

THE STATE OF TEXAS                    }                    {     KNOWN ALL MEN BY  
THE COUNTY OF UVALDE                }                    {     THESE PRESENTS:

**RESOLUTION 2022 - 01  
FOR THE APPROVAL OF THE 2023-2024 REAPPRAISAL PLAN**

**THAT WHEREAS**, the Board of Directors of the Uvalde County Appraisal District, Uvalde County, Texas, a Political Subdivision of the State of Texas, through the Board's vested authority provide by law; and

**WHEREAS**, the Board of Directors of the Uvalde County Appraisal District recognizes that under Texas Property Tax Code Section 6.05 (i) they have the responsibility and authority to approve a biennial reappraisal plan; and

**WHEREAS**, the Secretary of the Board of Directors has provided written notice to the presiding officer of the governing body of each taxing unit served by the District of the date, time and location of a public hearing; and

**WHEREAS**, the Board of Directors held a public hearing on July 19<sup>th</sup>, 2022 to consider the Reappraisal Plan; and


**WHEREAS**, the Board of Directors recognizes that they have met the requirements established under the Texas Property Tax Code Section 6.05 (i); now

**THEREFORE, BE IT RESOLVED** that the Board of Directors of the Uvalde County Appraisal District does hereby approve and adopt the 2023-2024 Reappraisal Plan; and

**FURTHERMORE, BE IT RESOLVED** that the Board of Directors hereby directs the Chief Appraiser to deliver copies of the approved Reappraisal Plan to the presiding officer of the governing body of each taxing unit served by the District and to the State Comptroller of Public Account, Property Tax Assistance Division office withing 60 days of this approval date.

**PASSED AND APPROVED** this 19<sup>th</sup> day of July, 2022.

UVALDE COUNTY APPRAISAL DISTRICT

  
\_\_\_\_\_  
J Allen Carnes,  
Vice-Chairman, Board of Directors

Attest:

  
\_\_\_\_\_  
Tony Moreno, Secretary



**Uvalde County**  
**Appraisal District**  
**2023-2024**  
**Reappraisal Plan**

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# Executive Summary

## Property Tax Code Requirement

The Uvalde County Appraisal District (District) is a political subdivision of the State of Texas created in 1979. The provisions of the Texas Property Tax Code (TPTC) govern the legal, statutory, and administrative requirements of the District. A five-member Board of Directors elected by the taxing entities constitutes the governing body in accordance with Section 6.03 of the Texas Property Tax Code, the County Tax Assessor-Collector is ineligible to serve as a board member pursuant to Section 6.24 (b)

The District hereby adopts the 2023-2024 Reappraisal Plan (The Plan) in compliance with TPTC Section 6.05 and Section 25.18. TPTC, Section 6.05 requires a written reappraisal plan and Section 25.18 requires periodic reappraisal activities. The Plan serves as a guide to ensure current, accurate, fair, uniform and equitable appraisals within Uvalde County. Listed below are the TPTC sections noted above:

### **The Written Plan**

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

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

### **Plan for Periodic Reappraisal**

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

- (a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under §6.05 (i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:

- 1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
- 2) Identifying and updating relevant characteristics of each property in the appraisal records;
- 3) Defining market areas in the district;
- 4) Identifying property characteristics that affect property value in each market area, including:
  - (a) The location and market area of the property;
  - (b) Physical attributes of property, such as size, age, etc.
  - (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 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.

### **Mission Statement**

The Uvalde County Appraisal District's mission is to provide professional, respectful, and courteous customer service to property owner, tax agent, and taxing entities while producing an accurate, fair, uniform and equitable appraisal roll, completed in a timely manner. The District strives to maintain continued excellence in our performance, in our educational growth, and our fiscal responsibilities. The District also promotes the ideals of government transparency.

## **Reappraisal Year Activity – Steps in Reappraisal**

### **Performance Analysis**

The certified values from the previous year appraisal roll are analyzed with ratio studies to determine the appraisal accuracy and uniformity throughout the county, by school district, and by



market area. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* published by the International Association of Assessing Officers (IAAO).

### **Revaluation Decision**

Pursuant to Texas Property Tax Code Section 23.01(a), the District is required to establish market values on all properties within the County on an annual basis. Therefore, both years 2023 -2024 covered by this plan are reappraisal years.

### **Analysis of Available Resources**

Staffing and budgeting requirements for appraisal year 2023 are detailed in the 2023 budget, as adopted by the board of directors and attached to The Plan by reference. The budget for appraisal year 2024 will be prepared, presented and approved by the Board of Directors during June and July of 2023. The existing appraisal practices are identified along with the methods utilized to keep practices current. Information Systems (IS) support is detailed regarding current specific functions. Existing maps and data collection procedures and requirements are reviewed and updated as needed.

### **Planning and Organization**

In order to ensure the timely certification of the appraisal roll, a calendar of appraisal activities and their completion dates for appraisal years 2023 and 2024 is prepared by the District. Production standards for appraisal activities are established and incorporated in the planning and scheduling process in order to accomplish TPTC mandates and District's objectives.

### **Computer Assisted Mass Appraisal System**

Computer Assisted Mass Appraisal (CAMA) system, computer forms, and procedures are reviewed by District's staff, contracted service company and software vendors. Updates due to legislative changes are implemented as necessary.

### **Pilot Study**

New and/or revised mass appraisal models are tested each appraisal year. Ratio studies by school district and by market area are conducted on proposed values each appraisal year. Proposed values on each category are tested for accuracy and reliability using standardized testing procedures and ratio study statistics.

### **Data Collection Requirements**

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each appraisal year include but are not limited to: new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a three-year cycle, and field or office verification of sales data and property characteristics.

### **Valuation by Appraisal 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 (USPAP). The calculated values are tested for accuracy and uniformity using ratio studies.

### **Mass Appraisal Report**

A 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 September 1<sup>st</sup>). The Mass Appraisal Report is completed in compliance with Standard 6, Mass Appraisal Reporting, of the *Uniform Standards of Professional Appraisal Practice*. The signed certification by the Chief Appraiser is compliant with Standard Rule 6-3 of same standard. The Mass Appraisal Report is attached to The Plan by reference.

### **Value Defense**

The District has the burden of proof for market value and equity in both formal and informal protest hearings. The evidence used in these hearings is specified and tested. It is also provided to taxpayer upon request or prior to the hearing.

# Introduction

## Reappraisal Plan Purpose

The Uvalde County Appraisal District (District) hereby adopts the 2023-2024 Reappraisal Plan (The Plan) in compliance with the Texas Property Tax Code (TPTC), §6.05, §25.18, §23.01 (b), and with the Standard 5 & 6, Mass Appraisal Development and Reporting, of the *Uniform Standards of Professional Appraisal Practice* (USPAP). The District prepares and publishes The Plan to provide the Board of Directors, participating taxing entities and property owners with a better understanding of the District's responsibilities and appraisal activities. The District utilizes The Plan as a guide to ensure that the District's property values are current (reflect the market), accurate, fair, uniform and equitable.

The Plan's objective is to certify the appraisal roll each year on a timely basis, to maximize the use of existing resources, and to provide the guidance to the Appraisal Director and Deputy Tax Collector to lead staff for the fulfillment of the objectives by following The Plan. The Plan contains an introductory section, and then it describes how the District complies with the (10) steps in a reappraisal program as identified in the International Association of Assessing Officers (IAAO) textbook, Property Appraisal and Assessment Administration (PAAA). The plan concludes with a summary sections and exhibits attached hereto.

## Scope of Responsibilities

The Uvalde County Appraisal District (District) is a political subdivision of the state, created by the Texas Legislature in 1979, which is responsible for the appraisal of all taxable property within Uvalde County. A five-member Board of Directors, elected by the taxing entities constitutes the District's governing body. The County Tax Assessor-Collector is ineligible to serve as a board member pursuant to Section 6.03(a) and 6.24 (b). The Board of Directors appoints the Chief Appraiser who is the Chief Administrator and Chief Executive Officer of the District. The provisions of the Texas Property Tax Code (TPTC) govern the legal, statutory and administrative requirements of Districts. The District is responsible for developing current, accurate, fair, uniform and equitable market values for all taxable properties within Uvalde County.

In addition to establishing appraisals, the District is also responsible for administering and providing exemption services to property owners. **Currently, the District administers over 5,800 exemptions for thirteen (13) taxing entities within Uvalde County.** An exemption reduces the taxable value on a property, which in turn lowers the property owner's tax burden. The District's staff is responsible to ensure that all applicants meet the legal requirements in determining eligibility for various types of property tax exemptions such as those for homestead, owners 65 years of age and over, disabled veterans, and charitable and religious organizations as allowed under TPTC Chapter 11. The District estimates a property's market value and administers the exemptions accordingly. However, guided by state statutes, **the governing body of each taxing unit, such as the County Commissioners, City Council and School Districts Board of Trustees, is responsible for establishing exemption benefits and tax rates for its respective entity in order to**

**generate the revenue to fund government services** such as; police and fire protection, public education, street maintenance, judicial systems, water and sewer systems, and other public services.

Since the establishment of the District, the Board of Directors and ten (10) taxing entities signed an interlocal agreement for the performance of the Assessment and Collection functions by the District, thereby creating the Tax Department. The Tax Department of the District, mails tax statements, collects, and disburses tax levies to the entities, issues tax refunds, collects the motor vehicle tax, issues tax certificates, works with the attorney to collect delinquent taxes, and processes payment agreements with delinquent property owners.

The purpose and intended use of the appraisals performed by the District is to **estimate market value for “ad valorem” tax purposes** for the thirteen (13) taxing entities served. All taxable property is **appraised at its market value as of January 1<sup>st</sup>** of each year, except as otherwise provided by the TPTC. The District’s market value appraisals are acceptable when the median sales ratio in a ratio study is within plus or minus five percent ( $\pm 5\%$ ) of one-hundred percent (100%) of market value.

The TPTC Section 1.04 (7) defines “market value” as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- a) Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- b) Both the seller and the buyer know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- c) Both the seller and buyer seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

As noted above, TPTC allows for exceptions to market value appraisals. Section 23.23 establishes a ten percent (10%) limitation on appraisal increases of residential homestead properties. Sections 23.12, 23.121, 23.124, 23.1241, 23.127 establish provisions for the appraisal of inventory such as residential, dealer’s motor vehicle, dealer’s vessel and outboard motor, retail manufactured housing, and dealer’s heavy equipment. Chapter 23, Subchapters C and D, establish provisions for the appraisal of land designated for agricultural use.

The taxing entities served by the District, the number of accounts, the 2021 Certified Values and 2021 Certified Tax Levy (for collection) are listed below:

Entity Name	2021 Certified # of Accts	2021 Certified Market Value	2021 Certified Taxable Value	2021 Tax Levy
Uvalde County*	23,941	4,690,375,543	2,095,654,633	12,331,442
Uvalde Road & Flood*	23,940	4,682,260,247	2,080,428,133	2,837,913
City of Uvalde*	8,058	890,237,497	782,339,797	5,010,213
City of Sabinal*	1,225	67,871,471	56,138,903	283,767
Knippa ISD*	1,142	280,986,811	M&O 95,887,565 I&S 106,944,415	1,150,437
Leakey ISD	298	89,143,585	36,955,875	N/A
Nueces Canyon CISD	1,283	263,404,097	62,964,199	N/A
Sabinal ISD*	4,853	1,069,512,434	449,182,588	4,537,976
Uvalde CISD*	14,986	2,647,966,051	M&O 1,271,393,901 I&S 1,311,337,051	15,794,337
Utopia ISD	1,379	331,257,269	96,932,369	N/A
Uvalde County Underground Water Conservation Dist.*	23,940	4,682,270,247	2,130,166,851	261,465
Southwest Texas Junior College*	23,941	4,682,270,247	2,198,478,015	3,293,611
Utopia/ Vanderpool Emergency Service Dist. #1*	1,386	333,478,983	103,088,673	95,890
			<b>Total Tax Levy</b>	<b>45,597,050</b>
<u>*The District performs tax assessment &amp; collection functions for taxing entity</u>		<u>Entity Totals as of Certification Date 07/23/2021</u> <u>Tax Levy as of October, 2021</u>		

The District utilizes a mass appraisal system to appraise all taxable properties at a fair market value as of January 1<sup>st</sup> of each year. Mass appraisal, as defined by the *Dictionary of Real Estate Appraisal, 3<sup>rd</sup> Edition*, is “the process of valuing a universe of properties as of a given date utilizing standard methodology, employing common data and allowing for statistical testing.”

The mass appraisal system, as identified in the IAAO textbook, PAAA on page 305, has four subsystems that are interdependent of each other and are the framework of the mass appraisal system. The subsystems are:

- **Data management system** consists of property record data collection and updates through fieldwork, correspondence, and communication with property owners. It also includes data entry and editing of data gathered. Data backups are performed on a routine basis and files are stored offsite facility for security purposes.
- **Sales analysis system** consists of sales data collection through sales surveys, corresponding with real estate agents and third-party data vendors. Data collected is then screened and processed for accuracy and reliability. Thereafter ratio studies are performed to establish level of uniformity and accuracy of appraisals. This system provides for sales reports, valuation models, and value adjustment determinations.
- **Valuation system** consists of mass appraisal application of the three approaches to value: market sales, income and cost approach. The District's current software application is Property Appraisal Collection System (PACS). PACS facilitates the use of the three approaches to value as part of the valuation system. The valuation system indicates which data items are required to support effective valuation method and models.
- **Administrative system** consists of budgeting, scheduling and planning, inquiry and reporting, appraisal notices, appraisal rolls, and appeals. The administrative system provides the resources needed by the other three subsystems. In turn, it also relies on and utilizes the data from the other subsystems to budget, plan, report, and process appeals.

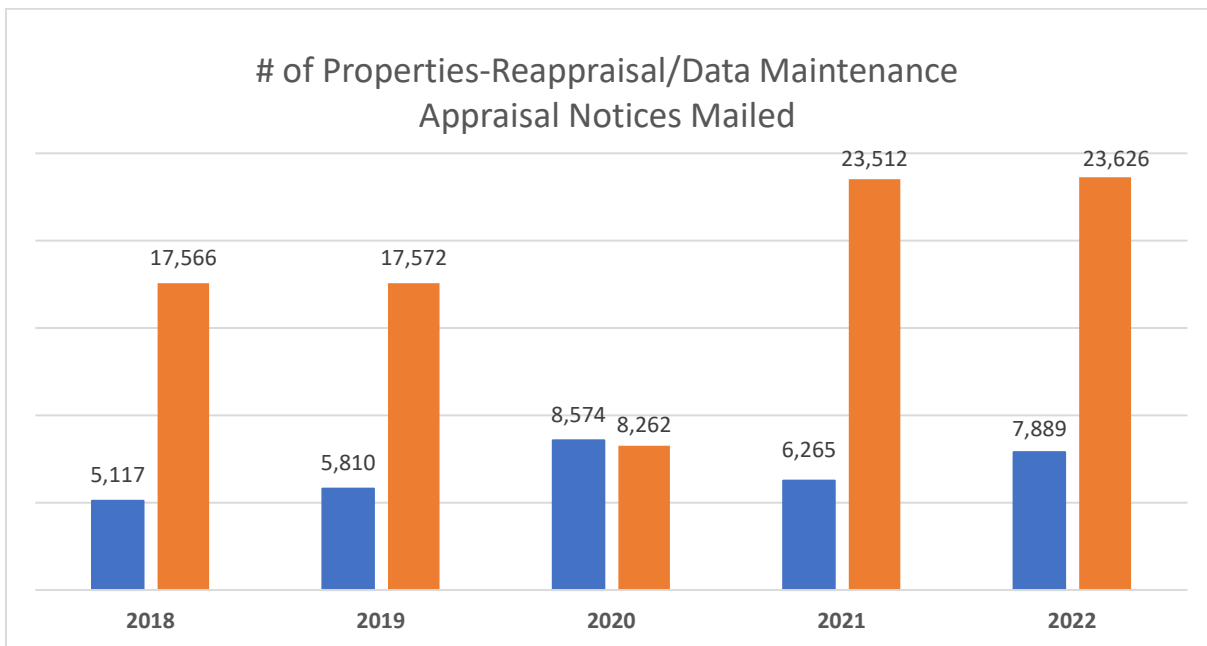
There are three basic functions of a mass appraisal system, as identified on IAAO textbook, PAAA on page 308, they are:

- **Reappraisal** consists of the periodic re-inspection of all properties within the county.
- **Data maintenance** is the process of capturing and valuing new construction, new subdivisions, and any changes due to building permits.
- **Value updates** is the process of annual adjustments applied to all properties using trending factors.

The District is responsible for implementing the three (3) functions of the mass appraisal system in Uvalde County. The reappraisal and data maintenance functions of a mass appraisal system are performed through physical inspections and / or the review of properties through *PICTOMETRY*, an aerial photography program that provides a 360-degree view of the property. *PICTOMETRY* allows appraisers to measure the improvement within +/- one-foot accuracy, review for any new additions and view property characteristics. Reappraisal and data maintenance, includes identifying and updating relevant characteristics and images of each property into their respective appraisal records in the CAMA system. Value updates function are performed using ratio studies.

Ratio study results are applied using neighborhood and / or subdivision modifiers. These modifiers can be positive or negative adjustments and are applied equally to all properties within the same area. Appraisers, during field inspections and / or the analysis phase, record notes of property characteristics that may influence property values such as locations of properties, economic influences, and physical attributes of properties.

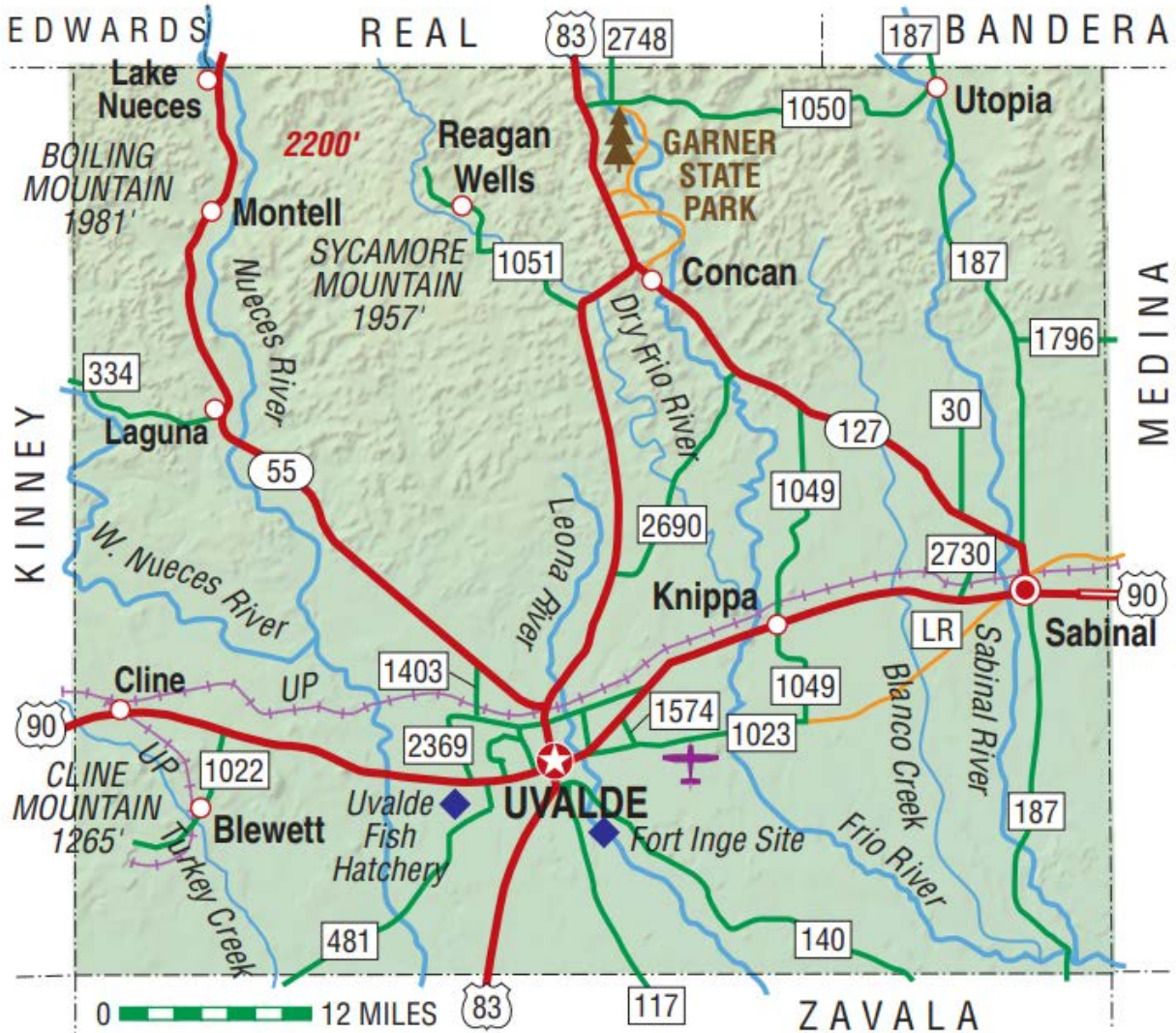
Since the implementation of the reappraisal plan requirement, the District has prepared reappraisal programs that identify residential, mobile homes, commercial, industrial, rural areas and business personal property accounts scheduled for either reappraisal or data maintenance. In addition, value updates conducted through area modifiers and schedule adjustment have been conducted each year. The graph below illustrates the properties worked through reappraisal or data maintenance based on last appraisal date and the number of appraisal notices mailed as a result of either ownership, address, exemption or appraise value change. Appraisal Year 2020, the Board of Directors approved limiting the mailing of an appraisal notice to properties having a value change over \$1,000.



**Identification of Subject Property**

Uvalde County consists of 1,559 square miles, population of 26,603 as of 2022, the county seat is in the City of Uvalde, and other cities and unincorporated area within the county are Sabinal, Knippa, Utopia, Concan, Uvalde Estate, Montell, and Reagan Wells. The County has five rivers that run north to south, they are Nueces, Leona, Dry Frio, Frio, and Sabinal. These five rivers along with Garner State Park attract over half (½) a million tourists annually during the summer months. Aside from summer vacationers, Uvalde’s economy is also driven by the dove, hog, deer, and other wildlife hunters in the winter months.

Uvalde County is intersected by U S Hwy 83, U S Hwy 90, State Hwy 55 and 127. City of Uvalde is situated about mid-point between San Antonio and Del Rio/Eagle Pass. The county map is illustrated below:



Uvalde County © Texas Almanac

The District manages over 25,000 real and personal property accounts that need to be reappraised/re-inspected on a three-year cycle, therefore, the county is divided into geographical areas with approximately 8,000 accounts scheduled for each year. Properties in Uvalde CISD and within the Uvalde city limits are scheduled for 2023, properties in Uvalde CISD and outside city limits as well as properties in Nueces Canyon CISD are scheduled for 2024. Properties in Knippa, Sabinal, Leakey and Utopia ISD are scheduled for 2025, however they are not covered within this plan. Below is a state category breakdown of the total number of accounts for the universe (County-wide) and the geographical areas scheduled for reappraisal during the year covered by this Plan.



State Code	Code Description	Universe County-wide Count	2023 UCISD_CU Count	2024 UCISD_OCL & NCCISD Count	2025 KISD, SISD, LISD, UTISD Count
A1	REAL - SINGLE FAMILY RESIDENTIAL	8,135	5,035	1,516	1,583
A2	MOBILE HOME & LAND OWNED BY OCCUPANT	783	112	361	310
B1	REAL - MULTIFAMILY RESEIDENTIAL	96	79	14	3
C1	VACANT LOT	3,056	856	1,086	1,114
C1C	VACANT LOTS-COMMERCIAL-USE C1	5	2		3
C1R	VACANT RESIDENTIAL LOTS-USE C1	19	3	4	12
C1S	VACANT LOTS-OCL-USE C1	6		4	2
D1	QUALIFIED AG LAND	4,886	12	2,727	2,147
D2	IMPROVEMENTS ON QUALIFIED AG LAND	212		116	96
E	REAL - FARM AND RANCH IMPROVEMENTS	76	1	51	24
E1	FARM AND RANCH IMPROVEMENTS	1,982	7	1,060	916
E2	FARM & RANCH MOBILE HOMES	169		115	54
E4	NON-QUALIFIED AG LAND	532	12	319	201
F1	REAL - COMMERCIAL	1,242	614	149	479
F2	REAL - INDUSTRIAL	10	3	3	4
J3	ELECTRIC COMPANY (INCL COOP)	45	6	20	19
J4	TELEPHONE COMPANY	37	5	11	21

State Code	Code Description	Universe County-wide Count	2023 UCISD_CU Count	2024 UCISD_OCL & NCCISD Count	2025 KISD, SISD, LISD, UTISD Count
J5	RAILROAD	81	6	55	20
J6	PELAND COMPANY	13		9	4
J7	CABLE TELEVISION COMPANY	3	1	1	1
J9	RAILROAD ROLLING STOCK				
L1	PERSONAL PROPERTY - COMMERCIAL	1,780	974	352	452
L2	PERSONAL PROPERTY - INDUSTRIAL	169	39	83	47
<b>L3</b>	<b>LEASED EQUIP &amp; AUTOMOBILES</b>	1	1		
L4	AIRPLANES - BUSINESS USE	5	3	1	1
M1	MOBILE HOME ONLY	1,118	197	623	297
O	RESIDENTIAL INVENTORY REAL PROPERTY	44	1	2	41
X	TOTALLY EXEMPT PROPERTY	39	22	6	11
X1	TOTALLY EXEMPT PROPERTY	470	248	118	104
		<b>25,014</b>	<b>8,239</b>	<b>8,806</b>	<b>7,966</b>

Uvalde CISD is the largest school district in Uvalde County and extends into Real County on the north side and Zavala County on the south side. The City of Uvalde is within Uvalde CISD. The second largest school district, Sabinal ISD, surrounds the City of Sabinal on the east side of the county and extends north to the Concan area. Knippa ISD is a small school district that surrounds the township of Knippa. Nueces Canyon CISD is a multi-county school district at the northwest corner of the county, Utopia ISD, also extends into several counties, is at the northeast corner of the county and surrounds the township of Utopia. Leakey ISD is north of Concan on Hwy 83 in the middle/northern county line. The map below illustrates the school district's boundaries:



## Performance Analysis

### In-House Ratio Studies

Ratio study is the study of the relationship between appraised value and market value. Indicators of market values may be either sales or independent “expert” appraisals. A ratio is calculated by dividing appraised value by market value (sale price). If a property appraised at 90,000 sells for 100,000, the ratio is .90 or 90%.

Ratio studies are used to evaluate the District’s mass appraisal performance. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* published by the International Association of Assessing Officers. Ratio studies measure appraisal accuracy and appraisal uniformity, which will be discussed later. Ratio studies typically consist of six basic steps:

- **determination of the purpose and objectives** consist of the scope, content, depth and flexibility,
- **data collection and preparation** consist of collecting, screening, editing, and adjusting sales prices,

- **matching appraisal and market data** consist of ensuring sales price is for the same property being appraised under the physical condition at time of sale,
- **stratification** consist of sorting and grouping into homogenous groups, based on characteristics, such as school district, improvement class, land class, improvement size, year built and others,
- **statistical analysis** consists of organizing ratio data into an array, tabulating and graphing, and
- **evaluation and application of the results** consists of using ratio results in a manner to improve mass appraisal performance.

The primary objective of a ratio study is for the median sales ratios of a sample of properties to be within plus or minus five percent ( $\pm 5\%$ ) of one hundred percent (100%) of market value as of January 1<sup>st</sup>.

The certified values from the previous year appraisal roll are analyzed in August or September with ratio studies to determine the appraisal accuracy and uniformity throughout the county, by school district, and by market area. The ratio studies identify areas where current mass appraisal values are not at expected levels and should be addressed in the upcoming appraisal year.

Additional ratio studies are performed during February or March, and the final study is done prior to the mailing of appraisal notices. Sales data is recorded within PACS and coded once verified and confirmed as a valid sale. Sales ratio reports and sales grids are available through PACS; however, sales data is downloaded into excel for data analyses. Excel worksheets provides for scattered plots, graphs, and pivot table for data stratification by school district, improvement class, land class, improvement size, year built and others. Ratio results are used to adjust value to meet objectives.

### **Appraisal Accuracy**

Appraisal accuracy also known as appraisal level, is calculated statistically by measures of central tendency such as mean, median, and weighted mean. Mean is the average of the listed ratios, median is the mid-point of the array listed in ascending order, and weighted mean is the aggregate mean, taking the sum of the appraisals divided by the sum of the sale prices.

### **Appraisal Uniformity**

Appraisal uniformity relates to the fair and equitable treatment of individual properties. Uniformity verifies that properties be appraised equitably within and between groups or categories. Measures of appraisal uniformity are range, quartiles, percentiles, average absolute deviation, coefficient of dispersion, standard deviation, coefficient of variation and price related differential. Formulas and procedures for these statistical measures are discussed in detail in PAAA page 516.

## Independent Performance Test

In Accordance with the Texas Property Tax Code (TPTC), Chapter 5, and/or the Government Code, Title 4, Subtitle A, Chapter 403, Subchapter M, Section 403.302, the Comptroller of Public Accounts is responsible for conducting a biennial Property Value Study (PVS) for each school district and a biennial review named Methods and Assistance Program (MAP) for each Appraisal District in Texas. Both the PVS and the MAP review are performed by the Property Tax Assistance Division (PTAD) of the Comptroller's office at least once every two years and are on staggered years.

### **Property Value Study**

The primary purpose of the PVS is to ensure equitable distribution of state funding for public education. In conducting the study, the PTAD is required to;

- Utilize comparable sales,
- Incorporate recognized auditing and sampling techniques,
- Test the validity of school district's taxable values within each appraisal district,
- Determine the level and uniformity of property tax appraisal in each appraisal district, and
- Make determination to accept the appraisal roll values as correct and valid.

The methodology used in the PVS includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analyses of sold properties and appraisals of unsold properties as a basis for reporting assessment ratios. For Appraisal Districts, the reported measures include median level of appraisal, COD, the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and PRD for properties overall and by state category. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) in July of each year. The state's PVS provides additional assistance to the CAD in determining areas of market activity or changing market conditions. The PVS preliminary results of biennial study are released on or before February 1<sup>st</sup>, in the year following the appraisal year under review.

The PTAD office released the 2021 Preliminary Property Value Study (PVS) results for all Texas Counties and School Districts. The report identifies the degree of uniformity and the median level of appraisal performed by the Uvalde County Appraisal District (District) as required by TPTC, Section 5.10. **The District failed to achieve market value per the PVS studies for appraisal years 2020 and 2021 within the Uvalde CISD and Nueces Canyon CISD. Both ISD's were declared "value invalid" and out of compliance; NCCISD was within the grace period, therefore given local value, however UCISD was placed on state value for both years (2020 and 2021). UCISD was directly affected in their state funding due to the District's low valuation.** Appraisal year 2022, all school district are scheduled for the PVS. The District's goal is to achieve market value annually so that school districts are ensured maximum state funding in their related finance formula. PVS final

results are expected to be released in July 2022 and can be found at: <http://comptroller.texas.gov/taxinfo/proptax/pvs.html>.

### Methods and Assistance Program

Appraisal Districts, since 2010, are subject to a bi-annual Methods and Assistance Program (MAP) performance review completed by the Property Tax Assistance Division under Section 5.102. The scope of the MAP review includes governance, taxpayer assistance, operating standards, and appraisal standards, procedures and methodology. The comptroller by rule may establish procedures and standards for conducting and scoring the review. Upon conclusion of the review, the comptroller is required to deliver a written report summarizing the CAD's performance to the Chief Appraiser, CAD board of directors, and Board of Trustees and superintendent of school districts served by the CAD. **The District received favorable rating in all aspect of the MAP review for appraisal year 2021.** The next review is scheduled for 2023. The results of this MAP review can be found at: <http://comptroller.texas.gov/taxinfo/proptax/map/index.html>.

## Revaluation Decision

Pursuant to the Texas Property Tax Code requirement noted below, the Chief Appraiser must reflect market value of all properties on an annual basis except as identified within the sections noted below. **Therefore, both 2023 and 2024 are reappraisal years.**

TPTC Section reference above are:

Section 21.01 Real Property.

Real property is taxable by a taxing unit if located in the unit on January 1, except as provided by Chapter 41, Education Code.

Section 23.01 Appraisals Generally.

(a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.

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

(c) Notwithstanding Section 1.04(7)(C), in determining the market value of a residence homestead, the Chief Appraiser may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead being appraised and would

otherwise be considered in appraising the residence homestead because the other residential property:

(1) was sold at a foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood; or

(2) has a market value that has declined because of a declining economy.

(d) The market value of a residence homestead shall be determined solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.

(e) Notwithstanding any provision of this subchapter to the contrary, if the appraised value of property in a tax year is lowered under Subtitle F, the appraised value of the property as finally determined under that subtitle is considered to be the appraised value of the property for that tax year. In the following tax year, the Chief Appraiser may not increase the appraised value of the property unless the increase by the Chief Appraiser is reasonably supported by substantial evidence when all of the reliable and probative evidence in the record is considered as a whole. If the appraised value is finally determined in a protest under Section 41.41(a)(2) or an appeal under Section 42.26, the Chief Appraiser may satisfy the requirement to reasonably support by substantial evidence an increase in the appraised value of the property in the following tax year by presenting evidence showing that the inequality in the appraisal of property has been corrected with regard to the properties that were considered in determining the value of the subject property. The burden of proof is on the Chief Appraiser to support an increase in the appraised value of property under the circumstances described by this subsection.

(f) The selection of comparable properties and the application of appropriate adjustments for the determination of an appraised value of property by any person under Section 41.43(b)(3) or 42.26(a)(3) must be based on the application of generally accepted appraisal methods and techniques. Adjustments must be based on recognized methods and techniques that are necessary to produce a credible opinion.

(g) Notwithstanding any other provision of this section, property owners representing themselves are entitled to offer an opinion of and present argument and evidence related to the market and appraised value or the inequality of appraisal of the owner's property.

Section 6.02 District Boundaries.

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

# Analysis of Available Resources

## Budget

The Chief Appraiser prepares and presents to the Board of Directors an annual budget to ensure that staffing and other operational resource requirements are adequately funded for carrying out the District's responsibilities effectively and efficiently. The budget is reviewed and approved by the Board of Directors. The budget is funded by participating taxing entities proportionally to the entities' tax levy. The budget allocates proposed operating expenses for the property appraisal process separately from the tax collection process. Adequate staffing and staff's experience do impact the ability to fulfill the District's objectives identified in The Plan.

## Existing Practices

The District's manuals identify the existing appraisal practices, procedures and processes. These manuals are reviewed and updated annually for the standardization of the three approaches to value. Cost Approach: appraisal cost and depreciation tables are updated based on data obtained from Marshall Valuation Service manuals (also known as Marshall and Swift). Sales Approach: the preliminary values produced by the Cost approach are tested against verified sales data and adjustments are made as necessary. The District's objective is to reflect the local market. Income Approach: The District conducts income studies for the most typical income producing commercial property types, and adjustments are made accordingly to reflect the local market. The income study includes a review of economic rents, analysis of capitalization rates, data gathering through the Appraisal Review Board (ARB) hearing process, surveys, and information from published sources. Lastly, business personal property density schedules are analyzed, tested, and updated based on cost data gathered through renditions and ARB hearing documentation. District staff is appropriately trained in the application of the three approaches to value.

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. Existing maps and data requirements are specified and updates scheduled.

## Personnel Resources

The District's budget currently funds a total of fourteen (14) employees. The staff consist of nine (9) appraisal operation employees and five (5) tax collection operation employees. The employee breakdown below identifies the position name and a brief description of their responsibilities.

The Chief Appraiser serves as the Chief Administrative / Executive Officer of the District and as Tax Assessor / Collector, and is responsible for the overall planning, organizing, staffing, coordinating, and directing of all District's operations, employs and directs the District's staff, and performs either directly or through the District's staff, a variety of legal requirements. The Chief Appraiser may contract legal services, consulting services, outsource appraisal services, and / or employ temporary services as needed and funded through the budget; to perform the District's duties and responsibilities. The Chief Appraiser's major responsibilities are as follows:



- Discover, list and appraise all taxable property
- Determine exemption and special appraisal requests
- Reappraise property pursuant to TPTC Section 25.18
- Establish market value for each property as of January 1<sup>st</sup> of each year
- Notify taxpayers, taxing units, and the public about matters which affect property values
- Certify Appraisal Roll
- Perform Assessment and Collection functions for ten (10) taxing entities, as per Interlocal Agreement
- Other duties as identified in the Director's Manual, by contract and / or as assigned by the Board of Directors.

### **Appraisal Department**

The **Director of Appraisal** serves as supervisor of the appraisal department, responsible for the valuation of all Real, Commercial and Personal Property properties. Director of Appraisal ensures that staff is conforming to the District's appraisal manuals and procedures, and in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

During the Discovery Phase of the Tax Calendar, the appraisers (six positions) are actively involved in the discovery, listing and appraisal of real property (residential/commercial), business personal property and agricultural/rural property. The appraisers conduct field inspection and review property characteristics using PICTOMETRY (aerial maps). A common set of data characteristics on each specific type of property is observed, listed, and collected during the field inspection. Once in the office, appraiser utilize the field data they collected and sales to determine the fair market value. Each appraiser is trained in the use of the District's appraisal manuals, CAMA system, appraisal techniques, methodology, and philosophy in the use of this information. During the equalization Phase, appraisers meet with property owners and/or agents to review property valuations and if necessary, defend valuations before the Appraisal Review Boards during protest hearings.

The Deed Analyst/Property Ownership Records specialist is responsible for updating the ownership records of all real property accounts per deeds filed with the County Clerk's office. In addition, this position provides support in ensuring the updated of the District aerial maps performed by the GIS company under contract with the District.

### **Tax Collection Department**

The Deputy Tax Assessor/Collector of the Tax Collection Department supervises the assessment and collection functions for the District pursuant to an interlocal agreement with taxing entities. Additionally, the Deputy Tax Assessor/Collector's responsibilities are to plan, organize, direct and manage the District's support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services.

The Tax Collectors (four positions) are responsible for the assessment and collection duties including but not limited to the calculation of effective tax rates, preparation of the tax rolls, the

mailing and collections of tax bills along with the disbursement of the collected levy to the taxing entities. The Collection Department staff is the first interface with the property owner and is responsible for processing exemptions, address corrections, data entry and data verification, issuance of tax certificates, assist with open record request, process mobile home liens, perform imports/exports of appraisal supplements, assist with OV65/DP quarterly payment agreements. This department also provides support in administering exemption, researching property owner's eligibility for homestead exemptions; over-65 exemption, disabled person and veteran exemption, checks obituaries that may affect exemptions, determines ownership by reviewing pertinent change in ownership notices, reviews all exemptions applications for approval or denial. Adjust freeze amounts and Homestead caps, keep up with Property Tax Calendar. The Collection Department also works closely with the delinquent Tax Attorneys in law-suits, judgments, bankruptcies, and the sale (auction) of tax foreclosed properties.

### **Staff Education and Training**

The District's Appraisers and Tax Collectors, that perform appraisal or tax collection tasks, are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing & Regulation (TDLR). This agency is responsible for ensuring District's staff are professional, knowledgeable, competent and ethical. This is accomplished through a statewide program of registration, education, experience, testing and certification for all property tax professionals for the purpose of promoting a fair and equitable property tax system.

Appraisers, for certification as a Registered Professional Appraiser (RPA), are required to successfully complete over 170 hours of appraisal courses as prescribed by TDLR administrative rule 94.21 and pass two comprehensive examinations within 60 months of registration. Tax Collectors for certification as Registered Tax Assessor/Collector (RTA) are required to successfully complete over 100 hours of tax collection courses as prescribed by TDLR rule 94.21 and pass two comprehensive examinations within 60 months of registration. Both certifications require them to take 30 hours of continuing education, of which 2 hours of professional ethics, a state laws and rules course, and 3.50 hours of USPAP. Failure to meet these minimum certification standards will result in the suspension of the TDLR license and removal of employee from their position.

Currently all Appraisers and Tax Collectors are registered with TDLR, three appraisers have attained their RPA designation, and four appraisers are in pursuit of their RPA; three tax collectors have attained their RTA designation and two tax collectors are in pursuit of their RTA.

Additionally, new appraisers are trained in the specifics of data collection and the classification system set forth and recognized as "rules" to follow. Experienced appraisers are routinely re-trained in listing procedures prior to major field projects such as new construction, sales validation of data review. A quality assurance process exists through supervisory review of the work being performed by the field appraisers. Quality assurance supervision is charged with the responsibility

of ensuring that appraisers follow listing procedures, identify training issues and provide uniform training throughout the field appraisal staff.

### Contracts

The District has contracted with Thomas Y Pickett Co. for the appraisal of Mineral Interest, Utilities, Industrial Real and Personal Property. This company provides the licensed and experienced personnel and expertise for the completion of these specialize appraisals. Thomas Y Pickett Co. reappraisal plan is attached in Exhibit C.

In November 2020, the District contracted with Pictometry International Corporation for aerial orthophotography and oblique images for the second flight, which was flown in December 2020/January 2021. Pictometry imagery allows appraisers to measure the improvement within +/- one foot accuracy, review for any new additions and view property characteristics.

### Public Access

The District's website provides a broad range of information for public access and use. This includes; detailed information of the appraisal process, property characteristics, certified values, protests and appeal procedures, list of taxing entities, interactive mapping system, payment of taxes, and links to other government agencies. The Website also provides all major forms and applications pertaining to the District for the public to download. This includes; exemption applications, business personal property renditions, agricultural use application, and rendition of real property residential inventory application among others. Additionally, the District has designated an area in the lobby with a computer for public use. Property owners can access, retrieve and/or print property information/records including appraisal cards through this computer either by themselves or with the assistance of District staff members.

## Planning and Organization

The District's responsibilities, objectives and number of accounts have been previously presented under the Scope of Responsibilities and the Identification of Subject Property. This section of the report will focus on ensuring that the District has the necessary resources (staff) to perform the activities required within the specific time-period to prepare an appraisal roll for each taxing entity. This plan encompasses the normal processes carried out for each year by the District, and as such catastrophic events or significant legislative action may have a detrimental effect to the District's operations thereby requiring changes to the District's operations and calendar. A perfect example is the COVID-19 pandemic we are currently living.

A **Calendar of Key Events** with important dates for Appraisal Years 2023 and 2024 is attached to this report on Exhibit A. This calendar establishes the appraisal activity/task and the timelines for District operations to facilitate the certification of the appraisal roll by July 25<sup>th</sup> of each appraisal year. The appraisal year start in August, after the certification of the prior year appraisal roll and runs through the following July, ends with the certification process.

**Production Standards** for field activities, in compliance with IAAO guidelines, have been calculated and incorporated in the planning and scheduling process; and are attached as Exhibit B. This planning worksheet identifies important dates, calculation of workday, calculation of time and staff required and lists appraisal task, number of parcels, IAAO production rates, District's estimated production rate and staff days required for completion of task.

## **Computer Assisted Mass Appraisal System**

### **Information Systems**

Uvalde County Appraisal District has a contract with Harris Govern for appraisal software (Property Appraisal and Collection System referred to as PACS). This software allows the District to perform the appraisal and tax collection functions and to centralize the appraisal database, thereby enabling efficient data storage, retrieval, management, and maintenance. The contract with Harris Govern was amended to include PACS Mobile, a software application that allows the appraiser to be mobile. PACS Mobile, runs on Apple iPad, enables the appraisers to capture property record information and pictures directly into the respective account. Harris Govern continually updates both software to address legislative changes.

PACS allows for the data storage and maintenance of the property records, land information, GIS maps, improvement sketches, ownership and sales records, building permits, tax payment and other types of data.

The District has a contract with BIS Consultants for online appeals, website and email management, server and personal computer workstation support, Geographic Information Systems (GIS) support and map (planimetric) updates.

### **Real Property Valuation**

Revisions to cost model/schedules, income models/schedules and market models/schedules are specified, updated and tested each appraisal year. Market area boundaries are reviewed and adjusted as indicated by growth patterns and market preferences. Deeds are processed on an ongoing basis to transfer ownership, establish the basis for land size, and assign account numbers to newly platted lots as an addition to the appraisal roll. The district will also update and process exemption and special appraisal applications as necessary and applicable.

Cost schedules are tested annually with market data to ensure that the district is compliant with the 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 *Marshall & Swift Valuation Service*. *Marshall & Swift Residential Cost Handbook* and *Marshall & Swift's Manual* are utilized with quarterly updates.

Marketing areas of Uvalde County are physically, geographically or politically bounded neighborhoods developed to assist the appraisal department with mass appraisal techniques.

These areas have been developed and further defined by analyzing complementary land use, property use and quality of construction as well as sales data analysis.

### **Personal Property Valuation**

Rendition forms are sent to the taxpayers in January of each year. The deadline to return the completed rendition is April 15<sup>th</sup>, unless taxpayer files a request for an extension. Renditions are worked by appraiser as they arrive. The appraiser decides whether to accept the rendered value or use our depreciation schedule based on cost new. The appraiser will research any notations and previous year renditions to determine the accuracy of the rendition. If the appraiser receives a rendition on a new account, the appraiser will review the rendition for accuracy. If the appraiser feels the rendition is not accurate, a field inspection will be conducted. If the appraiser feels the rendition is accurate, a new account is set up based on the rendered value. Revisions to appraisal models/schedules are specified, updated, and tested each year.

### **Analysis of Trends**

Analyses involve the examination of how physical, economic, governmental, and social forces influence / affect property values. An analysis of general trends in real property prices and rents; conditions of sales; economic forces such as demographic patterns, regional location factors, employment, and income patterns; and interest rate trends are researched through local, state, and national sources. The availability of vacant land, construction trends and cost data are collected from public sources and provide a current economic outlook on the real estate market. Data on regional information is gathered from real estate publications and other outside sources including seminars, conferences, and continuing education courses.

Neighborhoods are reviewed/analyzed annually. Neighborhood sales data is stratified by property improvement classification, land classification, improvement year built, subdivision, and ratio study statistics are used to identify ratio outliers. Outliers are then inspected for verification of property characteristics which are used to update the appraisal. Additional sales data is researched and verified in order to determine whether the neighborhoods are correctly defined.

Neighborhood or market adjustment factors, also known as modifiers, are developed from statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. Analysis of comparable market sales data forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area, neighborhood, or district. Market sales reflect the effects of these market forces and are interpreted to indicate market value ranges for a given neighborhood.

### **Appraisal Notice Process**

The Texas Property Tax Code establishes the requirements for mailing out notices of appraised value to property owners. Residential property owners mailout is April 1st and all other notices by May 1st. However, due to the rendition and agricultural application deadlines, notice of value mailout vary by appraisal year. Notices of Appraised Value layout format are reviewed, proofed

and edited for updates and changes signed off by Chief Appraiser. These revisions include updates from the Comptroller's Property Tax Division as well as specific legislative changes as required. Updates also include the latest copy of the Comptroller's Taxpayers Rights and Remedies.

### **ARB Hearing Process**

Uvalde County Appraisal District conducts formal and informal hearings. In order to obtain an informal hearing, the taxpayer must first file a protest. Informal hearings are meetings between taxpayers or their agents and the appraisal staff. If valuation issues are not agreed upon, then the taxpayer may elect to proceed to a formal hearing.

Evidence in compliance with Property Tax Code Section 41.461 may be requested by the taxpayer or agent and will be provided at least 14 days prior to the scheduled protest hearing. If evidence has not been requested, it will be provided to the taxpayer before the formal Appraisal Review Board hearing.

The Uvalde County Appraisal Review Board has adopted procedures for conducting hearings by telephone. However, the applicable statute, Property Tax Code §41.45(b), has been amended to authorize a property owner to appear by telephone conference call to offer argument in support of a protest. This only became effective on September 1, 2017. Thus, 2018 was the first season in which the Uvalde County ARB has conducted telephone hearings

## **Pilot Study**

New and / or revised mass appraisal models are tested on randomly selected market areas. These model tests (sales ratio studies) are conducted each appraisal year. Actual test results are reviewed to determine the effectiveness and accuracy of the mass appraisal model. Those models not performing satisfactorily are refined and recalibrated to produce accurate and reliable market values. The procedures used for model specification and model calibration are in compliance with *Uniform Standards of Professional Appraisal Practices*, Standard Rule 5 and 6.

## **Data Collection Requirements**

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal) software. The information contained in CAMA includes site characteristics, such as land size and topography, and improvement data, such as square footage of living area and other areas of the improvement, year built, quality of construction, and condition. Income information is captured and analyzed, through a Commercial Property Economic Survey mail out for all commercial properties. Field appraisers are required to use a property classification system that establishes uniform procedures for the correct listing of real property. All properties are coded according to a classification system. The approaches to value are structured and calibrated based on this coding system and property description and

characteristics. The field appraisers use property classification references during their initial training and as a guide in the field inspection of properties.

Data collection for personal property involves maintaining information on software designed to record and appraise business personal property. The type of information contained in the BPP file includes personal property such as business inventory, furniture and fixtures, machinery and equipment, with details such as cost and location. The field appraisers conducting on-site inspections use a personal property classification system during their initial training and as a guide to list all taxable personal property. The listing procedure utilized by the field appraisers is available in the district offices. Appraisers periodically update the classification system with input from the valuation group.

Listed below is an example of some of the variables and how they may affect market value:

- ***Quality of construction:*** Residential construction may vary greatly in its quality of construction. The type of construction affects the quality and cost of the material used, the quality of the workmanship, as well as the attention paid to detail. The cost and value of residential property will vary greatly depending on the quality of construction. As stated above, the District's residential schedules currently class houses based on quality of construction from FR to FR6 and BV to BV6. This classification is supported by *Marshall & Swift Valuation Service* which classifies houses according to the following seven categories; minimal quality, low quality, fair quality, average quality, good quality, very good quality and excellent quality.
- ***Size of structure:*** The size of a building also has a direct impact on its cost, as well as its value. The District's models/schedules are graduated in size increments based on a matrix system. The larger the building, the less the cost per square foot.
- ***Condition of improvements:*** The District rates conditions as unsound, poor, fair, average, good and very good. These conditions are given numerical symbols from 1 to 6 respectively. Properties that, in the opinion of the appraisers, are unlivable are not appraised according to a schedule, they are appraised at salvage (nominal) value.
- ***Age of Structure:*** The District's residential schedule uses an age life ratio. It utilizes the effective age and not the actual age of the improvement. This method is supported by *Marshall & Swift*. Properties age 51 and over bracket are given the maximum amount of depreciation. As stated above, effective age and chronological age may or may not be the same depending on the condition of the structure.
- ***Extra Items:*** Extra items are valued according to their contributory value to the whole. Examples of extra items include covered porches and patios, central heat/central air, screened or enclosed porches, storage buildings, swimming pools and fireplaces.

- **Land Value:** The District values land based on market transactions. Units of comparison depend on how the property is purchased and marketed. For example; large acreage tracts are usually purchased based on the price paid per acre, commercial tracts are purchased based on the price per square foot and residential properties are purchased based on the price per square foot. Land prices vary throughout the county; therefore, their values are dependent upon homogenous areas. Land schedules for residential, commercial, agricultural and industrial properties are available upon request from the District.

District cost and value models/schedules include land, residential improved, commercial improved and personal property. Data sources currently used by the District include cost information from Marshall & Swift Valuation Service, cost data obtained from local contractors when available and renditions provided by the property owners. *Marshall & Swift Valuation Service* is a national based cost manual and is generally accepted throughout the nation by the real estate appraisal industry. This cost manual is based on cost per unit or square foot and also uses the unit in place method. The unit in place method involves the estimated cost by using actual building components. This national based cost information service provides the base price of buildings by classification with modifications for equipment and additional items. The District's schedule is then modified for time and location based on an analysis of the market. Renditions are confidential sources and cannot be used for specific information; however, data from renditions may be compared with data obtained from cost manuals and used to test schedules for their accuracy. Data on individual properties is also collected from the field and is compiled and analyzed. Buildings and other improvements are inspected in the field and are measured and classified. The appraiser estimates the age and condition of the improvements. This data is used to compile depreciation (loss of value) tables. Any notes pertaining to the improvements are made during inspection.

Field and office procedures for data collection are reviewed and revised as required. Activities scheduled for each appraisal year include but are not limited to: new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a three-year cycle, and field or office verification of sales data and property characteristics.

### **New Construction/Demolition**

Field and office procedures for new construction are identified and revised as needed in order to complete the data collection phase. New construction is identified through City of Uvalde building permits, deed records, mechanics liens, utility connection notices, 911 new address requests, or through field inspections and noting on property records that new construction is underway. The Appraisers performing the field inspection for new construction use iPads that contain specific information regarding the property being appraised. Information in the property record used on the iPads contains legal descriptions, ownership interests, property use codes, property addresses, land size and any sketches and detailed information of any existing improvements. Appraisal field inspections require the appraisers to check all information on the iPads, measure and enter the new improvement information and to update the information when necessary. New construction is scheduled to be appraised between December 1<sup>st</sup> and February 28<sup>th</sup>.



### **Additions and Remodeling**

Additions and remodeling of existing improvements are identified in a similar manner as new construction, building permits, mechanic liens, etc. In addition, market areas identified as experiencing revitalization due to a high number of building permits for improvement additions and remodeling are scheduled for field inspections. Upon completing the update of the property records, appraised values are tested with ratio studies for accuracy and uniformity. These field activities are posted in the calendar of key events and are monitored carefully to meet the established deadlines.

### **Re-inspection of Problematic Market Areas**

Market areas with high or low protest volumes, high or low sales ratios, or high coefficients of dispersion are identified as potentially problematic areas and are scheduled for reappraisal accordingly. Additional sales data is researched and verified as applicable. In the absence of adequate market data, clusters of comparable neighborhoods are identified and linked for use in valuation and defense. These activities are also posted in the calendar of key events and are monitored carefully to meet the established deadlines.

### **Re-inspection of 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 - 6 years; however, the TPTC mandates that appraisal districts re-inspect properties **at least once every three years**. The District, through this reappraisal plan, abides to this mandate. The District utilizes *PICTOMETRY* and *Google Maps* to review the property characteristics and measurements thereby facilitating desktop appraisal. Field inspections are performed as needed to verify condition and measurements. Field production standards are established, and procedures are monitored and tested to meet field review deadlines. Properties identified within this report and on Exhibit B, are scheduled for review and / or re-inspection in Appraisal Years 2023 and 2024 appraisals are completed between August 1<sup>st</sup> and February 28<sup>th</sup>. These dates are also noted on the calendar of key events as part of the *field operation*. The re-inspection of the Universe of Properties is also known as reappraisal and mass appraisal.

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

The District staff follows the International Association of Assessing Officers *Standard on Ratio Studies* and *Standard on Verification and Adjustment of Sales* to verify, screen, and capture sales data. Sales not meeting the definition of “arms-length-transactions” are identified as “disqualified sales” in order to be excluded from ratio studies. The District maintains all sales data in PACS and utilizes a sales coding system that identifies the sales as residential, commercial, or vacant land. This coding system is used to perform ratio studies by market area and property types. Additionally, the District uses Structured Query Language (SQL) scripts to audit the sales data to ensure accuracy and reliability. Sales information is received from various sources. These sources include surveys; and conversations with local real estate appraisers, agents and brokers. In addition to these sources, the district process ownership changes from deed transactions obtained

from the County Clerk, the District mails out sales surveys to the buyers and sellers in an effort to obtain additional sales information that may not be discovered otherwise. Sales data gathered is compared against the property record to ensure property sold equals property appraised. When sales data indicates a difference in the improvement's square footage over 5 percent, the buildings are remeasured.

### **Data Edits – Quality Controls**

Most of the property characteristics gathered are entered into PACS mobile by the appraiser on the iPad. The data is stored in the cloud before it is downloaded into the PACS server. At the time the data is being downloaded, there is a quality check mechanism incorporated into the cloud-based software. Once data is downloaded into the server, PACS has system generated edits also known as clerical error reports, that are run periodically to ensure a clean database. Example of items identified in these reports are a wrong state category and a land type code or improvement classification error that creates a recalculation error. In addition, the District uses SQL queries that edit the database at the table and field level. Examples of items checked with SQL queries are exemption edits, BPP edits, state code edits, address edits, value and coding edits.

## **Valuation by Appraisal Year**

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* using market analysis of comparable sales and locally tested cost data, income and expense data, and information gathered from renditions. The calculated property values are tested for accuracy and uniformity, using ratio studies by market area and property type each appraisal year to reflect the local market. Performance standards utilized are those established by the IAAO *Standard on Ratio Studies*.

Below are the details of the planned valuation methods by property type:

### **Land Valuation**

#### **Cost Approach**

The cost approach to value is not the appropriate method to value vacant land as no improvements are considered and land is not generally felt to suffer from depreciation.

#### **Sales Comparison Approach to Value**

The sales comparison approach to value is utilized by grouping or clustering sales within the specified neighborhoods. Units of comparison are identified and appropriately selected. Land schedules reflecting the units of comparison are developed and applied to PACS. The appraisal staff selects the appropriate land schedule and applies it on a mass basis. It should be noted that all land is valued as vacant and ready for development as to its highest and best use. The highest and best use must be physically possible, legal, financially feasible, and productive to the maximum allowed usage of the property. The highest and best use of residential property is normally its current use.

Land prices vary throughout the county, therefore, their values are dependent upon homogenous areas. Land schedules for residential, commercial, agricultural and industrial properties are reviewed and adjusted bi-annually. This process considers physically possible uses, legally permissible uses, as well as financially feasible uses. A maximally productive use is then established and considered the highest and best use.

### **Income Approach to Value**

The income approach to value for unimproved land is not currently used by the District on a mass appraisal basis.

## **Residential Real Property**

### **Cost Approach to Value**

The District currently uses a cost model/schedule developed by the appraisal district and applied to PACS. The cost model/schedule categorizes and values property by class (quality of construction), age, condition and extra items. Depreciation is derived by age/condition and any additional depreciation that may be necessary. Land value is added to indicate a preliminary market value for like properties within the subject neighborhoods. After cost schedules, depreciation and land values are applied, then a market modifier may be necessary to adjust the values to actual market conditions. These modifiers apply to improvements only and do not adjust land values. Therefore, the cost approach to value is actually a hybrid of the sales comparison and cost approaches to value. The following equation denotes the hybrid model used:

$$MV = MA[RCN-D] + LV$$

The market value (MV) equals the market adjustment factor (MA) applied to the replacement cost new less depreciation (RCNLD), plus the land value (LV). Market adjustments will be applied uniformly within neighborhoods to account for location variances between market areas across a jurisdiction.

### **Sales Comparison Approach to Value**

The sales comparison approach to value is utilized by grouping or clustering sales within the specified neighborhoods and classification of properties. The sales are then tested against the appraised values to indicate a ratio for the neighborhood. A neighborhood is a grouping of complementary land uses affected equally by the four forces that influence property value: social trends, economic circumstances, governmental contracts and regulations and environmental conditions. These factors have an impact on the value of properties within this grouping and in turn on properties being appraised.

Individual neighborhood boundaries within the county vary according to market indications and the type of property being appraised. The boundaries of these neighborhoods may be physical, geographical, or political in nature. Generally, residential neighborhoods consist of individual subdivisions or clusters of subdivisions that contain similar properties located within the same cities or school districts. Commercial neighborhoods may be smaller areas within a city, an entire

city, or rural area. Industrial neighborhoods may include the entire county or areas along navigable waterways. Defining neighborhood boundaries depends on the subject of the appraisal assignment. The GIS mapping system assists in establishing neighborhood boundaries for all types of real and personal property.

If sufficient sales are not found, then sales from competing neighborhoods are found and appropriate adjustments are made in the form of market modifiers. These modifiers are applied to cost models/schedules to indicate mass appraisal values for a given neighborhood. Therefore, the sales comparison approach is actually blended with the cost approach to create a hybrid of these two approaches to value.

### **Income Approach to Value**

The income approach to value or rent multipliers are currently not a reliable indicator of value for residential mass appraisal unless rents are specified. Databases or data sources for income producing residential properties are not available in the Uvalde County area. Therefore, the income approach to value is not used in the residential mass appraisal.

The model used to estimate the present value of income expected in the future is represented by the following formulas known as IRV.

$$\text{Value} = \text{Income} / \text{Rate}$$

$$\text{Income} = \text{Rate} \times \text{Value}$$

$$\text{Rate} = \text{Income} / \text{Value}$$

## **Residential Real Property Inventory**

### **Cost Approach to Value**

Cost of development for residential subdivisions and houses vary greatly due to types of streets, utilities, quality of construction and material costs. Inventory of lots and houses may also be located in several different subdivisions with varying costs and qualities of construction. Therefore, the cost approach to value inventory of residential property is not used in the District's mass appraisal process.

### **Sales Comparison Approach to Value**

The sales comparison approach to value residential real property inventory or developer properties is not currently used by the District on a mass appraisal basis. This is due to the lack of sales data of these types of properties. Although sales of developer lots or buildings do occasionally occur, these sales are not consistent and often purchased in foreclosure. The sales comparison approach is not a reliable indicator in the mass appraisal process.

### **Income Approach to Value**

The income approach to value appears to be the most appropriate valuation method to use in the mass appraisal of residential inventory. The District currently uses a discounted cash flow technique. Absorption rates or sell out time of the entire inventory are analyzed to indicate a

typical marketing period of residential subdivisions. Typical market expenses are then deducted from the income flows of sales over the estimated holding period. The net income, after expenses, is deducted then discounted at market rates over the holding period to a percentage basis indicated by the DCF analysis.

## **Multifamily Residential Property**

### **Cost Approach to Value**

The District currently uses a cost model/schedule developed by the appraisal district and applied to PACS. The cost model/schedule categorizes and values property by class (quality of construction), age, condition and extra items. Cost models include the use replacement cost new (RCN) of all improvement. Depreciation is derived by age/condition and any additional depreciation that may be necessary. Land value is added to indicate a preliminary market value for like properties within the subject neighborhoods. After cost schedules, depreciation and land values are applied, market modifiers may be necessary to adjust the values to actual market conditions. These modifiers apply to improvements only and do not adjust land values. Therefore, the cost approach to value is actually a hybrid of the sales comparison and cost approaches to value.

### **Sales Comparison Approach to Value**

The sales comparison approach to value is utilized by grouping or clustering sales within the specified neighborhoods and classification of properties. The sales are then tested against the appraised values to indicate a ratio for the neighborhood. If sufficient sales are not found, then sales from competing neighborhoods are found and appropriate adjustments are made in the form of schedule adjustments or changes.

### **Income Approach to Value**

Uvalde County Appraisal District uses a direct capitalization model to value multi-family residential properties throughout the county. An income approach model to value multi-family properties has been developed using a direct capitalization technique. Questionnaires were sent to the appropriate owners and managers regarding income and expenses. Data was also collected from Internet sources. Capitalization rates were estimated by market abstractions as well as national sources, and surveys.

## **Commercial Real Property**

### **Cost Approach to Value**

The District currently uses a cost model/schedule developed by the appraisal district and applied to PACS. The cost model categorizes and values property by class (quality of construction), age, condition and extra items. Depreciation is derived by age/condition and any additional depreciation that may be necessary. Land value is added to indicate a preliminary market value for like properties within the subject neighborhoods. After cost schedules, depreciation and land values are applied, market modifiers may be necessary to adjust the values to actual market conditions. These modifiers apply to improvements only and do not adjust land values. Therefore,

the cost approach to value is actually a hybrid of the sales comparison and cost approaches to value.

#### **Sales Comparison Approach to Value**

The sales comparison approach to value is utilized by grouping or clustering sales within the specified neighborhoods and classification of properties. The sales are then tested against the appraised values to indicate a ratio for the neighborhood. If sufficient sales are not found then sales from competing neighborhoods are found and appropriate adjustments are made in the form of schedule adjustments or changes.

#### **Income Approach to Value**

Uvalde County Appraisal District utilizes a direct capitalization model to value commercial properties throughout the county. An income approach model to value commercial properties has been developed using a direct capitalization technique. Questionnaires were sent to the appropriate owners and managers regarding income and expenses. Data was also collected from Internet sources and other sources. Capitalization rates were estimated by market abstractions as well as national sources, and surveys.

### **Business Personal Property**

#### **Cost Approach to Value**

The cost approach to value is felt to be the most appropriate method of valuing business tangible personal property. Cost schedules are developed by the District from various sources including renditions, national publications and the Comptroller's Office. These schedules are applied on a mass appraisal basis and are adjusted by information obtained from individual renditions.

#### **Sales Comparison Approach**

Sales of business personal property are rare and detailed. When available they are considered in updating schedules and individual accounts. However, adjustments between these types of properties present a very complex appraisal problem. Therefore, the sales comparison approach is not reliable on a mass appraisal basis.

#### **Income Approach to Value**

The income approach to value for business tangible personal property is not currently used by the District on a mass appraisal basis.

### **Special Valuation Process**

#### **Agricultural Use**

The District appraises agricultural and wildlife management land in compliance with the Comptroller's Manual for the Appraisal of Agricultural Land. This manual prescribes that the cash lease and the share lease appraisal methods are most appropriate when developing productivity value estimates.

The cash lease method is a modified income approach method using the lease amount (income per acre) minus expenses of the land owner to yield the "net-to-land" value per acre. "Net-to-

land” values are averaged for a five-year period to give an average “net-to-land” factor that is then divided by an appropriate capitalization rate for the year to give a value per class of agricultural production. These classes are determined from field inspections, applications, and agricultural activity. The agriculture appraisal staff collects lease data from owners and lessees on an ongoing basis in order to develop “net-to-land” figures by agricultural classification.

### **Industrial Real Property**

This property type appraisal is contracted to Thomas Y. Pickett & Company, Inc. Please refer to Exhibit C to review their reappraisal plan.

### **Utility Property**

This property type appraisal is contracted to Thomas Y. Pickett & Company, Inc. Please refer to Exhibit C to review their reappraisal plan.

### **Industrial Tangible Personal Property**

This property type appraisal is contracted to Thomas Y. Pickett & Company, Inc. Please refer to C to review their reappraisal plan.

## **Mass Appraisal Report**

This reappraisal plan specifies the scope of work, appraisal activities and essential task necessary for the Uvalde County Appraisal District to prepare and certify an appraisal roll for appraisal years 2023 and 2024 to each taxing entity served. A Mass Appraisal Report, prepared in compliance with Uniform Standards of Professional Appraisal Practice standard rule 5 & 6. is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase. The Mass Appraisal Report summarizes the District’s activities and presents conclusions for the year. The annual Mass Appraisal Report is attached by reference to this reappraisal plan.

## **Value Defense**

The appeals process starts with the mailing of notices of appraised value to property owners. The property owner has the right to appeal any item on the notice. Once an appeal is filed with the District, a case number is assigned and is scheduled for a formal hearing with the Appraisal Review Board (ARB). District staff is assigned the case and prepares the evidence packet supporting the appraisal. Staff contacts property owner requesting an informal visit prior to the formal hearing date.

During the informal meeting, the property owner presents their concerns over the property under appeal. Owner and staff review the property characteristics such as living area, lot size, improvement quality built, and condition. District staff considers owners data presented and discusses the packet in support of appraisal. The property owner may elect to proceed to the

formal hearing, settle the appeal based on value adjustment and / or withdraw the appeal without any change in value.

If the property owner elects to appear before the ARB, the setting at the hearing is considered very informal and amicable in nature. Property owner is allowed to present their evidence, and then the District presents their evidence. The ARB makes a determination based on the evidence presented concluding the formal hearing.

Pursuant to TPTC Section 41.43, the Appraisal District has the burden to establish the market value of the property by a preponderance of the evidence. 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 (ARB) hearings is identified and tested.

Depending on the type of property under protest, different types of evidence are used by the District during the informal and formal hearings. Additionally, the District updates the types of evidence provided to an owner, agent, and / or the Appraisal Review Board (ARB), to be in compliance with the valuation procedures utilized. Some examples of the evidence that may be used include, but are not limited to:

1. Limited property sales information in support of value defense
2. Summaries/Conclusions of sales analysis
3. Property sales adjustment grids
4. Property equity adjustment grids
5. Gross Rent / Income Multiplier data
6. Pro forma and actual income data
7. Property characteristics data including photos as applicable
8. Aerial photography
9. Cost approach reports as applicable
10. Property renditions as applicable
11. Published reports regarding cost, market, or income data
12. Schedules and / or models utilized
13. Any other non-confidential information collected by the District

## Summary

The 2023-2024 Reappraisal Plan identifies the District's scope of responsibilities, reappraisal cycles, procedures and processes to meet the District's annual appraisal requirements, the Certification of the Appraisal Roll by July 25<sup>th</sup>.

### Disclaimer

*Failure to identify a process or a property type within this report does not prevent, nullify, limit or affect the District's scope and procedure to appraise the property. This plan is subject to updates*



*and modifications as needed. Any modification necessary prior to the end of appraisal year 2024 will be reported to the Board of Directors at the next scheduled meeting date.*

*Below is a list of activities identified within this report that the District will be performing in the mass appraisal process for 2023 and 2024 appraisal year.*

- All properties are appraised at its market value yearly, unless otherwise authorized by TPTC
- Inspect properties with building permits
- Inspect new subdivisions and new construction
- Inspect areas identified for annual inspection
- Update property characteristics within 3-yr cycle
- Analyze real estate market annually
- Perform ratio studies (September, February, March)
- Test and update appraisal schedules
- Reappraise identified problematic areas
- Update appraisal value to reflect current market
- Process renditions and agricultural use applications
- Identify and appraise new businesses

### **Limiting Conditions**

The appraised value estimates provided by the Uvalde County Appraisal District are subject to the following conditions:

- The appraisals are prepared exclusively for ad valorem tax purposes.
- The property characteristics data upon which the appraisals are based are assumed to be correct and are updated routinely based on this or previous reappraisal plan.
- Sales transaction validations are attempted; however, sales data is obtained through different sources and is considered reliable.
- Inspections are made from the exterior only, it is assumed that the condition of the interior of each property is similar to its exterior condition, unless the District has received additional information from qualified sources giving more specific detail about the interior condition
- Property inspection dates will have ranged in time from before and after the appraisal date. It is assumed that there has been no material change in condition from the latest property inspection, unless otherwise noted on individual property records in our CAMA system
- It is assumed that there are no adverse easements or encroachments for any parcel that have not already been addressed in the mass appraisal

- Mass appraisal involves the division of tasks therefore significant mass appraisal assistance will be provided by department appraisal staff identified within this report

**Certification Statement**

This reappraisal plan complies with Texas Property Tax Code Section 6.05 (i) and 25.18 and with the Uniform Standards of Professional Appraisal Practice Standard 5 and 6.

I, Roberto Valdez, Chief Appraiser for Uvalde County Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the District subject to appraisal by my department staff has been included in this reappraisal plan to the best of my knowledge and belief.



June 3, 2022

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Roberto Valdez, RPA, RTA, CCA  
Chief Appraiser

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Date

## Exhibit A – Calendar of Key Events

# UVALDE COUNTY APPRAISAL DISTRICT CALENDAR OF KEY EVENTS

Appraisal Year 2023

Appraisal Activity / Task	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
ARB Hearings -- Current & Prior Year Motions (25.25)	X	X	X	X	X	X	X	X	X	X	X	X
CAD Supplement Process to Certified Property Records	X	X	X	X	X	X	X	X	X	X	X	X
Comptroller's Office – PVS State Auditor (CAD visit)	X	X	X	X	X	X	X	X	X	X	X	X
Education Courses/Management Training Program	X	X	X	X	X	X	X	X	X	X	X	X
Exemption Processing -- All Types	X	X	X	X	X	X	X	X	X	X	X	X
Open Records Request – Public / Entities	X	X	X	X	X	X	X	X	X	X	X	X
VIT – Dealer's Monthly Inventory Tax Statement	X	X	X	X	X	X	X	X	X	X	X	X
Ownership Changes per Deeds	X	X	X	X	X	X	X	X	X	X	X	
Comptroller's Office – final PVS results; address deficiencies	X	X										
Website – Update forms / data / reports	X			X		X				X		
Update forms / procedures as per legislative changes	X					X						
ARB – Staff Informal Meetings w/ Property Owners	X									X	X	X
Appraisal Review Board (ARB) Protest Hearings	X										X	X
Process and Close Protests Determined by ARB	X										X	X
Board of Directors – Approve 2023-2024 Reappraisal Plan	X											
Board of Directors – Approve Budget	X											
Comptroller's Office – EARS Submission	X											
Create Next Appraisal Year Layer in CAMA System	X											
Field Operations/ Ag Application Inspections		X	X	X	X	X	X	X	X			
Field Operations/ Building Permits & Inquiries Inspections		X	X	X	X	X	X	X	X			
Field Operations/ Business Personal Prop/Physical Inspection		X	X	X	X	X	X	X	X			
Field Operations/ Comm Prop – record occupancy		X	X	X	X	X	X	X	X			
Field Operations/ Next Inspections Flag Rechecks		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – Mass Appr/Physical Inspection		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – Mass Appr/PICTOMETRY Rvw		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – New Construction Inspection		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – New Plats Inspection		X	X	X	X	X	X	X	X			
Personal Property -- ID New Accts/Assumed Name Registry		X	X	X	X	X	X	X	X			
Board of Directors – BOD 1/2 members staggered term process		X	X	X	X							
Process New Plats/Create Accts and Apply Land Sch		X	X	X	X							
Comptroller's Office – MAP Preliminary Report (address deficiencies)		X										
Personal Property – Inventory Appraisal Date (if requested timely)		X										
Prepare Annual Report		X										
Process Ag Rollback – Based on "change of use" of land			X	X	X	X	X					
Mail Out Tax Statements			X									

# UVALDE COUNTY APPRAISAL DISTRICT CALENDAR OF KEY EVENTS

Appraisal Year 2023

Appraisal Activity / Task	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Improvement cost data collection (local and vendors)				X	X	X	X					
Mail out HS exemption survey/verify letter				X	X							
AAAB – Meeting to discuss and collect agricultural data				X		X	X	X				
Employee Performance Evaluations				X								
Field Operations/ (high value permits – percent complete)					X	X						
Income & Expense Commercial Data Survey – mail out					X	X						
Comptroller’s Office – Chief Appraiser’s Eligibility Submission					X							
Dealer Declarations – mail out					X							
Local Adm. District Judge – Appt 1/2 ARB Members (staggered)					X							
Business Personal Property Rendition Period						X	X	X	X			
Publish Public Notices/ Ag, Res Inv/ BPP/HSEx/						X		X				
Comptroller’s Office – Electronic Property Transaction Submission						X						X
Agricultural Applications – mail out for new and reapply owners						X						
Agricultural Survey – Data collection for Ag Use Valuations						X						
Annual Applicants Abatements Historical – mail out						X						
Business Personal Property Rendition – mail out						X						
Comptroller’s Office – MAP Final Report (address deficiencies)						X						
Letter to Entities – New Abatements, Historical, and Annexations						X						
Property City Annexations						X						
Publish/ Post Internet – Capitalization Rate (Low Income Housing)						X						
Residential Inventory Applications – mail out						X						
Statutory Appraisal/ Assessment/ Tax Lien Date						X						
Comptroller Office – ARB Seminar							X	X	X	X		
Comptroller’s Office – Preliminary PVS results – address deficiencies							X					
Residential New Owners HS Application – mail out							X					
VIT – Dealer’s Inventory Declaration Deadline							X					
PACS Recalculation, Error Checks and SQL – Checks (make corrections)								X	X			X
Comptroller Office – PVS Appeals Deadline								X				
Comptroller’s Office – Operations Survey Deadline								X				
Final adjustments to schedules and modifiers per analysis								X				
Notice to Entities – Appraisal Roll Form (Sec. 26.01)								X				
Data Entry Deadline – PACS Lockdown									X	X		
Abatements & Historical Deadline for processing									X			
Agricultural Land Schedules – Deadline to update									X			
Application Deadline – Exemption, Freeport, Ag-Use, Pollution Control									X			

# UVALDE COUNTY APPRAISAL DISTRICT CALENDAR OF KEY EVENTS

Appraisal Year 2023

Appraisal Activity / Task	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Certify Estimate Taxable Values to Entities									X			
Data Changes Submission Deadline – (ownership, schedule, new)									X			
Field Operations/ All projects should be completed									X			
Mail Out of Appraisal Notices – SFR Homestead Properties									X			
Neighborhood Profile Reports – Review and Approve Valuations									X			
Personal Property Rendition Deadline									X			
Personal Property Rendition Deadline and Request for 15 Day Ex									X			
Ratio Study – Final Performance Review									X			
Residential Inventory Applications Deadline									X			
Run Edit list of accounts to be noticed. (codes 25.19A and X25.1)									X			
Import Preliminary Mineral/Industrial Roll										X		
Mail Out Delinquent Tax Statements										X		
Mail Out of Appraisal Notices – Other than SFR Homestead Prop										X		
Mail Out of Mineral/Industrial Appraisal Notices										X		
Personal Property Rendition Deadline (Request 30 Day Extensio										X		
Preliminary Appraisal Rolls Submission to ARB										X		
Publish Notice about Taxpayer Protest Procedures										X		
Staff In-Service – Protest Period Preparations										X		
Update Uvalde CAD website with Preliminary Values										X		
Mineral and Industrial BPP Protest Filing Deadline											X	
Personal Property – Mail out Penalty Letter											X	
Present Proposed Budget to Board of Directors											X	
Protest Filing Deadline for initial mass mail out											X	
Send Proposed Budget to Taxing Entities											X	
Taxing Unit Challenge Deadline (Sec 41.04)											X	
ARB meets 95% and Approves Appraisal Roll												X
Chief Appraiser Certifies Appraisal Roll to Entities												X
Comptroller's Office – Railroad Rolling Stock Values Certified												X
Import Certified Mineral/Industrial Roll												X
Prepare Mass Appraisal Summary Report	X											
Monitor appraisal program progress / report to BOD		X	X	X	X	X	X	X				
Land valuation analysis and update schedules							X	X				
Update appraisal models and neighborhood models							X	X				
Update improvement cost schedules per data collected							X	X				
Run Entity Totals and Analyze Category Changes									X			X

# UVALDE COUNTY APPRAISAL DISTRICT CALENDAR OF KEY EVENTS

Appraisal Year 2024

Appraisal Activity / Task	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
ARB Hearings -- Current & Prior Year Motions (25.25)	X	X	X	X	X	X	X	X	X	X	X	X
CAD Supplement Process to Certified Property Records	X	X	X	X	X	X	X	X	X	X	X	X
Comptroller's Office – PVS State Auditor (CAD visit)	X	X	X	X	X	X	X	X	X	X	X	X
Education Courses/Management Training Program	X	X	X	X	X	X	X	X	X	X	X	X
Exemption Processing -- All Types	X	X	X	X	X	X	X	X	X	X	X	X
Open Records Request – Public / Entities	X	X	X	X	X	X	X	X	X	X	X	X
VIT – Dealer's Monthly Inventory Tax Statement	X	X	X	X	X	X	X	X	X	X	X	X
Ownership Changes per Deeds	X	X	X	X	X	X	X	X	X	X	X	
Comptroller's Office – final PVS results; address deficiencies	X	X										
Website – Update forms / data / reports	X			X		X				X		
Update forms / procedures as per legislative changes	X					X						
ARB – Staff Informal Meetings w/ Property Owners	X									X	X	X
Appraisal Review Board (ARB) Protest Hearings	X										X	X
Process and Close Protests Determined by ARB	X										X	X
Board of Directors – Approve 2023-2024 Reappraisal Plan												
Board of Directors – Approve Budget	X											
Comptroller's Office – EARS Submission	X											
Create Next Appraisal Year Layer in CAMA System	X											
Field Operations/ Ag Application Inspections		X	X	X	X	X	X	X	X			
Field Operations/ Building Permits & Inquiries Inspections		X	X	X	X	X	X	X	X			
Field Operations/ Business Personal Prop/Physical Inspection		X	X	X	X	X	X	X	X			
Field Operations/ Comm Prop – record occupancy		X	X	X	X	X	X	X	X			
Field Operations/ Next Inspections Flag Rechecks		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – Mass Appr/Physical Inspection		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – Mass Appr/PICTOMETRY Rvw		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – New Construction Inspection		X	X	X	X	X	X	X	X			
Field Operations/ Real Prop – New Plats Inspection		X	X	X	X	X	X	X	X			
Personal Property -- ID New Accts/Assumed Name Registry		X	X	X	X	X	X	X	X			
Board of Directors – BOD 1/2 members staggered term process		X	X	X	X							
Process New Plats/Create Accts and Apply Land Sch		X	X	X	X							
Comptroller's Office – MAP Preliminary Report (address deficiencies)		X										
Personal Property – Inventory Appraisal Date (if requested timely)		X										
Prepare Annual Report		X										
Process Ag Rollback – Based on "change of use" of land			X	X	X	X	X					
Mail Out Tax Statements			X									

# UVALDE COUNTY APPRAISAL DISTRICT CALENDAR OF KEY EVENTS

Appraisal Year 2024

Appraisal Activity / Task	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Improvement cost data collection (local and vendors)				X	X	X	X					
Mail out HS exemption survey/verify letter				X	X							
AAAB – Meeting to discuss and collect agricultural data				X		X	X	X				
Employee Performance Evaluations				X								
Field Operations/ (high value permits – percent complete)					X	X						
Income & Expense Commercial Data Survey – mail out					X	X						
Comptroller’s Office – Chief Appraiser’s Eligibility Submission					X							
Dealer Declarations – mail out					X							
Local Adm. District Judge – Appt 1/2 ARB Members (staggered)					X							
Business Personal Property Rendition Period						X	X	X	X			
Publish Public Notices/ Ag, Res Inv/ BPP/HSEx/						X		X				
Comptroller’s Office – Electronic Property Transaction Submission						X						X
Agricultural Applications – mail out for new and reapply owners						X						
Agricultural Survey – Data collection for Ag Use Valuations						X						
Annual Applicants Abatements Historical – mail out						X						
Business Personal Property Rendition – mail out						X						
Comptroller’s Office – MAP Final Report (address deficiencies)						X						
Letter to Entities – New Abatements, Historical, and Annexations						X						
Property City Annexations						X						
Publish/ Post Internet – Capitalization Rate (Low Income Housing)						X						
Residential Inventory Applications – mail out						X						
Statutory Appraisal/ Assessment/ Tax Lien Date						X						
Comptroller Office – ARB Seminar							X	X	X	X		
Comptroller’s Office – Preliminary PVS results – address deficiencies							X					
Residential New Owners HS Application – mail out							X					
VIT – Dealer’s Inventory Declaration Deadline							X					
PACS Recalculation, Error Checks and SQL – Checks (make corrections)								X	X			X
Comptroller Office – PVS Appeals Deadline								X				
Comptroller’s Office – Operations Survey Deadline								X				
Final adjustments to schedules and modifiers per analysis								X				
Notice to Entities – Appraisal Roll Form (Sec. 26.01)								X				
Data Entry Deadline – PACS Lockdown									X	X		
Abatements & Historical Deadline for processing									X			
Agricultural Land Schedules – Deadline to update									X			
Application Deadline – Exemption, Freeport, Ag-Use, Pollution Control									X			



# UVALDE COUNTY APPRAISAL DISTRICT CALENDAR OF KEY EVENTS

Appraisal Year 2024

Appraisal Activity / Task	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Certify Estimate Taxable Values to Entities									X			
Data Changes Submission Deadline – (ownership, schedule, new)									X			
Field Operations/ All projects should be completed									X			
Mail Out of Appraisal Notices – SFR Homestead Properties									X			
Neighborhood Profile Reports – Review and Approve Valuations									X			
Personal Property Rendition Deadline									X			
Personal Property Rendition Deadline and Request for 15 Day Ex									X			
Ratio Study – Final Performance Review									X			
Residential Inventory Applications Deadline									X			
Run Edit list of accounts to be noticed. (codes 25.19A and X25.1)									X			
Import Preliminary Mineral/Industrial Roll										X		
Mail Out Delinquent Tax Statements										X		
Mail Out of Appraisal Notices – Other than SFR Homestead Prop										X		
Mail Out of Mineral/Industrial Appraisal Notices										X		
Personal Property Rendition Deadline (Request 30 Day Extensio										X		
Preliminary Appraisal Rolls Submission to ARB										X		
Publish Notice about Taxpayer Protest Procedures										X		
Staff In-Service – Protest Period Preparations										X		
Update Uvalde CAD website with Preliminary Values										X		
Mineral and Industrial BPP Protest Filing Deadline											X	
Personal Property – Mail out Penalty Letter									X			
Present Proposed Budget to Board of Directors											X	
Protest Filing Deadline for initial mass mail out											X	
Send Proposed Budget to Taxing Entities											X	
Taxing Unit Challenge Deadline (Sec 41.04)											X	
ARB meets 95% and Approves Appraisal Roll												X
Chief Appraiser Certifies Appraisal Roll to Entities												X
Comptroller's Office – Railroad Rolling Stock Values Certified												X
Import Certified Mineral/Industrial Roll												X
Prepare Mass Appraisal Summary Report	X											
Monitor appraisal program progress / report to BOD		X	X	X	X	X	X	X				
Land valuation analysis and update schedules							X	X				
Update appraisal models and neighborhood models							X	X				
Update improvement cost schedules per data collected							X	X				
Run Entity Totals and Analyze Category Changes									X			X

## Exhibit B – Production Standards Worksheets

# UVALDE COUNTY APPRAISAL DISTRICT

## Appraisal Year 2023 Planning Worksheet

### UVALDE CISD - City of Uvalde

Important Dates	
<b>Appraisal Date</b>	<b>1/1/2023</b>
Start Appraisal Year	9/1/2022
End Appraisal Year	4/14/2023
Rendition Deadline	4/17/2023
Rendition Deadline II	5/15/2023
Agricultural Application	5/1/2023
Data Edits	4/17/2023
Submit to Processing	4/24/2023
Appraisal Notice Date	5/1/2023
ARB Submission	5/24/2023
ARB Hearings Start	6/1/2023
ARB 95% Completion	7/18/2023
Data Edits	7/20/2023
<b>Certification Date</b>	<b>7/25/2023</b>

Work Days Calculation	
Calendar Days	225
Weekend Days	64
Week Days	161
Total Non-Work Days	37
<b>Total Work Days Available</b>	<b>124</b>

Staffing / Time Formulas	
<b>S = Number of Staff Needed</b>	$S = P / (R \times T)$
P = Number of Properties - Reappraisal Plan	
R = Production Rate - IAAO Guide	
<b>T = Time Available</b>	$T = (P / R) / S$
<b>Available Staff Appraisers</b>	<b>6</b>

Appraisal Task	# Parcels	IAAO Rates	UCAD Rate	Staff Days
Mass Appr Pictometry Rvw	6,793	50 - 100	40	170
Mass Appr Field Rvw 35%	2,378	16 - 20	16	149
New Const	100	8 - 10	8	13
Bldg Pmt / Next Insp / Inquiries	600	16 - 20	16	38
Mobile Homes Field Rvw	197	16 - 20	16	12
Ag Inspections	300	4 - 6	5	60
Sales Analyses/R Studies	300	15 - 30	15	20
Model Building - Imp / Ld	160	8 - 10	8	20
BPP Inspections	974	15 - 20	15	65
Rendition Processing	700	15 - 20	15	47
Exemption Audits	-	5 - 6	1	-
Ownership Transfers / GIS	-	5 - 6	1	-
PVS, MAP, Mandatory Reports	-	5 - 6	1	-
Data Verification / QA	-		1,000	5
	<u>12,502</u>			<u>597</u>

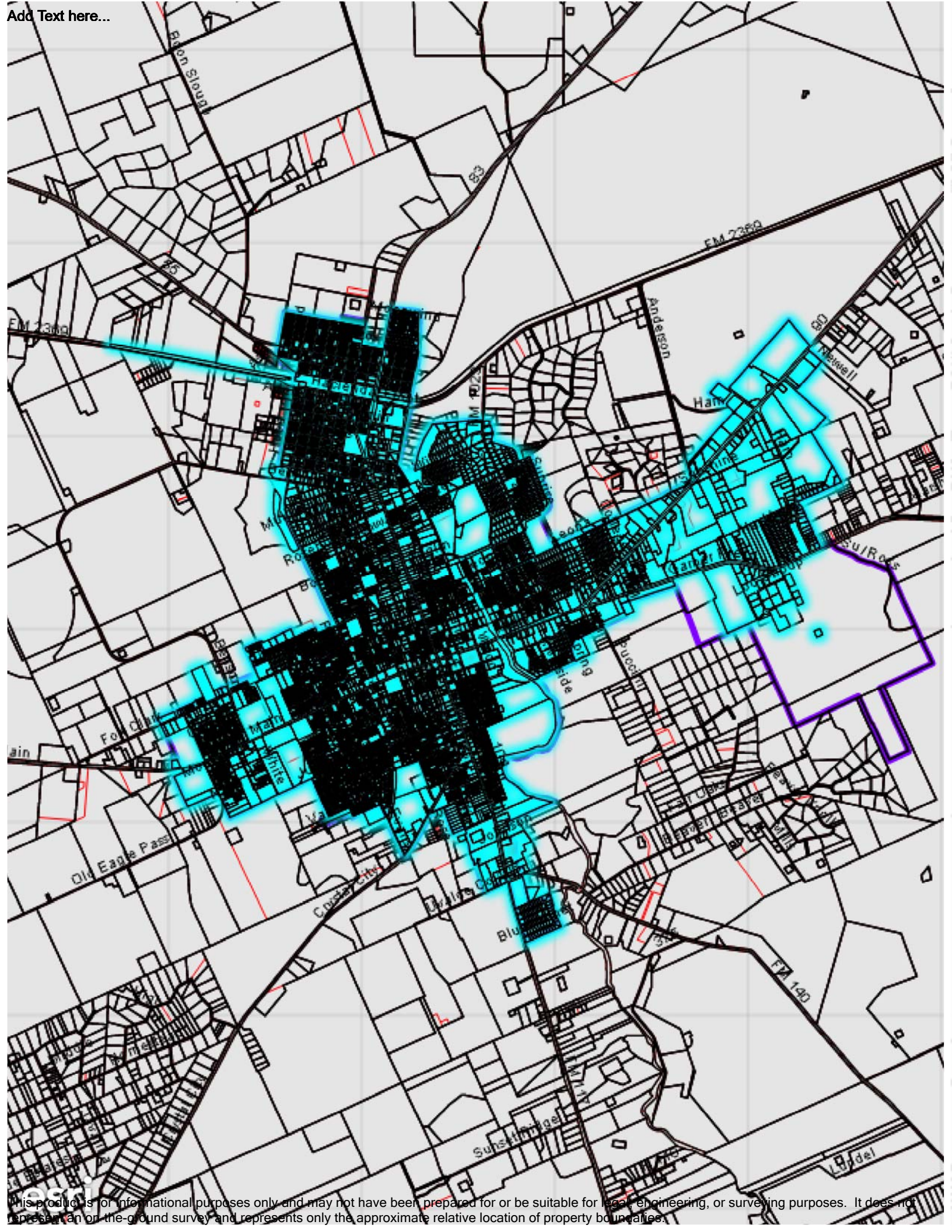
**Average Rate per Staff Day Required** 21

Productivity Rate- Loss for travel time, weather, administrative 0.80

**Effective Production Rate** 17

	Parcel Count	Eff Prod Rate	Days	Staff
Staff Needs - $S = P / (R * T)$	12,502	17	124	6.04
Time Needs: $T = (P / R) / S$	12,502	17	124	6

Add Text here...



# UVALDE COUNTY APPRAISAL DISTRICT

## Appraisal Year 2024 Planning Worksheet

### UVALDE CISD (Outside City Limits), NUECES CANYON ISD

Important Dates	
<b>Appraisal Date</b>	<b>1/1/2024</b>
Start Appraisal Year	9/1/2023
End Appraisal Year	4/15/2024
Rendition Deadline	4/15/2024
Rendition Deadline II	5/15/2024
Agricultural Application	4/30/2024
Data Edits	4/17/2024
Submit to Processing	4/24/2024
Appraisal Notice Date	5/1/2024
ARB Submission	5/22/2024
ARB Hearings Start	6/3/2024
ARB 95% Completion	7/19/2024
Data Edits	7/22/2024
<b>Certification Date</b>	<b>7/25/2024</b>

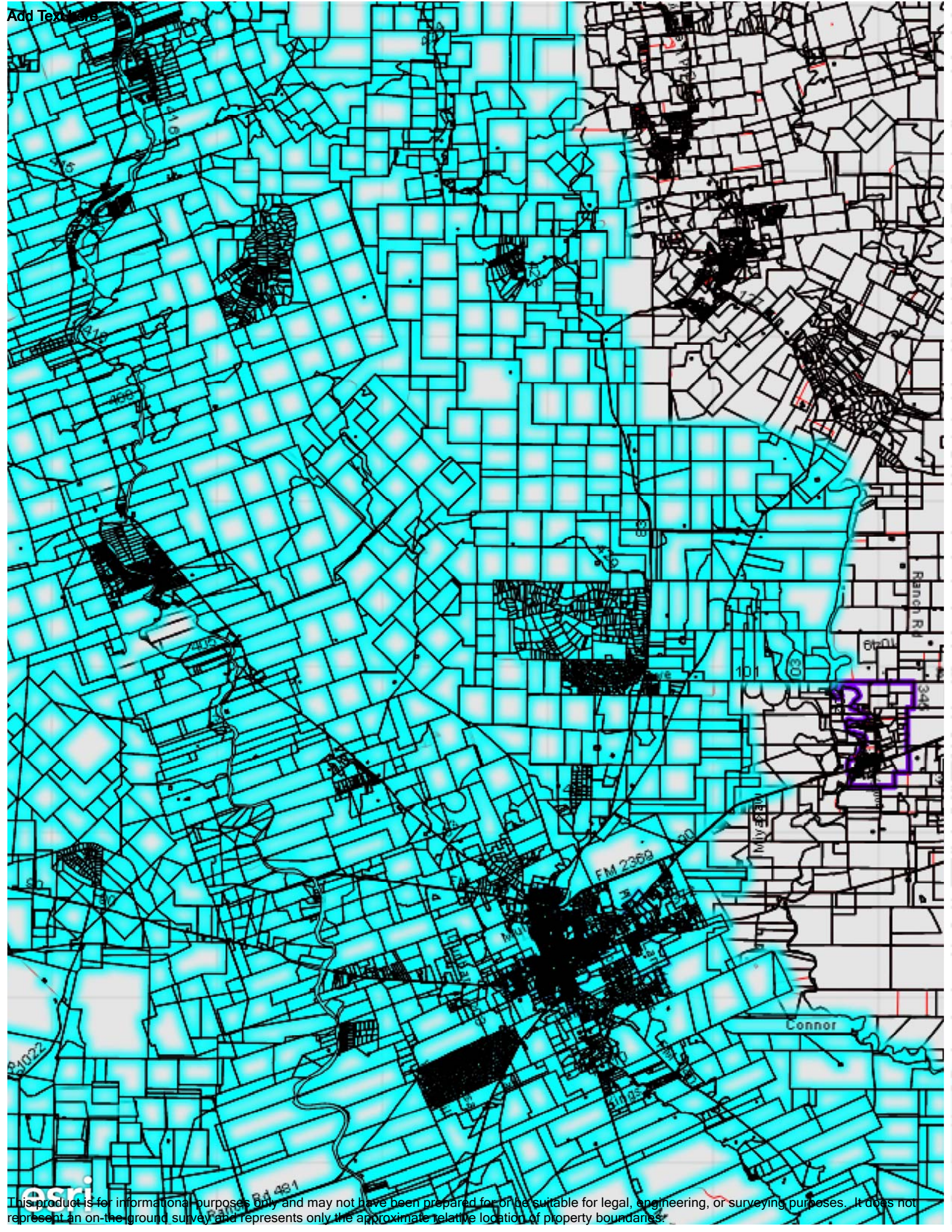
Work Days Calculation	
Calendar Days	227
Weekend Days	65
Week Days	162
Total Non-Work Days	37
<b>Total Work Days Available</b>	<b>125</b>

Staffing / Time Formulas	
<b>S = Number of Staff Needed</b>	$S = P / (R \times T)$
P = Number of Properties - Reappraisal Plan	
R = Production Rate - IAAO Guide	
<b>T = Time Available</b>	$T = (P / R) / S$
<b>Available Staff Appraisers</b>	<b>6</b>

Appraisal Task	# Parcels	IAAO Rates	UCAD Rate	Staff Days
Mass Appr Pictometry Rvw	7,556	50 - 100	40	189
Mass Appr Field Rvw 35%	2,645	16 - 20	16	165
New Const	100	8 - 10	8	13
Bldg Pmt / Next Insp / Inquiries	800	16 - 20	16	50
Mobile Homes Field Rvw	623	16 - 20	16	39
Ag Inspections	300	4 - 6	5	60
Sales Analyses/R Studies	300	15 - 30	15	20
Model Building - Imp / Ld	160	8 - 10	8	20
BPP Inspections	352	15 - 20	15	23
Rendition Processing	700	15 - 20	15	47
Exemption Audits	-	5 - 6	1	-
Ownership Transfers / GIS	-	5 - 6	1	-
PVS, MAP, Mandatory Reports	-	5 - 6	1	-
Data Verification / QA	-		1,000	5
	13,536			631

<b>Average Rate per Staff Day Required</b>	21
Productivity Rate- Loss for travel time, weather, administrative	0.80
<b>Effective Production Rate</b>	<b>17</b>

	Parcel Count	Eff Prod Rate	Days	Staff
Staff Needs - $S = P / (R \times T)$	13,536	17	125	6.30
Time Needs: $T = (P / R) / S$	13,536	17	131	6



## Exhibit C – Thomas Y. Pickett Reappraisal Plan

**Uvalde County Appraisal District**  
**Oil and Gas Reserves**  
**2023-2024 Appraisal Procedures and Reappraisal Plan**

**January 1, 2023**

*by*

*Thomas Y. Pickett & Company, Inc.*



## APPRAISAL PROCEDURES & REAPPRAISAL PLAN

### OIL AND GAS RESERVES

#### Executive Summary

- Thomas Y. Pickett & Co., Inc. (“Thomas. Y. Pickett” or “Pickett”) annually reappraises all producing mineral leases within the CAD’s boundaries using a Discounted Cash Flow (“DCF”) methodology;
- Thomas Y. Pickett uses the Comptroller’s Manual for Discounting Oil and Gas Income pursuant to Tax Code Section 23.175;
- Thomas Y. Pickett determines oil and gas prices in accordance with Tax Code Section 23.175;
- Thomas Y. Pickett’s written procedures for identifying new properties are included herein.

#### Overview

Oil and gas reserves consists of interests in subsurface mineral rights. Thomas Y. Pickett & Co. is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- B. 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
- C. 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.

The appraisal results will be used as the tax base upon which a property tax will be levied. Each mineral interest is listed on the appraisal roll separately from other interests in the mineral in place in conformance with the Texas Property tax Code Sec. 25.12. A listing of the oil and gas properties

appraised by Pickett for the appraisal district shall be made available at the appraisal district office. Subsurface mineral rights are not susceptible to physical inspection. This condition creates the need to invoke the Departure Provision as required by the Standards Rule 6-7 (f) comment of the Uniform Standards of Professional Practice. However, the inability to physically examine the property does not affect the appraisal process or the quality of the results. The appraisal district is aware of this limiting condition and agrees that it is appropriate.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; the Texas Comptroller's Manual for Discounting Oil and Gas Income; other reports described in the Texas Property Tax Code; and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts and the Texas Property Tax Code.

Pickett's oil and gas appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Oil and gas appraisal staff stays abreast of current trends affecting oil and gas properties through review of published materials, attendance at conferences, course work and continuing education. All oil and gas appraisers are registered with the Texas Department of Licensing and Regulation, (formerly, the Texas Board of Tax Professional Examiners).

#### Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.

6. All information in the appraisal documents have been obtained by members of Thomas Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.

### **Property Discover and Data Collection Process**

Mineral properties are identified and appraised based on their Railroad Commission Identification Number (RRCID). Upon completion of a new well, a Completion Report must be submitted to the Railroad Commission (RRC). The RRC then issues a RRCID. Production from that property is reported by RRCID. Periodically, wells are completed and start producing prior to being issued a RRCID. The production from these wells still must be reported to the RRC and are usually reported by Drilling Permit Number (DP). Since mineral properties are appraised using a Discounted Cash Flow analysis, production data is required to do the analysis. The RRC is the primary source of that data.

#### Procedure:

1. At the beginning of the year, the RRC database is searched for new wells that started producing prior to January 1 of the appraisal year. These wells are identified by RRCID or Drilling Permit (DP) number and added to the mineral appraisal database for the county. A well is considered to have value as of January 1 if it has reported production prior to that date, has filed a completion report showing completion prior to that date, or was perforated into a producing formation which showed the presence of oil or gas prior to January 1.
2. Completion reports and plats are retrieved from the RRC to identify the location of the producing wells. These locations are cross-referenced with jurisdictional maps to establish situs.
3. Division of Interest (DOI) statements are requested from the operator of the well to establish working and royalty interests.
4. Additional reviews of the RRC database are done periodically during the year to identify any wells that may have been added to the RRC database after the first of the year, but

were completed prior to January 1 of the appraisal year. New producing wells identified after the appraisal period are supplemented, going back up to five years.

Other appraisal data on the subject properties are collected from required regulatory reports from the Texas Railroad Commission and the Texas Comptroller of Public Accounts and by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data are verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties, if any. Due to the unique nature of many oil and gas properties there is no standard data collection form or manual.

### **Valuation Approach and Analysis**

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

#### **Cost Approach**

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

#### **Income Approach**

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

#### **Market Approach**

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the

appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

All oil and gas interest values are arrived at through an appraisal of the whole property. Each fractional interest is then assigned a value on the basis of its relative share of expenses, income and the value of the operating equipment. Multiple producing zones in the same well may be treated as separate properties.

Oil and gas properties are principally appraised through the income approach to value. Specifically, the discounted cash flow (DCF) technique is used almost exclusively. The almost exclusive reliance on income approach methods, adjusted for risk and market conditions, is typical of the oil and gas industry in dealings between buyers and sellers as well as in single-property appraisals. A mineral property's intrinsic value is derived from its ability to generate income by producing oil and/or gas reserves.

Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected revenue stream to reflect the individual characteristics of the subject property. The DCF model is also calibrated through the use of lease operating expenses that reflect the individual characteristics of the subject property.

A jurisdictional exception to the DCF model, as this process is described in the Statement on Appraisal Standards No. 2 of the Uniform Standards of Professional Appraisal Practice, must be taken. Section 23.175 (a) of the Texas Property Code specifies that the price of oil and gas used for the first year of the DCF analysis must be the monthly average price of the oil and gas received from the interest for the preceding year multiplied by a market condition factor as promulgated by the Texas Comptroller's office. Furthermore, the prices used for succeeding years are based upon escalation factors also stipulated by the Texas Comptroller's office.

Highest and best use analysis of the oil and gas reserves is based on the likelihood of the continued use of the reserves in their current use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

### **Review and Testing**

Review of appraisals is performed through a comparison of income indicators and compliance with Section 23.175 of the Texas Property Tax Code. A review of property values with respect to year-to-year changes and with respect to industry-accepted income indicators is conducted

annually. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent and often the sales conditions are not made public for the sales that do occur. Furthermore, market transactions normally occur for multiple sites and include real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Finally, Pickett's mineral appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

**Uvalde County Appraisal District**  
**Industrial Property**  
**2023-2024 Appraisal Procedures and Reappraisal**  
**Plan**

**January 1, 2023**

*by*

*Thomas Y. Pickett & Company, Inc.*

## SUMMARY REVALUATION PROGRAM REPORT

### INDUSTRIAL PROPERTY

#### Overview

Industrial property consists of processing facilities and related personal property. Thomas Y. Pickett & Co., Inc. (“Thomas Y. Pickett” or “Pickett”) is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- B. 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
- C. 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.

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to the Standards Rule 6-5 (c) Comment of the Uniform Standards of Professional Appraisal Practice. A listing of the industrial properties appraised by



Pickett for the appraisal district is available at the appraisal district office. Industrial properties are re-appraised annually. Properties are inspected annually where necessary and at least bi-annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property Tax Code; asset lists and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey and Hempstead; and the Texas Property Tax Code.

Pickett's industrial appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Industrial appraisal staff stays abreast of current trends affecting industrial properties through review of published materials, attendance at conferences, course work and continuing education. All industrial appraisers are registered with the Texas Board of Tax Professional Examiners.

#### Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised; however, it is not possible to personally observe conditions beneath the soil or

hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

### **Discovery Process and Procedures**

Data is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties, if any. Due to the unique nature of many industrial properties there is no standard data collection form or manual.

### **Valuation Approach and Analysis**

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

#### **Cost Approach**

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

#### **Income Approach**

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

#### **Market Approach**

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

Industrial properties are generally appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties adjusted for typical changes in cost over time. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A market data model based on typical selling prices per unit of capacity is also used when appropriate market sales information is available.

Because cost information is the most readily available type of data, the cost approach model is almost always considered and used. If sufficient data is available, either or both of the other two models are considered and may be used. The market data and income approach models must be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

In reconciling multiple model results for a property, the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. An appraiser's

identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

### **Review and Testing**

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Finally, Pickett's industrial appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

**Uvalde County Appraisal District**  
**Utilities Property**  
**2023-24 Appraisal Procedures and Reappraisal Plan**

**January 1, 2023**

*by*

*Thomas Y. Pickett & Company, Inc.*

# APPRAISAL PROCEDURES AND REAPPRAISAL PLAN

## UTILITY, RAILROAD AND PIPELINE PROPERTIES

### Overview

Utility, railroad, and pipeline properties consists of operating property, excluding land, owned by utility, railroad and pipeline companies and related personal property and improvements. Thomas Y. Pickett & Co., Inc. (“Thomas Y. Pickett” or “Pickett”) is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- B. 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
- C. 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.

The effective date of the appraisals is January 1 of the year for which this report is submitted.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to the Standards Rule 6-5 (c) Comment of the Uniform Standards of Professional Appraisal Practice 2004. A listing of the utility, railroad and pipeline properties appraised by Pickett for the appraisal district is available at the appraisal district office. All properties are reappraised annually. Such utility, railroad and pipeline properties that are susceptible to inspection (e.g. compressor stations, pump stations, buildings and power plants) are normally re-inspected at least every three years.

Pickett's utility, railroad and pipeline appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. The appraisal staff stays abreast of current trends affecting utility, railroad and pipeline properties through review of published materials, attendance at conferences, course work and continuing education. All appraisers are registered with the Texas Board of Tax Professional Examiners.

### Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

### Discovery Procedures and Data Collection

Data is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties. Due to the varied nature of utility, railroad and pipeline properties there is no standard data collection form or manual.

## **Valuation Approach and Analysis**

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

### **Cost Approach**

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

### **Income Approach**

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

### **Market Approach**

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

For all pipelines a value is calculated using a Replacement Cost New Less Depreciation (RCNLD) model. This involves first calculating the cost of building a new pipeline of equal utility using current prices. The Replacement Cost New (RCN) is a function of location, length, diameter and composition. Depreciation is then subtracted from RCN to produce the final value estimate. Depreciation is defined as the loss of value resulting from any cause. The three common forms of depreciation are physical, functional and economic. Physical depreciation is accounted for on the basis of the age of the subject pipeline. Functional and economic obsolescence (depreciation) can be estimated through the use of survivor curves or other normative techniques. Specific calculations to estimate abnormal functional and/or economic obsolescence can be made on the basis of the typical utilization of the subject pipeline.

After deductions from RCN have been made for all three forms of depreciation, the remainder is the RCNLD or cost approach model indicator of value.



In addition to the RCNLD indicator, a unit value model may also be used for those pipelines for which appropriate income statements and balance sheets are also available. Generally, this model is used for those pipelines that by regulation are considered to be common carriers. The unit value model must be calculated for the entire pipeline system.

The unit value model typically involves an income approach to value and a rate base cost approach. The income approach is based on a projection of expected future typical net operating income (NOI). The projected NOI is discounted to a present worth using a current cost of capital that is both typical of the industry and reflective of the risks inherent in the subject property. The unit value model cost approach is typically an estimation of the current rate base of the subject pipeline (total investment less book depreciation allowed under the current form of regulation). An additional calculation is made to detect and estimate economic obsolescence. Any economic obsolescence is deducted from the rate base cost less book depreciation to achieve a final cost indicator. The unit value model may also include a stock and debt approach in lieu of a market data approach. The stock and debt approach involves finding the total value of the owner's liabilities (equity and debt) and assuming that they are equal to the value of the assets. The two (or three, if the stock and debt approach is included) unit value indicators are then reconciled into a final unit appraisal model indicator of value. The unit value must then be reconciled with the RCNLD model indicator of value for the entire pipeline system being appraised. The final correlated value of the system can then be allocated among the various components of the system to determine the tax roll value for each pipeline segment.

Utility and railroad properties are appraised in a manner similar to pipeline except the RCNLD model is not used. For all three types of property (utility, railroad and pipeline) the appraiser must first form an opinion of highest and best use. If the highest and best use of the operating property is the current use under current regulation, the unit value model is considered highly appropriate. If the highest and best use is something different, then the RCNLD model may be more appropriate.

Compressor stations, pump stations, improvements and related facilities are appraised using a replacement cost new less depreciation model.

Model calibration in the RCNLD model involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or

through-put data provided by the owner or agent. Model calibration in the unit value cost approach involves the selection of the appropriate items to include in the rate base calculation and selection of the best measure of obsolescence, if any. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the stock and debt approach involves allocating sales prices of debt and equity to reflect the contribution to value of the operating property of the subject property.

In reconciling multiple model results for a property, the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for utility and pipeline properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Railroad corridor land is included in the appraisal of the operating property. The highest and best use of railroad corridor land is presumed to be as operating property. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The rate-base cost approach, stock and debt approach and income approach models must be reduced by the value of the land in order to arrive at a value of improvements, personal property and other operating property.

### **Review and Testing**

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller’s office. The Comptroller’s review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

THOMAS Y. PICKETT & COMPANY, INC.																			
VALUATION TIMELINE - UVALDE COUNTY APPRAISAL DISTRICT 2023 - 2024																			
EVENT	DEC 2022	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024	
Industrial Property Inspections																			
Personal Property Inspections																			
New Discovery Property Inspections																			
Mineral Property Valuations																			
Industrial/Personal Valuations						15th													
Copy of Renditions to *TYP/Review All					15th	15th													
Late/Extended Renditions to *TYP/Review All																			
Notices Generated by Thomas Y. Pickett & Co., Inc.						15th	(Or as required to meet the time frame of agreed ARB date)												
Informal Meetings With Owners/Agents						15th													
Appraisal Review Board Hearings on *CAD Selected Date																			
Certified Values to CAD On or Before								20th	(Unless otherwise specified by Chief Appraiser)										
Address Any 25.25 Correction Filings as Required																			
Submit Data for Property Valuation Study											15th								
Review Initial *Category G Ratios/Informal Hearing if Necessary																			
Review Utility *Category J Ratios/Informal Hearing if Necessary																			
File Formal Value Study Protest as Required																		10th	
Category J and G Ratios/Hearing Before *Adm. Law Judge																			

NOTE: Same timeline for 2023 and 2024 valuation projects unless revisions required by changes in statutes for CAD policies.  
 Shaded areas indicate time span unless specific date identified.  
 \* "TYP" will mean Thomas Y. Pickett & Co., Inc.  
 \* "CAD" will mean Uvalde County Appraisal District  
 \* "Category G" will mean Oil and Gas Mineral Reserves as described by the Property Tax Division of the State of Texas Comptroller's Office  
 \* "Category J" will mean Utility Property as described by the Property Tax Division of the State of Texas Comptroller's Office  
 \* "25.25 Corrections" will mean Section 25.25 Correction of Appraisal Roll as described in the Texas Property Tax Code  
 \* "Adm." will mean Administrative

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