

# MARION CENTRAL APPRAISAL DISTRICT

## REAPPRAISAL PLAN FOR TAX YEARS 2025 – 2026

The 2025-2026 Reappraisal Plan of the Marion Central Appraisal District was approved by the Marion Central Appraisal District Board of Directors on August 21, 2026 by Resolution 2026-Aug-001, after a public hearing was held on said reappraisal plan in accordance with 6.05 (i) of the Texas Property Tax Code.

# **Marion Central Appraisal District**

## **2025-2026**

### **REAPPRAISAL PLAN**

#### **January 1, 2025-December 31, 2026**

##### **Chief Appraiser**

Ann Lummus, RPA, CCA

##### **BOARD OF DIRECTORS**

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Karen Jones, Secretary

Jason Bonner, Member

Kristin Johnson, Member

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## Executive Summary

Marion Central Appraisal District is a political subdivision of the State of Texas, Established January 1, 1980. This reappraisal plan and report required by S.B. 1652 is generated to provide the citizens of Marion County a better understanding of the district's procedures, responsibilities, activities, results and effects of those activities. The ultimate goal is to obtain an effective and positive result when analyzed by the Property Tax Division of the Comptroller's Office with the annual Property Value Ratio Study Report. This report establishes the position of equity and uniformity for the appraisal districts in the tested property categories.

A Board of Directors appointed by the taxing entities governs Marion Central Appraisal District. The Board of Directors hires the Chief Appraiser as administrator of the appraisal district. The Property Tax Code is the governor of the legal, statutory, and administrative requirements of the appraisal district.

The appraisal district is required to appraise all property in its district's boundaries for the purpose of local taxation at market value as of January 1 except otherwise provided by Sec. 23 of the Tax Code. Various types of property exemptions are determined by the appraisal district office such as homestead exemptions, charitable or religious exemptions, partial and absolute exemptions and agricultural productivity valuations.

Appraisals are generated with computer assisted mass appraisal programs using recognized appraisal techniques and methods. We compare our data gathered from recent cost guides and market sales data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards known as the Uniform Standards of Professional Appraisal Practices (USPAP) to the extent they are applicable.

The purpose and requirement for the written reappraisal plan and periodic reappraisal resulted from the passage of S.B. 1652, which amends the Tax Code as follows:

### **The Written Plan**

According to Section 6.05 of the Tax Code subsection (i):

"To ensure adherence with generally accepted appraisal practices, the Board of Directors of an appraisal district shall develop biennially a written plan for 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 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 hearing. Not later than September 15, of each even numbered year, the board shall complete its

hearings, make 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 day of the approval date.”

### **The Plan for periodic Reappraisal**

Section 25.18 of the Tax Code (a) and (b) implements the following:

- (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) Identify 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
    - (a) The location and market area of the property;
    - (b) Physical attributes of the property;
    - (c) Legal and economic attributes;
    - (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 determine the contribution of individual characteristics;
  - (6) Apply the conclusions reflected in the model to the characteristics of the properties being appraised and;
  - (7) Review the appraisal results to determine value

In addition to periodic reappraisals, all personal property accounts are visited on an annual basis, timber and agricultural valuations are calculated on an annual basis. Ratio analysis are conducted to define reappraisals in rural areas (farm and ranch, lakefront development), populated city areas and commercial and residential properties. (Jefferson ISD, City of Jefferson, Marion County, Marion County Hospital District (2) overlapping school district’s Ore City ISD and Avinger ISD).

## **Appraisal District Personnel Resources**

The Appraisal Districts Board of Directors, and the Chief Appraiser plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services.

The Chief Appraiser of the Appraisal District is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations. This is performed with the assistance, guidance, and authority of the Appraisal District Board of Directors.

The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation in support of the Property Tax Code requirements coordinate support functions including records maintenance, information and assistance to property owners, and hearings.

As outlined in the approved 2025 Appraisal District Budget, the appraisal district staff currently consists of 6 employees:

- 1 - Chief Appraiser
- 2 - Appraisers
- 1 - Customer Service/Exemptions
- 1 - Secretary / Bookkeeper
- 1 – Deed Clerk/Mapping

## **Staff Education and Training**

All personnel within the Marion Central Appraisal District that are required to be registered with the Texas Department of Licensing & Regulation and are required to take courses to achieve the status of the Registered Property Tax Professional field within five years of employment as an appraiser. These requirements are set forth in the property tax code.

Training, Testing and five years of field experience are non-negotiable, locally funded by the CAD, and must be to the standards required of the Department of Licensing and Regulation.

**Only after the five-year training period and the successful completion of all required state examinations will award a State License.**

After receipt of their license, personnel must complete continuing education hours during a 24-month period before the expiration of the registration. For Registered Professional Appraiser (RPA) 30 hours total of CE including: 2 hours in professional ethics, the approved state laws and rules update course, and 3.5 hours of USPAP.

All appraisal personnel receive extensive training in data gathering processes including data entry. Procedures used in fieldwork and statistical analyses of all types of property to ensure equality and uniformity of appraisal of all types of property. On-the-job training is delivered by the Chief Appraiser for new appraisers and will meet regularly with staff to introduce new procedures and regularly monitor appraisal activity to ensure that all personnel are following standardized appraisal procedures.

## **Revaluation Decision (Reappraisal Cycle)**

The Marion Central Appraisal District reappraises all property every 3 years by designated area of the district. The reappraisal year is a complete appraisal of properties in the designated area. During a reappraisal, a decision is made on every property and an appraisal notice is sent to all taxpayers required. Tax Year 2025 is scheduled for a reappraisal for the East side of Hwy 59 excluding city and including the ORE CITY ISD (RA2). Tax Year 2026 is scheduled for a reappraisal for the City and select subdivisions (RA3). All Business Personal Property accounts will be appraised and reviewed each year.

## **Reappraisal Year Activities**

The goal for valuation of all property is to appraise all taxable property at "fair market value." The Property Tax Code defines Fair Market value as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if: exposed for sale in the open market with a reasonable time for the seller to find a purchaser; both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

1. Performance Analysis- the equalized values from the previous tax year will be analyzed with ratio study to determine the appraisal accuracy & appraisal uniformity overall and by the market area with property reporting categories. Ratio studies will be conducted in compliance with the current Standard on Ratio Studies on the International Association of Assessing Officers (IAAO).
2. Analysis of Available Resources- Staffing and budget requirement for tax year 2025 are detailed in the 2025 budget, as adopted by the board of directors. Staffing and budget requirements for the tax year 2026 will be addressed in the 2026 budget to be adopted by the board of directors in accordance with Section 6.06 of the Property Tax Code.

The Board of Directors of the Marion Central Appraisal District will contract Mineral, Industrial, Utilities & related Personal Property Appraisals for the 2025-2026 Appraisal Years. (Attached hereto in the Appendix)

Planning and Organization- A calendar of events with critical completion dates will be prepared for each area. This calendar will identify key events for appraisal, mapping and records, administrative and information systems. A calendar is prepared for tax years 2025-2026. Goals for field activities will be established and incorporated in the planning and scheduling process. (Attached hereto in the Appendix)



3. Mass Appraisal System- Computer Assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider. The Marion Central Appraisal District contracts with the firm Pritchard & Abbott, Inc. for these services.
4. Identifying and updating relevant characteristics- Field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each appraisal year include new construction, demolition, remodeling, re-inspection of certain market areas as needed, periodic re-inspection of the universe of properties, and field or office verification of sales data and property characteristics. Re-inspection of properties is to be completed using 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.
5. Pilot Study of Tax Year- new and/or revised mass appraisal models are tested each year. Ratio studies, by market area, are conducted on proposed values each year. Proposed values in each category are tested for accuracy and reliability in selected market areas.
6. Valuation by Tax Year- using market analysis of comparable sales and locally tested cost data, valuation models are specified and calibrated in compliance with supplement standards from the International Association of Assessing Officers (IAAO) and the Uniform Standards of Professional Appraisal Practice (USPAP). The calculated values are tested for accuracy and uniformity using ratio studies.
7. Mass Appraisal Report- each appraisal year the Texas Property Tax Code requires Mass Appraisal Report is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar. The Mass Appraisal Report is completed in compliance with Standard Rule 6-8 of USPAP. The signed certification by the Chief Appraiser is compliant with Standard Rule 6-9 of USPAP. This written reappraisal plan is attached to the report by reference.
8. Value Defense- the Appraisal District has the burden of proof regarding protests related to appraisal or market value as well as unequal appraisals. Inspection and/or disclosure of evidence and materials will comply with Section 41.461 Property Tax Code.

# 2025 and 2026 Reappraisal Plan

## Revaluation Decision

The Marion Central Appraisal District reappraises all property every 3 years by designated area of the district. The reappraisal year is a complete appraisal of properties in the designated area. During a reappraisal, a decision is made on every property and an appraisal notice is sent to all taxpayers in the designated area. All Business Personal Property accounts will be appraised and reviewed each year.

## Tax Year 2025

Tax Year 2025 is scheduled for a reappraisal for RA2, the East side of the county and select subdivisions.

## Tax Year 2026

Tax Year 2026 is scheduled for a reappraisal for RA3, City of Jefferson and selected subdivisions.

## Performance Analysis

In each tax year 2025 and 2026 the previous tax years equalized values are analyzed with ratio studied to determine appraisal accuracy and appraisal uniformity overall and by market area within state property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies from the International Association of Assessing Officers. Mean, Median & Weighted Mean ratios are calculated for properties in each reporting category to measure the level of appraisal accuracy and of coefficient of dispersion (COD) will be calculated to measure appraisal uniformity by property reporting category. In each appraisal year this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. Any reporting category that may have been previously excluded from reappraisal, due to lack of data, will be readdressed. If sufficient market data has been discovered and verified, the category will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

## Analysis of Available Resources

Staffing and budget requirements for tax year 2025 are detailed in the 2025 appraisal district budget, as adopted by the board of directors and attached to the plan as reference. This reappraisal plan may be adjusted as needed to reflect the available staffing in the appraisal year 2025 and the anticipated staffing for the appraisal year 2026. Staffing and budget restraints can impact the cycle of real property inspection and personal property on-site review that can be accomplished in the 2025-2026-time period.

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current as specified. In each reappraisal year, real property appraisal value tables are tested against verified sales data to ensure they represent current

market data. Personal Property density schedules are tested and analyzed based on rendition and prior year hearing documentation and inspections.

Information Systems (IS) support is detailed with year specified functions identified and system upgrades scheduled. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and testing. Existing maps and data requirements are specified and updates scheduled.

### **Planning and Organization**

A calendar of events with critical completion dates is prepared (see appendix). This calendar identifies all key events for appraisal, clerical, customer service and information systems. Production standards for field activities are calculated and incorporated in the planning and scheduling process. This plan encompasses the normal processes carried out each year by the district, therefore catastrophic events or significant legislative action may be a detrimental effect to the District's operations and require changes to this plan.

## **Mass Appraisal System**

Computer assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider. Marion Central Appraisal District contracts with the firm Pritchard & Abbott, Inc. for these services.

## **Real Property Valuation**

Revisions to cost models, income models and market models are specified, updated and tested each year, as information is available.

Cost Schedules will be tested with market data (sales) to insure that the appraisal district is in compliance with the Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables will be tested for accuracy and uniformity using ratio studies and compared with cost data from local building costs and recognized industry leaders, such as Marshall & Swift.

Land Tables are updated using current market data (sales) and then tested with ratio studies. Value modifiers are developed for property categories by market area and tested on a pilot basis with ratio study tools.

Income, expense and occupancy data will be updated in the income models for each market area or property type and cap rate studies will be completed using current sales data. The resulting models will be tested using ratio studies.

## Personal Property Valuation

Schedules are updated using data during previous tax year from renditions and hearing documentation. Valuation procedures are reviewed modified as needed and tested.

### Noticing Process

Section 25.19 appraisal notice forms are provided by the IS Provider. The Provider reviews and edits for updates and changes required by legislative mandates and reviewed by Appraisal District staff before mailing. The district publishes, in the local newspaper, information about the notices and how to protest. The district makes available the latest copy of the Comptroller's pamphlet *Taxpayer's Rights, Remedies and Responsibilities*.

### Hearing Process

Protest hearing scheduling for informal and formal Appraisal Review Board hearings will be reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district hearing documentation is reviewed and updated to reflect the current valuation process and requirements. Production of documentation is tested and compliance with Tax Code is insured. All formal ARB protests will be entered in the computer and related material printed for protest folders.

### Data Collection Requirements

Field and office procedures are reviewed and revised as required for data collection. Projects for each tax year include the definition of market areas, new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspected of the universe of properties on a specific cycle, and office (or field) verification of sales data and property characteristics.

#### New Construction/Demolition

New Construction field and office review procedure are identified and revised as required. Field production standards are established and procedures for monitoring tested. Sources of building permits are confirmed. Municipal and county offices provide, as available, notification of utility hookups, septic system instillation, development permits, demolition orders, etc. Process of verifying demolition of improvements is specified.

#### Remodeling

Market Areas with extensive improvement remodeling are identified, verified and field activities scheduled to update property characteristic data. Official Public Records provide indications of properties that may be undergoing enhancement through Deeds of Trust, Mechanics Liens, etc. Property identified as having remodel or improvement updates will be scheduled for onsite inspection to verify property characteristic data.

### **Re-Inspection of Problematic Market Area**

Real property market areas, stratified by property classification, will be tested for low or high sale ratios, and high COD (coefficients of dispersion). Market area that fail and or all of these test will be reviewed. Field reviews will be scheduled to verify and correct property characteristics data. Additional sales data will be researched and verified in order to assess whether the market area is correctly defined and stratified.

### **Re-Inspection of the Universe of Properties**

The International Association of Assessing Officers' Standard on Mass Appraisal of Real Property, specifies that the universe of properties should be re-inspected on a cycle of 4 to 6 years. The re-inspection includes physically viewing the property, photographing (if possible), and verifying the accuracy of the existing data. The field appraiser has an appraisal card of each property to be inspected and makes notes of changes, depreciation, remodeling, additions, etc. The re-inspection requirements for 2025-2026 Tax Years are identified and scheduled in the reappraisal plan.

### **Field or Office Verification of Sales Data and Property Characteristics**

Sales information must be verified and property data (characteristics), contemporaneous with the date of sale, must be captured. Valid statistical analyses for direct and indirect equalization using sales ratios require the appraisal data to reflect the condition of the property at the time of sale.

## **Market Areas**

Marion County's neighborhoods or market areas consist of one (1) Independent School District & two (2) overlapping Independent School Districts that encompass the whole county with (1) City. City of Jefferson is a mixed use town. Historic Bed & Breakfast Community with Light Retail best describes it. 2 lakes surround the county, Caddo Lake and Lake O' The Pines has numerous subdivisions located around each body of water which creates a specific market area. Areas within the counties boundaries are rural, open-space, timberland and farms. Being a rural East Texas county, many homes, small farms, hay and cattle operations and timber growing operation make up a large portion of the tax base. Within these areas, there are subsets that may be characterized as being in a stage of **growth, stability or decline**.

The growth period is a time of development and construction. As new neighborhoods in a community are developed, they compete with existing neighborhoods. An added supply of new homes tends to induce population shift from older homes to newer homes or historic homes becoming modernized with newer home trends.

In the period of stability, or equilibrium, the forces of supply and demand are about equal. Generally, in the stage of equilibrium, older neighborhoods can be more desirable due to their stability of residential character and proximity to the workplace and other community facilities.

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

Rural properties with different uses; recreational, agriculture, or vacant for example may create specific market subsets, with characteristics specific to each that help define it and drive its value.

The appraiser is responsible for determining the highest and best use of property.

### **Highest and Best Use**

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and productive to its maximum. The highest and best use of residential property is normally its current use. This is due in part to the fact that residential development, in many areas, through use of deed restrictions and zoning, precludes other land uses.

Residential valuation undertakes reassessment of highest and best use in transition areas and areas of mixed residential and commercial use. In transition areas with ongoing gentrification, the appraiser reviews the existing residential property use and makes a determination regarding highest and best use. Once the conclusion is made that, the highest and best use remains residential, further highest and best use analysis is done to decide the type of residential use on a neighborhood basis.

Example:

***It may be determined in a transition area that older, non-remodeled homes are economic detriments, and the highest and best use of such property is the construction of new dwellings.***

Constant attention must be paid to the set market areas, to insure uniformity and accuracy of appraisals, but also to the subsets of these since they may change from year to year.

Production standards for field activities and results are tested on an annual basis with the use of sales data gathered through buyer and seller questionnaires mailed by the appraisal district, verbal contact with citizens of Marion County, and confirmations of sales activity in warranty deed or county clerk's recorded documents. Just as with the annual Property Value Study performed by the Comptroller's Property Tax Division the use of sales and recognized auditing and sampling techniques are used to determine the level and uniformity of property tax appraisal in this district. This process utilizes statistical analysis of sold properties (sales ratio) and appraisals of unsold properties (appraisal ratios) as a basis for assessment ratio reporting. The reported measures include the 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 (PDR) for properties overall and by state category. The ratio study includes stratified samples to improve sample representation for measuring uniformity.

## **Pilot Study**

New and/or revised mass appraisal models are tested each year. Ratio studies, by market category, are conducted on proposed values each tax year. Proposed values on each category are tested for accuracy and reliability. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and model calibration are in compliance with *Uniform Standards of Professional Appraisal Practice*, Standard Rule 6.

## **Valuation by Appraisal Year**

Using market analysis of comparable sales and locally tested cost data (if available), valuation models (value per square foot schedules) are specified and calibrated in compliance with supplemental standards from the *International Association of Assessing Officers* and the *Uniform Standards of Professional Appraisal Practice*. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the *IAAO Standard on Ratio Studies*. Property Values in all market areas are analyzed and updated as necessary each appraisal year.

### **Residential Real Property**

Ratio Studies will be conducted on neighborhoods in the district to judge the two primary aspects of mass appraisal accuracy level and uniformity of value. The valuation process for residential property normally begins in August. Land analysis, sales outlier review, neighborhood sales analysis, and finalization of proposed estimates of value will be worked from August thru mid-April.

#### **Valuation Methods Used:**

##### **Sales Comparison Approach (also referred as Market Approach)**

In this method of valuation, similar properties recently sold in the current market are analyzed and compared with the property being appraised. Sales data is run by classification and location. Adjustments are made for differences in such factors as time of sale, location, type, age and condition of the improvements. Review the sales ratio for uniformity or equity of existing appraisals and if any adjustments need to be made. In comparing of classes of houses and/or age factors, classes can be identified which may require adjustments up or down.

## Cost Approach

In the method of valuation, an estimate is made of current costs of reproduction or replacement of the improvements. This is known as the cost per square foot and is adjusted to reflect depreciation from all forms (physical, functional and economic obsolescence) and is added to the value of the land.

Model used to estimate the present value:

$$\begin{aligned} & \text{RCN (replacement cost new)} \\ & \quad \text{-DEPRECIATION} \\ & \text{RCNLD (replacement cost new less depreciation)} \\ & \quad \text{+LV (land value)} \\ & \text{MARKET VALUE} \end{aligned}$$

Costs tables are developed based on information obtained from mechanic's liens on local costs and Marshall & Swift Valuation Guide. Folders have been set up for a better comparison and study which includes ratio study and mechanic lien information.

## Income Approach

In the method of valuation, a value of an investment property reflects the quality and quantity of income it is expected to generate of its life. In other words, value is the estimated present value of future benefits, namely income and proceeds from the sale of the property. The appraiser must estimate income from a property and capitalize the income into an estimate of current value.

Model used to estimate the present value of income expected in the future is represented by the following formula known as IRV. (VALUE=INCOME/RATE OR, INCOME= RATE X VALUE OR, RATE= INCOME/VALUE)

$$\begin{aligned} & \text{POTENTIAL GROSS RENT} \\ & \quad \text{-VACANCY & COLLECTIONS} \\ & \text{EFFECTIVE GROSS RENT} \\ & \quad \text{+OTHER INCOME} \\ & \text{EFFECTIVE GROSS INCOME} \\ & \quad \text{-ALLOWED EXPENSES} \\ & \text{NET OPERATING INCOME} \\ & \quad \text{/CAPITIALIZATION RATE} \\ & \text{MARKET VALUE} \end{aligned}$$



The income approach is most suitable for types of properties frequently purchased and held for the purpose of producing income, such as apartments, commercial buildings and office buildings. It is not conducive to the valuation of single-family residential properties that are seldom rented, or where market demand factors such as personal preference or location unduly influence the market.

### **Special Inventory Residential Property**

Residential improved and vacant property, when qualified as inventory, will be appraised in compliance with the Texas Property Tax Code Section 23.12 (a).

In general, the district would use its own land estimates and the actual itemized construction, labor and material costs, plus other indirect costs to estimate market value as of the assessment date. The market values of improved inventory will be reviewed annually and inventory consideration will be eliminated when ownership transfers to the property owner.

Vacant residential inventory, when appropriate, will be valued using a discounted cash flow formula that considers value relative to the income or cash flow, the interest or discount rate and the number of years the property is likely to be held. As with improved inventory, full market value will be applied once the vacant land is absorbed and ownership transfers for the purpose of residential construction.

### **Agriculture and Timber Land**

The appraisal of agriculture or timber land is governed by Chapter 23 of the Property Tax Code. The appraised value of qualified open-space or timber land is determined on the basis of the category of land, using accepted income capitalization methods applied to average net to land.

Schedules for valuing qualified land have been developed for various agriculture uses and types of timber production. These schedules are reviewed annually and update using data from sources such as Texas Forest Service and Texas Agriculture Extension Service as well as local landowners engaged in leasing land for agriculture use.

### **Commercial Real Property**

All commercial properties including but not limited to retail properties, apartments, warehouses, medical offices, golf courses, office buildings, mobile home parks will be valued by the cost approach, income approach or sales comparison approach as deemed most appropriate pursuant Section 23.0101 of the Texas Property Tax Code. Ratio studies will be performed to test the level and uniformity of appraisal within the specific property use categories.

#### **Valuation Methods Used:**

#### **Sales Comparison Approach (also referred as Market Approach)**

In this method of valuation, similar properties recently sold in the current market are analyzed and compared with the property being appraised. Sales data is run by classification and

location. Adjustments are made for difference in such factors as time of sale, location, type, age and condition of the improvements. Review the sales ratio for uniformity or equity of existing appraisals and if any adjustments need to be made. In comparing of classes of houses or age factors, classes can be identified which may require adjustments up or down.

### Cost Approach

In the method of valuation, an estimate is made of current costs of reproduction or replacement of the improvements. This is known as the cost per square foot and is adjusted to reflect depreciation from all forms (physical, functional and economic obsolescence) and is added to the value of the land.

Model used to estimate the present value:

$$\begin{aligned} & \text{RCN (replacement cost new)} \\ & \quad \text{-DEPRECIATION} \\ & \text{RCNLD (replacement cost new less depreciation)} \\ & \quad \text{+LV (land value)} \\ & \text{MARKET VALUE} \end{aligned}$$

Costs tables are developed based on information obtained from mechanic's liens on local costs and Marshall & Swift Valuation Guide. Folders for each class have been set up for a better comparison and study which includes ratio study and mechanic lien information.

### Income Approach

In the method of valuation, a value of an investment property reflects the quality and quantity of income it is expected to generate of its life. In other words, value is the estimated present value of future benefits, namely income and proceeds from the sale of the property. The appraiser must estimate income from a property and capitalize the income into an estimate of current value.

Model used to estimate the present value of income expected in the future is represented by the following formula known as IRV.

$$\text{VALUE} = \text{INCOME} / \text{RATE}$$

OR

$$\text{INCOME} = \text{RATE} \times \text{VALUE}$$

OR

$$\text{RATE} = \text{INCOME} / \text{VALUE}$$

The income approach is most suitable for types of properties frequently purchased and held for the purpose of producing income, such as apartments, commercial buildings and office buildings. It is not conducive to the valuation of single-family residential properties that are seldom rented, or where market demand factors such as personal preference or location unduly influence the market.

### **Business Personal Property**

These property types will be valued annually by the appraisal district staff. The Personal Property Appraiser engages in an annual canvas field review to identify new businesses to be added to the roll, movement of existing businesses to different locations or business closings and data review of current property characteristics in property records. Once pertinent data is updated in the field, property rendition forms will be sent to owners in order that they may declare their taxable personal property according to current law. The information obtained from renditions will be utilized by the district to develop an estimate of value. Generally, estimates of value developed for personal property will be produced by mid to late April of each appraisal year. The notices of appraised value for these properties are generally mailed in mid-May.

#### **Valuation Methods Used:**

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

Business Personal Property is typically sold as part of the business as a whole and not by itself, which makes this approach unsuitable for valuing most personal property. This approach is only suitable for the valuation of certain types of vehicles, heavy equipment and airplanes. Value estimates for vehicles will be provided by independent sources and based on data furnished by market reports. These types of properties will be appraised using market guides such as NADA book values or Just Texas and/or Info Nation values.

##### **Cost Approach**

Actual values from renditions are used when applying values for inventory. The total cost is used as the basis for market value because cost is a good indicator of what a purchaser would pay for a similar inventory to go into business at the same level of trade. Property listings, furniture, fixtures, machinery and equipment is used from rendition for original costs then depreciated for age based on type of equipment, age, condition and use. If replacement cost is used, we estimate the replacement cost of each item and estimate the actual physical depreciation of each item. In striving for uniform value of personal property, consideration must be given to such factors as new replacement cost, age, physical condition and allowance for depreciation of each item of property. Percent good depreciation tables are provided by the Property Tax Division of the State Comptroller's office each year and are followed.

Cost per square foot method is used when rendition information is not available or undetermined. The type of business, quality and density of inventory, furniture and fixtures, machinery and equipment are serving in a useful capacity, they bear a value. Specific

procedures and guidelines must be used as basis for determining the fair value of the various types of property in order to attain and preserve uniformity.

### **Income Approach**

Any information of income can be used to verify valuation.

### **Mineral, Industrial, Utility and Related Personal Property**

The Marion Central Appraisal District will contract with an appraisal firm with specific expertise for the valuation of minerals, heavy industrial, utilities, railroads, pipeline properties and related personal property. These properties will be reappraised annually by the firm using recognized methods and techniques as required by the *Uniform Standards of Professional Appraisal Practice*.

## **Mass Appraisal Report**

Each tax year the tax code required the Mass Appraisal Report is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar on or about May 15. The Mass Appraisal Report is completed in compliance with Standard Rule 6-8 of the *Uniform Standards of Professional Appraisal Practice*. The signed certification by the Chief Appraiser is compliant with Standard Rule 6-9 of *USPAP*. This written reappraisal plan is attached to the Mass Appraisal Report by reference.

## **Value Defense**

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearings will be developed. Inspection and/or disclosure of evidence and related materials will comply with Section 41.461 of the Property Tax Code. A variety of evidence is utilized by the district depending on the property type of the subject of the protest. In addition, the district updates the evidence supplied to an owner, agent, or Appraisal Review Board to be contemporaneous with the valuation procedures utilized. Some examples of evidence may be used include, but not limited to:

1. Property sales information
2. Property sale adjustment grids
3. Property equity adjustment grids
4. Gross Rent/Income Multiplier data
5. Performa and actual Income data
6. Property characteristics data including photos, if applicable
7. Aerial photography
8. Cost Approach reports, if applicable
9. Property Rendition, if applicable

- 10. Published Reports regarding cost, market or income data
- 11. Schedules and Models Utilized
- 12. Any other Information collected by CAD

## **Performance Test**

According to Chapter 5 of the TPTC and Section 403.302 of the Texas Government Code, the State Comptroller’s Property Tax Division (PTD) conducts a property value study (PVS) of each Texas school district and each appraisal district. As part of this study, the code requires the Comptroller to: use sales and recognized auditing and sampling techniques; review each appraisal district’s appraisal methods, standards and procedures to determine whether the district used recognized standards and practices (MSP 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 analyses of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting.

For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median and price-related differential (PRD) for properties overall and by state category.

The preliminary results of this study are released February 1 in the year following the year of appraisal. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) the following July. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

## HOMESTEAD VERIFICATION POLICY

30-Day letter: This notice is sent only after the 60<sup>th</sup> day has expired and a reasonable effort has been made to locate the individual(s). It must include in bold font equal to or greater in size than the surrounding text, the date on which you will cancel/deny the exemption. This letter should be sent as a regular first class mail. Scan, attach in the document tab in the CAMA system and a copy should be provided to the Customer Service clerk.

In compliance with SB 1801 approved by the Texas Legislature, and effective September 1, 2023 the following policy for Homestead Verification is in effect:

In November thru December of each year, 1/3 of the county (RA1, RA2 or RA3), will receive mobile home (Appendix G, on blue paper) and homestead (Appendix H, on Yellow paper) verification letters.

After the deadline to return the homestead verification letters, a list will be printed of those who did not return the verification. All verified homesteads will be coded with an "H" in User Code 3 of the cama system. PROPERTY TAX CODE Sec 11.47 (c) *The appraisal office shall investigate each residence homestead exemption allowed a person whose letter/card is returned undelivered.* For those property owners who did not return the verification, or whose was returned undelivered, the District will use computer assisted research tools, such as Lexis Nexis, to verify or confirm that current mailing address is still the physical addresses of the homesteaded property. Additional avenues of discovery include but are not limited to: probate list from County Clerk's office, funeral home obituaries, newspaper obituaries returned mail forwarding. All properties that do not have the same mailing address or cannot be confirmed, will be removed.

Removal of homestead EXCEPT for Over 65, Disabled Veterans or Disabled Individuals, must fulfil all of the following steps:

The letter requesting more information, modifying the application or DENYING/REMOVING the application may be sent in regular first class mail. Requesting more information may include a stamped envelope addressed to the Appraisal District.

Removal of a homestead of an Over 65 individual, Disabled Veteran or Disabled Individual the following steps must be taken:

- 60-day letter: This notice must include a spot for which the individual may indicate whether or not they qualify to receive the exemption. This letter must be sent certified first class mail. A SELF-ADDRESSED POSTAGE PREPAID ENVELOPE WITH INSTRUCTIONS FOR RETURNING THE FORM MUST BE INCLUDED. You must document the self-addressed postage paid envelope along with the letter, scanned and attached in the document tab in the CAMA system. A copy should be provided to the Customer Service clerk as well.

# Appendix

Wardlaw Appraisal Group Reappraisal Plan 2025-2026

Calendar of Key Events for 2025

Calendar of Key Events for 2026

# **WARDLAW APPRAISAL GROUP**

## **CLIENT APPRAISAL DISTRICT**

### **Reappraisal Plan 2025-2026**

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#### **Contract Valuation Support**

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##### **Appraisal Responsibility**

Wardlaw Appraisal Group, LC (Wardlaw) provides complex property appraisal support services for client County and Central Appraisal Districts (CAD). Client CADs contract with Wardlaw because we have specialized expertise which the CADs may not have in appraising these complex properties. The complex properties Wardlaw appraises are generally referred to as mineral, utility, industrial, commercial and real properties and fall under the Texas Property Tax Classification Categories F, G, J, and L.

The specific contract between Wardlaw and each client CAD specifies appraisal responsibilities. Generally, those responsibilities include discovering, inspecting, appraising, maintaining and providing ownership and valuation records for the specific properties that are the subject of the contract. The contracts establish that Wardlaw acts as an agent of the CAD to provide many of the appraisal and support services required under the Texas Property Tax Code and the Uniform Standard of Professional Appraisal Practices (USPAP). This document details the reappraisal practices that Wardlaw performs on behalf of CADs and is intended to be incorporated by CADs into their own Reappraisal Plan.

##### **Appraisal Calendar & Timetable**

Wardlaw adheres to the property tax calendar as established by the State of Texas Property Tax Code. The Wardlaw appraisal calendar generally follows this schedule:

<b><u>Convert to New Year Database:</u></b>	<b>~ October 1</b>
<b><u>October – March:</u></b>	Field Inspections of Properties for upcoming tax year
<b><u>January 1:</u></b>	Beginning of the Tax Year
<b><u>Prior to January 31:</u></b>	Mail Rendition Request Letters & Operator Data Requests
<b><u>January 31:</u></b>	Last day for receipt of 25.25 protests from prior year
<b><u>April 15<sup>th</sup> to May 15<sup>th</sup>:</u></b>	Renditions due (dates dependent property type)
<b><u>Around April 15:</u></b>	Send out Preliminary Mineral Appraisals
<b><u>Around May 1:</u></b>	Mail Initial Notices of Appraised Value
<b><u>May 1:</u></b>	Begin Equalization Process. Work with property owners to settle formal and informal protests
<b><u>By June 1:</u></b>	Mail Remaining Notices of Appraised Value
<b><u>Late June – Early July:</u></b>	Informal and Formal ARB Hearings
<b><u>Mid-July:</u></b>	Deliver Totals and Certified Rolls & Export to CADs
<b><u>August – November:</u></b>	Process Property Supplements, Additions & Deletions
<b><u>Ongoing:</u></b>	New Property Discover

##### **Equalization Period**



The equalization period begins when the Chief Appraiser submits the appraisal records to the Appraisal Review Board (ARB) for review. Preliminary values established by the 25.19 Notices of Appraised Value are subject to change during this period. These changes can be initiated by property owner formal or informal protests. The changes can also be initiated by Wardlaw if new information regarding a property becomes available. Formal and informal protests on the mineral, utility, industrial, commercial and real properties are handled directly by Wardlaw, within the appropriate timetables established by the Property Tax Code. Wardlaw attempts to contact protesting taxpayers so that we can;

- 1) Provide the taxpayer an opportunity to explain the reason for their protest,*
- 2) Explain the appraisal methodology and appraisal parameters used on each protested property,*
- 3) Consider whether the preliminary appraisal should be adjusted considering taxpayer evidence, and*
- 4) Provide settlement and withdrawal paperwork to the taxpayer if appropriate.*

Wardlaw directly responds to taxpayer requests for appraisal information and supporting appraisal documentation by providing the requested information in a timely manner. Wardlaw then goes on to represent the CAD before the ARB to justify appraised values for all protested properties that fall under the mineral, utility, industrial, commercial and real contract.

Documentary evidence of formal and informal changes is then provided to the CAD and ARB in the form of Withdrawal of Protest Settlement waivers on formally protested accounts. The final values are then delivered for certification.

## **Minerals (Oil and Gas Reserves) Valuation Process**

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### **Appraisal Responsibility**

Minerals-in-place (oil and gas reserves) are real property classified as Category G property under the Texas Property Tax Code. As a commodity, minerals-in-place are part of a national market so there is no local market area to consider. Wardlaw performs an appraisal as of January 1 each year on every producing mineral property in the CAD to determine the market value of the oil and gas mineral reserves for ad valorem tax purposes.

DCF analysis is the primary method used for appraising mineral properties. The Market Data Comparison Method of Appraisal (Section 23.013) can be used when appropriate and when the necessary data is available. However, because the sales and purchase prices of oil and gas properties are not generally disclosed, the Market Data Comparison method is seldom used. The Cost Method of Appraisal (Section 23.011) does not estimate the market value as defined in Section 1.04 of the Texas Property Tax Code and since the cost of drilling a well has no relationship to the value of the production, the cost method is not valid.

Discounted Cash Flow (DCF) analysis is the Income Method of Appraisal (Section 23.012 of the Texas Property Tax Code) and is used as the most appropriate technique for determining the market value of mineral properties. WAG uses DCF analysis to appraise every producing lease in the appraisal districts we support. The appraised value of each lease is distributed to each working interest, royalty interest, and overriding royalty interest owner based upon their decimal interest in the lease.

Mineral interests are commonly divided into property ownership interests known as working interests, overriding interest, and royalty interests. The valuation of each type of interest begins with the valuation of the producing well on the mineral lease. That value is then allocated to the property ownership interests based on the decimal ownership value identified in the division orders for each lease. It is the goal and purpose of the CAD to identify every producing mineral property within the district and estimate the market value of each property listed on the roll.

### **Appraisal Resources**

**Personnel** – Wardlaw provides adequate personnel to meet all contract appraisal requirements.

**Data** - A common set of production data for each mineral property account in each CAD is collected from the Texas Railroad Commission Records and data entered to the appraisal firm's database. The property characteristic data is gleaned from the production data and drives the computer-assisted mineral property appraisal system. Railroad Commission records are searched to discover new leases as of January 1 of each year and descriptive information is gathered to determine the location of the lease within the CAD jurisdictional boundaries. Records are also reviewed for changes in production for existing wells, for abandoned wells, and for non-producing wells with salvage value for the equipment, tanks, and tubular goods. Production history for each mineral lease is gathered from HPDI, Drilling Info, Petroleum Information, and from the Texas Railroad Commission. Division Orders on each lease are requested annually from lease operators and checked against the existing division orders for changes as well as for accuracy of owner name, address, and ownership percentage interest. To help determine operating expense information on each active lease, lease-specific operating expenses are requested annually. A Confidential Lease Operating Expense Detail request letter is e-mailed or mailed, to the operators or agents representing operators requesting lease-specific operating expenses.

To assist with the economic parameters influencing these properties, general economic data is gathered for the valuation process. The method of appraisal for minerals-in-place is the discounted cash flow analysis which looks at the net present value of the future income that is derived from operating the lease. Current interest rates, market rates of return and levels of discounting the investment are factors to consider when evaluating the returns necessary to attract investment capital for this type property. The annual capitalization rates are calculated using the "Manual for Discounting Oil and Gas Income" as developed by the Texas Comptroller's Office. Data is obtained from Ibbotson's SBBI Valuation Edition, Wall Street Journal, Standard & Poor's Bond Guide, and Value Line Investment Survey "Ratings and Reports".

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

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

Crude oil and natural gas prices are required information in the valuation of mineral property because these prices are necessary to determine income to the lease and the economic life of the production from the lease. The crude oil sales price and natural gas sales price used for the first year of the appraisal analysis is based on the previous year's average price multiplied by the Price Adjustment Factor (PAF). The prices are then escalated or de-escalated for five (5) years according to the Texas Property Tax Code Sec. 23.175 Section (a). Lease operating expenses are estimated based on rendered information, actual operating cost and expenses, and from surveys of lease operators in the CAD. The January 1 production starting rate is based on the actual production rate or upon a projection of past average production. The past oil and gas production history of the lease is analyzed to estimate the future rate of production decline of the lease. Other considerations include past lease expenses and recent operating parameters such as water production, workover operations, and secondary recovery efforts. Current operating income and expenses for the lease are calculated in a discounted cash flow model used by the appraiser to evaluate and estimate the net present value of producing oil and gas income from the lease. Discount rates established for each lease based upon the particular risks inherent with production of oil and gas from that property. The discounted cash flow model allows the appraiser to establish current market value of the lease based on the discounted value of the future estimated recoverable reserves. This methodology is approved and recommended by the Property Tax Division of the Comptroller's Office and is a recognized method of appraisal by industry standards. The appraisal firm has utilized the discounted cash flow model to estimate the market value of each lease located in each CAD.

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

The method of value review for this type of property is based on the review of the factors estimated within the discounted cash flow analysis methodology such as the discount rate, product prices, and operating expenses. Evaluation and verification of these economic factors as to their validity within current economic times and based on current capital requirements for investment in this type property is re-confirmed and reviewed for reasonableness. Sales of mineral properties are considered but adequate sale data is usually not available due to difficulty in confirming sales. The market for this type of property is neither an active nor an efficient market, there are very few participants and pricing information is mostly confidential. There is no source for tracking these transactions and property owners are reluctant to reveal market information concerning prices paid or terms of the transaction. Because of a lack of market sales on mineral property, appraised values are regularly compared to similar properties within the same production field, field of exploration, strata of formation, or production history and expense level.

Ratio studies are a source of comparison to evaluation level and uniformity of appraisal. When market sales are available the ratio study is based on a comparison of the appraised value to the sale price. For mineral property, which lacks available market sales, a ratio study is a comparison of another appraisal opinion with the opinion of the district to determine level and uniformity of

appraisal. The Property Tax Assistance Division of the Comptroller's Office conducts biennial ratio studies of selected mineral properties to gauge the districts appraisal performance. The PTAD utilizes the same valuation methodology as the CAD to appraise individual mineral properties. This opinion of value is then utilized as market evidence with the same significance as if the property sold for that value. The estimated value of the property in each CAD is compared to the appraisal by the PTAD to calculate the ratio and the indicated level of appraisal. This study indicates the median and mean levels of appraisal for mineral property and is considered reliable as a review and evaluation tool.

## **Utility, Industrial & Commercial Property Valuation Process**

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### **Appraisal Responsibility**

Utility, Industrial and Commercial properties are the tangible assets of various businesses including electric production, transmission, and distribution companies, railroads, petroleum product gathering and delivery pipelines, telephone and communication providers and others. Utility properties are identified in the Texas Property Tax Code as Category J property. Industrial properties are identified under the Texas Property Tax Codes as categories L2 (Industrial, Personal), F2 (Industrial, Real) and L1 (Commercial). The valuation of these properties is considered to be complex due to the involvement of both tangible and intangible property elements that comprise these businesses and due to the size of some of the utilities that are regional and national companies. The appraisal of these companies becomes complex when considering the valuation of the property as a unit in place, evaluating the property by the approaches to value at the company level. The appraisal district does not have personnel qualified to perform this type of appraisal. An appraisal firm is employed to provide the expertise to perform this type of appraisal. Once the estimated value of the unit is determined by the appraisal firm, that estimated market value is allocated based on the tangible property assets that are located within each CAD.

### **Appraisal Resources**

Personnel – Wardlaw provides adequate personnel to meet all contract appraisal requirements.

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

The appraisal of utility and industrial property utilizes three-approach analysis to form an opinion of value for the property. Financial and capital market information is pertinent to understanding factors affecting valuation of complex property. It is necessary to gather financial data to attempt understanding investor and corporate attitudes for capital return expectations and to give consideration to return components such as current interest rates, capital debt structure, bond market rates, and capital supply and demand trends. These financial factors result in overall return rates and capital structure for these companies and affects capitalization rates. The weighted average cost of capital is the most commonly used method of estimating capitalization rates for utility properties. Capitalization rates are estimated using capital return expectations from various publications: Duff & Phelps Valuation Handbook, Wall Street Journal, Emergent Bond Record, Moody's Corporate Bond Yield Averages, Standard & Poor's Capital IQ. Industry specific information is also gathered from web sites, publications, periodicals, and reference manuals. Wardlaw then estimates the capitalization rate for utility appraisal under the income approach.

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

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

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

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

Review of the valuation of utility property is based on verifying economic and financial factors utilized in the methodology as relevant to current capital markets and that these factors reflect current return expectations. Market sales of utility properties do occur and are a good source for comparison and review when the price of the tangible assets can be abstracted or allocated from the selling price. Typically, the sale of utility companies involve significant intangible property assets such as customer base, goodwill, favorable contracts, name recognition, etc. and the contributory value and allocation of these assets is subjective and unknown. In Texas, intangible property assets are exempt from taxation and must not be included on the appraisal roll as taxable property. Therefore, because of the lack of specific market information on sales of utility properties, appraised value is regularly compared to the valuation of similar property within the same set of property characteristics, business type and size. More of comparison for equity concerns on valuation rather than the full recognition of a market level certainty about appraisal level. Of course, the estimated value is based on recognized methodology for considering the

valuation of these tangible assets, but true market confirmation of these factors may not be possible due to minimal market knowledge and experience.

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

## STAFF PROVIDING SIGNIFICANT MASS APPRAISAL ASSISTANCE

### *Attachment A*

#### *Wardlaw Appraisal Group Personnel*

#### PROPERTY TAX APPRAISER CERTIFICATION

<b>TDLR #</b>	<b>NAME</b>	<b>TYPE</b>
74200	CRAIN, MALLORY M.	APPRAISER, RPA
74717	SHERWIN, PROCTOR	APPRAISER, RPA
66026	WARDLAW, MARGARET A.	APPRAISER, RPA
67635	VILLARREAL IV, MARTIN	APPRAISER, RPA
68139	WARDLAW, MALCOLM	APPRAISER, 2
77317	MADDIN, ELIZABETH	APPRAISER, 2
77412	CAMARILLO, AILEEN	APPRAISER, 2
78046	MCGINNIS, CLAIRE	APPRAISER, 1
77854	CASTRO, AMANDA	APPRAISER, 1

#### PROFESSIONAL ENGINEERING CERTIFICATION

<b>PE#</b>	<b>NAME</b>	<b>BRANCH</b>
76914	WARDLAW, MARGARET PEGGY ANNE	PETROLEUM

#### PROFESSIONAL ENGINEERING FIRM CERTIFICATION

<b>FIRM #</b>	<b>FIRM NAME</b>
5194	WARDLAW APPRAISAL GROUP LC

# 2025 CALENDAR OF KEY EVENTS

## PROJECTED DATES

## APPRAISAL RELATED ACTIVITY OR EVENT

January-February, 2025

- Notify the taxing units of the form in which the appraisal roll will be provided to them (Sec. 26.01).
- Continue appraisal of RA2; 2025 new mobile homes.
- Begin BPP appraisals for all of county.
- Submit for approval, 2024 4<sup>th</sup> Quarter Change Dockets, to the ARB
- January 1 – Statutory appraisal date for most categories of taxable properties.
- Begin running sales ratio reports.
- Identify necessary schedule adjustments.
- New Year (JAN 1) and MLK Holidays (JAN 20) – District office closed.
- Update all known regular homestead Exemptions to over-65 exemptions with birthdates in 1960.
- Begin working on 2025 BPP Renditions.
- President’s Day (FEB 17) – District office closed.
- Annual TAAD’s Conference (FEB 16-19).
- Mari Gas (FEB 28) – District office closed.
- Continue running sales ratio reports.
- Refine sales analysis and mass appraisal schedules.
- Statistically test schedules.
- Complete data entry of all reappraisal and maintenance changes.

March, 2025

- Texas Independence Day – District closed.
- Completion of all fieldwork including BPP, commercial and residential.
- Finalize 2025 RE schedule changes.
- Execute mass appraisal/maintenance activities.
- Invoice for 2025 2<sup>nd</sup> Quarterly Budget Allocation mailed to taxing units.
- Run Error Edits in preparations of 25.19 Notices for Appraised Values.
- Prepare for mailing 2025 25.19 Notice of Appraised Value.

April, 2025

- Submit for approval, 2025 1<sup>st</sup> Quarter Change Dockets, to the ARB
- Release to Pritchard & Abbott, Inc for printing of 25.19 Notices of Appraised Value.
- Mail notices of appraised value (Sec. 25.19).
- Property owners to file renditions and property information reports unless they request a filing extension in writing (Sec. 22.23).
- Submit 2025 Certified Estimated Value to taxing units.
- Good Friday (APR 18) – District closed.
- Begin Operating Budget preparations for 2026.
- Last day for property owners to file these applications or reports with the CAD:
  - Some exemption applications (Sec. 11.43)\*\*
  - Notice to chief appraiser that property is no longer entitled to an exemption not requiring annual application (Sec. 11.43);



- Applications for special appraisal or notices to chief appraiser that property no longer qualifies for 1-d and 1-d-1 agricultural land, timberland, restricted-use timberland, recreational-park-scenic land and public access airport property (Secs. 23.43, 23.54, 23.75, 23.84, 23.94, 23.9804);
- Railroad rolling stock reports (Sec. 24.32);
- Requests for separate listing of separately owned land and improvements (Sec. 25.08);
- Requests for proportionate taxing of a planned unit development property (Sec. 25.09);
- Requests for separate listing of separately-owned standing timber and land (Sec. 25.10);
- Requests for separate listing of undivided interests (Sec. 25.11); a
- Requests for joint taxation of separately owned mineral interest (Sec. 25.12).
- Begin informal hearings with property owners/agents

#### May, 2025

- Period when chief appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Secs. 41.41, 41.70).
- Property owners to file renditions and property information reports if they requested an extension in writing. For good cause, chief appraiser may extend this deadline another 15 days (Sec. 22.23).
- Prepare appraisal records and submit to ARB (Secs. 25.01, 25.22).
- Memorial Day (MAY 26) – District office closed.
- Hold informal hearings with property owners/agents

#### June, 2025

- Invoice for 2025 3<sup>RD</sup> Quarterly Budget Allocation mailed to taxing units.
- Hold 2025 Formal Protest hearings with ARB in June
- Juneteenth (JUN 19) – District closed.

#### July, 2025

- July 4<sup>th</sup> – District office closed.
- 2025 Employee Performance Reviews – reviewed with staff.
- Submit for approval, 2025 2<sup>nd</sup> Quarter Change Dockets, to the ARB
- July 20 - Date ARB must approve appraisal records BY, but may not do so if more than 5 percent of total appraised value remains under protest.
- July 25 - Last day for Texas Comptroller to certify apportionment of railroad rolling stock value to counties, with supplemental records after that date (Sec. 24.38).
- July 25 - Last day for chief appraiser to certify appraisal roll to each taxing unit (Sec. 26.01). (Creates Appraisal Roll)

#### August, 2025

- Begin 2026 appraisal fieldwork for Residential and Commercial properties; Jan 2025-July 2025 mobile homes; City & Subdivisions.
- Begin data collection of sales, cost and income for 2026 model calibration.
- Review ratio study, identify key areas for review.

- Roll appraisal year from 2025 to 2026.
- Lyndon B Johnson Day (AUG 27) – District office closed.

#### September, 2025

- September 1 – Statutory Appraisal Date for certain Inventory Properties (23.12)
- Labor Day (SEP 1) – District office closed.
- Begin review of 2026 Business Personal Property (BPP) valuation models.
- September 15 – Statutory deadline for MCAD BOD to approve 2026 Operation Budget.
- Invoices for 2025 4<sup>th</sup> Quarterly Budget Allocations mailed to taxing units.

#### October, 2025

- Submit for approval, 2025 3<sup>rd</sup> Quarter Change Dockets, to the ARB
- Taxing units mail 2025 tax bills – Appraisal staff for support with tax offices.
- Burn Rally (OCT 10) – District office closed.

#### November, 2025

- Hold Ag Advisory Board meeting and send out questionnaire.
- Mail out homestead and mobile home surveys
- Veteran’s Day (NOV 11) and Thanksgiving Holidays (NOV 26-28) – District office closed.

#### December, 2025

- Christmas Holidays (DEC 24-26) – District office closed.
- Mail BPP, Residential Homestead Exemptions, Special Valuation Applications, and other exemption applications that require annual filing.
- Invoice for 2026 1<sup>st</sup> Quarterly Budget Allocation mailed to taxing units.

*\*The projected dates incorporated into the calendar may be adjusted within the overall plan due to unforeseen change in staffing, budgetary constraints, weather, legislative changes, and /or reevaluation of the priorities of the project with the plan.*

# 2026 CALENDAR OF KEY EVENTS

## PROJECTED DATES

## APPRAISAL RELATED ACTIVITY OR EVENT

January-February, 2026

- Notify the taxing units of the form in which the appraisal roll will be provided to them (Sec. 26.01).
- Continue appraisal of RA3; 2026 new mobile homes.
- Begin BPP appraisals for all of county.
- Submit for approval, 2025 4<sup>th</sup> Quarter Change Dockets, to the ARB
- January 1 – Statutory appraisal date for most categories of taxable properties.
- Begin running sales ratio reports.
- Identify necessary schedule adjustments.
- New Year (JAN 1) and MLK Holidays (JAN 19) – District office closed.
- Update all known regular homestead Exemptions to over-65 exemptions with birthdates in 1961.
- Begin working on 2026 BPP Renditions.
- President’s Day (FEB 16) – District office closed.
- Annual TAAD’s Conference (FEB 22-25).
- Mari Gas (FEB 13) – District office closed.
- Continue running sales ratio reports.
- Refine sales analysis and mass appraisal schedules.
- Statistically test schedules.
- Complete data entry of all reappraisal and maintenance changes.

March, 2026

- Texas Independence Day (MAR 2) – District closed.
- Completion of all fieldwork including BPP, commercial and residential.
- Finalize 2026 RE schedule changes.
- Execute mass appraisal/maintenance activities.
- Invoice for 2026 2<sup>nd</sup> Quarterly Budget Allocation mailed to taxing units.
- Run Error Edits in preparations of 25.19 Notices for Appraised Values.
- Prepare for mailing 2026 25.19 Notice of Appraised Value.

April, 2026

- Submit for approval, 2026 1<sup>st</sup> Quarter Change Dockets, to the ARB
- Release to Pritchard & Abbott, Inc for printing of 25.19 Notices of Appraised Value.
- Mail notices of appraised value (Sec. 25.19).
- Property owners to file renditions and property information reports unless they request a filing extension in writing (Sec. 22.23).
- Submit 2026 Certified Estimated Value to taxing units.
- Good Friday (APR 3) – District closed.
- Begin Operating Budget preparations for 2027.
- Last day for property owners to file these applications or reports with the CAD:
  - Some exemption applications (Sec. 11.43)\*\*
  - Notice to chief appraiser that property is no longer entitled to an exemption not requiring annual application (Sec. 11.43);

- Applications for special appraisal or notices to chief appraiser that property no longer qualifies for 1-d and 1-d-1 agricultural land, timberland, restricted-use timberland, recreational-park-scenic land and public access airport property (Secs. 23.43, 23.54, 23.75, 23.84, 23.94, 23.9804);
- Railroad rolling stock reports (Sec. 24.32);
- Requests for separate listing of separately owned land and improvements (Sec. 25.08);
- Requests for proportionate taxing of a planned unit development property (Sec. 25.09);
- Requests for separate listing of separately-owned standing timber and land (Sec. 25.10);
- Requests for separate listing of undivided interests (Sec. 25.11); a
- Requests for joint taxation of separately owned mineral interest (Sec. 25.12).
- Begin informal hearings with property owners/agents

#### May, 2026

- Period when chief appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Secs. 41.41, 41.70).
- Property owners to file renditions and property information reports if they requested an extension in writing. For good cause, chief appraiser may extend this deadline another 15 days (Sec. 22.23).
- Prepare appraisal records and submit to ARB (Secs. 25.01, 25.22).
- Memorial Day (MAY 25) – District office closed.
- Hold informal hearings with property owners/agents

#### June, 2026

- Invoice for 2026 3<sup>RD</sup> Quarterly Budget Allocation mailed to taxing units.
- Hold 2026 Formal Protest hearings with ARB in June
- Juneteenth (JUN 19) – District closed.

#### July, 2026

- July 4<sup>th</sup> – District office closed.
- 2026 Employee Performance Reviews – reviewed with staff.
- Submit for approval, 2026 2<sup>nd</sup> Quarter Change Dockets, to the ARB
- July 20 - Date ARB must approve appraisal records BY, but may not do so if more than 5 percent of total appraised value remains under protest.
- July 25 - Last day for Texas Comptroller to certify apportionment of railroad rolling stock value to counties, with supplemental records after that date (Sec. 24.38).
- July 25 - Last day for chief appraiser to certify appraisal roll to each taxing unit (Sec. 26.01). (Creates Appraisal Roll)

#### August, 2026

- Begin 2027 appraisal fieldwork for Residential and Commercial properties; Jan 2026-July 2026 mobile homes
- Begin data collection of sales, cost and income for 2027 model calibration.
- Review ratio study, identify key areas for review.

- Roll appraisal year from 2026 to 2027.
- Lyndon B Johnson Day (AUG 27) – District office closed.

#### September, 2026

- September 1 – Statutory Appraisal Date for certain Inventory Properties (23.12)
- Labor Day (SEP 7) – District office closed.
- Begin review of 2027 Business Personal Property (BPP) valuation models.
- September 15 – Statutory deadline for MCAD BOD to approve 2027 Operation Budget.
- Invoices for 2026 4<sup>th</sup> Quarterly Budget Allocations mailed to taxing units.

#### October, 2026

- Submit for approval, 2026 3<sup>rd</sup> Quarter Change Dockets, to the ARB
- Taxing units mail 2026 tax bills – Appraisal staff for support with tax offices.
- Burn Rally (OCT 9) – District office closed.

#### November, 2026

- Hold Ag Advisory Board meeting and send out questionnaire.
- Mail out homestead and mobile home surveys
- Veteran’s Day (NOV 11) and Thanksgiving Holidays (NOV 25-27) – District office closed.

#### December, 2026

- Christmas Holidays – District office closed.
- Mail BPP, Residential Homestead Exemptions, Special Valuation Applications, and other exemption applications that require annual filing.
- Invoice for 2027 1<sup>st</sup> Quarterly Budget Allocation mailed to taxing units.

*\*The projected dates incorporated into the calendar may be adjusted within the overall plan due to unforeseen change in staffing, budgetary constraints, weather, legislative changes, and /or reevaluation of the priorities of the project with the plan.*