

Borden County Appraisal District

2021 Mass Appraisal Report

INTRODUCTION

Scope of Responsibility

The Borden CAD (Borden County Appraisal District) has prepared and published this report to provide our citizens and taxpayers with a better understanding of the district's responsibilities and activities. This mass appraisal report was written in compliance with Standards Rule 6-7 and 6-8 of the USPAP (Uniform Standards of Professional Appraisal Practice) as promulgated by the Appraisal Standards Board of The Appraisal Foundation. This report has several parts: a general introduction and then several sections describing the appraisal effort by the appraisal district.

The Borden 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 Borden County, constitutes the district's governing body. Borden ISD and Borden County by resolution have agreed to have the Borden County and Borden County ISD appoint all board of director members. 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, Borden County and Borden ISD. Appraisals established by the appraisal district allocate the year's tax burden based on each taxable property's January 1st market value. The appraisal district determines eligibility for various types of property tax exemptions, including exemptions for homeowners, the elderly, disabled veterans, and charitable and religious organizations.

The **2021** mass appraisal was prepared under the provisions of the Texas Property Tax Code. Taxing jurisdictions that participate in the district must use the appraisals as the basis for imposition of property taxes. The State of Texas allocates state funds to school districts based upon the district's appraisals, as tested and modified by the state comptroller of public accounts.

The **2021** mass appraisal, results in an estimate of the market value of each taxable property within the district's boundaries. Where required by law, the district also estimates value on basis other than market value. These are described where applicable later in this report.

All documentation is not contained in this report. Other documentation may be in the form of property records, sales ratios and other statistical studies, appraisal manuals and documentation, market studies, model building documentation, regulations, statues and other acceptable forms.

General Assumptions and 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 to be correct.
- Physical inspections of the property appraised were performed as resources and time allowed.
- Validation of sales transactions occurred through questionnaires to buyer and seller, telephone survey and field review and was considered reliable unless otherwise noted.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to any property is assumed to be good and marketable, unless otherwise stated.
- All property is appraised as if free and clear and any and all liens or encumbrances, unless otherwise stated. All taxes are assumed to be current.
- All property is appraised as though under responsible, adequately capitalized ownership and competent property management.
- All plot and/or illustrative material contained with the appraisal records are included only to assist in visualizing the property.
- It is assumed that there is full compliance with all federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in this mass appraisal report.
- It is assumed that the utilization of the land and improvements of the properties described are within the boundaries of property lines, and that there are no encroachments or trespasses unless notes on the appraisal cards.

Borden County has only one unincorporated town in the county. The county has not experienced much growth for many years. The population of the county in the **2016** Census was **633**. There is potable water but no public sewer system. There are two small café/stores, but no grocery or department store. Arm's length sales in the county are very limited; the few residential sales have been estate sales or sales to family members or close friends. No commercial sales have occurred in the county in many years.

Effective Date of Appraisal and Date of the Report

All appraisals are as of **January 1, 2021**. The date of this report is **June 1, 2021**.

Definition of Value

Except as otherwise provided by the Texas Property Tax Code (hereafter "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 if:

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

The Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec 23.23), productivity (Sec 23.41), agricultural and timber property (Chapter 23, Subchapters C, D and E), real and personal property inventory (Sec 23.12), certain types of dealer inventory (Sec 23.121, 23.124, 23.1241 and 23.127), oil and gas interests (Sec 23.175) and nominal (Sec 23.18) or restricted use properties (Sec 23.83). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1st of the year proceeding 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 1st.

Properties Appraised

This mass appraisal appraised all taxable real and personal property known to the district as of the date of this report. The description and identification of each property appraised is included in the appraisal records submitted to the Borden County Appraisal Review Board (ARB) on **May 14, 2021**. If any taxable property is discovered to have been left off the roll they will be appraised and supplemented to the jurisdictions after certification.

Scope of Work Used to Develop the Appraisal

The Tax Code, under Sec. 25.18, requires each appraisal district to implement a plan to update appraised values for real property at least once every three years. The district's current policy is to conduct a general reappraisal of all property once every three years. The county is broken into three sections for reappraisal. The North Half, the South Half and the Town.

The district contracts with Pritchard and Abbott Inc. to perform appraisals of all properties located within the county. The contracted firm is required to follow the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures and subscribe to the standards promulgated by The Appraisal Foundation, known as USPAP, to the extent they were applicable. The Written Appraisal Report of Pritchard and Abbott is attached to this report.

This mass appraisal appraised all taxable real and income producing tangible personal property within the boundaries of the Borden CAD, which encompasses all of Borden County, Texas, covering approximately 664 square miles. This involves approximately **25,022** parcels. There are **21,766** mineral parcels, **3,256** real property parcels.

The Borden CAD has a networked property tax software program which stores the district's data. Data may be queried and manipulated by signing into the program via internet access. This is a hosted site which is kept and maintained in Ft. Worth by Pritchard & Abbott Inc.

The chief appraiser, who is the chief executive officer of the appraisal district, manages the district. The chief appraiser is responsible for the oversight of all operations of the appraisal district including the overall planning, organizing, staffing, coordinating and controlling of district operations. In addition, the chief appraiser directs and controls the business support functions related to human resources, budget, finance, records management, purchasing, facilities and postal services. The staff appraiser is responsible for assisting the contract appraiser with field appraisals, property records maintenance and taxpayer assistance. Administrative Support is responsible for various administrative duties, taxpayer assistance and ARB support. Pritchard and Abbott, Inc., under the supervision of the chief appraiser, reappraised all real and personal property. The property types appraised included mineral, industrial, utilities and related personal properties, land, agricultural, farm and ranch improvements, commercial, residential and business personal property. The district's appraisers and any contract appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the TDLR (Texas Department of Licensing and Regulation).

The appraisal district staff consists of 2 employees with the following classifications:

- 1- Official/Administrator
- 1- Administrative Support

Determination of Highest and Best Use for Real Property

The district's market value appraisals are performed pursuant to Article VIII, Sec. 1., Texas Constitution, which provides that property must be taxed in proportion to its value as determined by law, Sec. 23.01, Tax Code implements this provision as follows:

§ 23.01. Appraisals Generally

- (a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.
- (b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be considered in determining the property's market value.
- (c) Notwithstanding Section 1.04(7)(c), in determining the market value of a residence homestead, the chief appraiser may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead

being appraised and would otherwise be considered in appraising the residence homestead because the other residential property

- was sold at the foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood, or
 - has a market value that has declined because of a declining economy.
- (d) The market value of a residence homestead shall be determined solely on the basis of the property's value as a residential homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.
- (e) Notwithstanding any provision of this subchapter to the contrary, if the appraised value of the property in a tax year is lowered under Subtitle F, the appraised value of the property as finally determined under that subtitle is considered to be the appraised value of the property for that tax year. In the next tax year in which the property is appraised, the chief appraiser may not increase the appraised value of the property unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole. If the appraised value is finally determined in a protest under Section 41.41 (a)(2) or an appeal under Section 42.26, the chief appraiser may satisfy the requirement to reasonably support by clear and convincing evidence an increase in the appraised value of the property in the next year in which the property is appraised, by presenting evidence showing that the inequality in the appraisal of the property has been corrected with regard to the properties that were considered in determining the value of the subject property. The burden of proof is on the chief appraiser to support an increase in the appraised value of the property under the circumstances described by this subsection.
- (f) The selection of comparable properties and the application of appropriate adjustments for the determination of an appraised value of property by any person under Section 41.43(b)(3) or 42.26 (a)(3) must be based on the application of generally accepted appraisal methods and techniques. Adjustments must be based on recognized methods and techniques that are necessary to produce a credible opinion.
- (g) Notwithstanding any other provision of this section, property owners representing themselves are entitled to offer an opinion of and present argument and evidence related to the market and appraised value or the inequality of appraisal of the owner's property.
- (h) Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purpose of this title;
- the Appraisal of Real Estate published by the Appraisal Institute;
 - the Dictionary of Real Estate Appraisal published by the Appraisal Institute;
 - the Uniform Standards of Professional Appraisal Practice published by the Appraisal Institute; and
 - a publication that includes information related to mass appraisal.

Previous to the addition of 23.01(d) concerning residential homesteads there was no specific statute defining highest and best use as it applies in appraisals conducted under the Tax Code, Texas courts have acknowledged that highest and best use is a factor that must be considered in determining market value. King v. Real 466 S.W.2d 1 TEX.Civ.App. 1971, Exxon Pipeline Co. v. Zwahr 2002 WL 1027003 Tex., 2002. In an unpublished opinion, the Houston Court of Appeals approved the following definition of highest and best use:

"Highest and best use" is the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability. Clear Creek Drainage Dist. of Galveston County v. Manison Not Reported in S.W.3d Tex.App.-Houston [14 Dist.], 1997.

With the exception of residential homesteads, this definition of highest and best use still applies to appraisals conducted under the tax code.

Appraisal Performance Tests and Performance Measures Attained

At least once every two years the Texas Comptroller of Public Accounts conducted a biennial study to determine the degree of uniformity of and the median level of appraisals by the Borden CAD, as required by Tax Code Section 5.10. the preliminary finding, based on the district's appraisal roll are released to the district the following January. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA).

In addition, the Texas Comptroller of Public Accounts conducted a biennial MAPS review. This is a review of the governance of the district, taxpayer assistance provided, and the operating and appraisal standards, procedures, and methodology used by the Borden CAD, to determine compliance with generally accepted standards, procedures, and methodology, as required by Section 5.102, Texas Property Tax Code and Comptroller Rule 9.301.

Business Personal Property Valuation

INTRODUCTION

Scope of Work

The contracted personal property appraiser is responsible for developing fair and uniform market values for business personal property located within the district. There are two different personal property types appraised by the district: Business Personal Property accounts and Vehicles. There are approximately **88** business personal property accounts located in Borden County. The district reappraises all business personal property annually.

The mineral, industrial, and utilities related personal property is appraised annually by Pritchard and Abbott, Inc.

Procedure for Collecting and Validating Data

The district mails renditions to all known business personal property accounts and the field appraiser goes out into the field to look at the businesses.

Sources of Data

Business Personal Property

Business personal property data has been collected by Borden CAD since the inception of the district in the early 1980's. Each year personal property data is collected through field inspections and renditions. The tax assessor, property owners and the public often provide the district information regarding new personal property and other relevant facts related to property valuation.

Vehicles

Vehicles that are used by contract pumpers and fence builders are picked up by renditions.

Highest and Best Use Analysis

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

Model Calibration

Cost Schedules

The latest State Comptroller's personal property schedule, as adjusted, is referenced when analyzing data from property owner renditions and field reviews.

Final Models: Depreciation Schedule and Trending Factors

Business Personal Property

Borden CAD's primary approach to the valuation of business personal property is the cost approach. The RCN (replacement cost new) is developed from property owner reported historical cost or from state developed valuation models. Borden CAD uses the depreciation schedule provided by the State Comptroller's Office.

The appraiser inspects each property on an annual basis and lists all taxable property. Market value is estimated from the current rendition submitted by owner. Value of each property is compared to the most recent personal property manual furnished by the comptroller's office or an outside vendor's valuation cost guide. The property owners rendered estimate of market value may be used if the appraiser agrees with the value estimate. Values are adjusted if the appraiser feels an adjustment is warranted.

Vehicles

Value estimates for vehicles are based on NADA published book values and property owner renditions.

<i>How Estimates are Reviewed</i>
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Business Personal Property

Property owner renditions, accounts with field or other data changes, accounts with property hearings and new accounts are all considered.

Vehicles

Vehicles are rendered by hard copy; then matched to existing accounts. Existing account values are compared to current values for appropriate depreciation. New accounts are created as needed and vehicles no longer in service are deleted. Vehicles are valued by the appraiser using rendered values and published guides.

Certification Statement:

"I, Tracy Cooley, Chief Appraiser for the Borden County Appraisal District, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no (unless previously disclosed to Borden CAD) present or prospective interest in the properties that are the subject of this report and no (unless previously disclosed to Borden CAD) personal interest with respect to the parties involved.
- I have performed no (unless previously disclosed to Borden CAD) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year-period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject to this report or to the parties involved in this assignment.
- My involvement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon 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 the appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with USPAP.
- I have made a personal inspection of a portion of the properties that are the subject of this report.
- The attached is a list of the individuals who provided significant mass appraisal assistance in appraising the properties that are the subject of this report.


Tracy Cooley RPA/RTA
Chief Appraiser – Executive Director
TDLR # 73862

**STAFF PROVIDING SIGNIFICANT
MASS APPRAISAL ASSISTANCE**

NAME	TITLE	TDLR NO.	TYPE of ASSISTANCE
Tracy Cooley	Chief Appraiser	73862	Overall District Oversight & Operations & Appraisals
Becky Herridge	Deputy Chief Appraiser	74422	Collections & Data Input
Judy Harris	Valuation Consultant	68604	Mineral Appraisals
Bryan Mathis	Asst District Mgr.	73448	Industrial & Utilities Personal Property Appraisals
John Chancellor	IUP Appraiser	75480	Industrial & Utilities Personal Property Appraisals
Tyler Halfmann	Contract Appraiser	72311	Residential, Land, Commercial Real & Personal Property Appraisals & Data Input