroller Office by Feb 1. EARS  
Update Rendition Work List to current year and transfer information from received renditions to list.  
Receive and key rendition extension requests.  
Mineral and special property renditions and /or extension requests are faxed, mailed or emailed to mineral appraisers and the original filed in house.  
Contact agent if no appointment form on file for property rendered.  
ARB members are signed up for annual training.

### **March 2023**

#### Appraisal Departments:

Real Property appraisers continue to do field work.  
Complete field work on Cat A, E, M properties.  
Complete ratio studies on real property.  
Update residential schedules, Ag schedules, and mobile home depreciation schedules.  
Mineral and special property appraisers continue to process received renditions.  
Appraisers continue to work on discovery of property and appraisals.

#### CAD Staff:

Chief Appraiser begins work on 2024 budget.  
Continue transferring information from received renditions to CAMA.  
Receive and key rendition extension requests.  
Mineral and special property renditions and/or extension requests are faxed, mailed or emailed to mineral appraisers and the original filed in house.  
Contact agent if no appointment form on file for property rendered.  
Key rendered accounts, deleted exemptions, new exemptions, and new frozen accounts.  
Review edits and audits before notices run; correct or adjust accounts as needed.  
Proof all changes; print out change report and compare to appraisals.

### **April 2023**

#### Appraisal Departments:

Real Property appraiser continues to work property and do analysis.  
Coordinate with CAD staff on hearing schedules.  
BPP appraisers continue to process received renditions.  
Appraisers continue to work on discovery of property and appraisals.

#### CAD Staff:

Chief Appraiser continues work on 2024 Budget.  
Continue transferring information from received renditions to list.  
Renditions due by April 15<sup>th</sup> unless extension requested; continue to receive and key rendition extension requests.  
BPP renditions continue to be worked.  
Contact agent if no appointment form on file for property rendered or property protested.

### **May 2023**

#### Appraisal Departments:

Appraiser works with property owners regarding proposed values and protests filed.  
Coordinate mineral and special property input to CAD.

#### CAD Staff:

Mail out Notices of Assessed Value.

Chief Appraiser continues work on 2024 budget and sends preliminary budget to entities

Check that mapping updates have been processed as scheduled.

Place Protest and Appeals Procedure ad in local newspaper by **May 15**.

Review edits and audits before notices run; correct or adjust accounts as needed.

Renditions receiving 30-day extension are due **May 1st** unless chief appraiser extends deadline to **May 30**.

Continue transferring information from received renditions to CAMA.

Receive and key rendition extension requests and accounts granted additional 15-day extension.

Mineral and special property renditions and/or extension requests are faxed, mailed or e-mailed to mineral appraisers and the original filed in-house.

Contact agent if no appointment form on file for property rendered or property protested.

Code returned value notices and research ownership and addresses.

Ensure all ARB members have attended mandatory training and certificates of completion are on file.

#### **June 2023**

##### Appraisal Departments:

Appraisers work with property owners regarding proposed values and protests filed.

Coordinate with CAD staff on hearing schedules and protests filed.

Appraisers defend values at protest hearings.

Enter into CAMA all changes ordered by ARB.

##### CAD Staff:

Submit completed Operations Survey to State Comptroller.

Chief Appraiser begins update of USPAP Report (Mass Appraisal Report).

Contact agent if no appointment form on file for property protested.

Schedule protest hearings.

Prepare cause folders for hearings.

Compile information for evidence packets for property owners filing protests and requesting evidence.

Coordinate with mineral and special property appraisers on hearing schedule and protests filed.

Code returned value notices and research ownership and addresses.

Print and mail personal property rendition penalty letters.

Mail all approvals/denials on rendition penalty waiver requests.

Post ARB hearing Agenda as necessary.

Check rendition list against Preliminary Appraisal Roll to verify properties are being picked up and appraised by mineral and special property appraisers.

#### **July 2023**

##### Appraisal Departments:

Appraisers work with property owners regarding proposed values and protests filed.

Appraisers defend values at protest hearings.

Enter into CAMA all changes ordered by ARB.

##### CAD Staff:

Prepare hearing list and information on informal meetings and formal hearings to check on evidence and reason for changes in value by contract appraisers.

Mail all approvals/denials on rendition penalty waiver requests.

Post ARB hearing agenda as necessary

Submit appraisal records to ARB for review.

Begin ARB hearings

Provide ARB support; make record of minutes during hearings, make copies as needed, supply forms and orders as needed, etc.

Mail ARB Notices and Orders certified, return receipt requested.

Enter into CAMA all changes ordered by ARB.

ARB approves Appraisal Records by July 20.

Chief Appraiser certifies Appraisal Roll to taxing units by July 25.

Submit Certified Appraisal Roll to State Comptroller.

### **August 2023**

#### Appraisal Department:

Appraisers continue to work on any pending protest hearings.  
Continue working with taxpayers.  
Coordinate with CAD that rendition penalties are applied correctly.

#### CAD Staff:

Submit sales information to State Comptroller's Office by Aug 1  
Submit Certified Appraisal Roll to State Comptroller by Aug 1. EARS  
Hold Public Hearing on 2024 Budget.  
Continue ARB Hearing process for any rescheduled or newly scheduled protests.  
Check rendition list against certified roll to verify values by mineral and special property appraisers.  
Compose and mail letter to property owner filing late ag application informing them of the 10% penalty for late filing.  
Transfer data to other appraisal districts or tax offices as needed

### **September 2023**

#### Appraisal Department:

Continue field work

#### CAD staff:

Begin work on reports of Property Value for State Comptroller's Office.  
Check that all qualifying residences have homestead exemptions, if not send applications.  
After tax rates are set, files are updated for new tax rates.  
Update listing of all taxing unit rates  
Check that mapping updates have been processed as scheduled.

### **October 2023**

#### Appraisal Department:

Meet with agricultural advisory board to discuss agricultural issues  
Review and update Ag Survey Letter as needed.  
Continue field work

#### CAD Staff:

Mail Ag Survey Letters to owners  
Submit completed Reports of Property Value to State Comptroller's Office.

### **November 2023**

#### Appraisal Department:

Continue field work

#### CAD Staff:

Continue to update deeds and maps

### **December 2023**

#### Appraisal Department:

Continue field work

#### CAD Staff:

Receive names of Chair and Secretary of ARB appointed by Administrative District Judge.  
Administrative District Judge appoints ARB members to 2-year term.  
Board of Directors appoints Ag Advisory Board members to 2-year term.

## 2024 Calendar of Key Events

### Throughout the year:

#### CAD Staff:

Research returned mail.

Mail applications for special appraisals and exemptions requiring annual applications, such as new homestead exemptions, surviving spouse, historic exemptions, ag-use applications due to change of ownership.

Gather sales data from sales confirmation letters, deed records and other sales sources for sales files.

Pick up copies of filed deeds from County Clerk's office.

Research property ownership.

Key name/address changes splits/combines, new property and personal property into CAMA. Track value loss due to property acquiring 1<sup>st</sup> time exemptions and 1<sup>st</sup> time 1-d or 1-d-1 appraisal, value gain due to new improvements for taxing units.

Send copies of associated mineral deeds to mineral appraisal company

Send copies of splits/combine parcels to mapping contractor

Update address change file as new addresses received and copy to mineral appraisal company.

Process and sell digital copies of appraisal rolls to taxpayers.

Prepare and post Board of Directors agenda for meetings.

Prepare and mail Board of Directors packets for meetings.

Answer phone calls and assist walk-in customers.

### January 2024

#### Appraisal Department

Conduct field inspections on residential, land, mobile homes, commercial, industrial, pipelines and personal property.

All real property in Richland Springs ISD area visually inspected and checked for accuracy in class and depreciation.

Take pictures of improvements.

Check for new construction and demolition of improvements.

Begin planning sales ratio studies for all areas within the CAD.

Review schedules in comparison to available sales data to determine areas needing significant adjustment or close review.

Review renditions as received.

#### CAD Staff

Upload appraisal data for field appraiser.

Create list of renditions mailed and note date when rendition and/or extension request received.

Check for 65 and over homestead exemptions that need to be granted automatically.

Check that mapping updates have been processed as scheduled.

Post updated public service announcement at post office and in CAD office.

Place ¼ page ad in local paper on availability of exemptions, rendition requirements, special appraisals, and tax deferrals.

### February 2024 Appraisal Department

Prepare for financial audit by independent CPA firm.

Real property appraiser continues to work renditions as received.

BPP renditions received and processed.

Appraiser continues to work on discovery of property and appraisals.

#### CAD Staff

Submit sales information and deed transactions to State Comptroller Office by Feb 1. EARS

Update Rendition Work List to current year and transfer information from received renditions to list.

Receive and key rendition extension requests.

Renditions of minerals, utilities, and other accounts worked by mineral appraiser and /or extension requests are faxed, mailed or emailed and the original filed in house.

Contact agent if no appointment form on file for property rendered.

ARB members are signed up for annual training.

### **March 2024**

#### Appraisal Departments:

Real Property appraiser continues to work.  
Complete field work on Cat A, E, F, L, and M properties.  
Complete ratio studies on real property.  
Update residential schedules, Ag schedules, and mobile home depreciation schedules.  
Mineral and special properties appraisers continue to process received renditions.  
Appraisers continue to work on discovery of property and appraisals.

#### CAD Staff:

Chief Appraiser begins work on 2025 budget.  
Continue transferring information from received renditions to list.  
Receive and key rendition extension requests.  
Minerals and special property renditions and/or extension requests are faxed, mailed or emailed and the original filed in house.  
Contact agent if no appointment form on file for property rendered.  
Key rendered accounts, deleted exemptions, new exemptions, and new frozen accounts.  
Review edits and audits before notices run; correct or adjust accounts as needed.  
Proof all changes; print out change report and compare to appraisals.

### **April 2024**

#### Appraisal Departments:

Real Property appraiser continues field work and analysis.  
Mineral and special property appraisers continue to process received renditions.  
Appraisers continue to work on discovery of property and appraisals.

#### CAD Staff:

Ensure all ARB members have attended mandatory training and certificates of completion are on file.  
Chief Appraiser continues work on 2025 Budget.  
Continue transferring information from received renditions to list.  
Renditions due by April 15<sup>th</sup> unless extension requested; continue to receive and key rendition extension requests.  
Mineral and special property renditions and/or extension request are faxed, mailed or emailed to contract appraisers and the original filed in-house.  
Contact agent if no appointment form on file for property rendered or property protested.

### **May 2024**

#### Appraisal Departments:

Coordinate with CAD staff on hearing schedules and protests filed.  
Appraiser works with property owners regarding proposed values and protests filed.  
Mineral and special property appraisers continue to process received renditions.

#### CAD Staff:

Chief Appraiser presents proposed budget to Board for preliminary approval and notifies tax units of amounts to budget.  
Check that mapping updates have been processed as scheduled.  
Place Protest and Appeals Procedure ad in local newspaper by **May 15**.  
Review edits and audits before notices run; correct or adjust accounts as needed.  
Mail out Notices of Appraised Value  
Renditions receiving 30-day extension are due **May 1st** unless chief appraiser extends deadline to **May 30**.  
Continue transferring information from received renditions CAMA system.  
Receive and key rendition extension requests and accounts granted additional 15-day extension.  
Mineral and special property renditions and/or extension requests are faxed, mailed or e-mailed to mineral appraiser and the original filed in-house.  
Contact agent if no appointment form on file for property rendered or property protested.  
Code returned notices and research ownership and addresses.



## **June 2024**

### Appraisal Departments:

Appraisers work with property owners regarding proposed values and protests filed.  
Coordinate with CAD staff on hearing schedule and protests filed.  
Appraisers defend values at protest hearings.  
Enter into CAMA all changes ordered by ARB.

### CAD Staff:

Submit appraisal records to ARB for review.  
Submit completed Operations Survey to State Comptroller.  
Chief Appraiser begins update of USPAP Report (Mass Appraisal Report).  
Contact agent if no appointment form on file for property protested.  
Schedule protest hearings.  
Compile information for evidence packets for property owners filing protests and requesting evidence.  
Coordinate with mineral and special property appraisers on hearing schedule and protests filed.  
Prepare hearing list and information on information meeting and formal hearing to check on evidence and reason for changes in value by contract appraisers.  
Code returned appraisal notices and research ownership and addresses.  
Print and mail personal property rendition penalty letters.  
Mail all approvals/denials on rendition penalty waiver requests.  
Post ARB hearing Agenda as necessary.  
Check rendition list against Preliminary Appraisal Roll to verify properties are being picked up and appraised by mineral appraiser.

## **July 2024**

### Appraisal Departments:

Appraisers work with property owners regarding proposed values and protests filed.  
Appraisers defend values at protest hearings.  
Enter into CAMA all changes ordered by ARB.

### CAD Staff:

Prepare hearing list and information on informal meetings and formal hearings to check on evidence and reason for changes in value by contract appraisers.  
Mail all approvals/denials on rendition penalty waiver requests.  
Post ARB hearing agenda as necessary  
Provide ARB support; make record of minutes during hearings, make copies as needed, supply forms and orders as needed, etc.  
Mail ARB Notices and Orders certified, return receipt requested.  
Enter into CAMA all changes ordered by ARB.  
ARB approves Appraisal Records by July 20.  
Chief Appraiser certifies Appraisal Roll to taxing units by July 25.  
Submit Certified Appraisal Roll to State Comptroller.

## **August 2024**

### Appraisal Department:

Appraisers continue to work on any pending protest hearings.  
Continue working with taxpayers.  
Coordinate with CAD that rendition penalties are applied correctly.

### CAD Staff:

Submit sales information to State Comptroller's Office by Aug 1. EARS  
Submit Certified Appraisal Roll to State Comptroller by Aug 1. EARS  
Place ¼ page Notice of Budget Hearing Ad in local newspaper at least 10 days before the hearing date.  
Prepare updated Reappraisal Plan for 2025-2026  
Send Reappraisal Plan to tax units and notify them of hearing on Plan  
Submit Notice of Budget Hearing to taxing units at least 10 days before hearing date.  
Hold Public Hearing on 2025 Budget before September 15  
Hold Public Hearing on Reappraisal Plan

Continue ARB Hearing process for any rescheduled or newly scheduled protests.  
Check rendition list against certified roll to verify values by mineral appraiser.  
Compose and mail letter to property owners filing late ag application informing them of the 10% penalty for late filing.

### **September 2024**

#### Appraisal Department:

Work on gathering information of improvements and condition of those improvements and updating of pictures

#### CAD staff:

Begin work on reports of Property Value for State Comptroller's Office.  
Check that all qualifying residences have homestead exemptions, if not send applications.  
After tax rates are set, files are updated for new tax rates.  
Update listing of all taxing unit rates.  
Check that mapping updates have been processed as scheduled.

### **October 2024**

#### Appraisal Department:

Review and update Ag Survey Letter as needed.  
Continue field work reviewing class schedules and condition of improvements  
Continue elections process  
Meet with Ag Advisory Board

#### CAD Staff:

Mail Ag Survey Letters to owners.  
Submit completed Reports of Property Value to State Comptroller's Office.

### **November 2024**

#### Appraisal Department:

Continue field work

#### CAD Staff:

### **December 2024**

#### Appraisal Department:

Continue field work as needed

#### CAD Staff:

Receive names of Chair and Secretary of ARB appointed by Administrative District Judge.  
Administrative District Judge appoints ARB members to 2-year term.  
Board of Directors appoints Ag Advisory Board members to 2-year term.