

# 2023

## MASS APPRAISAL REPORT

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Runnels Central Appraisal District

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# RUNNELS CENTRAL APPRAISAL DISTRICT

## 2023 MASS APPRAISAL REPORT

### INTRODUCTION

#### *Scope of Responsibility*

Runnels Central Appraisal District (RCAD) has prepared and published this report to provide our citizens and taxpayers with a better understanding of the district's responsibilities and activities. It entails the process of estimating the market value of properties based on the mass appraisal concept. The classification system and value schedules were prepared, using the concept of grouping similar types of improvements by the classing system, which ranges in the single-family residences from small, inexpensive structures, to the larger, custom-built homes.

RCAD is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A five-member board of directors, appointed by the taxing units within the boundaries of Runnels County, along with the non-voting tax assessor/collector, constitutes the district's governing body. The chief appraiser is appointed by the board of directors and is the chief administrative officer of the appraisal district.

The appraisal district is responsible for local property tax appraisal and exemption administration for seventeen jurisdictions, or taxing units, in the county. Each taxing unit, such as the county, a city, school district, hospital district, water district, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Appraisals established by the appraisal district allocate the year's tax burden on the basis of each taxable property's January 1<sup>st</sup> market value. Eligibility is determined for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, and charitable and religious organizations.

**Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1<sup>st</sup>. Under the tax code, "market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:**

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

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market

value as of September 1<sup>st</sup> of the year preceding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1<sup>st</sup>.

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district's current policy is to conduct a general reappraisal of real property at least once every three years. However, appraised values are reviewed annually and are subject to change for purposes of equalization. Personal property is appraised every year.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted appraisal programs, and recognized appraisal methods and techniques, we compare that information with the data for similar properties, and with recent market data. The district subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. In cases where the appraisal district contracts for professional valuation services, the contract that is entered into by each appraisal firm requires adherence to similar professional standards.

### ***Personnel Resources***

The Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations, including to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services. The Chief Appraiser is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal, and industrial. The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with The Texas Department of Licensing and Regulation. Support functions including records maintenance, information and assistance to property owners, and hearings support are coordinated by the Chief Appraiser.

The appraisal district staff consists of the Chief Appraiser and five Staff Appraisers, who are full-time employees, and one Bookkeeper part-time.

### ***Data***

The district is responsible for establishing and maintaining approximately 19,476 real and personal property accounts covering 911 square miles within Runnels County. This data includes property characteristics, ownership, and exemption information. Property characteristic data on new construction is updated through an annual field effort; existing property data is maintained through a field review that is prioritized by the last field inspection date. Sales are routinely validated during a separate field effort; however, numerous sales are validated as part of the new construction and data review field activities. General trends in interest rates, new construction trends, and cost and market data are acquired through various sources, including internally generated questionnaires to buyer and seller, university research centers, and market data centers and vendors.

### ***Information Systems***

Southwest Data Solutions, Inc. maintains the district's software applications and hardware. The server is an IBM PC clone, which is networked with five PC workstations. The computer-assisted-mass-appraisal system is leased from Southwest Data Solutions, Inc.

## **SHARED APPRAISAL DISTRICT BOUNDARIES**

The district established procedures whereby ownership and property data information are routinely exchanged with neighboring appraisal districts who have overlapping taxing jurisdictions. Appraisers from adjacent appraisal districts discuss data collection and valuation issues to minimize the possibility of differences in property characteristics, legal descriptions, and other administrative data.

## **INDEPENDENT PERFORMANCE TEST**

According to Chapter 5 of the Texas Property Tax Code (PTC) and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Assistance Division (PTAD) conducts a property value study (PVS) of each Texas school district and each appraisal district at least once every two years. As a part of this annual study, the code also requires the Comptroller to: apply appropriate standard statistical analysis techniques to data collected as part of the study of school district taxable values; review each appraisal district's appraisal standards, procedures, and methodology to determine compliance with generally accepted appraisal standards and practices (MAP review); test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and, determine the level and uniformity of property tax appraisal in each appraisal district. The methodology used in the property value study includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analysis of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and price-related differential (PRD) for properties overall and by state category (i.e., categories A, B, C, D and F1 are directly applicable to real property).

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

# APPRAISAL ACTIVITIES

## INTRODUCTION

### *Appraisal Responsibilities*

The appraisal staff is responsible for collecting and maintaining property characteristic data for classification, valuation, and other purposes. Accurate valuation of real and personal property by any method requires a physical description of personal property, and land and building characteristics. This appraisal activity is responsible for administering, planning and coordinating all activities involving data collection and maintenance of all commercial, residential and personal property types which are located within the boundaries of Runnels County. The data collection effort involves the field inspection of real and personal property accounts, as well as data entry of all data collected into the existing information system. The goal is to periodically field inspect residential, commercial and personal properties in Runnels County at least once every three years. Meeting this goal is dependent on budgetary constraints.

### *Appraisal Resources*

- **Personnel** - The appraisal activities consist of the chief appraiser and five appraisers who do their own clerical work. The district appraisers are not assigned to any one geographical area of the county. The nature of the property and whether the district has the staff resources available determines which properties are valued by each staff appraiser. New appraisers are trained by accompanying appraisers who have performed field visit and appraisal functions for a number of years. Each district appraiser is responsible for the completeness and correctness of their valuation work, but a new appraiser is encouraged to seek the advice of and review by experienced appraisal staff if that person is unsure of their value estimation results.
- **Data** - The data used by field appraisers includes the existing property characteristic information contained in CAMA (Computer Assisted Mass Appraisal System) from the district's computer system. The data is printed on a property record card (PRC), or personal property data sheets. Other data used includes maps, sales data, fire and damage reports, building permits, newspaper reports, photos and actual cost information.

## PRELIMINARY ANALYSIS

### *Data Collection/Validation*

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal). The information contained in CAMA includes site characteristics, such as land size and topography, and improvement data, such as square feet of living area, year built, type and quality of construction, and condition. Field appraisers use listing manuals that establish uniform procedures for the correct listing of real property. All properties are coded according to these manuals and the approaches to value are structured and calibrated based on this coding system. The field appraisers use these manuals during their initial training and as a



guide in the field inspection of properties. Data collection for personal property involves maintaining information in the personal property system. The type of information includes personal property such as business inventory, furniture and fixtures, machinery and equipment, cost and location. The field appraisers conducting on-site inspections use a personal property manual during their initial training and as a guide to correctly list all personal property that is taxable.

The listing procedure manuals that are utilized by the field appraisers are available in the district office. Appraisers periodically update the listing procedural manuals, utilizing market analysis.

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

The sources of data collection are through the new construction field effort, data review/relist field effort, data mailers, hearings, sales validation field effort, commercial sales verification, newspapers and publications, and property owner correspondence via the Internet. A principal source of data comes from building permits received from taxing jurisdictions that require property owners to obtain a building permit. Paper permits are received and matched manually with the property's tax account number for data entry.

Data review of entire neighborhoods is generally a good source for data collection. Appraisers drive entire neighborhoods to review the accuracy of our data and identify properties that must be rechecked. The sales validation effort in real property pertains to the collection of data of properties that have sold. In residential, the sales validation effort involves on-site inspection by field appraisers to verify the accuracy of the property characteristics data and confirmation of the sales price. In commercials, they contact both grantee and grantor to confirm sales prices and to verify pertinent data.

Property owners are one of the best sources for identifying incorrect data that generates a field check. Frequently, the property owner provides sufficient data to allow correction of records without having to send an appraiser on-site. As the district has increased the amount of information available on the Internet, property owner's requests to correct data inconsistencies have also increased. Letters are often submitted notifying the district of inaccurate data. Properties identified in this manner are added to a work file and inspected at our earliest opportunity.

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

Field data collection requires organization, planning, and supervision of the field effort. The appraisers are assigned throughout Runnels County to conduct field inspections and record information either on a property record card (PRD), or a personal property data sheet.

The quality of the data used is extremely important in establishing accurate values of taxable property and is emphasized as the goal and responsibility of each appraiser. New appraisers are trained in the specifics of data collection. Experienced appraisers are routinely re-trained in listing procedures prior to major field projects such as new construction, sales validation or data review. A quality assurance process exists through supervisory review of the work being performed by the field appraisers to ensure that appraisers follow listing procedures, identify training issues and provide uniform training throughout the appraisal staff.

The District maintains sales data for residential, commercial, and land sales. Data is collected from a variety of

sources including district questionnaires sent to buyers and sellers, field discovery, protest hearings, real estate appraisers, various sale vendors, builders, and realtors. A system of type, source, validity, and verification codes was established to define salient facts related to a property's purchase or transfer. School district or neighborhood sales are compared and analyzed by appraisers in the development of value estimates.

For those properties involved in a transfer of ownership, a sale file is produced which begins the research and verification process. The initial step in sales verification involves a computer-generated questionnaire, which is mailed to both parties in the transaction (Grantor and Grantee). If a questionnaire is not returned within thirty days a second questionnaire is mailed. If a questionnaire is answered and returned, the documented responses are recorded into the computerized sales database system. If no information is provided, verification is then attempted via phone calls to both parties. If the sales information is still not obtained, other sources are contacted such as the brokers involved in the sale, property managers or commercial vendors. In other instances, sales verification is obtained from local appraisers or others that may have the desired information. Finally, closing statements are sometimes provided during the hearings process. The actual closing statement is the most reliable and preferred method of sales verification.

The reliability of a ratio study depends on how well the sales or independent appraisals reflect market values. The sample needs to be adequate in size, but at the same time exclude sales that indicate an invalid market value. The sales may need to be adjusted for time or irregular ratios may arise. Time adjustments require that you use either two comparables that are highly similar in all features except date of sale, or the same property that has sold twice within a reasonably recent time period. The procedure for calculating a time adjustment is:

- a. subtract the earlier sale price from the later sale price
- b. divide the difference by the earlier sales price to get the total percentage of change
- c. divide the total percentage of change by the number of months between sales to arrive at the monthly percentage of change.

The basic physical characteristics of each property used in the ratio study must be the same when appraised for tax purposes. For sales, this implies two essential steps. First, one should ensure that the legal descriptions match and second, one must ensure that the rights transferred, the permitted use, and the physical characteristics are the same at time of assessment and time of sale. Also, RCAD will analyze sales to consider differences in financing, when the information is available. Any personal property that may be included in the sale should be deducted. If sold properties are used as comparables in determining value, appropriate adjustments for individual property characteristics must be made

In terms of commercial sales data, RCAD receives a copy of the deeds recorded in Runnels County that convey commercially-classified properties. The deeds involving a change in commercial ownership are entered into the sales information system and researched in an attempt to obtain the pertinent sale information. Other sources of sale data include the hearings process and local, regional and national real estate and financial publications.

### ***Data Maintenance***

Each appraiser is responsible for the data entry of his/her fieldwork directly into the computer file. This responsibility includes not only data entry, but also quality assurance.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The date of last inspection, extent of that inspection, and the CAD appraiser responsible are listed on the CAMA record. If a property owner or jurisdiction dispute the district's records concerning this data during a hearing, via a telephone call or correspondence received, CAMA may be altered based on the evidence provided. Typically, a field inspection is requested to verify this evidence for the current year's valuation or for the next year's valuation. Every year a field review of certain areas or neighborhoods in the jurisdiction is done during the data review/re-check field effort.

### ***Office Review***

Office reviews are completed on properties where information has been received from the owner of the property. Data mailers, sent en masse, or at the request of the property owner, frequently verify the property characteristics or current condition of the property. When the property data is verified in this manner, field inspections are not required.

## **PERFORMANCE TEST**

Appraisers are responsible for conducting ratio studies and comparative analysis, and in many cases may conduct field inspections to ensure the ratios produced are accurate and the appraised values utilized are based on accurate property data characteristics.

## **RESIDENTIAL VALUATION PROCESS**

### **INTRODUCTION**

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

The appraisers are responsible for developing equal uniform market values for residential improved and vacant property. There are approximately 7,623 residential improved parcels and 692 vacant residential properties in Runnels County.

#### **Appraisal Resources**

- **Personnel** - The Residential Valuation appraisal staff consists of the chief appraiser and four appraisers. The following appraisers are responsible for determining residential values:

Mr. PaulScott Randolph, Chief Appraiser/Chief Administrative Officer

Mr. Kerry Rieken, Mapper/Staff Appraiser

Mrs. Abri Rieken, Deeds/Webmaster/Staff Appraiser

Mrs. Amanda Vasquez, Business Personal Property/Exemptions/Senior Appraiser

Mr. Clay Bullock, Agriculture Valuation/Staff Appraiser

- **Data** - A common set of data characteristics (size, condition, class, effective age, etc.) for each residential dwelling in Runnels County is collected in the field and data entered into the computer. The property characteristic data drives the computer-assisted mass appraisal approach to valuation.

## **VALUATION APPROACH (MODEL SPECIFICATION)**

### ***Area Analysis***

Data on regional economic forces such as locational factors, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources and provide the appraiser a current economic outlook on the real estate market. Information is gleaned from real estate publications and sources such as continuing education in the form of TAAD and TAAO classes.

### ***Neighborhood and Market Analysis***

Neighborhood analysis involves the examination of how physical, economic, governmental and social forces and other influences affect property values. The effects of these forces are also used to identify, classify, and stratify comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. Residential valuation and neighborhood analysis is conducted on each of the political entities known as Independent School Districts.

The first step in neighborhood analysis is the identification of a group of properties that share certain common traits. A "neighborhood" for analysis purposes is defined as the largest geographic grouping of properties where the property's physical, economic, governmental and social forces are generally similar and uniform. Geographic stratification accommodates the local supply and demand factors that vary across a jurisdiction. Once a neighborhood has been identified, the next step is to define its boundaries. This process is known as "delineation". Some factors used in neighborhood delineation include location, sales price range, lot size, age of dwelling, quality of construction and condition of dwellings, square footage of living area, and story height. Delineation can involve the physical drawing of neighborhood boundary lines on a map, but it can also involve statistical separation or stratification based on attribute analysis. Part of neighborhood analysis is the consideration of discernible patterns of growth that influence a neighborhood's individual market. Each neighborhood may be characterized as being in a stage of growth, stability or decline. The growth period is a time of development and construction. As new

neighborhoods in a community are developed, they compete with existing neighborhoods. An added supply of new homes tends to induce population shift from older homes to newer homes. In the period of stability, or equilibrium, the forces of supply and demand are about equal. Generally, in the stage of equilibrium, older neighborhoods can be more desirable due to their stability of residential character and proximity to the workplace and other community facilities. The period of decline reflects diminishing demand or desirability. During decline, general property use may change from residential to a mix of residential and commercial uses. Declining neighborhoods may also experience renewal, reorganization, rebuilding, or restoration, which promotes increased demand and economic desirability.

Neighborhoods are field inspected and delineated based on observable aspects of homogeneity. Neighborhood delineation is periodically reviewed to determine if further neighborhood delineation is warranted. Whereas neighborhoods involve similar properties in the same location, a neighborhood group is simply defined as similar neighborhoods in similar locations. Each residential neighborhood is assigned to a neighborhood group based on observable aspects of homogeneity between neighborhoods. Neighborhood grouping is highly beneficial in cost-deprived areas of limited or no sales, or use in direct sales comparison analysis. Neighborhood groups, or clustered neighborhoods, increase the available market data by linking comparable properties outside a given neighborhood. Sales ratio analysis is performed in soft sale areas on a neighborhood group basis.

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

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

## **VALUATION AND STATISTICAL ANALYSIS (MODEL CALIBRATION)**

### ***Cost Schedules***

All residential parcels in the district are valued from identical cost schedules using a comparative unit method. The district's residential cost schedules, originally adopted from a private mass-appraisal firm, have been customized to fit Runnels County's local residential building and labor market. The cost schedules are reviewed regularly to ensure they produce results consistent with the market.

An extensive review and revision of the residential cost schedule was performed by the Chief Appraiser of Runnels Central Appraisal District for the 2023 tax year. The property data characteristics of these properties were verified and photographs were taken of the samples. CAD dwelling costs were compared against actual selling prices of homes. The District conducted this review to ensure comparable classification, features, and depreciation. With the slowdown and softening of the real estate market, there has not been a necessity for changes to be made.

### ***Sales Information***

The District maintains sales data for residential, commercial, and land sales. Data is collected from a variety of sources, including: district questionnaires sent to buyers and sellers, field discovery, protest hearings, real estate appraisers, various sale vendors, builders, and realtors. A system of type, source, validity and verification codes was established to define salient facts related to a property's purchase or transfer. School district or neighborhood sales are compared and analyzed by appraisers in the development of value estimates.

### ***Land Analysis***

Because the availability of vacant lots or sales are limited, no change in the lot values has been made for quite some time. For new subdivisions, specific land influences are reviewed, to adjust parcels outside the neighborhood norm for such factors as view, shape, size, and topography, among others. The appraisers use abstraction and allocation methods to ensure that the land values created best reflect the contributory market value of the land to the overall property value.

### ***Statistical Analysis***

RCAD appraisers perform statistical analysis annually to evaluate whether values are equitable and consistent with the market. Ratio studies are conducted on each of the residential neighborhoods in the district to judge the two primary aspects of mass appraisal accuracy, level and uniformity of value. Statistics of central tendency and dispersion are generated from sales ratios for each class. These summary statistics including, but not limited to, the weighted mean, median, standard deviation, and coefficient of dispersion provide the appraisers a tool by which to determine both the level and uniformity of appraised value. The level of appraised values is determined by the weighted mean for individual properties. Review of the standard deviation and coefficient of dispersion discerns appraisal uniformity.

Levels of appraisal are reviewed annually through the sales ratio analysis process. The first phase involves ratio studies that compare the recent sales prices of properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. The appraiser, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level needs to be updated in an upcoming reappraisal, or whether the level of market value is at an acceptable level.

### ***Market Adjustment or Trending Factors***

Neighborhood, or market adjustment, factors are developed from appraisal statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. The district's primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not specified in the cost model.

The following equation denotes the hybrid model used:

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

whereas, the market value equals the market adjustment factor times the land value plus the replacement cost new less depreciation. As the cost approach separately estimates both land and building values and uses depreciated replacement costs, which reflect only the supply side of the market, it is expected that adjustments to the cost values are needed to bring the level of appraisal to an acceptable standard. Market, or location adjustments are applied uniformly within neighborhoods to account for locational variances between market areas or across a jurisdiction.

If a neighborhood is to be updated, the appraiser uses a cost ratio study that compares recent sales prices of properties appropriately adjusted for the effects of time within a delineated neighborhood with the properties' actual cost value. The calculated ratio derived from the sum of the sold properties' cost value divided by the sum of the sales prices indicates the neighborhood level of value based on the unadjusted cost value for the sold properties. This cost-to-sale ratio is compared to the appraisal-to-sale ratio to determine the market adjustment factor for each neighborhood. This market adjustment factor is needed to trend the values obtained through the cost approach closer to the actual market evidenced by recent sales prices. The sales used to determine the market adjustment factor will reflect the market influences and conditions, thus producing more representative and supportable values. The market adjustment factor calculated is applied uniformly to all properties within a neighborhood.

## **TREATMENT OF RESIDENCE HOMESTEADS**

Beginning in 1998, and later amended, the State of Texas implemented a change concerning the appraisal of residential property that receives a residence homestead exemption. Under the new law, beginning in the second year a property receives a homestead exemption, increases in the value of that property are "capped." The value for tax purposes (appraised value) of a qualified residence homestead will be the LESSER of:

- the market value of the property for the most recent tax year that the market value was determined by the appraisal office; or
- the sum of:
  - A. 10 percent of the appraised value of the property for the preceding tax year
  - B. the appraised value of the property for the preceding tax year; and
  - C. the market value of all new improvements to the property.

Values of capped properties must be recomputed annually. If a capped property sells, the cap automatically expires as of January 1<sup>st</sup> of the following year. In that following year, the home is reappraised at its market value to bring its appraisal into uniformity with other properties.

When adequate sale information is available, and when necessary, monthly time adjustments are developed using the sales ratio trend analysis method. Sales-to appraisal ratios based on unadjusted cost values are stratified on an annual basis. Statistics produced from the market data include measures of central tendency (mean and median) that represent the level of appraised values, and measures of uniformity (coefficient of dispersion and coefficient of

variation) that represent the consistency of appraised values within and between strata. The resulting medians are examined and analyzed. A time adjustment for each market area sample is produced. Analysis is then performed on each sample to determine the appropriate time adjustment to be employed, or if a time adjustment was even warranted. Once the market area time adjustment is determined, a monthly time adjustment is calculated.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The appraiser identifies individual properties in critical need of field review through sales ratio analysis. Sold properties with a high variance in sales ratios are field reviewed to check for accuracy of data characteristics.

With new home construction and as homes constructed more than 10 years ago experience remodeling, the appraisers are required to perform field activity associated with transitioning and high demand neighborhoods. Increased sales activity has resulted in a more substantial field effort on the part of the appraisers to review and resolve sales outliers. Additionally, the appraiser frequently field reviews subjective data items such as quality of construction, condition, and physical, functional and economic obsolescence, factors contributing significantly to the market value of the property. After preliminary schedule calibration has been determined, the appraiser tests the computer-assisted values against his own appraisal judgment. During this review, the appraiser is able to physically inspect both sold properties and unsold properties for comparability and consistency of values.

### ***Office Review***

Given the ample resources and time required to conduct a routine field review of all properties, homogeneous properties with a low variance in sales ratios and other properties having a recent field inspection date are value reviewed in the office. Appraisers compare previous values against proposed and final values for residential improved and vacant properties. The dollar amount and percentage of value differences are reviewed for each property allowing the appraiser to identify, research and resolve value anomalies before final appraised values are released. Previous values resulting from a hearing protest are individually reviewed to determine if the value remains appropriate for the current year.

Once the appraiser is satisfied with the level and uniformity of value for each property within his responsibility, the estimates of value go to noticing.

## **PERFORMANCE TESTS**

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

The primary analytical tool used by the appraisers to measure and improve performance is the ratio study. The district ensures that the appraised values that it produces meet the standards of accuracy in several ways. Overall sales ratios are generated to allow the appraiser to review general market trends and provide an indication of market appreciation over a specified period of time. Frequency distributions are reviewed for updates for the current tax



year. In addition to the mainframe sales ratios, sales ratios are generated in Microsoft EXCEL. Reported in the sales ratio statistics is a level of appraisal value and appraisal value ranges.

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

Once the proposed value estimates are finalized, the appraiser reviews the sales ratios and presents pertinent valuation data, such as, history of hearing protest, sale-to-parcel ratio, and level of appraisal to the Chief Appraiser for final review and approval. This review includes comparison of level of value between related neighborhoods within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values have met appraisal guidelines.

## **COMMERCIAL VALUATION PROCESS**

### **PRELIMINARY ANALYSIS**

Very few commercial properties have sold in recent years and the sale price is not readily available to the appraisal district. However, the ones that have sold that RCAD has gotten the information on, are studied, and do support the current commercial schedules. Runnels CAD and Wardlaw Appraisal Group appraised commercial properties. There is evidence that a change in those values should be made for 2023.

Survey of Similar Jurisdictions: Runnels CAD coordinates its discovery and valuation activities with adjoining Appraisal Districts. Field trips, interviews and data exchanges with adjacent appraisal districts have been conducted to ensure compliance with state statutes. In addition, RCAD administration and personnel interact with other assessment officials through professional trade organizations including the International Association of Assessing Officers, Texas Association of Appraisal Districts and its subchapter Concho Valley Association of Appraisal Districts and the Texas Association of Assessing Officers.

## **VALUATION APPROACH (MODEL SPECIFICATION)**

### ***Area Analysis***

Data on regional economic forces such as regional locational factors, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are reviewed from private vendors and public sources. Continuing education is in the form of IAAO, TAAO, TAAD and TDLR approved courses.

### ***Neighborhood Analysis***

The neighborhood is comprised of the land area and commercially classed properties located in Runnels County. It consists of properties that are both commercial and industrial in nature. Neighborhood analysis involves the examination of how physical, economic, governmental, and social forces and other influences affect property values. The effects of these forces are also used to identify, classify, and organize comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. In the mass appraisal of commercial

properties these subsets of a universe of properties are generally referred to as market areas or economic areas. These are defined by each of the improved property use types (apartment, office, retail, warehouse and special use) based on similar economic or market forces. Similarities of rental rates, classification of projects (known as building class by area commercial market experts), date of construction, overall market activity and other pertinent influences are examples of market forces.

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

The highest and best use is the most reasonable and probable use that generates the highest present value of the real estate as of the date of valuation. The highest and best use of any given property must be physically possible, legally permissible, financially feasible, and maximally productive. For improved properties, highest and best use is evaluated as improved and as if the site were still vacant. This assists in determining if the existing improvements have a transitional use, interim use, nonconforming use, multiple uses, speculative use, excess land, or a different optimum use if the site were vacant. For vacant tracts of land within this jurisdiction, the highest and best use is considered speculative based on the surrounding land uses. Improved properties reflect a wide variety of highest and best uses which include, but are not limited to: office, retail, apartment, warehouse, light industrial, special purpose, or interim uses. In most instances, the property's current use is the same as its highest and best use. This analysis ensures that an accurate estimate of market value (sometimes referred to as value in exchange) is derived.

On the other hand, value in use represents the value of a property to a specific user for a specific purpose. This is significantly different than market value, which approximates market price under the following assumptions: (i) no coercion or undue influence over the buyer or seller in an attempt to force the purchase or sale, (ii) well-informed buyers and sellers acting in their own best interests, (iii) a reasonable time for the transaction to take place, and (iv) payment in cash or its equivalent.

### ***Market Analysis***

A market analysis relates directly to market forces affecting supply and demand. This study involves the relationships between social, economic, environmental, governmental, and site conditions. Current market activity including sales of commercial properties, new construction, new leases, lease rates, absorption rates, vacancies, allowable expenses (inclusive of replacement reserves), expense ratio, and capitalization rate should be analyzed.

## **DATA COLLECTION / VALIDATION**

All properties located in RCAD' s territory are coded according to the commercial schedule. The most recent revision of the schedule was 2023, by Runnels Central Appraisal District. Annually, prior to the hearing season, the sales are researched, verified, keyed into the database, and quality control is completed. The confirmed sales reports are categorized by property and use type, and by location and chronological order. The sales are available for use during the hearings process.

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

In terms of commercial sales data, RCAD receives a copy of the deeds recorded in Runnels County that convey commercially classed properties. The deeds involving a change in commercial ownership are entered into the sales information system and researched in an attempt to obtain the pertinent sale information. Other sources of sale data include the hearings process and local, regional and national real estate and financial publications.

For those properties involved in a transfer of commercial ownership, a sale file is produced which begins the research and verification process. The initial step in sales verification involves a computer-generated questionnaire, which is mailed to both parties in the transaction (Grantor and Grantee). If a questionnaire is not returned within thirty days a second questionnaire is mailed. If a questionnaire is answered and returned, the documented responses are recorded into the computerized sales database system. If no information is provided, verification is then attempted via phone calls to both parties. If the sales information is still not obtained, other sources are contacted such as the brokers involved in the sale, property managers or commercial vendors. In other instances, sales verification is obtained from local appraisers or others that may have the desired information. Finally, closing statements are sometimes provided during the hearings process. The actual closing statement is the most reliable and preferred method of sales verification.

## **VALUATION ANALYSIS (MODEL CALIBRATION)**

Model calibration involves the process of periodically adjusting the mass appraisal formulas, tables and schedules to reflect current local market conditions. Once the models have undergone the specification process, adjustments can be made to reflect new construction procedures, materials and/or costs, which can vary from year to year. The basic structure of a mass appraisal model can be valid over an extended period of time, with trending factors utilized for updating the data to the current market conditions. However, at some point, if the adjustment process becomes too involved, the model calibration technique can mandate new model specifications or a revised model structure.

### ***Cost Schedules***

The cost approach to value is applied to all improved real property utilizing the comparative unit method. This methodology involves the utilization of national cost data reporting services as well as actual cost information on comparable properties whenever possible. Cost models were developed by Runnels Central Appraisal District. They include the derivation of replacement cost new (RCN) of all improvements. These include comparative base rates, per unit adjustments and lump sum adjustments. This approach also employs the sales comparison approach in the valuation of the underlying land value. Time and location modifiers are necessary to adjust cost data to reflect conditions in a specific market and changes in costs over a period of time.

Depreciation schedules were developed based on what is typical for each property type at that specific age. Depreciation schedules have been implemented for what is typical of each major class of commercial property by economic life categories. These schedules are then tested to ensure they are reflective of current market conditions. The actual and effective ages of improvements are noted in CAMA.

Market adjustment factors such as external and/or functional obsolescence can be applied if warranted. A depreciation calculation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings on the property data characteristics. These adjustments are typically applied to a specific property type or location and can be developed via ratio studies or other market analyses. Accuracy in the development of the cost schedules, condition ratings and depreciation schedules will usually minimize the necessity of this type of an adjustment factor.

## **INCOME APPROACH**

The income approach to value is applied to those real properties which are typically viewed by market participants as “income producing”, and for which the income methodology is considered a leading value indicator. The first step in the income approach pertains to the estimation of market rent on a per unit basis. This is derived primarily from data furnished by property owners. This per unit rental rate multiplied by the number of units results in the estimate of potential gross rent.

A vacancy and collection loss allowance is the next item to consider in the income approach. The projected vacancy and collection loss allowance is established from data furnished by property owners. This allowance accounts for periodic fluctuations in occupancy, both above and below an estimated stabilized level. The market derived stabilized vacancy and collection loss allowance is subtracted from the potential gross rent estimate to yield an effective gross rent.

Next a secondary income or service income is calculated as a percentage of stabilized effective gross rent. Secondary income represents parking income, escalations, reimbursements, and other miscellaneous income generated by the operations of real property. The secondary income estimate is derived from actual data collected and available market information. The secondary income estimate is then added to effective gross rent to arrive at an effective gross income.

Allowable expenses and expense ratio estimates are based on a study of the local market, with the assumption of prudent management. An allowance for non-recoverable expenses such as leasing costs and tenant improvements are included in the expenses. A non-recoverable expense represents costs that the owner pays to lease rental space. Another form of allowable expense is the replacement of short-lived items (such as roof or floor coverings, air conditioning or major mechanical equipment or appliances) requiring expenditures of large lump sums. When these capital expenditures are analyzed for consistency and adjusted, they may be applied on an annualized basis as stabilized expenses. When performed according to local market practices by commercial property type, these expenses when annualized are known as replacement reserves.

Subtracting the allowable expenses (inclusive of non-recoverable expenses and replacement reserves) from the effective gross income yields an estimate of net operating income.

Rates and multipliers are used to convert income into an estimate of market value. These include income multipliers, overall capitalization rates, and discount rates. Each of these is used in specific applications. Rates and

multipliers vary between property types, as well as by location, quality, condition, design, age, and other factors.

Capitalization analysis is used in the income approach. This methodology involves the capitalization of net operating income as an indication of market value for a specific property. Capitalization rates, both overall (going-in) cap rates for the direct capitalization method and terminal cap rates for discounted cash flow analyses, can be derived from the market. Overall capitalization rates can be derived from the built-up method (band-of-investment). This method relates to satisfying the market return requirements of both the debt and equity positions of a real estate investment. This information is obtained from real estate and financial publications.

Rent loss concessions are made on specific properties with vacancy problems. A rent loss concession accounts for the impact of lost rental income while the building is moving toward stabilized occupancy. The rent loss is calculated by multiplying the rental rate by the percent difference of the property's stabilized occupancy and its actual occupancy. Build out allowances (for first generation space or retrofit/second generation space as appropriate) and leasing expenses are added to the rent loss estimate. The total adjusted loss from these real property operations is discounted using an acceptable risk rate. The discounted value (inclusive of rent loss due to extraordinary vacancy, build out allowances and leasing commissions) becomes the rent loss concession and is deducted from the value indication of the property at stabilized occupancy. A variation of this technique allows that for every year that the property's actual occupancy is less than stabilized occupancy a rent loss deduction may be estimated.

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

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized not only for estimating land value but also in comparing sales of similarly improved properties to each parcel on the appraisal roll. As previously discussed in the Data Collection / Validation section of this report, pertinent data from actual sales of properties, both vacant and improved, is pursued throughout the year in order to obtain relevant information which can be used in all aspects of valuation. Sales of similarly improved properties can provide a basis for the depreciation schedules in the Cost Approach, rates and multipliers used in the Income Approach, and as a direct comparison in the Sales Comparison Approach. Improved sales are also used in ratio studies, which afford the appraiser an excellent means of judging the present level and uniformity of the appraised values.

### ***Final Valuation Schedules***

Based on the market data analysis and review discussed previously in the cost, income and sales approaches, the cost and income models are calibrated and finalized. The calibration results are keyed to the schedules and models on the mainframe CAMA system for utilization on all commercial properties in the district. The schedules are summarized in the Appraisal Manual.

### ***Statistical and Capitalization Analysis***

Statistical analysis of final values is an essential component of quality control. This methodology represents a

comparison of the final value against the standard and provides a concise measurement of the appraisal performance. Statistical comparisons of many different standards are used including sales of similar properties, the previous year's appraised value, and sales ratio analysis.

Appraisal statistics of central tendency and dispersion are generated from sales ratio studies. These summary statistics including, but not limited to, the weighted mean, standard deviation and coefficient of dispersion, provide the appraisers an analytical tool by which to determine both the level and uniformity of appraised value. The level of appraised values can be determined by the weighted mean for individual properties, and a comparison of weighted means can reflect the general level of appraised value. Review of the standard deviation and the coefficient of variation can discern appraisal uniformity within a specific property type.

The appraisers review commercial property annually through the sales ratio analysis process. The first phase involves ratio studies that compare the recent sales prices of properties to the appraised values of the sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the appraised values. The appraiser, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level of a particular property needs to be updated in an upcoming reappraisal, or whether the level of market value is at an acceptable level.

Potential gross rent estimates, occupancy levels, secondary income, allowable expenses (inclusive of non-recoverables and replacement reserves), net operating income and capitalization rate and multipliers are reviewed. Income model conclusions are compared to actual information obtained on individual commercial properties during the hearings process as well as information from published sources and area vendors.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The date of last inspection, extent of that inspection, and the RCAD appraiser responsible are listed in the CAMA system. If a property owner disputes the District's records concerning this data in a protest hearing, CAMA may be altered based on the credibility of the evidence provided. Typically, a new field check is then requested to verify this evidence for the current year's valuation or for the next year's valuation. In addition, if a building permit is filed for a particular property indicating a change in characteristics, that property is added to a work file. Finally, even though every property may not be inspected each year, the chief appraiser typically designates certain segments to have field checks conducted.

Commercial appraisers are somewhat limited in the time available to field review all commercial properties. However, a major effort is made by appraisers to field review properties experiencing remodels, renovations, or retrofits, changes in occupancy levels or rental rates, new leasing activity, new construction, or wide variations in sale prices. Additionally, the appraisers review subjective data items such as building class, quality of construction (known as cost modifiers), condition, and physical, functional and economic obsolescence factors contributing significantly to the market value of the property. In some cases field reviews are warranted if sharp changes in

occupancy or rental rate levels occur between building classes or between economic areas. With preliminary estimates of value in these targeted areas, the appraisers test computer-assisted values against their own appraisal judgment. While in the field, the appraisers physically inspect properties for comparability and consistency of values.

### ***Office Review***

Office reviews are completed on properties not subject to field inspections. The appraisal manual outlines the application of the three approaches to value. This manual is maintained and updated as needed. Office reviews are typically limited by available sale information that summarizes the pertinent data of each property as well as comparing the previous values (two-year value history). Proposed percentage value changes, income model attributes, economic factor (cost overrides) and special factors affecting the property valuation such as new construction status and a three years sales history (USPAP property history requirement for non-residential property). The appraiser may review methodology for appropriateness to ascertain that it was completed in accordance with USPAP or more stringent policies. This review is performed after preliminary ratio statistics have been applied. If the ratio statistics are generally acceptable overall the review process is focused primarily on locating skewed results on an individual basis. Previous values resulting from protest hearings are individually reviewed to determine if the value remains appropriate for the current year based on market conditions. Each appraiser's review is limited to properties by property type (improved) or geographic area (commercial vacant land). Once the appraiser is satisfied with the level and uniformity of value for each commercial property, the estimates of value go to noticing.

## **PERFORMANCE TESTS**

The primary tool used to measure mass appraisal performance is the ratio study. A ratio study compares appraised values to market values. In a ratio study, market values (value in exchange) are typically represented by sales prices (i.e. a sales ratio study). Independent, expert appraisals may also be used to represent market values in a ratio study (i.e. an appraisal ratio study). If there are not enough sales to provide necessary representativeness, independent appraisals can be used as indicators for market value. This can be particularly useful for commercial, warehouse or industrial real property for which sales are limited. In addition, appraisal ratio studies can be used for properties statutorily not appraised at market value, but reflect the use-value requirement. An example of this are multi-family housing projects subject to subsidized rent provisions or other governmental guarantees as provided by legislative statutes (affordable housing) or agricultural lands to be appraised on the basis of productivity or use value.

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

Sales ratio studies are an integral part of establishing equitable and accurate market value estimates, and ultimately assessments for RCAD. The primary uses of sale ratio studies include the determination of a need for general reappraisal; prioritizing selected groups of properties types for reappraisal; identification of potential problems with appraisal procedures; assist in market analyses; and, to calibrate models used to derive appraised values during valuation or reappraisal cycles. However, these studies cannot be used to judge the accuracy of an individual

property appraised value. The Runnels Central Appraisal Review Board may make individual value adjustments based on unequal appraisal (ratio) protest evidence submitted on a case-by-case basis during the hearing process.

Ratio studies generally have six basic steps: (1) determination of the purpose and objectives, (2) data collection and preparation, (3) comparing appraisal and market data, (4) stratification, (5) statistical analysis, and (6) evaluation and application of the results.

Overall sales ratios are generated by use type to allow appraisers to review general market trends. The appraisers utilize desktop applications such as MS ACCESS and EXCEL programs to evaluate subsets of data or a specific and unique data item. On the desktop, this may be customized and performed by building class and age basis. In many cases, field checks may be conducted to ensure the ratios produced are accurate and the appraised values utilized are based on accurate property data characteristics. These ratio studies aid the appraisers by providing an indication of market activity by economic area or changing market conditions (appreciation or depreciation).

## **INDUSTRIAL VALUATION PROCESS**

### **INTRODUCTION**

#### ***Appraisal Responsibility and Resources***

RCAD contracts with the Wardlaw Appraisal Group appraisal firm to value properties for which the district does not have the available personnel or resources. The industrial appraisers are responsible for developing fair, uniform market values for improved industrial properties. The contract appraisers are also responsible for the valuation of all tangible industrial personal property. There are approximately 181 parcels of industrial real property in Runnels County. The contract appraiser appraises approximately 419 parcels of tangible personal property. A Mass Appraisal Report is furnished to RCAD when their work is completed.

## **BUSINESS PERSONAL PROPERTY VALUATION PROCESS**

### **INTRODUCTION**

#### ***Appraisal Responsibility***

RCAD has one personal property appraiser who is assisted by the other appraisers, when necessary. There are four different personal property types appraised: business personal property accounts, leased assets, vehicles, and multi-location assets. There are approximately 419 business personal property accounts in Runnels County.

**Data** - A common set of data characteristics for each personal property account is collected in the field and data is entered into the district's computer. The field data is collected primarily by the personal property appraiser.



## **VALUATION APPROACH (MODEL SPECIFICATION)**

### ***SIC Codes***

Numeric codes, called Standard Industrial Classification (SIC) codes that were developed by the federal government, and obtained from Tom Green CAD, are maintained on each personal property account. These classifications are used by RCAD as a way to classify personal property by business type.

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

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and productive to its maximum. The highest and best use of personal property is normally its current use.

## **DATA COLLECTION/VALUATION**

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

#### **Business Personal Property**

Personal property data collection is assigned to the business personal property appraiser in the appraisal and valuation of personal property. The district's property records were originally received from Runnels County and various school district records in 1981, and where absent, collected through a massive field data collection effort coordinated by the district over a period of time. When revaluation activities permit, district appraisers collect new data via an annual field drive-out. This project results in the discovery of new businesses not revealed through other sources. The tax assessor, city and local newspapers, and the public often provide the district information regarding new personal property and other useful facts related to property valuation. Various discovery publications such as state sales tax listings are also used to discover personal property.

#### **Vehicles**

An outside vendor, Just Texas, provides RCAD with a listing of commercially-registered vehicles within Runnels County. The vendor develops this listing from the Texas Department of Transportation (DOT) Title and Registration Division records. Other sources of data include property owner renditions and field inspections.

#### **Leased and Multi-Location Assets**

The primary source of leased and multi-location assets is property owner renditions of property. Other sources of data include field inspections.

## VALUATION AND STATISTICAL ANALYSIS (MODEL CALIBRATION)

### *Depreciation Schedule and Trending Factors:*

#### Business Personal Property

RCAD's primary method to valuing business personal property is through renditions received from each business. The percent good depreciation factors used by RCAD are based on published valuation guides. The index factors and percent good depreciation factors are used to develop present value factors (PVF), by year of acquisition, as follows:

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

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

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

This mass appraisal PVF schedule is used to ensure that estimated values are uniform and consistent within the market.

#### Vehicles

Value estimates for vehicles are provided by an outside vendor and are based on NADA published book values. Vehicles that are not valued by the vendor are valued by an appraiser using PVF schedules or published guides.

#### Leased and Multi-Location Assets

Leased and multi-location assets are valued using the PVF schedules mentioned above. If the asset to be valued in this category is a vehicle, then NADA published book values are used. Assets that are not valued by the vendor are valued by an appraiser using PVF schedules or published guides.

## INDIVIDUAL VALUE REVIEW PROCEDURES

### *Office Review*

#### Business Personal Property

Property owner renditions, accounts with field or other data changes, accounts with prior hearings, new accounts, and changes are all considered. The accounts are processed by the personal property appraiser by comparing appraised values to prior year values. Accounts that are not within a reasonable range, for no apparent cause, are reviewed by the appraisers.

## Vehicles

A vehicle master file is received from an outside vendor and vehicles in the district's system from the prior year are matched to existing accounts and new accounts are created as needed. Vehicles that are not valued by the vendor are valued by an appraiser using PVF schedules or published guides.

## Leased and Multi-Location Assets

Leased and multi-location accounts that have a high volume of vehicles or other assets are reported by the property owner in the rendition. Account data is matched and entered by the personal property appraiser. Once proofed, corrections are made and the account is noticed.

# **PERFORMANCE TESTS**

## *Ratio Studies*

Each year the Property Tax Division of the state comptroller's office conducts a property value study (PVS). The PVS is a ratio study used to gauge appraisal district performance. Results from the PVS play a part in school funding. Rather than a sales ratio study, the personal property PVS is a ratio study using state cost and depreciation schedules to develop comparative personal property values. These values are then compared to RCAD's personal property values and ratios are formed.

# **LIMITING CONDITIONS**

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

- The appraisals were prepared exclusively for ad valorem tax purposes.
- No responsibility is assumed for legal descriptions or for legal or title considerations.
- Sales transactions were confirmed through surveys sent to buyers and sellers, internet sources, the realty community, settlement statements, and fee appraisals.
- The property characteristic data upon which the appraisals are based is assumed to be correct. Exterior inspections of the property appraised were performed as staff resources and time allowed.
- A list of staff providing significant mass appraisal assistance to the person signing this certification is attached.

## CERTIFICATION STATEMENT

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

- ❖ The Statements of fact contained in this report are true and correct.
- ❖ The reported analyses, opinions and conclusion are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, opinion and conclusions.
- ❖ I have no preset or prospective interest in the property that is the subject of this report other than my personal residence, and I have no personal interest or bias with respect to the parties involved.
- ❖ My compensation is not contingent on the reporting of a predetermined value or direction in values that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- ❖ My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice as set forth in Texas Law.
- ❖ I have not made a personal inspection of all properties that are the subject of this report.
- ❖ Persons providing significant professional assistance to the person signing this report are listed below on page 28 of this report. The appraisal and clerical staff have made contributions in supplying data and information for this report.
- ❖ Appraisers of the Wardlaw Appraisal Group, LLC., have signed their own certification which on file at the Runnels Central Appraisal District office.

*PaulScott Randolph*

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PaulScott Randolph, Chief Appraiser

*August 3, 2023*

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Date





# END OF REPORT