

**2023 – 2024**

PROPERTY TAX CODE  
SECS 6.05 AND 25.18

## **COLORADO COUNTY APPRAISAL DISTRICT**



## **Biennial Reappraisal Plan**

### **BOARD OF DIRECTORS:**

*Toby Barlow - Chairman  
Wilbert Williams - Vice-Chairman  
Jim Gold – Secretary  
Dusty Dittmar - Member  
James Prichard - Member*

Adopted

STATE OF TEXAS { }

RESOLUTION APPROVING THE WRITTEN  
2023/2024 BIENNIAL REAPPRAISAL PLAN FOR  
THE COLORADO COUNTY APPRAISAL DISTRICT

COUNTY OF COLORADO { }

**COLORADO COUNTY APPRAISAL DISTRICT**

WHEREAS, Section 6.05 (I) of the Texas Property Tax Code requires that the DISTRICT Board of Directors (B.O.D.) biennially approve a written plan for periodic reappraisal of all property within the boundaries of the district, according to Section 25.18 of the Texas Property Tax Code, and

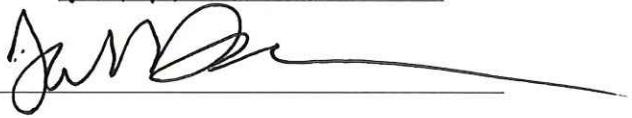
WHEREAS, the DISTRICT B.O.D. has notified the presiding officer of the governing body of each taxing unit participating in the DISTRICT a written notice of the time, date, and place of the public hearing, and

WHEREAS, the DISTRICT B.O.D. has held a public hearing on SEPTEMBER 6, 2022 to consider any amendments to the written plan, and there were no amendments made to the written plan, and

NOW THEREFORE, be it RESOLVED that the DISTRICT Board of Directors adopts the written reappraisal plan.

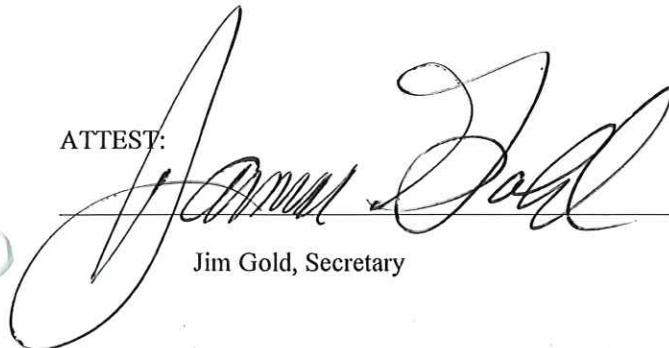
RESOLVED FURTHER, that the CHIEF APPRAISER of the DISTRICT is authorized and directed to deliver copies of the approved written reappraisal plan in compliance with the remainder of Section 6.05(I) to the presiding officer of the governing body of each taxing unit participating in the DISTRICT and to the state comptroller of public accounts within 60 days of the approval date.

READ, PASSED AND APPROVED THIS THE 6 DAY OF SEPTEMBER 2022.

BY: 

Toby Barlow, Chairman

ATTEST:

  
Jim Gold, Secretary

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## **INTRODUCTION**

The Colorado County Appraisal District (Colorado CAD) has prepared this plan as required under Section 6.05 (I) and Section 25.18 of the Texas Property Tax Code (PTC). This report is designed to provide property owners and taxing entities with a complete understanding of the biennial reappraisal process of the Colorado CAD.

Colorado CAD is a political subdivision of the State of Texas, created to appraise all of the taxable property within its jurisdiction at 100% market value. The creation of appraisal districts was passed with the 66<sup>th</sup> Legislative Session in 1979, approved by the voters in the November 1980 general election. This legislation mandated counties to participate in an appraisal district.

The provisions contained in the Texas Property Tax Code, relative to legal, statutory, and administrative requirements, govern the Colorado CAD.

Colorado CAD has a five-member Board of Directors. Five members are elected by the taxing entities it serves. The Board of Directors appoints the Chief Appraiser, whom is the chief administrator and executive officer of the appraisal district and the Appraisal Review Board (ARB).

Colorado CAD is responsible for conducting the appraisals to be used by the fourteen taxing units it serves. The Colorado CAD budget is funded by these taxing entities. The funding received is calculated and prorated according to the levy recorded.

Except as otherwise outlined in the Texas Property Tax Code, all taxable property is appraised at its "market value" as of January 1<sup>st</sup> of each year. Market value, as defined by the code, 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 period of time for the seller to find a buyer;
- Both the seller and the buyer know of all the property uses and purposes to which the property is adapted and for which it is capable of being used for and of any enforceable restrictions on the use of the property; and
- Both the seller and the buyer seek to maximize their gains and neither is in a position to take advantage of situations of the other.

Section 23.01 of the Texas Property Tax Code, Appraisals Generally (b) states:

"The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the Appraisal District determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice (USPAP). The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value."

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 Appraisal District's current goal is to reappraise one-third of the district every year, and to maintain physical inspections within 5 years. Appraised values district wide is reviewed annually and are subject to change for purposes of equalization and maintaining market value. This, in effect, constitutes a reappraisal each year. Personal property is appraised every year, as is minerals and industrials.

Any reference to a specific work plan contained herein is to be considered tentative for the Appraisal District. The work plan assumptions are made with the understanding that there are no natural disasters or new legislative requirements that will require the Appraisal District to reallocate resources necessary to complete the normal work plan to address these possible high needs areas. As well, these work plans are made under the assumption that there will be an ample supply of market data, and/or verifiable market activity in the district for conducting a reappraisal process.

### **Exceptions and Special Valuation Provisions**

Section 23 of the Texas Property Tax Code defines special appraisal provisions for valuation of residential homestead properties (Sec. 23.23), which is referred to as the residential homestead cap. Section 23 also addresses special appraisal provisions for productivity (Sec. 23.41, 23.51), real property inventory (Sec. 23.12), and dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18), and restricted use properties. The owners of inventory may elect to have the inventory appraised at its market value as of September 1<sup>st</sup> of the year proceeding the tax year to which the appraisal applies by making an application with the Chief Appraiser.

### **Agricultural Valuation Process**

The Texas Constitution (Art.VIII, Sec. 1-d-1) provides for the special valuation of "open space land devoted to farm or ranch purposes."

This is a special valuation for land that is devoted to agricultural production. In 1991, legislation was passed which allowed productivity appraisal for land used to manage

indigenous wildlife. Agricultural or productivity value is based on the land's capacity to produce crops or livestock instead of its value on the real estate market. Although this lower value reduces the taxes on the property, a "rollback" of these taxes takes place when the land stops being used for an agricultural purpose. The rollback recaptures the taxes saved for the three (3) years preceding the change in use. In other words, undeveloped non-agricultural land does not qualify.

### **Approach to Qualifications and Values**

Colorado CAD has an active Agricultural Appraisal Advisory Board, as required by Section 6.12 of the Property Tax Code. Colorado CAD's Agricultural Intensity Standards are reviewed annually by the Board and are revised as needed. The current Standards were revised in 2021. These standards are used along with the Appraisal District's Agricultural Appraisal Manual, information from the Property Tax Division's Manual for the Appraisal of Agricultural Land, and the Tax Code to determine qualification for the various agricultural and wildlife management activities present in Colorado County. Colorado CAD has implemented the standard Cash Lease Method to determine the net to land estimates for 1-d-1 productivity values by land class. Only typical cash lease information is used to determine these estimates. Cash lease information is collected yearly from property owners and during Agricultural Appraisal Advisory Board meetings.

### **Wildlife Management**

Section 23.51(2) of the Property Tax Code includes land used for wildlife management as an agricultural use. Property owners are required to produce a yearly management plan consistent with the Texas Parks and Wildlife management guidelines produced for the region

### **1-d-1 Field Review**

All applications for agricultural valuation automatically generate a field review and are inspected by an onsite review or by aerial photography. Properties are inspected for minimum requirement to validate the agricultural valuation as defined in the Appraisal District's Agricultural Appraisal Manual and Intensity Standards.

### **Performance Tests**

The primary tool used to measure mass appraisal performance is the ratio study. The Appraisal District has adopted the applicable policies of the IAAO STANDARD ON RATIO STUDIES. A ratio study compares appraised values to market values. In a ratio study, market values (values in exchange) are typically represented by sales prices (i.e., a ratio study). Independent, expert appraisals may also be used to represent market values in a ratio study (i.e., an appraisal ratio study). Ratio studies generally have six basic steps: (1) determination of the purpose and objectives, (2) data collection and preparation,

(3) comparing appraisal and market data, (4) stratification, (5) statistical analysis, and (6) evaluation and application of the results. If there are not enough sales to provide necessary representativeness, independent appraisals may be used as indicators for the market.

### **Sales Ratio Studies**

Sales ratio studies are an integral part of establishing equitable and accurate market value estimates, and ultimately for taxing jurisdictions. The primary uses of sale ratio studies include the determination of a need for general reappraisal; prioritizing selected groups of property types for reappraisal; identification of potential problems with appraisal procedures; assist in market analyses; and to calibrate models used to derive appraised values during valuation or reappraisal cycles. However, these studies cannot be used to judge the accuracy of an individual property appraised value. The Colorado 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 annually to allow appraisers to review general market trends in their area of responsibility. The appraisers utilize desktop applications such as MS 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 bias. 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 providing an indication of market activity by economic area or changing market conditions (appreciation or depreciation).

### **Comparative Appraisal Analysis**

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

### **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 an annual Property Value Study (PVS) of each Texas school district and each Appraisal District. As a

part of this annual study, the code also 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 Appraisal District used recognized standards and practices (MAP review); test the validity of school district taxable values in each Appraisal District and presume 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 of measuring uniformity. This study utilizes statistical analysis 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 (i.e., categories A, B, C, D and F1 are directly applicable to real property).

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

## **EXECUTIVE SUMMARY**

### **Tax Code Requirement**

The written biennial reappraisal plan is required by Texas Property Tax Code Section 6.05 (i) and it reads 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.

The plan for periodic reappraisal is outlined in the Texas Property Tax Code Section 25.18 (a) and (b), and reads 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;
  - (2) Identifying and updating relevant characteristics of each property in the appraisal records;
  - (3) Defining market areas in the district;
  - (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 each 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;

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

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

(7) Reviewing the appraisal results to determine value.

*I.) Identifying properties to be reappraised for the purpose of updating relevant characteristics - Sec. 25.18(b) (1):*

**A. Residential Property**

The Appraisal District employs several methods of identifying properties that require inspection for the purpose of listing and appraising new improvements and updating relevant property characteristics. The primary sources of information used to identify those properties are electrical connection requests through the electric cooperatives that supply Colorado County and well/septic permits issued by Colorado County. Copies of these permits are collected monthly and then matched with the corresponding Appraisal District account. Other sources of identifying properties that are in need of re-inspection are renditions, mechanics liens, deeds of trusts, plats, information included in sales listings (MLS), realtor reports, mobile home movement records (TDHCA), reports of recently assigned 911 addresses, and in some cases, property owners and community members who are familiar with the property.

In addition, a GIS system equipped with aerial photography encompassing all properties within the district is used as a tool in identifying improvements that are not currently accounted for in the appraisals of properties.

Once a property is identified as requiring a re-inspection, the information is matched with the relevant property account within the Appraisal Districts electronic records and the account is "flagged" for re-inspection. An appraisal card is printed for each flagged property along with any other relevant documents and then assigned to a field appraiser for inspection.

Finally, at the end of the re-inspection or "recheck" process, the field appraisal staff will conduct an annual "sweep" of their assigned areas. A "sweep" is a visual inspection of an area for the purpose of identifying new improvements or other significant changes that were not identified through the normal discovery methods/sources outlined above.

**B. Rural, Residential and Commercial Land**

Physical characteristics that influence land value include size, shape, soil type and topographic features. Resources such as aerial photography, ownership maps, subdivision plats, surveys, and NRCS soils maps are referenced to obtain or verify information relating to these characteristics for specific properties.

Other conditions that influence value include location, access, frontage, and legal limitations such as easements. The resources listed above, along with street maps, utility maps, deeds and other legal filings are used to identify and verify these conditions. In the appraisal process, appraisers, through sales analysis determine proper adjustments for the presence of such characteristics and conditions. The mapping resources discussed are integrated in the CAD's Geographic Information System (GIS).

### **C. Business Personal Property (BPP)**

Identification of new BPP properties is accomplished in part by annual renditions, DBA filings with the county clerk's office, commercial vehicle listings supplied through a third-party vendor, sales tax permit reports from the Texas Comptroller, local hotel/motel occupancy tax reports, and monthly and annual vehicle declarations submitted by local dealers.

Field staff identify new businesses or changes in the size and scope of existing businesses. Appraisal District personnel review local publications for advertisements and notices of grand openings or closures. Businesses listed in the local phone book/yellow pages are checked against the current roll.

Which businesses or specific types of businesses that will be designated for inspection will be set out during development of the annual work plan for each year and will be determined using information obtained in the discovery process.

### **D. Industrial, Utility, and Mineral Property (real and personal property)**

The Industrial, Utility and Mineral appraisal firm contracted by Colorado CAD is responsible for identifying property and updating information relating to existing accounts. Resources available for this process include those employed by Appraisal District personnel and as discussed in sections A-C. Additional resources include information and reports provided by various State and Federal regulatory agencies such as the Texas Railroad Commission, Texas Public Utility Commission, and the Federal Communications Commission.

## ***II.) Identifying and Updating Relevant Characteristics - Sec. 25.18(b) (2):***

### **A. Residential Property**

Identifying and updating relevant characteristics of a property will be accomplished primarily through a physical inspection of the property. The inspecting appraiser will visit the property to collect relevant data about the property such as measurements of structures, construction type, quality of construction, completion of construction and physical deterioration, among other characteristics. The collection and recording of this data are done using standardized procedures outlined in Colorado CAD field appraisal manuals. The collected data is gathered by the inspecting appraiser, noted on field inspection sheets, analyzed, and checked for accuracy and then submitted for data entry. Personnel then update the electronic records (including pictures) of the property according to the information and data notated on the field inspection sheet.

### **B. Rural, Commercial & Platted Residential Land**

Identification of specific characteristics will be done through review of relevant documents (see Section I) or through field inspections. Updating this information is done using

standardized procedures outlined in Colorado CAD appraisal manuals. The reviewing appraiser will document necessary information and either update or submit the changes to data entry personnel to update the electronic record of the subject property.

### **C. Business Personal Property**

Identifying and updating relevant characteristics of the subject property is accomplished through the discovery (see Section I) and inspection processes. Information the appraiser must identify and verify include: the type of property; the category (i.e. inventory, furniture, fixtures, machinery or equipment); quality; density; original costs; year acquired; age; condition; and life expectancy. The appraiser identifies any property located at the business that does not belong to the business owner. If this property is taxable (reference sec. 11.01 & 11.14 PTC) the appraiser collects the pertinent information noted above, including the name and address of the owner of the property. The collection and recording of this data is done using standardized procedures outlined in Colorado CAD's Business Personal Property Manual.

### **D. Industrial, Utility, and Mineral Property (real and personal property)**

The Industrial, Utility and Mineral appraisal firm contracted by Colorado CAD is responsible for updating and identifying relevant characteristics for this property type. Identifying and updating relevant characteristics of a subject property are accomplished through the discovery (see Section 1) and inspection processes. After the discovery, field and appraisal work is completed and the firm provides an appraisal roll to Colorado CAD. Appraisal District personnel then manually enter the data into the PACS database following procedures outlined in PACS and Colorado CAD manuals. Appraisal District personnel also randomly verify the contracted appraisal firm's work to verify accuracy as outlined in the utility contract.

**III.) Defining market areas in the District - Sec. 25.18(b) (3):**

A. Pursuant to Sec. 25.18 of the Property Tax Code, the Appraisal District has established a reappraisal plan to provide for the reappraisal of all properties within the district at least once every three years (for more specific instruction, see Work Plan). These proposed reappraisals are subject to market conditions and unforeseen events.

1. Colorado CAD is divided into four major rural geographic regions by School District. Each year Colorado CAD will reappraise accounts in these areas, regardless of any ratio study findings. These areas are identified as follows:

- a. Columbus ISD: to include all properties located in Columbus ISD. This area is comprised of mostly rural acreage, residential, and some commercial properties. This market area does contain the City of Columbus, Alleyton, Rock Island and Glidden Submarket areas.
- b. Rice Consolidated ISD: to include all properties located within the boundaries of Rice Consolidated ISD. This area is comprised of mostly rural acreage, residential and some commercial properties. This market area does contain the City of Eagle Lake, Garwood, Lake Sheridan, and Sheridan Submarket areas.
- c. Weimar ISD: to include all properties located in Weimar ISD. This area comprised of mostly rural acreage, residential, and some commercial properties. This market area does contain the City of Weimar Submarket area.
- d. Hallettsville ISD: to include all properties located within Hallettsville ISD that is located in Colorado County Appraisal District.

2. In addition to the cycle stated above, ratio studies are performed annually to determine areas or categories of properties within the CAD that need to be reappraised within the current year based on sales ratios. Any area or category whose ratios are below statutory requirements shall be reappraised in the current year, regardless of the area in which they are located.

**B. Business Personal Property**

When defining a market area for business personal property, the boundary of the Appraisal District may be considered one market. When unique situations arise, widening the market area to the regional or state level can be justified. The market for business personal property is determined by the design and use of the property in question, thus the type of business for which the property can be utilized will determine the buyers and sellers of the property.

**C. Industrial, Utility, and Mineral Property (real and personal property)**

Market areas for utility and pipeline tend to be regional or national in scope. Financial analyst and investor services reports are used to help define market areas.

#### **IV.) Appraisal Model (Sec. 25.18b4):**

##### **A. Residential Property**

###### **Residential Land**

Residential land is appraised as though vacant using the market sales approach as the appraisal model for valuation. The value of the land component of the total property appraisal 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 value of land located in the area or neighborhood. When necessary, the land appraisal is adjusted for specific factors and conditions that influence the value of the land. These factors include access, view, shape, size, topography, and the propensity to flood. When necessary, abstraction and allocation methods will be used to insure that estimated land values reflect the contributory market value of the land to the overall property value.

###### **Single-Family Residences**

Appraisals for single-family residences are derived by using the market sales approach as the model for valuation. The master residential valuation schedule is annually updated by collecting sales of residential properties for the prior 12 months. These confirmed sales are reviewed for validity and any sales that are considered non-market transactions are removed from the study. Examples of non-market transactions are foreclosure sales and transactions between friends and relatives.

All sales that have been evaluated and determined to be indicative of true market value transactions are then grouped according to the quality class that has been assigned to the residence. Once all sales are grouped, a sales ratio study is conducted for each quality group of sales. The sales ratio study is a simple and straightforward exercise in mathematics: the prior year appraisal for each individual property included in the study is divided by the sales price of that property. The result is a ratio expressed as a percentage. If the prior year appraisal is less than the sales price, then the result will be a percentage less than 100%. If the prior year appraisal is greater than the sale price, then the result will be a percentage greater than 100%. The purpose of the sales ratio study is to determine how accurately prior year appraisals reflect market values of the properties within the study.

Once all of the ratios have been determined, an average and median ratio is calculated for each quality class. In addition, a weighted mean is calculated for each quality class as well as for the entire study. The weighted mean for a quality class is calculated by summing the appraisals for each property within each quality class, then summing the sales prices for the same properties and then dividing the first result by the second. The weighted mean for the entire study is calculated by summing the appraisals of all properties (regardless of class), then summing the sales price for all properties and then dividing the first result by the second.

The resulting statistics of average ratio, median ratio, and weighted mean ratios are then used to conclude the amount (on a percentage basis) that the master residential valuation schedule will be adjusted. The primary statistic that is used when arriving at this conclusion is the weighted mean for the entire study. If this weighted mean is less than 100%, then it can be concluded that market values are increasing, therefore, it is necessary to adjust the master residential valuation schedule upward in order to satisfy the statutory obligation to appraise properties at 100% of market value. If the weighted mean is greater than 100%, then it can be concluded that market values are decreasing and it will be necessary to adjust the master residential valuation schedule downward.

Once the master residential valuation schedule is updated within the appraisal software, appraisals of single-family residences are updated based on the updated residential schedule values. Further appraisal analysis is then performed by neighborhood. This analysis is performed to "fine tune" the appraisals and to determine if properties within certain neighborhoods are selling at a premium or a discount when compared to the market as a whole. Neighborhood analysis is performed by conducting ratio studies within individual, predetermined neighborhoods. The results of the neighborhood ratio studies will aid in determining if the appraisals within the neighborhood need to be adjusted downward or upward. Whichever the conclusion, all appraisals within a neighborhood will receive a "mass adjustment" to increase or decrease the appraisal as deemed necessary from the results of the neighborhood ratio study.

### **Multi-Family Residential**

For multi-family properties such as duplexes, and apartment complexes, the sales comparison approach appraisal model is used to arrive at an estimate of market value. However, when adequate sales are not available to derive reliable appraisals, additional appraisal models will be implemented. Since these types of properties are primarily owned for the purpose of income generation, the net income that a property produces is an indication of its value, therefore, the valuation methods within the income approach to value is often times used to determine the appraisal of the property. Lastly, if adequate sales or income information is not available, the cost approach to value will be implemented to arrive at an indication of property value.

## **B. Rural, Commercial & Platted Residential Land**

According to accepted appraisal theory, only the income and sales comparison model are acceptable in determining market value of land. The cost approach is not appropriate and therefore is never used. The sales comparison approach is the most widely used method in determining market value, thus is the method that will be implemented to derive appraisals of all types of land. In instances where the sales comparison and income approach can be implemented, both methods will be used, and the final assigned value will be determined by which value best describes the market value of the land considering the particular characteristics of the subject property.

## **C. Business Personal Property (non-industrial)**

Several methods may be used in appraising market value for business personal property. Generally, the cost approach is used due to the availability of information. Available cost schedules and depreciation schedules will be used when appropriate by district appraisal staff to aid in developing valuations. These schedules are normally in a cost per square foot format; however, some industry schedules are in an alternate per unit format. The replacement cost new less depreciation (R.C.N.L.D.) can be developed from property owners reporting of historical acquisition cost or from a schedule developed by appraisal staff. As well, national valuation guides and actual sales information may be considered in the valuation process. The method used for this type of valuation is often determined by which method considers the most information for the property being appraised.

## **D. Industrial Property**

Among the three approaches to value (cost, income and market), industrial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or market data are available, those appraisal models may also be used.

## **E. Utility & Pipeline Property**

For both types of property, the appraiser must first form an opinion of highest and best use. Among the three approaches to value (cost, income and market), pipeline value is calculated using a replacement/reproduction cost new less depreciation model (RCNLD). In addition to the RCNLD indicator, a unit value model may also be used if appropriate data are available. Utility and railroad property are appraised in a manner similar to pipeline except that the RCNLD model is not used.

## F. Industrial Personal Property

Personal property is appraised using replacement/reproduction cost new less depreciation models. Income approach models are used when economic and/or subject property income is available and a market data model is used when appropriate market sales information is available.

## G. Oil & Gas Property

Among the three approaches to value (cost, income and market), the income approach to value is most commonly used in the oil and gas industry. Though use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and pattern, product prices, operating expenses, and discount rate to determine an estimate of appraised value of an oil or gas property.

*Note: For properties described in D thru G, see Capitol Appraisal's Mass Appraisal Report.*

## **V.) Review of Appraisal Results - Sec. 25.18 (b) (5-7):**

### **A. Residential Property**

#### **Statistical Analysis**

Appraisal District staff will perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market. Sales ratio studies are conducted on each of the defined residential neighborhoods 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.

Through the sales ratio analysis process, appraisers will review neighborhoods annually. The first phase involves neighborhood ratio studies that compare the recent sales prices of neighborhood properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. The appraiser, based on the sales ratio statistics, 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.

#### **Review by Inspecting Appraiser**

In addition to the above-described process, appraisers will review when time permits, the results of any fieldwork that they had performed to determine if the resulting appraisal accurately describes the value of the property and make any necessary adjustments if deemed necessary.

In cases when multiple appraisal models are implemented, the appraiser considers the results that best address the individual characteristics of the subject property. Once the best result is determined, it is then entered as the appraisal for the given year.

### **B. Rural, Commercial & Platted Residential Land**

The appraiser considers results that best address the individual characteristics of the subject property when multiple appraisal models are used. Also, statistical analysis is performed when changes are made to the rural land schedules, the primary analysis tool being the ratio study.

### **C. Business Personal Property (non-industrial)**

Appraisal District staff will perform analysis annually to determine if the estimated market values are equitable in the district. The Appraisal District staff will annually review SIC codes to determine equitable valuation of business personal property with similar business groupings. District staff will perform an office review, and accounts that fail tolerance parameters (which could include accounts with current rendition filings), accounts with field or data changes, accounts with hearings, new accounts, and cost schedule changes, will be the subject of this review.

#### **D. Industrial Property**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

#### **E. Utility & Pipeline Property**

The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process. These types of property are also subject to review by the Property Tax Division of the Texas Comptroller's office through their annual Property Value Study.

#### **F. Industrial Personal Property**

The appraiser reconciles multiple models by considering the model that best addresses the individual characteristics of the subject property. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

## G. Oil & Gas Property

Use of the income approach is the first step in determining an estimate of market value. After that, the appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected payouts and income indicators. The appraiser examines the model's value with its previous year's actual income, expecting value to typically vary within a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser further expand the review process.

*Note: For properties described in D thru G, see Capitol Appraisal's Reappraisal Plan.*

***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 have been based is assumed correct. The inspections of property are performed by the staff and are conducted from the exterior as time allows. Interior inspections performed by the staff are conducted upon the request of the property owner and are necessary for clarification and accurate property descriptions.
- 3.) Title and the legal description are assumed to be correct and marketable.
- 4.) Validation of sales transactions has been attempted through field review and confirmations by the buyer and seller. In the absence of such confirmation, residential sales data validated from vendors was reliable.
- 5.) Following is a list of Appraisal District staff and contracted appraisal firms that have provided significant mass appraisal assistance to the person signing this certification.

## **Colorado County Appraisal District Staff**

Jonathan Huebner RPA, CTA - Chief Appraiser

Cindy Kubesch RTA – Assessor Collector Administrator

Jessy De La Rosa RTA – Assistant Assessor Collector

Boyd Murphy – Personal Property & Field Appraiser

Crystal Whisnant – Accounting

Charlotte Brown – Clerk

Stephanie Caviness – Clerk

Laura Taylor - Clerk

## **CONTRACTED APPRAISAL FIRMS PROVIDING MASS APPRAISAL ASSISTANCE**

*Capitol Appraisal Group  
9300 Research Blvd  
Austin, Texas 78759-6510*

*Eagle Property Tax Appraisal & Consulting, INC.  
PO Box 866  
Jacksboro, Texas 76458-0866*

## **STAFF EDUCATION AND TRAINING**

All personnel that are performing appraisal work are registered with Texas Department of Licensing and Regulation 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 certificate, appraisers must comply with continuing education rules as set out in the Texas Administrative Code Rule 94.25. Failure to meet these standards may result in progressive disciplinary action as outlined in Colorado CAD's Personnel Policy Manual and by the Texas Department of Licensing and Regulation.

## **Resources**

### **Information System**

The Colorado County Appraisal District houses a secure server containing the appraisal records for the district. Multiple PCs in the appraisal office access this information. The district utilizes True Automation, Inc.'s PACS (Property Appraisal and Collection System) software application, which is accessed via True Automation through the Internet for software updates and modifications. The server is located at the Appraisal District office in Colorado. The software system and related property records are backed up weekly off-site.

### **Geographical Information System (GIS)**

The district uses a geographic information system (GIS) to maintain cadastral maps and various layers of data, ownership and aerial photography.

Colorado CAD currently contracts with True Automation out of Plano, Texas to maintain and update all GIS data. The district sends electronic copies of deeds, surveys, or any other information that is relevant to the district's GIS system to BIS Consulting for their office to enter the material into our GIS data system. Thus, giving Colorado CAD an online interactive map with the county broke out into parcels.

The parcel outlines (shapefiles) contain all ownership information associated with each property. This includes descriptive attributes (Parcel ID, geo reference number, owner name, address, number of acres, and the legal description).

There are separate shapefiles for roads, water (rivers, creeks, drainage, etc.), topographical lines, school districts, county border, parcel outlines, abstract lines, address points, and city limits to use to verify information.

## ○ **References**

Texas Property Tax Code

Appraisal Standards Board – Uniform Standards of Professional Appraisal Practice and Advisory Opinions (USPAP)

The International Association of Assessing Officers – Property Appraisal and Assessment Administration (Red Book)

The International Association of Assessing Officers – Property Assessment Valuation (Green Book)

NOTE: *The Reappraisal Work Plan is subject to revision as Comptroller Rules and Legislation updates occur.*

## CALENDAR OF EVENTS – 2023

**AUGUST 2022**

**SEE WORK 2023 WORK PLAN**

### Aug 1 – Aug 31

- Begin field work relating to reappraisal and inspection of identified properties.
- Begin reappraisal of portions of rural land.
- Begin personal property discovery.
- Begin commercial property discovery.
- Collect, verify and process income and expense information.
- Collect, verify and process sales information.
- Appraisal Review Board hearings if needed.
- EARS submission to PTAD – Electronic Appraisal Roll.
- EPTS submission to PTAD – Electronic Property Transaction.
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

### AUG 1

- Last day for property owners to apply for September 1 Inventory appraisal for the next year (Sec 23.12).
- Date taxing unit's assessor submits appraisal roll and date that collector submits collection rate estimate for the current year to the governing body (or soon after as practical) (Sec. 26.04).
- Fourth Quarter Allocation Letter to Taxing units.

### AUG 7

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

### AUG 14

- Last day for CAD board to pass resolution to change CAD finance method, subject to taxing unit's unanimous consent (Sec. 6.061).
- Last day for CAD board to pass resolution to change number of directors, method for appointing, or both, and deliver the resolution to each taxing unit (Sec. 6.031).

### AUG 15

- Deadline for Texas Comptroller to certify final PVS findings to Education Commissioner and each school district (Comptroller Rule Sec. 9.4313).

## Aug 31

- If a tax bill is returned undelivered to a taxing unit by the United States Postal Service, a taxing unit must waive penalties and interest if the taxing unit does not send another tax bill at least 21 days before the delinquency date to the current mailing address furnished by the property owner and the property owner establishes that a current mailing address was furnished to the CAD for the tax bill before Sept. 1 of the year in which the tax is assessed (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).
- Last day for taxing unit entitled to vote for appointment of CAD directors to file a resolution opposing a change by the CAD board in the number and selection of directors (Sec. 6.031).
- Deadline for an eligible dealer of motor vehicle inventory 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 (Sec. 23.121).

## SEPTEMBER 2022

## SEE 2023 WORK PLAN

### Sept 1- Sept 30

- Continue field work relating to reappraisal and inspection of properties.
- Continue reappraisal of portions of subdivisions and rural land.
- Continue discovery of new improvements.
- Continue personal property discovery.
- Collect, verify and process income and expense information.
- Collect, verify and process sales information.
- Public presentations as needed.
- Certification presentations.
- Begin producing Annual report for previous year.
- Appraisal Review Board hearings if needed.
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

### Sept 1

- Date that taxable value of inventories may be determined at property owners written option. (Sec.23.12).
- Deadline for a county or city to either publish the property tax rate notice in a general circulation newspaper or mail it to each property owner and post the notice on its

website (or 30th day after each applicable appraisal roll is received, whichever is later) (Local Gov't Code Section 140.010).

### Sept 14

- Last day for CAD board to adopt CAD budget for the next year, unless a district has changed its fiscal year (Sec. 6.06).
- Last day for CAD board to notify taxing units in writing if a proposal to change a finance method by taxing units' unanimous consent has been rejected (Sec. 6.061).
- Last day for CAD board to notify taxing units in writing if a proposal to change the number or method of selecting CAD directors is rejected by a voting taxing unit (Sec. 6.031).

### Sept 15

- Last day to approve Biennial Reappraisal Plan.
- Last day to adopt resolution approving CAD Budget.

### Sept 29

- Last day for taxing units to adopt tax rate for the current year, or before the 60th day after the date the certified appraisal roll is received by a taxing unit, whichever is later. Failure to adopt by these required dates results in a unit adopting the lower of its effective tax rate for this year or last year's tax rate; unit's governing body must ratify new rate within five days of establishing rate (Sec. 26.05).

### Sept 30

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

**OCTOBER 2022**

**SEE 2023 WORK PLAN**

### OCT 1 – OCT 31

- Continue field work relating to reappraisal and inspection of properties.
- Continue reappraisal of portions of subdivisions and rural land.
- Continue discovery of new improvements.
- Continue personal property discovery.

- Collect, verify and process income and expense information.
- Collect, verify and process sales information.
- Public presentations as needed.
- Begin producing Annual report for previous year.
- Appraisal Review Board hearings if needed.
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month
- Date (1<sup>st</sup>) tax assessor mails current year tax bills (or soon after) (Sec.31.01).

#### OCT 1

- Last day for taxing units to adopt current year tax rate, or no later than 60<sup>th</sup> day after the chief appraiser certifies the appraisal role to a unit (Sec.26.05.).
- Last day for taxing units' fourth quarterly payment for CAD budget (Sec.6.06.).
- Date tax assessor mails current year tax bills (or soon after) (Sec.31.01.).

#### NOVEMBER 2022

#### SEE 2023 WORK PLAN

#### NOV 1- NOV 30

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Calculate allocation amounts
- Public presentations as needed
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### NOV 26

- First Quarter Allocation Letters to Taxing Units

#### DECEMBER 2022

#### SEE 2023 WORK PLAN

#### DEC 1- DEC 31

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements

- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Public presentation as needed
- Time when chief appraiser may conduct a mail survey to verify homestead exemption eligibility (Sec.11.47.).
- Complete Employee Evaluations
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### **DEC 31**

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

#### **JANUARY 2023**

#### **SEE 2023 WORK PLAN**

#### **JAN 1- JAN 31**

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Conduct ratio studies on entire market
- Send PTAD sales submission to Comptroller
- Update Appraisal Manual
- Update cost schedules
- Mail Renditions
- Mail Agricultural use applications to new owners and to owners with questionable eligibility
- Mail Agricultural surveys
- Mail exemption applications
- Review Public Funds Investment Plan
- Review Strategic Action Plan

- Review Disaster Plan
- Update all computer security
- Public presentations as needed
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### JAN 1

- Date that current year taxable values and qualifications for certain exemptions are determined (except for inventories appraisal September 1) (Sec.11.42, 23.01, 23.12).
- Date that members of county appraisal district (CAD) boards of directors begin two-year terms; half of the members begin two-year terms if the CAD has staggered terms (Sec.6.03, 6.034).
- Date that half of appraisal review board (ARB) members begin two-year terms (Sec.6.41).
- USPAP Mass Appraisal Report

#### JAN 31

- Deadline for Texas Comptroller's current year preliminary Property Value Study (PVS) finding to the 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 (Sec.11.44, 23.43)
- Last day for appraisal district to give public notice of capitalizations used to appraise property with low and moderate-income housing exemption (Sec.11.1825).
- Send PTAD sales submission to Comptroller

#### FEBRUARY 2023

#### SEE 2023 WORK PLAN

#### FEB 1- FEB 28

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Conduct ratio studies on sub-markets

- Publish legal requirements for filing rendition statements and the availability of forms (Sec.22.21)
- Schedule ARB training
- Public presentations as needed
- Publish legal requirements for filing annual exemption applications, homestead exemptions, and availability of forms (Sec.1143.)
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

## FEB 1

- Normal deadline for 25.25d (one third) and 41.411 (failure to give notice) protests
- Last day for chief appraiser to deliver applications for special appraisal and exemptions requiring annual applications (Sec.11.44, 23.43).
- Last day for motor vehicle, boat and outboards motors, heavy equipment and manufactured housing dealers to file dealer's inventory declarations (Sec.23.121, 23.124, 23.1241, 23.127).
- Deadline for a chief appraiser to provide notice regarding the availability of agreement forms authorizing electronic communication, on or before this date (or as soon as possible) if delivering the form (Sec.1.085).

## FEB 27

- Second Quarter Allocation Letters to Taxing Units

## FEB 28 (29 if a Leap Year)

- Last day to request separate appraisal for interest in a cooperative housing corporation (Sec.23.19).

**MARCH 2023**

**SEE 2023 WORK PLAN**

## MARCH 1- MARCH 31

- Conclude field work relating to reappraisal and inspection of identified properties
- Conclude reappraisal of portions of rural land and subdivisions
- Conclude discovery of new improvements
- Continue personal property discovery
- Conclude commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information

- Conduct ratio studies on sub-markets
- Determine neighborhood adjustments
- Conclude schedule changes
- Public presentations as needed
- Appraisal District Audit
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

**MAR 10**

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

**MAR 31**

- Last day for taxing units; second quarterly payment for CAD budget (Sec.6.06).
- Last day for cities to report information regarding reinvestment zone and tax increment financing to Texas Comptroller (Sec.311.019).
- Last day for qualified community housing development organizations to file listing of property acquired or sold during past year with the chief appraiser (Sec.11.182).

**APRIL 2023**

**SEE 2023 WORK PLAN**

**APR 1- APR 30**

- Conclude personal property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Bids for Bank Depository every two years
- Publish legal requirements for filing protest (Sec.41.41.41.70).
- Budget Workshop
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

**APR 1**

- Last day (or as soon as possible) for the chief appraiser to mail notices of appraised value for single-family residence homestead properties (Sec.25.19).
- Last day for property owners to file exemption application for vehicle used for personal and income-producing activities (Sec.11.253).
- Last day for the chief appraiser to notify the taxing units of the form in which the appraisal roll will be provided to them (Sec.26.01).

## APR 15

- Last day for property owners to file renditions and property information reports unless they request a filing extension in writing (Sec.22.23).

## APR 30

- Last day for property owners to file these applications or report with the CAD:
- Some exemptions applications (Sec.11.43);
- Notice chief appraiser that property is no longer entitled to an exemption not requiring annual application (Sec.11.43);
- Applications for special appraisal or notice 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 (Sec.23.43, 23.54, 23.75, 23.84, 23.94, 23.9804);
- Railroad rolling stocking reports (Sec.24.32);
- Requests for separate listings of separately owned land and improvements (Sec.25.08);
- Requests for proportionate taxing of a planned unit development property (Sec.25.09);
- Request for separate listings of separately-owned standing timber and land (Sec.25.10);
- Requests for separate listings of undivided interest (Sec.25.11); and
- Requests for joint taxation of separately owned mineral interest (Sec.25.12).
- Last day for the chief appraiser to certify estimate of school district's taxable value for school district to use for publishing notice of budget and proposed tax rate and adopting its budget for a fiscal year that begins July 1. Chief appraiser must also certify estimate of taxable value for county and cities unless the taxing units choose to waive the estimate (sec.26.01).
- Last day for property owners to file protest with ARB (or by the 30<sup>th</sup> day after notice of appraised value is delivered, whoever is later) in connection with properties that are single-family homesteads; however, a property owner may file a protest before June 1 if the ARB has not approved the appraisal records (Sec.41.44).

**MAY 2023**

**SEE 2023 WORK PLAN**

## MAY 1- MAY 31

- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Continue informal hearing with property owners and agents

- Appraisal Review Board hearings as needed
- Update preliminary values on website
- Budget preparation
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### **MAY 1**

- Last day (or as soon as possible) for the chief appraiser to mail notices of appraised value for properties other than single-family residence homesteads (Sec.25.19).

#### **MAY 1- MAY 14**

- Period to file resolutions with chief appraiser to change CAD finance method (Sec.6.061).

#### **MAY 1- MAY 15**

- Period when chief appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Sec.41.41, 41.70).

#### **May 15**

- Last day for property owners to file renditions and property information reports if they requested in writing an extension. For good cause, chief appraiser may extend this deadline another 15 days (Sec.22.23).
- Last day (or as soon as possible) for chief appraiser to mail notices of appraised value, denial of exemptions, denial of special appraisal and notices of overlapping appraisal districts (Sec.6.025, 11.45, 23.57, 23.79, 23.85, 23.95, 23.9805, 25.19)
- Date (or as soon as practicable) for chief appraiser to prepare appraisal records and submit to ARB (Sec.25.01, 25.22).
- Appraisal Review Board Meeting
- 1<sup>st</sup> Quarter clerical changes
- Ag Advisory Meeting

#### **MAY 16**

- Last day for chief appraiser to determine whether a sufficient number of eligible taxing units filed resolutions to change CAD's finance method (Sec.6.061).

#### **MAY 18**

- Last day for chief appraiser to determine whether a sufficient number of eligible taxing units file resolutions to change CAD's finance method (Sec.6.061.).

**MAY 24**

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

**MAY 29**

- Third quarter Allocation Letters to Taxing Units

**MAY 31**

- Last day for property owners to file protest with ARB (or by the 30<sup>th</sup> day after notice of appraised value is delivered, whichever is later) (Sec.41.44).
- 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 religious organizations to amend charters and file new applications for Sec.11.20 exemption (or within 60 days of exemption denial, whichever is later) (Sec.41.44).
- Last day for property owner to file a protest with ARB in connection with properties that are single-family residence homesteads if the ARB has not approved the appraisal records; otherwise, the deadline to file a protest for single-family residence homesteads is before May 1 or by the 30<sup>th</sup> day after notice of appraised value is delivered, whichever is later (Sec.41.44).

**JUNE 2023**

**SEE 2023 WORK PLAN**

**JUNE 1- JUNE 30**

- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Continue informal hearing with property owners and agents
- Appraisal Review Board hearings as needed
- Budget presentations to Taxing Units
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

**JUNE 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).

## JUNE 15

- Beginning date that CAD board may pass resolution to change CAD finance method, subject to taxing units' unanimous approval. Period ends before August 15, (Sec.6.061).
- Select depository (two years) odd number years only

## JUNE 30

- Last day for taxing units' third quarterly payment for CAD budget (Sec.06.06).
- Last day for a taxing unit to levy current year property taxes (Sec.26.12).
- Last day for taxing units to adopt local option percentages homestead exemptions (Sec.11.13)
- Last day for private schools to amend charters and file new applications for Sec.11.21 exemption (or within 60 days of exemptions denial, whichever is later) (Sec.11.422).
- Last day for CADs to report information of reinvestment zones and tax abatement agreements to the Texas Comptroller (Sec.312.005).

## JULY 2023

## SEE 2023 WORK PLAN

## JULY 1 – JULY 31

- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Continue informal hearing with property owners and agents
- Appraisal Review Board hearings as needed
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

## JULY 1

- Last day for review to protest of appraisals of railroad rolling stock values (or as soon as practicable); once the appraised value is approved, the chief appraiser certifies to the comptroller to allocate market value (Sec.24.35, 24.36).

## July 20

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

## JULY 25

- Last day for the chief appraiser to certify appraisal roll to each taxing unit (Sec.26.01).
- Last day for Texas Comptroller to certify appointment of railroad rolling stock value to counties, with supplemental records after that date (Sec.24.38).

## JULY 31

- Last day for property owners to apply for September 1 inventory appraisal for next year (Sec.23.12.)

# **COLORADO CAD 2023 WORK PLAN OUTLINE**

## **I. FIELD CHECKS**

Source: Taxpayer's requests, mechanic's lien, affidavit of completions, new mobile homes titled in Colorado County per TDHCA, and any other cause that would trigger a property to be reappraised.

Estimated count usually runs from 250 to 800 parcels.

Time frame: January 1, 2023 to March 1, 2023

## **II. Personal Property**

- 1) Discovery – Comptroller's Sales Tax ID List, DBA's, advertisements, newspaper articles and ads, Just Texas Commercial Vehicle listing.

Time frame: August 1, 2022 to April 15, 2023

- 2) Rendition Process (mailing and working)

Time frame: January 1, 2023 to April 15, 2023

## **III. Cities**

- 1) Onsite inspection and reappraisal of all property located in the following cities:

City of Columbus, City of Eagle Lake, City of Weimar

Time frame: August 1, 2022 to March 1, 2023

## CALENDAR OF EVENTS – 2024

**AUGUST 2023**

**SEE WORK 2024 WORK PLAN**

### Aug 1 – Aug 31

- Begin field work relating to reappraisal and inspection of identified properties.
- Begin reappraisal of portions of subdivisions and rural land.
- Begin personal property discovery.
- Begin commercial property discovery.
- Collect, verify and process income and expense information.
- Collect, verify and process sales information.
- Appraisal Review Board hearings Thursdays if needed.
- EARS submission to PTAD – Electronic Appraisal Roll.
- EPTS submission to PTAD – Electronic Property Transaction.
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

### AUG 1

- Last day for property owners to apply for September 1 Inventory appraisal for the next year (Sec 23.12).
- Date taxing unit's assessor submits appraisal roll and date that collector submits collection rate estimate for the current year to the governing body (or soon after as practical) (Sec. 26.04).
- Fourth Quarter Allocation Letter to Taxing units.

### AUG 7

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

### AUG 14

- Last day for CAD board to pass resolution to change CAD finance method, subject to taxing unit's unanimous consent (Sec. 6.061).
- Last day for CAD board to pass resolution to change number of directors, method for appointing, or both, and deliver the resolution to each taxing unit (Sec. 6.031).

### AUG 15

- Deadline for Texas Comptroller to certify final PVS findings to Education Commissioner and each school district (Comptroller Rule Sec. 9.4313).

## Aug 31

- If a tax bill is returned undelivered to a taxing unit by the United States Postal Service, a taxing unit must waive penalties and interest if the taxing unit does not send another tax bill at least 21 days before the delinquency date to the current mailing address furnished by the property owner and the property owner establishes that a current mailing address was furnished to the CAD for the tax bill before Sept. 1 of the year in which the tax is assessed (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).
- Last day for taxing unit entitled to vote for appointment of CAD directors to file a resolution opposing a change by the CAD board in the number and selection of directors (Sec. 6.031).
- Deadline for an eligible dealer of motor vehicle inventory 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 (Sec. 23.121).

## SEPTEMBER 2023

## SEE 2024 WORK PLAN

### Sept 1- Sept 30

- Continue field work relating to reappraisal and inspection of properties.
- Continue reappraisal of portions of subdivisions and rural land.
- Continue discovery of new improvements.
- Continue personal property discovery.
- Collect, verify and process income and expense information.
- Collect, verify and process sales information.
- Public presentations as needed.
- Certification presentations.
- Begin producing Annual report for previous year.
- Appraisal Review Board hearings if needed.
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

### Sept 1

- Date that taxable value of inventories may be determined at property owners written option. (Sec.23.12).
- Deadline for a county or city to either publish the property tax rate notice in a general circulation newspaper or mail it to each property owner and post the notice on its

website (or 30th day after each applicable appraisal roll is received, whichever is later) (Local Gov't Code Section 140.010).

### Sept 14

- Last day for CAD board to adopt CAD budget for the next year, unless a district has changed its fiscal year (Sec. 6.06).
- Last day for CAD board to notify taxing units in writing if a proposal to change a finance method by taxing units' unanimous consent has been rejected (Sec. 6.061).
- Last day for CAD board to notify taxing units in writing if a proposal to change the number or method of selecting CAD directors is rejected by a voting taxing unit (Sec. 6.031).

### Sept 15

- Last day to approve Biennial Reappraisal Plan.
- Last day to adopt resolution approving CAD Budget.

### Sept 29

- Last day for taxing units to adopt tax rate for the current year, or before the 60th day after the date the certified appraisal roll is received by a taxing unit, whichever is later. Failure to adopt by these required dates results in a unit adopting the lower of its effective tax rate for this year or last year's tax rate; unit's governing body must ratify new rate within five days of establishing rate (Sec. 26.05).

### Sept 30

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

**OCTOBER 2023**

**SEE 2024 WORK PLAN**

### OCT 1 – OCT 31

- Continue field work relating to reappraisal and inspection of properties.
- Continue reappraisal of portions of subdivisions and rural land.
- Continue discovery of new improvements.
- Continue personal property discovery.

- Collect, verify and process income and expense information.
- Collect, verify and process sales information.
- Public presentations as needed.
- Begin producing Annual report for previous year.
- Appraisal Review Board hearings on Tuesdays and Thursdays if needed.
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month
- Date (1<sup>st</sup>) tax assessor mails current year tax bills (or soon after) (Sec.31.01).

#### OCT 1

- Last day for taxing units to adopt current year tax rate, or no later than 60<sup>th</sup> day after the chief appraiser certifies the appraisal role to a unit (Sec.26.05.).
- Last day for taxing units' fourth quarterly payment for CAD budget (Sec.6.06.).
- Date tax assessor mails current year tax bills (or soon after) (Sec.31.01.).

#### NOVEMBER 2023

#### SEE 2024 WORK PLAN

#### NOV 1- NOV 30

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Calculate allocation amounts
- Public presentations as needed
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### NOV 26

- First Quarter Allocation Letters to Taxing Units

#### DECEMBER 2023

#### SEE 2024 WORK PLAN

#### DEC 1- DEC 31

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery

- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Public presentation as needed
- Time when chief appraiser may conduct a mail survey to verify homestead exemption eligibility (Sec.11.47.).
- Complete Employee Evaluations
- Accept Audit Contract (2 year) even # years only
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### DEC 31

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

#### JANUARY 2024

#### SEE 2024 WORK PLAN

#### JAN 1- JAN 31

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Conduct ratio studies on entire market
- Send PTAD sales submission to Comptroller
- Update Appraisal Manual
- Update cost schedules
- Mail Renditions
- Mail Agricultural use applications to new owners and to owners with questionable eligibility
- Mail Agricultural surveys
- Mail exemption applications
- Review Public Funds Investment Plan
- Review Strategic Action Plan
- Review Disaster Plan

- Update all computer security
- Public presentations as needed
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### JAN 1

- Date that current year taxable values and qualifications for certain exemptions are determined (except for inventories appraisal September 1) (Sec.11.42, 23.01, 23.12).
- Date that members of county appraisal district (CAD) boards of directors begin two-year terms; half of the members begin two-year terms if the CAD has staggered terms (Sec.6.03, 6.034).
- Date that half of appraisal review board (ARB) members begin two-year terms (Sec.6.41).
- USPAP Mass Appraisal Report

#### JAN 2

- Date rendition period begins; continues through April 15 for those property owners not requesting a file extension (Sec.22.23).
- All required publications in paper

#### JAN 31

- Deadline for Texas Comptroller's current year preliminary Property Value Study (PVS) finding to the 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 (Sec.11.44, 23.43)
- Last day for appraisal district to give public notice of capitalizations used to appraise property with low and moderate-income housing exemption (Sec.11.1825).
- Send PTAD sales submission to Comptroller

**FEB 1- FEB 28**

- Continue field work relating to reappraisal and inspection of identified properties
- Continue reappraisal of portions of rural land and subdivisions
- Continue discovery of new improvements
- Continue personal property discovery
- Continue commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Conduct ratio studies on sub-markets
- Publish legal requirements for filing rendition statements and the availability of forms (Sec.22.21)
- Schedule ARB training
- Public presentations as needed
- Publish legal requirements for filing annual exemption applications, homestead exemptions, and availability of forms (Sec.1143.)
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

**FEB 1**

- Normal deadline for 25.25d (one third) and 41.411 (failure to give notice) protests
- Last day for chief appraiser to deliver applications for special appraisal and exemptions requiring annual applications (Sec.11.44, 23.43).
- Last day for motor vehicle, boat and outboards motors, heavy equipment and manufactured housing dealers to file dealer's inventory declarations (Sec.23.121, 23.124, 23.1241, 23.127).
- Deadline for a chief appraiser to provide notice regarding the availability of agreement forms authorizing electronic communication, on or before this date (or as soon as possible) if delivering the form (Sec.1.085).

**FEB 27**

- Second Quarter Allocation Letters to Taxing Units

**FEB 28 (29 if a Leap Year)**

- Last day to request separate appraisal for interest in a cooperative housing corporation (Sec.23.19).

**MARCH 2024****SEE 2024 WORK PLAN****MARCH 1- MARCH 31**

- Conclude field work relating to reappraisal and inspection of identified properties
- Conclude reappraisal of portions of rural land and subdivisions
- Conclude discovery of new improvements
- Continue personal property discovery
- Conclude commercial property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Conduct ratio studies on sub-markets
- Determine neighborhood adjustments
- Conclude schedule changes
- Public presentations as needed
- Appraisal District Audit
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

**MAR 10**

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

**MAR 31**

- Last day for taxing units; second quarterly payment for CAD budget (Sec.6.06).
- Last day for cities to report information regarding reinvestment zone and tax increment financing to Texas Comptroller (Sec.311.019).
- Last day for qualified community housing development organizations to file listing of property acquired or sold during past year with the chief appraiser (Sec.11.182).

**APRIL 2024****SEE 2024 WORK PLAN****APR 1- APR 30**

- Conclude personal property discovery
- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Bids for Bank Depository every two years

- Publish legal requirements for filing protest (Sec.41.41.41.70).
- Budget Workshop
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

#### APR 1

- Last day (or as soon as possible) for the chief appraiser to mail notices of appraised value for single-family residence homestead properties (Sec.25.19).
- Last day for property owners to file exemption application for vehicle used for personal and income-producing activities (Sec.11.253).
- Last day for the chief appraiser to notify the taxing units of the form in which the appraisal roll will be provided to them (Sec.26.01).

#### APR 15

- Last day for property owners to file renditions and property information reports unless they request a filing extension in writing (Sec.22.23).

#### APR 30

- Last day for property owners to file these applications or report with the CAD:
- Some exemptions applications (Sec.11.43);
- Notice chief appraiser that property is no longer entitled to an exemption not requiring annual application (Sec.11.43);
- Applications for special appraisal or notice 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 (Sec.23.43, 23.54, 23.75, 23.84, 23.94, 23.9804);
- Railroad rolling stocking reports (Sec.24.32);
- Requests for separate listings of separately owned land and improvements (Sec.25.08);
- Requests for proportionate taxing of a planned unit development property (Sec.25.09);
- Request for separate listings of separately-owned standing timber and land (Sec.25.10);
- Requests for separate listings of undivided interest (Sec.25.11); and
- Requests for joint taxation of separately owned mineral interest (Sec.25.12).
- Last day for the chief appraiser to certify estimate of school district's taxable value for school district to use for publishing notice of budget and proposed tax rate and adopting its budget for a fiscal year that begins July 1. Chief appraiser must also certify estimate of taxable value for county and cities unless the taxing units choose to waive the estimate (sec.26.01).

- Last day for property owners to file protest with ARB (or by the 30<sup>th</sup> day after notice of appraised value is delivered, whoever is later) in connection with properties that are single-family homesteads; however, a property owner may file a protest before June 1 if the ARB has not approved the appraisal records (Sec.41.44).

**MAY 2024**

**SEE 2024 WORK PLAN**

**MAY 1- MAY 31**

- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Continue informal hearing with property owners and agents
- Appraisal Review Board hearings as needed
- Update preliminary values on website
- Budget preparation
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

**MAY 1**

- Last day (or as soon as possible) for the chief appraiser to mail notices of appraised value for properties other than single-family residence homesteads (Sec.25.19).

**MAY 1- MAY 14**

- Period to file resolutions with chief appraiser to change CAD finance method (Sec.6.061).

**MAY 1- MAY 15**

- Period when chief appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Sec.41.41, 41.70).

**May 15**

- Last day for property owners to file renditions and property information reports if they requested in writing an extension. For good cause, chief appraiser may extend this deadline another 15 days (Sec.22.23).
- Last day (or as soon as possible) for chief appraiser to mail notices of appraised value, denial of exemptions, denial of special appraisal and notices of overlapping appraisal districts (Sec.6.025, 11.45, 23.57, 23.79, 23.85, 23.95, 23.9805, 25.19)
- Date (or as soon as practicable) for chief appraiser to prepare appraisal records and submit to ARB (Sec.25.01, 25.22).

**MAY 16**

- Last day for chief appraiser to determine whether a sufficient number of eligible taxing units filed resolutions to change CAD's finance method (Sec.6.061).

#### **MAY 18**

- Last day for chief appraiser to determine whether a sufficient number of eligible taxing units file resolutions to change CAD's finance method (Sec.6.061.).

#### **MAY 24**

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

#### **MAY 29**

- Third quarter Allocation Letters to Taxing Units

#### **MAY 31**

- Last day for property owners to file protest with ARB (or by the 30<sup>th</sup> day after notice of appraised value is delivered, whichever is later) (Sec.41.44).
- 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 religious organizations to amend charters and file new applications for Sec.11.20 exemption (or within 60 days of exemption denial, whichever is later) (Sec.41.44).
- Last day for property owner to file a protest with ARB in connection with properties that are single-family residence homesteads if the ARB has not approved the appraisal records; otherwise, the deadline to file a protest for single-family residence homesteads is before May 1 or by the 30<sup>th</sup> day after notice of appraised value is delivered, whichever is later (Sec.41.44).

#### **JUNE 2024**

#### **SEE 2024 WORK PLAN**

#### **JUNE 1- JUNE 30**

- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Continue informal hearing with property owners and agents
- Appraisal Review Board hearings as needed
- Budget presentations to Taxing Units
- Board of Directors Meetings 2<sup>nd</sup> Tuesday of the month

## JUNE 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).

## JUNE 15

- Beginning date that CAD board may pass resolution to change CAD finance method, subject to taxing units' unanimous approval. Period ends before August 15, (Sec.6.061).
- Select depository (two years) odd number years only

## JUNE 30

- Last day for taxing units' third quarterly payment for CAD budget (Sec.06.06).
- Last day for a taxing unit to levy current year property taxes (Sec.26.12).
- Last day for taxing units to adopt local option percentages homestead exemptions (Sec.11.13)
- Last day for private schools to amend charters and file new applications for Sec.11.21 exemption (or within 60 days of exemptions denial, whichever is later) (Sec.11.422).
- Last day for CADs to report information of reinvestment zones and tax abatement agreements to the Texas Comptroller (Sec.312.005).

## JULY 2024

## SEE 2024 WORK PLAN

## JULY 1 – JULY 31

- Collect, verify and process sales information
- Collect, verify and process income and expense information
- Continue informal hearing with property owners and agents
- Appraisal Review Board hearings as needed
- Board of Directors Meeting 2<sup>nd</sup> Tuesday of the month

## JULY 1

- Last day for review to protest of appraisals of railroad rolling stock values (or as soon as practicable); once the appraised value is approved, the chief appraiser certifies to the comptroller to allocate market value (Sec.24.35, 24.36).

## July 20

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

## JULY 25

- Last day for the chief appraiser to certify appraisal roll to each taxing unit (Sec.26.01).
- Last day for Texas Comptroller to certify appointment of railroad rolling stock value to counties, with supplemental records after that date (Sec.24.38).

## JULY 31

- Last day for property owners to apply for September 1 inventory appraisal for next year (Sec.23.12.)

# COLORADO CAD 2024 WORK PLAN OUTLINE

## I. FIELD CHECKS

Source: Taxpayer's requests, mechanic's lien, affidavit of completions, new mobile homes titled in Colorado County per TDHCA, and any other cause that would trigger a property to be reappraised.

Estimated count usually runs from 250 to 800 parcels.

Time frame: January 1, 2024 to March 1, 2024

## II. Personal Property

- 1) Discovery – Comptroller's Sales Tax ID List, DBA's, advertisements, newspaper articles and ads, Just Texas Commercial Vehicle listing.

Time frame: August 1, 2023 to April 15, 2023

- 2) Rendition Process (mailing and working)

Time frame: January 1, 2024 to April 15, 2024

## III. Rural Abstracts

- 1) Onsite inspection and reappraisal of all property located in the following rural abstracts:

Starting at the furthermost boundary of each school district, the field appraisers will cover enough parcels to account for one-third of the rural accounts in that school district

Time Frame: August 1, 2023 to March 1, 2022

## 2023-2024 WORK TIMELINE

### 2023 Reappraisal

Field Checks	January 1, 2024 to March 1, 2024
Personal Property	January 1, 2024 to April 15, 2024
Cities	August 1, 2023 to March 1, 2024

### 2024 Reappraisal

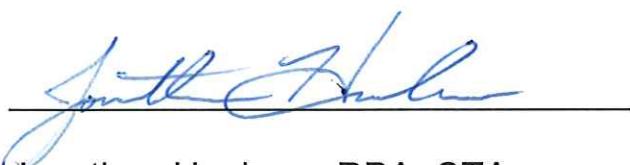
Field Checks	January 1, 2024 to March 1, 2024
Personal Property	January 1, 2024 to April 15, 2024
Rural Abstracts	August 1, 2023 to March 1, 2024

## COLORADO CAD PROPERTIES BY STATE CODE

State Code	Parcels
A	6,487
B	56
C1	2,564
D1	8,935
D2	679
E	8,119
F1	866
F2	150
G1	3,149
G3	563
J2	5
J3	49
J4	32
J5	31
J6	212
J7	8
L1	1,230
L2	315
M1	1,022
S	12
X	1,434
TOTAL PARCELS	30,901

## ***Certification Statement***

"I, ***Jonathan Huebner, RPA*** Chief Appraiser of the Colorado County Appraisal District, do solemnly swear or affirm that I have made, or caused to be made, a diligent inquiry to ascertain all property in the district subject to appraisal, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by the law".



Jonathan Huebner, RPA, CTA  
Chief Appraiser

9-6-2022

Date

## Document 3A

2023-2024

### CAD Plan for Periodic Reappraisal of Industrial Real Property

Subsections (a) and (b), Section 25.18, Tax Code:

- (a) CAD shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
- (b) The plan provides for annual reappraisal of selected industrial property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
  - (1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Industrial properties are identified as part of the appraiser's physical inspection process each year and through submitted data by the property owner. The appraiser may also refer to legal documents, photography and other descriptive items.
  - (2) Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Confidential rendition, assets lists and other confidential data also provide additional information. Subject property data is verified through previously existing records and through published reports.
  - (3) Defining market areas in the district: Market areas for industrial properties tend to be regional, national and sometimes international. Published information such as prices, financial analysis and investor services reports are used to help define market area.
  - (4) Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: Among the three approaches to value (cost, income and market), industrial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or market data are available, those appraisal models may also be used.
  - (5) Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

pipeline value is calculated using a replacement/reproduction cost new less depreciation model [RCNLD]. In addition to the RCNLD indicator, a unit value model may also be used if appropriate data are available. Utility and railroad property are appraised in a manner similar to pipeline except that the RCNLD model is not used.

(5) Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process. These types of property are also subject to review by the Property Tax Division of the Texas Comptroller's Office through their annual Property Value Study.

## Document 3B

2023-2024

### CAD Plan for Periodic Reappraisal of Industrial Personal Property

Subsections (a) and (b), Section 25.18, Tax Code:

- (a) CAD shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
- (b) The plan provides for annual reappraisal of all industrial personal property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
  - (1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Through inspection the appraiser identifies personal property to be appraised. The appraiser begins with properties from the previous tax year and identifies new properties from visual identification and/or publications, newspaper articles, or information obtained through the interview of property owners. The appraiser may also refer to other documents, both public and also confidential, to assist in identification of these properties. Such documents might include but are not limited to the previous year's appraisal roll, vehicle listing services and private directories.
  - (2) Identifying and updating relevant characteristics of each property in the appraisal records: Data identifying and updating relevant characteristics of the subject properties are collected as part of the inspection process through directories and listing services as well as through later submissions by the property owner, sometimes including confidential rendition. These data are verified through previously existing records and through public reports.
  - (3) Defining market areas in the district: Market areas for industrial personal property are generally either regional or national in scope. Published price sources are used to help define market areas.
  - (4) Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics. Personal property is appraised using replacement/reproduction cost new less depreciation models. Income approach models are used when economic and/or subject property income is available, and a market data model is used when appropriate market sales information is available.
  - (5) Comparison and Review: The appraiser reconciles multiple models by considering the model that best addresses the individual characteristics of the subject property. Year-to year property value

changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

## Document 3C

2023-2024

### CAD Plan for Periodic Reappraisal of Utility, Railroad and Pipeline Property

Subsections (a) and (b), Section 25.18, Tax Code:

- (a) CAD shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
- (b) The plan provides for annual reappraisal of all utility, railroad and pipeline property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
  - (1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Utility, railroad and pipeline properties that are susceptible to inspection are identified by inspection. The appraiser may also refer to other documents, both public and also confidential to assist in identification of these properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual. New permitting documents on record with the Railroad Commission of Texas provide a source to identify potential new pipeline projects but does not provide indication if the project was actually started, completed, or a distinct location of the proposed project. Every effort is made to discover new utility, railroad, and pipeline properties through personal observation combined with permitting documents.
  - (2) Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through data collected as part of the inspection process and through later submissions by the property owner, sometimes including confidential rendition. Additional data are obtained through public sources, regulatory reports and through analysis of comparable properties.
  - (3) Defining market areas in the district: Market areas for utility, railroad and pipeline property tend to be regional or national in scope. Financial analyst and investor services reports are used to help define market areas.
  - (4) Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: For all three types of property, the appraiser must first form an opinion of highest and best use. Among the three approaches to value (cost, income and market),

pipeline value is calculated using a replacement/reproduction cost new less depreciation model [RCNLD]. In addition to the RCNLD indicator, a unit value model may also be used if appropriate data are available. Utility and railroad property are appraised in a manner similar to pipeline except that the RCNLD model is not used.

(5) Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process. These types of property are also subject to review by the Property Tax Division of the Texas Comptroller's Office through their annual Property Value Study.

Document 3D

2023-2024

CAD Plan for Periodic Reappraisal  
of Oil and Gas Property

In accordance with Section 25.18 of the Tax Code:

- (a) CAD shall implement the plan for periodic reappraisal of property as approved by the board of directors under Section 6.05 (l).
- (b) The plan provides for annual reappraisal of all oil and gas property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
  - (1) Identification of new property and its situs. As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAGL obtains monthly oil and gas lease information from the Railroad Commission of Texas [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 CAGL's in-house map resources.
  - (2) Identifying and updating relevant characteristics of all oil and gas properties to be appraised. Relevant characteristics necessary to estimate value of remaining oil or gas reserves are production volume and pattern, product prices, expenses borne by the operator of the property, and the rate at which the anticipated future income should be discounted to incorporate future risk. CAGL obtains information to update these characteristics annually from regulatory agencies such as the RRC, the Comptroller of Public Accounts, submissions from property owners and operators, as well as from published investment reports, licensed data services, service for fee organizations and through comparable properties, when available.
  - (3) Defining market areas in the district and identifying property characteristics that affect property value in each market area. Oil and gas markets are regional, national and international. Therefore they respond to market forces beyond defined market boundaries as observed among more typical real properties.
  - (4) Developing an appraisal approach that best reflects the relationship among property characteristics affecting value and best determines the contribution of individual property characteristics. Among the three approaches to value (cost, income and market), the income approach to value is most commonly used in the oil and gas industry. Through use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and pattern, product prices, operating expenses and discount rate to determine an estimate of appraised value of an oil or gas property.

(5) Comparison and Review. Use of the income approach is the first step in determining an estimate of market value. After that the appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected payouts and income indicators. The appraiser examines the model's value with its previous year's actual income, expecting value to typically vary within in a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser further expand the review process.