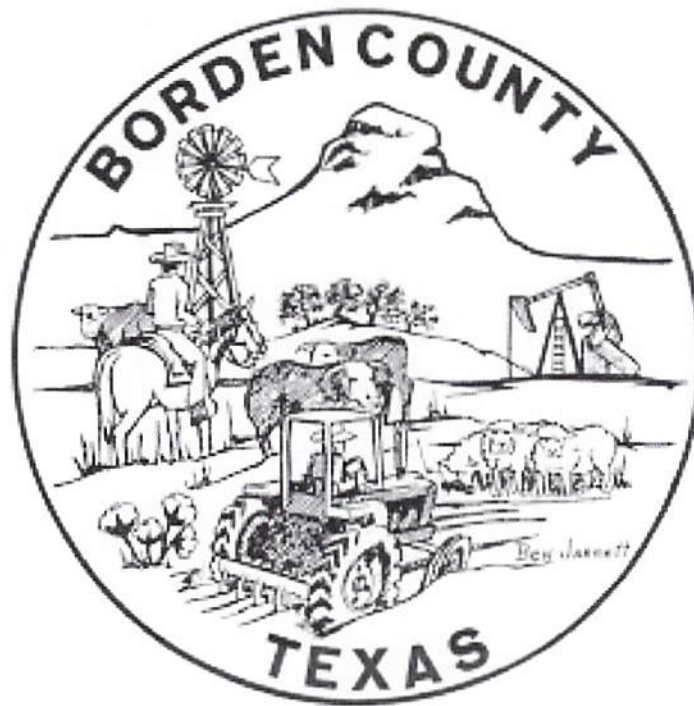


BORDEN COUNTY APPRAISAL DISTRICT



REAPPRAISAL PLAN

2019 - 2020

BORDEN COUNTY APPRAISAL DISTRICT

REAPPRAISAL PLAN 2019-2020

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Borden County Appraisal District

2019 - 2020 Reappraisal Plan

AS ADOPTED BY THE BORDEN COUNTY APPRAISAL
DISTRICT BOARD OF DIRECTORS

ADOPTED: September 11, 2018

SCOPE OF RESPONSIBILITY

The Borden County Appraisal District has prepared and published this reappraisal plan to provide our Board of Directors, citizens and taxpayers with a better understanding of the district's responsibilities and activities. This plan has several parts: a general introduction and then, several sections describing the appraisal effort by the appraisal district. The Borden County Appraisal District (CAD) 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 member board of directors, appointed by the taxing units within the boundaries of the Borden County Appraisal District, constitutes the district's governing body. The Chief Appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district. The appraisal district is responsible for local property tax appraisal and exemption administration for two jurisdictions or taxing units in the county. Each taxing unit, Borden County and Borden County ISD, sets its own tax rate to generate revenue to pay for such things as road and street maintenance, courts, water systems, public school system and other public services. Property appraisals established by the appraisal district allocate the year's tax burden based on each taxable property's January 1 market value. The District also determines eligibility for several types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation.

- Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1. Under the tax code, "market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions under the following conditions:
- 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 able 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 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. The Texas Property Tax Code, under Section 25.18; states that each appraisal office shall implement the plan for periodic reappraisal of property by the board of directors under Section 6.05(i). The district's current policy is to conduct general reappraisals every three years. However, appraised values are reviewed annually and are subject to change for purposes of equalization. Business personal properties, minerals and utility properties are 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 information with the data for similar properties and with recent market data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures and subscribes to the standards 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 by each appraisal firm requires adherence to similar professional standards.

THE WRITTEN PLAN

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

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

PLAN FOR PERIODIC APPRAISAL

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

- Each appraisal office shall implement the plan for the periodic reappraisal of property approved by the Board of Directors under Section 6.05 (i).
- The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three (3) years:
 - Identifying properties to be appraised through physical inspection or by other means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches; the Borden CAD annually reappraises all property in the district including residential, commercial, vacant land, mobile homes, business personal property, and mineral, industrial, and utility real and personal properties. The Borden CAD researches the deeds filed in the Borden County Clerk's Office and request copies of relevant deeds. These deeds are read and abstracted by the district staff. Information is recorded in the CAMA (Computer Assisted Mass Appraisal) system including grantor, grantee, date of recording, date of sale, any pertinent property or deed information, volume, page and file number of county clerk's record. Property identification numbers are assigned to each parcel of property. All businesses are mailed a rendition in early January of each year. Owners are required by state law to list all their business personal property. Failure of an owner to render results in a 10% penalty. If fraud is involved in a false, rendition it is possible a 50% penalty could be assessed. Renditions are sent to and required of utility companies, compressor stations and pipelines. The valuation of these complex properties and mineral interest are outsourced to P&A (Prichard & Abbott Inc.). Copies of deeds and received renditions related to oil and gas properties are forwarded to P&A. Oil and gas wells are discovered using Texas Railroad Commission records. Ownership is determined by records known as division orders that are usually available from the purchasers of the oil and gas. Maps have been developed that show ownership lines for all real estate. These maps are stored digitally and are available to the staff of the district on their computer desktops. The maps are used to identify the properties and/or areas to be physically inspected.
 - Identifying and updating relevant characteristics of each property in the appraisal records; Appraisers drive the county and gather data about each home, commercial business or vacant land tract. The appraiser carries a CAMA generated property appraisal card for each property that contains information on the property and allows the appraiser to update relevant information. The appraiser notes the condition of the property and any changes to the property since the last inspection, such as measurements, additions, new construction, demolition, renovation, deterioration, rehabilitation, occupation, abandonment, etc. Pictures of the property are taken (if possible, as needed) to compare with the pictures that have been captured previously and stored in the CAMA system. Data noted on the cards and transferred to the CAMA system include an exterior sketch of the improvement, with measurements, which allows the system to calculate square footage for the various areas of the building. Components of the building such as bathrooms, fireplaces, air conditioning, type of roof and covering, type of exterior wall, type of foundation, etc. are listed and appropriate values are assigned by the CAMA system. The appraiser looks for newly constructed properties, remodeled properties or demolished property sites as he/she drives through the county. Business personal property is inspected each year. The appraiser looks at the quality of the inventory, how dense the stocking is, and makes general notes about the equipment seen. If his/her observation is different than the rendition made by the taxpayer, additional information is gathered, and a higher value may be assigned than the rendered amount.
 - Defining market areas in the district; Annually, appraisers combine similar types of property into "neighborhoods". These neighborhoods have improvements that are similar construction and type as well as similar years of construction. Market sales are examined to confirm which areas are similar. A

"neighborhood" for analysis purposes is defined as the largest geographic groupings of properties where the property's physical, economic, governmental and social forces are generally similar and uniform, resulting in consistent and uniform values over the defined market area or neighborhood. There is no difference in how the four forces affect values throughout the county, and no discernible areas of variable value as evidenced in market sales, so we look at the whole county as a neighborhood or one, county-wide market area.

- Identifying property characteristics that affect property value in each market area, including;
 - The location and market area of the property;
 - Physical attributes of property, such as size, age and condition;
 - Legal and economic attributes; and
 - Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions; each parcel of property has detailed information recorded in the CAMA system. For land the legal description, dimensions, zoning, size, available utilities and special characteristics are noted in a form that can be used and compared with other land parcels. Each improvement shows the sketch and dimensions, a picture of the improvement, the class which indicates the perceived comparative construction quality, the actual or effective year of the construction of each part of the improvement, the type of roof, the roof covering, the exterior covering, the foundation type, number of baths, fireplaces, air conditioning type, other attributes and overall condition of the improvement. Other characteristics that affect the parcel's value, such as legal and economical attributes, that are apparent from the inspection should be noted in the CAMA system for further consideration. Characteristics that are not physically apparent, such as easements, leases, restrictions, and other legal parameters should be noted within the CAMA system as they become evident through research in the Clerk's office or other documentation.
- Developing an appraisal model that reflects the relationship among the property characteristics affecting value on each market area and determines the contribution of individual property characteristics. The CAMA system began with the cost approach to value and to estimate original cost of each improvement. That cost is based on local modifiers to the Marshall-Swift cost system, a nationally recognized cost estimation system. By utilizing these cost systems, properties are equalized as to their original costs. Components measured in the value include the size of the structure, number of bathroom fixtures, type of roof structure, roof covering, exterior covering, special features such as fireplaces, hot tubs, cabinetry and other special amenities. The market sales were then studied for improvement contributions in each neighborhood (market area) and adjustments to cost are applied to each neighborhood (market area) in the form of all types of depreciation. This resulted in a value schedule that is then analyzed each year and compared to current market sales to determine any trend or value change over time. Finally, each structure is rated as to its current condition. Ratings range from unsound to excellent. Sales are also categorized using the same condition rating system so that the sales comparisons will be made to properties of like construction and condition. This same concept is used in commercial, industrial and apartment property. Significantly, larger neighborhoods or areas are indicated for these properties using sales and income data. Oil and gas values are set for each lease in the same manner as analysts appraise a lease for sale or purchase. Economically recoverable reserves are estimated using geological knowledge, decline curves, and production records, and the value assigned is determined using price of product, discounted value of future production and expense to produce. Utilities, railroads and pipelines are individually appraised using the three approaches to value. The appraisal is a "unit appraisal" that looks at the entire company to be appraised, values it based on original cost less depreciation, net income to the company, and comparable sales if they exist. Then the value for each jurisdiction is set based on the amount of equipment, lines or customers within that jurisdiction.
- Applying the conclusions reflected in the model to the characteristics of the properties being appraised by utilizing the age, quality, condition, construction components, and other variables, the model is developed and applied to all parcels within the neighborhood (market area). Similar values per square foot for similar age, construction quality and condition are assigned. Models are developed and the CAMA system applies all the factors and assigns value to each parcel.
- Reviewing the appraisal results to determine value. After completing the process of assigning values to all parcels within the neighborhood (market area) using the computer assisted mass appraisal programs, comparisons are made of those values per square foot within the neighborhood (market area) with current sales data from the neighborhood (market area). A sales ratio is run for the neighborhood (market area) to determine if the values that have been assigned are acceptable. Commercial property is compared by category or type of business. Adjustments are made in mass by the appraiser utilizing the CAMA system. All similar improvements are compared to verify reasonableness of value and equality. Oil and gas leases are

valued individually and values for the entire lease are entered into the CAMA system. The CAMA system then distributes the value according to the ownership interest specified in the division order of the lease.

PERSONNEL RESOURCES

Staffing and budget requirements for tax year 2019 are detailed in the 2019 appraisal district budget, as adopted by the Board of Directors and attached to the written biennial plan by reference. The reappraisal plan is adjusted to reflect the available staffing in tax year 2019 and the anticipated staffing for tax year 2019. Staffing can impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2019-2020-time period. Information Systems (IS) support, provided by Pritchard & Abbott, Inc., of Ft. Worth, TX is detailed with year specific functions identified and system upgrades scheduled. Computer-generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and testing. Existing maps and data requirements are specified, and updates scheduled. The district has contracted with Pritchard & Abbott, Inc., of Ft. Worth, Texas to help with special projects, the Residential, Commercial and Personal Property appraisal and to assist in completion of the valuation modeling and schedule revisions. This is a 3-year contract and will renew on an annual basis at the end of the term. The valuation of all Industrial, Mineral, and Utility Properties within the district is contracted with Pritchard & Abbott, Inc., of Ft. Worth, Texas. All contracts for appraisal services are required to meet International Association of Assessing Officers (IAAO) "Standards on Contracting Assessment Services".

STAFF EDUCATION AND TRAINING

All personnel that are performing appraisal work are subject to the provisions of the Property Taxation Professional Certification Act and must be registered with the Texas Department of Licensing and Regulations (TDLR) TDLR is responsible for ensuring appraisers are professional, knowledgeable, competent and ethical. This is accomplished through a statewide program of registration, licensing, education, experience, testing and certification for all property tax professionals. Upon registration, appraisers registered with TDLR have up to five years to take a series of appraisal courses and exams to achieve certification as a Registered Professional Appraiser (RPA). During each subsequent twenty-four-month period after certification, appraisers must complete an additional thirty hours of continuing education. Continuing education is in the form of IAAO, Texas Association of Assessing Officers (TAAO), Texas Association of Appraisal Districts (TAAD) and other approved Property Tax Assistance Division (PTAD) courses and seminars. Failure to meet these minimum standards will result in a registrant losing their TDLR license and will also result in the removal of the employee from the appraiser position. In addition to the mandated required courses for appraisers, additional specialized training is offered to all staff. The Chief Appraiser attends a Public Funds Investment training course biennially. Customer service and public relations training is offered to each employee. Public information Act and Open Meetings Act training is received from the Attorney General's website. Records maintenance and retention training is received from the Texas State Library and Archives Commission website. Additional webinar training on various topics is offered by the State Comptroller's office. Staff training is also received by attending seminars, user meetings, classes and on the job.

The appraisal district staff consist of two employees:

- Chief Appraiser (Professional/Administration/Appraisals)
- Collections Clerk (Tax collections/Customer service/ Clerical)

The Chief Appraiser is registered with TDLR as a Registered Professional Appraiser (RPA) and a Register Texas Assessor/Collector (RTA). The Collections Clerk is registered with TDLR as a Register Texas Assessor/Collector (RTA) and working toward her RPA. The district has contracted with P&A to provide personnel and expertise towards the completion of the appraisal of all properties in the county including field work, data analysis, valuation modeling, schedule revisions and taxpayer protest portions of the reappraisal plan. All contracts for appraisal services are required to meet IAAO "Standards on Contracting Assessment Services".

DATA

The district is responsible for establishing and maintaining approximately 22,224 real and personal property accounts covering approximately 900 square miles within Borden County. This data includes property characteristic and 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 last field inspection date. Sales are routinely validated during a separate field effort; however, sales are validated as part of the new construction and data review field activities. General trends in 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. The district makes a broad range of information available for public access, including detailed information on the appraisal process, property characteristics data, residential sales, certified values, protests and appeal procedures, property maps, and a tax calendar. Related tax information and district forms, including exemption applications and business personal property renditions, are also available. The district's website, www.bordencad.org, makes a broad range of information available for public access, including information on the appraisal process, property

characteristics data, certified values and protest procedures. Downloadable files of related tax information and district forms, including exemption applications and business personal property renditions are also available.

APPRAISAL DISTRICT BOUNDARIES

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

SHARED APPRAISAL DISTRICT BOUNDARIES

The district established procedures whereby ownership and property data information are routinely exchanged. 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. Borden CAD shares boundaries with Howard and Martin Counties.

INDEPENDENT PERFORMANCE TEST

According to Chapter 5 of the Texas Property Tax Code and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Division (PTAD) conducts a property value study (PVS) of each Texas school district and each appraisal district every other year.

The code also requires the Comptroller:

- To use sales and recognized auditing and sampling techniques;
- Review each appraisal district's appraisal methods, standards and procedures to determine whether the district used recognized standards and practices (MAP review);
- Test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and
- Determines 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 is one independent school district in Borden County for which appraisal rolls are annually developed. The preliminary results of this study are released in January in the year following the year of appraisal. The final results of 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 appraisal. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

APPRAISAL RESPONSIBILITIES

The appraisal staff is responsible for collecting and maintaining property characteristics data for classification and valuation. Accurate valuation of real and personal property methods requires a physical description of personal property, land and building characteristics. This appraisal activity is responsible for administering, planning and coordinating all activities involving data collections and maintenance of all commercial, residential and personal property types which are located in Borden County. The data collection effort involves the field inspection of real and business personal property accounts, done by Prichard & Abbott, as well as data entry of all data collected into the existing information system. The goal is to periodically field inspect residential and commercial properties in Borden County every year. The appraisal opinion of value for all property located in the district is reviewed and evaluated each year.

APPRAISAL RESOURCES

- **Personnel** – Appraisers from Prichard & Abbott conduct the appraisal activities
- **Data** – The data used by field appraisers includes the existing property characteristic information contained in the Computer Assisted Mass Appraisal System (CAMA) from the district's computer system. The data is printed on an appraisal card for the appraiser to use as a guide. Other data may include maps, sales, photos and actual cost and market information. The district gathers information from both buyers and sellers.

APPRAISAL FREQUENCY AND METHOD SUMMARY

- **Residential Property** – Residential property is physically examined every three (3) years with appraisers walking each home noting condition of the improvement and looking for changes that might have occurred to the property since the last on-site check. Exterior pictures are taken of homes, as updates are needed. The properties are analyzed annually to ensure sales that have occurred during the past twelve (12) months are within a +/-3% range of appraised value.

- **Commercial Property** – Commercial and industrial real estate is observed annually to verify class and condition. The inspection occurs as the Business Personal Property (BPP) appraisers are checking the BPP accounts.
- **Business Personal Property** – Business personal property is observed annually by the BPP appraisers. Renditions are sent to each BPP account to provide additional information on which to base values on all BPP accounts.
- **Minerals** – Working and royalty interests of producing oil and gas wells are appraised annually. The most recent production data available from the Texas Railroad Commission is downloaded into the appraisal software that estimates economically recoverable reserves. Those reserves are then valued based upon State mandated pricing using the previous year's average of oil and gas values. A discount is applied for the anticipated life of the well in order to consider the value of money over time to recover those reserves. Each producing lease is valued as a unit and then that value is divided according to the various owners of the lease listed in division orders.
- **Utilities and Pipelines** – Utility companies and pipelines are appraised annually using a unit value developed using the three approaches to value. For example, a utility company's total value in the State is estimated using cost, market and income approaches to value and then the entire value is allocated using components of that utility company that have situs in the various tax units of the Borden CAD. Components include such things as miles of transmission lines, miles of distribution lines, substation and the like for an electric company.

REAPPRAISAL YEAR PROCESS

Performance Analysis: The equalized values from the previous tax year are analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies of the IAAO (International Association of Assessing Officers).

Analysis of Available Resources: Staffing and budget requirements for tax year 2019 and 2020 are detailed in the 2019 and 2020 budgets, as adopted by the board of directors and attached to the written biennial plan by reference. Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. IS (Information Systems) support is detailed with year specific functions identified and system upgrades scheduled. Existing maps and data requirements are specified, and updates scheduled.

Mass Appraisal System: CAMA revisions that are required are specified, scheduled, and completed by the IS provider. All computer forms, system revisions and procedures are reviewed and revised as required.

Data Collection Requirements: Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on an annual cycle, and field or office verification of sales data and property characteristics.

Pilot Study by Tax Year: New and/or revised mass appraisal models are tested each tax year. Ratio studies, by market area, are conducted on proposed values each year. Proposed values on each category are tested for accuracy and reliability.

Valuation by Tax Year: Using market analysis of comparable sales and locally tested cost data, valuation models are specified and calibrated in compliance with supplemental standards from the IAAO and USPAP (Uniform Standards of Professional Appraisal Practice). The calculated values are tested for accuracy and uniformity using ratio studies. This step is predicted on having sufficient market sale, to accomplish either market comparison or calculate an appropriate local modifier for cost data.

The Mass Appraisal Report: Each tax year the property tax code required Mass Appraisal Report is prepared and certified by the Chief Appraiser after the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15). The Mass Appraisal Report is completed in compliance with Standard Rule 6-8 of USPAP. The signed certification by the Chief Appraiser is compliant with Standard Rule 6-9 of USPAP. This written reappraisal plan is attached to the report by reference. The report date is the certification date (on or about July 25)

Value Defense: Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal settings and informal appraisal review board hearings is specified and tested.

Planning and Organization: A calendar of key events with critical completion dates is prepared for each major work area. This calendar identifies all key events for appraisal, clerical, customer service and information systems. A calendar is prepared for tax years 2019 and 2020. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

PERFORMANCE ANALYSIS

In each year 2019 and 2020 the previous tax year's equalized values are analyzed with ratio studies (as sales data is available) to determine appraisal accuracy and appraisal uniformity overall and by market area, within state property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio on Studies from the IAAO. Mean, median and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal (appraisal accuracy). The mean and the median are determined and calculated for each market to indicate the level of appraisal (appraisal accuracy) by property reporting category. In 2019 and 2020 this analysis will be used to develop the starting point for uniformity or equity of existing appraisals. In 2019 and 2020, any reporting category that may have been previously excluded from ratio studies, due to lack of data, will be readdressed. If sufficient market data has been discovered and verified, the category will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for tax year 2019 are detailed in the 2019 appraisal district budget, as adopted by the board of directors and attached to the written biennial plan by reference. The reappraisal plan is adjusted to reflect the available staffing in tax year 2019 and the anticipated staff for tax year 2020. Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. Each year, real property appraisal depreciation tables and RCN (replacement cost new) tables are tested against verified sales data (as available) to ensure they represent current market data. The cap rate study by commercial real property type should be updated from current market data and market rents are reviewed and updated from local published data (as available and necessary). Personal property quality/density schedules should be tested and analyzed based on renditions and prior year hearing documentation. The data used by field appraisers includes the existing property characteristic information contained in CAMA from the district's computer system. The data is printed on an appraisal card. As work is completed, the properties changes are input into CAMA. Other data used includes maps, sales data, fire and damage reports, photos and actual cost and market information. The districts cultivate sources and gathers information from both buyers and sellers. IS support, provided by Prichard & Abbott, Inc. (P&A) of Fort Worth, TX, is detailed with year specific functions identified and system upgrades scheduled. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and testing. Existing maps and data requirements are specified, and updates scheduled.

MASS APPRAISAL SYSTEM

The Prichard and Abbott contracted CAMA revisions are specified and scheduled with IS support. All computer-generated forms and IS procedures are reviewed and revised as required. The following details these procedures as it relates to the 2019 and 2020 tax years.

REAL PROPERTY VALUATION

Revisions to cost models, income models and market models are specified, updated and tested each year (as information is available). Value schedules are tested with market data (sales) to ensure that the appraisal district is in compliance with Section 23.011 of the Texas Property Tax Code (Cost Method of Appraisal). Market adjusted, and replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders, such as Marshall & Swift Valuation Services. Land tables are updated using current market data including sales and cash rents. Value modifiers are developed for property categories by market area (as necessary) and tested on a pilot basis with ratio study tools. Currently and historically income specific data has been unavailable or irrelevant, however, if such data becomes available and appropriate, then income, expense and occupancy data will be updated in the income models for various property classes and cap rate studies will be completed using current sales and market data. The resulting models will be tested using ratio study tools.

PERSONAL PROPERTY VALUATION

Valuation procedures are reviewed; modified as needed; and tested. Business Personal Property is inspected on-site annually. The latest edition of the Comptroller's Guide (as adjusted and pertinent) and Marshall & Swift are utilized, as necessary, in the appraisal of personal property in the district.

NOTICING PROCESS

Section 25.19 appraisal notice forms are reviewed and edited for updates and changes are signed off on by the Chief Appraiser. Updates include the latest copy of the Comptroller's Property Taxpayer Remedies and Property Tax Notice of Protest form. The Chief Appraiser is required to notify a taxpayer of his property's appraised value if the property is reappraised. Borden CAD mails notices to all property owners every year. After appraisals are completed and changes

to properties and schedules are entered into CAMA, P&A is notified, and notices are printed according to Section 25.19, proofed by the Chief Appraiser, stuffed and mailed by P&A.

HEARING PROCESS

Protest hearing schedules for informal meetings and formal ARB (Appraisal Review Board) hearings are reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district hearing documentation is reviewed and updated to reflect the current valuation process. Production of documentation is tested and in compliance with the Texas Property Tax Code, requiring the district to provide evidence packets to taxpayers within fifteen (15) days of the request, is ensured. Evidence packets include data, schedules, formulas and all other information the district may introduce at an ARB hearing.

DATA COLLECTION REQUIREMENTS

Data collection requires organization, planning and supervision of the field effort. Data collection procedures have been established for residential, commercial and personal property. Activities scheduled for each tax year include new construction, demolition, remodeling, and re-inspection of problematic market area, as well as re-inspection of the universe of properties. Field and office procedures are reviewed and revised as required for data collection.

DATA COLLECTION/VALIDATION

The appraiser conducts field inspections and records information on an appraisal card. The quality of the data used is extremely important in establishing accurate values of taxable property. While production standards are established and upheld for the various field activities, quality of data is emphasized as the goal and responsibility of the appraiser. Quality control is necessary to ensure accuracy and uniformity of valuations. Data collection of real property involves maintaining data characteristics of the property on CAMA. The information contained in CAMA includes site characteristics, such as land size, use and location, and improvement data, such as square foot of living area, year built and effective age, quality of construction and condition. Other characteristics that affect value, such as legal and economic attributes, that are apparent from the inspection should be noted on the CAMA worksheet for further consideration and analysis within the market study. Other characteristics that are not physically apparent, such as easements, leases, and restrictions and other legal parameters, should be noted within the CAMA system and included in the market analysis as they become evident through research in the Clerk's office or other documentation. The field appraiser uses the Borden CAD Appraisal Manual that establishes uniform procedures for the correct listing of real property. All properties are coded according to this manual and the approaches to value are structured and calibrated based on this coding system. The field appraiser uses this manual during their initial training and as a guide in the field inspection of properties. The date of last inspection and the appraiser responsible is listed on the appraisal card. If a property owner or jurisdiction disputes the district's records concerning data 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 properties (as listed previously, by category) in the jurisdiction is done during the field effort. Data collection for personal property involves maintaining information on the Personal Property System. The type of information contained in the system includes property such as business inventory, furniture and fixture, machinery and equipment, cost and location and mobile homes. The field appraisers when conducting on-site inspections uses the appraisal manual as a guide to correctly list all personal property that is taxable. The appraisal manual that is utilized by the field appraiser is located and maintained in the district office. The manual is also available for public inspection. The district periodically updates the appraisal manual with input from the valuation group and field/contract appraisers.

SOURCES OF DATA

The sources of our data collection and verification are through data review field efforts, hearings, sales validation, field effort and property owner correspondence. A principle source of data comes from the deeds filed in the Clerk's office. Property owners are one of the best sources for identifying incorrect data that generates a field check. The property owner may provide sufficient data to allow correction of records without the appraiser having to go on-site. The appraiser will drive through the county to review the accuracy of our data and identify properties that have to be re-evaluated. The sales validation effort in real property pertains to the collection of data of properties that have sold. For residential and commercial, sales validation involves on-site inspection by the field appraiser to verify the accuracy of our data or to get confirmation of a sale price. Soil surveys and agricultural surveys of farming and ranching property owners and industry professionals are helpful for productivity value and calibration. Accuracy and validity in property descriptions and characteristics data is the highest goal and is stressed throughout the appraisal process form year to year. Appraisal opinion quality and validity relies on data accuracy as its foundation. The Chief Appraiser rides with the contract field appraiser to randomly select properties to verify the procedures and practices being used by the appraisers.

DATA MAINTENANCE

The district's contracted field appraiser is responsible for coordinating activities involving file building, quality assurance and data maintenance of the different property types after data collection. These responsibilities fall into three activities: file building, quality assurance and data retention. The file building activity is to build and maintain the work packs that are sent with the appraiser to the field. This includes maintaining mapping records, property data cards, benchmark property descriptions, angle sketches and other data. The district is responsible for warehousing the information. The quality assurance activity is for ensuring correct data as it is received from the contract field appraiser. This includes verifying proper codes, balancing and vectoring sketches and ensuring proper data entry. The data entry activity is performed by the contract appraiser and the appraisal district staff and input directly into CAMA.

NEW CONSTRUCTION OR DEMOLITION

New construction may be identified from the field inspections or county offices may provide notification of utility hookups and/or septic system installation. New construction field and office review procedures are identified and revised as required. Field production standards are established and procedures for monitoring tested. Official Public Records also indicate new development areas that must be inspected. Demolition may be identified from field inspections or owner reporting. Process to verifying demolition of improvements is specified. System input procedures are identified and revised as required. New mobile home installations as verified with the Texas Department of Housing & Community Affairs (TDHC), are also included in yearly inspections.

REMODELING

Market areas with extensive improvement remodeling are identified, verified and field activities scheduled to update property characteristic data. Update to valuation procedures are tested with ratio studies before finalized in the valuation modeling.

RE-INSPECTION OF PROBLEMATIC MARKET AREAS

Market areas are areas within the appraisal district where values are considered consistent or in relative harmony among individual properties, an area where physical, economical, governmental and social forces and other influences (i.e. demographic patterns, regional location factors, employment and income patterns, general trends in real property prices and rents, interest rate trends, availability of vacant land and construction trends and cost) have similar influences on property values. The effect on values may be real and quantifiable or may be perceived. In either case, the market area is the first basis for market analysis. Real property market areas, by property classification, are examined for: low or high protest volumes; low or high sales ratios; or high coefficient of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristics data. Additional sales data is researched and verified. Usually, in the absence of adequate market data, neighborhood delineation is verified, and neighborhood clusters are identified; however due to the small size of the district, it is impossible to delineate or distinguish between specific neighborhoods, so the entire county must be considered as a whole in general when defining the market area.

RE-INSPECTION OF THE UNIVERSE OF PROPERTIES

The International Association of Assessing Officers, Standard on Mass Appraisal of Real Property specifies that the universe of properties should be re-inspected on a cycle of four-six (4-6) years. Section 25.18(b) of the Texas Property Tax Code requires re-inspection at least once every three years. The re-inspection may include the re-measurement of at least two (2) sides of each improved property. Physical inspection is considered to be the most fundamental step in achieving reliable property valuations. USPAP (Uniform Standards of Professional Appraisal Practice) does not require inspection for reappraisal. "Only that the characteristics of a property, relevant to an assignment be identified." Frequent physical inspections are nevertheless necessary to ensure that each property is appraised according to its conditions as of January 1. Borden CAD will be on an annual physical inspection cycle for all properties within the district. The contracted field appraiser has an appraisal card of each property to be inspected and makes notes of changes, depreciation, remodeling, additions, demolitions, etc. The annual re-inspection requirements for tax years 2019 and 2020 are scheduled on the key events calendar.

FIELD OR OFFICE VERIFICATION OF SALES DATA & PROPERTY CHARACTERISTICS

All three approaches to estimating market value depend in some way on market information. Appraisal records must contain complete and accurate information about sale prices and conditions of properties within the district. Sales information must be verified and property characteristics data contemporaneous with the date of sale captured. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid. The reliability of any valuation model or sales ratio study depends on the quantities and quality of its data. Borden CAD obtains sales information from deed filings, buyer/seller questionnaires, telephone, face-to-face interviews and sales information on comparable properties in neighboring counties (if available).

PILOT STUDY

New and/or revised mass appraisal models are tested. These modeling tests (sales ratio studies) are attempted each tax year. These tests require sufficient data and a lack thereof may limit not only the scope but the performance of the test. Actual test results (when available and sufficient) are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and model calibration are in compliance with USPAP Standard Rule 6.

The appraisal model used to determine property value is listed as follows:

- **Market Value of Residential Property =**
Replacement Cost New X Total Percent Good + Depreciated Additive Values + Land Value
(Adjusted by market indicators as determined by sales data, as available)
- **Market Value of Commercial Property =**
Replacement Cost New X Total Percent Good + Depreciated Additive Values + Land Value
(Adjusted by market indicators as determined by sales data, as available)
- **Market Value of Manufactured Housing =**
Replacement Cost New X Total Percent Good + Depreciated Additive Values
- **Market Value of Commercial Personal Property =**
Units x (Price/Unit Inventory) + Units x (Price/Unit of FFE x Percent Good) + Additive Values
(Verified and adjusted by yearly Personal Property Renditions)
- **Market Value of Vacant Lots or Acreage =**
Units x Price/Unit
(As determined by market transaction)
- **1-d-1 Special Use Valuation =**
Units x Value per Acre of Agricultural Use
(As determined by Net Income per Acre/State mandated Cap Rate)

A pilot study helps to evaluate what to correct and how data is collected on representative sets of properties. Estimated values are assigned and then analyzed to determine what factors contribute to value. Certain factors or characteristics may not be vital to valuation but are maintained because they may be useful for explaining values to taxpayers.

VALUATION BY TAX YEAR

Valuation by tax year, using market analysis of comparable sales and locally tested cost data (if available), market area specific income and expense data (if available), and valuation models are specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers and USPAP. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the IAAO Standard on Ratio Studies. Property values in all market areas are updated each reappraisal year. Tax year 2019 is a reappraisal year. Tax year 2020 is a reappraisal year.

MODEL DEVELOPMENT, COLLABORATION AND TESTING

Property valuation models seek to explain the market value of properties from market data and sales. Models (schedules) are constructed to represent the operation of forces of supply and demand. These models have evolved from three broad theories of value: Cost, Market (sales comparison) and Income. Model development requires good theory, data analysis and research. Any developed model that accurately reflects the market will make the value defense burden of the appraisal district much more credible. The best value models will be accurate, rational and explainable. Model building (development) requires two distinct steps. Model specification (model design based on appraisal theory and market analysis, supply & demand variables and their interrelationships) and model calibration (solving for unknown qualities in a model) such as construction cost, sales price adjustments or capitalization rates. Qualitative and quantitative data are used in the mass appraisal models. Qualitative data (such as location, roof type or heating and cooling systems) are analyzed to evaluate the relationship between two variables. Quantitative data (the presence or the absence of a defining or specific feature) are based on measuring or counting for example, the square feet of a structure. Model calibration is the process of estimating the variables in a mass appraisal model; called the coefficients (they are the cost, capitalization rates, market adjustments, etc.). Borden CAD uses simple calibration to adjust existing developed models in use. Simple calibration promotes consistency in results and parcels can be recalibrated in mass. This is particularly effective when combined with ratio studies to monitor the level of appraisal by key property type. To evaluate the accuracy of the schedule values, property sales information is collected throughout the year. Each property buyer receives a sales letter along with any other necessary forms as soon as the CAD office updates the ownership in the appraisal records. When the sales letter is returned, the sale amount and any other pertinent information is recorded within that parcel's sale records. Information is also gathered from other appraisers, other appraisal districts and state reviewers. All credible information is included in the sales records and confirmation is

attempted through additional sales letters (to buyers and sellers as necessary) or other personal contact. Given that the State of Texas is a non-discloser state, and that the information needed by the CAD is often confidential in nature, the market analysis performed is limited by the availability or pertinent and complete data, including sales prices, sales conditions and circumstances, income and expense data, etc. as discussed hereafter, each sale is initially considered (assumed) to be a market transaction unless otherwise proved. The resulting conclusions from the market analysis are therefore limited by those assumptions. The mass appraisal conducted yearly by the Borden CAD also can claim the Jurisdiction Exemption (USPAP) due to the limited scope and purpose of the appraisal and considering the guidelines of the Texas Property Tax Code. Given that market data (sales, leases, and other individual indications of value) is severely limited in Borden County, due to few and infrequent actual occurrences, the annual market analysis is often expanded to include transactions of comparable property from neighboring counties, as available. Each property is reevaluated as if it were in Borden County using existing property schedules and that value is then compared to its sale price within the market analysis. Each sale is analyzed to determine the conditions of the sale. All sales included in the study must be a "market value" transaction, as defined in Section 1.04(7) of the Texas Property Tax Code and quoted earlier in this manual. Any sale determined not to be an "arm's length" transaction is then omitted from the final study. Several criteria are also considered when determining if each sales price needs any adjustment including, but not limited to: date of sale (In comparison to date of appraisal), special or unusual financing terms, inclusion of personal property, inclusion of intangible value and significant variances between the market value and the sale price due to physical changes to the property that cannot be accounted for due to the January 1 target date. If adjustments can be made to the sales price to show a current, "arm's length" value (including time and financing adjustments), the adjusted value is used in the ratio study. Any adjustments to reported sales prices must be discussed, debated, and approved by the Chief Appraiser. Sales used to determine real estate value should not include value that can be attributed to personal property or intangible value. For example, if a home sells, and the transaction included personal property (vehicles, boats, furniture, free-standing appliances, tools, etc.), the value associated with that personal property should be deducted from the reported sales price. The resulting, adjusted sales price is then used in the ratio study. Likewise, commercial property transactions often include both personal property and intangible value. For example, if a motel sells and the buyer purchased the motel franchise along with the real estate, the value of the franchise (being tangible) should be deducted from the sales price before being used in any market study. Determining the value of any intangibles in any transactions can be problematic and will require research into the industry and the local and similar markets. Although suspected by the staff, and often reported by buyers, adjustment for intangibles requires confirmation from outside sources and the seller. Financing adjustments occur rarely. Typically, prudent buyers will strive to acquire the most reasonable financing available, and then purchase the property of their choice using that same financing. Atypical financial arrangements usually accompany transactions that would not be considered "arm's length" and would therefore be omitted from the ratio study. Time adjustments are adjustments to the reported sales price of the property that are made when and if it can be proven that the general market trend in an area is changing over a given period of time. While relatively simple to calculate in the abstract, time adjustments are extremely difficult to quantify without substantial data, especially in small, rural markets. If a typical property transfers more than one time in a given time period (ideally no more than 1 year), each time being an "arm's length" transaction with typical financing and without physical changes to the property, the difference in the sales prices can be attributed to the general market. This difference, expressed as a positive or negative percentage per month, can then be applied to other property's sales prices to adjust the price to a standard date, usually January 1 of the appraisal year. For example, a residence may sell for \$50,000 on June 1 and then sell again on October 1 (5 months later) for \$55,000. The difference of \$5,000 (or 10% of the original sales price) is allocated as a market increase of 2% per month. A market decrease is calculated in the same way. If this was an "arm's length" transaction of a typical property that same percentage of increase or decrease can be used on other sales to adjust their sales prices to the January 1 target date. A statistical analysis of each class of property is conducted using the available, credible and adjusted sales information. Within each class of property, the appraisal district looks for not only an acceptable median value, but also a reasonable COD. Each of these values is considered when determining whether to adjust a class schedule, and by how much. The sample size of each class analysis is also a major consideration. Classes that exhibit little or slow activity are allowed a larger variance due to the fact that minimal data sets (small samples) may tend to give incomplete analysis or biased results for an entire statistical population. Once a median value indicates that a particular property type or class needs adjustment, and the COD value reflects a consistent result, schedule values are recalculated to produce a revised analysis. The resulting median ratio should indicate that the adjusted appraised values of property more closely matches the current market value, as tested by the sales used in the analysis. The appraised values of all properties sold and unsold, within that type or class are then recalculated, using the increase or decrease indicated by the ratio study, and submitted for notification. If, as explained earlier, the market analysis was expanded to include transactions of comparable properties from the neighboring counties, the resulting adjusted schedules are applied to any sales within the county to determine whether any local modifier should be used within in Borden CAD to further refine the

overall market analysis. A similar process is used to determine whether any neighborhood factors are needed by analyzing sales within a specific area (market segments) in comparison to the overall general market. These areas could be neighborhoods, cities, school districts or any other definable areas within the appraisal district that displays market trends or values differing from the trends or values derived from the market as a whole. Any significant and quantifiable differences then need to be addressed with economic adjustments to the properties within the pertinent area.

RATIO STUDY PROCEDURES

I. Collect and Post Sales Data

- A. Solicit sales information from all new property owners through sales letters and/or personal contact**
- B. Collect sales information from outside appraisers and from fee appraisals presented**
- C. Utilize sales information from Comptroller's office**
- D. Post sales information to the sales database**
 - 1. Record actual sale price**
 - 2. Note unusual financing**
 - 3. Note non-arm's length participants**
 - 4. Adjust sales price for inclusion of personal property or intangible value**
 - 5. Initiate frozen characteristics/partial sale codes if necessary**
 - a. Imminent construction/renovation can bias any later analysis by including values not part of the original transaction**
 - b. Sale including only a portion of the property described can also produce skewed results**
 - 6. Note any legal restrictions or economic characteristics that may affect value**

II. Preliminary Analysis

- A. Run sales analysis (by type, group or class) which includes any and all sales collected to date**
- B. Note median result and COD**
- C. Examine each sale included**
 - 1. Compare sale ratio to median result**
 - 2. Ratios substantially higher or lower than the median result (outliers) are singled out for further, in- depth analysis**
 - a. Note seller-financial institutions, known real estate opportunists, probates, known persons who finance their own transactions**
 - b. Note buyer-financial institutions, known real estate opportunist, and re-location companies**
 - c. Examine deed records to confirm "arm's length" violations not evident from examination of buyer and seller**
 - i. contract for deed**
 - ii. assumption of previous note**
 - iii. atypical financing**
 - d. Re-inspect properties to rule out any physical differences from the current property records**
 - e. Outlier sales that cannot be excluded or adjusted in the subsequent analysis**
- D. Adjust original data set**
 - 1. Omitted sales that are not "arm's length"**
 - 2. Adjust sales value for time or financing if necessary and possible**
 - 3. Adjust appraisal values for physical differences if applicable**

III. Secondary Analysis

- A. Run sales analysis (by type, group or class) utilizing information from preliminary analysis**
- B. Note median result and COD**
 - 1. Median value may or may not change significantly**
 - 2. COD value should improve**
- C. Note sample size**
 - 1. Compare number of sales within the class to the perceived number of total properties within the class**
 - 2. From experience and discussion among the appraisal staff, determine whether any median result different from 1.00 is significant**
- D. Attempt to increase sample size (if necessary)**
 - 1. Utilize time adjustments if determinable**
 - 2. Keep in mind marketing time for local market and any trends**
 - 3. Be careful to not include more sales just for sales sake**
 - 4. Changing markets and trends can't be reflected in sales that are too old without accurate time adjustments**

E. Apply results of analysis to current records

1. Any class whose median value is not significantly different from 1.00 does not require adjustment
2. Any class whose median value indicates that an adjustment is necessary should be analyzed
 - a. Look at typical depreciation (age/condition) for that class as reflected in the sales analysis.
 - b. Calculate increases necessary to raise the individual ratios to produce a median result of 1.00 (keeping in mind that because of depreciation, the percentage increase required is going to be necessarily larger than the difference in percentage points needed to reach a 1.00 result)
 - c. Apply the calculated increase to the database
3. Repeat procedure for all classes determined to need adjustment

F. Run analysis again to test results

IV. Examine results to identify neighborhoods that need adjustment

- A. As individual sales are examined, note any areas that consistently show ratios significantly different from all the median result
- B. Run analysis excluding the area in question
- C. Run analysis including only the neighborhood in question
- D. Check for significant variance between the two results
- E. Apply neighborhood factor to correct variance

APPROACHES TO VALUE

As mentioned earlier, there are three basic approaches to value: Cost, Market and Income. Not every approach is pertinent and useful for valuing all property types. For instance, the cost approach is not applicable to the valuation of vacant land. Standard Rule 6-1 of USPAP requires "the mass appraiser to be aware of and correctly employ those recognized methods and techniques (approaches to value) necessary to produce a credible mass appraisal." Standard Rule 6-8(j) required under scope of work requirements, used in developing an appraisal, that the exclusion of the sales comparison approach (market approach), cost approach or income approach must be explained. Section 23.01(b) of the Texas Property Tax Code states: "The market 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 USPAP. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value." Section 23.0101 states: "In determining the market value of property, the Chief Appraiser shall consider the cost, income and market data comparison methods of appraisal and use the most appropriate method." Which one of the three methods is the most appropriate?

Generally, it will depend on three factors.

- Typical practice for appraising a particular property type
- Whether or not the necessary data is reasonably available for use of a particular approach
- If the result by use of the approach would be meaningful.

Borden CAD typically uses the approach to value dependent upon the property use of type. For consumptive use properties, such as a single-family residence, the district uses a cost/hybrid model. It is a sales market adjusted model that is typical for appraisal districts using mass appraisal. Borden CAD in compliance with Section 23.01 of the Property Tax Code is consistent in the "use of the same method for the same or similar kinds of property." In compliance with USPAP Standards Rule 6-8(j) the "Jurisdictional Exception Rule" is invoked due to the contrary requirement of the USPAP rule and of Section 23.0101 of the Property Tax Code and the requirement that the Chief Appraiser use the most appropriate of these methods. Use of a specific or particular approach to value during the appraisal phase of the tax calendar does not prevent the use of alternative or support alternative approaches during the equalization phase of the tax calendar. Special use appraisal for agricultural properties are in compliance with the comptroller appraisal manuals for appraisal of agricultural land as well as in compliance with the Texas Property Tax Code.

RESIDENTIAL REAL PROPERTY

In accordance with Section 11.01 of the Texas Property Tax Code, the Borden CAD strives to discover, appraise and assess all taxable property within the jurisdictions of the Appraisal District. Each parcel shall be appraised including all determinable improvements, factors and conditions affecting the property as a whole. Improvements, as defined in Section 1.04(3), includes in structure affixed to the land that is not readily, reasonably, and immediately portable. The structure adds value to the property and would be typically included in any sale of the property as a whole.

This includes, but is not limited to:

- Above ground swimming pools
- Patios

- Storage buildings or units, regardless of its permanent attachment, or lack thereof, to the land by means of metal tie-downs or anchorage to a foundation.

Mobile or Manufactures Homes can either be Real Estate or Tangible Personal Property, depending on the ownership of the land which the structure is affixed, and/or the status of the Title or the Statement of Location as determined by the Texas Department of Housing and Community Affairs. In either case, Mobile or Manufactures Homes are taxable under Section 11.14 of the Tax Code. With proper proof of ownership, Mobile or Manufactured Homes are eligible to apply for Residential Homestead Exemption. Fences, residential, commercial or agricultural are considered appurtenances to the land and are included in the value of the site. Square foot measurements of each type of building are based on the perimeter measurements of that building. Schedule values are originally based on local modified construction cost, adjusted over time by market conditions determined by sales. Therefore, a buildings value per square foot applies not to usable area nut constructed area. Using the building code descriptions and schedules, each structure is assigned an undepreciated value per square foot. Depreciation (physical, functional and economic) factors are applied to each structure as is necessary. Land values are determined from available information and applied using the appropriate basis (square footage, front footage, acreage, etc.). Residential properties are physically inspected on an annual basis. Changes that have occurred and observed condition are noted by the field appraiser and entered into account records. Pictures of the exterior of the residence are take of new homes and to existing homes whenever a change in physical appearance has occurred. The appraiser is responsible for verifying and collecting accurate and reliable property data. By reasoned use of developed models, an appraiser can finalize a preliminary property value while in the field. CAD uses cost schedules to value residential parcels in the district. These cost schedules (models) are hybrid models called "Market-Adjusted Cost Hybrid" computer assisted mass appraisal models. These hybrids models are the most predominately used by appraisal districts in the state. Few districts use a pure RCN (replacement cost new) cost model (schedule) to value residential properties. The CAD residential models consist of four main classes with class defining features for each class listed in the CAD Appraisal Manual. Property specific features are additives to the main class such as attached/detached garages, covers, storage buildings, etc. Residential structures are classified according to quality of construction, style and design, appeal and presence of certain features. Age and condition of structured are adjusted for from real estate depreciation tables. These depreciation tables adjust for not only physical deterioration, but also for market reactions to obsolescence. The real estate depreciation tables are called CDU (condition, desirability and usefulness) percent good tables. CDU is the overall value change from a benchmark new property, to reflect all loses of utility. A review and evaluation process, property data characteristics are compared against locally modified replacement cost form Marshall & Swift Valuation Services and from sales ratio (as data is available). Based on these statistics, a preliminary decision is made as to whether the value level within a class of residential properties needs to be changes for the current appraisal year, or of the values are at an acceptable existing level. Land valuation analysis is conducted prior to sales analysis. The value of the land component to the property is estimated based on available market sales for comparable and competing land under similar use. A similar comparison and analysis of comparable land sales is conducted based on comparison of land characteristics found to influence the market price of the land. Specific land influences are considered, where necessary, and depending on individual lot or tract characteristics, to adjacent parcels outside the norm for such factors as access, view, shape, size and topography. The appraisers use abstraction and allocation methods to ensure that the estimated land values best reflect the contributory market value of land to the overall property value. Data on regional economic forces such as demographic patterns, regional location factors, employment, real property prices, interest rates, availability of vacant land, construction trends and cost are collected from various sources. Collected information provides the appraiser a current economic outlook on the real estate market. Information is gleaned from real estate publications and sources of continuing education including IAAO and TDLR approved classes. Rural land regions are analyzed each year in order to develop a base acreage price. Rural farm and ranch sales are grouped by property characteristics, location similarities and development potential. These sales are analyzed on a price per acre basis with regression analysis utilized as a means of analyzing the effects of size, or the economy of scale, within specific markets where there is typically a wide variety of sizes within a specific location. Appraisal schedules are built using regression models for calculating the unit prices. Specific land influences are used, where necessary, to adjust parcels outside the neighborhood norm for such factors as view, shape, size and topography, among others. A neighborhood is a group of properties that share important characteristics. A neighborhood is typically a distinct group of properties that is often identified by a geographic (physical) boundary or a group of properties that reacts in a similar manner to market influences. Market area 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 various market area within the Borden County school district. Analysis of comparable market sales 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 indicate the effects

of these market forces and are interpreted by the appraiser into an indication of market price ranges and indications of property component change considering a given time period relative to the date of appraisal. Cost and market approaches to value are the basic techniques utilized to interpret these sales. The highest and best use of property is the reasonable and probable use that supports the highest present value as the date of the appraisal, unless the property is appraised under a jurisdiction exception. 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 a residential property is normally its current use.

MULTI-FAMILY REAL PROPERTY

There are no multi-family residential properties in Borden County

RESIDENTIAL INVENTORY PROPERTY

There are no residential inventory properties in Borden County.

COMMERCIAL REAL PROPERTY

The fee simple interest of commercial real property is appraised as required by state statute. The effect of easements, restrictions, encumbrances, leases, contracts or special assessments are considered on an individual basis. Commercial properties are on a physically inspected basis. Changes that have occurred and observed conditions are noted by the field appraiser and entered into account records. Pictures of the exterior of the improvement are taken whenever a change in physical appearance has occurred. The appraiser is responsible for verifying and collecting accurate and reliable property data. Borden CAD uses cost schedules to value commercial parcels in the district. These cost schedules are actually hybrids models called "Market-Adjusted Cost Hybrid" computer assisted mass appraisal models. Commercial structures are classified according to quality of construction and type of use. Effective age and condition of structures are adjusted for with depreciation tables. Effective age estimates are based on the utility of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the marketplace. Effective age estimates are considered and reflected based on eight levels or ranking of observed condition, given actual or effective age. Additional forms of depreciation such as external and/or functional obsolescence can be applied. A review of commercial cost schedules (models) is performed annually (as information is available) and a decision is made as to whether the value level within a class of commercial properties needs to be changes for the current appraisal year, or if the values are at acceptable existing level.

MINERAL, INDUSTRIAL AND UTILITY REAL PROPERTY

The valuation of all mineral, industrial and utility real property within the district is contracted out to Prichard & Abbott, Inc. See attached P&A's Biennial Reappraisal Plan.

VACANT REAL PROPERTY - LAND

The sales comparison approach to value is primarily used to value vacant real property within the district. Vacant land is valued according to common units of comparison. Borden CAD develops per lot site land valuation tables for the platted town area. Land tables based on per acre value are utilized for rural platted and un-platted areas within the district. Land sale prices are also expressed on the same unit comparison basis and stratified (sorted) according to location and probable use. Sorting criteria ensure that land values will reflect market data for parcels with similar or competitive uses in the same market area.

SPECIAL VALUATION PROPERTIES – AGRICULTURAL USE PROPERTIES

The Texas Constitution permits special agricultural appraisal on land used for farm and ranch use if its owner meets specific requirements. Casual uses such as home vegetable gardens do not constitute qualified agricultural use. Section 23.51 of the Texas Property Tax Code sets the standards for determining if land qualifies for agricultural appraisal. Section 23 Subchapter D deals with the allowed uses and the application process involved with agricultural land appraisal. The appraiser annually inspects the area to see that the properties are continuing in agricultural use. Owners are not required to reapply unless there is a question on the use of the property. Agricultural land classes are mandated by the Property Tax Code. The Chief Appraiser of the district may establish additional categories. All agricultural lands in the county are carried at their current market value. However, agricultural productively appraisal allows for qualified agricultural use land to be carried at its productivity value for property tax assessment purposes. Agricultural appraisal lowers the taxable value of the land. The productive capacity of agricultural property is based on a "net to land" calculation that is the average net income that a class of land would be likely to generate over a five-year based period. The law requires the district appraisers to use the "cash" or "share" lease method to determine the "net to land". In a cash lease, rent is a fixed amount. In a share lease, rent is a share of the gross receipts for the year, less a share of certain expenses. Borden CAD has an Agricultural Advisory Board which meets with and advises the Chief Appraiser on the valuation and use of land that may designated for that agricultural use or that may be open

space agricultural within the district. Each year the Comptroller of Public Accounts publishes an agricultural cap rate to be used by appraisal districts in their net to land capitalization of value. For 2018, Borden CAD used a ten percent (10%) capitalization rate in the appraisal of qualified agricultural productivity use lands.

SPECIAL INVENTORY

There are no special inventory properties in Borden County

BUSINESS TANGIBLE PERSONAL PROPERTY

The contracted appraisers (P&A) are responsible for developing fair and uniform market values for business personal property located within the district. There are two (2) different personal property types appraised by the appraisers: Business Personal Property (BPP) accounts and Vehicles. The district reappraises all income producing BPP annually. Business Personal Property is inspected annually and valued primarily according to the depreciated cost approach to value. Renditions are mailed to personal property owners in January of each year. When returned renditions appear to be inconsistent with observations by the appraiser, the State Comptroller's schedules (as adjusted) or outside vendors' valuation cost guides are utilized. The district uses the State Comptroller's depreciation schedule. As renditions are processed, the declared property is depreciated as necessary and the information is recorded in the appraisal records. Sources of data for vehicle valuation include property owner renditions and field inspections. Value estimates for vehicles are based on NADA published book values and property owner renditions. Each year there are some personal property accounts that fail to render. A letter is sent to the owner stating that a ten percent (10%) penalty will be assessed if the owner cannot give a significant reason for waiver of the penalty. A Late Rendition Penalty Waiver Request Form will also be sent along with the letter to be filled out by the owner should they have reasonable cause for the rendition being late.

MINERAL, INDUSTRIAL AND UTILITY TANGIBLE PERSONAL PROPERTY

The valuation of all mineral, industrial and utility personal property within the district is contracted out to Prichard & Abbott, Inc. See attached P&A's Biennial Reappraisal Plan.

THE MASS APPRAISAL REPORT

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

VALUE DEFENSE

The Texas Constitution sets out five Rules for Property Tax in the State. The first rule requires that taxation must be equal and uniform. The second rule requires that property be taxed at current market value. Out of the Texas Property Tax Code these two rules are the most important requirements for county appraisal districts. The Borden CAD, as other districts, has the burden of establishing the value of properties within the district. That burden applies to market values (appraisal level) and to equal and uniform values (appraisal equity). The Texas Property Tax Code permits a property owner to protest any determination made by the appraisal district, the Chief Appraiser or ARB that applies to adversely affect the property owner. Of the numerous grounds for protest listed in the Property Tax Code, the two most commonly filed protest deals with value over market and with unequal appraisal. The CAD encourages property owners to meet with the Chief Appraiser and/or contracted appraisal staff to try and resolve disputes in an informal setting before a formal ARB hearing. Sometimes a mutually agreeable solution to an owner's protest at these informal meetings result in a settlement and the property owner waives any further right to a formal protest before the ARB. Should an agreement not be reach, informally, the taxpayer may present their arguments to the ARB as a formal appeal. The appraisal staff provided by P&A defends the position of the Chief Appraiser before the ARB. Chapter 41 of the Texas Property Tax Code deals with the right of a property owner to a formal ARB hearing. The appraisal district also has information delivery requirements concerning the ARB protest. Value defense is part of the equalization phase of the Tax Calendar. In formal hearings both mass appraisal and single property appraisal methods can be introduced. Mass appraisal and single property appraisal are systematic methods for arriving at estimates of value. They differ only in scope. Mass appraisal models have more terms because they attempt to replicate the market for one or more land uses across a wide geographic area. Single-property models, on the other hand, represent the market for one kind of land use in a limited area. Quality is measured differently in mass appraisal than in single-property appraisal. The quality of single-property appraisal is measured against a small number of comparable properties that have sold. The quality of mass appraisal is measured with statistics developed from a sample of sales in the entire area appraised by the model. Borden CAD may make use of both mass appraisal statistics and district sales comparison of a select few comparables as in single-property appraisal during formal ARB hearings.

PLANNING AND ORGANIZATION

Field inspections are carried out by the P&A field appraisers as assigned by the P&A appraisal supervisor, with input and direction from the Chief Appraiser. The field appraiser physically inspects areas required by the reappraisal cycle, checks all existing data, takes photographs of improvements (if possible, as needed), draws plans of new improvements for entry into the computer and rechecks any property on which a question or problem arises. Data entry of field work notes and sketches are performed by CAD staff under direction of the Chief Appraiser or supervisor. The P&A staff performs market analysis. Sales data is gathered throughout the year by Borden CAD staff from deed records, sales conformation letters and property owners and other sources (if available). The market data is analyzed, sales data is confirmed, outliers are identified, existing classification system is reviewed, and market schedules are reviewed and updated as necessary and final market schedules are presented to the Chief Appraiser for discussion and application to the universe of properties. A calendar of key events with critical completion dates is prepared for each major work area. A separate calendar is prepared for tax year 2019 and 2020. Production standards for field activities are calculated and incorporated in the planning and scheduling process. As the Texas Property Tax Code is revised and local circumstances require the Calendar of Key Events may be changed as warranted. The Chief Appraiser may make changes to the work plan or schedule that does not conflict with statutory requirements or deadlines without additional board approval or plan amendment.

2019 CALENDAR OF KEY EVENTS

CAD staff training, and CE's as needed to be in compliance with TDLR
Gather documentation for CAD audit
Send website updates to Prichard & Abbott
Holidays
Research returned mail
Download new and updated Comptroller forms
Download taxpayer assistance information documents, pertinent to local taxpayers, from Comptroller's website for posting and distributing
Review and updated printed information provided for public use and education
Mail and process exemption applications (new homestead, disabled and 65 and over, disabled veterans and surviving spouse and open space applications due to ownership change, etc.)
Gather sales data from sales confirmation letters, deed records and other sales sources for sales files
Pick up copies of filed deeds from County Clerk's office
Research property ownership
Key name/address changes/splits/combines, new property and personal property into CAMA
Track value loss due to property acquiring 1st time exemptions and 1st time 1-d or 1-d-1 appraisal, value gain due to new improvements for taxing units
Send copies of associated mineral deeds to P&A
Send copies of splits/combine parcels to P&A mapping department
Update address change file as new addresses received and email to P&A
Process and sell digital copies of appraisal rolls to taxpayers
Prepare and post BOD agenda for quarterly meeting
Prepare and mail BOD packets for quarterly meeting
Maintain and keep updated permanent records and minutes of BOD, ARB and AG Board
Conflicts Disclosure statements filed by BOD members, Chief Appraiser
Prepare, update, balance and submit all financial reports for review and approval
Answer phone calls and assist walk-in customers

See also Property Tax Law Deadlines and Truth-in-Taxation Important Dates attached to this Plan

JANUARY

Oath of Office for new board members
Elect Board Officers
Conduct 1st quarter BOD meeting
BOD elects ARB Officers
Statutory appraisal date for most categories of taxable property – January 1
Mail statements to owners who have not paid their current taxes
Preliminary Property Value Study (PVS) findings are published and certify findings to the Texas Education Commissioner, and deliver findings to the school district (Gov't Code Section 403.301(g))

Chief Appraiser works on annual Operations Survey for the Comptroller's office

Last day for taxpayer to file 25.25 protest – January 31

Holiday – New Year's Day – January 1

Conduct field inspections on residential, land, mobile homes, commercial, industrial, pipelines and personal property:

- All real property visually inspected and checked for accuracy in class and depreciation
- Take pictures of improvements (as needed) and download to CAMA
- Check for new construction and demolition of improvements

Exemption applications mailed to property owners receiving exemptions in the prior tax year where annual application is required

BOD continue their terms

Post updated BOD General Policy and Policies for Public Access at post office, on county bulletin and CAD office

Deadline for Chief Appraiser to notify the Comptroller's office of eligibility to serve as Chief Appraiser is January 1

Rendition period starts January 2 and continues through April 1 for those property owners not requesting a filing extension

Taxing units making monthly payments are due by the 15th of each month

Prepare and mail all Personal Property Renditions by January 15

Create list of renditions mailed and note date when rendition and/or extension request received

All real property "Townsite" visually inspected and checked for accuracy in class and depreciation

Take pictures of improvements and download to CAMA

Begin planning sales ratio studies and market analysis

Review schedules in comparison to available sales data to determine areas needing significant adjustment or close review

Review renditions as received

Meet with Chief Appraiser and agricultural advisory board to discuss agricultural issues

MIUP appraisers continue work on discovery of properties and appraisals

Submit 25.25(b) Quarterly Report to the BOD and ARB by January 10

Start preparing for general operations audit by an independent CPA

Print appraisal card worksheets for field appraiser to reapply for annual exemptions or special valuations by January 31

Chief Appraiser schedules first (1st) yearly meeting of Agricultural Advisory Board

Check for 65 and over homestead exemptions that need to be granted automatically

Qualification for certain exemptions determined by January 1

Check that mapping updates have been processed as scheduled

Post updated public service announcement at post office and in CAD office

Place ¼ page ad in The Borden Star on availability of exemptions, rendition requirements, special appraisals, and tax deferrals

Complete CAD's annual report & submit to entities, and post in CAD office

Submit MICF (Media Information and Certification Form) to the PC Group

ARB

Coordinate scheduling of ARB meeting to address any issues and have them sign the Statement of Officer and Oath of Office forms

Coordinate annual training with members when schedule is available from PTAD

ARB Members continue their two (2) year terms

FEBRUARY

Place AD's in Borden Star: Remember to Render & Homestead Exemptions

Submit Mobile Lien Form & 33.05 Limitations Form to the PC Group

Chief Appraiser continues working on Operations Survey for the Comptroller's office

Deadline for delivery applications for special appraisal and exemptions requiring annual applications – February 1

Holiday – Presidents Day – February 18

Taxes become delinquent February 1 if statement was mailed on or before January 10

Continue market analysis

Appraiser continue to work renditions as received

MIUP renditions and /or extension requests are faxed, mailed or emailed to P&A and the original filed in house

Email BPP renditions to Bryan Mathis (P&A)

Transfer information from appraiser's Appraisal Card Worksheets to CAMA

Appraisers continue to work on discovery of property and appraisals

Coordinate with the PC Group on submission sales information and deed transactions to the State Comptroller's Office by February 1

Update rendition work list to current year and transfer information from received renditions to list

Receive and key rendition extension requests

Taxing units making monthly payments are due by the 15th of each month

Contact agent if no Appointment of Agent form on file for property rendered

Board of Directors and Chief Appraiser sign affidavits regarding delinquent taxes

ARB

ARB members are signed up for annual training.

MARCH

Place AD's in Borden Star: Comptrollers Homestead Exemptions & BCAD Render

Send Appraisal Roll Format letter to Borden County, BCISD, And Sands ISD

Operations Survey for the Comptroller's office due

Email or fax questionnaires to Gins, Insurance Companies and Jami.Williams@tx.usda.gov

Appraisers continue to work renditions as received

Complete field work on Cat A, C, D, E, M properties

Complete ratio studies on real property

Finalize market analysis and determine adjustments to schedules

Update residential schedules, Ag schedules, and mobile home depreciation schedules

Have AG meeting to go over values

MIUP appraisers continue to process received renditions

Appraisers continue to work on discovery of property and appraisals

Chief Appraiser begins work on 2020 budget

Taxing units paying quarterly payments are due by March 31

Taxing units making monthly payments are due by the 15th of each month

Continue transferring information from received renditions to list

Receive and key rendition extension requests

MIUP renditions and/or extension requests are faxed, mailed or emailed to P&A and the original filed in house

Contact agent if no appointment form on file for property rendered

Key rendered accounts, deleted exemptions, new exemptions, and new frozen accounts

Review edits and audits before notices run; correct or adjust accounts as needed

Proof all changes; print out change report and compare to appraisals

Coordinate with P&A on Notice of Appraised Value (NAV) mailings, protest deadline, protest hearing date and working on notices

Coordinate with the PC Group with wording on notice

Submit Tax Ceiling Calculator/Updater Authorization form to the PC Group

APRIL

Conduct second (2nd) Quarter BOD meeting

Chief Appraiser sends notices of appraised value on single family residences by April 1, or as soon thereafter, as practicable

Bids for Bank Depository every two (2) years (even numbered)

Renditions due by April 1 unless extension requested; continue to receive and key rendition extension requests

Holiday – Good Friday – April 19

Chief Appraiser notifies taxing units the form in which the appraisal roll will be provided for them by April 1

Email legal requirements for filing a rendition to the Borden Star

Chief Appraiser sends certified estimates to entities by April 30

Appraisers continue to work renditions as received.

Appraiser works with property owners regarding proposed values and protests filed

Coordinate with CAD staff on hearing schedule and protests filed

MIUP appraisers continue to process received renditions.

Appraisers continue to work on discovery of property and appraisals

Chief Appraiser continues work on 2020 Budget

Taxing units making monthly payments are due by the 15th of each month

Release local file for production of Notice of Appraised Values (NAVs)

Continue transferring information from received renditions to list

Review edits and audits before notices run; correct or adjust accounts as needed

Last day for application for special appraisal or notices to Chief Appraiser that property no longer qualifies for 1-d-1 or 1-d is April 30

MIUP renditions and/or extension request are faxed, mailed or emailed to P&A and the original filed in-house
Contact agent if no appointment form on file for property rendered or property protested

MAY

Chief Appraiser sends notices of appraised value on all other property by May 1, or as soon thereafter, as practicable
Renditions receiving thirty (30) day extension are due May 1 unless Chief Appraiser extends deadline to May 31
Holiday – Memorial Day – May 27

Sand CISD support payment due – May 15

Appraiser continues to work renditions as received

MIUP appraisers continue to process received renditions

Coordinate MIUP download to CAD

Chief Appraiser continues work on 2020 budget

Taxing units making monthly payments are due by the 15th of each month

Chief Appraiser begins update of USPAP report (Mass Appraisal Report)

Check that mapping updates have been processed as scheduled

Place Protest and Appeals Procedure ad in The Borden Star by May 15

Review edits and audits before notices run; correct or adjust accounts as needed

Mail out NAVs

Perdue will begin notifying delinquent taxpayers that taxes delinquent on July 1 will incur additional penalty for attorney collection cost

Receive MIUP load from P&A

Chief Appraiser works on hearing schedules and protest filed

Prepare hearing list and information on informal meetings and formal hearings to check on evidence and reason for changes in value

Print and mail personal property rendition penalty letters per Property Tax Code 22.28

Review and cross check list of late or non-rendered properties received from P&A, for penalty mailing

Compile information for evidence packets for property owners filing protest and requesting information

Chief Appraiser prepares appraisal records and submits to ARB by May 15, or as soon thereafter, as practicable

BOD annual evaluation of Chief Appraiser

Continue transferring information from received renditions to list

Receive and key rendition extension requests and accounts granted additional 15-day extension

MIUP renditions and/or extension requests are faxed, mailed or e-mailed to P&A and the original filed in-house

Contact agent if no Appointment of Agent form is on file for property rendered or property protested

Code returned NAV and research ownership and addresses

ARB

Ensure all ARB members have attended mandatory training and certificates of completion are on file

Coordinate scheduling of ARB meeting to receive appraisal records for review, review revisions needed for procedures and forms, sign affidavits regarding delinquent taxes and address any issues

Begin coordinating scheduling of protest hearings and mail Notice of Protest letters

Begin preparing cause folders for hearings

Begin coordinating with P&A on hearing schedule and protest filed

Chief Appraiser prepares appraisal records and submits to ARB by May 15, or as soon thereafter, as practicable

JUNE

MIUP appraisers continue to process received rendition

Appraisers continue to work on discovery of property and appraisals

Appraisers work with property owners regarding proposed values and protests filed

Coordinate with CAD staff on hearing schedule and protests filed

Submit completed Operations Survey to State Comptroller by requested date

Chief Appraiser begins update of USPAP Report (Mass Appraisal Report)

Chief Appraiser submits recommended 2020 Budget to CAD board and taxing units by June 15

Chief Appraiser submits estimated pro-rated budget shares to CAD board and taxing units

Taxing units making monthly payments are due by the 15th of each month

Taxing units making quarterly payments are due by June 30

Schedule protest hearing and mail Notice of Protest letters

Prepare cause folders for hearings

Compile information for evidence packets for property owners filing protests and requesting evidence
Coordinate with P&A appraisers on hearing schedule and protests filed
Prepare hearing list and information on information meeting and formal hearing to check on evidence and reason for changes in value by contract appraisers
Code returned NAVs and research ownership and addresses
Print and mail personal property rendition penalty letters
Mail determination letters on received rendition penalty waiver request per PTC 22.30, mail protest form with denial
Check rendition list against Preliminary Appraisal Roll to verify properties are being picked up and appraised by P&A
Compile information for evidence packets for property owners filing protest and requesting evidence

ARB

Post ARB hearing Agenda as necessary
Continue scheduling protest hearings and mailing Notice of Protest hearing letters
Continue preparing cause folders for hearings
Continue working with P&A on hearing schedule and protest filed
Contact agent if no appointment form on file for property protested

JULY

Submit MIF & MICF to the PC Group
Holiday – Independence Day – July 4
Delinquent taxes incur total twelve percent (12%) penalty on July 1
Appraisers work with property owners regarding proposed values and protests filed
Appraisers defend values at protest hearings
Submit to Chief Appraiser reasons and documentation, as requested, for changes to values after NAVs mailed
Enter into CAMA all changes ordered by ARB
Mineral appraiser submits list of new property to Chief Appraiser
MIUP personal property appraiser submits inventory owner total, changes and additions list to Chief Appraiser
Prepare for financial audit by independent CPA firm
Prepare hearing list and information on informal meetings and formal hearings to check on evidence and reason for changes in value by contract appraisers
Mail all approvals/denials on rendition penalty waiver requests
Submit appraisal records to ARB for review
Appraisers defend values at protest hearings
Chief Appraiser certifies Appraisal Roll to taxing units by July 25
Submit Certified Appraisal Roll to State Comptroller
Submit to taxing units the value loss due to property acquiring 1st time 1-d or 1-d-1 and value gain due to new improvements and recap of homesteads
Board of Directors hold budget workshop
Taxing units making monthly payments are due by the 15th of each month
Place ¼ page Notice of Budget Hearing Ad in The Borden Star at least 10 days before the hearing date
Submit Notice of Budget Hearing to taxing units at least 10 days before hearing date
Chief Appraiser completes USPAP report
Coordinate with P&A that rendition penalties are correctly applied
Certify to TACs that rendition penalty has been applied and become final under PTC 22.29

ARB

Post ARB hearing agenda as necessary
Begin ARB hearings
Provide ARB support; make record of minutes during hearings, make copies as needed, supply forms and orders as needed, etc.
Mail ARB Notices and Orders certified, return receipt requested
ARB approves appraisal records by July 20

AUGUST

Submit HB1010 (properties outside of county) to the PC Group
Appraisers continue to work on any pending protest hearings
Continue working with taxpayers
Coordinate with CAD that rendition penalties are applied correctly
Assessor submits appraisal roll and date that collector submits collection rate estimate for the current year to the governing body, or as soon after as practical

Coordinate with the PC Group submission of sales information and deed transactions to the State Comptroller's Office by August 1

Coordinate with the PC Group submission of Certified Appraisal Roll to State Comptroller by August 1

Hold Public Hearing on 2020 Budget

Taxing units making monthly payments are due by the 15th of each month

Coordinate with P&A that rendition penalties are correctly applied

Continue ARB Hearing process for any rescheduled or newly scheduled protests

Check rendition list against certified roll to verify values by P&A

Mail letter to property owner filing late Ag application informing them of the 10% penalty for late filing.

Submit to Chief Appraiser reasons and documentation, as requested, for changes to value after NAVs mailed

CAD Board must pass resolution to change number of directors, methods for appointing, or both, and deliver the resolution to each taxing unit by August 14

Taxing units entitled to vote for appointment of CAD directors to file a resolution opposing a change by the CAD board in the number and selection of directors is due by August 31

SEPTEMBER

Holiday – Labor Day – September 2

Coordinate with CAD to assure tax load process is successful

Board of Directors must adopt 2020 budget by September 15

Taxing units making monthly payments are due by the 15th of each month

Taxing units making quarterly payments are due by September 30

Begin work on reports of Property Value for State Comptroller's Office

Coordinate with P&A to assure tax load process is successful

Request copies of taxing units' resolutions or orders setting tax rates for IS support

After tax rates set, complete and submit Reports of Property Value form to the State Comptroller's office

After tax rates are set, files are updated for new tax rates

After tax rates, generate Ceiling Loss Report

Update in house listing of all taxing unit rates

Chief Appraiser schedules meeting for Ag Board

Complete Comptroller's Texas Farm & Ranch Survey by due date October 1

Check that all qualifying residences have homestead exemptions, if not send applications

After tax rates are set, files are updated for new tax rates

Update listing of all taxing unit rates

Check that mapping updates have been processed as scheduled

CAD board notifies taxing units in writing if a proposal to change the number or method of selecting CAD directors are rejected by voting taxing unit by September 14

ARB

Schedule ARB as needed for approval of supplemental records

OCTOBER

Assessor mails tax bill for the year

4th Quarter Board of Director's meeting

Submit County Indigent Health Care form to Comptroller's office

Holiday – Columbus Day – October 14

Mail Ag Survey Letters to owners Q-Z

Review and update Ag Survey Letter as needed

Check with contracted appraiser that Ag Survey is updated

Taxing units making monthly payments are due by the 15th of each month

Submit completed Reports of Property Value to State Comptroller's Office

Process tax payments as they are received

NOVEMBER

Holiday – Thanksgiving – November 27 & 28

Begin Coordinating with Chief Appraiser on the next years' reappraisals

Coordinate with the PC Group to roll appraisal year in CAMA

Taxing units making monthly payments are due by the 15th of each month

Begin keying in name/address changes, splits/combines and new property from county deed records in current file

Process tax payments as they are received

DECEMBER

Appraisal office may conduct a mail survey to verify homestead exemption eligibility
Submit Rendition Print Order Form to the PC Group
Holiday – Christmas – December 24-26
Continue working with Chief Appraiser on any reappraisal issues
Receive names of Chair and Secretary of ARB appointed by Board of Directors
Board of Directors appoints ARB members to 2-year term
Board of Directors appoints Ag Advisory Board members to 2-year term
Notify Comptroller of Chief Appraiser's eligibility to serve as Chief Appraiser under PTC 6.05(c)
Send all gather current sales data to contracted appraiser
Send all received appropriate Ag surveys to contracted appraiser
Review filed for any exemptions or special valuations needing reapplication
Process tax payments as they are received
Taxing units making monthly payments are due by the 15th of each month
Taxing units making quarterly payments are due by December 31
Taxing units making a yearly payment are due by December 31

2020 CALENDAR OF KEY EVENTS

CAD staff training, and CE's as needed to be in compliance with TDLR
Gather documentation for CAD audit
Send website updates to Prichard & Abbott
Holidays
Research returned mail
Download new and updated Comptroller forms
Download taxpayer assistance information documents, pertinent to local taxpayers, from Comptroller's website for posting and distributing
Review and updated printed information provided for public use and education
Mail and process exemption applications (new homestead, disabled and 65 and over, disabled veterans and surviving spouse and open space applications due to ownership change, etc.)
Gather sales data from sales confirmation letters, deed records and other sales sources for sales files
Pick up copies of filed deeds from County Clerk's office
Research property ownership
Key name/address changes/splits/combines, new property and personal property into CAMA
Track value loss due to property acquiring first (1st) time exemptions and first (1st) time 1-d or 1-d-1 appraisal, value gain due to new improvements for taxing units
Send copies of associated mineral deeds to P&A
Send copies of splits/combine parcels to P&A mapping department
Update address change file as new addresses received and email to P&A
Process and sell digital copies of appraisal rolls to taxpayers
Prepare and post (BOD) Board of Directors agenda for quarterly meeting
Prepare and mail Board of Directors packets for quarterly meeting
Maintain and keep updated permanent records and minutes of BOD, ARB and AG Board
Conflicts Disclosure statements filed by BOD members, Chief Appraiser
Prepare, update, balance and submit all financial reports for review and approval
Answer phone calls and assist walk-in customers

JANUARY

Oath of Office for new board members
Elect Board Officers
Conduct first (1st) quarter BOD meeting
BOD elects ARB Officers
Mail statements to owners who have not paid their current taxes
Statutory appraisal date for most categories of taxable property – January 1
Preliminary Property Value Study (PVS) findings are published and certify findings to the Texas Education Commissioner, and deliver findings to the school district (Gov't Code Section 403.301(g))

Chief Appraiser works on annual Operations Survey for the Comptroller's office

Holiday – New Year's Day – January 1

Last day for taxpayer to file 25.25 protest – January 31

Conduct field inspections on residential, land, mobile homes, commercial, industrial, pipelines and personal property:

- All real property visually inspected and checked for accuracy in class and depreciation
- Take pictures of improvements (as needed) and download to CAMA
- Check for new construction and demolition of improvements

Taxable values and qualifications for certain exemptions are determined for the tax year by January 1

BOD continue their terms

Post updated BOD General Policy and Policies for Public Access at post office, on county bulletin and CAD office

Deadline for Chief Appraiser to notify the Comptroller's office of eligibility to serve as Chief Appraiser is January 1

Rendition period starts January 2 and continues through April 1 for those property owners not requesting a filing extension

Taxing units making monthly payments are due by the 15th of each month

Prepare and mail all Personal Property Renditions by January 15

Create list of renditions mailed and note date when rendition and/or extension request received

All real property "North Half" visually inspected and checked for accuracy in class and depreciation

Take pictures of improvements and download to CAMA

Begin planning sales ratio studies and market analysis

Review schedules in comparison to available sales data to determine areas needing significant adjustment or close review

Review renditions as received

Meet with Chief Appraiser and agricultural advisory board to discuss agricultural issues

MIUP appraisers continue work on discovery of properties and appraisals

Submit 25.25(b) Quarterly Report to the BOD and ARB by January 10

Start preparing for general operations audit by an independent CPA

Print appraisal card worksheets for field appraiser to reapply for annual exemptions or special valuations by January 31

Chief Appraiser schedules 1st yearly meeting of Agricultural Advisory Board

Check for 65 and over homestead exemptions that need to be granted automatically

Qualification for certain exemptions determined by January 1

Check that mapping updates have been processed as scheduled

Post updated public service announcement at post office and in CAD office

Place ¼ page ad in The Borden Star on availability of exemptions, rendition requirements, special appraisals, and tax deferrals

Complete CAD's annual report & submit to entities, and post in CAD office

Submit MICF (Media Information and Certification Form) to the PC Group

ARB

Coordinate scheduling of ARB meeting to address any issues and have them sign the Statement of Officer and Oath of Office forms

Coordinate annual training with members when schedule is available from PTAD

ARB Members continue their 2-year terms

FEBRUARY

Place AD's in Borden Star: Remember to Render & Homestead Exemptions

Submit Mobile Lien Form & 33.05 Limitations Form to the PC Group

Chief Appraiser continues working on Operations Survey for the Comptroller's office

Deadline for delivery applications for special appraisal and exemptions requiring annual applications – February 1

Holiday – Presidents Day – February 18

Taxes become delinquent February 1 if statement was mailed on or before January 10th

Continue market analysis

Appraiser continue to work renditions as received

MIUP renditions and /or extension requests are faxed, mailed or emailed to P&A and the original filed in house

Email BPP renditions to Bryan Mathis (P&A)

Transfer information from appraiser's Appraisal Card Worksheets to CAMA

Appraisers continue to work on discovery of property and appraisals

Coordinate with the PC Group on submission sales information and deed transactions to the State Comptroller's Office by February 1

Update rendition work list to current year and transfer information from received renditions to list

Receive and key rendition extension requests
Taxing units making monthly payments are due by the 15th of each month
Contact agent if no Appointment of Agent form on file for property rendered
Board of Directors and Chief Appraiser sign affidavits regarding delinquent taxes

ARB

ARB members are signed up for annual training.

MARCH

Place AD's in Borden Star: Comptrollers Homestead Exemptions & BCAD Render
Send Appraisal Roll Format letter to Borden County, BCISD, And Sands ISD
Operations Survey for the Comptroller's office due
Email or fax questionnaires to Gins, Insurance Companies and Jami.Williams@tx.usda.gov
Appraisers continue to work renditions as received
Complete field work on Cat A, C, D, E, M properties
Complete ratio studies on real property
Finalize market analysis and determine adjustments to schedules
Update residential schedules, Ag schedules, and mobile home depreciation schedules
Have AG meeting to go over values
MIUP appraisers continue to process received renditions
Appraisers continue to work on discovery of property and appraisals
Chief Appraiser begins work on 2020 budget
Taxing units paying quarterly payments are due by March 31
Taxing units making monthly payments are due by the 15th of each month
Continue transferring information from received renditions to list
Receive and key rendition extension requests
MIUP renditions and/or extension requests are faxed, mailed or emailed to P&A and the original filed in house
Contact agent if no appointment form on file for property rendered
Key rendered accounts, deleted exemptions, new exemptions, and new frozen accounts
Review edits and audits before notices run; correct or adjust accounts as needed
Proof all changes; print out change report and compare to appraisals
Coordinate with P&A on Notice of Appraised Value (NAV) mailings, protest deadline, protest hearing date and working on notices
Coordinate with the PC Group with wording on notice
Submit Tax Ceiling Calculator/Updater Authorization form to the PC Group

APRIL

Conduct 2nd Quarter BOD meeting
Chief Appraiser sends notices of appraised value on single family residences by April 1, or as soon thereafter, as practicable
Bids for Bank Depository every two (2) years (even numbered)
Renditions due by April 1 unless extension requested; continue to receive and key rendition extension requests
Holiday – Good Friday – April 19
Chief Appraiser notifies taxing units the form in which the appraisal roll will be provided for them by April 1
Email legal requirements for filing a rendition to the Borden Star
Chief Appraiser sends certified estimates to entities by April 30
Appraisers continue to work renditions as received.
Appraiser works with property owners regarding proposed values and protests filed
Coordinate with CAD staff on hearing schedule and protests filed
MIUP appraisers continue to process received renditions.
Appraisers continue to work on discovery of property and appraisals
Chief Appraiser continues work on 2020 Budget
Taxing units making monthly payments are due by the 15th of each month
Release local file for production of Notice of Appraised Values (NAVs)
Continue transferring information from received renditions to list
Review edits and audits before notices run; correct or adjust accounts as needed
Last day for application for special appraisal or notices to Chief Appraiser that the property no longer qualifies for 1-d-1 or 1-d is April 30
MIUP renditions and/or extension request are faxed, mailed or emailed to P&A and the original filed in-house

Contact agent if no appointment form on file for property rendered or property protested

MAY

Chief Appraiser sends notices of appraised value on all other property by May 1, or as soon thereafter, as practicable
Renditions receiving 30-day extension are due May 1 unless the Chief Appraiser extends deadline to May 31
Holiday – Memorial Day – May 27
Sand CISD support payment due – May 15
Appraiser continues to work renditions as received
MIUP appraisers continue to process received renditions
Coordinate MIUP download to CAD
Chief Appraiser continues work on 2020 budget
Taxing units making monthly payments are due by the 15th of each month
Chief Appraiser begins update of USPAP report (Mass Appraisal Report)
Check that mapping updates have been processed as scheduled
Place Protest and Appeals Procedure ad in The Borden Star by May 15
Review edits and audits before notices run; correct or adjust accounts as needed
Mail out NAVs
Perdue will begin notifying delinquent taxpayers that taxes delinquent on July 1 will incur additional penalty for attorney collection cost
Receive MIUP load from P&A
Chief Appraiser works on hearing schedules and protest filed
Prepare hearing list and information on informal meetings and formal hearings to check on evidence and reason for changes in value
Print and mail personal property rendition penalty letters per Property Tax Code 22.28
Review and cross check list of late or non-rendered properties received from P&A, for penalty mailing
Compile information for evidence packets for property owners filing protest and requesting information
Chief Appraiser prepares appraisal records and submits to ARB by May 15, or as soon thereafter, as practicable
BOD annual evaluation of Chief Appraiser
Continue transferring information from received renditions to list
Receive and key rendition extension requests and accounts granted additional 15-day extension
MIUP renditions and/or extension requests are faxed, mailed or e-mailed to P&A and the original filed in-house
Contact agent if no Appointment of Agent form is on file for property rendered or property protested
Code returned NAV and research ownership and addresses

ARB

Ensure all ARB members have attended mandatory training and certificates of completion are on file
Coordinate scheduling of ARB meeting to receive appraisal records for review, review revisions needed for procedures and forms, sign affidavits regarding delinquent taxes and address any issues
Begin coordinating scheduling of protest hearings and mail Notice of Protest letters
Begin preparing cause folders for hearings
Begin coordinating with P&A on hearing schedule and protest filed
Chief Appraiser prepares appraisal records and submits to ARB by May 15, or as soon thereafter, as practicable

JUNE

MIUP appraisers continue to process received rendition
Appraisers continue to work on discovery of property and appraisals
Appraisers work with property owners regarding proposed values and protests filed
Coordinate with CAD staff on hearing schedule and protests filed
Submit completed Operations Survey to State Comptroller by requested date
Chief Appraiser begins update of USPAP Report (Mass Appraisal Report)
Chief Appraiser submits recommended 2020 Budget to CAD board and taxing units by June 15
Chief Appraiser submits estimated pro-rated budget shares to CAD board and taxing units
Taxing units making monthly payments are due by the 15th of each month
Taxing units making quarterly payments are due by June 30
Schedule protest hearing and mail Notice of Protest letters
Prepare cause folders for hearings
Compile information for evidence packets for property owners filing protests and requesting evidence
Coordinate with P&A appraisers on hearing schedule and protests filed

Prepare hearing list and information on information meeting and formal hearing to check on evidence and reason for changes in value by contract appraisers

Code returned NAVs and research ownership and addresses

Print and mail personal property rendition penalty letters

Mail determination letters on received rendition penalty waiver request per PTC 22.30, mail protest form with denial

Check rendition list against Preliminary Appraisal Roll to verify properties are being picked up and appraised by P&A

Compile information for evidence packets for property owners filing protest and requesting evidence

ARB

Post ARB hearing Agenda as necessary

Continue scheduling protest hearings and mailing Notice of Protest hearing letters

Continue preparing cause folders for hearings

Continue working with P&A on hearing schedule and protest filed

Contact agent if no appointment form on file for property protested

JULY

Submit MIF & MICF to the PC Group

Holiday – Independence Day – July 4

Delinquent taxes incur total twelve percent (12%) penalty on July 1

Appraisers work with property owners regarding proposed values and protests filed

Appraisers defend values at protest hearings

Submit to Chief Appraiser reasons and documentation, as requested, for changes to values after NAVs mailed

Enter into CAMA all changes ordered by ARB

Mineral appraiser submits list of new property to Chief Appraiser

MIUP personal property appraiser submits inventory owner total, changes and additions list to Chief Appraiser

Prepare for financial audit by independent CPA firm

Prepare hearing list and information on informal meetings and formal hearings to check on evidence and reason for changes in value by contract appraisers

Mail all approvals/denials on rendition penalty waiver requests

Submit appraisal records to ARB for review

Appraisers defend values at protest hearings

Chief Appraiser certifies Appraisal Roll to taxing units by July 25

Submit Certified Appraisal Roll to State Comptroller

Submit to taxing units the value loss due to property acquiring first (1st) time 1-d or 1-d-1 and value gain due to new improvements and recap of homesteads

Board of Directors hold budget workshop

Taxing units making monthly payments are due by the 15th of each month

Place ¼ page Notice of Budget Hearing Ad in The Borden Star at least ten (10) days before the hearing date

Submit Notice of Budget Hearing to taxing units at least ten (10) days before hearing date

Chief Appraiser completes USPAP report

Coordinate with P&A that rendition penalties are correctly applied

Certify to TACs that rendition penalty has been applied and become final under PTC 22.29

ARB

Post ARB hearing agenda as necessary

Begin ARB hearings

Provide ARB support; make record of minutes during hearings, make copies as needed, supply forms and orders as needed, etc.

Mail ARB Notices and Orders certified, return receipt requested

ARB approves appraisal records by July 20

AUGUST

Submit HB1010 (properties outside of county) to the PC Group

Appraisers continue to work on any pending protest hearings

Continue working with taxpayers

Coordinate with CAD that rendition penalties are applied correctly

Assessor submits appraisal roll and date that collector submits collection rate estimate for the current year to the governing body, or as soon after as practical

Coordinate with the PC Group submission of sales information and deed transactions to the State Comptroller's Office by August 1

Coordinate with the PC Group submission of Certified Appraisal Roll to State Comptroller by August 1
Hold Public Hearing on 2020 Budget
Taxing units making monthly payments are due by the 15th of each month
Coordinate with P&A that rendition penalties are correctly applied
Continue ARB Hearing process for any rescheduled or newly scheduled protests
Check rendition list against certified roll to verify values by P&A
Mail letter to property owner filing late Ag application informing them of the ten percent (10%) penalty for late filing.
Submit to Chief Appraiser reasons and documentation, as requested, for changes to value after NAVs mailed
CAD Board must pass resolution to change number of directors, methods for appointing, or both, and deliver the resolution to each taxing unit by August 14
Taxing units entitled to vote for appointment of CAD directors to file a resolution opposing a change by the CAD board in the number and selection of directors is due by August 31

SEPTEMBER

Holiday – Labor Day – September 2
Coordinate with CAD to assure tax load process is successful
Board of Directors must adopt 2020 budget by September 15
Taxing units making monthly payments are due by the 15th of each month
Taxing units making quarterly payments are due by September 30
Begin work on reports of Property Value for State Comptroller's Office
Coordinate with P&A to assure tax load process is successful
Request copies of taxing units' resolutions or orders setting tax rates for IS support
After tax rates set, complete and submit Reports of Property Value form to the State Comptroller's office
After tax rates are set, files are updated for new tax rates
After tax rates, generate Ceiling Loss Report
Update in house listing of all taxing unit rates
Chief Appraiser schedules meeting for Ag Board
Complete Comptroller's Texas Farm & Ranch Survey by due date October 1
Check that all qualifying residences have homestead exemptions, if not send applications
After tax rates are set, files are updated for new tax rates
Update listing of all taxing unit rates
Check that mapping updates have been processed as scheduled
CAD board notifies taxing units in writing if a proposal to change the number or method of selecting CAD directors are rejected by voting taxing unit by September 14

ARB

Schedule ARB as needed for approval of supplemental records

OCTOBER

Assessor mails tax bill for the year
Fourth (4th) Quarter Board of Director's meeting
Submit County Indigent Health Care form to Comptroller's office
Holiday – Columbus Day – October 14
Mail Ag Survey Letters to owners Q-Z
Review and update Ag Survey Letter as needed
Check with contracted appraiser that Ag Survey is updated
Taxing units making monthly payments are due by the 15th of each month
Submit completed Reports of Property Value to State Comptroller's Office
Process tax payments as they are received

NOVEMBER

Holiday – Thanksgiving – November 27 & 28
Begin Coordinating with Chief Appraiser on the next years' reappraisals
Coordinate with the PC Group to roll appraisal year in CAMA
Taxing units making monthly payments are due by the 15th of each month
Begin keying in name/address changes/splits/combines and new property from county deed records in current file
Process tax payments as they are received

DECEMBER

Appraisal office may conduct a mail survey to verify homestead exemption eligibility

Submit Rendition Print Order Form to the PC Group

Holiday – Christmas – December 24-26

Continue working with Chief Appraiser on any reappraisal issues

Receive names of Chair and Secretary of ARB appointed by Board of Directors

Board of Directors appoints ARB members to two (2) year term

Board of Directors appoints Ag Advisory Board members to two (2) year term

Notify Comptroller of Chief Appraiser's eligibility to serve as Chief Appraiser under PTC 6.05(c)

Send all gather current sales data to contracted appraiser

Send all received appropriate Ag surveys to contracted appraiser

Review filed for any exemptions or special valuations needing reapplication

Process tax payments as they are received

Taxing units making monthly payments are due by the 15th of each month

Taxing units making quarterly payments are due by December 31

Taxing units making a yearly payment are due by December 31

LIMITING CONDITIONS


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

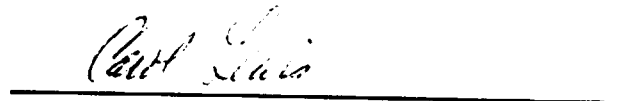
- The appraisals were prepared exclusively for ad valorem tax purposes.
- The property characteristic data upon which the appraisals are based is assumed correct. Exterior inspections of the property appraised were performed as staff resources and time allowed. Some interior inspections of property appraised will be performed at the request of the property owner and required by the District for clarification purposes and to correct property descriptions.
- Validation of sales transactions was attempted through questionnaires to buyer and seller, telephone survey and field review.
- Tyler Halfmann, RPA, TLDR #72311 with Prichard & Abbott provides significant mass appraisal assistance to the person signing this certificate.
- Mack Jordan, RPA, TDLR #62118 with Prichard & Abbott provides significant mineral appraisal assistance to the person signing this certificate.
- Brian Mathis, RPA, TDLR #73448 with Prichard & Abbott provides significant business personal property appraisal assistance to the person signing this certificate.

"I, Tracy Cooley, Chief Appraiser for the Borden 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 me, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by law."


Tracy Cooley, RPA/RTA
Chief Appraiser

Adopted on this 11th day of September 2018


President
Borden County Appraisal District Board of Directors


Secretary
Borden County Appraisal District Board of Directors

REVALUATION DECISION

The Borden County Appraisal District by policy adopted by the Chief Appraiser, with the approval from the Borden County Appraisal District Board of Directors, implements an annual reappraisal cycle. All property in the district is on a three-year cycle. While all properties are updated annually to reflect market values, one-third of the district is re-inspecting every year. The appraisers performing the re-appraisals are given appraisal cards for each property and they physically inspect each property.

In addition to appraisals, all exemptions and special valuations for properties in the appraisal area are reviewed to verify qualification.

The re-appraisal for 2019 will be all real property (rural property South of US Hwy 180), for 2020 all real property (rural property North of US Hwy 180) and for 2019 all real property "in town" visually inspect and check for accuracy in class and depreciation.

These yearly plans are designed to be flexible within the overall reappraisal plan. The specific workload within and between plan years may need to be adjusted to provide for complete and accurate appraisals.

****Note:** All income producing personal property within the CAD are appraised on an annual basis, regardless of its location

APPRAISAL / TAX YEAR 2019

The property categories to be included in the reappraisal include:

A, C, D, E, F, G, J, M and, verification by visual inspection, L.
G & J are covered in the reappraisal plan from Prichard & Abbott

All new construction and demolitions will be picked up; all adjustments in property characteristics that affect value will be applied for all property types and classes within the district.

APPRAISAL / TAX YEAR 2020

The property categories to be included in the reappraisal include:

A, C, D, E, F, G, J, M and, verification by visual inspection, L.
G & J are covered in the reappraisal plan from Prichard & Abbott

All new construction and demolitions will be picked up; all adjustments in property characteristics that affect value will be applied for all property types and classes within the district.

Submitted for review and approval to the Borden County Appraisal District Board of Directors on September 11, 2018 by


Tracy Cooley, RPA/RTA
Chief Appraiser

**Resolution for the Reappraisal
of the Property Within
Borden County Appraisal District**

WHEREAS according to Section 25.18(c) and Section 6.05(i) of the Texas Property Tax Code requires that board to adopt its biennial reappraisal plan no later than September 15 of even-numbered years to ensure adherence with generally accepted reappraisal practices; and

WHEREAS a reappraisal plan may only be adopted after the board of directors holds a public hearing to consider the proposed plan; and

WHEREAS the board of directors did conduct such a public hearing on September 11, 2018 to receive the public comment regarding said plan, now therefore

BE IT RESOLVED by the Board of Directors of the Borden County Appraisal District that they do hereby adopt the attached plan for the periodic reappraisal of property within the boundaries of the district for the taxable years 2019 and 2020.

Signed this 11th day of September 2018



Chairman
Borden County Appraisal District Board of Directors



Secretary
Borden County Appraisal District Board of Directors

PROPERTY TAX LAW DEADLINES

JANUARY

1

- Date that the taxable values (except for inventories appraised Sept. 1) and qualification for certain exemptions are determined for the tax year – Secs. 11.42(a), 23.01(a), 23.12(f)
- Date for tax lien attaches to property to secure payments of taxes, penalties and interest that will be imposed for the year – Sec. 32.01(a)
- Date that members of county appraisal district (CAD) board of directors begin two-year terms; half the members begin two-year terms if the CAD has staggered terms – Secs. 6.03(b), 6.034(a), 6.034 (e)
- Date that half of the appraisal review board (ARB) members begin two-year terms and the ARB commissioners begin one-year terms – Sec. 6.41(d-8)
- Date by which ARB commissioners, if appointed in the county, are required to return a list of proposed ARB members to local administrative district judge – Sec. 6.41 (d-7)
- Deadline for the Chief Appraiser to notify the Comptroller's office of eligibility to serve as a Chief Appraiser – Sec. 6.05(c)

2

- Date rendition period begins – Sec. 22.23(a)

10

- If a tax bill from the previous year is mailed after this date, the delinquency date is postponed – Sec. 31.04(a)

31

- Deadline for the Comptroller's office to publish the preliminary Property Value Study (PVS) findings, certify findings to the Texas Education Commissioner, and deliver findings to each school district – Gov't Code Sec. 403.303(a)

NOTE: A qualified school district or property owner may protest preliminary findings by filing a petition with the Comptroller not later than the fortieth (40th) day after the date (whether Jan 31 or an earlier date) on which the Comptroller's findings are certified to the Texas Commissioner of Education – Gov't Code Sec. 403.303(a)

- Last day for Chief Appraiser to deliver applications for agricultural designation and exemptions requiring annual applications – Secs. 11.44(a), 23.43(e)
- Last day for disabled or age 65 or older homeowners or disabled veterans and their surviving spouses qualifies for Sec. 11.22 exemptions to provide notice of intent to pay the first installment of homestead property taxes if the delinquency date is Feb. 1. Other delinquency dates have different installment notice and payment deadlines. This deadline also applies to partially disabled veterans and their living spouses with homesteads donated from charitable organizations – Sec. 31.031(a-1)
- Last day for homeowners or qualified businesses whose properties were damaged in a disaster within the designated disaster area to pay the first installment for taxes with Feb. 1 delinquency dates if using installment payment option. Other delinquency dates have different notice and payment deadlines – Sec. 31.032(b)
- Last day for CAD to give public notice of the capitalization rate to be used in that year to appraise property with low-and moderate-income housing exemption – Sec. 11.1825(r)

FEBRUARY

1

- Last day for motor vehicle, vessel and outboard motors, heavy equipment and manufactured housing dealers to file dealer's inventory declarations – Secs. 23.12(f), 23.124(f), 23.1241(f), 23.127(f)
- Date the taxes imposed the previous year become delinquent if a bill was mailed on or before Jan. 10 of the current year – Secs. 31.02(a), 31.04(a)
- Rollback tax and interest for change of use of 1-d, 1-d-1, timber and restricted-use timber land become delinquent if taxing unit delivered a bill to the owner at least twenty (20) days before this date – Secs. 23.46(c), 23.55(e), 23.76(e), 29.9807(f)

- Deadline for Chief Appraisers in certain counties to provide notice regarding the availability of agreement forms authorizing electronic communication, on or before this date (or as soon as practicable) – Sec. 1.085(h)

15

- Last day for tax collectors to disburse motor vehicle, vessel and outboard motor, heavy equipment and manufactured housing inventory taxes from escrow accounts to taxing units – Secs. 23.122(k), 23.1242(j), 23.125(k), 23.128(j)

28 (29 if Leap Year)

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

MARCH

31

- Last day for taxing units' second quarterly payment for the current year CAD budget – Sec. 6.06(e)
- Last day for property owners to file applications for allocation under Secs. 21.03, 21.031, 21.05 or 21.055. For good cause, Chief Appraiser may extend deadline up to thirty days. Other deadlines apply if the property was not on the appraisal roll in the previous year – Sec. 21.09(b)
- Last day for disabled or older homeowners or disabled veterans and their surviving spouses qualified for Sec. 11.22 exemptions to pay second installment of homestead property taxes if the delinquency date is Feb. 1. Other delinquency dates have different installment notice and payment deadlines. This deadline also applies to partially disabled veterans and their living spouses with homesteads donated from charitable organizations – Sec. 31.031(a-1)
- Last day for homeowners or qualified businesses whose properties were damaged in a disaster to pay second installment for taxes with Feb. 1 delinquency dates if using installment payment option. Other delinquency dates have different notice and payment deadlines – Sec. 31.032(b)
- Last day for qualified community housing development organizations to file listing of property acquired or sold during the past year with the Chief Appraiser – Sec. 11.185(i)

APRIL

1

- Last day for qualifying local governments to submit completed applications to the Comptroller's office to receive disabled veteran's assistance payments for previous fiscal year – Local Gov't Code Sec. 140.011(e)
- Last day to file rendition statements and property reports for most property types in counties in which one or more taxing units exempt freeport property. Chief Appraiser may extend deadline to May 1 upon written request – Sec. 22.23(c)
- Last day (or as soon as practicable thereafter) for Chief Appraiser to mail notices of appraised value for single-family residence homestead properties – Sec. 25.19(a)
- Last day for the Chief Appraiser to notify taxing units of the form in which the appraisal roll will be provided to them – Sec. 26.01(a)

NOTE: The Comptroller and each Chief Appraiser are required to publicize the legal requirements for filing rendition statements and the availability of the forms in a manner reasonably designed to notify all property owners of the law – Sec. 22.21. Chief Appraisers need to check with their legal council to determine the manner and timing of this notice to meet the legal requirement.

15

- Last day for property owners, or secured parties if applicable, to file renditions and property reports on most property types in counties in which no taxing unit exempts Freeport property. Chief Appraiser may extend deadline to May 15 upon written request – Sec. 22.23 (a)(b)

30

- Last day for property owners to file these applications or reports with the CAD:
— Some exemptions applications – Sec. 11.43(d)

- Notice to Chief Appraiser that property is no longer entitled to an exemption not requiring annual application – Sec. 11.43(g)
- Certain applications for special appraisal or notices to Chief Appraiser that property no longer qualifies for 1-d agricultural land, 1-d-1 agricultural land, timber, restricted-use timber, recreational-park-scenic land and public access airport property – Secs. 23.43 (b), 23.54(d)(h), 23.75(d)(h), 23.84(b)(d), 23.94(d)(h), 23.9804(e)(i)
- Railroad rolling stock reports – Sec. 24.32(e)
- Requests for separate listing of separately owned land and improvements – Sec. 25.08(c)
- Requests for proportionate taxing of a planned unit development property – Sec. 25.09(b)
- Requests for separate listing of separately-owned standing timber and land – Sec. 25.10(c)
- Requests for separate listing of undivided interests – Sec. 25.11(b)
- Request for joint taxation of separately-owned mineral interest – Sec. 25.12(b)
- Last day for Chief Appraiser to certify estimate of the taxable value for counties, municipalities and school districts (counties and municipalities can choose to waive the estimate) – Sec. 26.01(e). A school district with a fiscal year beginning July 1 may use this certified estimate when preparing the notices of public meetings to adopt the budget and discuss proposed tax rate – Educ. Code Sec. 44.004(g-j)
- Last day to file rendition statements and property regulated by the Texas Public Utility Commission, Texas Railroad Commission, Federal Surface Transportation Board or the Federal Energy Regulatory Commission. Chief Appraiser may extend deadline to fifteen days for good cause – Sec. 22.23(d)

*Exemption applications for cemeteries, certain charitable organizations, religious organizations, private schools, nonprofit water supply or wastewater service corporations and other nonprofit organizations must be filed within one year of acquiring the property – Secs. 11.42(d) and 11.43(d). Unless birth date information has been provided to the CAD, persons who become age sixty-five or qualify as disabled during a tax year must apply for the applicable homestead exemptions within one year of qualifying – Sec. 11.43(k)(m)

MAY

1

- Last day to file rendition statements and property reports for most property types in counties in which one or more taxing units exempt freeport property, if an extension was requested in writing. Chief Appraiser may extend deadline an additional fifteen days for good cause – Sec. 22.23(c)
- Last day (or as soon as practicable thereafter) for Chief Appraiser to mail notices of appraised value for properties other than single-family residence homesteads – Sec. 25.19(a)

1-14

- Period to file resolutions with Chief Appraiser to change CAD finance method – Sec. 6.061(c)

1-15

- Period when Chief Appraiser must publish notice about taxpayer protest procedures in local newspaper with general circulation – Sec. 41.70(a)(b)

NOTE: Chief Appraisers must annually publicize property owner rights and methods to protest to the ARB – Sec. 41.41(b). Chief Appraisers should consult legal council on the manner and timing to fulfill this requirement.

2

- Beginning of time period when taxing units must notify delinquent taxpayers that taxes delinquent on July 1 will incur additional penalty for attorney collection cost at least thirty days and not more than sixty days before July 1. Period ends on June 1 – Sec. 33.07(d)

15

- Last day to file renditions and property reports for most property types in counties in which no taxing units exempts freeport property, if an extension was requested in writing. Chief Appraiser may extend deadline and additional fifteen days for good cause – Sec. 22.23(b)

- Date (or as soon as practicable thereafter) for Chief Appraiser to prepare appraisal records and submit to ARB – Secs. 25.01(a), 25.22(a)
- Last day to file protests with ARB (or by thirtieth (30th) day after notice of appraised value is delivered, whichever is later) – Sec. 41.44(a)(1)

19

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

24

- Last day for Chief Appraiser to notify taxing units of change in the CAD's financial method – Sec. 6.061(d)

31

- Last day for taxing units to file challenges with ARB (or within fifteen (15) days after the date the appraisal records are submitted to ARB (whichever is later) – Sec. 41.04
- Last day for disabled or older homeowners or disabled veterans and their surviving spouses qualified for Sec. 11.22 exemptions to pay third (3rd) installment of homestead property taxes if the delinquency date is Feb. 1. Other delinquency dates have different installment notice and payment deadlines. This deadline also applies to partially disabled veterans and their living spouses with homesteads donated from charitable organizations – Sec. 31.031(a-1)
- Last day for homeowners and qualified businesses whose properties were damaged in a disaster area to pay third installment on taxes with Feb 1 delinquency dates. Other delinquency dates have different installment payment deadlines – Sec. 31.032(a)(b)
- Last day for a religious organization that has been denied an 11.20 exemption because of its charter to amend the charter and file a new application (on or before the 60th day after the date of notification of the exemption denial, whichever is later) – Sec. 11.421(b)
- Last day for taxing unit to take official action to extend the date by which aircraft parts must be transported outside the state after acquired or imported up to seven hundred thirty (730) days for the aircraft parts to be exempt from taxation as freeport goods for the current and subsequent years – Sec. 11.251(l)

JUNE

14

- Last day for Chief Appraiser to submit proposed budget for next year to CAD board and taxing units (unless taxing units have changed CAD's fiscal year) – Sec. 6.06(a)(i)

15

- Last day for Chief Appraisers to accept and approve or deny late-filled freeport exemption applications – Sec. 11.4391(a)

16

- Beginning date that CAD board may pass resolution to change finance method, subject to taxing units' unanimous approval. Period ends before Aug. 15 – Sec 6.061(a)

30

- Last day to pay second half of split payment for taxes imposed last year – Sec. 31.03(a)
- Last day for taxing units' third quarter payment for CAD budget for the current year – Sec. 6.06(e)
- Last day to form a taxing unit to levy property taxes for the current year – Sec. 26.12(d)
- Last day for taxing units to adopt local option percentage homestead exemptions – Sec. 11.13(n)
- Last day for a private school that has been denied an 11.21 exemption because of the charter to amend the charter and file a new application (or the sixtieth (60th) day after the date of notification of the exemption denial, whichever is later) – Sec. 11.422(a)(1)

JULY

1

- Date the delinquent taxes incur total twelve percent penalty – Sec. 33.01(a)

- A taxing unit or CAD may provide that taxes that become delinquent on or after Feb 1 of a year but not later than May 1 of that year and that remain delinquent on July 1 of the year in which they become delinquent incur an additional penalty to defray costs of collection, if the unit or CAD or another unit that collects taxes for the unit has contracted with an attorney to enforce the collection of delinquent taxes – Sec. 33.07(a)

NOTE: Taxing units and CADs that have imposed the additional penalty for collection costs under Sec. 33.07 may provide for an additional penalty for attorney collection costs of taxes that become delinquent on or after June 1 under Secs. 26.07(f), 26.15(e), 31.03, 31.031, 31.032, 31.04 or 42.42. The penalty incurred on the first day of the first month that begins twenty-one days after the date the collector sends the property owner a notice of delinquency and penalty – Sec. 33.08(a)(c)

- Last day for review and protest of appraisals of railroad rolling stock values (or as soon as practicable thereafter); once the appraised value is approved, the Chief Appraiser certifies to the Comptroller's office the allocated market value – Secs. 24.35(b), 24.36

20

- Date ARB must approve appraisal records but may not do so if more than five percent of total appraised value remains under protest. The board of directors of a CAD in a county with a population of one million or more may postpone the deadline to Aug. 30 or increase the threshold percentage from five to ten percent of the appraised value of properties not under protest – Sec 41.12(a-c)

25

- Last day for Comptroller's office to certify apportionment of railroad rolling stock value to counties, with supplemental records after that date – Secs. 24.38 and 24.40
- Last day for Chief Appraiser to certify appraisal roll to each taxing unit 0 Sec. 26.01(a)

31

- Last day for disabled or older homeowners or disabled veterans and their surviving spouses qualified for Sec. 11.22 exemptions to pay fourth (4th) installment of homestead property taxes if the delinquency date is Feb. 1. Other delinquency dates have different installment notice and payment deadlines. This deadline also applies to partially disabled veterans and their living spouses with homesteads donated from charitable organizations – Sec. 31.031(a-1)
- Last day for homeowners and qualified businesses whose properties were damaged in a disaster area to pay fourth installment on taxes with Feb 1 delinquency dates. Other delinquency dates have different installment payment deadlines – Sec. 31.032(a)(b)
- Last day for property owners to apply for Sept 1 inventory appraisal for the next year – Sec. 23.12(f)

AUGUST

1

- Date taxing unit's assessor submits appraisal roll and date collector submits collection rate estimate for the current year to the governing body (or as soon as practical) – Sec 26.04(b)

7

- Date taxing units (other than school districts, small taxing units and water districts) must publicize effective tax and rollback rates, unencumbered fund balances, debt obligation schedule and other applicable terms (or as soon as practicable thereafter) Secs. 26.04(e)(e)(1), 26.052(b) and Water Code Secs. 49.107(g) and 49.108(f). Cities and counties that provide a property tax notice under Local Government Code Section 140.010 are exempt from the notice and publication requirements of Tax Code Sections 26.04(e), 26.052 and 26.06 – Local Gov't Code Sec. 140.010(c)

14

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

15

- Deadline for Comptroller's office to certify final PVS findings to Education Commissioner except as provided – Comptroller Rule Sec. 9.4317(d)

30

- Date ARB must approve appraisal records for CADs in counties with populations of one million or more where the board of directors has postponed the deadline from July 20 – Sec. 41.12(c)(1)

31

- If a tax bill is returned undeliverable to a taxing unit by the United States Postal Service, a taxing unit must waive penalties and interest if the taxing unit does not send another tax bill at least twenty-one (21) days before the delinquency date to the current mailing address furnished by the property owner and the property owner establishes that a current mailing address was furnished to the CAD for the tax bill before Sept 1 of the year in which the tax is assessed – Sec. 33.011(b)(1)
- Last day taxing unit may file resolutions with the CAD board to oppose proposed change in the CAD finance method – Sec. 6.061(a)
- Last day for taxing unit entitled to vote for appointment of CAD directors to file a resolution opposing a change by the CAD board in the number and selection of directors – Sec. 6.031(a)
- Deadline to file form with Chief Appraiser and collector to elect not to be treated as a motor vehicle inventory dealer for the next year, if eligible – Sec. 23.12(a)(3)(D)(iii)

SEPTEMBER

1

- Date that taxable value of inventories may be determined at property owner's written option – Sec. 23.12(f)
- Deadline for a county or city to either publish the property tax rate notice in a general circulation newspaper or mail it to each property owner and post the notice on its website (or thirtieth (30th) day after each applicable appraisal roll is received, whichever is later) – Local Gov't Code 140.010(f)(1)

14

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

29

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

30

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

OCTOBER

1

- Date tax assessor mails tax bills for the year (or soon after as practicable) – Sec. 31.01(a)

NOVEMBER

30

- First half of split payment of taxes is due on or before this date – Sec. 31.03(a)

DECEMBER

1-31

- Time when appraisal office may conduct a mail survey to verify homestead exemption – Sec. 11.47(a)

- Last day for taxing units' first quarterly payment for CAD budget for next year – Sec. 6.06(e)
- Last day for taxing units to take official action to tax goods-in-transit for the following year – Sec. 11.53(j)

TRUTH-IN-TAXATION IMPORTANT DATES

Date	Activity
April 1 ¹	Chief Appraisers send notices of appraised value on single family residences by this date or as soon thereafter as practicable.
May 1 ²	Chief Appraisers send notices of appraised value on all other property by this date or as soon thereafter as practicable.
April 30 ³	Chief Appraisers prepare and certify the estimate of the taxable value of property in counties, cities and school districts to tax assessors.
July 20 ⁴	Appraisal review boards approve the appraisal records. This date may extend to Aug. 30 for certain larger counties.
July 25 ⁵	Chief Appraisers certify the approved appraisal roll to the taxing units.
Aug. 7 ⁶	Certain taxing units publish notice of effective and rollback tax rates by this date or as soon thereafter as practicable.
August – September	<p>Taxing units adopt their budgets according to their fiscal years. School districts must publish a <i>Notice of Public Meeting to Discuss Budget and Proposed Tax Rate</i> ten (10) to thirty (30) days before the public meeting date.⁷ (School districts with a July 1 fiscal year adopt budgets in June and follow a different schedule).</p> <p>Most taxing units adopt a tax rate after adopting their budgets.</p>
Sept. 1 ⁸	Cities and counties provide notice of their proposed tax rates before this date or thirty (30) days after receiving the appraisal roll.
Before Sept. 30 ⁹	Taxing units other than water districts must adopt their tax rate before this date or sixty (60) days after receiving the appraisal roll, whichever date is later.
Oct. 1 ¹⁰	Tax assessors prepare and mail tax bills by this date or as soon thereafter as practicable.

¹ Tex. Tax Code § 25.19(a)

² Tex. Tax Code § 25.19(a)

³ Tex. Tax Code § 26.01(e)

⁴ Tex. Tax Code § 41.12(a)

⁵ Tex. Tax Code § 26.01(a)

⁶ Tex. Tax Code § 26.04(e)

⁷ Tex. Ed. Code § 44.004(b)

⁸ Tex. Loc. Gov't Code § 140.010(f)

⁹ Tex. Tax Code § 26.05(a)

¹⁰ Tex. Tax Code § 31.01(a)

STANDARD 6: MASS APPRAISAL, DEVELOPMENT AND REPORTING

In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals. UAPAP Standard 6 is a necessary set of rules that provides structure and guidance for the Borden County appraisal staff during the development and implementation of appraisal concepts.

COMMENT: Standard 6 applies to all mass appraisals of real and personal property regardless of the purpose or use of such appraisals. Standard 6 is directed toward the substantive aspects of developing and communicating credible analyses, opinions and conclusions in the mass appraisal of properties. Mass appraisals can be prepared with or without computer assistance. The reporting and jurisdictional exceptions applicable to public mass appraisals prepared for ad valorem taxation do not apply to mass appraisals prepared for other purposes.

A mass appraisal includes:

- Identify properties to be appraised
- Defining market area of consistent behavior that applies to properties
- Identifying characteristics (supply and demand) that affect the creation of value in that market area
- Developing a model structure that reflects the relationship among the characteristics affecting value in the market area
- Calibrating the model structure to determine the contribution of the individual characteristics affecting value
- Applying the conclusions reflected in the model to the characteristics of the property or properties being appraised
- Reviewing the mass appraisal results

The Jurisdiction Exception Rule may apply to several sections of Standard 6 because ad valorem tax administration is subject to various state, county and municipal laws.

STANDARDS RULE 6-1

In developing a mass appraisal, an appraiser must:

- Be aware of, understand and correctly employ those recognized methods and techniques necessary to produce a credible mass appraisal

COMMENT: Mass appraisal provides for systematic approach and uniform application of appraisal methods and techniques to obtain estimates of value that allow for statistical review and analysis of results. This requirement recognizes that the principle of change continues to affect the manner in which appraisers perform appraisals. Changes and developments in the real property and personal property fields have a substantial impact on the appraisal profession. To keep abreast of these changes and developments, the appraisal profession is constantly reviewing and revising appraisal methods and techniques and devising new methods and techniques to meet new circumstances. For this reason, it is not sufficient for appraisers to simply maintain the skills and the knowledge they possess when they become appraisers. Each appraiser must continuously improve his or her skills to remain proficient in mass appraisal.

- Not commit a substantial error of omission or commission that significantly affects a mass appraisal

COMMENT: An appraiser must use sufficient care to avoid errors that would significantly affect his or her opinions and conclusions. Diligence is required to identify and analyze the factors, conditions, data and other information that would have a significant effect on the credibility of the assignment results.

- Not render a mass appraisal in a careless or negligent manner.

COMMENT: Perfection is impossible to attain, and competence does not require perfection. However, an appraiser must not render appraisal services in a careless or negligent manner. This Standards Rule requires an appraiser to use due diligence and due care.

STANDARDS RULE 6-2

In developing a mass appraisal, an appraiser must:

- Identify the client and other intended users
- Identify the intended use of the appraisal

COMMENT: An appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

- Identify the type and definition of value, and, if the value opinion to be developed is market value, ascertain whether the value is to be the most probable price:
 - In terms of cash; or
 - In terms of financial arrangements equivalent to cash; or
 - In such other terms as may be precisely defined; and
 - If the opinion of value is based on non-market financing or financing with unusual conditions or incentives, the terms of such financing must be clearly identified and the appraiser's opinion of their contributions to or negative influence on value must be developed by analysis of relevant market data

COMMENT: for certain types of appraisal assignments in which a legal definition of market value has been established and takes precedence, the Jurisdictional Exception Rule may apply.

- Identify the effective date of the appraisal
- Identify the characteristics of the properties that are relevant to the type and definition of value and intended use, including
 - The group with which a property is identified according to similar market influence;
 - The appropriate market area and time frame relative to the property being valued; and
 - Their location and physical, legal and economic characteristics

COMMENT: The properties must be identified in general terms, and each individual property in the universe must be identified, with the information on its identity stored or referenced in its property record. When appraising proposed improvements, an appraiser must examine and have available for future examination, plans, specifications or other documentation sufficient to identify the extent and character of the proposed improvements. Ordinarily, proposed improvements are not appraised for ad valorem tax/ appraisers, however, are sometimes asked to provide opinions of value proposed improvements so that the developers can estimate future property burdens. Sometimes units in condominiums and planned unit developments are sold with an interest in unbuilt community property, the pro rata value of which, if any, must be considered in the analysis of sales data.

- Identify the characteristics of the market that are relevant to the purpose and intended use of the mass appraisal including:
 - Location of the market area;
 - Physical, legal and economic attributes;
 - Time frame of market activity; and
 - Property interest reflected in the market;
- In appraising real property or personal property:
 - Identify that appropriate market area and time frame relative to the property being valued;
 - When the subject is real property, identify and consider any personal property, trade fixtures or intangibles that are not real property but are included in the appraisal;
 - When the subject is personal property, identify and consider any real property or intangibles that are not personal property but are included in the appraisal;
 - Identify known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances or other items of similar nature; and
 - Identify and analyze whether and appraised fractional interest, physical segment or partial holding contributes pro rata to the value of the whole;

COMMENT: The above requirements do not obligate the appraiser to value the whole when the subject of the appraisal is a fractional interest, physical segment or a partial holding. However, if the value of the whole is not identified, the appraisal must clearly reflect that the value of the property being appraised cannot be used to develop the value opinion of the whole by mathematical extension.

- Analyze the relevant economic conditions at the time of valuation, including market acceptability of the property and supply, demand, scarcity or rarity;
- Identify any extraordinary assumptions and any hypothetical conditions necessary in the assignment; and

COMMENT: An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a creditable analysis;
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumption

COMMENT: A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purpose of comparison;
 - Use the hypothetical condition results in a creditable analysis; and
 - The appraiser complies with the disclosure requirements set forth in the USPAP for hypothetical conditions.
- Determine the scope of work necessary to produce creditable assignment results in accordance with the Scope of Work Rule.

STANDARDS RULE 6-3

When necessary for credible assignment results, and appraiser must:

- In appraising real property, identify and analyze the affect on use and value of the following factors:
 - Existing land use regulations
 - Reasonably probable modifications of such regulations
 - Economic supply and demand
 - The physical adaptability of the real estate
 - Neighborhood trends
 - Highest and best use of the real estate

COMMENT: This requirement sets forth a list of factors that affect use and value. In considering neighborhood trends, an appraiser must avoid stereotyped or biased assumptions relating to race, age, color, gender or national origin or an assumption that race, ethnic or religious homogeneity is necessary to maximize value in a neighborhood. Further, an appraiser must avoid making an unsupported assumption or premise about neighborhood decline, effective age and remaining life. In considering highest and best use, an appraiser must develop the concept to the extent required for a property solution to the appraisal problem.

- In appraising personal property: identify and analyze the effects on use and value of industry trends, value-in-use and trade level personal property. Where applicable, identify the effect of highest and best use by measuring and analyzing the current use and alternative uses to encompass what is profitable, legal and physically possible, as relevant to the type and definition of value and intended use of the appraisal. Personal property has several measurable marketplaces; therefore, the appraiser must define and analyze the appropriate market consistent with the type and definition of value.

COMMENT: The appraiser must recognize that there are district levels of trade and each may generate its own data. For example, a property may have a different value at a wholesale level of trade, a retail level of trade or under various action conditions. Therefore, the appraiser must analyze the subject property within the correct market context.

STANDARD RULE 6-4

In developing a mass appraisal, an appraiser must:

- Identify the appropriate procedure and market information required to perform the appraisal, including all physical, functional and external factors as they may affect the appraisal;

COMMENT: Such efforts customarily include the development of standardized data collection forms, procedures and training materials that are used uniformly on the universe of properties under consideration.

- Employ recognized techniques for specifying property valuation models; and

COMMENT: The formal development of a model in a statement or equation is called model specification. Mass appraisers develop mathematical models that, with reasonable accuracy, represent the relationship between property value and supply and demand factors, as represented by quantitative and qualitative property characteristics. The models may be specified using the cost, sales comparison or income approaches to value. The specification format may be tabular, mathematical, linear, nonlinear or any other structure suitable for representing the observable property characteristics. Appropriate approaches must be used in appraising a class of properties. The concept of recognized techniques applies to both real and personal property valuation models.

- Employ recognized techniques for calibrating mass appraisal models.

COMMENT: Calibration refers to the process of analyzing sets of property and market data to determine the specific parameters of a model. The table entries in a cost manual are examples of calibrated parameters, as well as the coefficients in a linear or nonlinear model. Models must be calibrated using recognized techniques, including, but not limited to, multiple linear regression, nonlinear regression and adaptive estimation.

STANDARD RULE 6-5

In developing a mass appraisal, when necessary for credible assignment results, an appraiser must:

- Collect, verify and analyze such data as are necessary and appropriate to develop:
 - The new cost of improvements;
 - Accrued depreciation;
 - Value of the land by sales of comparable properties;
 - Value of the property by sales of comparable properties;
 - Value by capitalization of income or potential earning i.e., rentals, expenses, interest rates, capitalization rates and vacancy data;

COMMENT: This Standards Rule requires appraisers engaged in mass appraisal to take reasonable steps to ensure that the quantity and quality of the factual data that are collected are sufficient to produce credible appraisals. For example, in real property, where applicable and feasible, systems for routinely collecting and maintaining ownership, geographic, sales, income and expense, cost and property characteristics data must be established. Geographic data must be contained in as complete a set of cadastral maps as possible, compiled according to current standards of detail and accuracy. Sales data must be collected, confirmed, screened, adjusted and filed according to certain standards of practice. The sales file must contain for each sale, property characteristics data that are contemporaneous with the date of the sale. Property characteristics data must be appropriate and relevant to the mass appraisal models being used. The property characteristics data file must contain data contemporaneous with the date of appraisal including historical data on sales, where appropriate and available. The data collection program must incorporate a quality control program, including checks and audits of the data to ensure current and consistent records.

- Base estimates of capitalization rates and projections of future rental rates and/or potential earnings capacity, expenses, interest rates and vacancy rates on reasonable and appropriate evidence;

COMMENT: This requirement calls for an appraiser, in developing income and expense statements and cash flow projections, to weigh historical information and trends, current market factors affecting such trends, and reasonable anticipated events, such as competition from developments either planned or under construction.

- Identify and, as applicable, analyze terms and conditions of any available leases; and
- Identify the need for and extent of any physical inspection.

STANDARD RULE 6-6

When necessary for credible assignment results in applying a calibrated mass appraisal model, an appraiser must:

- Value improved parcels by recognized methods or techniques based on the cost approach, the sales comparison approach and the income approach;

- Value sited by recognized methods or techniques; such techniques include but are not limited to the sales comparison approach, allocation method, abstraction method, capitalization of ground rent and land residual technique;
- When developing the value of a leased fee estate or a leasehold estate, analyze the effect on value, if any, of the terms and conditions of the lease;

COMMENT: In ad valorem taxation the appraiser may be required by rules or law to appraise the property as if in fee simple, as though unencumbered by existing leases. In such cases, market rent would be used in the appraisal, ignoring the effect of the individual, actual contract rents.

- Analyze the effect on value, if any, of the assemblage of the various parcels, divided interests, or component parts of a property; the value of the whole must not be developed by adding together the individual values of the various parcels, divided interest or component parts; and

COMMENT: When the value of the whole has been established and the appraiser seek to value a part, the value of any such part must be tested by reference to appropriate market data and supported by an appropriate analysis of such data.

- When analyzing anticipated public or private improvements, located on or off the site, analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in the market actions.

STANDARDS RULE 6-7

In reconciling a mass appraisal, an appraiser must:

- Reconcile the quality and quantity of data available and analyzed within the approaches used and the applicability or suitability of the approaches used; and
- Employ recognized mass appraisal testing procedures and techniques to ensure that standards of accuracy are maintained.

COMMENT: It is implicit in mass appraisal that, even when properly specified and calibrated mass appraisal models are used, some individual value conclusions will not meet standards of reasonableness, consistency and accuracy. However, appraisers engaged in mass appraisal have a professional responsibility to ensure that, on an overall basis, models produce value conclusions that meet attainable standards of accuracy. This responsibility requires appraisers to evaluate the performance of models, using techniques that may include but are not limited to, goodness-of-fit statistics, and model performance statistics such as appraisal-to-sale ratio studies, evaluation of hold-out samples or analysis of residuals.

STANDARDS RULE 6-8

A written report of a mass appraisal must clearly comminute the elements, results, opinions and value conclusions of the appraisal.

Each written report of a mass appraisal must:

- Clearly and accurately set forth the appraisal in a manner that will not be misleading;
- Contain sufficient information to enable the intended user of the appraisal to understand the report properly;

COMMENT: Documentation for a mass appraisal for ad valorem taxation may be in the form of:

- Property records
- Sales ratios and other statistical studies
- Appraisal manuals and documentation
- Market studies
- Model building documentation
- Regulations
- Statutes
- Other acceptable forms
- Clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions and limiting conditions used in the assignment;

COMMENT: The report must be clearly and conspicuously:

- State all extraordinary assumptions and hypothetical conditions; and

— State that their use might have affected the assignment results.

- State the identity of the client and any intended users, by name or type;
- State the intended use of the appraisal;
- Disclose any assumptions or limiting conditions that result in deviation from recognized methods and techniques or that affect analyses, opinions and conclusions;
- Set forth the effective date of the appraisal and the date of the report;

COMMENT: In ad valorem taxation the effective date of the appraisal may be prescribed by law. If no effective date is prescribed by law, the effective date of the appraisal, if not stated, is presumed to be contemporaneous with the data and appraisal conclusions. The effective date of the appraisal establishes the context for the value of opinion, while the date of the report indicates whether the perspective of the appraiser on the market or property use conditions as of the effective date of the appraisal with prospective, current or retrospective. Reiteration of the date of the report and the effective date of the appraisal at various stages of the report in tandem is important for the clear understanding of the reader whenever market or property use conditions on the date of the report are different from such conditions on the effective date of the appraisal.

- State the type and definition of value and cite the source of the definition;

COMMENT: Stating the type and definition of value also requires any comment needed to clearly indicate to intended users how the definition is being applied.

When reporting an opinion of market value, state whether the opinion of value is:

- In terms of cash or of financing terms equivalent to cash, or
- Based in non-market financing with unusual conditions or incentives.

When an opinion of market value is not in terms of cash or based on financing terms equivalent to cash, summarize the terms of such financing and explain their contributions to negative influence on value.

- Identify the properties appraised including the property rights;

COMMENT: The report documents the sources for location, describing and listing the property. When applicable, include references to legal descriptions, addresses, parcel identifiers, photos and building sketches. In mass appraisal this information is often included in property records. When the property rights to be appraised are specified in a statute or court ruling, the law must be referenced.

- Describe the scope of work used to develop the appraisal; exclusion of the sales comparison approach, cost approach or income approach must be explained;

COMMENT: Because intended user's reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research analyses not performed. When any portion of the work involves significant mass appraisal assistance, the appraiser must describe the extent of the assistance. The signing appraiser must also state the name(s) of those providing the significant mass appraisal assistance in the certification, in accordance with Standards Rule 6-9.

- Describe and justify the model specification(s) considered, data requirements and the model(s) chosen;

COMMENT: The appraiser must provide sufficient information to enable the client and intended users to have confidence that the process and procedures used conform to accepted methods and result in credible value conclusions. In the case of mass appraisal for ad valorem taxation, stability and accuracy are important to the credibility of value opinions. The report must include a discussion of the rationale for each model, the calibration techniques to be used and the performance measures to be used.

- Describe the procedure for collecting, validating and reporting data;

COMMENT: The report must describe the sources of data and the data collection and validation processes. Reference to detailed data collection manuals must be made, as appropriate, including where they may be found for inspection.

- Describe calibration methods considered and chosen, including the mathematical form of the final model(s); describe how value conclusions were reviewed; and, if necessary, describe the availability of individual value conclusions;
- When an opinion of highest and best use was developed, discuss how that opinion was determined;

COMMENT: The mass appraisal report must reference case law, statute or public policy that describes highest and best use requirements. When actual use is the requirement, the report must discuss how use-value opinions were developed. The appraiser's reasoning in support of the highest and best use opinion must be provided in depth and detail required by its significance to the appraisal.

- Identify the appraisal performance tests used and set forth the performance measures attained;
- Describe the reconciliation performed, in accordance the Standards Rule 6-7; and
- Include a signed certification in accordance with Standards Rule 6-9.

STANDARDS RULE 6-9

Each written appraisal review report must contain a signed certification that is similar in content to the following form:

I certify that, to the best of my knowledge and belief:

- The statement of fact contained in this report are true and correct.
- The report analyses, opinions and conclusions are limited only by the report assumptions and limiting conditions, and are my personal, impartial and unbiased analyses, opinions and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- I have (or have not) made a personal inspection of the properties that are the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property).
- No one provided significant mass appraisal assistance to the person signing this certification. (If there are no exceptions, the name of each individual providing significant mass appraisal assistance must be stated).

RESOURCES ATTACHED TO THIS PLAN

Prichard & Abbott's Reappraisal Plan

WEBSITES

www.tdlr.texas.gov
www.comptroller.texas.gov/taxe/property-tax/
www.bordencad.org
www.pandai.com/home.aspx