

HASKELL COUNTY APPRAISAL
DISTRICT

REAPPRAISAL PLAN

FOR TAX YEARS

2023 & 2024

AS ADOPTED BY THE BOARD
OF DIRECTORS

Adopted by Resolution September 12, 2022

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EXECUTIVE SUMMARY

The Haskell County Appraisal District has prepared and published this reappraisal plan and appraisal report to comply with laws set forth in the Texas Property Tax Code. But it is also for the purpose of providing our Board of Directors, citizens and taxpayers with a better understanding of the district's responsibilities and activities. This report has several parts: the laws, a general introduction and several sections describing the appraisal effort by the appraisal district.

TEXAS PROPERTY TAX CODE REQUIREMENT

The Written Plan

Texas Property Tax Code, § 6.05, is amended by adding §§ (i) to read as follows:

- (i) To ensure adherence with generally accepted appraisal practices, the Board of Directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of § 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

Plan for Periodic Reappraisal

Texas Property Tax Code § 25.18, §§ (a) and (b) are amended to read as follows:

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

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

REVALUATION DECISION (REAPPRAISAL CYCLE)

By policy adopted by the Board of Directors the Haskell CAD reappraises all property in the district within a three-year period. The reappraisal year is a complete appraisal of a portion of properties in the district. Tax year 2010 was a reappraisal year for all residential property in the county. The cost schedule for residential properties was updated to current market analysis. For the 2023 tax year all rural properties, within the county, will be reappraised. In tax year 2024, residential properties at Lake Stamford and in all cities, with the exception of Haskell, will be reappraised. Tax year 2025 is a reappraisal year in which all residential properties within the city of Haskell will be reappraised. Commercial properties will be worked along with the real properties where located.

The business personal property in Haskell County is appraised in its entirety annually. Discovery of new business personal property is done utilizing sales tax permits, telephone directories, newspaper advertisement and assumed names filed with the county clerk's office. The business owners are required by the property tax code to file a rendition annually. The rendition is the primary means of valuation of personal property.

All land tracts, to include agriculture properties, will be inspected and/or audited on an annual basis through either physical inspection or inspection through the use of in house aerial photography or google earth.

Agricultural valuation is calculated annually by Pritchard and Abbott and is further outlined in the Reappraisal Plan submitted by that office. Land market value analysis will be performed on an annual basis.

REAPPRAISAL AND NON-REAPPRAISAL YEAR ACTIVITIES

1. Performance Analysis - the equalized values from the previous tax year are analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies of the International Association of Assessing Officers.
2. Analysis of Available Resources - staffing and budget requirements for tax year 2023 are detailed in the budget, as adopted by the board of directors and attached to the written biennial plan by reference. Existing appraisal practices, which are continued from year to

year, are identified and methods utilized to keep these practices current are specified. Information Systems (IS) support is detailed with year specific functions identified and system upgrades scheduled. Existing maps and data requirements are specified and updates scheduled.

3. Planning and Organization - a calendar of key events with critical completion dates is prepared for each major work area. This calendar identifies all key events for appraisal, clerical, customer service, and information systems. A calendar is prepared for tax years 2023 and 2024. Production standards for field activities are calculated and incorporated in the planning and scheduling process.
4. Mass Appraisal System - Computer Assisted Mass Appraisal (CAMA) system revisions required are specified and scheduled with Information Systems. All computerized forms and IS procedures are reviewed and revised as required.
5. Data Collection Requirements - field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a specific cycle (3 years), and field or office verification of sales data and property characteristics.
6. Ratio studies, by market area, are conducted on proposed values each tax year. Proposed values on each category are tested for accuracy and reliability in randomly selected market areas.
7. Valuation by tax year - using market analysis of comparable sales and locally tested cost data, valuation models 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.
8. 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 is specified and tested.

REVALUATION DECISION

By policy adopted by the Board of Directors, the Haskell CAD reappraises all property in the district within a three-year period. The reappraisal year is a complete appraisal of all designated properties in a designated area of the district. The non-reappraisal years are used to pick up new construction, adjust for changes in property characteristics that affect value, and adjust previous year values for equalization.

TAX YEAR 2023

For tax year 2023, HCAD will reappraise all rural properties, within the county. The Haskell County market value of land is reappraised each year. The Haskell County market value and agricultural value of land is reappraised each year. Business personal property is appraised each year.

TAX YEAR 2024

Tax year 2024 is a reappraisal year in which the residential properties at Lake Stamford and in all cities, with the exception of Haskell, will be reappraised. Business personal property is appraised each year. The Haskell County market value of land is reappraised each year. The Haskell County agricultural value of the land is reappraised each year.

PERFORMANCE ANALYSIS

In each year the previous tax year's equalized values will be analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall and by market area within state property reporting categories and district defined market areas. Market areas defined for Haskell county land are school district boundaries. Market areas for improvement property are based on construction, economic factors, and sales. Based upon the market area of improvement property a code is assigned to reflect the effect these factors have on a specific area. Ratio studies are conducted in compliance with the current Standard on Ratio Studies from the IAAO. Mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal (appraisal accuracy). The mean ratio is calculated in each market area to indicate the level of appraisal (appraisal accuracy) by property reporting category. In the (2023) (2024) reappraisal year this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In (2023) (2024) the non-reappraisal year this analysis is used to indicate the uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for tax year 2023 are detailed in the 2023 appraisal district budget, as adopted by the board of directors and attached to the written biennial plan by reference. This reappraisal plan is adjusted to reflect the available staffing in tax year 2023 and the anticipated staffing for tax year 2024. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2023 - 2024 time period. Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. In the reappraisal year, real property appraisal depreciation tables and cost new tables are tested against verified sales data to ensure they represent current market data. The cap rate study by commercial real property type is updated from current market data and market rents are reviewed and updated from local published data. Personal property density schedules are tested and analyzed based on rendition and prior year hearing documentation. Information Systems (IS) support is detailed with year specific 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.

The Board has contracted with Pritchard and Abbott, Inc. to provide personnel and expertise towards the completion of the appraisal of minerals, agricultural use, utilities, and industrial personal property. Pritchard and Abbott perform field work, data analysis, and taxpayer protest portions of the reappraisal plan.

PLANNING AND ORGANIZATION

A calendar of key events with critical completion dates is prepared for each major work area. 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.

2023 CALENDAR OF KEY EVENTS

January through March:

- Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and other required forms.
- Complete field inspections as provided by the reappraisal plan area.
- Run sales ratio reports. Compare CAD values to sales information. Identify and make necessary schedule adjustments.

April through May:

- Finalize all field work and data collection.
- Complete data entry of all reappraisal and maintenance changes.
- Refine sales analysis and mass appraisal schedules.
- Statistically test schedules.
- Mail Notices of Appraised Value.
- Submission of records to the ARB
- Certify estimates of taxable value to taxing entities.
- Begin holding informal hearings

May through June:

- Continue with informal hearings.
- Deadline for filing protests with ARB.

July:

- Hold ARB Hearings.
- Make all changes to records as ordered by the ARB.
- Process and mail ARB Orders of Determination.
- Appraisal Review Board approves the appraisal records by July 20th or as soon after as practical.
- Chief Appraiser certifies the appraisal roll to the taxing units by July 25th or as soon after as practical.

While all work has not been shown on the schedule, the district has endeavored to identify the main annual tasks.

The same timetable and duties apply in each year. The reappraisal steps as outlined for 2023 will be followed for 2024.

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions are specified and scheduled with Information Systems. All computerized forms and IS procedures are reviewed and revised as required. The following details these procedures as it relates the 2023 and 2024 tax years:

REAL PROPERTY VALUATION

Revisions to cost models, income models, and market models are specified, updated and tested each tax year.

Cost schedules are tested with market data (sales) to insure the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders, such as Marshall & Swift.

Land tables are updated using current market data (sales) and then tested with ratio study tools. 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 is updated in the income models for each market area and cap rate studies are completed using current sales data. The resulting models are tested using ratio study tools.

Legal and economic attributes are considered when using a neighborhood code which is by taxing unit then by improvement type such as brick or frame. The economic adjustment percentage is based on sales within the jurisdiction.

Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions are considered at the time of deed transfer and coded for field check as needed.

PERSONAL PROPERTY VALUATION

Density schedules are updated using data received during the previous tax year from renditions and hearing documentation. Valuation procedures are reviewed and modified as needed then tested.

NOTICE OF APPRAISED VALUE PROCESS

25.19 Notice of Appraised Value - appraisal notice forms are reviewed and edited for updates and changes signed off on by appraisal district management. Updates include the latest copy of Comptrollers Taxpayer Remedies.

HEARING PROCESS

Protest hearing scheduling for informal and formal Appraisal Review Board hearings is 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. Production of documentation is tested and compliance with HB 201 is insured.

DATA COLLECTION REQUIREMENTS

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific cycle (3 years).

NEW CONSTRUCTION /DEMOLITION

New construction field and office review procedures are identified and revised as required. Field production standards are established and procedures for monitoring tested. Source of building permits are confirmed and input procedures are identified. Process of verifying demolition of improvements is specified. This critical annual activity is projected and entered on the key events calendar for each tax year.

REMODELING

Market areas with extensive improvement remodeling are identified, verified and field activities scheduled to update property characteristic data. Updates to valuation procedures are tested with ratio studies before finalized in the valuation modeling. This field activity when entered in the key events calendar must be monitored carefully.

RE-INSPECTION OF PROBLEMATIC MARKET AREAS

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios; or high coefficient of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified. In the absence of adequate market data, neighborhood delineation is verified and neighborhood clusters are identified.

RE-INSPECTION OF THE UNIVERSE OF PROPERTIES

The IAAO, Standard on Mass Appraisal of Real Property specifies that the universe of properties should be re- inspected on a cycle of 4-6 years. The annual re-inspection requirements for tax years 2023 and 2024 are identified by property type and property classification and scheduled on the key events calendar.

FIELD OR OFFICE VERIFICATION OF SALES DATA AND PROPERTY CHARACTERISTICS

Sales information must be verified and property characteristic data contemporaneous with the date of the sale captured. The sale ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid.

PILOT STUDY

New and/or revised mass appraisal models are tested on randomly selected market areas. These modeling tests (sales ratio studies) are conducted each tax year. 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 TAX YEAR

Valuation by tax year -using market analysis of comparable sales and locally tested cost data, market area specific income and expense data, valuation models are specified and calibrated in compliance with the 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 updated each reappraisal year. Properties in selected market areas are updated in non-- reappraisal years.

Market Approach: This approach may be defined as one which uses data available from actual transactions recorded in the market place itself; i.e., sales of comparable properties from which a comparison to the subject property can be made. Ideally, this approach's main advantage involves not only an opinion, but an opinion supported by the actual spending of money.

Cost Approach: The use of cost data in an appraisal for market value is based upon the economic principle of substitution. The cost approach typically derives value by a model that begins with replacement cost new (RCN) and then applies depreciation in all its forms (physical depreciation, functional and economic obsolescence).

Income Approach: This approach to value most readily yields itself to the appraisal of a business or mineral interest. Data is readily available where by a model can be created that reasonable estimates a future income steam to the property. This future income may then be converted (discounted) into an estimate of current value. Many refer to this as a capitalization method, because capitalization is a process of converting an income stream into a capital sum (value). As with any method, the final value is no better than the reliability of the input data. The assumption is that people purchase the property for the future income the property will yield.

RESIDENTIAL REAL PROPERTY

SALES COMPARISON APPROACH TO VALUE

COST APPROACH TO VALUE

INCOME APPROACH TO VALUE

SPECIAL INVENTORY RESIDENTIAL PROPERTY

SALES COMPARISON APPROACH TO VALUE

COST APPROACH TO VALUE

INCOME APPROACH TO VALUE

MULTIFAMILY RESIDENTIAL PROPERTY

SALES COMPARISON APPROACH TO VALUE

COST APPROACH TO VALUE

INCOME APPROACH TO VALUE

COMMERCIAL REAL PROPERTY

SALES COMPARISON APPROACH TO VALUE

COST APPROACH TO VALUE

INCOME APPROACH TO VALUE

VACANT REAL PROPERTY

SALES COMPARISON APPROACH TO VALUE
COST APPROACH TO VALUE
INCOME APPROACH TO VALUE

INDUSTRIAL REAL PROPERTY

SALES COMPARISON APPROACH TO VALUE
COST APPROACH TO VALUE
INCOME APPROACH TO VALUE

UTILITIES

SALES COMPARISON APPROACH TO VALUE
COST APPROACH TO VALUE
INCOME APPROACH TO VALUE

MINERAL INTEREST

SALES COMPARISON APPROACH TO VALUE
COST APPROACH TO VALUE
INCOME APPROACH TO VALUE

SPECIAL VALUATION PROPERTIES

AGRICULTURAL USE
WILDLIFE

BUSINESS TANGIBLE PERSONAL PROPERTY

SALES COMPARISON APPROACH TO VALUE
COST APPROACH TO VALUE
INCOME APPROACH TO VALUE

INDUSTRIAL TANGIBLE PERSONAL PROPERTY

SALES COMPARISON APPROACH TO VALUE
COST APPROACH TO VALUE
INCOME APPROACH TO VALUE