

**JIM HOGG COUNTY APPRAISAL DISTRICT
REAPPRAISAL PLAN
APPRAISAL YEARS
2023 - 2024**

**As Adopted By:
Jim Hogg County Appraisal District
Board of Directors
September 13th 2022**

Table of Contents

EXECUTIVE SUMMARY	1
REVALUATION DECISION	2
PERFORMANCE ANALYSIS	5
Ratio Study Results	
Appraisal Accuracy (level of appraisal)	
Appraisal Uniformity (equity)	
ANALYSIS OF AVAILABLE RESOURCES	5
Staffing for Reappraisal Year	
Proposed Budget for 2023	
Existing Practices	
Information Systems (IS) Support	
Existing data and maps	
PLANNING AND ORGANIZATION	6
Calendar of Key Events – 2023	7
Calendar of Key Events – 2024	8
MASS APPRAISAL SYSTEM	9
Forms and procedures revised	
CAMA System revisions as required	
DATA COLLECTION APPRAISAL YEAR	10
New Construction	
Remodeling	

Re-inspection of problematic market areas	
Re-inspection of universe of properties on a specific Cycle	
Field or office verification of sales data and property Characteristics	
PILOT STUDY BY APPRAISAL YEAR	12
Test new/revised mass appraisal methods	
Ratio Studies by Market Areas	
Test accuracy and reliability in certain market areas	
VALUATION BY APPRAISAL YEAR	13
Market Analysis	
Model specification	
Model calibration	
Calculation of Preliminary values	
Test values for accuracy and uniformity	
THE MASS APPRAISAL REPORT BY TAX YEAR	23
Scope of Work (Written Reappraisal Plan)	
Compliant with STANDARD RULE 6 – 8 of USPAP	
Signed Certification by the Chief Appraiser as required by STANDARD RULE 6 – 9 of USPAP	
VALUE DEFENSE	24

EXECUTIVE SUMMARY

INTRODUCTION

The Jim Hogg County Appraisal District has always maintained a written reappraisal plan. The 79th Texas legislature added the following provision to Section 6.05 of the Texas Property Tax Code in 2005. Senate Bill 1652 adds subsection (i) to require appraisal districts to develop a biennial written reappraisal plan and hold a public hearing to consider the plan. No later than September 15 of each even-numbered year, the appraisal district board must finally approve the reappraisal plan and distribute copies to the taxing units and the Comptroller within 60 days of board approval. The law was effective September 1, 2005, and affects appraisal districts and the Comptroller's Property Tax Assistance Division. This document serves as the biennial written reappraisal plan described above.

The Jim Hogg County Appraisal District (JHCAD) is responsible for the appraisal of all classes of taxable property located within its jurisdictional boundaries. The boundaries include all property located in Jim Hogg County. JHCAD is responsible for the appraisal of approximately 4,787 real property parcels; 3,780 mineral accounts; and 208 business and other personal property accounts. The District serves 5 taxing units. Those taxing units consist of one independent school district, 1 county, and 3 special use districts, such as drainage and emergency services. JHCAD employs an outside appraisal firm to appraise minerals, oil and gas, utilities, and various other complex properties. Contract appraisers are also guided by the principles set forth in USPAP and a copy of this firm's valuation methodology is included in the district's appraisal manual.

In mass appraising property for the purpose of ad valorem taxation, JHCAD subscribes to the Standards established by the International Association of Assessing Officers. In addition, JHCAD is guided by the principles set forth in The Appraisal Foundation's "Uniform Standards of Professional Appraisal Practice" (USPAP). USPAP Standards and Statements are included in this Appraisal Plan. In appraising property for ad valorem tax purposes, the District employs generally accepted appraisal methods and techniques. Our analysts conduct mass appraisal utilizing the three approaches to value: the cost, market, and income approaches.

TAX CODE REQUIREMENT

Passage of S. B. 1652 amended the Tax Code to require a written biennial appraisal plan. The following details the changes to the Tax Code:

The Written Plan

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

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

Plan for Periodic Reappraisal

Texas Property Tax Code Sec. 25.18. Periodic Reappraisals.

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

The Jim Hogg County Appraisal District (JHCAD) receives listings of all deeds filed with the Jim Hogg County Clerk's office. Deeds are read and abstracted by clerical staff in the deed department of JHCAD. Information is recorded in the computer assisted mass appraisal system (CAMA) software including grantor, grantee, date of recording, volume and page. Property identification numbers are assigned to each parcel of property.

Business personal property is located by canvassing the county street by street, using data sources such as yellow pages, sales tax permit holder lists and other business listing publications to ensure that all property owners are located. All businesses are mailed a rendition about January 1 of each year. Owners are required by law to list all their business personal property. Failure to render results in an automatic 10% penalty and a

possible 50% penalty if a false rendition is filed. Lists of commercial vehicles are also purchased annually and these vehicles are tied to appropriate business accounts. Renditions are also required of utility companies, railroads and pipelines.

Oil and gas wells are discovered using Texas Railroad Commission records. Production records are processed by a contracted appraisal firms. Ownership is determined by records known as division orders.

JHCAD utilizes a highly developed geographic information system (GIS) that show ownership lines for all real estate. Aerial photography is interfaced with the GIS for an additional layer of vital information.

(2) Identifying and updating relevant characteristics of each property in the appraisal records;

Jim Hogg CAD operates on 3 year reappraisal cycle. In 2024, all real property in the town of Hebbroville north of Galbrath Street, including Las Lomita's Subdivision north of hwy. 16 will be reappraised. In 2025 all rural properties in the County will be re-appraised, also any new improvements within the town of Hebbroville. In 2023 all properties in the Town of Hebbroville south of Galbrath Street, including South Fork Estate south of Hwy 16 will be reappraised. Business personal property is appraised each year. See Exhibit A of this plan for the proposed 2023 and 2024 work schedules. A category breakdown of properties to be appraised within the Jim Hogg school district is also included.

Appraisers drive the county and gather data about each home, commercial business or vacant tract. The appraisers walk from property to property measuring the structures and noting the condition of the property and noting any changes to the property since the last physical inspection. Pictures are taken to capture the property's current quality and condition. The appraiser notes the date of the physical inspection on the field card and that information along with any property changes is entered in the CAMA system. The pictures are stored in the CAMA system and used to assist the appraiser in making decisions in the office. Other data stored in the CAMA system includes an exterior sketch of the improvement which allows for the calculation of square footage for the building and its components such as, garages, porches, patios, and other structures not attached to the main improvement. Other property characteristics maintained in the CAMA systems are components found within the building such as bathrooms, fireplaces, air conditioning, roof type, wall heights and exterior finish. New property is discovered using septic tank permits, utility hook up permits and driving the county.

Rural acreage is inspected to verify existing agricultural and wildlife management use. New applications for agricultural and wildlife management use are inspected annually.

Business personal property is physically inspected annually. The quality and density of inventories are determined as of January 1 and the age and condition of furniture, fixtures, machinery and other equipment is noted. If the appraiser's observation differs from that of the rendition filed by the business owner, additional information is requested from the business owner and sometimes a value that differs from the rendered value may be assigned.

JHCAD contracts with an appraisal firm that specializes in the appraisal of oil and gas properties, utilities, railroads and pipelines. Specialized software is used to determine well production, decline and economically recoverable reserves. The reserves are appraised discounting for the time it will take to recover them from the earth. Utility companies, railroad and pipelines are appraised using the income approach, where the net income is capitalized and allocating the resulting value to the various taxing entities in the county.

See Exhibit A for proposed work schedules for each appraisal year and the estimated number of parcels to be reappraised by property category. Also included is a calendar of key tax year events.

(3) Defining market areas in the district;

Market sales are used to define market areas and improvement and land schedules are developed accordingly. Because of the scarcity and reliability of market sales in Jim Hogg County, JHCAD has designated Jim Hogg ISD as its primary market area. Ratio studies are performed on property types within Jim Hogg ISD to test appraisal performance and perform appraisal maintenance on cost schedules and tables.

Market areas are also developed for land. Adjustments are determined based on location, size, topography and other characteristics recognized by market sales.

(4) Identifying property characteristics that affect property value in each market area, including:

(A) The location and market area of property;

(B) Physical attributes of property, such as size, age, and condition;

(C) Legal and economic attributes; and

(D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

Each parcel of property has detailed information recorded in the CAMA system. Land attributes consist of legal description, dimensions, zoning, size, utilities, road access and any other special, unique or legal characteristics are noted and used for developing schedules and defining market areas. Each improvement record consists of a current sketch with measurements, a photograph of the improvement and individual property characteristics such as class, construction quality, year of construction, roof covering and style, exterior finish, number of bathrooms, fireplaces, heating and air conditioning, pools, out buildings and other attributes specific to the improvement.

(5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;

JHCAD's computer assisted mass appraisal (CAMA) system utilizes an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics. The model uses the cost approach to value to estimate the original cost of each building component. Market sales are studied for improvement contributions in each market area and adjustments to cost schedules are applied to each improvement via depreciation and market adjustment factors.

Similar models are used when appraising apartments, commercial and industrial properties, but market sales and income data are key components of the valuation process for these properties.

(6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and

JHCAD uses conclusions reflected in appraisal model results to construct and maintain property classification guides identifying minimum property characteristics typical for each property class. By utilizing sales data for each neighborhood and market area, conclusions concerning age, quality, condition, construction components, depreciation and other variables are tested against the model's results.

(7) Reviewing the appraisal results to determine value.

JHCAD tests the results of its appraisal model values (appraisals) against market data (sales) to determine the accuracy and level of appraisal, as well as to monitor the integrity of the appraisal model (CAMA). Ratio study

results are used to maintain and update appraisal schedules to achieve market value appraisals. Sales ratios are performed for each property category with Jim Hogg ISD to determine if values assigned by the model fall within a 95% - 105% confidence interval level.

REVALUATION DECISION (REAPPRAISAL CYCLE)

The Jim Hogg County Appraisal District by policy adopted by the Chief Appraiser and Board of Directors reappraises all property in the district on a 3 year reappraisal cycle as required by Section 25.18, Property Tax Code.

The reappraisal year is a complete appraisal of all properties in the geographic area; therefore both 2023 and 2024 are reappraisal years.

REAPPRAISAL YEAR ACTIVITIES

1. Performance Analysis - The equalized values from previous appraisal year are analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall and by market area within property categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* of the International Association of Assessing Officers.
2. Analysis of Available Resources - Staffing and budget requirements for appraisal year 2023 are detailed in the 2023 appraisal district budget, as adopted by the Board of Directors. Existing appraisal practices, which are continued from year to year, will be identified and methods utilized to keep these practices current will be specified by district management. Information Systems (IS) support is detailed with year specific functions identified and system upgrades scheduled as necessary. Existing maps and data requirements are specified and updates scheduled as required.
3. Planning and Organization - A calendar of key events with critical completion dates is prepared for the district. This calendar identifies the key events for the preparation of the appraisal roll. A calendar is prepared and included for appraisal years 2023 and 2024. Production standards for field activities are calculated and incorporated in the planning and scheduling process in order to reach goals set by both district management and the Tax Code.

4. Mass Appraisal System – Computer Assisted Mass Appraisal (CAMA) system revisions required are specified and scheduled with Information Systems and the district’s software vendor. All computer forms and IS procedures are reviewed and revised as required.
5. Data Collection Requirements – Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each appraisal year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a specific cycle, and field or office verification of sales data and property characteristics.
6. Pilot study by appraisal year – new and/or revised mass appraisal models/schedules are tested each appraisal year. Ratio studies, by market area, are conducted using proposed values each appraisal year. Proposed values in each category are tested for accuracy and reliability using standardized testing procedures and ratio study statistics.
7. Valuation by appraisal year - Using market analysis of comparable sales and locally tested cost data, valuation models will be specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers and the *Uniform Standards of Professional Appraisal Practice*. The calculated values will be tested for accuracy and uniformity using ratio studies
8. The Mass Appraisal Report – Each appraisal year the required Mass Appraisal Report will be prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15th). The Mass Appraisal Report is completed in compliance with STANDARD RULE 6 – 8 of the *Uniform Standards of Professional Practice*. The signed certification of the Chief Appraiser is compliant with STANDARD RULE 6 – 9 of USPAP.
9. Value Defense – Evidence to be used by the appraisal district to meet its burden of proof for market value and appraisal equity in both informal and formal hearings if specified and tested as applicable.

PERFORMANCE ANALYSIS

In each appraisal year, the previous year appraisal year’s equalized values are analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall. In its annual procedures, the district tests values by market area within state property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies from the International Studies from the International Association of Assessing Officers. Mean, median, and weighted mean ratios are calculated as measures of central tendency for

properties in each reporting category to measure the level of appraisal (appraisal accuracy). The median ratio is the primary measure of central tendency analyzed in each market area to indicate the level and accuracy of appraisal performance. The district also calculated the coefficient of dispersion and price related differential in each market area to indicate the uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for tax year 2023 are detailed in the 2023 appraisal district budget, as adopted by the Board of Directors. This reappraisal plan is adjusted to reflect the available staffing for appraisal year 2023 and the anticipated staffing in appraisal year 2024. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in this time period.

APPRAISAL RESOURCES

The JHCAD staff consists of the chief appraiser, appraiser/mapper, office manager and clerk. JHCAD currently employs 2 registered professional appraisers. JHCAD contracts with an appraisal firm for the appraisal of oil and gas properties, utilities, railroads, pipelines and other industrial real and personal property. All appraisers performing work for Jim Hogg CAD are active registrants with the Texas Department of Licensing and Regulations (TDLR).

JHCAD appraisers are actively involved in the discovery, listing, and appraisal of all types of property. Properties are grouped by location, type, use, quality, and a variety of other quantitative data elements. A common set of data characteristics on each specific type of property is observed, listed, and collected during field inspection. Each appraiser is trained in the use of the Jim Hogg County Appraisal District's appraisal manual, appraisal techniques, and methodology in the use of this information.

COMPUTER RESOURCES

Data is collected in the field and keypunch entered to the computer. The appraisal records are maintained on data base servers. The primary storage media: power edge data base servers. The District also employs the CD-ROM storage media on some projects. The JHCAD appraisal software is a CAMA system (computer assisted mass appraisal). This system contains cost and depreciation schedules that utilize common data elements to assist in creating base values.

JHCAD contracts with Pritchard & Abbott, Inc. for appraisal administration software. JHCAD employs the use of a server based computer network with

personal computers to form the CAD computer system. This information includes square foot of living area, land size, age, class, construction type, and a variety of other useful information.

MAPPING RESOURCES

JHCAD utilizes a Geographic Information System (GIS) to maintain parcel data and maps for all of Jim Hogg County. All GIS files are stored on a server and ARC/GIS version 9.2 is the current operating software. The Digital mapping has been 100% complete since 2011. The District purchases Aerial Imagery every two years. Appraisers and other staff members can perform virtual property inspections or reviews. The software's capability allows us to locate, identify and better understand taxable properties in our jurisdictions.

INFORMATION SOURCES

JHCAD appraisal staff and administration collect data on local and regional economic forces that may affect value. Locational forces are carefully observed as we find location to be the most significant factor in determining the market value of property in our geographic area. General trends in employment, interest rates, availability of vacant land, and new construction trends are closely monitored. JHCAD obtains information from local realtors, mail surveys, brokers, appraisers, and a variety of other sources, such as Marshall & Swift.

THE DATABASE

The JHCAD database was constructed from property data obtained originally from Jim Hogg County in 1986. Data received was on-site field-inspected and revised to create the foundation for our current database. Since the inception of the JHCAD, this data-base has been continually updated to recognize the current status of the property records. A variety of programs designed to discover changes that may occur to data elements are maintained. Property inspections or drive-outs occur as the result of information gathered during various forms of analysis. Building permits, field review, renditions, reports of value, local news publications, tax offices, and the public are but a few of the sources of information considered by staff analysts during the discovery phase of the appraisal process. Information from building permits is compiled from local taxing units, sorted, and keypunched into our computer-assisted building permit system.

Data collection in the field requires preparation of maps, computer generated appraisal cards, and coordination of staff. Properties are grouped by type, location, and neighborhood prior to the start of the fieldwork. State Property Tax Assistance

Division (PTAD) property types include Residential, Multi-Family, Commercial, Industrial, Farm and Ranch, Vacant Land and Acreage, Oil, Gas, and Mineral, Utilities, Business Personal Property, and other Special Inventory types.

Existing appraisal practices, which are continued from year to year, are identified and district staff is appropriately trained in order to keep their skills current. In each reappraisal year, real property appraisal cost new tables and depreciation tables are updated and based upon cost data obtained from the Marshall Valuation Service (also known as *Marshall and Swift*). The preliminary values produced by these updates are tested against verified sales data and adjustments are made as necessary to fit the local market area. Income studies by commercial real property use type are conducted and models are updated from current market data. This includes a review of economic rents and capitalization rates from the local market, data obtained through the ARB hearing process, and information from published sources. Personal property density schedules are analyzed, tested, and updated based on cost data obtained by rendition and ARB hearing documentation.

Information Systems (IS) support is detailed with year specific functions identified and system upgrades are scheduled with the district's software vendor. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and also tested through coordination between the districts IS department in order to make these tools available to the appraisal staff.

The Jim Hogg County Appraisal District, as well as all appraisal districts in Texas, is specifically hindered when valuing property due to the lack of mandatory sales disclosure. The lack of mandatory sales disclosure restricts the information that is available to CAD's when using the Sales Comparison Approach, especially on the high end of the value spectrum of residential property and with regard to most non-residential real property. The lack of mandatory sales price disclosure also impacts values developed via the income approach by restricting the type of data necessary to calculate an overall capitalization rate from sold comparable properties. Should mandatory sales price disclosure become law; the district will have an additional tool, with which to value property, which will foster further accuracy and equity in appraisals.

PLANNING AND ORGANIZATION

A calendar of key events with critical completion dates is prepared for the district. This calendar identifies the key events for developing the appraisal roll. A separate calendar is prepared for appraisal years 2023 and 2024. Production standards for field activities are calculated and incorporated in the planning and scheduling process. This plan encompasses the normal processes carried out for each year by the district; therefore catastrophic events or significant legislative action may have a detrimental effect to the district's operation and require changes to this plan.

CALENDAR OF KEY EVENTS

2023 APPRAISAL YEAR		
Event	Beginning Date	Ending Date
Process Exemptions and Special Use Applications	9/1/2022	To Certification
Create 2023 Year layer in CAMA System	9/2/2022	2/9/2023
Field Operations/Discovery Process – Appraisal Departments	9/5/2022	2/9/2023
Adopt Biennial Reappraisal Plan Covering 2023 and 2024	9/15/2022	9/15/2023
Adopt 2023 Appraisal District Budget	9/15/2022	9/15/2023
TDLR Education Courses RPA tract as necessary	10/2/2022	3/31/2023
Personal Property Renditions Mailed	12/15/2022	12/15/2022
Statutory Date of Appraisal (Unless Sept 1 granted for Inventory)	1/1/2023	1/1/2023
Preliminary Property Value Study Released	1/31/2023	1/31/2023
Full Valuation Effort-Model Specification/Calibration Included	2/12/2023	3/30/2023
PVS Protest Deadline if necessary	3/11/2023	3/11/2023
Valuation Review/Error Reports Cleanup	3/30/2023	4/13/2023
Send First Batch of 25.19 Appraisal Notices	4/24/2023	4/24/2023
Create Future Year Layer for GIS 2023 Plats and Deeds	4/27/2023	4/27/2023
Certified Estimates of Value Due to School Districts	4/27/2023	4/27/2023
Mail Mineral Notices	5/15/2023	5/15/2023
Turn Over Records to ARB	5/15/2023	5/15/2023
Send Subsequent Batches of Appraisal Notices as Necessary	5/21/2023	7/13/2023
Primary Protest Deadline	5/31/2023	5/31/2023
Formal Hearings Scheduled – Depending on Volume	6/9/2023	9/28/2023
Mineral Import from Vendor	7/16/2023	7/16/2023
Certification of the Appraisal Roll	7/25/2023	7/25/2023

CALENDAR OF KEY EVENTS

2024 APPRAISAL YEAR		
Event	Beginning Date	Ending Date
Process Exemptions and Special Use Applications	9/1/2023	To Certification
Create 2024 Year layer in CAMA System	9/2/2023	9/4/2023
Field Operations/Discovery Process – Appraisal Departments	9/5/2023	2/9/2024
Adopt Biennial Reappraisal Plan Covering 2023 and 2024	9/15/2022	9/15/2022
Adopt 2024 Appraisal District Budget	9/15/2023	9/15/2023
TDLR Education Courses RPA tract as necessary	10/2/2023	3/31/2024
Personal Property Renditions Mailed	12/15/2023	12/15/2023
Statutory Date of Appraisal (Unless Sept 1 granted for Inventory)	1/1/2024	1/1/2024
Preliminary Property Value Study Released	1/31/2024	1/31/2024
Full Valuation Effort-Model Specification/Calibration Included	2/12/2024	3/30/2024
PVS Protest Deadline if necessary	3/11/2024	3/11/2024
Valuation Review/Error Reports Cleanup	3/30/2024	4/13/2024
Send First Batch of 25.19 Appraisal Notices	4/24/2024	4/24/2024
Create Future Year Layer for GIS 2024 Plats and Deeds	4/27/2024	4/27/2024
Certified Estimates of Value Due to School Districts	4/27/2024	4/27/2024
Mail Mineral Notices	5/15/2024	5/15/2024
Turn Over Records to ARB	5/15/2024	5/15/2024
Send Subsequent Batches of Appraisal Notices as Necessary	5/21/2024	7/13/2024
Primary Protest Deadline	5/31/2024	5/31/2024
Formal Hearings Scheduled – Depending on Volume	6/9/2024	9/28/2024
Mineral Import from Vendor	7/16/2024	7/16/2024
Certification of the Appraisal Roll	7/25/2024	7/25/2024