

# **REAPPRAISAL PLAN**

**2023-2024**

**CENTRAL APPRAISAL DISTRICT**

**OF**

**TAYLOR COUNTY**



**September 8, 2022**

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## EXECUTIVE SUMMARY

The Central Appraisal District of Taylor County has prepared and published this reappraisal plan to provide the 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, followed by several sections describing the appraisal effort by the appraisal district.

The Central Appraisal District of Taylor County is a political subdivision of the State of Texas created on 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, constitutes the district's governing body. The chief appraiser, appointed by the Board of Directors, is the appraisal district's chief administrator and chief executive officer.

The appraisal district is responsible for local property tax appraisal and exemption administration for 19 jurisdictions or taxing units located within the boundaries of Taylor County. Each taxing unit sets its 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 performed by the appraisal district provide an estimate of market value on each parcel of property located in Taylor County. The District also determines eligibility for various property tax exemptions for homeowners, the elderly, disabled veterans, and charitable or religious organizations. The District also administrates agricultural productivity valuation eligibility

In this executive summary, please find the legal requirements 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, Texas Property 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, Texas Property 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 Central Appraisal District of Taylor County (Taylor CAD) receives listings of all deeds filed in Taylor County off a File Transfer Protocol (FTP) site with the Taylor County Clerk's office. Deeds are read and abstracted by the clerical staff in the Public Information section of Taylor CAD. Information is recorded in the computer-assisted mass appraisal (CAMA) software, including grantor, grantee, date of recording, and instrument number from 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, sales tax permit holder lists, and other business listing publications to ensure 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.

Oil and gas wells are discovered using Texas Railroad Commission records. Ownership is determined by records known as division orders that are usually available from the purchasers of the oil or gas. Taylor CAD has worked well with these purchasers to gather this information and deliver tax bills to the owners of all mineral interests.

Maps have been developed for years that show ownership lines for all real estate. The files used to create these maps are stored digitally on a server. Using ARC Desktop, software developed by ESRI, the most popular geographic information system software in the nation, maps can be reproduced and updated as changes happen. Aerial Imagery is taken of the City of Abilene and the extra territorial

jurisdiction around Abilene and shows excellent detail of land and improvements as of that date. The other sections of the county have aerial imagery coverage as budgeted. All these files are available to the appraisal district staff on their desktop computers, and maps are available to the public through a map server operated by the City of Abilene GIS Department. The data and its maintenance are a joint effort of Taylor County, Taylor County 911, the City of Abilene, and the Central Appraisal District of Taylor County.

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

Real estate is physically reviewed every year. Appraisers drive to neighborhoods within the towns and cities of Taylor County and gather data about each residential building, commercial building, or vacant land tract using iPads. The appraisers walk from property to property, noting the property's condition and observing and recording any changes to the property since the previous year's inspection. Pictures are captured regularly using iPads or digital cameras. Those pictures are stored in the CAMA software and assist the appraiser in making value decisions when they return 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. The county's rural areas are driven each spring with appraisers looking for newly constructed properties and remodels since there is no permit system outside the City of Abilene other than septic tank inspections.

The BPP staff inspects business personal property. They look at the quality of inventory and the stocking density and make general notes about the equipment they see. If their observation is different from the rendition made by the taxpayer, additional information is gathered, and a higher value may be assigned than the rendered amount.

The appraisal district contracts with an engineering appraisal firm that appraises oil and gas properties, utilities, railroads, and pipelines within Taylor County. Utility, railroad, and pipeline properties that are susceptible to inspection are identified by inspection. The appraisers may also refer to renditions and other public and confidential documents to assist in identifying these properties. Data is collected from regulatory agencies, such as the Texas Railroad Commission and the Texas Comptroller of Public Accounts, to identify new oil and gas properties. Additional data is gathered from the property operator or owner(s) submissions, regulatory reports, public investment reports, and licensed data services.

(3) *Defining market areas in the district;*

Annually, appraisers combine 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. For apartments, commercial retail, wholesale, and service retail, the properties are categorized by market demand. Trade areas with similar rents, quality, and age are combined to analyze and apply sales and rental data.

Parcels of land are placed into regions or neighborhoods with other parcels having similar characteristics, school districts, and amenities. Using these

neighborhoods, values are applied to all parcels using linear regression formulae. The regression formulae consider location, size, topography, and other characteristics 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, zoning, 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 indicates 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, fireplaces, air conditioning type, and other attributes. The overall condition of the improvement is also noted.

- (5) *Developing an appraisal model that reflects the relationship among the property characteristic 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 the 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.

This same concept is used in commercial, industrial, and apartment property. Sales and income data indicate significantly larger neighborhoods or areas for these properties.

Oil and gas values are set for each lease similarly as analysts appraise a lease for sale or purchase. Economically recoverable reserves are estimated using geological knowledge, decline curves, and production records, and the value assigned is



determined using price of product, discounted value of future production, and expenses to produce. Data for the models are developed from Taylor County leases.

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, values it based on original cost less depreciation, net income to the company, and comparable sales if they exist. The value for each jurisdiction is then 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 conditions are assigned values per square foot based on the linear regression formulae 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.

Economic index factors for commercial property and apartments are applied to cost figures to align values with current sales data. Regions of the community are assigned similar values per square foot for similar age, construction quality, and condition. 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 generated to make comparisons of values per square foot within the neighborhood and those appraised values per square foot with current sales data from the neighborhood. A sales ratio is run for each neighborhood to determine if the values that have been assigned are within the required ratios of law (95%-105%).

Commercial property and apartments are compared by category or type of business, e.g., fast food structures are compared to other fast food stores. Adjustments are made in mass by the commercial appraisal staff utilizing the CAMA system. All similar improvements are compared to verify the reasonableness of value and equality.

Oil and gas leases are valued individually, and values for the entire lease are entered into the CAMA system. The CAMA system then distributes the value according to the ownership interests specified in the division order of the lease.

## **REVALUATION DECISION (REAPPRAISAL CYCLE)**

By policy, the Central Appraisal District of Taylor County reappraises all property in the district every year. The reappraisal is a complete appraisal of all properties in the district.

# Taylor County Central Appraisal District

## Reappraisal Plan Details

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### INTRODUCTION

#### *Scope of Responsibility*

Except as otherwise provided by the property Texas Property Tax Code (TPTC), all taxable property is appraised at its “market value” as of January 1. 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 gains, and neither side is in a position to take advantage of the exigencies of the other.

The TPTC 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. 24.34). The owner of inventory may elect to have the inventory appraised at its market value as of September 1 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.

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 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 office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations. The administration department's function is to plan, organize, direct, and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities, and postal services. The appraisal department is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal, mineral, utilities, and industrial. 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, are coordinated by personnel in support services.

The appraisal district staff consists of 29 employees with the following classifications:

- 3 - Official/Administrator (executive level administration)
- 10 - Professional (supervisory and management)
- 8 - Technicians (appraisers, statistical modeler, and network support)
- 8 - Administrative Support (professional, customer service, clerical and other)

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

All personnel performing appraisal work are registered with the Texas Department of Licensing and Regulation (TDLR) and 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 not less than 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 iPads used in fieldwork and statistical analyses of all property types to ensure equality and uniformity of appraisal of all property types. Department managers utilize on-the-job training when training new appraisers.

Managers meet regularly with staff to introduce new procedures and monitor appraisal activity to ensure that all personnel follow standardized appraisal procedures.

### ***Data***

The district is responsible for establishing and maintaining approximately 94,000 real and personal property accounts covering 919 square miles within Taylor County and shared property in contiguous counties. Data collected includes property characteristics, ownership, and exemption information. Property characteristic data on new construction is updated through an annual field effort and plat review through Abilene City Planning Department and the Taylor County Commissioners' Court; existing property data is maintained through a field review. Sales are routinely validated during a separate field effort; however, numerous sales are validated 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 buyers and sellers, university research centers, market data centers, and vendors.

The district's Geospatial Information System (GIS) department collects and maintains cadastral maps, various layers of data, and imagery. The GIS department also maintains district files and survey drawings for plats from the Abilene City Planning office and the Taylor County Commissioners' Court. The district's website and REpresentational State Transfer (REST) services make a broad range of information available for public access, including information on the appraisal process, property characteristic 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 Systems Administrators and the GIS department manage and maintain the district's data processing facility, software applications, Internet website, and GIS. The district operates a Microsoft Structured Query Language (SQL) database and an Enterprise Geo-Database with cooperative data sharing with the City of Abilene, County 911, and other county agencies. The system is maintained on Dell rack-mounted servers, running several virtual machine environments. Harris Govern provides software services for appraisal and collections 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 Division (PTD) conducts property value study (PVS) of each Texas school district and each appraisal district every other year. 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);
- test the validity of school district taxable values in each appraisal district and presumes the appraisal roll values are correct when values are valid; and
- determine 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 for 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.

Nine independent school districts have property in Taylor County 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 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 Taylor CAD in determining areas of market activity or changing market conditions.

# Appraisal Activities

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## INTRODUCTION

### *Appraisal Responsibilities*

The field appraisal staff is 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 utilized 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 Taylor County and the jurisdictions of this appraisal district. The data collection effort involves the field inspection of real and personal property accounts and data entry of all data collected into the existing information system. The District adheres to Texas Property Tax Code § 25.18 regarding periodic inspection of residential, commercial, and personal properties in the district every year. The appraisal opinion of value for all property located in the district is reviewed and evaluated each year.

### *Appraisal Resources*

- **Personnel** - 11 appraisers conduct the appraisal activities.
- **Data** – The data used by field appraisers includes the current property characteristic information contained in a Computer Assisted Mass Appraisal System (CAMA) and the geospatial database from the district's computer system. Property data and geographic location is downloaded or pushed via a REST service onto iPads to be utilized by the appraisers in the field. 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 excellent reciprocal relationships with other participants in the real estate marketplace. The district cultivates sources and gathers information from both buyers and sellers.

### *Appraisal Frequency and Method Summary*

- **Residential Property**- Residential property within the city limits of Abilene is physically examined every three years with appraisers walking in front of each home, noting the condition of the improvement and looking for changes that might have occurred to the property since the last on-site check. Residential property outside the city limits of Abilene is physically inspected annually, with

appraisers also noting the condition of the improvement and looking for changes that might have occurred since the last inspection. Exterior pictures are taken of homes, as updates are needed. Every subdivision 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 and discover new or demolished improvements. Pictures are taken of the improvements every three years and as updates are observed. Real estate accounts are analyzed against sales of similar properties in Taylor CAD and similar communities in West Texas with similar economies. The income approach to value is also utilized to appraise larger valued commercial properties such as shopping centers, apartment complexes, office buildings, restaurants, motels and hotels, and other types of property that typically sell based on net operating income.
- **Business Personal Property-** Business personal property is observed annually, with appraisers performing onsite inspections of businesses to develop quality and density observations. A rendition is left for new businesses to complete. Similar businesses to a subject are analyzed annually to determine the consistency of appraisal per square foot. Businesses are categorized using Standard Industrial Codes. Rendition laws provide additional information on basing values of all BPP accounts.
- **Minerals-** Taylor CAD contracts with an engineering appraisal firm to value the minerals in Taylor County annually. While considering all three approaches to value, the Income Approach is the principal appraisal method used. Production data available from the Texas Railroad Commission is used to estimate economically recoverable reserves. Those reserves are then valued based upon State mandated pricing using the previous year's average of oil or gas values. A discount is applied over the anticipated life of the well to consider the value of money over time to recover those reserves. Each producing lease is valued as a unit, and that value is divided according to the various owners listed in division orders of the lease.
- **Utilities, Railroad, and Pipelines-** Utility companies, railroads, and pipelines are appraised annually using a unit value developed using all three approaches to value. A third-party engineering appraisal firm performs these appraisals under contract with the Taylor CAD. For example, a utility company's total value in the State is estimated using cost, market, and income approaches to value, and then the entire value is allocated using the components of that utility company that has

situs in the various tax units of Taylor CAD. Components include such things as miles of transmission lines, miles of distribution lines, substations, and the like for an electric utility.

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

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal) software and a Geospatial Database (GDB). 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. The information maintained on the GDB includes topographic information, such as tax parcels, soils layer, boundaries, and imagery. 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 Business Personal Property (BPP) file includes personal property such as business inventory, furniture, 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 list all taxable personal property.

The listing procedure utilized by the field appraisers is available in the district offices. Appraisers periodically update the classification system with input from the valuation group.

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

The sources of data collection are through property inspection, new construction field effort, data review/re-list 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. A principal source of data comes from building permits received from taxing jurisdictions that require property owners to take out a building permit. Where available, permits are received electronically and loaded to the Building Permit System (BPS). Otherwise, paper permits are received and matched manually with the property's tax account number for data entry. Area and regional real estate brokers and managers are market and property information sources. Online providers of commercial real estate information and analytics, such as CoStar, are also utilized. Other online real estate



database companies are also used. Data surveys of property owners requesting market information and property description information are valuable data. Soil surveys and agricultural surveys of farming and ranching property owners and industry professionals are helpful for productivity value calibration. Improvement cost information is gathered from local building contractors and Marshall & Swift Valuation Service. Various income and rental surveys are performed by interviewing property managers and operators to determine operating income and expenses for investment and income producing real property.

Data review of entire neighborhoods is generally a good source for data collection. Appraisers walk entire neighborhoods to review the accuracy of our data and identify properties that need to be re-listed. 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. In commercial property, the commercial appraisers are responsible for contacting sales participants to confirm sales prices and verify pertinent data.

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 the 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 can 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 rely on data accuracy as its foundation.

Data for the appraisal of mineral values is collected from regulatory agencies, such as the Texas Railroad Commission and the Texas Comptroller of Public Accounts, and submissions by the property operator or owner(s). Additional data is obtained through published sources, regulatory reports, public investment reports, licensed data services, fee organizations services, and comparable properties, if any. Additional data is obtained and verified through published sources, regulatory reports, and through analysis of comparable properties.

Data on industrial, utility, railroad, and pipeline properties is typically collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and

published reports. Additional data is obtained and verified through published sources, regulatory reports, and through analysis of comparable properties.

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

The appraisers are assigned specific areas throughout the district to conduct field inspections. These geographic areas of assignment are maintained for several years to enable the appraiser assigned to that area to become knowledgeable of all the factors that drive values for that specific area. Appraisers of real estate and business personal property conduct field inspections and record information using an iPad field device that holds all data dealing with the property and allows for the entry of corrections and additions that the appraiser may find in their field inspection.

The quality of the data used is critical in estimating market values of taxable property. While work performance standards are established and upheld for the various field activities, data quality is emphasized as each appraiser's goal and responsibility. New appraisers are trained in the specifics of data collection and the classification system set forth and recognized as “rules” to follow. Experienced appraisers are routinely re-trained in listing procedures before major field projects such as new construction, sales validation, or data review. A quality assurance process exists through supervisory review of the work being performed by the field appraisers. Quality assurance supervision is responsible for ensuring that appraisers follow listing procedures, identify training issues and provide uniform training throughout the field appraisal staff.

### ***Data Maintenance***

The appraiser begins an area update by downloading complete files of the area, known as assignment groups, that they plan to work on. The field appraiser is responsible for the data entry of his/her fieldwork into the field device as the area is surveyed. Most of the data collected in the field is input using iPads and is entered by the appraiser while still at the property. This allows for a much more efficient gathering of data and assists in maintaining a more accurate description of the properties and minimizes the possibility of mistakes in transferring data. Other means, such as writing on field cards and leaving data entry to data entry clerks, produce a higher likelihood of a misreading or a misunderstanding of the intent of the appraiser's desired property changes. More accurate property descriptions translate into more accurate appraisal estimates. The iPad devices allow the appraiser to capture a current picture while at the property. At the end of the day, data is downloaded back to the CAMA system. Various appraisal reports are generated throughout the appraisal year to verify accuracy and consistency of property descriptions and characteristics.

# **INDIVIDUAL VALUE REVIEW PROCEDURES**

## ***Field Review***

The date of the last inspection and the appraiser responsible are listed on the CAMA record for each property. If a property owner or jurisdiction disputes the district's records concerning this data during a hearing, via a telephone call or other correspondence, 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 the following 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. Each year, a field review is performed on all personal property accounts with available situs.

## ***Office Review***

Office reviews are completed on properties where update information has been received from the property owner and is considered accurate and correct. Data mailers sent en masse or at the property owner's request frequently verify some property characteristics or the property's current condition. Field inspections may not be required when the property data is verified in this manner and considered accurate and correct. The personal property department mails property rendition forms in January of each year to assist in the annual review of the property.

## ***Performance Test***

The property appraisers are responsible for conducting ratio studies and comparative analyses. Ratio studies are conducted on property located within certain neighborhoods or districts by appraisal staff. The sale ratio and comparative analysis of sold property to appraised value form 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 property area. Field appraisers, in many cases, may conduct field inspections to ensure the accuracy of the property descriptions at the time of sale for this study. This inspection is to ensure that the ratios produced are accurate for the property sold and that appraised values utilized in the study are based on accurate property data characteristics observed at the time of sale. In addition, property inspections are performed to discover if property characteristics have changed as of the sale date or after the sale date. Sale ratios should be based on the property's value as of the date of sale, not after a subsequent or substantial change was made to the property. Correctly performed ratio studies are a good reflection of the level of appraisal for the district.

# Residential Valuation Process

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## INTRODUCTION

### *Scope of Responsibility*

The residential appraisers are responsible for estimating equal and uniform market values for residential improved and vacant property. There are approximately 49,000 improved residential single and multiple-family parcels and 7,700 vacant residential properties in Taylor County.

### *Appraisal Resources*

- **Personnel** - The residential appraisal staff consists of four appraisers and one data collector. The following appraisers are responsible for estimating the market value of residential property:

**Rick Mangum**, Residential Appraisal Co-Coordinator

**Brooke Howard**, Residential Appraisal Co-Coordinator

**Marissa Atchley**, Residential Appraiser

**Seth Abood**, Residential Appraiser

Other personnel responsible for estimating residential market value include:

**Scott Truitt**, Chief Operations Officer

**Russ David**, Land Coordinator

- **Data** - An individualized set of data characteristics for each residential dwelling and multiple family units in this district is collected in the field, and the data is entered into the computer. The property characteristic data drives the application of computer-assisted mass appraisal (CAMA) under the Cost, Sales Comparison, and Income Approaches to property valuation.

## VALUATION APPROACH

### *Land Analysis*

- **Personnel** - The land department consists of one appraiser and one analyst. The following appraisers are responsible for estimating the market value of residential land:

**Dan Shake**, Land Coordinator

**Russ David**, Land Appraiser

Other personnel responsible for estimating residential land market value include:

**Scott Truitt**, Chief Operations Officer

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. A comparison and analysis of comparable land sales is conducted based on a comparison of land characteristics found to influence the market price of land located in the neighborhood. A computerized file holding the land table, stores the land information required to value individual parcels within neighborhoods' given known land characteristics. 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 location factors, employment, real property prices, interest rates, availability of vacant land, construction trends, and costs are collected from private vendors and public sources. Collected information provides the field appraiser with 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.

Sixteen rural land regions are analyzed yearly to develop a base acreage price. Rural farm and ranch sales are grouped by property characteristics, location similarities, and development potential. These sales are analyzed on a price per acre basis with regression analysis utilized to analyze the effects of size, or the economy of scale, within specific markets where there is typically a wide variety of sizes within a specific location. Appraisal schedules are built using regression models for calculating the unit prices. Where necessary, specific land influences are used to adjust parcels outside the neighborhood norm for such factors as view, shape, size, and topography, among others.

### ***Market Area Delineation and Neighborhood Analysis***

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

Market area 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 is 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 period relative to the date of appraisal. Cost and market approaches to estimate value are the basic techniques utilized to interpret these sales. For multiple family properties, the income approach to value is also utilized to estimate an opinion of value for investment level residential property.

The first step in market analysis is the identification of a group of properties that share certain common traits. A "Market Area" 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, dwelling age, 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 a 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.

Neighborhoods undergo annual review during field inspection and are delineated based on observable aspects of homogeneity. Within the city limits of Abilene, there are approximately 315 residential neighborhoods. Rural residential neighborhoods consist of 53 residential and eight neighborhoods designating the rural cities. There are

also 23 neighborhoods representing the mobile home parks within the city limits of Abilene.

In delineating market areas for residential properties located within Taylor County, based on similar economic and market forces tied to demographics and development, Taylor CAD has identified seven market areas (zones). Because of the discernible patterns of growth that characterize the seven market areas, Taylor CAD will evaluate the boundaries or market segments annually to ensure homogeneity of property characteristics. The seven identified residential market areas consist of the following:

ZONE 1 – Northwest area of the City of Abilene. This zone includes homes that are on the north and south side of Interstate 20 and houses on the east and west side of Highway 277 N, also known as Winters Freeway.

ZONE 2 – Central business district in the City of Abilene west of Old Anson Road to the east boundary of West Lake Road. The northern boundary is the Taylor County line, and the southern boundary is Loop 322. This zone includes homes around Hardin-Simmons University and Hendrick Medical Center from Pine.

ZONE 3 – Northeast area of the City of Abilene from the east boundary of Oldham Lane to Loop 322, with the northern boundary being the Taylor County line and the southern boundary following Loop 322. This zone includes homes around Abilene Christian University and areas adjacent to Highway 351, also known as the Albany highway.

ZONE 4 – South side of the City of Abilene located north of the Mall of Abilene to South First. This zone includes homes east of Winters Freeway from the Old Elmwood and Tanglewood area, extending to Sayles Boulevard. This zone defines the market areas for higher valued older historic homes. This zone also includes homes surrounding McMurry University.

ZONE 5 – South side of the City of Abilene located south of the Mall of Abilene from Rebecca Lane south to Antilley Road and west of Hwy 83-84 to Catclaw Drive. Historically, this zone has experienced continual growth. Part of this zone also includes homes within the Wylie school district.

ZONE 8 – Rural subdivisions and small towns within Taylor County but not inside the city limits of Abilene. This market area includes homes in various school districts that may be clustered as rural subdivisions for regional analysis; however, they are individually appraised within a neighborhood area for each school district.

ZONE 9 – Rural residential structures not located within a rural subdivision or small town. This market area includes homes in various school districts that may be clustered

for rural residential regional analysis; however, they are individually appraised within a neighborhood area for each school district.

These seven zones are then analyzed, and sub-areas, known as neighborhoods, are identified. The four factors affecting property value, which include physical, economic, governmental, and social, are analyzed to identify the neighborhoods. Neighborhood identification and delineation is the cornerstone of the residential valuation system in the district. All the residential analysis work done in association with the residential valuation process is neighborhood specific. Neighborhoods are inspected and delineated based on observable aspects of homogeneity. Neighborhood delineation is periodically reviewed to determine if further neighborhood delineation is warranted. Whereas neighborhoods involve similar properties in the same location, a neighborhood group is simply defined as similar neighborhoods in similar locations. Each residential neighborhood is assigned to a neighborhood group based on observable aspects of homogeneity between neighborhoods. Neighborhood grouping is highly beneficial in areas of limited sales or use in direct sales comparison analysis. Neighborhood groups, or clustered neighborhoods, increase the available market data by linking comparable properties outside a given neighborhood. The sales ratio analysis discussed below is performed on a neighborhood basis and in soft sale areas on a neighborhood group basis. Listings of residential market neighborhoods can be found in Appendices A through E. A map of residential market areas can be found in Appendix F.

### ***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 partly due to the fact that residential development, in many areas, through deed restrictions and zoning, precludes other land uses. In mixed residential and commercial areas, the appraiser reviews properties in these areas periodically 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 identical cost schedules based on the improvement classification system using a comparative unit method. The district's residential cost schedules are estimated from Marshall & Swift, a nationally recognized cost estimator service. These cost estimates



are compared with sales of new improvements, 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 from a sample of market sales.

A review of the residential cost schedule is performed annually. 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. The property data characteristics of these properties are verified, and photographs are taken of the samples. CAD replacement costs are compared against Marshall & Swift, and the indicated replacement cost abstracted from these market sales of comparably improved structures. The results of this comparison are analyzed using statistical measures, including stratification by quality and reviewing estimated building costs plus land to sales prices. Because of this analysis, a new regional multiplier or economic index factor and indications of neighborhood economic factors are developed for use in the district's cost process. This new economic index is estimated and used to adjust the district's cost schedule to comply with local building costs as reflected by the local market.

### ***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 and commercial improved and vacant land sales are maintained in a sales information system. Residential improved and vacant sales are collected from various sources, including district questionnaires sent to buyers and sellers, field discovery, protest hearings, fee appraisals, multiple listing service, various sale vendors, builders, 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 developing and estimating market price ranges and property component value estimates. Abstraction and allocation of property components based on similar property sales 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, regarding price, as indicated by sale prices for similar property within the current market.

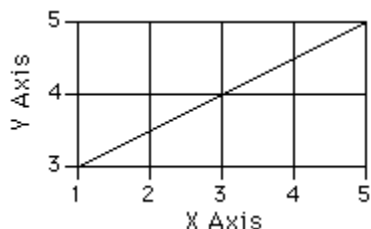
Monthly time adjustments are estimated based on comparative analysis using comparisons of sold property of similar age, construction, and condition. Sales of the same property are considered and analyzed for any indication of price change attributed

to a time change or influence. Property characteristics, financing, and conditions of sale are compared for each property sold in the pairing of property to isolate only the time factor as an influence on price.

### 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 residential valuation neighborhood 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 is 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 uses sales analysis to review 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. Based on the sales ratio statistics and designated parameters for valuation update, the appraiser 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.

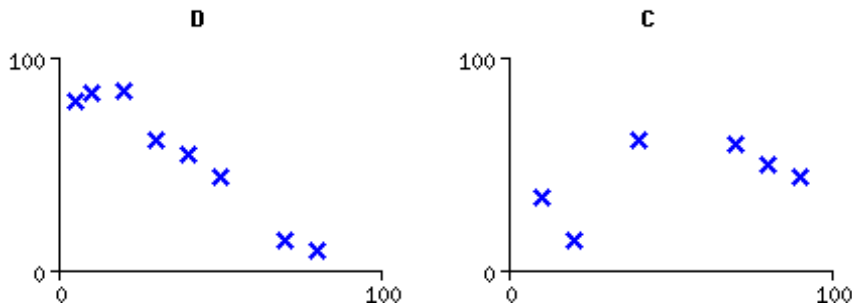


The analysis of trends that exist in neighborhood economics and the characteristics that shape the estimated market values are measured with linear regression statistics.

Appraisers relate physical individual property changes gathered during the annual property inspection to annual depreciation rates. The depreciation rates are calculated in a spreadsheet that measures the relationship between time adjusted sale prices and replacement cost new of the actual age of each property.

PROP ID	RCN	Sq. Ft.	Sq. Ft.	Contrib.	% Good	% Depr.	Annual Rate	F	T	Desc.	Age	Rank	C	Size	Phys.
52856	\$113,567	\$69.72	\$67.27	\$109,590	0.96	0.04	0.00233	V	I	RSB10	15	2	A	0.00	0.03
970084	\$156,017	\$72.97	\$69.40	\$148,385	0.95	0.05	0.04892	V	I	RSB11	1	3	A	0.00	0.00
970082	\$204,196	\$78.78	\$75.20	\$194,921	0.95	0.05	0.02271	0	I	RSB12	2	3	A	0.00	0.00
970075	\$148,064	\$72.90	\$76.03	\$154,412	1.04	-0.04	-0.01072	V	I	RSB11	4	3	A	0.00	0.00
970072	\$147,905	\$72.93	\$72.76	\$147,550	1.00	0.00	0.00048	0	I	RSB11	5	3	A	0.00	0.00

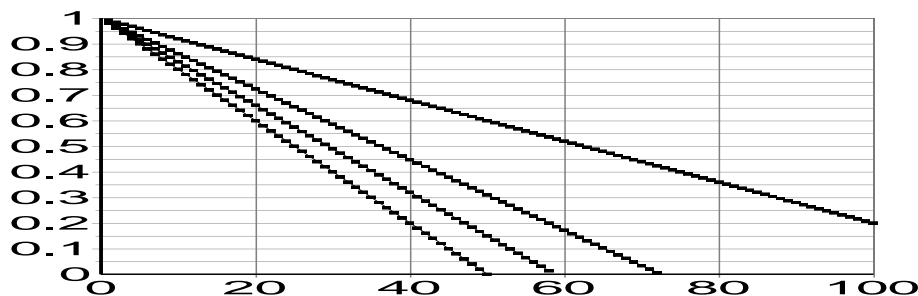
After the appraiser determines the annual depreciation rates, the rates are placed in a linear regression model that calculates a best-fit line. Linear regression attempts to explain this relationship with a straight line fit to the data, which best predicts Y from X and distributes an annual depreciation driven by sales prices that can be calculated against the different ages of houses within a neighborhood. The product of the formula ( $y = mx + b$ ) delivers a slope that best fits a scatter of annual depreciation rates and ages of sold properties.



Determining the slope ( $m$ ) and the intercept ( $b$ ) is a prerequisite to applying a slope intercept formula and is calculated in a spreadsheet, which will identify the relationship between two variables, annual depreciation and age of the house.

The slope ( $m = \frac{y_2 - y_1}{x_2 - x_1}$ ) of a line represents the steepness of the line. The slope is measured as the change in dependent variable Y (annual depreciation) as it is associated with a change of one unit on the independent variable X (age of house).

The following graph shows four lines representing different conditions (level of depreciation: fair, average, good, and excellent) of houses in a neighborhood. Each slope is based on the change of one on the X-axis, as it is associated with a change on the Y-axis. For example, as X changes from two to three, Y changes from three to four. The excellent condition homes depreciate slower than the fair condition homes, thus yielding a higher percent good, which calculates a higher price per square foot.



Lines with positive slopes go from the bottom left toward the upper right. Lines with negative slopes go from the upper left to the lower right.

When the appraiser develops and tests the regression models and approves the results, those results (annual depreciation rates) are distributed to properties with

similar conditions within the neighborhood. The distribution of depreciation rates based on sales developed through a regression model ensures all properties in the same condition will depreciate or appreciate at the same level, creating equity in the neighborhood.

### ***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 market, or location adjustments, may be abstracted and applied uniformly within neighborhoods to account for location variances between market areas or across a jurisdiction. In accordance with the sales comparison approach, the estimated market value of the property equals the basic unit of property, which, under comparison, times the market price range per unit for comparable property sales. 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 on the annualized accrued depreciation rate. Sales of similar property most appropriately measure this cost related factor. When improvements are abstracted from the sale price, the market approach 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. Evaluating 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, 96% to 100%, 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 sale sample, the entire property neighborhood is recalculated utilizing the indicated depreciation rates taken from market sales. This depreciation factor is the basis for trending all improvement values. When combined with other site improvements and land value, it 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 an 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.

### ***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 a 10% annual increase. 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 for each year since the property was re-appraised and 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 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, which is usually like 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 critical need of field review through sales ratio analysis. Sold properties are field reviewed monthly and periodically to check for data characteristics' accuracy.

As the district's parcel count has increased through new home construction, and the homes constructed in the boom years of the late 70's and early 80's experience remodeling, the appraisers are required to perform the field activity associated with transitioning and high demand neighborhoods. Increased sales activity has also resulted in a more substantial field effort on the part of the appraisers to review and resolve sales outliers. Additionally, the appraiser frequently field reviews subjective data items such as quality of construction and condition. The appraiser will also review factors contributing significantly to the market value of the property, e.g., physical, functional, and economic obsolescence. After preliminary estimates of value have been determined in targeted areas, the appraiser takes valuation documents to the field to test the computer-assisted values against his appraisal judgment. During this review, the appraiser can inspect both sold properties and unsold properties for comparability and consistency of values.

### ***Office Review***

When the field review is completed, the appraiser conducts a routine valuation review of all properties as outlined in the ratio studies and market analysis discussion. Valuation reports comparing previous values against proposed and final values are generated for all residential improved and vacant properties. The percentage of value differences for each property within a delineated neighborhood allows 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 value estimates go to noticing.

## **PERFORMANCE TESTS**

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

The ratio study is the primary analytical tool used by the appraisers to measure and improve performance. The district ensures that the appraised values 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. The PC-based ratio studies are designed to emulate the state comptroller's property value study findings for category "A" (single-family residences) property.

### ***Management Review Process***

When the proposed value estimates are finalized, the appraiser reviews the sales ratios by neighborhood and presents pertinent valuation data, such as weighted sales ratio and pricing trends, to the appraisal supervisors and the Chief Appraiser for final review and approval. This review includes a comparison of level of value between related neighborhoods within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values have met preset appraisal guidelines appropriate for the tax year in question.



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## Commercial and Industrial Property Valuation Process

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### INTRODUCTION

#### *Scope of Responsibility*

This mass appraisal assignment includes all the commercially described real property, which falls within the responsibility of the commercial valuation appraisers of the Central Appraisal District of Taylor County (Taylor CAD) and located within the boundaries of this taxing jurisdiction. Commercial appraisers appraise the fee simple interest of properties according to statute and court decisions. However, the effect of easements, restrictions, encumbrances, leases, contracts or special assessments are considered on an individual basis, as is the appraisal of any non-exempt taxable fractional interests in real property (i.e., specific 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.

The improved real property appraisal responsibilities are categorized according to significant property types of multi-family or apartment, office, retail, warehouse, and particular use, i.e., hotels, hospitals, and nursing homes.

#### *Appraisal Resources*

**Personnel** – The commercial appraisal staff consists of three appraisers. The following appraisers are responsible for estimating the market value of commercial and industrial property:

**Patrick Carroll**, Commercial Property Coordinator

**Ryan Fletcher**, Commercial Appraiser

**Brandt Bailey**, Commercial Appraiser

Other personnel responsible for estimating commercial and industrial property value include:

**Scott Truitt**, Chief Operations Officer

**Russ David**, Land Coordinator

**Angela Stokes**, Personal Property Coordinator, Field Data Review

**Mario Mendez**, Personal Property Appraiser, Field Data Review

**Grace Campbell**, Personal Property Appraiser, Field Data Review

**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. These studies target certain types of improved property to evaluate current market prices for rents and commercial and industrial real property sales. These comparable sales and ratio studies reveal whether the valuation system produces accurate and reliable value estimates or requires procedural and economic modifications. The appraiser implements this methodology when developing cost approach, sales comparison approach, and income approach models.

Taylor CAD coordinates its discovery and valuation activities with adjoining appraisal districts. Numerous field trips, interviews, and data exchanges with adjacent appraisal districts have been conducted to ensure compliance with state statutes. In addition, Taylor CAD administration and personnel interact with other assessment officials through professional trade organizations, including the International Association of Assessing Officers, Texas Association of Appraisal Districts, and its subchapter Texas Metropolitan Association of Appraisal Districts and the Texas Association of Assessing Officers. District staff strives to maintain appraisal skills and professionalism by continuing education in the form of courses that are offered by several professional associations such as International Association of Assessing Officers (IAAO), Texas Association of Assessing Officers (TAAO), Texas Association of Appraisal Districts (TAAD) and Texas Department of Licensing and Regulation (TDLR) courses.

## **VALUATION APPROACH**

### ***Land Value***

Commercial land is analyzed annually to compare appraised values with recent land sales 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.

### ***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.

### ***Markets and Neighborhoods***

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 contain a wide variety of property types, including multiple-family residential, commercial and industrial. Neighborhood and area analysis involves 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.

### ***Market Area Delineation and Neighborhood Analysis***

The market areas and neighborhoods are comprised of the land area and commercially classed properties located within the boundaries of this appraisal jurisdiction. These areas contain a wide variety of property types, including multiple-family residential, commercial and industrial.

Delineation can involve the physical drawing of the neighborhood boundary lines on a map, or it can also involve statistical separation or stratification based on attribute analysis. These homogeneous properties are delineated into valuation neighborhoods for residential property or economic class for commercial property.

In delineating market areas for commercial and industrial properties located within the City of Abilene, based on similar economic and market forces tied to demographics and development within the City, eight market areas are identified as having homogeneous properties. Because of the discernible patterns of growth that characterize the eight market areas, Taylor CAD staff will evaluate the neighborhood boundaries or market segments annually to ensure homogeneity of property characteristics. The eight identified market areas consist of the following:

- 01 - Central Business District Market Area

The defined area is generally recognized as the original downtown business district, bisected east-west by the Burlington Northern Santa Fe railroad right-of-way. The general neighborhood boundaries involve North 6th Street (north), South 6th Street (south), with Treadaway Boulevard (east), Grape Street north side (west), and Butternut Street south side (west) defining the perimeters. Pine Street, Treadaway Boulevard, Grape, and Butternut Streets represent the primary north-south traffic arterials. The more notable commercial developments include multiple multi-tenant office buildings, secondary retail, and various government and public buildings. There are several historical zoning overlays in this area. The City of Abilene is encouraging and attempting to provide an incentive for infill in this market area. Older single-family neighborhoods surround the commercial perimeter and extend to the defined neighborhood boundaries.

- 02 - Northwest Market Area

The area boundaries are identified as North 1st Street (south) with the merging of the Winters Freeway (west) and Treadaway-Pine Streets (east), creating the upper northern boundaries of this neighborhood. Interstate Highway 20 bisects east-west the north area of the neighborhood. The majority of the retail development fronts along North 1st Street, Pine Street, and Treadaway Boulevard. There is limited retail development fronting Amber Avenue, a primary east-west traffic arterial near Pine Street. Major commercial developments in the Pine Street-Treadaway Boulevard- Ambler Avenue area include Hendrick Hospital, Hardin Simmons University, multiple freestanding medical offices, and a 120-bed nursing home. Hardin Simmons University represents one of the community's higher education institutions. The remainder of the northwest area includes older single-family residential neighborhoods.

- 03 - Southwest Market Area

The general neighborhood perimeters include South 1st Street (north), Treadaway Boulevard (east), Winters Freeway (west, south). The focus of commercial development is along the primary traffic arterials forming the area perimeters and major traffic routes extending through the area. The newer, primary retail development occurs along South 14th Street and near the Winters Freeway intersecting with South 14th Street and Buffalo Gap. The older, secondary retail development exists along South 1st Street, Treadaway Boulevard, various sections of the Winters Freeways, and older residential sections of the defined neighborhood. Light industrial properties front along Treadaway Boulevard, Industrial, and the public secondary streets between Industrial and the Winters Freeway. McMurry University represents one of the institutions of higher education in the community. Multi-tenant office

developments are limited in the area. The major portion of the development within the defined neighborhood consists of single family properties, with the older properties located in the northern section. In comparison, the newer residential properties extend to the southern section near the Winters Freeway.

- 04 - Outside Loop Market Area

This general area typically represents those developed areas situated west of the Winters Freeway or east of Loop 322 extending south of Interstate Highway 20. The geographic area between Interstate Highway 20 and U.S. Highway 80 West (South 1st Street) represents the Abilene Economic Development industrial area where many industrial employers have located during the past 20 years. Also adjacent to the Winters Freeway is a lower economic residential neighborhood within this same area. The area extending from U.S. Highway 80 West to the south to U.S. Highway 83-84 includes Dyess Air Force Base, limited light industrial development, older and more recently developed single-family residential neighborhoods, including multi-family apartment projects. This area is significantly influenced by the Mall Market Area, which is described as a separate market area. The area extending west of U.S. Highway 83-84 to Interstate Highway 20 represents a mixture of vacant land, residential development, Abilene Regional Airport, and light industrial properties south of U.S. Highway 80 East.

- 05 - Northeast Market Area

The general perimeters of this market area are identified as Interstate Highway 20 (north, east), U.S. Highway 80 East (south), and Treadaway Boulevard (west). The primary retail development and multi-family developments front along Judge Ely Boulevard, a north-south traffic arterial. There is a mixture of retail and older motel developments along U.S. Highway 80 East. Abilene Christian University represents the higher educational institution in the area. Both older and newer residential neighborhoods represent single-family residential development.

- 06 - Southeast Market Area

The boundaries of this market area include Treadaway Boulevard (west), U.S. Highway 80 East (north), and Loop 322 (east, south). This market area has limited retail influence, generally represented by the properties fronting along Treadaway Boulevard. Industrial properties are generally located south of Industrial Boulevard between Treadaway Boulevard and Loop 322. In the general vicinity of Treadaway Boulevard and Industrial Boulevard, a multi-tenant office building and private and public golf courses exist.

- 07 - Southwest Mall Market Area

This generally defined area involves the retail and business enterprises developed along the Winters Freeway in the vicinity of Southwest Drive, extending south to Buffalo Gap Road and west to Rebecca Lane. This market area includes multiple multi-tenant office buildings, motels, grocery stores, limited service medical offices, the Mall of Abilene, the most recently developed named brand free-standing retail, fast food and menu properties in addition to strip shopping centers, and vehicle dealerships. The retail and commercial properties have been developed since the 1980s. This area is surrounded primarily by single-family residential neighborhoods.

- 08 - Northeast ACU/Hwy 351 Market Area

The general neighborhood extends northeast of Interstate Highway 20, primarily along State Highway 351. The primary influence of the neighborhood has been the somewhat recent development of a Walmart store, a Lowes store, and numerous fast food properties. In addition, multiple motels in the area have been developed since the 1980s. There are numerous rural single-family residential acreage tracts in the area, and a single-family residential development started in the late 1970s and is currently expanding.

A map of the identified commercial and industrial market areas can be found in Appendix G.

Market area and neighborhood 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 delineate comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods.

Neighborhoods, or economic areas, are defined by each of the improved property use types (e.g., 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. All income model valuation (income approach to value estimates) is economic area specific. Economic areas are periodically reviewed to determine if re-delineation is required. The geographic boundaries, income, occupancy and expense levels and capitalization rates by age within each economic area for all commercial use types and its corresponding income model have been estimated for these properties. These neighborhoods are reviewed annually. Within the eight market areas, 20 are then defined further by improved property use types to comprise 291 commercial neighborhoods identified

within the city of Abilene and ten rural commercial neighborhoods. A map of these commercial economic areas or neighborhoods can be found on Appendix H.

### ***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*. Any given property's highest and best use 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, and 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. All properties located in Taylor CAD's inventory are coded according to a specific classification system, and the approaches to value are structured and calibrated based on this coding system.

Annually, after the property sales have been researched, verified, keyed into the database, and quality control has been completed, the sales data is summarized and produced in list form. The confirmed sales reports, known as the Commercial Improved and Vacant Land sales listings categorize the sales by property and use type, and sort the data by location and chronological order. Many of these sales are available to the public during protest hearings and used by the Taylor CAD appraisers during the hearings process.

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

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

A sale file is produced for those properties involved in a transfer of commercial ownership, 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). The documented responses are recorded in the computerized sales database system if a questionnaire is answered and returned. If no information is provided, verification of many transactions is then attempted via phone calls to parties thought to be knowledgeable of the specifics of the sale. 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, with trending factors utilized for updating the data to the current market conditions. However, at some point, if the adjustment process becomes too



involved, the model calibration technique can mandate new model specifications or a revised model structure.

### ***Cost Schedules***

The cost approach to value is applied to improved real property utilizing the comparative unit method. This methodology involves utilizing national cost data reporting services and actual cost information on comparable local properties whenever possible. Cost models are typically developed based on the Marshall & Swift 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 employs the sales comparison approach in the evaluation of soft or indirect costs of construction. Evaluating market sales of newly developed improved property is essential to understanding total replacement cost of improvements. What total costs may be involved in the development of the property and 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 vital in understanding and analyzing improved sales for all development costs and 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. 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 Taylor County. Thus, local modifiers are additional cost factors applied to replacement costs estimated by the national cost service. Estimated replacement cost new will reflect all costs of construction and development for various improvements located in Taylor CAD as of the date of appraisal.

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 of expected life based on observed condition considering actual age. These estimates are continually tested to ensure they are reflective of current market conditions. The effective age of an improvement may also be estimated after an extensive remodel, which effectively changes the year built. 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 functional obsolescence can be applied if observed. A depreciation calculation override can be used if a property's condition or effective age 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.

Estimating accrued depreciation and deducting that from the 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 that market participants typically view 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, local market surveys conducted by the district, and information from area rent study reviews. The 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 items 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 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 the 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 real property operations. The secondary income estimate is derived from actual data collected and available market information. When applicable,

the secondary income estimate is added to effective gross rent to arrive at an effective gross income.

Allowable expenses and expense ratio estimates are based on a local market study, 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. 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 commercial property types.

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. These annualized expenses are known as replacement reserves when performed according to local market practices by commercial property type. For some types of property, typical management does not reflect expensing reserves and depends 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. These multipliers or return rates are considered and used in specific applications. Rates and multipliers may vary between property types and by location, quality, condition, design, age, and other factors. Therefore, the 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 an 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 requires from an investment at a specific time. In addition, overall capitalization rates can be derived and estimated from the build-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 property sales, local lending sources, and 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 between the property's stabilized occupancy and 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. It 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 every year that the property's actual occupancy is less than stabilized.

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

Although all three 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 to estimate land value but also to compare 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 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***

The cost and income models are calibrated and finalized based on the market data analysis and review discussed previously in the cost, income, and sales approaches. The calibration results are linked to the schedules and models in the

CAMA system, which are used 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 property type 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.

With available sales data, appraisal statistics of central tendency and dispersion generated from sales ratios are calculated for each property type. These summary statistics, including the weighted mean, provide the appraisers an analytical tool to determine both the level and uniformity of appraised value of a property type. The weighted mean can determine the level of appraised values for individual properties within a specific type, and a comparison of weighted means can reflect the general level of appraised value.

Annually, appraisers use sales analysis to review every commercial property type. 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. Based on the sales ratio statistics and designated parameters for valuation update, the appraiser makes a preliminary decision as to whether the value level of a 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 (including 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 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 the last inspection, the extent of that inspection, and the Taylor County CAD appraiser responsible are 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 requested to verify this information for the current year's or next year's valuation. In addition, if a building permit is filed for a property indicating a change in characteristics, that property is added to a work file for review.

Commercial appraisers field review commercial properties annually. Additional review is performed in economic areas experiencing large numbers of remodels, renovations or retrofits, new leasing activity, new construction, or wide variations in sale prices. Field review of commercial real property accounts is also performed as business personal property is reviewed and inspected in the field. Additionally, the appraisers field review subjective data items such as building class, quality of construction, condition, and physical, functional, and economic obsolescence factors contributing significantly to the property's market value. Field reviews are sometimes warranted when sharp changes in occupancy or rental rate levels occur between building classes or economic areas. With preliminary estimates of value in these targeted areas, the appraisers test computer assisted values against their 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 each property's pertinent data and compare 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 factors (cost overrides), and special factors affecting the property valuation, such as new construction status and a three years sales history (USPAP property history requirement for non-residential 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 focuses primarily on locating skewed results individually. Based on market conditions, previous values resulting from protest hearings are individually reviewed to determine if the value

remains appropriate for the current year. 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. Examples 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 based on productivity or use value.

Taylor CAD has adopted the policies of the IAAO STANDARD on RATIO STUDIES, circa July 1999, revisions approved April 2013, regarding its ratio study standards and practices. Ratio studies generally have seven basic steps: (1) definition of the purpose, scope, and objectives; (2) design; (3) stratification; (4) collection and preparation of market data; (5) matching of appraisal and market data; (6) statistical analysis; and (7) evaluation and use of results.

## ***Sales Ratio Studies***

Sales ratio studies are integral to estimating equitable and accurate market values and, ultimately, property assessments for these taxing jurisdictions. The primary uses of sale ratio studies include determining a need for general reappraisal, prioritizing selected groups of property types for reappraisal, identifying potential problems with appraisal procedures, assisting in market analyses, and calibrating models used to estimate appraised values during valuation or reappraisal cycles. However, these studies cannot be used to judge an individual property's appraised value's accuracy. The Taylor County Appraisal Review Board may make individual value adjustments based on unequal appraisal (ratio) protest evidence submitted on a case-by-case basis during the hearing process.

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. The appraisers utilize desktop applications, such as EXCEL programs, to evaluate subsets of data by economic area or a specific and unique data item. On the desktop, this may be customized and performed by building class and age basis. In many cases, field checks may be conducted to ensure the ratios produced are accurate and the appraised values utilized are based on accurate property data characteristics. These ratio studies aid the appraisers by indicating 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 of this evaluation is to determine appraisal performance of sold and unsold properties. Appraiser's 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 annual noticing.



# **Business Personal Property Valuation Process**

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## **INTRODUCTION**

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

Four personal property types are appraised by the district's personal property section: business personal property; leased assets; vehicles and aircraft; and multi-location assets.

### ***Appraisal Resources***

- **Personnel** - The personal property staff consists of three appraisers and no support staff.  
**Angela Stokes**, Personal Property Coordinator  
**Mario Mendez**, Personal Property Appraiser  
**Grace Campbell**, Personal Property Appraiser
- **Data** - A common set of data characteristics for each personal property account in Taylor CAD is collected in the field and entered using iPads. The property characteristic data drives the computer-assisted personal property appraisal (CAPPA) system. 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**

### ***SIC Code Analysis***

Business personal property is classified and utilizes four-digit numeric codes called Standard Industrial Classification (SIC) codes that the federal government developed to describe property. Taylor CAD uses these classifications to classify personal property by business type.

SIC code identification and delineation is the cornerstone of the personal property valuation system in the district. All the personal property analysis work done in association with the personal property valuation process is SIC code specific. SIC codes are delineated based on observable aspects of homogeneity and business use.

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

The highest and best use of property is the reasonable and probable use that supports the highest 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 was collected through a massive field data collection effort coordinated by the district over the recent past and from property owner renditions. 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. Local newspapers and the public often provide the district with information regarding new personal property and other useful facts related to property valuation.

### **Vehicles**

An outside vendor provides Taylor CAD with a listing of 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)**

### ***Cost Schedules***

Cost schedules are developed based on the SIC code by the Property Tax Division of the Comptroller's Office and by district personal property valuation appraisers. The cost schedules are developed by analyzing cost data from property owner renditions, hearings, state schedules, and published cost guides. The cost schedules are reviewed as necessary to conform to changing market conditions. The schedules are typically in a price per square foot format, but some exceptions are SICs in an alternate price per unit format, such as per room for hotels.

### ***Statistical Analysis***

Summary statistics, including, but not limited to, the median, weighted mean, and standard deviation, provide the appraisers an analytical tool to determine both the level and uniformity of appraised value by SIC code. A review of the standard deviation can discern appraisal uniformity within SIC codes.

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

#### **Business Personal Property**

Taylor CAD's primary approach to the valuation of business personal property is the cost approach. The replacement cost new (RCN) is developed from property owners' reported historical cost or 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 Taylor 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:

$$\text{PVF} = \text{INDEX FACTOR} \times \text{PERCENT GOOD FACTOR}$$

The cost approach uses the PVF as an "express" calculation. The PVF is applied to reported historical cost as follows:

$$\text{MARKET VALUE ESTIMATE} = \text{PVF} \times \text{HISTORICAL COST}$$

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.

## ***Computer Assisted Personal Property Appraisal (CAPPA)***

The CAPPA valuation process has two main objectives: 1) Analyze and adjust estimated asset costs with existing SIC models. 2) Develop new models for business classifications not previously integrated into CAPPA. The delineated sample is reviewed for accuracy of SIC code, square footage, field data, and original cost information. Models are created and refined using actual original cost data to derive a typical replacement cost new (RCN) per square foot for a specific category of assets. The RCN per square foot is depreciated by the estimated age using the depreciation table adopted for the tax year.

The data sampling process is conducted in the following order: 1) Prioritizing Standard Industrial Classification (SIC) codes for model analysis. 2) Compiling the data and developing the reports. 3) Field checking the selected samples. The models are built and adjusted using internally developed software. The models are then tested against the previous year's data. The typical RCN per square foot (or applicable unit) is determined by a statistical analysis of the available data.

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 prior year's results.

### Vehicles

Value estimates for vehicles are provided by an outside vendor and are based on Red Book published book values, and there are considerations available for high mileage. Vehicles that the vendor does not value 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 valued in this category is a vehicle, then Red Book published book values are used. Assets that the vendor does not value are valued by an appraiser using PVF schedules or published guides.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Office Review***

A district valuation computer program exists in a mainframe environment that identifies accounts needing review based on various conditions. 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 Taylor CAD's personal property values, and ratios are indicated.

# Minerals (Oil and Gas Reserves) Valuation Process

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## INTRODUCTION

### *Scope of Responsibility*

Minerals-in-place (oil and gas reserves) are real property. Appraisal of minerals, oil, and gas reserves, is based on estimating the present value of the economically recoverable oil and gas reserves. Mineral rights are property rights and may be separable property interests from the land surface property rights. Oil and gas reserves lying under the surface and waiting to be produced are tangible assets appraised for ad valorem taxation purposes. The valuation of minerals-in-place is based on estimating the discounted net present value of the oil and gas production over the economic life of the individual lease. This method of valuation is an income approach using discounted cash flow analysis methodology. Oil and gas properties are also marketed based on proven reserves, and the considered units of comparison in this market are barrels of oil or cubic feet of natural gas. The market approach is based on sales of property, where the determining valuation factor is the quantity of proven reserves.

Mineral interests are commonly divided into property ownership interests known as working interests and royalty interests. The valuation of the individual ownership interests begins with the valuation of the mineral lease. This value is then apportioned to the respective owners according to legal arrangements outlined in the division of interest order for each lease. The goal and purpose of the Taylor CAD is to identify and maintain accurate and current records on every producing mineral property interest within the district and estimate the market value of each property interest listed on the tax roll.

### *Appraisal Resources*

- **Personnel** - The Central Appraisal District of Taylor County contracts with a third-party appraisal firm, Capitol Appraisal Group, Inc. (CAGI), to appraise the mineral properties in Taylor County. They are supported at the Taylor CAD by one appraiser.

**Capitol Appraisal Group, Inc,** Austin Texas  
**Scott Truitt,** Chief Operations Officer

- **Data** on the appraised properties is collected from regulatory agencies, such as the Texas Railroad Commission (RRC) and the Texas Comptroller of Public Accounts, from submissions by the property operator or owner(s), or from other sources. Additional data is obtained through published sources, regulatory reports, public investment reports, licensed data services, service for fee organizations and through comparable properties, if any.

To identify new properties, CAGI obtains monthly oil and gas lease information from the RRC to compare against oil and gas properties already identified. The situs of new properties is determined using plats and W-2/G-1 records from the RRC, as well as CAGI's in-house map resources.

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

### ***Pricing, Operating Expenses, and Reserve Analysis***

Crude oil and natural gas prices are important determinants in the valuation of mineral properties. Current prices and estimated price trends help determine income to the lease and are significant factors in establishing the economic life of the lease. Crude oil and natural gas prices used in the first year of analysis for each individual lease are based on the previous year's average price for that individual lease as per Texas Property Tax Code (Sec. 23.175). Product prices from all active leases in the area are analyzed to arrive at the estimated average price that is used in the absence of specific pricing data on an individual lease.

Lease operating expenses are estimated based on rendered information and actual operating cost and expense from surveys of lease operators in Taylor CAD. Decline curve analysis estimates the rate of production decline and is formulated using past production, operating expenses, and recent operating parameters such as water production, lease repairs, and secondary recovery efforts. The lease's current operating income and expenses are considered and estimated in a discounted cash flow model to allow the appraiser to evaluate and estimate the net present value of producing oil and gas from the lease. Capitalization rates and discounting return rates are estimated for each lease based upon the particular risks inherent with oil and gas production from that property. These risks may vary considerably from one lease to another depending on several factors influencing the production, expenses or pricing from that particular lease. The discounted cash flow model method allows the appraiser to evaluate current market value of the lease based on the estimated recoverable reserves. This methodology is approved and recommended by the Property Tax Division of the Comptroller's Office and is a recognized method of appraisal by industry standards. We have utilized the discounted cash flow model to estimate the market value of each lease located in Taylor CAD.

The income method of appraisal is the principal appraisal method used. The sales comparison and cost approaches to value are also considered. Industry averages of reserve replacement cost and acquisition cost are used for comparative purposes. The nearly exclusive reliance on the income approach, using the discounted cash flow (DCF) technique adjusted for specific property risk and market conditions, is typical of the oil and gas industry. Fee for service organizations are used for survey data with

respect to price expectations and discount rates and licensed data services are used for industry indicators detailing costs, income, acquisition costs in dollars per barrel of oil equivalent (\$/BOE), finding and development costs (\$/BOE) and reserve replacement costs (\$/BOE) for over 100 E&P companies.

CAGI analyzes a segment of the Petroleum Producing E&P market, determining the impact on their stock and debt value of the pricing requirements of Texas Property Tax Code Section 23.175 and the pricing that could be reasonably anticipated from the market. CAGI's opinion of oil and gas prices is guided by the market's anticipation of those prices through the futures market, oil and gas stock prices, and oil and gas industry indexes.

### ***Value Review Procedures***

The method of value review for this type of property is based on the review of the factors and parameters used within the discounted cash flow analysis methodology, such as the discount rate, product prices, and operating expenses. These economic factors are evaluated and verified for their validity within current economic times. Their basis on current capital requirements for this type of property investment is reconfirmed and reviewed for reasonableness. Sales of mineral properties are considered, but adequate sales data is usually unavailable due to difficulty confirming sales. The market for this type of property is neither an active nor an efficient market. There are very few participants, and pricing information is mostly confidential. There is no central source for tracking these transactions, and property owners are reluctant to reveal market information concerning prices paid or transaction terms. Because of a lack of market sales on mineral property, appraised values are regularly compared to similar properties within the same production field, field of exploration, strata of formation, or production history and expense level.

Ratio studies are a source of comparison to evaluation level and uniformity of appraisal. Normally when market sales are available, the ratio study is based on a comparison of the appraised value to the sale price. For mineral property, which lacks available market sales, a ratio study is a comparison of another appraisal opinion with the district's opinion to determine appraisal level and uniformity. The Property Tax Division of the Comptroller's Office conducts an annual ratio study of selected mineral properties to gauge the district's appraisal performance. The PTD utilizes the same valuation methodology to appraise individual mineral properties. This opinion of value is then utilized as market evidence with the same significance as if the property sold for that value. The estimated value of the property by Taylor CAD is compared to the appraisal by the PTD to calculate the ratio and the indicated level of appraisal. This study indicates the median and mean levels of appraisal for mineral property and is considered reliable as a review and evaluation tool.



# Utility Property Valuation Process

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## INTRODUCTION

### *Scope of Responsibility*

Utility properties are the tangible assets of various businesses, including electric production, transmission, and distribution companies, railroads, petroleum product gathering and delivery pipelines, telephone and communication providers, and others. The valuation of these properties is considered complex due to the involvement of both tangible and intangible property elements that comprise these businesses and the size of some of the utilities that are regional and national companies. The appraisal of these companies becomes complex when considering the valuation of the property as a unit in place, which requires evaluating the property by the approaches to value at the company level. Once the unit's market value is estimated, that estimated market value is allocated to the appropriate jurisdictions based on the tangible property assets located within Taylor CAD.

### *Appraisal Resources*

- **Personnel** - The Central Appraisal District of Taylor County contracts with a third-party appraisal firm, Capitol Appraisal Group, Inc. (CAGI), for the appraisal of the utility properties in Taylor County. They are supported at the Taylor CAD by two appraisers.

**Capitol Appraisal Group, Inc,** Austin Texas

**Scott Truitt,** Chief Operations Officer

**Angela Stokes,** Personal Property Coordinator

- **Data** - A common set of data characteristics for each utility property account in Taylor CAD is collected from the various government regulatory agency records, field inspections, and property owner renditions and is entered into the district's computer. Individual company financial information is gathered through industry specific governmental filings such as Federal Energy Regulatory Commission Reports, Securities and Exchange Commission 10-K filings, and Public Utility Commission publications. Other company information is gathered from annual reports, internal appraisals, and other in-house and industry publications. Property owner renditions are requested to document and list property owned and located in our jurisdictions, e.g., track mileage, number of meters, pipeline size and mileage, substation, and transmission capacity. The property characteristic data drives the computer-assisted appraisal of the property.

The appraisal of utility property utilizes the three-approach analysis to form an opinion of value for the property. Financial and capital market information is pertinent to understanding factors affecting valuation of complex property. The appraiser analyzes financial data to understand investor and corporate attitudes toward capital return expectations, considering return components such as current interest rates, capital debt structure, bond market rates, and capital supply and demand trends. These financial factors result in these companies' overall return rates and capital structure and affect capitalization rates. The weighted average cost of capital is the most commonly used method of estimating capitalization rates for utility properties. Capitalization rates are estimated using capital return expectations from various publications: Ibbotson's SBBi Valuation Edition, Wall Street Journal, Mergent Bond Record, Moody's Corporate Bond Yield Averages, Value Line Investment Survey "Ratings, and Reports." Industry specific information is also gathered from websites, publications, periodicals, and reference manuals. CAGI utilizes the weighted average cost of capital to estimate the capitalization rate for utility appraisal under the income approach.

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

### ***Approaches to Valuation, Reconciliation***

Valuation of tangible assets for utility companies relies primarily on the cost and income approaches to value under the unit value approach. This methodology involves developing and estimating market value by considering the entirety of the company's tangible assets and resolving an allocated value for that portion of specific tangible assets located in particular tax jurisdictions. The valuation opinion is based on the three-approach analysis to arrive at the indicated unit appraisal of all company tangible assets. Then the estimated unit value is apportioned and allocated to the assets located in the district and jurisdictions. This methodology is approved and recommended by the Property Tax Division (PTD) of the Comptroller's Office and is an accepted standard within the industry and appraisal community.

### ***Value Review Procedures***

A review of the valuation of utility property is based on evaluating and verifying the relevance of the economic and financial factors utilized in the methodology to current capital markets and that these factors reflect current return expectations. Market sales of utility properties do occur and are a good source for comparison and review when the price of the tangible assets can be abstracted or allocated from the selling price. Typically, the sale of a utility company involves significant intangible property assets such as customer base, goodwill, favorable contracts, name recognition, and others. The contributory value and allocation of these assets is subjective and unknown. In Texas, intangible property assets are exempt from

taxation and must not be included on the appraisal roll as taxable property. Therefore, because of the lack of specific market information on sales of utility properties, the appraised value is regularly compared to the valuation of similar property within the same set of property characteristics, business type, and size. This is done more as a comparison for equity concerns on valuation rather than the full recognition of a market level certainty about appraisal level. Of course, the estimated value is based on recognized methodology for the valuation of these tangible assets. Still, true market confirmation of these factors may not be possible due to the minimal availability of sales transaction information.

Ratio studies are also a review method for the relevance of appraisal valuation to market value. Again, in the absence of full disclosure of prices paid and without the abstraction of prices paid for the tangible asset components from recent utility property acquisitions or sales, market-based analysis and review is not possible. Ratio studies for utility property must rely on a comparison of one appraisal opinion as the basis for the reasonable property valuation with the district's appraised value to determine the ratio for level and uniformity of appraisal. The PTD conducts the biennial ratio study of selected utility properties to gauge the appraisal district's performance. The PTD utilizes the same valuation methodology as the appraisal district to estimate appraisal valuations of utility properties. Their results yield ratios when compared to the appraisal valuations estimated by Taylor CAD for these properties. This ratio study of certain utility properties indicates the level and uniformity of appraisal for this category of property.

## LIMITING CONDITIONS

The appraised value estimates provided by the district are subject to the following conditions:

1. The appraisals were prepared exclusively for ad valorem tax purposes.
2. The property characteristic data upon which the appraisals are based is assumed correct. Exterior inspections of the property appraised were performed as staff resources and time allowed. Some interior inspections of property appraised were performed at the request of the property owner and required by the district for clarification purposes and to correct property descriptions.
3. Validation of sales transactions was attempted through questionnaires to buyer and seller, telephone survey and field review. In the absence of such confirmation, residential sales data obtained from vendors was considered reliable.
4. I have attached a list of staff providing significant mass appraisal assistance to the person signing this certification.

### ***Certification Statement:***

"I, Gary Earnest, Chief Appraiser for the Taylor County Central Appraisal District, solemnly swear that I will make or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I will include in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, is determined as required by law."

*Gary Earnest*

Chief Executive Officer

Signed: September 8, 2022

**STAFF PROVIDING SIGNIFICANT  
MASS APPRAISAL ASSISTANCE**

<u>NAME</u>	<u>TITLE</u>	<u>TDLR NUMBER</u>	<u>TYPE OF ASSISTANCE</u>
Gary Earnest, RPA,RTA, CTA, CCA	Chief Executive Officer	68273	Director of Appraisal and Collections
Scott Truitt, RPA	Chief Operations Officer	65946	Director of Appraisal Operations and Valuation Correlation
Rick Mangum, RPA, RTA	Residential Property Co-Coordinator	70649	Supervise Data Collection and Valuation Correlation
Patrick Carroll, RPA, CAE	Commercial Property Coordinator	70377	Supervise Data Collection and Valuation Correlation
Russ David, RPA	Land Appraiser	74766	Update Property Data and Valuation Correlation
Angela Stokes	Personal Property Coordinator	76626	Supervise Data Collection and Valuation Correlation
Mario Mendez	Personal Property Appraiser	76779	Update Property Data and Valuation Correlation
Grace Campbell	Personal Property Appraiser	77027	Update Property Data and Valuation Correlation
Brooke Howard, RPA	Residential Property Co-Coordinator	74506	Supervise Data Collection and Valuation Correlation
Marissa Atchley	Residential Appraiser	77076	Update Property Data and Valuation Correlation
Seth Abood	Residential Appraiser	TDLR # Pending	Update Property Data and Valuation Correlation
Ryan Fletcher, RPA	Commercial Appraiser	74820	Update Property Data and Valuation Correlation
Brandt Bailey	Commercial Appraiser	76016	Update Property Data and Valuation Correlation

# 2023 / 2024 Property Tax Calendar

## January

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1

- Date that taxable values (except for inventories appraised Sept. 1) and qualification for certain exemptions determined (Secs. 11.42, 23.01, 23.12).
- Land coordinator begins the analysis of land values within the county boundaries.
- Date a tax lien attaches to property to secure payments of taxes, penalties and interest that will be imposed for the year (Sec. 32.01)
- Real Estate appraisers (residential and commercial) finish permits on property constructed at less than 100% complete.
- Date that half the members of the county appraisal district (CAD) board of directors begin two-year terms if the district has staggered terms (Sec. 6.034).
- Date that half of appraisal review board (ARB) members begin two-year terms (Sec. 6.41)
- Commercial appraisers to begin surveys of property owners and managers regarding income and expenses of properties.
- Business personal property appraisers to check for new businesses and new locations.

2

- Date rendition period begins (Sec. 22.23).

10

- If tax bill not mailed on or before this date, the delinquency date postponed (Sec. 31.04).
- Newspaper publication of data concerning homesteads, over-65 homesteads, tax deferrals, ag use opportunities, and annual exemption requirements.

31

- Deadline for Texas Comptroller's preliminary Property Value Study (PVS) findings to Texas Education Commissioner and each school district (Government Code Sec. 403.302).
- Last day for chief appraiser to deliver applications for special appraisal and exemptions requiring annual applications (Secs. 11.44, 23.43).
- Last day for disabled or 65-or-older homeowners to pay one quarter of homestead property taxes in installments. Homeowners whose homes were damaged in a disaster within a designated disaster area may choose this payment option (Secs. 31.031, 31.032).
- Last day for appraisal district to give public notice of capitalization rate used to appraise property with low and moderate-income housing exemption (Sec. 11.1825).

## February

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1

- Date that taxes become delinquent if bill was mailed on or before January 10 of the current year (Secs. 31.02, 31.04).
- Rollback tax for change of use of 1-d-1 land becomes delinquent if taxing unit delivered bill to owner at least 20 days before this date (Secs. 23.46, 23.55, 23.76, 23.9807).
- Last day for motor vehicle, boat and outboard motors, heavy equipment and manufactured housing dealers to file dealer's inventory declarations (Secs. 23.121, 23.124, 23.1241, 23.127).

15

- Last day for county collector to disburse motor vehicle, boat and outboard motor, heavy equipment and manufactured housing inventory taxes from escrow accounts to taxing units (Secs. 23.122, 23.1242, 23.125, 23.128).
- Appraisers begin the analysis and estimate values for Commercial and Residential property within the county boundaries.

28

- Last day to request cooperative housing appraisal (Sec. 23.19).

## March

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12

- Deadline to file written appeal of PVS findings with Texas Comptroller (Government Code Sec. 403.303)

31

- Last day for taxing units' second quarterly payment for CAD budget (Sec. 6.06).
- Last day for disabled or 65-or-older homeowners, disabled veterans and their surviving spouses qualified for Sec. 11.22 exemptions or homeowners in a disaster area to pay second installments on home taxes (Secs. 31.031, 31.032).
- Last day for cities to report information of reinvestment zones and tax increment financing plans to Texas Comptroller (Sec. 311.019).
- Last day for qualified community housing development corporation to file listing of property acquired or sold during past year with the chief appraiser (Sec. 11.182).

## April

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1

- Last day (or as soon as practicable thereafter) for chief appraiser to mail notices of appraised value for single-family residence homestead properties (Sec. 25.19).
- Last day (or as soon thereafter as practicable) for chief appraiser to deliver a clear and understandable written notice to property owner of a single-family residence that qualifies for an exemption under Sec. 11.13 if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year (Sec. 25.193).

15

- Business Personal Property begins equity analysis and market comparison to personal property within the county boundaries.
- Commercial and Residential appraisal finished prior to notice of value.
- Internal ratio studies and error check lists performed.



- Last day to file renditions and property reports on most property types. Chief appraiser must extend deadline to May 15 upon written request (Sec. 22.23).
  
- Last day for property owners to file these applications or reports with the CAD:
  - Exemptions not requiring annual application (Sec. 11.43)
  - Applications for special appraisal or notices to chief appraiser that property no longer qualifies for 1-d and 1-d-1 agricultural land, timberland, restricted-use timberland, recreational-park-scenic land and public access airport property (Secs. 23.43, 23.54, 23.75, 23.84, 23.94, 23.9804)
  - Railroad rolling stock reports (Sec. 24.32)
  - Requests for separate listing of separately owned land and improvements (Sec. 25.08)
  - Requests for proportionate taxing of a planned unit development property (Sec. 25.09)
  - Requests for separate listing of separately-owned standing timber and land (Sec. 25.10)
  - Requests for separate listing of undivided interests (Sec. 25.11); and
  - Requests for joint taxation of separately owned mineral interest (Sec. 25.12)
  
- Last day for property owners to file applications for allocation under Secs. 21.03, 21.031, 21.05 or 21.055. For good cause, chief appraiser shall extend deadline up to 30 days. Other deadlines apply if the property was not on the appraisal roll in the previous year.

## May

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1

- Last day (or as soon as practicable thereafter) for chief appraiser to mail notices of appraised value for properties other than single-family residence homesteads (Sec. 25.19).
  
- Last day (or as soon thereafter as practicable) for chief appraiser to deliver a clear and understandable written notice to the property owner of residence homestead property that does not qualify for an exemption under Sec. 11.13 if an exemption or partial exemption that was approved for the preceding year was canceled or reduced for the current year (Sec. 25.193).

1-15

- Time that taxing units may file resolutions with chief appraiser to change CAD finance method. Three-fourths of taxing units must file for change to occur (Sec. 6.061).
- Time that chief appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Secs. 41.41, 41.70).

1-31

- Time that taxing units must notify delinquent taxpayers that taxes delinquent on July 1 will incur additional penalty for attorney collection costs (Sec. 33.07).

15

- Last day for property owners to file renditions and property for most property types if an extension was requested in writing. For good cause, chief appraiser may extend this deadline another 15 days (Sec. 22.23).
- Last day (or as soon as practicable) for chief appraiser to prepare appraisal records and submit to ARB (Secs. 25.01, 25.22).
- Last day to file most protests with ARB (or by 30<sup>th</sup> day after notice of appraised value is delivered, whichever is later) (Sec. 41.44).

19

- Last day for chief appraiser to count taxing units' resolutions to change CAD's finance method (Sec. 6.061).

24

- Last day for chief appraiser to notify taxing units of change in the CAD's finance method (Sec. 6.061).

31

- Last day for taxing units to file challenges with ARB (or within 15 days after ARB receives appraisal records, whichever is later) (Sec. 41.04)
- Last day for disabled or 65-or-older homeowners, disabled veterans and their surviving spouses qualified for Sec. 11.22 exemptions or homeowners in a disaster area to pay third installments on home taxes (Secs. 31.031, 31.032).
- Last day for religious organizations to amend charters and file new applications (or within 60 days of exemption denial, whichever is later) (Sec. 11.421).

## June

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14

- Last day for chief appraiser to submit recommended budget to CAD board and taxing units (unless taxing units have changed CAD's fiscal year) (Sec. 6.06).

15

- Last day for chief appraiser to accept and approve or deny late-filed freepoint exemption applications (Sec. 11.4391).

16

- Beginning date that CAD board may pass resolution to change CAD finance method, subject to taxing units' unanimous approval. Period ends August 14 (Sec. 6.061).

30

- Last day to pay second half of taxes by split payment (Sec. 31.03).
- Last day for taxing units' third quarterly payment CAD budget (Sec. 6.06).
- Last day to form a taxing unit to levy property taxes (Sec. 26.12).
- Last day for taxing units to adopt local option percentage homestead exemptions (Sec. 11.13).
- Last day for private schools to amend charters and file new applications (or within 60 days of exemption denial, whichever is later) (Sec. 11.422).
- Last day for CADs to report formation of reinvestment zones and tax abatement agreements to the Texas Comptroller (Sec. 312.005).

## July

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1

- Date that delinquent taxes incur total 12 percent penalty (Sec. 33.01).
- Taxes delinquent on or after February 1 but not later than May 1 incur additional penalty to pay attorney collection costs (Sec. 33.07). See Secs. 33.08 and 33.11 for additional penalties.

- Last day for ARBs to complete review of railroad rolling stock values for submission to Texas Comptroller (or soon as practicable thereafter) (Sec. 24.35).

20

- Date ARB must approve appraisal records, but may not do so if more than 5 percent of total appraised value remains under protest (Sec. 41.12).

25

- Last day for chief appraiser to certify appraisal roll to each taxing unit (Sec. 26.01).
- Last day for Comptroller's office to certify apportionment of railroad rolling stock value to counties, with supplemental records after that date (Secs. 24.38, 24.40).

31

- Last day for property owners to apply for September 1 inventory appraisal (Sec. 23.12).
- Last day for disabled or 65-or-older homeowners or disabled veterans and their surviving spouses or homeowners in a disaster area to pay fourth installment on home taxes (Secs. 31.031, 31.032).

## August

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1

- Date taxing unit's assessor submits appraisal roll and an estimate of collection rate for current year to governing body (or as soon after as practicable) (Sec. 26.04).

7

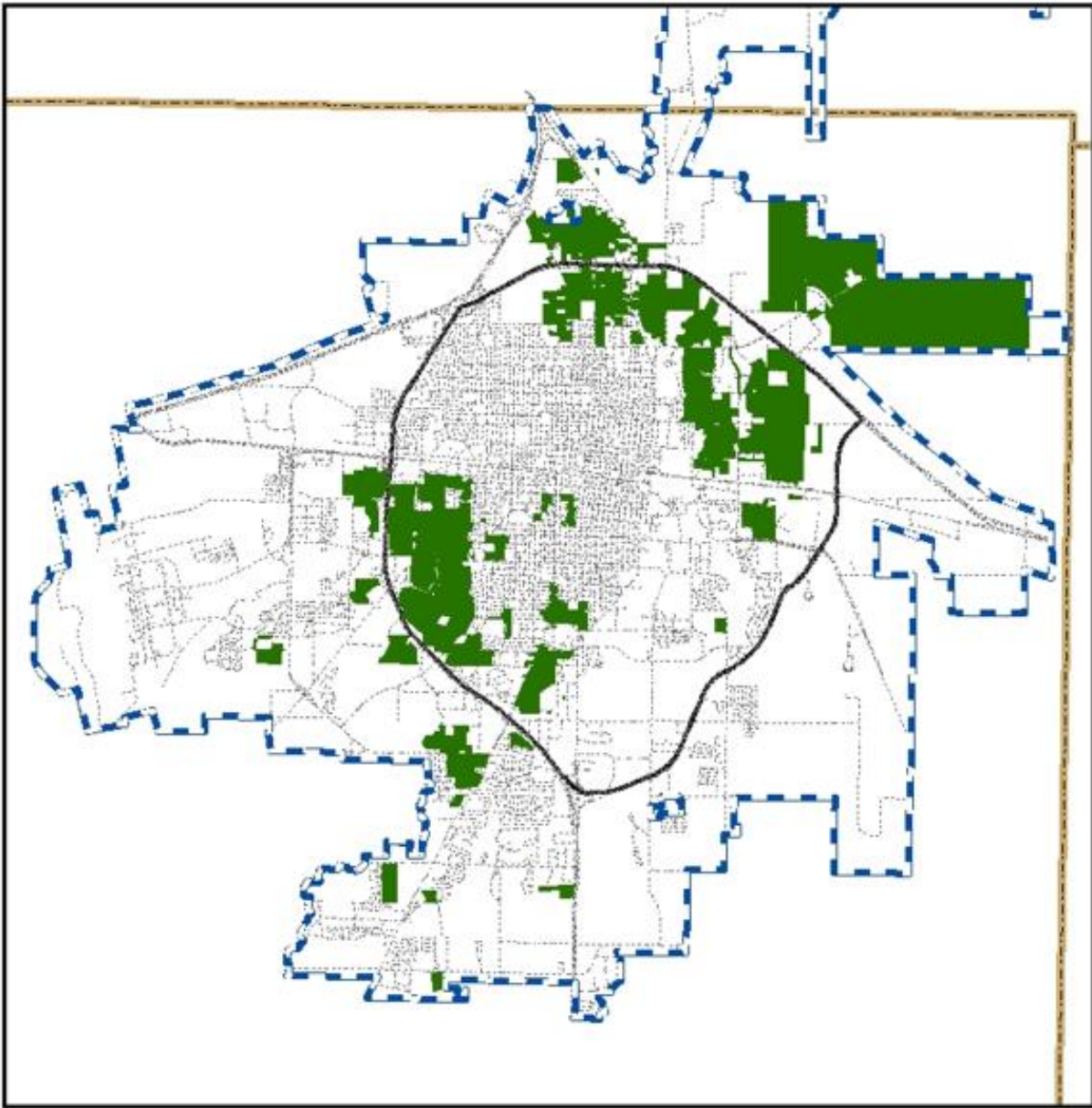
- Date taxing units (other than school districts, small taxing units, and water districts) must publicize no-new-revenue and voter-approval tax rates, unencumbered fund balances, debt obligation schedule and other applicable items (or as soon as practical thereafter) (Sec. 26.04, 26.052 and Water Code Specs. 49.107, 49.108).

14

- Last day for CAD board to pass and deliver resolution to change CAD finance method, subject to taxing unit's unanimous consent (Sec. 6.061).

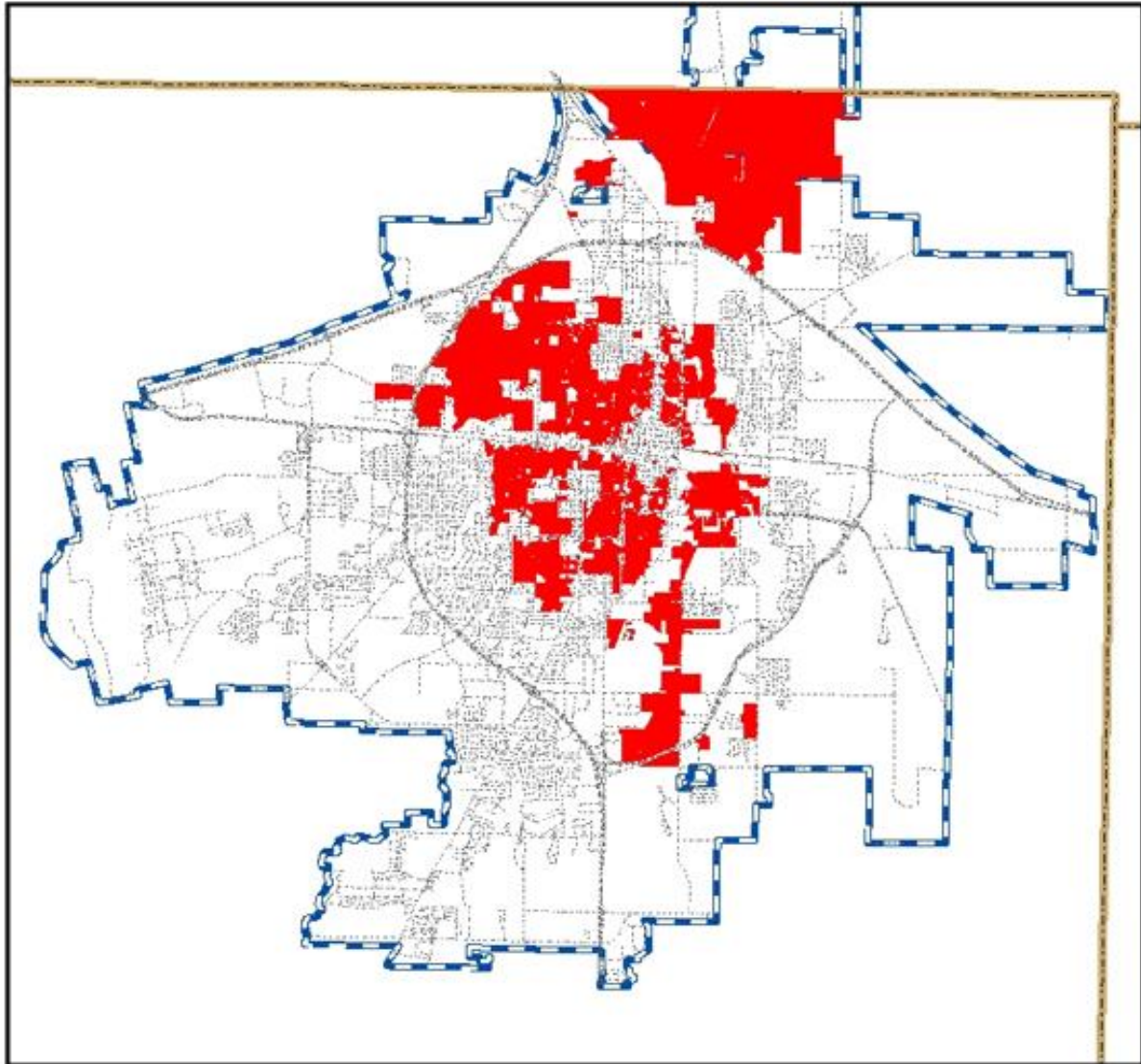
- Deadline for Comptroller's office to certify final PVS findings to Education Commissioner except as provided (Comptroller Rule Sec. 9.4317).
- Appraisers begin city wide property inspection and description review, update photo images and condition changes. In August 2022, the residential appraisers began the first 1/3 field inspections within the city limits of Abilene in preparation for the 2023 appraisal year (See Appendix A for a list of neighborhoods). The residential appraisers will walk and inspect the second 1/3 of the residential properties assigned to them in the 2023 year in preparation for the 2024 appraisal year (See Appendix B for a list of neighborhoods) The residential appraisers will walk and inspect the final 1/3 of the properties assigned to them in the 2024 year in preparation of the 2025 appraisal year providing full inspection of residential properties within the city limits of Abilene and completing the three-year cycle of inspections and providing full inspection of residential properties within the city limits of Abilene (See Appendix C for a list of neighborhoods). The commercial and personal property appraisers walk all accounts in the city every year. Appraisers end city inspection and begin the rural inspection in November (see November this calendar). The following maps represent the properties inspected by residential appraisers by year. The map shaded in green, represents the residential areas covered in the 2022 walk for the 2023 value year. The map shaded in red, represents the residential areas covered in the 2023 walk for the 2024 value year. The map shaded in blue, represents the residential areas covered in the 2024 walk for the 2025 value year.

**TAYLOR COUNTY - CITY OF ABILENE  
FIRST 1/3 OF RESIDENTIAL PROPERTY INSPECTIONS**



SEE APPENDIX A NEIGHBORHOODS

**TAYLOR COUNTY - CITY OF ABILENE  
SECOND 1/3 OF RESIDENTIAL PROPERTY INSPECTIONS**

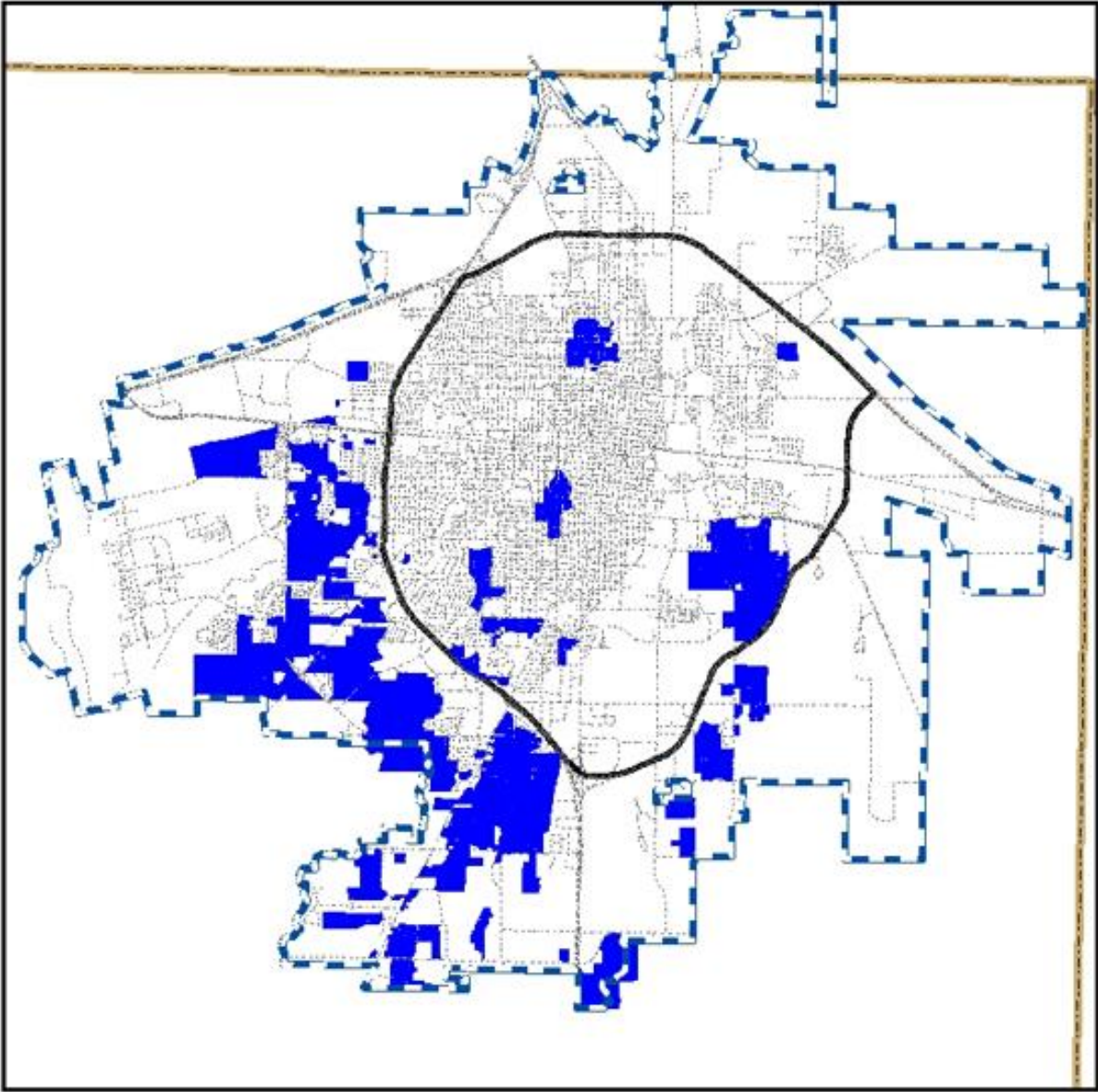


2023



SEE APPENDIX B NEIGHBORHOODS

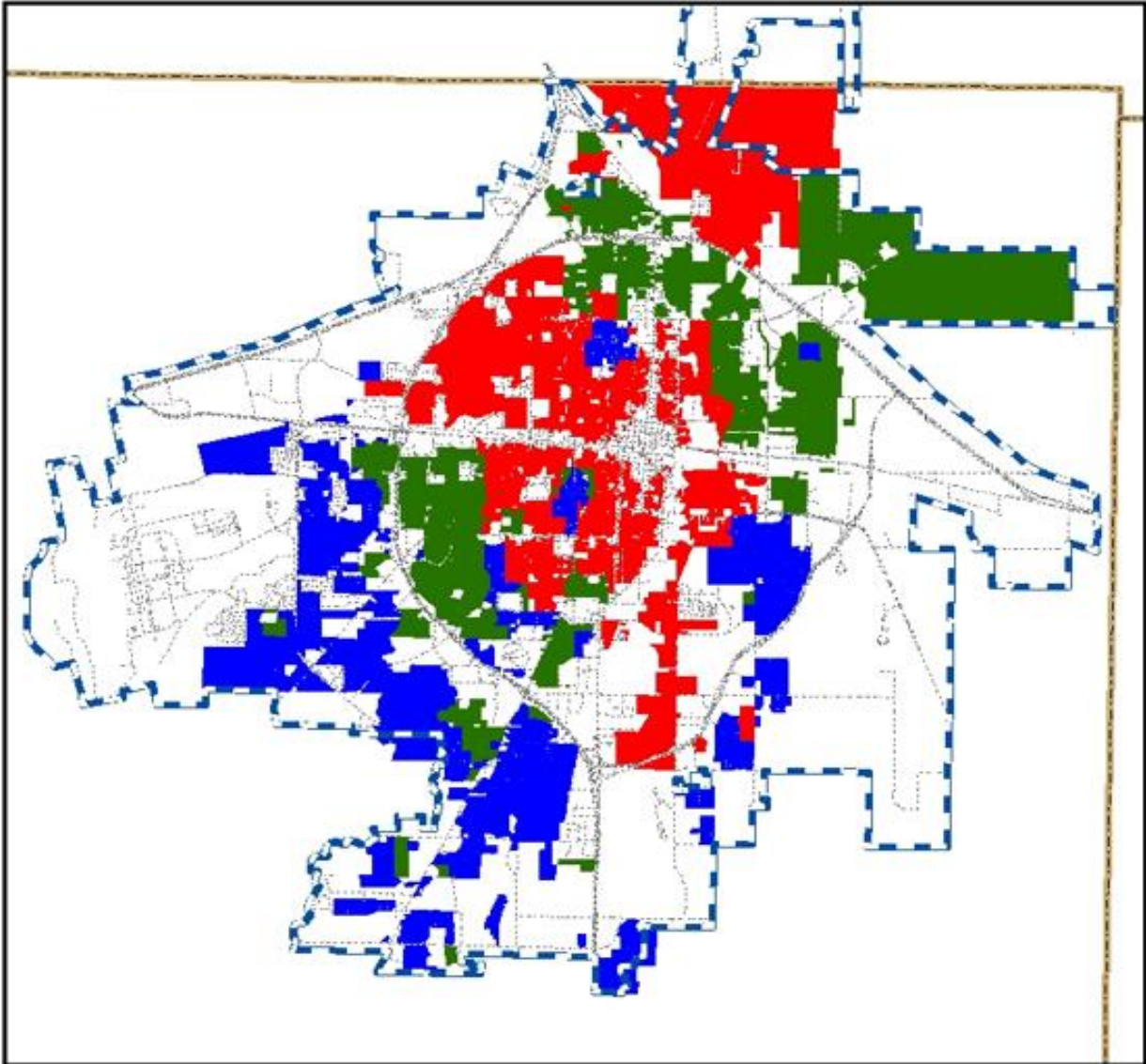
**TAYLOR COUNTY - CITY OF ABILENE  
THIRD 1/3 OF RESIDENTIAL PROPERTY INSPECTIONS**



SEE APPENDIX C NEIGHBORHOODS



**TAYLOR COUNTY - CITY OF ABILENE  
ALL THIRDS OF RESIDENTIAL PROPERTY INSPECTIONS**



- Last day for property owner to give correct address to CAD in writing for tax bill; penalties and interest waived if bill not sent to correct address 21 days before delinquency date (Sec. 33.011).
- Last day taxing units may file resolutions with the CAD board to oppose proposed change in the CAD finance method (Sec. 6.061).
- Deadline to file form with chief appraiser and collector to elect not to be treated as a motor vehicle inventory dealer for the next tax year, if eligible (Sec. 23.121).

## September

---

1

- Date that taxable values of inventories may be determined at property owner's written option (Sec. 23.12).
- Publication of ¼ page ad in newspaper providing information on the public hearing for the budget of the appraisal district.
- Business personal property orders vehicle list from third-party vendor to be delivered in March.

14

- Last day for CAD board to adopt CAD budget, unless district has changed its fiscal year (Sec. 6.06).

15

- Last day for CAD board to approve written reappraisal plan in even numbered years. 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 (Sec. 6.05).

29

- Last day for taxing units to adopt tax rate, or no later than 60th day after chief appraiser certifies appraisal roll to unit. Failure to adopt by these required dates results in unit adopting lower of its no-new-revenue rate for this year or last year's tax rate; unit's governing body must ratify new rate within five days (Sec. 26.05).

30

- Last day for taxing units' fourth quarterly payment for CAD budget for the current year (Sec. 6.06).

## October

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2

- Date tax assessor mails tax bills (or as soon after as practicable) (Sec. 31.01)

## November

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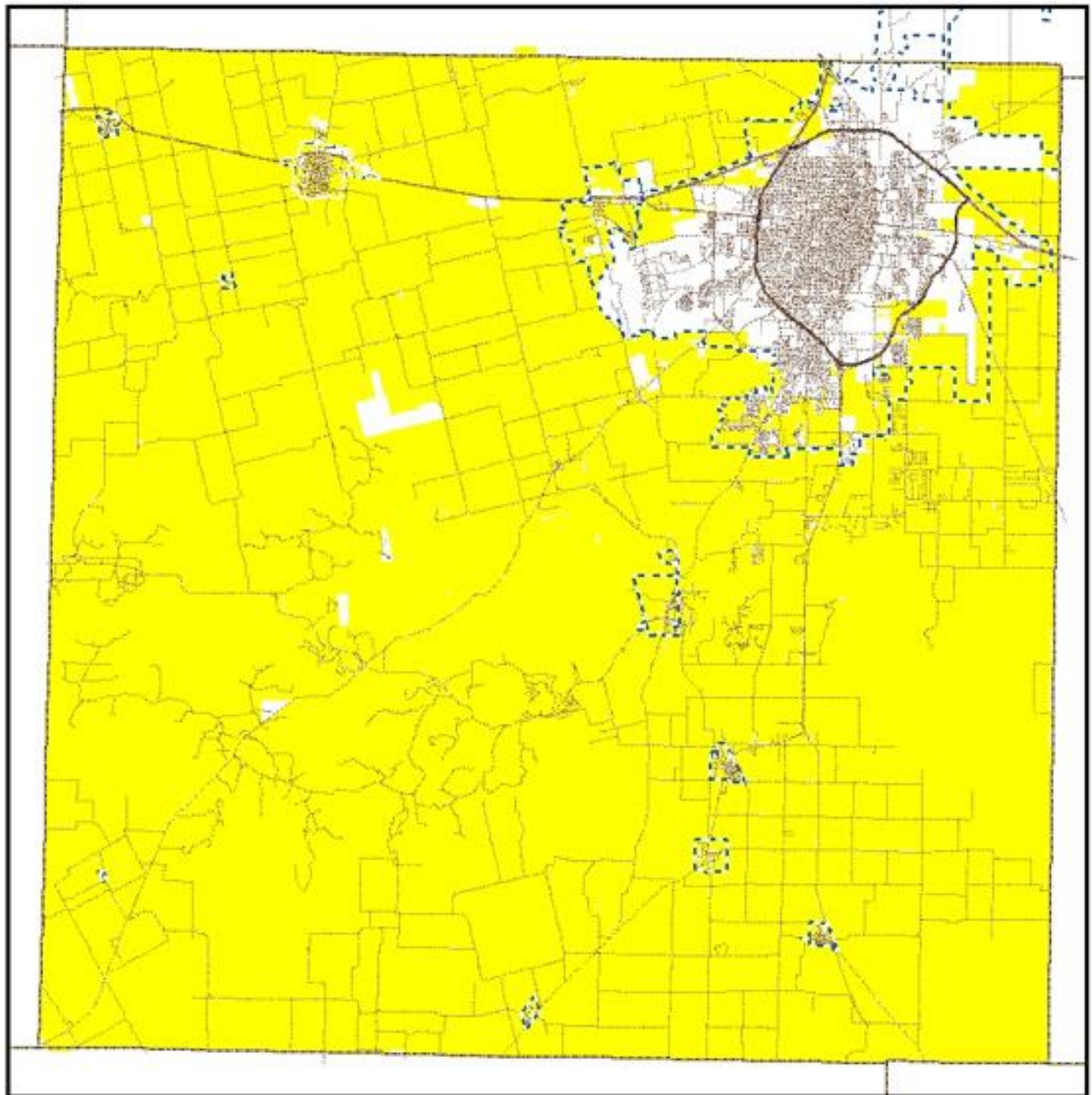
15

- End of city inspection.
- Residential appraisers begin rural inspection as per attached map. See Appendix D for neighborhoods inspected.
- Commercial and business personal property appraisers begin rural inspection.

30

- First half of split payment of taxes is due on or before this date (Sec 31.03)

# TAYLOR COUNTY RURAL RESIDENTIAL PROPERTY INSPECTIONS

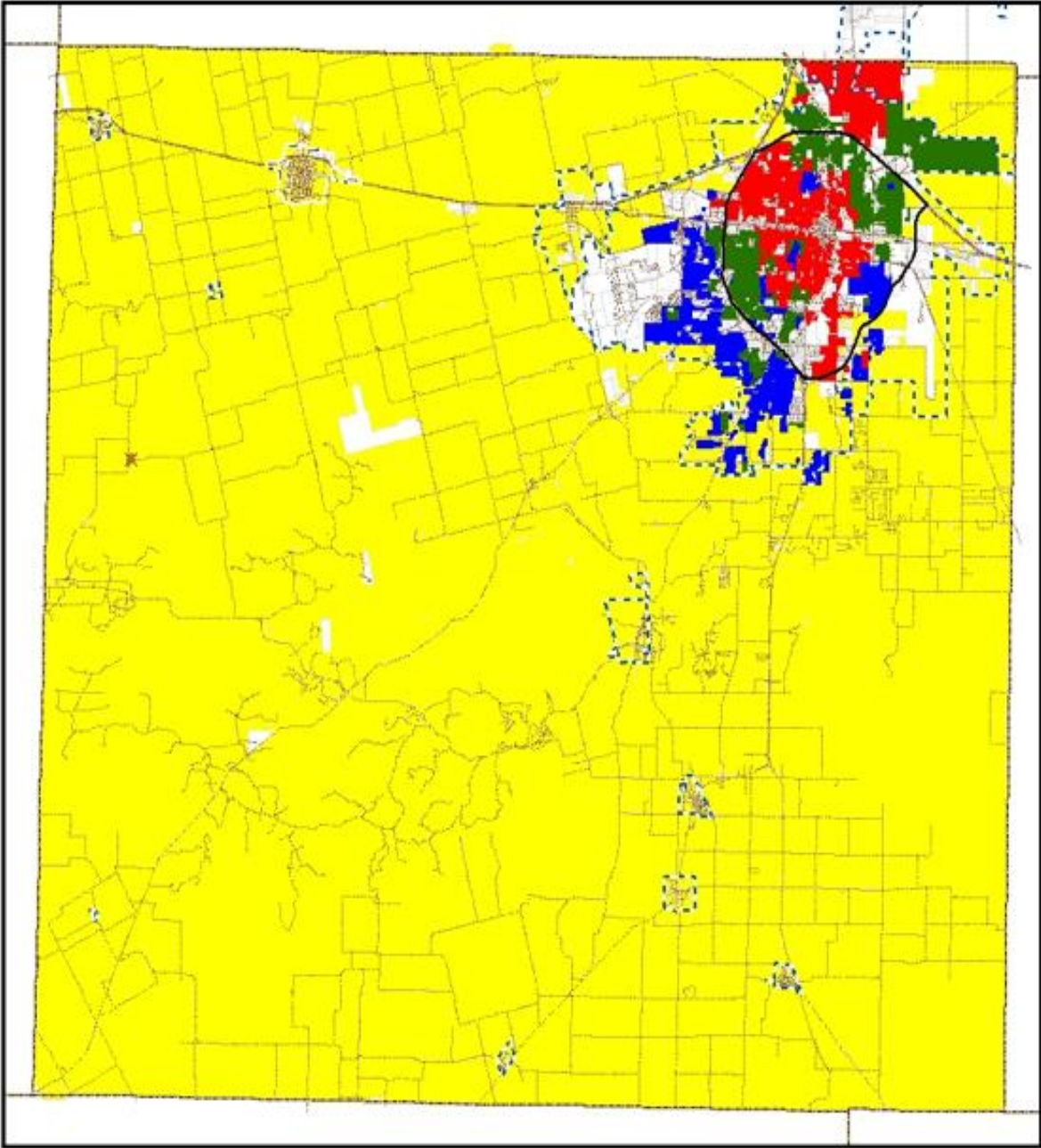


2022



SEE APPENDIX D NEIGHBORHOODS

# TAYLOR COUNTY RURAL & CITY RESIDENTIAL PROPERTY INSPECTIONS



N E S W	<span style="color: green;">■</span> 2022 INSPECTIONS
	<span style="color: red;">■</span> 2023 INSPECTIONS
	<span style="color: blue;">■</span> 2024 INSPECTIONS
2022	UNINCORPORATED
2023	TAYLOR COUNTY ROADS
2024	RURAL RESIDENTIAL INSPECTIONS
	TAYLOR COUNTY USE

## December

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1-31

- Time when chief appraiser may conduct a mail survey to verify homestead exemption eligibility (Sec. 11.47).
- Business personal property to discover, identify, and appraise aircraft, billboards, and oilfield rigs
- Business personal property to contact in-home businesses

31

- Last day for taxing units' first quarterly payment for CAD budget (Sec. 6.06)

## Appendix A

Neighborhoods within the city limits walked during the first year, by neighborhood code and neighborhood description. Represented on green shaded map.

### FIRST 1/3 of PROPERTY INSPECTION

#### YEAR CODE NAME

FIRST 420 ELMWOOD WEST (INSIDE PION-DANV&S 7TH-HARTFORD), LYNN  
FIRST 457 THORNTON HEIGHTS (BRICK ONLY)  
FIRST 457M THORNTON HEIGHTS (BRICK ONLY) (MULTI-FAMILY)  
FIRST 456 THORNTON HEIGHTS (FRAME ONLY)  
FIRST 440 SOUTHLAND PARK & W B HALE  
FIRST 440M SOUTHLAND PARK & W B HALE (MULTI FAMILY)  
FIRST 224 NORTH PARK, SIDNEY SMITH, LEON STEVENSN, JB COLLIN, NW  
FIRST 224M NORTH PARK, SIDNEY SMITH, LEON STEVENSN, JB COLLIN, NW (MULTI-FAMILY)  
FIRST 421 ELMWOOD WEST (INSIDE PION-LEGGETT & S 7TH-HARTFORD  
FIRST 423 ELMWOOD WEST/WEST OF PIONEER & N OF 7TH  
FIRST 422 ELMWOOD WEST (S LEGGETT&3900 BLK OF MONTICELLO)  
FIRST 409 WOODHAVEN CIRCLE  
FIRST 469 HEDGES (WEST SIDE)  
FIRST 469M HEDGES (WEST SIDE) (MULTI-FAMILY)  
FIRST 469F HEDGES (WEST SIDE) (FLOOD)  
FIRST 470 HEDGES (EAST SIDE)  
FIRST 407 ALBANY TOWNHOMES, CREEK PLACE OF HOLLIS  
FIRST 305 CANTEBURY TRAILS  
FIRST 305M CANTEBURY TRAILS (MULTI-FAMILY)  
FIRST 315 QUAIL VALLEY NE, HERITAGE PARKS  
FIRST 315M QUAIL VALLEY NE, HERITAGE PARKS (MULTI-FAMILY)  
FIRST 330 ABILENE HTS, RG HATTER REP, EN 18TH-AMBLER EXCPT CED  
FIRST 330M ABILENE HTS, RG HATTER REP, EN 18TH-AMBLER EXCPT CED (MULTI-FAMILY)  
FIRST 324 RADFORD HILLS-WASHINGTON & WEST  
FIRST 324M RADFORD HILLS-WASHINGTON & WEST (MULTI-FAMILY)  
FIRST 313 RADFORD HILLS EAST OF WASHINGTON BLVD  
FIRST 313M RADFORD HILLS EAST OF WASHINGTON BLVD (MULTI-FAMILY)  
FIRST 332 ABILENE HTS, EN 10TH - COLLEGE DR  
FIRST 332 ABILENE HTS, EN 10TH - COLLEGE DR (MULTI-FAMILY)  
FIRST 301 PASADENA HTS  
FIRST 302 HILLCREST ADDN, DECKER ADDN, WINKLES  
FIRST 302M HILLCREST ADDN, DECKER ADDN, WINKLES (MULTI-FAMILY)  
FIRST 331 ABILENE HTS, CEDAR CREST, LINCOLN & COLLEGE DR  
FIRST 331M ABILENE HTS, CEDAR CREST, LINCOLN & COLLEGE DR (MULTI-FAMILY)  
FIRST 316 RADFORD HILLS (202-262 WASHINGTON)  
FIRST 335 TINER, RC CAMBILL, BIG SKY, ETHEL BOYD, OASIS, OLD AB T  
FIRST 334 PHANTOM RD ACRES, HILL ADDN, HILLVIEW, HARVEST HILL  
FIRST 321 THE ENCLAVE/HERITAGE PARKS  
FIRST 321M THE ENCLAVE/HERITAGE PARKS (MULTI-FAMILY)  
FIRST 312 UNIVERSITY HILLS  
FIRST 320 WILDLIFE TRAILS  
FIRST 323 RADFORD HILLS (RUSWOOD CR)  
FIRST 317 UNIVERSITY HILLS (WESTHEIMER CONDOS)  
FIRST 318 UNIVERSITY HILLS (WESTHEIMER-TWIN HOMES)

FIRST 319 UNIVERSITY HILLS (TEAKWOOD LN)  
FIRST 303 HILLCREST ADDN (SUNNIBROOK, CLOVERLEAF)  
FIRST 455 BF HORN, LEO KOVEMY  
FIRST 462 RIVER OAKS (EXCPT NEIGH 401), BROOKHOLLOW (EXCPT NEIG  
FIRST 462M RIVER OAKS (EXCPT NEIGH 401), BROOKHOLLOW (EXCPT NEIG)(MULTI-  
FAMILY)  
FIRST 462F RIVER OAKS (EXCPT NEIGH 401), BROOKHOLLOW (EXCPT NEIG)(FLOOD)  
FIRST 485 EDMONT, S MOSER, HELEN REESE, JONES&LEGGETT, LEWIS G  
FIRST 499 MOUNTAIN VIEW, MOORE REPLAT  
FIRST 480 ANDERSON (20-2400 SAYLES, HIGHLAND, B GP RD,19-2000 S  
FIRST 480M ANDERSON (20-2400 SAYLES, HIGHLAND, B GP RD,19-2000 S (MULTI-  
FAMILY)  
FIRST 467 SAYLES BLVD ESTATES  
FIRST 507 BAKER HEIGHTS (FRAME ONLY)  
FIRST 510 ALAMEDAS  
FIRST 505 BAKER HEIGHTS (BRICK ONLY)  
FIRST 504 HAMPTON HILLS  
FIRST 502 SPRINGBROOK  
FIRST 502M SPRINGBROOK (MULTI-FAMILY)  
FIRST 475 HIGHLAND ADDN (N OF 7TH BETWEEN PORTLAND & SAYLES)  
FIRST 475M HIGHLAND ADDN (N OF 7TH BETWEEN PORTLAND & SAYLES)(MULTI-  
FAMILY)  
FIRST 515 WYNDROCK (BRICK ONLY)  
FIRST 515F WYNDROCK (BRICK ONLY)(FLOOD)  
FIRST 516 WYNDROCK (FRAME ONLY)  
FIRST 516F WYNDROCK (FRAME ONLY)(FLOOD)  
FIRST 532 BUFFALO GAP RD ESTATES  
FIRST 529 RIDGMAR ADDN  
FIRST 531 COUNTRYSIDE NORTH/RIDGEMONT HTS  
FIRST 531M COUNTRYSIDE NORTH/RIDGEMONT HTS (MULTI-FAMILY)  
FIRST 533 GARDEN GROVE & HEARTHSTONE  
FIRST 452 ALTA VISTA (EXCEPT FOR NEIGH 450), VICTORY  
FIRST 452M ALTA VISTA (EXCEPT FOR NEIGH 450), VICTORY (MULTI-FAMILY)  
FIRST 482 AF WILLIS, WJ WILLIAMS, BLVD HTS, AC BELL, ALINE SWEIN  
FIRST 482M AF WILLIS, WJ WILLIAMS, BLVD HTS, AC BELL, ALINE SWEIN (MULTI-  
FAMILY)  
FIRST 506 MONARCH ADDN (TOWNHOMES ON DUCHESS)  
FIRST 487 ELM COVES (ELM COVE DR ONLY)  
FIRST 493 BROOKHOLLOW-OLD ORCHARD/WINDSOR STREETS  
FIRST 493 BROOKHOLLOW-OLD ORCHARD/WINDSOR STREETS (FLOOD)  
FIRST 461 WOODARD, COLUMBIA, S 22ND, S 23RD, BARROW, S 27TH, S WIL  
FIRST 461M WOODARD, COLUMBIA, S 22ND, S 23RD, BARROW, S 27TH, S WIL (MULTI-  
FAMILY)  
FIRST 473 WYCHWOOD PLAZA  
FIRST 474 LYNWOOD, HIGH MEADOWS  
FIRST 503 CRESTVIEW  
FIRST 530 COUNTRYSIDE SOUTH, SOUTHPOINT INV  
FIRST 419 ELWOOD W-E OF PIONEER, N OF 7<sup>TH</sup>  
FIRST 419M ELWOOD W-E OF PIONEER, N OF 7<sup>TH</sup> (MULTI-FAMILY)  
FIRST 401 RIVER OAKS, ETC (OFF THE WATER)  
FIRST 401F RIVER OAKS, ETC (OFF THE WATER) (FLOOD)  
FIRST 402 PORTIONS OF ELMWOOD, ELMWOOD ETC, FAIR PARK, ELM  
FIRST 402I PORTIONS OF ELMWOOD, ELMWOOD ETC, FAIR PARK, ELM (INSIDE LOTS)



FIRST 490 TANGLEWOOD  
FIRST 490I TANGLEWOOD (INSIDE LOTS)  
FIRST 586 CREEKSIDE ADDN  
FIRST 539 WYLIE LEGACIES  
FIRST 574 CAPROCK RIDGE  
FIRST 588 SOUTH RIDGE ADDN  
FIRST 325 OLDHAM OAKS ADDN  
FIRST 333 RAINY CREEK ADDN  
FIRST 338M HERITAGE PARKS DUP/CONDOS  
THIRD 524 CARRIAGE HILLS  
THIRD 524M CARRIAGE HILLS (MULTI-FAMILY)

LAST INSPECTION YEAR: 2019  
NEXT INSPECTION YEAR: 2022

## **Appendix B**

**Neighborhoods within the city limits walked during the second year, by neighborhood code and neighborhood description. Represented on red shaded map.**

### **SECOND 1/3 of PROPERTY INSPECTION**

#### **CODE NAME**

SECOND 201 N SIDE OT E OF TREADAWAY (COTTONWOOD, BOIS D'ARC, E  
SECOND 202 N SIDE OT W OF TREADAWAY TO PINE  
SECOND 202M N SIDE OT W OF TREADAWAY TO PINE (MULTI-FAMILY)  
SECOND 203 N SIDE OT W OF PINE  
SECOND 203M N SIDE OT W OF PINE (MULTI-FAMILY)  
SECOND 203P N SIDE OT W OF PINE  
SECOND 204 SEARS PARK (E OF CATCLAW)  
SECOND 205 OT E OF BUTTERNUT & W OF TREADAWAY  
SECOND 205M OT E OF BUTTERNUT & W OF TREADAWAY (MULTI-FAMILY)  
SECOND 206 OT W OF BUTTERNUT  
SECOND 206M OT W OF BUTTERNUT (MULTI-FAMILY)  
SECOND 208 COMPERE PLACE  
SECOND 209 CENTRAL PARK, SIMMON TERRACE  
SECOND 209M CENTRAL PARK, SIMMON TERRACE (MULTI-FAMILY)  
SECOND 213 UNIV PARK, UNIV PL, W UNIV PL  
SECOND 213M UNIV PARK, UNIV PL, W UNIV PL (MULTI-FAMILY)  
SECOND 214 TREELAND, FOREST HEIGHTS  
SECOND 214M TREELAND, FOREST HEIGHTS (MULTI-FAMILY)  
SECOND 215 WILLIS PLACE (NEWER HOMES)  
SECOND 217 LAKESIDE, COBB & GOODNIGHT  
SECOND 217M LAKESIDE, COBB & GOODNIGHT (MULTI-FAMILY)  
SECOND 218 HEYCK, HENRY SAYLES, MIDWAY  
SECOND 218M HEYCK, HENRY SAYLES, MIDWAY (MULTI-FAMILY)  
SECOND 219 PECAN PARK, MISNER, TA RUSSELL  
SECOND 219M PECAN PARK, MISNER, TA RUSSELL (MULTI-FAMILY)  
SECOND 220 BELMONT BLVD (1800-1999)  
SECOND 222 BIG ELM  
SECOND 230 BELLEVUE RIDGE, WR THOMASON, WALTERS FIELDER  
SECOND 230M BELLEVUE RIDGE, WR THOMASON, WALTERS FIELDER (MULTI-FAMILY)  
SECOND 232 CP HENDRIX (RIVERSIDE PARK ONLY)  
SECOND 236 RIFENBURGH  
SECOND 237 JOLLY ROGERS ADDN, FM 600 NORTH  
SECOND 241 SHOTGUN NORTH & SOUTH  
SECOND 250 COLLEGE DR  
SECOND 250M COLLEGE DR (MULTI-FAMILY)  
SECOND 275 NORTHLAND CT TOWNHOUSES  
SECOND 101 GREEN ACRES & NORTHWOOD (N OF AMBLER), WILLOWBROOK  
SECOND 101M GREEN ACRES & NORTHWOOD (N OF AMBLER), WILLOWBROOK (MULTI-FAMILY)  
SECOND 102 CRESCENT HEIGHTS, ARTHEL HENSON  
SECOND 103 GREEN ACRES (S OF AMBLER), WESTWOOD, WESTLAWN  
SECOND 103M GREEN ACRES (S OF AMBLER), WESTWOOD, WESTLAWN (MULTI-FAMILY)  
SECOND 104 BEL AIR ADDN N OF N 10TH, RICHLAND ACRES, NORTHWOOD  
SECOND 105 BEL AIR, EAST PART OF WOODLAWN

SECOND 105M BEL AIR, EAST PART OF WOODLAWN (MULTI-FAMILY)  
SECOND 106 WESTVIEW, OAKWOOD (W OF MOCKINGBIRD)  
SECOND 106M WESTVIEW, OAKWOOD (W OF MOCKINGBIRD) (MULTI-FAMILY)  
SECOND 107 MINTER LANE (N.12 TO N.18)  
SECOND 108 WESTERN HGHTS, OAKWOOD (E OF MOCKINGBIRD), AJ EDER  
SECOND 108M WESTERN HGHTS, OAKWOOD (E OF MOCKINGBIRD), AJ EDER (MULTI-FAMILY)  
SECOND 109 WEST FREEWAY ADDN, PARK PLAZA  
SECOND 110 PARK PLAZA (N LASALLE TO PIONEER)  
SECOND 110M PARK PLAZA (N LASALLE TO PIONEER)(MULTI-FAMILY)  
SECOND 111 RICHLAND DR, DELWOOD, ROANOAK  
SECOND 111M RICHLAND DR, DELWOOD, ROANOAK (MULTI-FAMILY)  
SECOND 112 WOODLAWN ADDN (WESTWOOD, MARSALIS, ROSEWOOD)  
SECOND 113 SEARS PARK (W OF CATCLAW), WOODLAND ADDN  
SECOND 115 RICHLAND ESTATES  
SECOND 116 ELMCREST CLUB ADDN  
SECOND 117 GREEN ACRES, WILLOW BROOK (N AMBLER, E WILLIS)  
SECOND 120 PARK PLAZA CONDOS  
SECOND 121 CRES. HTS, G. ACRES, WSTWD, WSTLWN (10TH-AMBLER/MOCK, B  
SECOND 122 CRESCENT HTS, A. HENSON EAST OF SHELTON  
SECOND 122M CRESCENT HTS, A. HENSON EAST OF SHELTON (MULTI-FAMILY)  
SECOND 123 BEL AIR ADDN 1100-1300 BLK YORKTOWN, BEL AIR & GLE  
SECOND 114 HOLIDAY HILLS (SITE BUILT RS'S)  
SECOND 211 WILLIS PL, MAC BOYER 18-1900 BUTT,21-2200 POP, LAWLE  
SECOND 212 SAYLES OF F P (SUNSET, SAMMONS), RIVERSIDE (EXC RIV DR  
SECOND 212M SAYLES OF F P (SUNSET, SAMMONS), RIVERSIDE (EXC RIV DR)(MULTI-FAMILY)  
SECOND 216 WILLIS PL (OLDER HOMES), 1800-2000 POPLAR  
SECOND 221 LEDBETTER, OT ABILENE PART  
SECOND 221M LEDBETTER, OT ABILENE PART (MULTI-FAMILY)  
SECOND 223 CARVER ADDN, CROW ADDN  
SECOND 225 CHRISTIAN COLLEGE, BLVD PARK  
SECOND 225M CHRISTIAN COLLEGE, BLVD PARK (MULTI-FAMILY)  
SECOND 226 BELMONT PART/SYC-CHEST-OAK  
SECOND 226M BELMONT PART/SYC-CHEST-OAK (MULTI-FAMILY)  
SECOND 227 LYTLE LAKE GARDENS, LONGOTHAM, WHEELER  
SECOND 227M LYTLE LAKE GARDENS, LONGOTHAM, WHEELER (MULTI-FAMILY)  
SECOND 229 COUNTRY CLUB, SCHWARTZ, RAYMOND SMITH, PARKER PL, BOWY  
SECOND 229M COUNTRY CLUB, SCHWARTZ, RAYMOND SMITH, PARKER PL, BOWY (MULTI-FAMILY)  
SECOND 231 MANN, COCKERELL, JJ TAMBS, ETHERIDGE  
SECOND 234 CAMPBELL  
SECOND 238 MEADOWBROOK, STEVENSON PARK  
SECOND 238M MEADOWBROOK, STEVENSON PARK (MULTI-FAMILY)  
SECOND 240 OD DILLINGHAM, FAIRMONT,11-1300 PEACH, PALM&POPLAR, C  
SECOND 240M OD DILLINGHAM, FAIRMONT,11-1300 PEACH, PALM&POPLAR, C (MULTI-FAMILY)  
SECOND 245 CP HENDRIX,234-298 CLYDE, SCOTT HWY, N MORRIS, BREWER  
SECOND 245M CP HENDRIX,234-298 CLYDE, SCOTT HWY, N MORRIS, BREWER (MULTI-FAMILY)  
SECOND 271 E HORIZON ADDN  
SECOND 285 PARK HTS, MINGUS & KENNER, EW MORRIS OF H WARD

SECOND 285M PARK HTS, MINGUS & KENNER, EW MORRIS OF H WARD (MULTI-FAMILY)  
SECOND 403 JK ROSS OF H WARD, SAYLES OF FP, POOL&EPLEY, PART OF  
SECOND 403M JK ROSS OF H WARD, SAYLES OF FP, POOL&EPLEY, PART OF (MULTI-FAMILY)  
SECOND 404 SAYLES FP (E OF WILLIS), AE POOL, OLA EPLEY, HILLBURN,  
SECOND 404M SAYLES FP (E OF WILLIS), AE POOL, OLA EPLEY, HILLBURN, (MULTI-FAMILY)  
SECOND 405 SOUTHWEST PARK  
SECOND 405M SOUTHWEST PARK (MULTI-FAMILY)  
SECOND 408 MEMORIAL PARK  
SECOND 408M MEMORIAL PARK (MULTI-FAMILY)  
SECOND 414 CAMPUS, H TOMMY, WOODARD, BLVD HTS  
SECOND 414M CAMPUS, H TOMMY, WOODARD, BLVD HTS (MULTI-FAMILY)  
SECOND 416 RIVERSIDE DR  
SECOND 416M RIVERSIDE DR (MULTI-FAMILY)  
SECOND 417 HIGHLAND PARK, DOC MEAD  
SECOND 425 S FAIRMONT ADDN, S PARK ADDN, CB WEBB ADDN  
SECOND 425M S FAIRMONT ADDN, S PARK ADDN, CB WEBB ADDN (MULTI-FAMILY)  
SECOND 430 OVER PLACE (INSIDE S 20TH-S 27TH, HIGHLAND-MARSHALL  
SECOND 430M OVER PLACE (INSIDE S 20TH-S 27TH, HIGHLAND-MARSHALL (MULTI-FAMILY)  
SECOND 435 HATTIE M SAYLES, GEORGE STEAKLEY  
SECOND 435M HATTIE M SAYLES, GEORGE STEAKLEY (MULTI-FAMILY)  
SECOND 445 MCMURRY PARK  
SECOND 445M MCMURRY PARK (MULTI-FAMILY)  
SECOND 448 MCMURRY COLLEGE (11-1400 OF AMARILLO, MEANDER, JEANET  
SECOND 448M MCMURRY COLLEGE (11-1400 OF AMARILLO, MEANDER, JEANET (MULTI-FAMILY)  
SECOND 598 VAQUERO SUB

LAST INSPECTION YEAR: 2020  
NEXT INSPECTION YEAR: 2023

## Appendix C

Neighborhoods within the city limits walked during the third year, by neighborhood code and neighborhood description. Represented on blue shaded map.

### Final 1/3 of PROPERTY INSPECTION

#### YEAR CODE NAME

THIRD 207 COLLEGE HGHTS, NORWOOD & GIBSON, FAUCETT, CRIM, BEENE,  
THIRD 207M COLLEGE HGHTS, NORWOOD & GIBSON, FAUCETT, CRIM, BEENE, (MULTI-FAMILY)  
THIRD 520 LYTLE SOUTH  
THIRD 520M LYTLE SOUTH (MULTI-FAMILY)  
THIRD 521 SOUTH LYTLE ADDN  
THIRD 522 INDIAN WELLS  
THIRD 526 QUAIL PARK  
THIRD 528 CASTLEWOOD ESTATES  
THIRD 545 SILVER OAKS SUB OFF BUFFALO GAP RD  
THIRD 546 FAIRWAYS (ON COURSE)  
THIRD 548 WOODLAKE  
THIRD 551 MESQUITE FOREST (FRAME CTS)  
THIRD 552 MESQUITE FOREST (E OF CRK EXCPT NEIGH 551)  
THIRD 553 MESQUITE FOREST (WEST OF CREEK)  
THIRD 553M MESQUITE FOREST (WEST OF CREEK)(MULTI-FAMILY)  
THIRD 554 FAIRWAYS (TAMARISK ONLY)  
THIRD 555 FAIRWAYS (HARBOUR TOWN ONLY)  
THIRD 556 FAIRWAYS (OFF COURSE)  
THIRD 557 CANYON ROCK (ON WATER)  
THIRD 558 CANYON ROCK (OFF WATER)  
THIRD 559 CHAMPIONS(TOWNHOMES)  
THIRD 560 CHAMPIONS (EXCPT TOWNHOMES), WYNDHAM PLACE, VISTA RI  
THIRD 561 WINNERS CIRCLE  
THIRD 575 FAIRWAY OAKS(TOWNHOMES)  
THIRD 576 MESQUITE FOREST(TOWNHOMES)  
THIRD 580 WYNDHAM PLACE  
THIRD 581 HUNTINGTON RIDGE  
THIRD 583 WYNRUSH CR PATIO HOMES  
THIRD 304 LYTLE EAST  
THIRD 306 BENT TREE  
THIRD 307 OLDHAM COURT WEST, JESSIE LEE BOWEN  
THIRD 308 LYTLE ESTATES  
THIRD 309 LYTLE SHORES WEST  
THIRD 310 LYTLE PLACE  
THIRD 311 KINGS CROSS  
THIRD 314 OLDHAM FORBES  
THIRD 322 BAY SHORE  
THIRD 336 LYTLE LAKE (ON THE WATER)  
THIRD 337 LYTLE SHORES, ETC (OFF THE WATER)  
THIRD 412M EDGEMONT/CAMPUS(MULITI-FAMILY)  
THIRD 326 GRIFFITH LAKE ESTATES  
THIRD 410 ALL HAMILTON HTS EXCPT S 27TH RES&NEWER BRICK  
THIRD 426 THE CROSSING  
THIRD 426F THE CROSSING

THIRD 450 ALTA VISTA, HIGHLAND (SAYLES, AMARILLO, ROSS, GRAND, SAN  
THIRD 450M ALTA VISTA, HIGHLAND (SAYLES, AMARILLO, ROSS, GRAND, SAN (MULTI-  
FAMILY)  
THIRD 458 CHIMNEY WOOD, SHEPHERD COVE  
THIRD 460 RUE MAISON TOWNHOUSES  
THIRD 463 WYCHWOOD PLZA E. OF WILLIS/HERITAGE HOMES  
THIRD 464 WYCHWOOD PLAZA W. OF WILLIS  
THIRD 464M WYCHWOOD PLAZA W. OF WILLIS (MULTI-FAMILY)  
THIRD 464F WYCHWOOD PLAZA W. OF WILLIS  
THIRD 465 ANNWOOD/TOWNHOUSES  
THIRD 466 MCMURRY HEIGHTS  
THIRD 476 IVANHOE ACRES  
THIRD 476M IVANHOE ACRES (MULTI-FAMILY)  
THIRD 525 G&D SUB  
THIRD 525M G&D SUB (MULTI-FAMILY)  
THIRD 527 TOWN & COUNTRY VILLAGE  
THIRD 535 SHADYBROOK  
THIRD 547 MONARCH, FOSTER COX  
THIRD 534 ESMAN, GREYSTONE ESTATE, CUL-DE-SACS OFF CHIMNEY R  
THIRD 540 COUNTRY VILLAGE-WILLOWBEND (SMALLER HOMES)  
THIRD 542 TWIN OAKS  
THIRD 543 BUTTON WILLOW PARKWAY  
THIRD 543M BUTTON WILLOW PARKWAY (MULTI-FAMILY)  
THIRD 549 COUNTRYSIDE (COURTYARD LANE)  
THIRD 550 ROYAL CREST  
THIRD 562 STONEGATE  
THIRD 563 THE OAKS, SOUTH MESA ADDN  
THIRD 564 HUNTERS CREEK, CHIMNEY CR (PATIO HOMES)  
THIRD 565 HUNTERS CREEK (EXCPT NEIGH 563 & 672)  
THIRD 566 SURREY SQUARE/FAIRFIELD ADDN (PATIO HOMES)  
THIRD 567 BUFFALO GAP RD (BEYOND THE MALL)  
THIRD 569 SC FERRELL, ANDERSON, THOMPSON (DYESS AREA)  
THIRD 569M SC FERRELL, ANDERSON, THOMPSON (DYESS AREA)(MULTI-FAMILY)  
THIRD 570 LITTLE ELM CONDOS  
THIRD 571 HI-VUE  
THIRD 572 HUNTERS CREEK, CHIMNEY CR(TOWNHOMES)  
THIRD 572M HUNTERS CREEK, CHIMNEY CR(TOWNHOMES)(MULTI-FAMILY)  
THIRD 573 BUTTERFIELD MEADOWS  
THIRD 579 BELLA VISTA ESTATES  
THIRD 582 ENCHANTED MESA ESTATES  
THIRD 599 PARKSIDE PLACE SUB  
THIRD 523 SOUTHLAKE ADDN  
THIRD 577 VISTA RIDGE ESTATES  
THIRD 578 MESA RIDGE VILLAS  
THIRD 584 LEGACY VILLAGE  
THIRD 585 WYLIE RIDGE  
THIRD 587 TRIBUTES AT DOUBLE EAGLE SUB  
THIRD 544 PART OF MESQUITE FOREST  
THIRD 538 ANTILLEY RD WEST ADDN SEC 1  
THIRD 541 ELM CREEK AT WYLIE  
THIRD 889 SADDLE CREEK ESTATES  
THIRD 891 SKYLINE ESTATES  
THIRD 893 LONESTAR

THIRD 896 TUSCANY TRAILS

LAST INSPECTION YEAR: 2021  
NEXT INSPECTION YEAR: 2024

**Neighborhoods outside of the city limits are inspected every year. List includes neighborhood code and neighborhood description. Represented on yellow shaded map.**

## **RURAL PROPERTY INSPECTION**

### **CODE NAME**

801 CITIES OF MERKEL  
803 HUMPHREY VLG, COUNTRY CLUB EST, BETTES HTS, FM 126(N)  
804 CITIES OF TYE  
806 CITIES OF TRENT  
901 MERKEL ISD RURAL ABSTRACTS  
902 ELM VALLEY RURAL SUB  
905 TRENT ISD RURAL ABSTRACTS  
118 HAYTER, FULWILER, SHIRLEY RD, ECT  
825 SOUTHERN HILLS BUFFALO GAP  
826 JIM NED ISD RURAL SUBS  
827 CITIES OF TUSCOLA  
828 CITY OF BUFFALO GAP  
829 CITIES OF LAWN  
830 CITIES OF OVALO  
926 JIM NED ABST-NORTHERN PART/BUF-CORON-TUSC  
929 JIM NED ABST-SOUTH TAYLOR/LAWN, OVALO AREA/RUNNELS  
860 HAMBY WEST ADDN  
862 AIRPORT ACRES ADDN & DOS CONDADOS SUB  
866 HIDDEN VALLEY VIEW ESTATES  
878 MYSTIC MEADOWS  
884 STEAMBOAT MOUNTAIN ESTATES  
887 CORONADO EAST  
888 CORONADO, ELDORADO, TRAILS END  
884J STEAM BOAT JIM NED  
890 COUNTRY PL SOUTH  
885 MOUNTAIN SHADOWS  
886 DEER VALLEYS  
894 POTOSI AREA RURAL SUBDIVISIONS  
895 EST AT PACK SADDLE CREEK  
951 EULA ISD RURAL ABSTRACTS  
960 CLYDE ISD RURAL ABSTRACTS  
962 WYLIE ISD RURAL ABSTRACTS  
967 WYLIE ISD RURAL ABSTRACTS  
982 WYLIE ISD ABSTRACTS CLOSE TO CITY LIMITS  
986 WYLIE ISD RURAL ABSTRACTS  
994 WYLIE ISD RURAL ABSTRACTS  
817 SANDSTONE  
818 CEDAR CREEK ESTATES  
819 CHEROKEE RUNS  
820 JIM NED VALLEY ESTATES  
821 THE CANYONS  
822 THE RANCH  
823 WINDMILL CROSSING  
824 HILLSIDE ADDITION  
833 RAFTER T ADDITION  
834 SOUTH FORK RANCHES  
835 LEMONS GAP ESTATE



836 BISON BEND SUB SEC 1  
837 TUSCOLA TRAILS  
877 HIGHLAND FARMS  
879 SOUTHERN CROSSES  
880 HACIENDA RANCH  
883 POTOSI PRAIRIES  
884j STEAM BOAT JIM NED  
897 REMINGTON ESTATES  
898 MOUNTAIN MEADOWS  
899 CEDAR HILLS LAKE  
838 CITY TUSCOLA SUBS  
839 THE HILLS OF BUFFALO GAP  
963 HUNTERS LANDING

LAST INSPECTION YEAR: 2021  
NEXT INSPECTION YEAR: 2022

## **Appendix E**

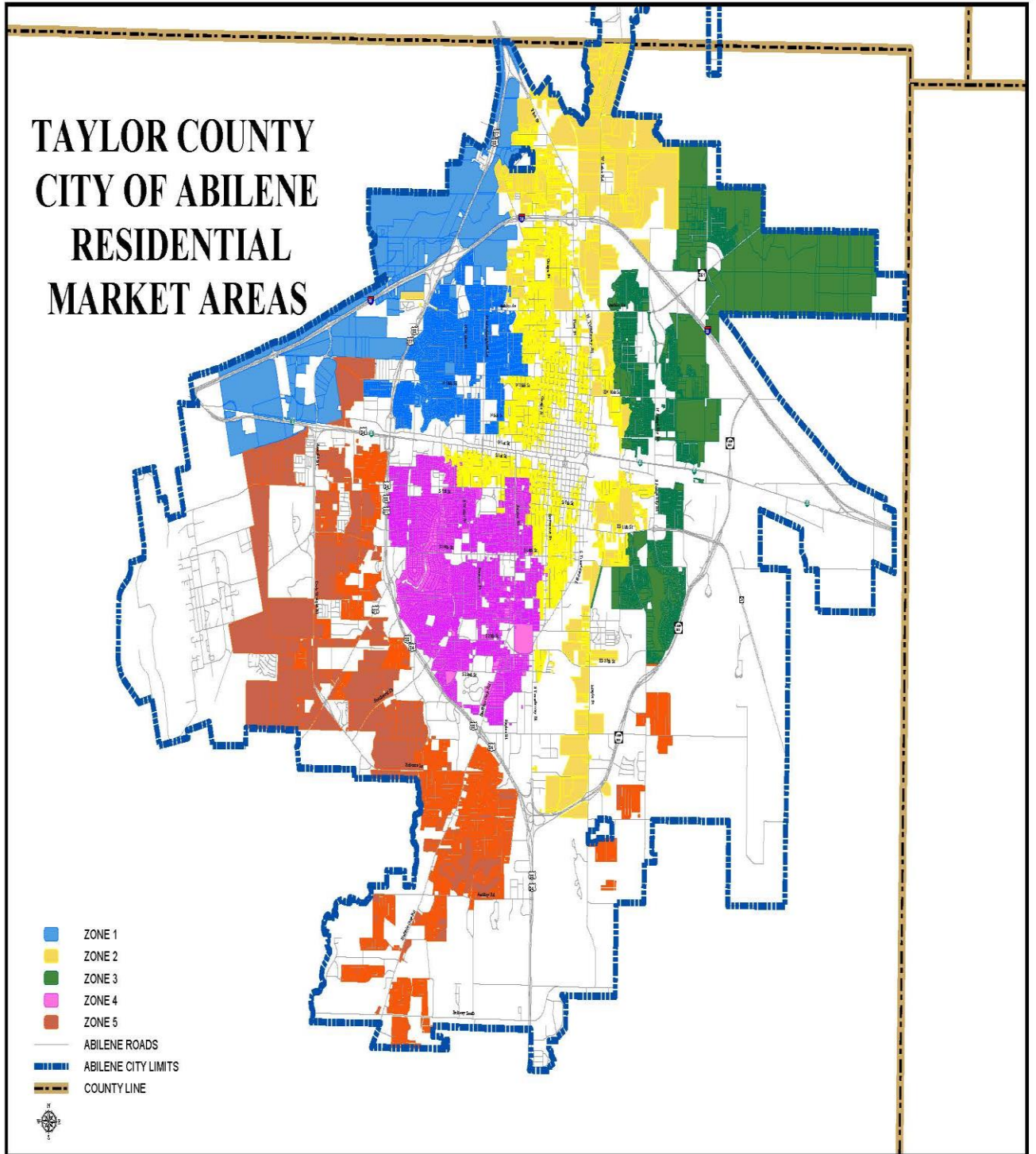
**Mobile Home Parks within the city limits inspected every year. List includes neighborhood code and neighborhood description.**

<b>Code</b>	<b>Name</b>
601	PHIL BOYS MH PARK
602	HUCKLEBERRY LANE MH PARK
604	BIG TREE MH PARK
608	COACHLIGHT MH PARK
610	CONTINENTAL VILLA
612	CROWN PLACE MH PARK
620	HARTFORD VILLAGE
622	HOLIDAY HILLS
632	MEADOW RIDGE ESTATES
634	MESA MH PARK
646	OAK TREE VILLAGE MH PARK
650	PLEASANT HILLS MH PARK
660	SOUTH 3 <sup>RD</sup> PARK DEV
662	SOUTHERN SANDS
664	SUNLAKE VILLAGE
668	TEXAS PLACE
672	THE MEADOWS MH PARK
680	THE VILLAGE MH PARK DEV
682	VILLAGE MH PARK
683	WESTERN HILLS
684	WESTGATE MH PARK
686	WESTGLEN MH PARK
690	WOODS VILLAGE MH PARK

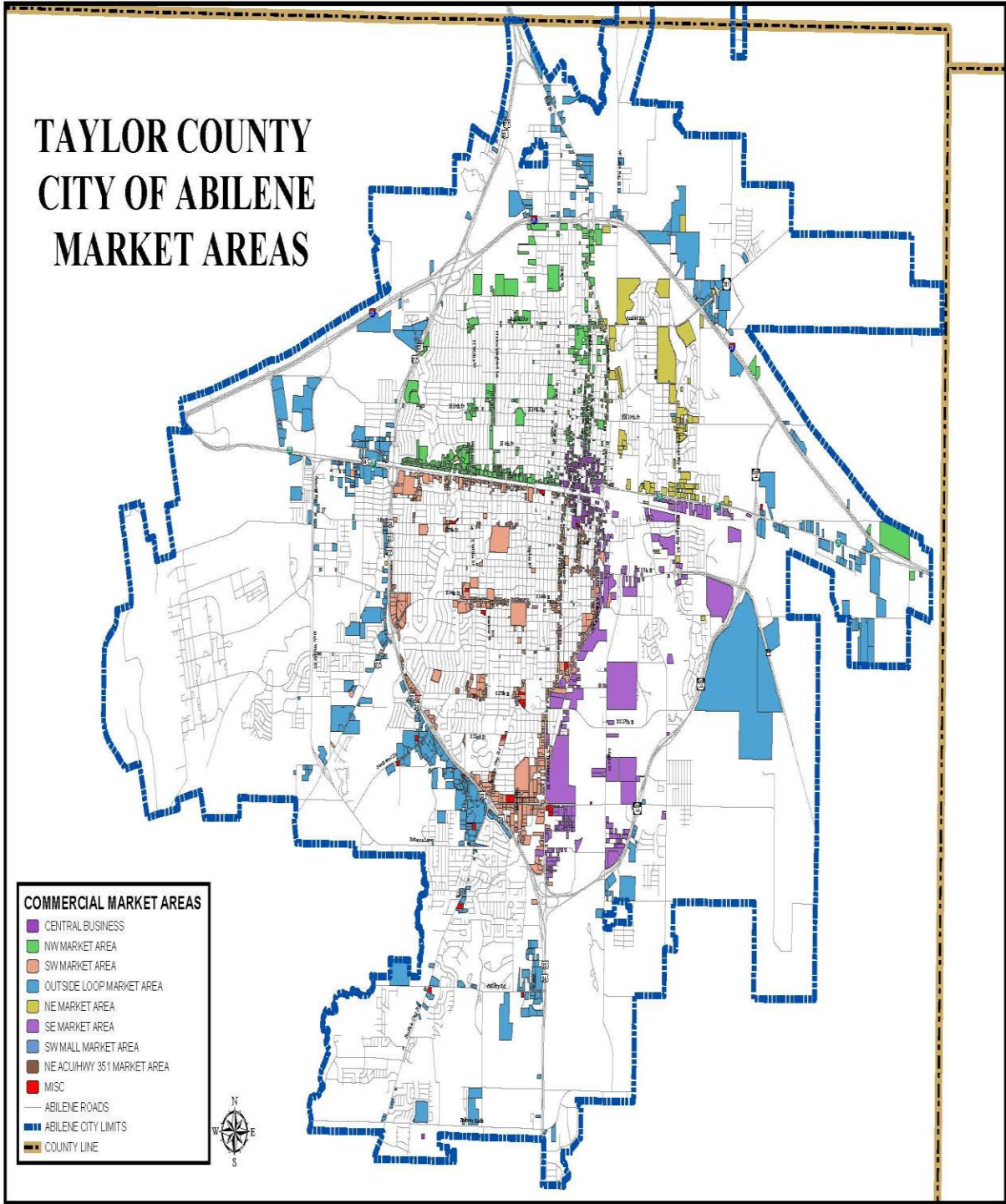
LAST INSPECTION YEAR: 2021

NEXT INSPECTION YEAR: 2022

## Appendix F

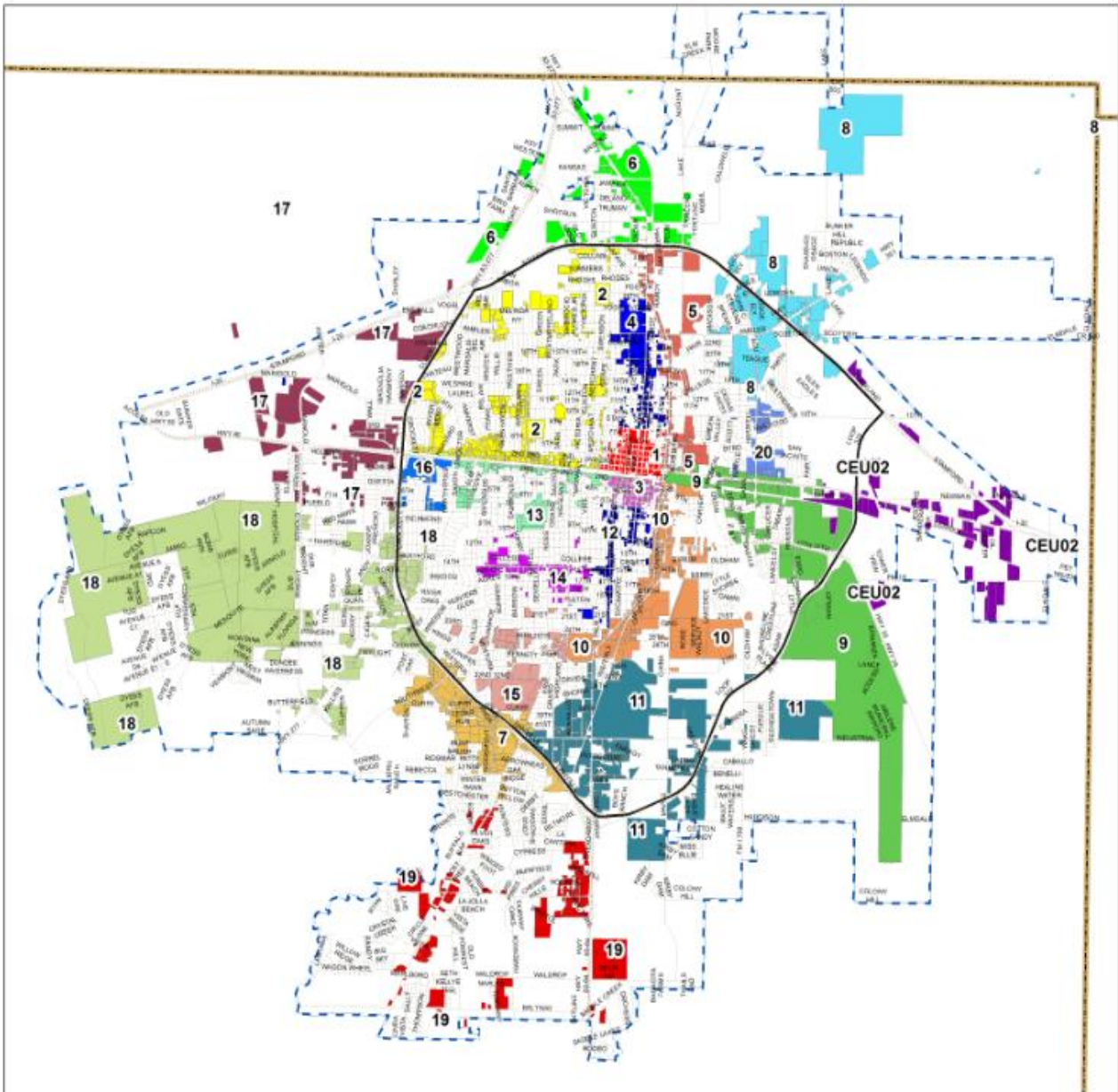


Appendix G



Appendix H

# TAYLOR COUNTY - CITY OF ABILENE COMMERCIAL NEIGHBORHOODS



COMMERCIAL NEIGHBORHOOD CODES		CD4 PINE STREET		C08 EAST HWY 80		C14 SOUTH 14TH		C19 ANTI-LEW / BUFFALO GAP	
C01 DOWNTOWN NORTH	C02 NORTH CENTRAL	C03 DOWNTOWN SOUTH	C04 ACU / HWY 351	C05 NORTH TREADAWAY	C06 IMPACT / NORTH PINE	C07 MALL AREA	C08 ACU / HWY 351	C09 SOUTH TREADAWAY	C10 SOUTH TREADAWAY
C11 INDUSTRIAL / S. TREADAWAY	C12 BUTTERNUT	C13 SOUTH 1ST	C14 SOUTH 14TH	C15 SOUTH 27TH	C16 SOUTH PIONEER	C17 WEST HWY 80	C18 HWY 271 / HWY 80/84	C20 NORTH JUDE ELY	EUA ISD INSIDE CITY OF ABILENE



**ABILENE COMMERCIAL NEIGHBORHOODS**  
**Description of Boundaries**

Example: CPO01

C = Commercial  
PO = Office  
01 = Downtown North

- 01 DOWNTOWN NORTH  
Grape street to the West, Treadaway Blvd to the East, N 8<sup>th</sup> on the North to North 1<sup>st</sup> to the south.
- 02 NORTH CENTRAL  
Interstate-20 to the North, Grape Street on the East, North 1st Street on the South and Highway 83/84 on the West.
- 03 DOWNTOWN SOUTH  
Butternut to the West, South Treadaway to the East, South 1<sup>st</sup> on the North and South 7<sup>th</sup> to the South.
- 04 PINE STREET  
Grape Street to the West, almost to Treadaway Blvd on the East, N 8th on the South and I-20 on the North.
- 05 NORTH TREADAWAY  
Both sides of the Treadaway Blvd corridor to the West, I-20 to the North, Cedar Creek to the East, & EN 7th and E Hwy 80 to the South.  
Retail/Industrial/Warehouse.
- 06 IMPACT/ NORTH PINE  
Defined by the Abilene City Limits on the North and West, E Lake Road on the East, I-20 on the South.
- 07 MALL AREA  
Both Sides of the Highway 83/84 corridor area between Nonesuch Rd and Memorial Drive; Northern boundary inside the Loop is High Meadows Dr. Buffalo Gap Road is the eastern border north of the Loop; Memorial Drive south of the Loop. Area extends to Antilley Road going south; the Western boundary is Elm Creek.
- 08 ACU/ HWY 351  
Generally East of Avenue D, North of EN 13th, West of Mesquite Lane and South of the Village of Impact, TX.

- 09 EAST HWY 80  
Both sides of E Hwy 80 on the North, ES 27th to the South, Oldham Lane to the West and Hwy 36 to the East.
- 10 SOUTH TREADAWAY  
Virgil Street on the North, S 27th on the South, Both sides of Treadaway Blvd on the West and Oldham Lane on the East.
- 11 INDUSTRIAL/ S. TREADAWAY  
South 27th on the North, Oldham Lane to the East, Hardison Lane on the south, Buffalo Gap Road on the West.
- 12 BUTTERNUT  
Jeanette to the West, South 25th to the South, Cherry to the East and S 2nd and S 6th on the North.
- 13 SOUTH 1<sup>ST</sup>  
South 1st to the North, Vine Street to the East, S 10th Street to the South and Westridge Drive to the West.
- 14 SOUTH 14<sup>TH</sup>  
S 10th Street on the North, S 20th Street on the South, S Pioneer Drive & Tanglewood Drive on the West and Jeanette Street on the East.
- 15 SOUTH 27<sup>TH</sup>  
S 20th Street on the North, Both Sides of S 27th Street on the South, Jeanette Street on the East and Brookhollow Drive to the West.
- 16 SOUTH PIONEER  
Defined by South 1st on the North, Hawthorne St on the East, South 7th on the South, Hwy 83/84 on the West.
- 17 WEST HWY 80  
Defined by Interstate-20 on the North, Highway 83/84 on the East, S 7th Street on the South, Dyess Air Force Base on the West.
- 18 HWY 277/ HWY 83/84  
South 7th to the North, Hwy 83/84 & Pioneer Drive to the East, Both sides of Hwy 277 to the South, Abilene City Limits to the West.
- 19 ANTILLEY/ BUFFALO GAP ROAD  
Antilley Rd, Memorial Drive & Covenant Drive to the North, Beltway South on the South, Abilene City Limits on the East and West.
- 20 NORTH JUDGE ELY  
North of Tracy Lynn Drive, both sides of N. Judge Ely Blvd, South of E 13th Street and West of Loop 322.

## USPAP STANDARDS 5 and 6

### STANDARD 5: MASS APPRAISAL, DEVELOPMENT

**In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals.**

Comment: STANDARD 5 applies to all mass appraisals of real or personal property regardless of the purpose or use of such appraisals. STANDARD 5 is directed toward the substantive aspects of developing credible analyses, opinions, and conclusions in the mass appraisal of properties. The reporting and jurisdictional exceptions applicable to public mass appraisals prepared for ad valorem taxation do not apply to mass appraisals prepared for other purposes.

A mass appraisal includes:

- 1) identifying properties to be appraised;
- 2) defining market area of consistent behavior that applies to properties;
- 3) identifying characteristics (supply and demand) that affect the creation of value in that market area;
- 4) developing a model structure that reflects the relationship among the characteristics affecting value in the market area;
- 5) calibrating the model structure to determine the contribution of the individual characteristics affecting value;
- 6) applying the conclusions reflected in the model to the characteristics of the property(ies) being appraised; and
- 7) reviewing the mass appraisal results.

The JURISDICTIONAL EXCEPTION RULE may apply to several sections of STANDARD 5 because ad valorem tax administration is subject to various state, county, and municipal laws.

#### STANDARDS RULE 5-1

**In developing a mass appraisal, an appraiser must:**

- (a) **be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce a credible mass appraisal;**

Comment: Mass appraisal provides for a systematic approach and uniform application of appraisal methods and techniques to obtain estimates of value that allow for statistical review and analysis of results.

This requirement recognizes that the principle of change continues to affect the manner which appraisers perform mass appraisals. Changes and developments



in the real property and personal property fields have a substantial impact on the appraisal profession.

To keep abreast of these changes and developments, the appraisal profession is constantly reviewing and revising appraisal methods and techniques and devising new methods and techniques to meet new circumstances. For this reason, it is not sufficient for appraisers to simply maintain the skills and the knowledge they possess when they become appraisers. Each appraiser must continuously improve his or her skills to remain proficient in mass appraisal.

- (b) not commit a substantial error of omission or commission that significantly affects a mass appraisal; and**

Comment: An appraiser must use sufficient care to avoid errors that would significantly affect his or her opinions and conclusions. Diligence is required to identify and analyze the factors, conditions, data, and other information that would have a significant effect on the credibility of the assignment results.

- (c) not render a mass appraisal in a careless or negligent manner.**

Comment: Perfection is impossible to attain, and competence does not require perfection. However, an appraiser must not render appraisal services in a careless or negligent manner. This Standards Rule requires an appraiser to use due diligence and due care.

## **STANDARDS RULE 5-2**

**In developing a mass appraisal, an appraiser must:**

- (a) identify the client and other intended users;**

Comment: It is the appraiser's responsibility to identify the client and other intended users. In ad valorem mass appraisal, the assessor, or party responsible for certification of the assessment or tax roll is required to apply the relevant law or statute and identify the client, and other intended users (if any).

- (b) identify the intended use of the appraisal;**

Comment: An appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

- (c) identify the type and definition of value, and, if the value opinion to be developed is market value, ascertain whether the value is to be the most probable price:**

- (i) in terms of cash; or**
- (ii) in terms of financial arrangements equivalent to cash; or**
- (iii) in such other terms as may be precisely defined; and**

- (iv) if the opinion of value is based on non-market financing or financing with unusual conditions or incentives, the terms of such financing must be clearly identified and the appraiser's opinion of their contributions to or negative influence on value must be developed by analysis of relevant market data;**
- (d) identify the effective date of the appraisal;**
- (e) identify the characteristics of the properties that are relevant to the type and definition of value and intended use, including:**
  - (i) the group with which a property is identified according to similar market influence;**
  - (ii) the appropriate market area and time frame relative to the property being valued; and**
  - (iii) their location and physical, legal, and economic characteristics;**

Comment: The properties must be identified in general terms, and each individual property in the universe must be identified, with the information on its identity stored or referenced in its property record.

When appraising proposed improvements, an appraiser must examine and have available for future examination, plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

Ordinarily, proposed improvements are not appraised for ad valorem tax purposes. Appraisers, however, are sometimes asked to provide opinions of value of proposed improvements so that developers can estimate future property tax burdens. Sometimes units in condominiums and planned unit developments are sold with an interest in un-built community property, the pro rata value of which, if any, must be considered in the analysis of sales data.

- (f) identify the characteristics of the market that are relevant to the purpose and intended use of the mass appraisal including:**
  - (i) location of the market area;**
  - (ii) physical, legal, and economic attributes;**
  - (iii) time frame of market activity; and**
  - (iv) property interests reflected in the market;**
- (g) in appraising real property or personal property:**
  - (i) identify the appropriate market area and time frame relative to the property being valued;**
  - (ii) when the subject is real property, identify and consider any personal property, trade fixtures, or**
  - (iii) intangibles that are not real property but are included in the appraisal;**

- (iv) when the subject is personal property, identify and consider any real property or intangibles that are not personal property but are included in the appraisal;
- (v) identify known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of similar nature; and
- (vi) identify and analyze whether an appraised fractional interest, physical segment or partial holding contributes pro rata to the value of the whole;

Comment: The above requirements do not obligate the appraiser to value the whole when the subject of the appraisal is a fractional interest, physical segment, or a partial holding. However, if the value of the whole is not identified, the appraisal must clearly reflect that the value of the property being appraised cannot be used to develop the value opinion of the whole by mathematical extension.

- (h) analyze the relevant economic conditions at the time of the valuation, including market acceptability of the property and supply, demand, scarcity, or rarity;
- (i) identify any extraordinary assumptions and any hypothetical conditions necessary in the assignment; and

Comment: An extraordinary assumption may be used in an assignment only if:

- it is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption;
- use of the extraordinary assumption results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

A hypothetical condition may be used in an assignment only if:

- use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- use of the hypothetical condition results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

- (j) determine the scope of work necessary to produce credible assignment results in accordance with the **SCOPE OF WORK RULE**.

### **STANDARDS RULE 5-3**

**When necessary for credible assignment results, an appraiser must:**

- (a) **in appraising real property, identify and analyze the effect on use and value of the following factors: existing land use regulations, reasonably probable modifications of such regulations, economic supply and demand, the physical adaptability of the real estate, neighborhood trends, and highest and best use of the real estate.**

Comment: This requirement sets forth a list of factors that affect use and value. In considering neighborhood trends, an appraiser must avoid stereotyped or biased assumptions relating to race, age, color, gender, or national origin or an assumption that race, ethnic, or religious homogeneity is necessary to maximize value in a neighborhood. Further, an appraiser must avoid making an unsupported assumption or premise about neighborhood decline, effective age, and remaining life. In considering highest and best use, an appraiser must develop the concept to the extent required for a proper solution to the appraisal problem.

- (b) **in appraising personal property, identify and analyze the effects on use and value of industry trends, value-in-use, and trade level of personal property. Where applicable, analyze the current use and alternative uses to encompass what is profitable, legal, and physically possible, as relevant to the type and definition of value and intended use of the appraisal. Personal property has several measurable marketplaces; therefore, the appraiser must define and analyze the appropriate market consistent with the type and definition of value.**

Comment: The appraiser must recognize that there are distinct levels of trade and each may generate its own data. For example, a property may have a different value at a wholesale level of trade, a retail level of trade, or under various auction conditions. Therefore, the appraiser must analyze the subject property within the correct market context.

#### **STANDARDS RULE 5-4**

**In developing a mass appraisal, an appraiser must:**

- (a) **identify the appropriate procedures and market information required to perform the appraisal, including all physical, functional, and external market factors as they may affect the appraisal;**

Comment: Such efforts customarily include the development of standardized data collection forms, procedures, and training materials that are used uniformly on the universe of properties under consideration.

- (b) **employ recognized techniques for specifying property valuation models; and**

Comment: The formal development of a model in a statement or equation is called model specification. Mass appraisers must develop mathematical models that, with reasonable accuracy, represent the relationship between property value and supply and demand factors, as represented by quantitative and qualitative property characteristics. The models may be specified using the cost, sales comparison, or income approaches to value. The specification format may be tabular, mathematical, linear, nonlinear, or any other structure suitable for representing the observable property characteristics. Appropriate approaches must be used in appraising a class of properties. The concept of recognized techniques applies to both real and personal property valuation models.

**(c) employ recognized techniques for calibrating mass appraisal models.**

Comment: Calibration refers to the process of analyzing sets of property and market data to determine the specific parameters of a model. The table entries in a cost manual are examples of calibrated parameters, as well as the coefficients in a linear or nonlinear model. Models must be calibrated using recognized techniques, including, but not limited to, multiple linear regression, nonlinear regression, and adaptive estimation.

**STANDARDS RULE 5-5**

**In developing a mass appraisal, when necessary for credible assignment results, an appraiser must:**

- (a) collect, verify, and analyze such data as are necessary and appropriate to develop:**
- (i) the cost new of the improvements;**
  - (ii) depreciation;**
  - (iii) value of the land by sales of comparable properties;**
  - (iv) value of the property by sales of comparable properties;**
  - (v) value by capitalization of income or potential earnings (i.e., rentals, expenses, interest rates,**
  - (vi) capitalization rates, and vacancy data);**

Comment: This Standards Rule requires appraisers engaged in mass appraisal to take reasonable steps to ensure that the quantity and quality of the factual data that are collected are sufficient to produce credible appraisals. For example, in real property, where applicable and feasible, systems for routinely collecting and maintaining ownership, geographic, sales, income and expense, cost, and property characteristics data must be established. Geographic data must be contained in as complete a set of cadastral maps as possible, compiled according to current standards of detail and accuracy. Sales data must be collected, confirmed, screened, adjusted, and filed according to current standards of practice. The sales file must contain, for each sale, property characteristics data that are contemporaneous with the date of sale. Property characteristics data must be

appropriate and relevant to the mass appraisal models being used. The property characteristics data file must contain data contemporaneous with the date of appraisal including historical data on sales, where appropriate and available. The data collection program must incorporate a quality control program, including checks and audits of the data to ensure current and consistent records.

- (b) **base estimates of capitalization rates and projections of future rental rates and/or potential earnings capacity, expenses, interest rates, and vacancy rates on reasonable and appropriate evidence;**

Comment: This requirement calls for an appraiser, in developing income and expense statements and cash flow projections, to weigh historical information and trends, current market factors affecting such trends, and reasonably anticipated events, such as competition from developments either planned or under construction.

- (c) **identify and, as applicable, analyze terms and conditions of any available leases; and**

- (d) **identify the need for and extent of any physical inspection.**

#### **STANDARDS RULE 5-6**

**When necessary for credible assignment results in applying a calibrated mass appraisal model an appraiser must:**

- (a) **value improved parcels by recognized methods or techniques based on the cost approach, the sales comparison approach, and income approach;**
- (b) **value sites by recognized methods or techniques; such techniques include but are not limited to the sales comparison approach, allocation method, abstraction method, capitalization of ground rent, and land residual technique;**
- (c) **when developing the value of a leased fee estate or a leasehold estate, analyze the effect on value, if any, of the terms and conditions of the lease;**  
Comment: In ad valorem taxation the appraiser may be required by rules or law to appraise the property as if in fee simple, as though unencumbered by existing leases. In such cases, market rent would be used in the appraisal, ignoring the effect of the individual, actual contract rents.
- (d) **analyze the effect on value, if any, of the assemblage of the various parcels, divided interests, or component parts of a property; the value of the whole must not be developed by adding together the individual values of the various parcels, divided interests, or component parts; and**

Comment: When the value of the whole has been established and the appraiser seeks to value a part, the value of any such part must be tested by reference to appropriate market data and supported by an appropriate analysis of such data.

- (e) **when analyzing anticipated public or private improvements, located on or off the site, analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions.**

#### **STANDARDS RULE 5-7**

**In reconciling a mass appraisal an appraiser must:**

- (a) **reconcile the quality and quantity of data available and analyzed within the approaches used and the applicability and relevance of the approaches, methods and techniques used; and**
- (b) **employ recognized mass appraisal testing procedures and techniques to ensure that standards of accuracy are maintained.**

Comment: It is implicit in mass appraisal that, even when properly specified and calibrated mass appraisal models are used, some individual value conclusions will not meet standards of reasonableness, consistency, and accuracy. However, appraisers engaged in mass appraisal have a professional responsibility to ensure that, on an overall basis, models produce value conclusions that meet attainable standards of accuracy. This responsibility requires appraisers to evaluate the performance of models, using techniques that may include but are not limited to, goodness-of-fit statistics, and model performance statistics such as appraisal-to-sale ratio studies, evaluation of hold-out samples, or analysis of residuals.

## **STANDARD 6: MASS APPRAISAL, REPORTING**

**In reporting the results of a mass appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.**

Comment: STANDARD 6 addresses the content and level of information required in a report that communicates the results of a mass appraisal.

STANDARD 6 does not dictate the form, format, or style of mass appraisal reports. The form, format, and style of a report are functions of the needs of intended users and appraisers. The substantive content of a report determines its compliance.

#### **STANDARDS RULE 6-1**

**Each written report of a mass appraisal must:**

- (a) **clearly and accurately set forth the appraisal in a manner that will not be misleading;**
- (b) **(b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and**

Comment: Documentation for a mass appraisal for ad valorem taxation may be in the form of (1) property records, (2) sales ratios and other statistical studies, (3) appraisal manuals and documentation, (4) market studies, (5) model building documentation, (6) regulations, (7) statutes, and (8) other acceptable forms.

- (c) **clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.**

Comment: The report must clearly and conspicuously:

- state all extraordinary assumptions and hypothetical conditions; and
- state that their use might have affected the assignment results.

## **STANDARDS RULE 6-2**

**Each written report of a mass appraisal must:**

- (a) **state the identity of the client, unless the client has specifically requested otherwise; state the identity of any intended users by name or type;**

Comment: An appraiser must use care when identifying the client to avoid violations of the Confidentiality section of the ETHICS RULE. If a client requests that the client's identity be withheld from the report, the appraiser may comply with this request. In these instances, the appraiser must document the identity of the client in the work file and must state in the report that the identity of the client has been withheld at the client's request.

- (b) **state the intended use of the appraisal;**
- (c) **disclose any assumptions or limiting conditions that result in deviation from recognized methods and techniques or that affect analyses, opinions, and conclusions;**
- (d) **state the effective date of the appraisal and the date of the report;**

Comment: In ad valorem taxation the effective date of the appraisal may be prescribed by law. If no effective date is prescribed by law, the effective date of the appraisal, if not stated, is presumed to be contemporaneous with the data and appraisal conclusions.



The effective date of the appraisal establishes the context for the value opinion, while the date of the report indicates whether the perspective of the appraiser on the market and property as of the effective date of the appraisal was prospective, current, or retrospective.

**(e) state the type and definition of value and cite the source of the definition;**

Comment: Stating the type and definition of value also requires any comments needed to clearly indicate to intended users how the definition is being applied.

When reporting an opinion of market value, state whether the opinion of value is:

- In terms of cash or of financing terms equivalent to cash; or
- Based on non-market financing with unusual conditions or incentives.

When an opinion of market value is not in terms of cash or based on financing terms equivalent to cash, summarize the terms of such financing and explain their contributions to or negative influence on value.

**(f) state the properties appraised including the property rights;**

Comment: The report documents the sources for location, describing and listing the property. When applicable, include references to legal descriptions, addresses, parcel identifiers, photos, and building sketches. In mass appraisal this information is often included in property records. When the property rights to be appraised are specified in a statute or court ruling, the law must be referenced.

**(g) summarize the scope of work used to develop the appraisal; exclusion of the sales comparison approach, cost approach, or income approach must be explained;**

Comment: Because intended users' reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

When any portion of the work involves significant mass appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the name(s) of those providing the significant mass appraisal assistance in the certification, in accordance with Standards Rule 6-3.

**(h) summarize and support the model specification(s) considered, data requirements, and the model(s) chosen;**

Comment: The appraiser must provide sufficient information to enable the client and intended users to have confidence that the process and procedures used conform to accepted methods and result in credible value conclusions. In the

case of mass appraisal for ad valorem taxation, stability and accuracy are important to the credibility of value opinions. The report must include a summary of the rationale for each model, the calibration techniques to be used, and the performance measures to be used.

- (i) **summarize the procedure for collecting, validating, and reporting data;**

Comment: The report must summarize the sources of data and the data collection and validation processes. Reference to detailed data collection manuals or electronic records must be made, as appropriate, including where they may be found for inspection.

- (j) **summarize calibration methods considered and chosen, including the mathematical form of the final model(s); summarize how value conclusions were reviewed; and, if necessary, state the availability and location of individual value conclusions;**

- (k) **when an opinion of highest and best use, or the appropriate market or market level was developed, summarize how that opinion was determined;**

Comment: The mass appraisal report must reference case law, statute, or public policy that describes highest and best use requirements. When actual use is the requirement, the report must discuss how use-value opinions were developed. The appraiser's reasoning in support of the highest and best use opinion must be provided in the depth and detail required by its significance to the appraisal.

- (l) **identify the appraisal performance tests used and the performance measures attained;**

- (m) **summarize the reconciliation performed, in accordance with Standards Rule 5-7; and**

- (n) **include a signed certification in accordance with Standards Rule 6-3.**

### **STANDARDS RULE 6-3**

**Each written mass appraisal report must contain a signed certification that is similar in content to the following form:**

**I certify that, to the best of my knowledge and belief:**

- **the statements of fact contained in this report are true and correct.**
- **the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.**
- **I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.**

- **I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.**
- **I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.**
- **my engagement in this assignment was not contingent upon developing or reporting predetermined results.**
- **my compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.**
- **my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.**
- **I have (or have not) made a personal inspection of the properties that are the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)**
- **no one provided significant mass appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant mass appraisal assistance must be stated.)**

Comment: The above certification is not intended to disturb an elected or appointed assessor's work plans or oaths of office. A signed certification is an integral part of the appraisal report. An appraiser, who signs any part of the mass appraisal report, including a letter of transmittal, must also sign this certification.

In an assignment that includes only assignment results developed by the real property appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all elements of the certification, for the assignment results, and for the contents of the appraisal report. In an assignment that includes personal property assignment results not developed by the real property appraiser(s), any real property appraiser(s) who signs a certification accepts full responsibility for the real property elements of the certification, for the real property assignment results, and for the real property contents of the appraisal report.

In an assignment that includes only assignment results developed by the personal property appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all elements of the certification, for the assignment results, and for the contents of the appraisal report. In an assignment that includes real property assignment results not developed by the personal property appraiser(s), any personal property appraiser(s) who signs a certification accepts full responsibility for the personal property elements of the certification, for the

personal property assignment results, and for the personal property contents of the appraisal report.

When a signing appraiser(s) has relied on work done by appraisers and others who do not sign the certification, the signing appraiser is responsible for the decision to rely on their work. The signing appraiser(s) is required to have a reasonable basis for believing that those individuals performing the work are competent. The signing appraiser(s) also must have no reason to doubt that the work of those individuals is credible.

The names of individuals providing significant mass appraisal assistance who do not sign a certification must be stated in the certification. It is not required that the description of their assistance be contained in the certification, but disclosure of their assistance is required in accordance with Standards Rule 6-2(g).

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**CENTRAL APPRAISAL DISTRICT OF TAYLOR COUNTY**

**APPRAISAL REVIEW BOARD'S  
BY-LAWS, RULES OF ORDER, AND PROCEDURES**

**Central Appraisal District Appraisal Review Board**

- A. The Central Appraisal District Appraisal Review Board, hereinafter referred to as ARB, is established pursuant to the authority contained in the Texas State Constitution and the Property Tax Laws of the State of Texas.
- B. The ARB shall consist of five members and are appointed by the local administrative district judge per Tax Code Section 6.41(d-1). A vacancy on the ARB shall be filled in the same manner for the unexpired portion of a term.
- C. ARB members must reside in the appraisal district and have resided in the District for two years. A person is ineligible to serve on the ARB if the person is a member of the board of directors, an officer, or employee of the District, an employee of the Comptroller, or a member of the governing body, officer, or employee of a taxing unit. A former member of the District's Board of Directors, a former officer of the District, or a former employee of the District is ineligible to serve on the ARB. A former member of the governing body or officer of a taxing unit for which the District appraises property is ineligible to serve on the ARB until the fourth anniversary of the person ceased to be a member or officer. A person who appeared before the ARB for compensation is ineligible to serve on the ARB during the two years following the person's most recent appearance before the ARB. Members must not be related within the second degree by consanguinity, or affinity as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under the Property Tax Code or of representing property owners for compensation in proceedings under the Property Tax Code in the District.
- D. Members of the ARB shall hold office for a term of two years beginning January 1. By law, the Central Appraisal District Board of Directors has arranged for staggered terms so that the terms as close to one-half of the members as possible expire each year. ARB members continue to serve until their successors have been sworn into office. ARB members may serve up to three consecutive terms of two years and may be subject to re-appointment after one year off from the ARB.
- E. An individual is ineligible to serve if they have delinquent taxes unless:
  - a) Delinquent taxes and any penalty and interest are being paid under an installment payment agreement under Section 33.02; or
  - b) A suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065.
- F. Members of the ARB may be removed from the ARB by the local administrative judge for a violation of Section 6.412, 6.413, 41.66(f), 41.69, or for failure to attend five consecutive meetings of the ARB, which are unexcused or clear and convincing evidence of repeated bias or misconduct.

**Conflict of Interest: Sec 41.69**

A member of the Appraisal Review Board may not participate in the determination or hearing of any protest in which they are interested or in which they are related to a party by affinity within the second degree or by consanguinity within the third degree, as determined under Chapter 573, Government Code.

### **Ex Parte Contact**

1. The ARB shall not consider any information on a protest that is not presented to the board or its panel during the protest hearing
2. Members of the ARB are prohibited from communicating with another person about any matter related to an owner's protest or proceeding at which the property is compared to another property or used in a sample of properties.
3. Members of the ARB shall sign an affidavit stating that they have not communicated with another person in violation of the ex parte communications rule
4. A member of the ARB who knows an appellant shall exercise individual judgment as to whether they will participate in the hearing of that appellant's protest. At the appellant's request, the ARB member will recuse themselves.
5. Communications between the ARB and its legal counsel are not prohibited.
6. Communications involving the Chief Appraiser or another employee of the appraisal district and a member of the ARB that is limited explicitly to and involve administrative, clerical, or logistical matters related to the scheduling and operation of hearings, the process of documents, the issuance of orders, notices and subpoenas and the operation of the ARB are not prohibited.

### **Organization, Meetings, and Compensation: 6.42**

- A. A majority of the ARB constitutes a quorum.
- B. The Chair shall preside at all meetings and shall maintain order in the ARB meeting and other proceedings.
- C. The Vice-Chair shall preside in the absence of the Chair.
- D. The Secretary shall preside over the meeting if both the Chair and Vice-Chair are absent, and they shall oversee the keeping of records and recordings of all meetings. The Secretary shall prepare meeting agendas and schedules and post all meetings publicly. The Secretary may designate a person or persons provided by the District to perform all clerical duties associated with keeping records and recordings and maintaining the files.
- E. The ARB shall meet at any time at the Chair's call, as provided by vote of the ARB, or as called by the staff of the Appraisal District. The ARB shall meet and hear all appeals by property owners, agents, or taxing unit challenges. The ARB shall provide for, as needed, hearing times on protests for evenings of an already scheduled Board meeting.
- F. All ARB meetings shall be held in accordance with the Texas Open Meetings Act.
- G. All meetings shall be posted for public notice at the Taylor County Courthouse and the Central Appraisal District Office.
- H. The ARB will conduct all business in accordance with procedures contained in Robert's Rules of Order, which can be found at RulesOnline.com, supplemented by necessary special rules adopted by the ARB.

- I. ARB members can find throughout the Tax Code directives that define the limits of their authority. In addition, the ARB should conform to the highest ethical standards. The Code of Judicial Conduct governs judges' conduct and may serve as a guide for ARB members.
- J. The ARB members are entitled to per diem set by the Board of Directors.
- K. While ARB meetings are open to the public, no one may disrupt the proceedings. Anyone who does so shall be cautioned regarding the consequences. A disruptive person shall be removed from the proceedings by a law enforcement officer and may be charged with a Class C Misdemeanor under Section 42.01 of the Texas Penal Code. Disruptive action includes disrupting a public meeting by physical action or verbal utterances.

### **Personnel**

- A. The ARB attorney will provide legal counsel for the ARB.
- B. The Appraisal Office shall provide necessary clerical and administrative assistance to the ARB. This will include notification to ARB members of dates, times, and places of meetings as determined by the Chair and all supportive aid required during scheduled protest hearings conducted by the ARB.
- C. The law requires at least 2 hours of open government training, consisting of a one-hour educational course on the Open Meetings Act and a one-hour educational course on the Texas Public Information Act from the Office of the Attorney General through their website at [www.oag.state.tx.us/open/og\\_training.shtml](http://www.oag.state.tx.us/open/og_training.shtml)  
ARB members have 90 days to complete the required training and need to take the course only once. The Office of the Attorney General interprets the open meetings and public information laws. None of the following information should be construed as legal advice from the Comptroller's Office. ARBs should seek legal advice from their attorneys or county attorneys regarding compliance with these laws.

### **Board Functions and Duties**

- A. The ARB is empowered to hear and determine issues according to Chapter 41 of the Property Tax Code of Texas (Section 41.01).
- B. The ARB is empowered to approve the appraisal records of the Appraisal District according to Section 41.12 of the Property Tax Code of the State of Texas.
- C. A taxpayer's protest hearing is the ARB's most significant opportunity for promoting good public relations. The ARB should conduct its business professionally and consider how the public perceives it. It should make every effort to make the hearings welcoming.
- D. The ARB should begin its work by May 15<sup>th</sup> and is required by statute to substantially complete its work by July 20<sup>th</sup>. The Chief Appraiser may submit all records at once or may submit them in groups.
- E. The ARB's review process generally involves the following six steps:
  - 1) Chief Appraiser submits the appraisal records to the ARB
  - 2) ARB hears and determines taxing unit challenges
  - 3) ARB hears and determines taxpayer protests
  - 4) ARB issues orders determining protests or challenges and sends these to the Chief Appraiser and participating parties.
  - 5) ARB approves the appraisal records

6) Chief Appraiser certifies an appraisal roll to each taxing unit

### **Good Cause under Tax Code Sections 41.44 (b)**

- A. A property owner who filed his notice of protest after the deadline prescribed by Subsection (a) of this section, but before the ARB approves the appraisal records, is entitled to a hearing and determination of the protest if he shows good cause as determined by the board for failure to file the notice on time.
- B. "Good Cause": some examples of good causes include, but are not limited to, accidents, illnesses, and emergencies. Also defined in Tax Code 41.45 (e-2), 41.45 (e), and 41.45 (e-1).
- C. When deciding under the Tax Code Sections listed above, each element of the definition must be considered on a case-by-case basis by the ARB. These elements are: an error or mistake; unintentional or not, the result of conscious indifference; and no undue delay or other injuries to the ARB (e.g. scheduling problems with hearings).
- D. The ARB should consult with its legal attorney to take steps to implement additional procedures as necessary or advisable to ensure that claims of good cause, under Tax Code Section 41.44 (b), are carefully considered to maintain statutory filing deadlines and standards in making determinations of good cause, are uniformly applied.

### **Notice of Hearing**

The ARB or appointed coordinator must provide a protesting property owner, authorized person, or agent, with written notice of the time, date, and place of the protest hearing and the property owner's entitlement to a postponement of the hearing. The ARB must deliver the notice by first-class mail at least 15 days before the scheduled hearing date. Certain materials and information must be delivered to a property owner initiating a protest or an agent representing the owner, if requested, at least 14 days before a protest hearing. These materials include:

- A. A copy of the Comptroller's office publication "Property Taxpayer Remedies" to the property owner or the owner's agent (on agent request).
- B. A copy of the ARB's hearing procedures; and
- C. Notification that the owner has a right to inspect and copy the data, schedules, formulas, and any other information the Chief Appraiser plans to introduce at the hearing to establish any matter at issue.
- D. An ARB should consult with its attorney to determine what to do if the property owner does not appear.

### **Evidence**

The law prohibits the ARB from considering any evidence unless the evidence is presented at the hearing protest.

Evidence may be documents, testimony, electronic presentations, or physical objects. Documents include any papers, affidavits, drawings, or photographs relevant to the protest period. Testimony is an oral statement from a witness.



Comptroller Rule 9.803 requires the ARB to maintain all evidence presented at the hearing.

### **Hearing on Protest**

- A. On the filing of a notice of protest under the provisions of Sec 41.44 of the Property Tax Code, the ARB, shall schedule a hearing on the protest.
- B. A change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day, does not constitute reassignment of a protest to another

### **ARB approves appraisal records**

The ARB should approve appraisal records by July 20<sup>th</sup>. It may be impossible or impractical to approve the appraisal records by the July 20<sup>th</sup> deadline. The ARB must substantially complete all protest hearings before approving the appraisal records. If the sum of appraised property values on which taxpayers have filed protests, but have not received determinations, is more than 5% of the total appraised value of other properties in the appraisal district, the ARB cannot approve the appraisal record.

As the ARB changes and approves values, the appraisal records constitute the appraisal roll for the appraisal district. July 25<sup>th</sup> is the deadline for the Chief Appraiser to prepare and certify each taxing unit's appraisal roll to its tax assessor.

### **Corrections after approval**

The ARB has the authority to hear motions to correct appraisal rolls and to hear protests for the failure of the appraisal district to provide notice to the property owner. The ARB may correct some errors up to 5 years after the year of the error and may correct other errors only if the property owner acts before the tax year's delinquency date.

Before the taxes become delinquent, a property owner or the chief appraiser may file a motion with the appraisal review board to change the appraisal roll to correct an error that resulted in an incorrect appraised value for the owner's property. However, the error may not be corrected unless it results in an appraised value that exceeds by more than:

- (1) one-fourth the correct appraised value, in the case of property that qualifies as the owner's residence homestead under Section 11.13; or
- (2) one-third the correct appraised value, in the case of property that does not qualify as the owner's residence homestead under Section 11.13.

An agreement between the property owner or the owner's agent and the appraisal district is final. The ARB may not review or reject the agreement.

### **Rule of Conduct**

The ARB board will be conducted with the following additional guidelines to ensure professionalism and integrity are always maintained. All ARB members are expected to dress in business casual attire. ARB members will be required to adhere to the following guidelines:

- A. Tank-Tops, T-shirts, and sweatshirts are not acceptable. Shirts with slogans and images are not allowed. Logos must be less than two square inches in size.
- B. Acceptable legwear includes pants, Capri pants, skirts, and dresses. Denim (faded color), cargo pants, and sweatpants are unacceptable.
- C. Footwear: Athletic shoes are not considered business casual.

### **Rule of Appraisal Roll Correction**

As a rule, the ARB grants the Chief Appraiser authority, outlined in Texas Property Tax Code § 25.25(b), to change the appraisal roll at any time to correct a name or address, a determination of ownership, a description of the property, multiple appraisals of a property, an erroneous denial or cancellation of any exemption authorized by Section 11.13 if the applicant or recipient is disabled or is 65 or older or an exemption authorized by Section 11.13(q), 11.131, or 11.22, or a clerical error or other inaccuracy as prescribed by board rule that does not increase the amount of tax liability.

The Chief Appraiser may correct other inaccuracies that do not increase tax liability:

- a. correction of exemptions with incorrect calculations;
- b. incorrect application of entity resolutions; and,
- c. wrong interpretation of entity resolutions.

More information can be provided by contacting the Texas Comptroller's Office at 1-800-252-7551 or the website [www.window.state.tx.us/taxinfo/proptax/](http://www.window.state.tx.us/taxinfo/proptax/).

Or contact the ARB attorney, Roy Armstrong, at 1-866-600-4818 or email him at [roy.armstrong@texasarb.com](mailto:roy.armstrong@texasarb.com)

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**Appraisal Review Board of Taylor County  
Hearing Procedures**

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**I. ARB Membership**

**[Tax Code Section 5.103(b)(12), (15), and (16)]**

1. Administration of ARB Appointments

ARB members have no statutory role in the process for the administration of applications or requests for appointment for membership on the ARB. If an individual is contacted by an ARB member regarding requesting an appointment to the ARB, the member must direct the individual to the Taxpayer Liaison (TLO). The TLO will then turn in the application to the local administrative district judge, who appoints the members of the ARB.

2. Conflicts of Interest

Each ARB member must ensure that he or she does not have any conflict of interest that results in ineligibility to serve on the ARB or that restricts or prohibits the ARB member's participation in ARB activities, such as participation in the determination of a taxpayer protest. An ARB member must promptly report any conflict of interest to the ARB chair in addition to any other individual or entity as required by law. The chair must ensure prompt notification of reported conflicts of interest to the appropriate individuals.

If an ARB member discovers before or during a protest hearing that a conflict of interest exists, the member cannot participate in a protest hearing. If the conflict exists due to the provisions of the Local Government Code Chapter 171, the member must file an affidavit with the ARB secretary. The ARB member must file the affidavit as soon as the conflict is identified, even if it requires a delay in the conduct of the hearing. If the conflict arises from Tax Code Section 41.69, the ARB member does not have to file an affidavit but must recuse himself or herself immediately from the hearing and report the conflict to the ARB chair or secretary.

ARB members must remember that while Local Government Code Chapter 171 addresses matters of "substantial interest," Tax Code Section 41.69 applies to any protest in which an ARB member has interest (i.e. Tax Code Section 41.69 does not require the interest to be substantial). While a conflict of interest under Local Government Code Chapter 171 may not prohibit an ARB member from participation in a protest, Tax Code Section 41.69 may still prohibit participation. If an ARB member has a question as to whether he or she has a conflict of interest that might prohibit his or her involvement, the member must immediately contact the ARB chair to address the matter.

In the recusal process, the ARB member cannot hear the protest, deliberate on the protest or vote on the matter that is the subject of the protest.

### 3. Ex Parte and Other Prohibited Communications

ARB members must not engage in prohibited ex parte or other communications. If one or more individuals approach the ARB member and appear to engage or attempt to engage in a prohibited communication, the ARB member must immediately remove himself or herself from the conversation.

## II. ARB Duties

### [Tax Code Section 5.103(b) (1), (5), and (6)]

#### 1. Statutory Duties of an ARB

Each ARB member must ensure that he or she understands the statutory duties of the ARB and complies with all statutory requirements in performing statutory duties as an ARB member.

#### 2. Notices Required under the Property Tax Code

Each ARB member must obtain and maintain familiarity with notices required under the Property Tax Code. If an ARB member believes that any required notice is not being provided or does not meet the requirements of applicable law, the ARB member must promptly notify the ARB chair. The ARB chair must investigate each report and take appropriate action to correct all verified problems.

#### 3. Determination of Good Cause under Tax Code Section 41.44(b)

“Good cause” for filing late protests is not defined in Tax Code Section 41.44(b). Claims of good cause for late-filed protests must be carefully considered. The standards in making determinations of good cause under Tax Code Section 41.44(b) must be uniformly applied. The ARB should give due consideration to good cause claims in a manner that properly respects the rights of property owners and their agents while not undermining or contravening laws related to filing deadlines or the orderly and expeditious fulfillment of ARB duties.

## III. ARB Hearings

### [Tax Code Section 5.103(b)(3), (4), (7), and (14)]

#### 1. Scheduling Hearings Generally

The ARB shall schedule a hearing when a timely notice of protest is filed and, in doing so, may be provided with clerical assistance by the appraisal district. The

usual deadline for filing protests is May 31<sup>st</sup> (or 30 days after a notice of appraised value was mailed to you, whichever is later). The filing deadline is postponed until the next business day if the deadline falls on a Saturday, Sunday or a legal state or national holiday. The ARB coordinator will schedule hearings and notify the owner/agent in writing of the hearing. You will receive written notice of the time, date, and place of the hearing. If necessary, you may request a hearing for an evening of an already scheduled Board meeting. The notice shall be delivered no later than the 15th day before the date scheduled for the hearing, unless the property owner/agent agrees to a shorter period of notice. A property owner/agent consenting to appear at a hearing with less than 15 days written notice must file a written statement to that effect with the ARB no later than the time of the hearing. When scheduling a hearing for a protest in which the property owner has submitted an affidavit, the ARB may choose to schedule these protests on the same day and hear cases without the property owner appearing. However, if a property owner states on the affidavit any intention to appear at the hearing, the ARB must schedule the hearing for a certain time and date and may not consider the affidavit unless the property owner does not appear at the scheduled hearing.

A person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property is entitled to protest before the ARB the appraised value of the property if the property owner does not file a protest relating to the property. Under Tax Code Section 41.413, the lessee can designate another person to act as an agent with the same authority and limitations as an agent designated under Tax Code Section 1.111. Designated agents have the same authority and are subject to the same limitations as agents designated by property owners.

## 2. Scheduling Hearings for Property Owners, Agents and Qualifying

Lessees Pursuant to Tax Code Section 41.66(i), the ARB must schedule hearing requests

filed by property owners or their designated agents under Tax Code Section 1.111 for a specific time and date. The ARB can schedule more than one protest hearing at the same time and date; however, the property owner or agent can request to postpone a hearing if it is not started by an ARB panel or the full ARB within two hours of the scheduled hearing time. The postponement request must contain the mailing address and email address of the person requesting the postponement. The ARB must respond in writing or by email to the postponement request not later than the 7th day after the date of receipt of the request.

## 3. Scheduling Hearings for Multiple Accounts

If requested by a property owner or the designated agent, the ARB must schedule consecutive hearings on the same day on protests concerning up to 20 designated properties. The request must meet all requirements of Tax Code Section 41.66(j), including the required statement in boldfaced type: "request for same-day protest

hearings.” A property owner or designated agent can file more than one such request in the same tax year. Also pursuant to Tax Code Section 41.66(j), the ARB may schedule protest hearings concerning more than 20 properties filed by the same property owner or designated agent and may use different panels to conduct the hearings based on the

ARB’s customary scheduling. The ARB may follow the practices customarily used in the scheduling of hearings under Section 41.66(j).

#### 4. ARB Panel Assignments [ § 41.66 (k)(k-1) and 41.45(d)(d-1)]

Pursuant to Tax Code Section 41.66(k) and (k-1), if an ARB sits in panels as authorized by Tax Code Section 41.45(d) and (d-1), it must randomly assign protests. Except for panels established under Tax Code Section 6.425, the ARB, with or without clerical assistance from the appraisal district staff, may consider the property type or the protest grounds in order to assign the protest to a panel with members who have particular expertise.

Tax Code Section 41.45(b-4) allows a property owner to request that a single-member panel conduct the protest hearing. The property owner must submit the request not later than the 10th day before the hearing date in writing on the notice of protest or by a written submission. If the ARB does not accept the recommendations made by the single-panel member, the ARB can determine the protest or refer it for rehearing to a single-member panel composed of someone who did not hear the original protest.

Tax Code Section 41.66(k-1) allows a property owner or agent to request a special ARB panel to hear a complex property protest if in a county with a population of one million or more. The owner or agent must consent to a special panel reassignment and may request a postponement if they disagree with the reassignment.

Once a protest is scheduled for a specific panel, the ARB cannot reassign it to another panel without the consent of the property owner or a designated agent. If the ARB reassigns a protest to another panel, the owner or designated agent may agree to the reassignment or request a postponement of the hearing. The ARB must postpone the hearing if requested in this situation. Pursuant to Tax Code Section 41.66(k), “[a] change of members of a panel because of a conflict of interest, illness, or inability to continue participating in hearings for the remainder of the day does not constitute reassignment of a protest to another panel.”

#### 5. Postponements Under Tax Code Section 41.45(e)

A property owner who is not represented by an agent under Tax Code Section 1.111 is entitled to one postponement of a hearing without showing cause. The property owner must request the postponement before the hearing date in writing, including by facsimile, email, telephone or in person to the ARB, an ARB panel or the ARB chair. If the requested hearing postponement is scheduled to occur before the next regular meeting of the ARB, the chair or the chair’s representative may act on the request for postponement without the necessity of

action by the full ARB. Unless the postponed hearing date and time are agreed to by the ARB chair or the chair's representative, the property owner and the chief appraiser, the ARB cannot postpone the hearing to a date less than five or more than 30 days after the date scheduled for the hearing when the postponement is sought.

Without limit, the ARB must postpone a hearing if the property owner or the designated agent shows good cause, as defined in Tax Code Section 41.45(e-2). The property owner or designated agent must request the postponement in writing, including by facsimile, email, telephone or in person to the ARB, an ARB panel or the ARB chair. If the postponed hearing is rescheduled to occur before the next regular meeting of the ARB, the chair or the chair's representative can act on the postponement request without the necessity of action by the full ARB. Unless the postponed hearing date and time are agreed to by the ARB chair or the chair's representative, the property owner and the chief appraiser, the ARB cannot postpone the hearing to a date less than five or more than 30 days after the date scheduled for the hearing when the postponement is sought.

Without limit, the ARB must postpone a hearing if the chief appraiser consents to the postponement. The chief appraiser must request the postponement in writing, including by facsimile, email, telephone or in person to the ARB, an ARB panel or the ARB chair. If the postponed hearing is rescheduled to occur before the next regular meeting of the ARB, the chair or the chair's representative can act on the postponement request without the necessity of action by the full ARB. Unless the postponed hearing date and time are agreed to by the ARB chair or the chair's representative, the property owner and the chief appraiser, the ARB cannot postpone a hearing to a date less than five or more than 30 days after the date scheduled for the hearing when the postponement is sought.

The postponement request must contain the mailing address and email address of the person requesting the postponement. The ARB must respond in writing or by email to the postponement request not later than the 7th day after the date of receipt of the request.

#### 6. Postponements Under Tax Code Section 41.45(e-1)

A property owner or owner's agent who fails to appear at the hearing is entitled to a new hearing if the property owner or owner's agent file, not later than the fourth day after the date the hearing occurred, a written statement with the ARB showing good cause, as defined in Tax Code Section 41.45(e-2), for the failure to appear and requesting a new hearing.

The postponement request must contain the mailing address and email address of the person requesting the postponement. The ARB must respond in writing or by email to the postponement request not later than the 7th day after the date of receipt of the request.

#### 7. Postponements Under Tax Code Section 41.45(g)

The ARB must postpone a hearing to a later date if:

- (1) the property owner or the owner's agent is also scheduled to appear at an ARB protest hearing in another appraisal district;
- (2) the other scheduled ARB protest hearing is scheduled to occur on the same date as the hearing set by this ARB;
- (3) the hearing notice delivered to the property owner or the owner's agent by the other ARB bears an earlier postmark than the hearing notice delivered by this ARB or, if the postmark date is identical, the property owner or agent has not requested a postponement of the other hearing; and
- (4) the property owner or the owner's agent includes with the postponement request a copy of the hearing notice delivered to the property owner or the owner's agent by the other ARB.

#### 8. Postponements Under Tax Code Section 41.66(h)

The ARB must postpone a hearing (one time only) if the property owner or the designated agent requests additional time to prepare for the hearing and establishes that the chief appraiser failed to comply with Tax Code Section 41.461. The postponement request must contain the mailing address and email address of the person requesting the postponement. The ARB must respond in writing or by email to the postponement request not later than the 7th day after the date of receipt of the request.

#### 9. Postponements Under Tax Code Section 41.66(i)

The ARB must schedule protest hearings filed by property owners or their designated agents under Tax Code Section 1.111 for a specific time and date. The ARB can schedule more than one protest hearing at the same time and date; however, a property owner or agent can request to postpone a hearing if it is not started by an ARB panel or the full ARB within two hours of the scheduled hearing time. The postponement request must contain the mailing address and email address of the person requesting the postponement. The ARB must respond in writing or by email to the postponement request not later than the 7th day after the date of receipt of the request.

#### 10. Postponements Under Tax Code Section 41.66(k)(k-1)

Once the ARB schedules a hearing by a specific panel, the ARB can reassign it to another panel without the consent of the property owner or designated agent. If the ARB reassigns a protest to another panel, a property owner or designated agent may agree to reassignment or request that a hearing postponement. The ARB must postpone the hearing on that request. A change of panel members because of a conflict of interest, illness or inability to continue participating in hearings for the remainder of the day does not constitute panel reassignment.



A property owner or agent must consent to a special panel ARB hearing reassignment or request a postponement if they disagree with the reassignment. A change of special panel members because of a conflict of interest, illness or inability to continue participating in hearings for the remainder of the day does not constitute a special panel hearing reassignment.

The postponement request must contain the mailing address and email address of the person requesting the postponement. The ARB must respond in writing or by email to the postponement request not later than the 7th day after the date of receipt of the request.

#### **IV. Conduct of ARB Hearings**

##### **[Tax Code Section 5.103(b)(2), (9), and (10)]**

##### **1. Conducting Hearings Open to the Public**

This introductory statement must read at the beginning of each hearing:

*We are the appraisal review [board or panel] that will hear your protest today. We are not employees of the appraisal district. We are appointed to perform an independent review of your protest. You can complete a survey regarding your experience today [provide instructions on how to fill out the survey]. The survey is voluntary. You also have the right to appeal our decision. We will provide the appeal information to you with our determination.*

**The ARB or ARB panel does not have to read the statement above if the owner or agent has previously appeared before the ARB or any ARB panel for the ARB for that county that same day.**

ARBs should conduct most protest hearings in the following order:

- a. Commence the hearing and announce the assigned protest number, property location, property owner and other identifying information.
- b. Announce that, in accordance with Tax Code Section 41.45(h), the parties must provide all written and electronic material that has not been provided.
- c. State that the ARB members who are considering the protest have not communicated with anyone about the protest and have signed affidavits to that effect.
- d. Welcome the parties and remind them of the content of the hearing procedures, time limits for the hearing, and other relevant matters.
- e. Ask if any testifying witness holds a license or certificate from the

Texas Appraiser Licensing and Certification Board and if the witness is appearing in that capacity.

- f. Inform witnesses that they must give all testimony under oath and swear-in all witnesses who plan to testify.
- g. Ask the property owner to decide if he/she wishes to present his/her evidence and argument before or after the appraisal district.
- h. If the property owner or agent presents his/her case first, he/she will present evidence (documents and/or testimony). If witnesses are present, the property owner or agent can examine the witnesses as part of the presentation of evidence. At the end of the presentation, the property owner or agent must state an opinion of the property's value (if applicable).
- i. Next, the appraisal district representative may cross-examine the property owner, the agent or representative and/or witnesses.
- j. If the property owner or agent presented his/her case first, the appraisal district representative will present evidence (documents and/or testimony) next. If witnesses are present, the appraisal district representative can examine the witnesses as part of the presentation of evidence. At the end of the presentation, the appraisal district representative must state an opinion of the property's value (if applicable).
- k. Then, the property owner or agent can cross-examine the appraisal district representative and/or witnesses.
- l. The parties cannot examine or cross-examine the ARB members.
- m. The party presenting its case first can offer rebuttal evidence (additional evidence to refute evidence presented by the other party).
- n. The other party can then offer rebuttal evidence.
- o. The party presenting its case first must make its closing argument and state the ARB determination being sought.
- p. The party presenting its case second must make its closing argument and state the ARB determination being sought.
- q. The ARB or panel chair must state that the hearing is closed.
- r. The ARB or panel must deliberate orally. No notes, text messages, or other forms of written communication are permitted.
- s. The ARB or panel chairman must ask for a separate motion for each matter that was the subject of the protest hearing. The motion should include the exact value or issue protested. The ARB must take a vote and a designated appraisal district staff person or ARB member must record it. The parties must make separate motions and the ARB must make separate determinations for each protested issue (i.e., excessive appraisal and unequal appraisal must have separate ARB motions and determinations).

Single-member panels must make a recommendation on each motion submitted under protest, however, the ARB will ultimately accept the panel's determination, make its own determination on the protest, or refer the matter for rehearing to a single-member

panel composed of someone who did not hear the original protest.

Special panels appointed in certain counties must make a recommendation on each motion submitted under protest, however, the ARB will ultimately accept the panel's determination or refer the matter

for rehearing to another special panel composed of members who did not hear the original protest. If ARB does not have at least three other special panel members available, the ARB may make the determination.

- t. Thank the parties for their participation and announce the ARB determination(s) and that an order determining protest will be sent by certified mail or email in counties with populations greater than 120,000 where property owners can submit a written request for email delivery of the notice of determination. Provide the property owner or agent documents indicating that the members of the board hearing the protest signed the required affidavit.

If the ARB members use computer screens during ARB hearings for reviewing evidence and other information, the ARB must make computer screens available to property owners and agents at the hearings to view the same information that is presented to the ARB members by the appraisal district staff. This requirement is met if the property owner or agent can see all information displayed on at least one computer screen in the hearing location (there is no requirement that the ARB provide the property owner or agent with a separate screen).

If a chief appraiser uses audiovisual equipment at a protest hearing, the appraisal office must provide equipment of the same general type, kind and character for the use of the property owner or agent during the hearing. See section VI, Other Issues, for more information regarding audiovisual equipment requirements.

The property owner or agent and the appraisal district representative are prohibited from debating each other. The parties must direct all communications to the ARB members, except for examination or cross-examination during testimony of witnesses or parties testifying at the hearing.

For taxing unit challenges, motions to correct appraisal records, protests regarding exemptions, or other matters that may be the subject of ARB hearings, the ARB should follow the order of conducting hearings above but may make exceptions for the type of hearing.

Tax Code Section 41.68 and Comptroller Rule 9.803 require that the ARB keep records for each ARB proceeding. This includes the ARB retaining evidence offered or submitted by the parties as required by Tax Code Section 41.45 and Comptroller Rules 9.803 and 9.805. The ARB secretary is responsible for ensuring proper record keeping, maintenance and retention.

## 2. Conducting Hearings by Telephone or Videoconference Call

Tax Code Section 41.45(n) allows a property owner initiating a protest can offer evidence or argument by affidavit without physically. Tax Code Section 41.45(b-1) requires a property owner to notify the ARB by written request not later than the 10th

day before the date of the hearing if the property intends to appear remotely.. To offer evidence or argument at a hearing conducted remotely, a property owner must submit a written affidavit of any evidence before the hearing begins. A property owner is responsible for providing access to a hearing conducted remotely to another person the owner invites to participate in the hearing.

Tax Code Section 41.45(b-2) requires the ARB to provide the telephone number for conducting the teleconference call or the URL address for conducting the videoconference(if offered in that county). The ARB must hold the hearing in a location with equipment that allows all ARB members and parties to the protest in attendance to hear and see the property owner's argument.

## 3. Conducting Hearings Closed to the Public [Tax Code Section 41.66(d), (d-1)]

The chief appraiser and the property owner must file a joint motion to request that a closed hearing due to intent to disclose proprietary or confidential information that will assist the ARB in determining the protest.

The ARB or panel chair must convene the hearing as an open meeting and then announce the closed meeting as permitted by Tax Code Section 41.66(d) and (d-1). Only the parties to the protest, their witnesses and the ARB members are permitted to stay in the hearing room. The ARB must follow the same order of proceedings as for hearings open to the public.

The ARB secretary must keep a separate tape recording or written summary of testimony for the closed meeting in accordance with Comptroller Rule 9.803, generally. The proprietary or confidential evidence presented at the hearing giving rise to the closed hearing is confidential according to Tax Code Section 22.27. The ARB must mark as "confidential" and maintain it as confidential in the ARB records for proper handling. At the conclusion of the hearing, the ARB panel must confirm with the parties that all proprietary and confidential information has been appropriately identified by the ARB. The ARB members must maintain the confidentiality of the information and disclose only as provided by law.

After deliberation, the ARB must reconvene in open meeting and vote or take final action on the protest deliberated in the closed meeting. The ARB and parties cannot mention of the proprietary or confidential information during the open meeting.

## 4. Right to Examine and Cross-Examine Witnesses or Other

Parties Tax Code Section 41.66(b) states that “each party to a hearing is entitled to offer evidence, examine or cross-examine witnesses or other parties, and present argument on the matters subject to the hearing.” The ARB cannot prohibit this entitlement in any way; however, it may enforce time limits and dictate the order of ARB hearings for witness examination and cross-examination. To the extent possible, the ARB should advise the parties in advance of any time limitations that the ARB intends to impose regarding the presentation of evidence.

#### 5. Party’s Right to Appear by an Agent

A person leasing property who is contractually obligated to reimburse the property owner for taxes imposed on the property can file a protest if the property owner does not and to designate, under Tax Code Section 41.413, another person to act as his/her agent with the same authority and limitations as an agent designated under Tax Code Section 1.111.

### V. Procedures for Telephone Hearings

1. A property owner wishing to appear for a hearing by telephone conference call must:
  - a. notify the Appraisal Review Board (ARB) in writing not later than the tenth day before the date of the hearing; and
  - b. provide any evidence in the form of an affidavit filed before the hearing begins.
2. The property owner should call **(325) 437-7969** approximately five minutes before the hearing is scheduled to start.
  - a. When the owner’s call is answered, the owner should be prepared to give:
    - i. the owner’s name;
    - ii. the protest/case number(s) identifying the protest(s); and
    - iii. the telephone number at which the owner can be reached;
    - iv. the ARB Chair will advise the owner that the hearing testimony will be recorded and attached to property identification number of the protested property, which will be subject to Texas Open Meeting requests.
  - b. If a panel is not available to hold the hearing right away, the ARB member or staff member answering the call will advise the property owner that the owner may be placed on hold or explain that the ARB will call the owner back when a panel is available. The owner is responsible for keeping the line clear and answering promptly when the ARB calls. If the ARB’s cannot reach the owner, the owner will forfeit the opportunity to participate in the hearing by telephone.
  - c. If a property owner not represented by an agent has had to wait more than two hours from the time scheduled for his/her hearing and the

- hearing has not begun, the owner may terminate the call if he/she is on hold. The owner should promptly call the ARB and state that he/she is exercising the right to request a postponement of the hearing.
3. The property owner is responsible for ensuring a clear connection from his/her end of the telephone connection;
    - a. The property owner should use a land-line telephone or, if the owner uses a cell phone, he/she should call from a place with a strong, reliable connection to a cellular network. A property using a VOIP telephone should ensure that the Internet connection is fast enough to provide clear transmission of sound without buffering.
    - b. The owner should separate himself/herself from background noises like televisions and barking dogs, noises that might interfere with the panel's ability to hear and understand the owner.
    - c. If a call is dropped or if the property owner's speech is garbled or indecipherable, the ARB panel may terminate the call and make one attempt to reestablish a connection with property owner or wait for the property owner to call again. If the connection cannot be reestablished after one attempt, the panel will proceed with the hearing and owner will have no further opportunity to participate in the hearing by telephone.
  4. If the property owner provides documents, photographs tables or other items with his/her affidavit, the owner should label those items prominently with the first being labeled PO Ex. 1, the second being labeled PO Ex. 2, etc. If the owner wishes to emphasize certain portions of an item, the owner should highlight those portions or otherwise set them off with colored marking. When the Appraisal District provides items to the property owner before the hearing or at the beginning of the hearing, the District should label those items prominently with the first being labeled CAD Ex. A, the second being labeled CAD Ex. B, etc. During the hearing, the owner, the panel members and the representatives of the Appraisal District should refer to the items by their exhibit numbers.
  5. A property owner may not offer evidence by telephone. Evidence includes facts and opinions. The owner may comment on evidence that is presented through an affidavit or by the Appraisal District. Panel members will not ask a property owner to present evidence by telephone.

The property owner is responsible for providing access to another person that the owner invites to participate in the hearing.

## **VI. Evidence Considerations**

### **[Tax Code Section 5.103(8), (11), and (13)]**

- a. A Party's Right to Offer Evidence and Argument

The ARB cannot prohibit a party's right to offer evidence and argument but may enforce time limits and dictate the order of ARB hearings. To the extent possible, the ARB should advise the parties in advance of any time limitations the ARB intends to impose regarding the presentation of evidence and argument. The ARB

should, schedule permitting, provide as much time as possible to each party to a hearing to fully present evidence and offer argument.

Additionally, the owner/agent is entitled to inspect and copy the documents and tangible things, which the Taylor County Appraisal District may offer as evidence at the hearing on their protest. These items will be available for inspection and copying at the Appraisal District's office at least 14 days before the date set for their hearing. If the owner/agent wishes to inspect and/or copy these items, please contact the Appraisal District and arrange for an appointment. Copies of the documents will be available at a fee not to exceed \$15 for a residence or \$25 for a non-residence property. Copies made by the staff for owner/agents are typically \$.10 for each page.

b. Prohibition of Consideration of Information Not Provided at the ARB Hearing  
**[Tax Code Section 41.66(e)]**

In a protest hearing, the ARB cannot consider any appraisal district information on a protest that was not presented to the ARB during the protest hearing. In order for the ARB to consider any appraisal district record (i.e., appraisal roll history, appraisal cards), one of the parties must present it as evidence (e.g., chief appraiser, appraisal district representative, property owner, agent or witness) at the protest hearing.

c. Exclusion of Evidence Required by Tax Code Section 41.67(d), (e)

If it is established during a protest hearing that the protesting party previously requested information under Tax Code Section 41.461 and that the opposing party did not deliver the information to the protesting party at least 14 days before the scheduled or postponed hearing, the opposing party cannot use or offer the requested information not made available in any form as evidence in the hearing. The ARB must exclude evidence under Tax Code Section 41.67(d) only if evidence presented at the hearing establishes that:

- 1) the information sought to be excluded as evidence was not delivered at least 14 days before the hearing; and
- 2) the information sought to be excluded as evidence was previously requested by the protesting party.

Tax Code Section 41.67(e) prohibits the chief appraiser from offering evidence at a hearing in support of a modification or denial of an exemption or application unless:

- 1) the chief appraiser provided the reasoning for the modification or denial to the property owner in writing no later than the 14th day before the hearing date; and
- 2) evidence establishes that the additional reason was not known by the chief appraiser at the time the chief appraiser delivered the

original notice of modification or denial.

## VII. Other Issues

### [Tax Code Section 5.103(17)]

#### a. Compliance with the Law, Integrity, and Impartiality

ARB members must comply with the law and always act in a manner that promotes public confidence in the integrity and impartiality of the ARB.

#### b. Patience and Courtesy

ARB members must be patient, dignified and courteous to parties appearing before the ARB.

#### c. Bias or Prejudice

ARB members must perform their ARB duties without bias or prejudice.

#### d. Confidential Information

ARB members must not disclose or use confidential information acquired in the performance of ARB duties for any purpose unrelated to ARB duties.

#### e. Required Contents That Vary By ARB

ARB model hearing procedures must comply with Comptroller Rule 9.805 concerning ARB evidence exchange and retention and audiovisual equipment requirements. The rule requires that ARB procedures include specific items that may vary by ARB. The rule addresses:

- the manner and form, including security requirements, in which a person must provide the other party with evidentiary materials the person intends to offer or submit to the ARB for consideration at the hearing on a small, portable, electronic device;
- how to retain the evidence as part of the ARB's hearing record; and
- the audiovisual equipment provided by an appraisal district, if any, for use by a property owner or the property owner's agent.

This section of the ARB's hearing procedures must address each item required in Comptroller Rule 9.805.

#### f. Contents that vary by ARB

Comptroller Rule 9.805 requires that "before or immediately after an appraisal review board hearing begins, the appraisal district and the property owner or the owner's agent shall each provide the other party with a duplicated set of the evidentiary materials the person intends to offer or submit to the appraisal review board for consideration at the hearing. One set of these materials is to be



exchanged with and retained by the other party, and another set of these materials is to be provided to and retained by the appraisal review board as evidence for its records.” The evidence retained by the appraisal review board must be in either paper or electronic form in accordance with the provisions of Comptroller Rule 9.803.

The appraisal district, property owners and their agents will have access to a laptop with a VGA connector for use during the appraisal review board hearing. This will allow the appraisal district, property owners and their agents the ability to project their information on monitors for viewing. Property owners and their agents may bring their own audiovisual equipment for their presentation and connection to the internet will be provided through the appraisal district WIFI guest portal. Property owners and their agents may not access the appraisal district’s proprietary network, Internet connection or any other technology or equipment that the appraisal district deems as a security threat.

Any files brought by the property owner or their agent must be configured so that they can be accessed by a Windows based operating system, such as Windows 7, 8 or 10. File formats accepted include the following:

- Adobe portable document format (PDF)
- Microsoft Word, used for text-based documents (typically end in .doc or .docx)
- Microsoft Excel, used for spreadsheets and tables (typically end in .xls or .xlsx)
- Microsoft PowerPoint, used for presentations or slideshows (typically end in .ppt or .pptx)
- Plain text documents (end in .txt)
- JPEG, used for images (end in .jpg or .jpeg)
- PNG, used for images (end in .png)
- TIFF, used for images (end in .tif)

File formats that are not acceptable include the following:

- Files containing MACROS
- Files with external links
- Files that are configured to auto play
- Executable files (e.g., .exe or .msi file types)
- Password protected files
- Zipped files (.zip)
- Movie files (examples of file formats are .flv, .wmv, .mp4, .avi or .mov)

Electronic devices suitable for retention by the appraisal district review board include:

- USB Flash Drives (e.g. thumb drive, jump drive, USB memory sticks)
- CDs
- DVDs
- SD Cards (full size, mini SD and micro SD)

## **VIII. District Court or Arbitration**

After it decides your case, the ARB must send you a copy of its order by certified mail. If you are not satisfied with the decision, you have the right to appeal to District Court. If you choose to go to court, you must start the process by filing a petition within 60 days of the date you receive the ARB's order. As an alternative and within the same time-period, you may file a request for binding arbitration with the appraisal district in certain cases.

## **IX. Tax payment**

If you appeal and your case is pending, you must pay the lesser of the amount of taxes due on the portion of the taxable value not in dispute or the amount of taxes due on the property under the order from which the appeal is taken.

## STATE COMPTROLLER RATIO STUDY SUMMARY

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The findings of the State Comptroller's 2021 Property Value Study for Taylor County can be viewed at the following website:

<https://comptroller.texas.gov/taxes/property-tax/pvs/2021p/221index.php>

## 2022 Appraisal Budget

Income	2022 Budget
Appraisal Income	2,428,596
Interest Income	1,500
Computer Income	47,885
Rental Income	55,080
Misc. Income	10,000
<b>Total</b>	<b>2,543,062</b>
Expenses	
Appraisal Review Board	19,000
Audit	8,300
Auto Expense	58,400
Auto Purchases	29,000
Board of Directors	1,000
Bonds for Employees	2,650
Books & Subscriptions	14,250
Building Expense	17,000
Building Improvements	10,000
Building Landscape	8,800
Building Utilities	25,000
Computer Equip Maintenance	-
Computer Equip Purchased	18,300
Computer Forms & Supplies	8,400
Intergovt. Computer Services	-
Software Maint. & Licensing	148,776
Contract Labor	150,125
Dues & Memberships	7,165
Employee Costs	6,300
Insurance & Taxes	298,204
Retirement	257,741
Salaries	1,278,105
Ins. Property & Liab.	8,561
Legal Notices	2,500
Legal Services	10,000
Maint of Equip	1,788
Mapping	11,100
Appraisal Data & Consulting	1,900
Office Equip Purchased	1,000
Office Equip Rented	8,103
Office Furniture	2,500
Office Supplies	10,000
Postage	77,000
Repairs to Equip	500
Employee Education	11,070
Telephone	6,300
Telephone Maint.	300
Travel & Assc Expense	23,925
<b>Total</b>	<b>2,543,062</b>