SCURRY COUNTY APPRAISAL DISTRICT

REAPPRAISAL PLAN FOR

TAX YEARS 2027 & 2028

To be APPROVED
BY THE BOARD OF DIRECTORS
August 13, 2026

Executive Summary

The Board of Directors of the Scurry County Appraisal District (SCAD) has approved and published this reappraisal plan to provide the taxing units, citizens, and taxpayers of Scurry County with a better understanding of the District's responsibilities and anticipated reappraisal activities. This biennial reappraisal plan is required by the Texas Property Tax Code and contains a general introduction to SCAD's statutory role in the property tax system and several sections describing the proposed reappraisal effort by the appraisal departments within SCAD.

SCAD is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A five-member Board of Directors - comprised of members elected by the taxing units within the boundaries of Scurry County and the Scurry County Tax Assessor-Collector as ex-officio, who is also elected in a county-wide election - 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 chief appraiser is allowed, by law, to delegate authority and appraisal responsibilities to his/her employees.

The purpose of a reappraisal is for the appraisal district to accurately reflect changes to the local real estate market when establishing appraisal values for a given tax year.

The Board of Directors has made it clear of their desire to assist taxpayers as much as possible within their authority. The Board of Directors direct the chief appraiser to draft the reappraisal plan in line with the property tax code requirements.

TAX CODE REQUIREMENT

Passage of S. B. 1652 amended the Tax Code to require a written biennial reappraisal 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 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 60 days of the approval date.

(ii)

Overview of Scurry County Appraisal District Responsibilities

SCAD Statutory Role and Jurisdiction

Scurry County currently has an estimated population of 16,883. The population has remained steady for the last decade. SCAD is responsible for local property tax appraisal and exemption administration for approximately 86,426 parcels in nine jurisdictions or taxing units located within Scurry County.

Each taxing unit, such as Scurry County, Snyder City, Western Texas College, and Scurry County Hospital District are located within county boundaries. Snyder ISD, Hermleigh ISD, Ira ISD, Roscoe ISD and Colorado ISD come into Scurry County, but also overlap into other counties. Each taxing unit determines its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Market, appraised, and taxable values are determined by the appraisal district and used by the taxing units to calculate each person's share of the annual tax burden. SCAD also administers and determines eligibility for various types of property tax exemptions that are authorized by state and local governments, such as those for homeowners, the elderly, disabled persons, disabled veterans, charitable or religious organizations and some businesses.

Appraisal-Related Statutory Responsibilities and Requirements

The statutes of the Texas Property Tax Code establish the legal foundation of property taxes in Texas and provide appraisal districts with a comprehensive set of instructions and requirements for the appraisal of real and personal property within its jurisdiction. Chapter 1, Section 1 includes general provisions and key definitions relative to the appraisal process. Section 1.04(7) defines "Market value" to mean the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use, and;

(C) both the seller and purchaser seek to maximize their gains, and neither is in a position to take advantage of the exigencies of the other.

Per Section 21.01, real property values are determined as of January 1st, unless special appraisal provisions are otherwise provided. Section 21.02 states that business personal property values are also determined as of January 1st, unless a special provision, provided within the Tax Code, is provided. Chapter 23, Subchapter A. is entitled "Appraisals Generally" and further defines the scope of work required for local property tax appraisals. Section 23.01(a) states that "Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1." Section (b) further mandates, "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 taken into account in determining the property's market value." The chief appraiser and staff consider the cost, income, and sales comparison methods of appraisal and use the most appropriate valuation method to determine the market value for each property.

Section 23.01, subsection (e) was added in 2009 and amended in 2019 to address the valuation of properties lowered in a previous year under the Remedies (Subtitle F) section of the tax code. Section 23.01(e) prohibits a chief appraiser from raising the value of these properties, in the following year unless the increase is supported by clear and convincing evidence. The subsection also places conditions on the valuation of properties that were lowered in the previous year, related to remedies for unequal appraisal. Additional instructions related to the consideration of foreclosure sales were also provided relative to the appraisal of a residential homestead property.

The remainder of Chapter 23 of the tax code provides for a host of special appraisal provisions to be used in the valuation of specific types of properties. For example, there are instructions for the appraisal of residential real property inventory (§ 23.12), dealer's inventory (§ 23.121, 23.124, 23.1241 and 23.127), taxable leaseholds (§ 23.13), oil or gas interests (§ 23.175), homeowner' organization property (§ 23.18), low income, tax credit housing (§ 23.215), residential homestead property (§ 23.23), agricultural use land (§ 23.41), open-space land (§ 23.52), and public access airport property (§ 23.91). The scope of the appraisal assignment will vary for those properties that are subject to special appraisal provisions as provided by Chapter 23 or Chapter 25 of the property tax code.

Reappraisal Statutory Responsibilities and Requirements

Section 25.18 requires each appraisal office to implement a plan to update appraised values for real and personal property at least once every three years. The purpose of a reappraisal is to establish the market value for the properties and to review values for equality and uniformity. Based on current market conditions, the market value of a property may be increased, decreased, or not subject to change.

The need for a periodic review of values is dependent on data and analysis of economic conditions and market activity for a given property type within a defined market area. The district conducts an onsite field review of real and personal property in a portion of the county annually as part of a reappraisal cycle. During an onsite field review, the appraisal staff will generally measure a new home or building or measure existing improvements. They also observe, document, and record new or existing property characteristics and record land parcel characteristics.

Residential appraisers observe property characteristics from the property's exterior, whereas the commercial and personal property staff may need to enter a property or business to complete the review. The business personal property (BPP) staff will attempt to speak with someone on site to review info, while trying to disrupt the business as little as possible. Supplemental questions can be answered via a follow-up phone call or other research methods discussed in this document under the BPP section.

SCAD appraisers have access to key information to assist in both onsite field and desktop reviews. This information includes: city-issued building permits and building plans; county-issued 911 address applications, health department septic and fire marshal permits; updated aerial imagery, GIS analysis tools; county deed records and other county clerk document filings; telephone contact with property owners; internet real estate or business websites; market sales information; conversations with property owners; third-party real or personal property data subscriptions and other miscellaneous sources of data.

Reappraisal Standards

The opinion of market value of real and business personal property is calculated using specific information and data about each property. Utilizing various computer-assisted mass appraisal (CAMA) programs, and generally recognized appraisal methods and techniques, licensed and trained property appraisers compare the subject property information with the data for similar properties, and with available market data. The district adheres to 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.

The 2027-2028 Reappraisal will also be completed in compliance with the guidelines and standards as specified by the Texas Comptroller in the Methods and Assistance Program (MAP).

Effective January 1, 2010, Chapter 5.102 of the Texas Property Tax Code was amended to require "at least once every two years, the Comptroller shall review the governance of each appraisal district, taxpayer assistance provided, and the operating and appraisal standards, procedures and methodology used by each appraisal district to determine compliance with generally accepted standards, procedures, and methodology. SCAD is subject to a formal MAP review in 2027 with a final report expected to be submitted to the SCAD Board of Directors in late 2027 or early 2028. As part of the 2027-2028 Reappraisal Plan, any changes made to current standards, operating procedures, or methodologies will be documented by the SCAD staff in preparation for the next MAP review in 2027.

In cases where the appraisal district contracts for professional valuation services, the contract requires adherence to similar professional standards. Any third-party appraisal firm, in which SCAD contracts with, is also required to develop a mass appraisal report and reappraisal plan pertaining to the properties for which they have responsibility to appraise.

Reappraisal Calendar

January 1 is the statutory appraisal date for establishing market value of properties in Texas, unless otherwise specified by law. Based on a typical, annual tax calendar, reappraisal activities generally, begin around September 1 or when the majority of property appeals from the previous year are completed. A proposed calendar of key events for the 2027-2028 Reappraisal has been prepared and is included in this report.

Plan for Periodic Reappraisal

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

(a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).

(b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:

(1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;

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

(3) Defining market areas in the district;

(4) Identifying property characteristics that affect property value in

each market area, including:

(A) The location and market area of the property;
(B) Physical attributes of property, such as size, age, and condition;
(C) Legal and economic attributes; and
(D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

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

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

(7) Reviewing the appraisal results to determine value.

REVALUATION DECISION

The Scurry County Appraisal District (Scurry CAD), by policy adopted by the Chief Appraiser and Board of Directors reappraises all taxable properties or monitors the market of certain real and personal properties in the district every year with timeline changes being made if necessary. The reappraisal process does not mean that every property is re-inspected each year (The re-inspection process is mentioned later in the document). Both tax years 2027 and 2028 are reappraisal years. Although, there may be some exception on certain classifications of property, when there is lack of data or budget constraints.

REAPPRAISAL AND NON-REAPPRAISAL YEAR ACTIVITIES

1. 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 International Association of Assessing Officers.
2. Available Resources – staffing and budget requirements for tax year 2027 are detailed in the 2027 budget, as adopted by the board of directors, and attached to the written biennial plan by reference. A planned future expense is the Eagleview Oblique Aerial Imagery and the Change Finder module. The Change Finder is an application that compares a previous aerial flight, used for the 2023-2028 flight for change verifications. It was also used in flights (2019 and 2016) comparing back to the initial 2010 flight. Pictometry/Eagleview is advanced aerial photography allowing side views (oblique) of property instead of straight down (orthogonal) aerial photo. The West Texas Council of Governments made available to the district, the flight of the city of Snyder in 2010. The Board of Directors approved the budget line item to fly the remaining portion of the county in 2023. To meet the requirements of measuring the two most complex sides and reappraisal every 3 years, Pictometry/Eagleview is very crucial to Scurry CAD. The last flight was in January 2019. This photography is available to all government bodies within Scurry County and can be viewed by the public via a computer within the district's office and on the website.
3. 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 2027 and 2028. Production standards for field activities are calculated and incorporated in the planning and scheduling process.
4. Mass Appraisal System – Computer Assisted Mass Appraisal (CAMA) system revisions required are specified and scheduled. Harris Govern (True Automation), a division of Harris Computer, PACS software is the current CAMA system of the district. The district considers it to be one of the most advanced systems on the market today.

5. 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 a specific cycle (at least every 3 years), and field or office verification of sales data and property characteristics.
6. Studies by tax year – new and/or revised mass appraisal models are tested each tax year. Ratio studies, by market area neighborhood, school district and by residential classification, are conducted on proposed values each year. Proposed values on each residential classification are tested for accuracy and reliability in randomly selected market areas.
7. 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 International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies.
8. The Mass Appraisal Report – each tax year the tax code requires a Mass Appraisal Report to be prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar. The Mass Appraisal Report is completed in compliance with STANDARD RULE 6 – 8 of the *Uniform Standards of Professional Appraisal Practice*. The signed certification by the Chief Appraiser is compliant with STANDARD RULE 6 – 9 of *USPAP*. This written reappraisal plan is referenced in this document.
9. Value defense – evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearings is specified and tested.

REVALUATION DECISION

The Scurry County Appraisal District, by policy adopted by the Chief Appraiser and Board of Directors, is to reappraise or monitor all taxable property in the district every year. The reappraisal year consists of monitoring the sales market, picking up new construction, adjustments for changes in property characteristics that affect value, and making any adjustment to schedules for changes and equalization.

TAX YEAR 2027

Tax year 2027 is a reappraisal year.

TAX YEAR 2028

Tax year 2028 is a reappraisal year.

PERFORMANCE ANALYSIS

In each tax year 2027 and 2028 the previous tax year's equalized values are analyzed with valuation studies or ratio studies 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 Studies* from the International Association of Assessing Officers. Mean, median, and weighted mean ratios are calculated for residential properties in each class to measure the level of appraisal or appraisal accuracy. Ratio studies can include appraisal valuations or independent appraisals (based on cost data and other market data), due to the lack of sales in a category to indicate level of appraisal.

AVAILABLE RESOURCES

Staffing and budget requirements for tax year 2027 are summarized in the 2027 appraisal district budget, as adopted by the board of directors, and attached to the written biennial plan by reference. This reappraisal plan is adjusted to reflect the available staffing in tax year 2027 and the anticipated staffing for tax year 2027. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in 2027 and 2028.

In addition to the Chief Appraiser and Deputy Chief Appraiser, an RPA certified field appraiser was hired in 2020. Three employees were promoted from clerical staff, attended, and passed training and education classes, and earned their RPA Certification from TDLR in October 2022. There are currently three certified appraisers as of August, 2028. IAAO standards recommend one appraiser for every three thousand parcels. There are 15,400 real property accounts. Mineral, Utilities, and Industrial Personal Property is contracted to Capital Appraisal Group, Inc., a specialized complex appraisal firm. Commercial property is appraised by contract with Western Valuation and Consulting, LLC.

Existing appraisal practices, continued from year to year, are identified and methods utilized to keep these practices current as specified. In the reappraisal year, real property appraisal schedules or models are tested against verified sales data to ensure they represent current market data. Commercial real property is updated from current market data, local income information and market rents. There are many commercial type properties located in this small area that cannot be compared to typical commercial properties and must be analyzed on an individual basis. Personal property utilizing state density schedules are reviewed and compared to renditions and prior year's hearing documentation to determine accuracy of valuation.

Information Systems (IS) support is reviewed as needed with plans made for the future. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes effecting CAMA applications are scheduled for completion and testing by the district's software vendor. Existing maps and data requirements are maintained and updated as needed. SCAD currently utilizes Harris Govern's PACS TX software. The company is currently pushing out the new generation software at certain intervals. This allows the company to control the release updates, allows better customer service, lower cost to the end user, and friendlier to the end user as it will not cause a significant learning curve.

The district's GIS parcel mapping is completed during ownership change procedures. The mapping software is currently a DOS program requiring data to be converted to shape files for use within the PACS CAMA system of the district. This system will be updated in future years to a newer mapping system to be more efficient to update the CAMA data and website.

PLANNING AND ORGANIZATION

According to Chapter 13 of the IAAO's *Property Appraisal and Assessment Administration*, "The second component of a good maintenance program is periodic re-inspection of all properties in the jurisdiction. No matter how good a building permit reporting and monitoring system is, undetected changes will always occur. Therefore, all properties should be routinely re-inspected (at least once every six years). Because the chief function of these inspections is to verify existing information, a drive-by inspection, during which the property and property record are compared, is usually sufficient. Two person teams can review and verify a few hundred records per day. Routine field visits can be supplemented with information obtained from aerial photographs."

Reappraisal and re-inspection can be considered two different processes. Chapter 13 of IAAO's *Property Appraisal and Assessment Administration* also states the following about reappraisal. "Reappraisal Decision Statutes or administrative rules sometimes impose reappraisal requirements. Some jurisdictions use a cyclical schedule, in which a portion of the jurisdiction is physically reviewed and revalued each year. Other jurisdictions revalue all properties in mass at periodic intervals, for example, every three or four years, in response to ratio study results or external factors. Nevertheless, the resulting improvements in valuation uniformity and related benefits should justify the time and expense."

Re-inspection Cycle Plan

The district will have to remain flexible for areas that have issues arise like natural disasters that call for re-inspection declared disaster area by governor, storms that hit an area although not declared a disaster prior to January 1 of the appraisal year, sudden market movement in a specific location, etc. However, it is the goal and intention of the district to stay as close to the plan as possible.

This plan will be implemented through fieldwork with support using Eagleview photography. The requirement of inspection and measuring of two complex sides is possible utilizing the oblique imagery and GIS software. There will be field inspections of certain areas and of new improvements or issues found by Eagleview. As the IAAO mentions, in its documentation of mass appraisal, the district will review available resources each time prior to engaging re-inspection. Mineral, Utilities, Pipelines, Industrial Property and Business Personal Property are appraised annually.

REAPPRAISAL INSPECTION ACTIVITIES:

Reappraisal Maps

Approximate area boundaries utilize Highway 84 as the division, east and west side.

Area 1 or East of Highway 84 from the Northwest Corner of the county to the Southeast Corner, includes Hermleigh ISD, Roscoe ISD, Inadale, and Pyron but excludes any property inside Snyder City limits.
Area 2 or West of Highway 84 excludes property inside Snyder City Limits and Hermleigh ISD, but does include Fluvanna, Ira ISD, Dunn, Colorado ISD, China Grove and properties outside of Snyder City Limits.
Area 3 or all property inside Snyder City Limits.

Area 3 will be inspected in 2027
Area 1 will be inspected in 2028


FLUVANNA
AREA I
ROSCOE ISD
AREA III
Snyder
AREA II
HERMLEIGH
IRA
DUNN
PYRON
CHINA GROVE
INADALE

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 separate calendar is prepared for tax years 2027 and 2028. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

2027 TAX YEAR CALENDAR OF KEY EVENTS

NOTE: This calendar is subject to change for unforeseeable reasons. Adjustments may be made with a goal of completing the schedule.

September 1-October 17, 2026

- Re-inspection/Reappraisal Process Work on New Residential Schedule
- Begin field work on or about October 15, 2026
- Continue training and education for new appraisers
- Eagleview Review and inspection lists on or about October 1, 2027
- Begin review of 1D1 applications of land in the designated area on or about October 1, 2026
- Continue gathering new Construction inspection and appraisal lists
- Begin building permit lists, mechanic liens, 911 addresses and new construction on or about September 1, 2026
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation)
- Beginning on or before October 15, 2026, discovery and preparation of new Business Personal Property located in Scurry CAD's jurisdiction and build new accounts
- On or about September 1, 2026, review active sales areas and determine priorities for the year
- Gather Mineral and complex property information for contract appraiser
- Begin preparing for Ag Advisory Meeting

October 18- December 31, 2026

- Continue training and education for new appraisers
- Eagleview Review and inspection lists

- Continue building Permit and Mechanic Lien review and fieldwork lists
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation)
- Continue developing new Business Personal Property Schedules, apply mass appraisal format for BPP through PACs
- Review active sales areas and determine priorities for the year
- Gather Mineral and complex property information for contract appraiser
- Prepare lists and Mail Renditions, Annual Applications, and Surveys to Business and Industrial owners including new accounts through January.
- Gather Mineral information to send to valuation company

January 1-31, 2027

- On or about January 2, 2027, reappraisal and re-inspection of Mobile Home Parks and manufacture homes in parks.
- On or about January 2, 2027, begin gathering Apartment Rents. Send Commercial Surveys.
- Continue training of appraisers
- On or about January 15, 2027, check remaining Field Cards and New Construction Percent Complete. Check new Building Permits and 911 addresses.
- On or about January 15, 2027, analyze problem areas and reappraise/re-inspect if needed
- Continue re-inspections/reappraisal process of Commercial Properties
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation.)
- Discover New Businesses not discovered earlier and send out Renditions on newly discovered businesses. Order new valuation material for Business Personal Property Valuation.
- Begin to Inspect and Appraise Business Personal Property.
- Gather Mineral information to send to valuation company
- On or before January 3, 2027, Request Capitol Appraisal Mail Letters to Operators of New Leases
- Before January 31, 2027, mail new/update Homesteads and Open Valuation Forms. (this may continue throughout the year as needed.)

February 1-March 15, 2027

- On or about February 2, 2027, gather other income information on commercial properties including Motel/Hotel reports from the Comptroller's office.
- Continue training of appraisers

- On or about March 2, 2027, review and reappraise apartment complex units in Snyder
- Continue re-inspections/reappraisal process
- Commercial Properties
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation.)
- Continue to Value Business Personal Property and Drive New Business offering information of requirements. Drive or check existing business
- Determine and confirm which renditions accounts are valued by Industrial Valuation Company and mail renditions to Industrial Valuation Company. Confirm and update ownership as needed
- Gather Mineral information to send to valuation company
- Agricultural Market and Productivity Valuation
- On or about March 15, 2027 gather information from local producers, gins, Ag Advisor Board Meetings, State (capitalization rate), and other agricultural sources Reconcile information to calculate productivity value. Analyze land sales for market study
- Work up remaining residential schedules so they can be tested in April by ratio study
- Mail new/update Homesteads and Open Valuation Forms. (This may continue throughout the year as needed.)
- Develop Agricultural Market and Productivity Schedules
- Begin inspecting Open Valuation Forms within 30 days of receipt but not later than 90 days.

March 16-May16, 2027

- Gather remaining sales for 2027 ratio study
- Continue training of appraisers
- Complete re-inspections/reappraisal process for land and residential
    1. Inspect and reappraise commercial property reappraisal
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation.) Develop any needed modifiers to schedules.
- Continue to Value Business Personal Property and communicate with Capitol Appraisal on Industrial valuations.
- Mail the appraisal notice of values as needed.
- Prepare and write Mass Appraisal Plan on or around May 15th
- Prepare and send out final BPP notices.
- Gather remaining Mineral information to send to valuation company
- Review all billboard, cell towers, wind farm, and other type of sites

- Mail follow up Homesteads and Open Valuation Forms.

May 16-July 25, 2027
- Informal Hearings (value defense)
- Prepare for value defense for formal hearings.
- Continue training of appraisers
- Certify and Deliver 2027 Values.

2028 TAX YEAR CALENDAR OF KEY EVENTS

July 26-August 31, 2027
- Field Card Review and inspection
- Beginning on or before August 1 2027, review Pictometry/Eagleview Change Finder data for changes and make field cards as needed Continue training of appraisers
- On or before July 26, 2027, begin gathering New Construction permits, building permits, 911 addresses, mechanic lien information for field inspections
- On or before August 15, 2027, shape files updated
- On or about August 31, 2027, publish appraisal cards and put in FTP site for BIS to upload Ipads and ready for appraisers on or about October 1,2027
- Monitor market; analyze sales (Deed processing with letters sent out for sales validation.)
- Finalizing and adjusting prior to billing statements
- On or before August 15, 2027, review heavy active areas and determine priorities for the year
- On or before August 15, 2027, discovery and preparation of new Business Personal Property located in Scurry CAD's jurisdiction.
- Gather Mineral information to send to valuation company

September 1-October 17, 2027
- On or before October 1, 2027, Re-inspection/Reappraisal Process in Area II Work on New Residential Schedule
- Begin review of 1D1 applications of land in Area II on or about October 1, 2027
- Continue training and education for new appraisers
- On or about September 15, 2027, review Pictometry/Eagleview, Change Finder data for changes and make field cards as needed.

- Continue training of appraisers
- Continue gathering new Construction inspection and appraisal lists
- Continue gathering building Permit and Mechanic Lien review and fieldwork lists
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation)
- Beginning on or before October 1, 2027, develop new Business Personal Property Schedules, apply mass appraisal format for BPP through PACs
- Beginning on or before October 1, 2027, discovery and preparation of new Business Personal Property located in Scurry CAD's jurisdiction and build new accounts
- Continue reviewing active sales areas and determine priorities for the year
- Gather Mineral and complex property information for contract appraiser
- Ag Advisory Meeting

October 18- December 31, 2027

- Continue Re-inspection/Reappraisal Process Work using Residential Schedule
- Continue Training and education for new appraisers
- Eagleview Review and inspection lists
- Continue gathering New Construction inspection and appraisal lists, Building Permit and Mechanic Lien review and fieldwork lists
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation)
- Developing new Business Personal Property Schedules, apply mass appraisal format for BPP through PACs on or before October 1, 2027.
- Discovery and preparation of new Business Personal Property located in Scurry CAD's jurisdiction and building new accounts beginning on or before October 15, 2027.
- Review active sales areas and determine priorities for the year
- Gather Mineral and complex property information for contract appraiser
- Prepare lists and Mail Renditions, Annual Applications, and Surveys to Business and Industrial owners including new accounts through January.
- Gather Mineral information to send to valuation company

January 1-31, 2028

- On or about January 2, 2028, reappraisal and re-inspection of Mobile Home Parks and manufacture homes in parks.
- On or about January 2, 2028, begin gathering Apartment Rents. Send Commercial Surveys

- Continue training of appraisers
- On or about January 15, 2028, check remaining Field Cards and New Construction Percent Complete. Check new Building Permits and 911 addresses.
- On or about January 15, 2028, analyze problem areas and reappraise/re-inspect if needed
- Continue re-inspections/reappraisal process of Commercial Properties
- Monitor market, analyze 2027 sales (Deed processing with letters sent out for sales validation.) 2028 Ratio Study
- Discover New Businesses not discovered earlier and send out Renditions on newly discovered businesses. Order new valuation material for Business Personal Property Valuation.
- Begin to Inspect and Appraise Business Personal Property.
- Gather Mineral information to send to valuation company
- Request Capitol Appraisal Mail Letters to Operators of New Leases
- Before January 31, 2028, mail new/update Homesteads and Open Valuation Forms. (this may continue throughout the year as needed.)

February 1-March 15, 2028

- On or about February 2, 2028, gather other income information on commercial properties including Motel/Hotel reports from the Comptroller's office.
- Continue training of appraisers
- On or about February 16, 2028, review and reappraise apartment complex units in Snyder
- Continue re-inspections/reappraisal process
- Commercial Properties
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation.)
- Continue to Value Business Personal Property and Drive New Business offering information of requirements. Drive or check existing business
- Determine and confirm which renditions accounts are valued by Industrial Valuation Company and mail renditions to Industrial Valuation Company. Confirm and update ownership as needed
- Gather Mineral information to send to valuation company
- Agricultural Market and Productivity Valuation
- On or about March 15, 2028, gather information from local producers, gins, Ag Advisor Board Meetings, State (capitalization rate), and other agricultural sources Reconcile information to calculate productivity value. Analyze land sales for market study

- Work up remaining residential schedules so they can be tested in April by ratio study
- Mail new/update Homesteads and Open Valuation Forms. (This may continue throughout the year as needed.)
- Develop Agricultural Market and Productivity Schedules
- Begin inspecting Open Valuation Forms within 30 days of receipt but not later than 90 days.

March 16-May16, 2028

- Gather remaining sales for final 2028 ratio study
- Continue training of appraisers
- Complete re-inspections/reappraisal process for land and residential
- Inspect and reappraise commercial property reappraisal
- Monitor market, analyze sales (Deed processing with letters sent out for sales validation.) Develop any needed modifiers to schedules.
- Continue to Value Business Personal Property and communicate with Capitol Appraisal on Industrial valuations.
- Mail the appraisal notice of values as needed.
- Prepare and write Mass Appraisal Plan on or around May 15th
- Prepare and send out final BPP notices.
- Gather remaining Mineral information to send to valuation company
- Review all billboard, cell towers, wind farm, and other type of sites
- Mail follow up Homesteads and Open Valuation Forms.

May 16-July 25, 2028

- Informal Hearings (value defense)
- Prepare for value defense for formal hearings.
- Continue training of appraisers
- Certify and Deliver 2028 Values.

October 18- December 31, 2028

- Re-inspection/Reappraisal Process begins for 2029.
- Review Pictometry/Eagleview Change Finder data for changes and make field cards as needed.
- Monitor market, analyze sales (Deed processing with letter sent out for sale validation.)
- Gather Mineral information to send to valuation company

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions are specified and scheduled with Information Systems and data entry personnel. All computer forms and IS procedures are reviewed and revised as required. The following details these procedures as it relates the 2027 and 2028 tax years:

REAL PROPERTY VALUATION

Revisions to schedules or models are specified, updated, and tested each tax year.

Cost schedules are tested with market data (sales) to insure that the appraisal district complies with Texas Property Tax Code, Section 23.011. Marshall and Swift Manual and local contractor data is used in valuing commercial and residential properties. Marshall and Swift Residential cost guide is used for new construction and when independent appraisals must be made on newer houses due to a lack of sales.

Land tables are updated using current market data (sales) and then tested with ratio study tools.

Income, expense, and occupancy data is updated for commercial properties with available rents.

PERSONAL PROPERTY VALUATION

Density schedules are updated using data received during the previous tax year from renditions and hearing documentation. Valuation procedures are reviewed and modified as needed.

NOTICING PROCESS

25.19-Appraisal notice forms are reviewed and edited for updates and changes signed off on by appraisal district management. Updates include the latest copy of Comptroller's *Taxpayers rights, Remedies, and Responsibilities.*

HEARING PROCESS

Protest hearing processing for informal and formal Appraisal Review Board hearings is 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 compliance with HB 201 is insured.

DATA COLLECTION REQUIREMENTS

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include improvement description changes and updating for new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a planning cycle.

NEW CONSTRUCTION /DEMOLITION

New improvement construction, field, and office review procedures are identified and revised as required. Building permits are confirmed along with demo and fire reports and entered into the CAMA system for inspections. This critical annual activity is projected and entered on the key events calendar for each tax year.

REMODELING

Mechanic Liens are reviewed, field cards made as needed and field activities scheduled to update property characteristic data.

RE-INSPECTION OF PROBLEMATIC MARKET AREAS

Real property market areas, by property classification, are tested for low or high sales ratios. Residential classes that fail any or all of these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data.

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 4-6 years. The re-inspection includes the re-checking of improvements measurements when any changes have occurred to the improved property. If the appraiser feels the measurements are not correct or if changes need to be made a re-measurement will be implemented with permission given by property owner. If not allowed on site estimation from street or from aerials will be made. The annual re-inspection requirements for tax years 2027 and 2028 are identified by property type and property classification and scheduled on the key events calendar.

FIELD OR OFFICE VERIFICATION OF SALES DATA AND PROPERTY CHARACTERISTICS

Sales information must be verified and property characteristic 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.

SALES RATIO STUDY

New and/or revised mass appraisal models (schedules) for residential and commercial properties are tested on a yearly basis by using Harris Govern's (True Automation's) PACS sale ratio reports. These modeling tests (sales ratio studies) are conducted each tax year. Due to the amount of information needed to conduct analysis on non-residential sales, studies differ from those used by the district to study residential property. Instead of using the PACS sale ratios or profiling software, the district handles these studies through spreadsheet type documents. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and model calibration comply with *Uniform Standards of Professional Appraisal Practice,* STANDARD RULE 6. See Residential Real Property under Valuation by tax year for more details on sales studies.

VALUATION BY TAX YEAR

Valuation by tax year – using market analysis of comparable sales and locally tested cost data, market area specific income and expense data, valuation models are specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers and the *Uniform Standards of Professional Appraisal Practice*. The calculated values for residential properties 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 if necessary.

RESIDENTIAL and VACANT LOT REAL PROPERTY

The Residential Valuation appraisers are responsible for developing equal uniform market values for residential improved and vacant property. The Scurry County parcel counts are attached.

Appraisal Resources

- Personnel - The Residential Valuation appraisal staff consists of two appraisers. The following appraisers are responsible for determining residential values at the current time: Sandi Price and Cindy Williams. Personal Property will be done by the contrat with Western Valuation and Consulting, LLC.
- Data - A common set of data characteristics for each residential dwelling in Scurry County is collected in the field and data entered to the computer. The property classification system and characteristic data currently drives the computer-assisted mass appraisal approach to valuation. The new classification system has been implemented using new residential class, age, condition, and features (characteristics) to drive value from the cost tables. These valuation models are continuously being updated and revised as market information determines.

VALUATION APPROACH (Model Specification)

Area Analysis

Data on regional economic forces such as demographic patterns, regional locational factors, employment and income patterns, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources and provide the field appraiser a current economic outlook on the real estate market. Information is gleaned from real estate publications and sources such as continuing education in the form of IAAO and CEU classes approved by the Texas Department of Licensing and Regulation

Neighborhood and Market Analysis

Neighborhood analysis involves the examination of how physical, economic, governmental, and social forces and other influences affect property values. The effects of these forces are also used to identify, classify, and stratify comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods or additions. Neighborhood codes were created in 2010 to better reflect marketing areas within the county. In all twenty-one codes were created for the recognized areas that had some similarities. The codes are the following: S16- Cedar Creek Area, S5-Central SE, S4Central East, S3-Central West, S9-Colonial Hill Area, S7-Downtown Area, S14-Highland Area, S2-North, S1-North Huffman, S8-Old West Area, S6-South East, S15-South Park Area, S13-Towle Place, S12 West Park/Houston Area, S18-Snyder Fringe Properties (Gary Brewer, West 23, and Business 84), SC1-NE Scurry Co., SC2-NW Scurry Co., SC3-SW Scurry Co., SC4- SE Scurry County, R-Ira, R-Sny, and R-Herm (The neighborhood codes with R were created in 2015 for areas in the rural areas that didn't have neighborhoods. In addition to those codes an additional code "College" was created for the commercial properties of the college with future codes for other commercial/industrial areas are probable. If marketing areas change in the future, these may be adjusted. The neighborhoods or neighborhood areas above should not be confused with legal additions or subdivision that cannot have their boundaries changed easily. The neighborhoods or neighborhood areas may have two or more subdivisions or additions within them or might split a subdivision or addition. They were created for superior ratio study results in the future, especially when dealing with areas instead of types of homes. The district used addition, subdivision, and survey numbers created by the district in the past to determine location of a group of properties. i.e.-Parkplace Addition = #670. They will continue to be used; however, the neighborhood codes will become more important in future studies to group comparable property. Neighborhood codes were also set up for wind turbine farm sites that are leased to the wind farms, so they could be easily located within the computer system.

The first step in an area analysis is the identification of a group of properties that share certain common traits. A "neighborhood" for analysis purposes is defined as the largest geographic grouping of properties where the property's physical, economic, governmental, and social forces are generally similar and uniform. The district has used its current additions, subdivisions, and areas (surveys) to group certain properties for analysis. As mentioned above, the neighborhood codes have been particularly useful in yearly studies.

Highest and Best Use Analysis

The highest and best use of property is the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible, and productive to its maximum. The highest and best use of residential property is normally its current use. This is due in part to the fact that residential development, in many areas, through use of deed restrictions and zoning, precludes other land uses. Residential valuation undertakes reassessment of highest and best use in transition areas and areas of mixed residential and commercial use. The exception to Highest and Best use is for a residential homestead, for assessment purposes, located in a commercial area that would typically have the highest and best use as commercial be restricted to residential use. By a new Texas Law, the district must take JURISDICTION EXCEPTION to the USPAP rule and value the homestead based on the highest and best use being residential.

VALUATION AND STATISTICAL ANALYSIS (Model Calibration)

Cost Schedules

Residential parcels in the district were valued based on a replacement cost new format from identical cost schedules using a comparative unit method. The district's residential schedules are based using Marshall and Swift data and adjusted for location influences. Nationally recognized costs are reviewed, and available at the district, schedules are changed on yearly basis as needed from reviewing these nationally recognized cost schedules. Marshall and Swift Residential Cost guide is used to review new construction along with data received from local contractors. State legislation requires that the appraisal district cost schedules be within a range of plus or minus 10% from nationally recognized cost references.

Sales Information

A sales file or a list of current market sales is maintained. Residential vacant land sales, along with commercial improved and vacant land sales are maintained in two places. The appraiser maintains a list of vacant lot sales utilizing Microsoft EXCEL. Residential improved and vacant land sales are collected from a variety of sources, including district questionnaires sent to buyer and seller, field discovery, protest hearings, various sale vendors, builders, and realtors. A system of type, source, validity, and verification codes was established to define salient facts related to a property's purchase or transfer. County or neighborhood sales reports are generated as an analysis tool and market support for the appraiser in the development of value estimates.

Land Analysis

Residential land analysis have been conducted in the past and are continually monitored by the appraiser. Sales of the lots are studied closely along with estimated absorption time to estimate the market value of the lots individually and as inventory lots. If a new development is formed, base lot values are created and factored if they are inventory lots owned by the developer. For lots within Snyder, base front feet and lot value amounts are assigned to additions or areas with most of the commercial having square feet bases. Specific land influences are used, where necessary, to adjust parcels outside the additions or areas norm.

Such factors are view, shape, size, topography, and others are property characteristics utilized for comparison of differences in comparable sales.

Statistical Analysis

The appraisers perform statistical analyses annually to evaluate whether values are uniform and equal and consistent with market prices. Ratio studies are conducted in the district to judge the two primary aspects of mass appraisal accuracy--level of appraisal and uniformity of value. It is the appraisal districts standard when compiling a ratio study to use the sales starting Jan 1st of the previous year to current sales. If time adjustments are considered necessary the district would make adjustments for the sales, typically by analyzing repeat sales if available (see Market Adjustments and Trending Factors in next paragraph) to measure price changes due to time. Appraisal statistics of central tendency and dispersion generated from sales ratios are available for each residential classification or market area within Scurry County and are summarized. These summary statistics include, but not limited to, the weighted mean, median, and coefficient of dispersion and provide the appraisers tools by which to determine both the level of appraisal and uniformity of appraised value of additions, areas, by neighborhood and class of improvement. The level of appraisal is determined by the mean or weighted mean for individual properties within a neighborhood. A comparison of neighborhood weighted means reflect the general level of appraised value between comparable neighborhoods. Review of coefficient of dispersion discerns appraisal uniformity within and between additions, areas, or classes.

The appraiser, based on the sales ratio statistics, as mentioned above, and specific parameters for valuation update, makes preliminary decision as to whether the value level in a neighborhood needs to be updated or whether the level of assessment market value in a neighborhood is at an acceptable level with market prices. The Texas Property Tax Code requires the level of appraisal for taxable property reflecting 100% of market value and assessment value be uniform and equal with other comparable property.

The analysis of trends that exist in residential neighborhood economics and the characteristics that shape the estimated market values are measured with linear regression statistics to measure improvements contribution.

Appraisers relate individual physical property changes gathered during the annual property inspection to observed condition of improvements deriving annual depreciation rates. Depreciation rates for residential purposes are calculated in a spreadsheet that measures the relationship based on improvement condition between time adjusted sale prices and price allocated improvement contribution with replacement cost new based on the actual age of each property improvement.

After the appraiser determines the annual depreciation rates based on improvement condition, the rates are placed in a linear regression model that calculates a best-fit line. Linear regression attempts to explain this relationship with a straight line fit to the data which best predicts Y, the annual depreciation rate and X representing the actual age of the improvement. The line of best fit distributes annual depreciation driven by sales prices that can be calculated against the different ages of houses within a neighborhood. The product of the formula ($y = mx = b$) delivers a slope that best fits a scatter of annual depreciation rates and ages of sold properties.

Determining the slope (m) and the intercept (b) is a prerequisite to applying a slope intercept formula and is calculated in a spreadsheet, which will identify the relationship between two

variables, annual depreciation, and age of house. This relationship is relative to the observed condition of the improvement as these depreciation rates are filtered by the relative improvement contribution as a portion of the sale price relative to replacement cost new.

When the appraiser develops and tests the regression models and approves of the results, those results (annual depreciation rates) are distributed to properties with similar improvement conditions within the neighborhood. The distribution of depreciation rates based on comparable sale prices developed through a regression model ensures all properties in the same condition will depreciate or appreciate at the same level, creating a market level of assessment and providing uniform and equal valuation in the neighborhood.

Market Adjustment or Trending Factors

Repeat sales are constantly monitored to see if time adjustments as indicated by the market prices are necessary. Many repeat sales must be adjusted for remodeling or other factors prior to analyzing the sales. Adjustments have mainly been made to schedules by analyzing the sale ratio study with repeat sales analysis used as a check.

Market and Cost Reconciliation and Valuation

In order to achieve an acceptable level of appraisal or sale ratio, a neighborhood analysis of market sales will be used to reconcile cost and market approaches to valuation. Appraisal statistics from market analysis and ratio studies will reconcile cost indicators and develop market factors that ensure estimated values are consistent. Scurry CAD uses a hybrid cost-sales comparison approach as its primary approach to valuation of residential properties. This hybrid approach is more effective in dealing with the market influence of neighborhoods in which a pure cost model may not address the surrounding market. The following equation denotes the hybrid model used: $MV = LV + (RCN - AD)$

Using the cost approach, the estimated market value (MV) of the property equals the land value (LV) plus the replacement cost new (RCN) minus the accrued depreciation (AD). With this approach, estimates on land and building contributory values are separate and depreciated replacement costs are used, and this only reflects the supply side of the market. It should be expected that adjustments to the cost values are needed in order to bring the level of appraisal to a more acceptable value standard as market sales indicate.

By using the hybrid model, outside economic factors and influences may be considered and observed. Adjustments can be abstracted and applied within neighborhoods, with location or market factors being uniformly applied to account for variances across a jurisdiction or market area. With the market approach, the estimated market value of a property will equal the basic unit of the chosen property times the market price range per unit for comparable property sales. For residential property, the comparison unit is usually the price per square foot of living area or sometimes the price provided for the improvement contribution. Thus, the analysis for the hybrid model is based on both the market approach and the cost approach as a connection of the property valuation. An additional factor, the rate of change for the improvement contribution to the total property value, is a major unknown factor for these two indicators. To measure this change for the property improvement component, it is best to

reflect the value using the annualized accrued depreciate rate. Appropriately measuring this cost related factor involves using sales of comparable properties. When using the market approach, improvements are withdrawn from the sale price, and this reveals the depreciated value of the improvement component. In essence, it measures changes in the accrued depreciation. In addition, to measure the level of improvement contribution to the property, abstraction of comparable market sales is used. Simply, this is the property sale price less the land value. There is primarily one unknown factor to the cost approach and that accurately measuring accrued depreciation. Accrued depreciation is affected by the age and observed condition of the property. The amount of loss based on condition and age of the property results in finding the changes of cost of depreciated value of these improvements. Evaluation of this cost and market information reconciles this hybrid model and indicates property valuation using this model.

The appraiser reviews and evaluates a ratio study that is comprised of recent sales prices that are time adjusted, within a defined neighborhood or class group, basing the value of the property on an estimated depreciated replacement cost plus the land value. The ratio, from the sum of the sold properties is the estimated value divided by the time adjusted sales prices shows the neighborhood level of appraisal. This ratio compared to the acceptable appraisal ratio, 95% - 105%, determines the level of appraisal for each neighborhood. When the level of appraisal for the neighborhood is outside this accepted ratio range, appraisers adjust the neighborhood market factors.

TREATMENT OF RESIDENCE HOMESTEADS

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

- the market value; or
- the preceding year's appraised value;
  PLUS, 10 percent for each year since the property was re-appraised;

  PLUS, the value of any improvements added since the last re-appraisal.

Values of capped properties must be recomputed annually. If a capped property sells, the cap automatically expires as of January 1st of the following year. In that following year, that home is reappraised at its market value to bring its appraisal into uniformity with other properties. An analogous provision applies to new homes and inventory lots. While a developer owns them, unoccupied residences, and inventory lots are appraised as part of an inventory. This business inventory value is a discounted market value of land and new residential property held in inventory. The discounted value is based on the value forecasted at the price to be paid by the party would continue the business. As these properties are sold to individual users, they are reappraised at market value as required by the Texas Property Tax Code.

Sales Ratio Studies

The primary analytical tool used by the appraisers to measure and improve performance is the ratio study. The district ensures that the appraised values produced meet the standards of accuracy in several ways. Overall, sales ratios are generated for each class and addition, subdivision, or neighborhood area to allow the appraiser to review general market price trends within their area of responsibility and provide an indication of value changes appreciation over a specified period of time. In addition to the mainframe sales ratios by account, sales ratios in the past were generated from a PC-based statistical application in Microsoft EXCEL or Microsoft WORKS. At present, the district use PACS software ratio study program to analyze sales. Reported in the sales ratio statistics for each class and addition, subdivision, or area is a level of appraisal value and uniformity profile by land use and sales trends. The district's ratio studies should emulate the findings of the state comptroller's annual property value study for Category "A" properties. However, to make this system work for Scurry CAD, sales must be coded accurately when entering them into the system. The district developed codes such as I-RES, I- RSL, I-APT, I-MOB, which equals Improved and RES equals residential or RSL equal residential with 50 to 200 acres. Currently there are seventeen codes with three main categories I for improved, L for unimproved land, and P for personal property.

Management Review Process

Once the proposed value estimates are finalized, the appraiser reviews the sales ratios by class and neighborhood area and presents pertinent valuation data to the Chief Appraiser for final review and approval. This review includes comparison of level of value between related neighborhood areas and classes within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values have met preset appraisal guidelines appropriate for the tax year in question.

COMMERCIAL REAL PROPERTY

Appraisal Responsibility

This mass appraisal assignment includes all of the commercially classed real property, which falls within the responsibility of Western Valuation and Consulting, LLC. Typically, most commercial properties in the past were dealt with on an individual basis, due to unique characteristics. However, the district has moved to a cost schedule system based on Marshall and Swift and factored using market data for such things as indirect cost, entrepreneurial profit, and any other factors that might affect cost. It is the goal of the district to move all commercial properties to cost basis schedules. The appraisal district has basic schedules for metal shop buildings, motel, apartments, office buildings, banks and other properties that have similar features for comparison. However, reappraisal and commercial property review has required building new cost schedules during the process of updating commercial. Due to time constraints, a different direction was taken to get the majority of the commercial properties updated until the schedules can be finalized. Currently the district has been in the process of using an internal module within the software to update the commercial properties to a cost basis. This module is provided by Marshall and Swift and works through the CAMA system.

The model used for valuation of commercial properties is land value plus Replacement Cost New minus accrued depreciation or MV= LV + (RCN-AD)

Commercial appraisers appraise the fee simple interest (whole interest or full bundle of rights except for mineral interests, which have statutory valuation requirements) of properties according to statute. However, the effect of easements, restrictions, encumbrances, leases, contracts, or special assessments are considered on an individual basis, as is the appraisement of any non-exempt taxable fractional interests in real property (i.e., Certain multi-family housing projects). Fractional interests or partial holdings of real property are appraised in fee simple for the whole property and divided programmatically based on their prorated interests.

Appraisal Resources

Data - The data used by the commercial appraiser includes verified sales of vacant land and improved properties and the pertinent data obtained from each (sales price levels, capitalization rates, income multipliers, marketing period, etc.). Other data used by the appraiser includes actual income and expense data (typically obtained through the informal hearings process), actual contract rental data, leasing information (commissions, tenant finish, length of terms, etc.), and actual construction cost data. In addition to the actual data obtained from specific properties, professionals that specialize in certain categories are consulted as needed. Secondly, the use of national survey listing economic and financial relationships is referenced for reliable operating expenses and income, capitalization rates, income multipliers, and market activity.

Sales Information

A sales file or a list of sales is maintained. Commercial vacant land sales, along with commercial improved and all vacant land sales are maintained in two places. The appraiser maintains a list of vacant lot sales utilizing Microsoft EXCEL. Residential improved and vacant sales are collected from a variety of sources, including: district questionnaires sent to buyer and seller, field discovery, informal protest hearings, various sale vendors, builders, and realtors. A system of verification codes, that we call sales and ratio codes, was established to define salient facts related to a property's purchase or transfer. County or neighborhood sales reports are generated as an analysis tool for the appraiser in the development of value estimates. Typically, sales are limited in certain classifications of commercial properties limiting what studies can be done to test performance. One of the best for such properties is an independent appraisal to test accuracy.

Land Analysis

Commercial land analysis has been conducted in the past by the appraiser, with land values again being reviewed as the reappraisal process continues. Lot valuation within Snyder, are based on land sales considering the unit of comparison using mostly front feet, per lot valuation, or by square feet and are assigned to additions or areas while most of the commercial lots have square feet bases only. In 2008 commercial lots along the main street of College Ave were all converted from a front feet method to a square feet method. After research, new models were created for lot values along College Ave, 25th St, 37th St, and other main roads and were revalued for the 2026 year. Since the update they are reviewed when necessary and adjusted accordingly as vacant small land sales are limited. Specific land

adjustments are used, where necessary, to adjust for such factors as view, shape, size, and topography, which may influence value.

MINERAL, UTILITIES, and INDUSTRIAL REAL PROPERTY

Appraisal Responsibility

The industrial appraisers and/or contract appraisers contracted by the Scurry County Appraisal District are responsible for developing fair, uniform market values for mineral, utilities, many improved industrial properties, and industrial personal property. The industrial properties that are not valued by the contract valuation company are valued by Scurry CAD's appraisers. The appraisal methods used by Scurry CAD's appraisers to value industrial properties are the same as used for commercial properties. The Complex Property Reappraisal is attached.

BUSINESS TANGIBLE PERSONAL PROPERTY

Appraisal Responsibility

There are four different personal property types appraised by the district's personal property department: Business Personal Property accounts; Leased Assets; Business Vehicles; and Multi-Location Assets. There are approximately 660 business personal property accounts in Scurry County Appraisal District. Appraisal Resources

- Data - A common set of data characteristics for each personal property account in Scurry County Appraisal District is collected in the field or by renditions and data entered to the district's computer. The field data is collected by the personal property appraiser.

VALUATION APPROACH (Model Specification)

Highest and Best Use Analysis

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

DATA COLLECTION/VALIDATION

Data Collection Procedures

Personal property data collection procedures are published and distributed to all appraisers involved in the appraisal and valuation of personal property. The appraisal procedures are reviewed and revised to meet the changing requirements of field data collection.

Sources of Data

Business Personal Property

The district's property characteristic data was originally received from various school district records in 1980, and where information was not available, collected through a massive field data collection effort coordinated by the district over a period of time. When revaluation activities permit, district appraisers collect new data via an annual field drive out. This project results in the discovery of new businesses not revealed through other sources. Various discovery publications such as state sales tax listings are used to discover personal property. Tax assessors, city, and local newspapers, filed certificates, deed records and the public often provide the district information regarding new personal property and other useful facts related to the discovery of personal property. Using recorded instruments from the County Clerk, worksheets are created utilizing the building permit program of PACS program. The name and address of the new business is entered into the system. Any other valuable information is also entered. (Location-owner-type of business and the date of the issuance- this is important, as it determines date of business in operation.) After the worksheet is finalized, it is ready to take out in the field for inspection of the property.

Vehicles

An outside vendor provides Scurry CAD with a listing of vehicles within Scurry County Appraisal District. The vendor develops this listing from the Texas Department of Transportation (DOT) Title and Registration Division records. Other sources of data include property owner renditions and field inspections.

Leased and Multi-Location Assets

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

VALUATION AND STATISTICAL ANALYSIS (model calibration)

Cost Schedules

State schedules are essential and are incorporated in the valuation of Business Personal Property cost schedules. These cost schedules are developed by SIC code and used by district personal property valuation appraisers. The cost schedules are developed by analyzing cost data from property owner renditions, hearings, state schedules, and published cost guides. The cost schedules are reviewed as necessary to conform to changing market conditions. The schedules are typically in a price per square foot format, but some exception SIC's are in an alternate price per unit format, such as per room for hotels.

Statistical Analysis

Summary statistics including, but not limited to, the median, weighted mean, and standard deviation provide the appraisers with an analytical tool by which to determine both the level and uniformity of appraised value by SIC code. Review of the standard deviation can discern appraisal uniformity within SIC codes. ***Depreciation Schedule and Trending Factors:***

Business Personal Property

Scurry County Appraisal District primary approach to the valuation of business personal property is the cost approach. The replacement cost new (RCN) is developed from property owner either reported historical cost or from Scurry County Appraisal District developed valuation models. The trending factors used by Scurry CAD to develop RCN are based on published valuation guides. The percentage good depreciation factors used by Scurry County Appraisal District are also based on published valuation guides. The index factors and percent good depreciation factors are used to develop present value factors (PVF), by year of acquisition, as follows:

PVF = INDEX FACTOR x PERCENT GOOD FACTOR

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

MARKET VALUE ESTIMATE = PVF x HISTORICAL COST

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

Vehicles

Value estimates for vehicles are provided by an outside vendor and are based on NADA published book values. An appraiser using NADA loan value, from the guide, values vehicles that are not valued by the vendor. If cost is given, the vehicle is depreciated accordingly.

Leased and Multi-Location Assets

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

INDIVIDUAL VALUE REVIEW PROCEDURES

Office Review

Business Personal Property

A district valuation computer program exists in a mainframe environment that identifies accounts in need of review based on a variety of conditions. Property owner renditions, accounts with field or other data changes, accounts with prior hearings, new accounts, and changes are all considered. The accounts are processed by the valuation program and pass or fail preset tolerance parameters by comparing appraised values to prior year and model values. The appraisers review accounts that fail the tolerance parameters.

Vehicles

A vehicle master file is received on hardcopy from an outside vendor and vehicles in the district's system from the prior year are matched to current DOT records. These vehicles are

then matched to existing accounts and new accounts are created as needed. Vehicles that are not valued by the vendor are valued by an appraiser using PVF schedules or published guides.

Leased and Multi-Location Assets

Leasing and multi-location accounts that have a high volume of vehicles are valued individually by the appraiser using NADA publications. Renditions often require reformatting before they can be loaded to the account. Accounts that render by hard copy are entered by CAD.

After matching the data entry, reports are generated and reviewed by an appraiser. Once proofed, the report is then mailed to the property owner for review. Corrections are made and the account notice generated after supervisor approval.

PERFORMANCE TESTS

Ratio Studies

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

SPECIAL VALUATION PROPERTIES

AGRICULTURAL USE

Appraisal Responsibility

The appraisal of Agricultural Land in Scurry County is based on the market approach and on the productivity, value directed by the *Manual For Appraisal of Agricultural Land* authored by the State Comptroller, property tax division. Agricultural valuation is updated annually. Agricultural properties are constantly monitored for degree of intensity for Scurry County and the area where it is located. Section 23.51 of the Property Tax Code sets the standard for determining qualification of agricultural land.

SOURCES

One of the most important sources of information is the appraisal district's agricultural advisory committee. The advisory board is made up of three to five members that include the local Farm Service Agent or county extension agent and local farmers. Other sources include local producers/ranchers, landowners, extension service, local gins, the comptroller, Texas Agricultural Statistical Service online, and others involved in agriculture.

VALUATION

Every year, information is gathered about crops, expenses, leases, government payments, and other agricultural information, for the valuation of agricultural land. This information is kept

until needed for a certain year's valuation. To determine agricultural productive value a net income to land "NET TO LAND" method is used using a period of 5 years that precedes the year before the year of appraisal. (i.e., For the 2027 year the crops, expense, and lease information from crop years 2021, 2022, 2023, 2024, and 2025 are used for the 5-year average net to land income). The 5-year average is then capitalized by a cap rate given to the district by comptroller each year. For more details in agricultural valuation, the *Manual For Appraisal of Agricultural Land* and Texas Property Tax Code are available at the appraisal district

Scurry CAD has the following classes for agricultural valuation in Scurry County:

Six Cultivation Classes:
Cultivation 3, Cultivation 4, Cultivation 5, Cultivation 6, Cultivation 7, and Cultivation 8.
Six Improved Pasture Type Classes:
Improved Pasture 3, Improved Pasture 4, Improved Pasture 5, Improved Pasture 6, Improved Pasture 7, and Improved Pasture 8.
Six Pasture Classes:
Pasture A, Pasture B, Pasture C, Pasture D, Pasture E, and Pasture F.

In addition to these classes a W was added to the front of them for properties in Wildlife Management. This is required by the Property Tax Division so they can quantify properties within the county that are in wildlife management. Also, hunting, and recreational lease income that would be due to the owner of qualified land in wildlife management cannot be used within the net to land calculations. Per Property Tax Code Sec 23.51 (4) "For land that qualifies under subdivision (7) for appraisal under this subchapter, the chief appraiser may not consider in the calculation of net to land the income that would be due to the owner under a hunting or recreational lease of the land."

Each class represents the estimate production yields that certain soils will produce, according to the 1991-1992 Soil Conservation Service for particular soil types in Scurry County. The net to land value is considered to be the average with the soil types above and below the average adjusted in value by weighted average yield index. The market value of agricultural cultivated type land in most cases is based on productivity. Scurry maintains sale information and adjust classes according to price information. In the past few years pastureland market value has changed from production driven influences on more recreational driven influences. Pasture land market value is still valued by sales, however, the typical sale no longer show the sales to be derived from productivity of any certain soil type.

VALUE DEFENSE

Evidence such as market sale prices and market rental prices are used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearings is specified and tested.

RESIDENTIAL, VACANT LAND, COMMERCIAL, INDUSTRIAL, SPECIAL USE,

BUSINESS TANGIBLE PERSONAL PROPERTY

In 2026 a new law took effect which exempted the first $125,000 of value of business personal property accounts. This change exempted approximately 75% of the accounts previously taxed.

After notices have been sent out, the taxpayers can protest for excessive appraisal, unequal appraisal, inclusion of property, denial of exemption, denial of special value, inclusion of taxing unit, ownership, determination of change of use, or any other action by Scurry CAD, chief appraiser, or Appraisal Review Board that applies to and affects the owner.

During this time there can be informal hearings. The property owner and Scurry CAD employee will discuss the property first to confirm property information for accuracy. If any information is deemed incorrect, a correction will be made to the property. The property owner may be asked about problems with the improvement or land that the CAD might not be aware of. If any changes are deemed necessary, the property owner will be informed of the changes the CAD makes. If the protest is about value, the CAD will go over ratio studies, sale information about specific properties, and any other information deemed necessary for value review defense.

Should the opinion of value, determination of a special use, or determination of an exemption application be in dispute, the property owner has the right to protest to the Appraisal Review Board. At the formal hearing, the CAD will typically use the same data as in the informal hearing to defend value that follows HB 201.

Evidence used in the formal hearing will include sales ratios, comparable equity comps, comparable sales, income analysis, cost information from Marshall and Swift and local cost, and any other information that would be pertinent to property valuation for the hearing. However, all information at the hearing must be incompliance with HB201.

<u>THE APPRAISAL STAFF</u>

Richard Petree	*Interim Chief Appraiser*
Dalinda Roberts, BSOM	*Deputy Chief of Administration/ARB Coordinator*
Yolanda Rosas	*Ownership/GIS Clerk*
Cindy Williams, RPA	*Appraiser*
Samantha Burt	*Appraisal Records Clerk*
Sandi Price, RPA	*Exemptions Administrator/Appraiser*
Karri Brunson	*ARB and Appraisal Records Clerk*
Capitol Appraisal Group, Inc.	*Contracted outside complex property appraisal firm (See Attachment)*
Western Valuation and Consulting, LLC	*Derek Wolfe, RPA*