

# **Briscoe County Appraisal District**

## **2023 MASS APPRAISAL REPORT**

### **INTRODUCTION**

#### **PURPOSE**

The purpose of this report is to better inform the property owners within the boundaries of Briscoe County Appraisal District (BCAD) and to comply with Standards Rule 6-7 of Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2023 -December 31, 2023. Standards Rule 6-7 addresses a written summary report for a group of properties as of a given date using standard methods, and employing common data which allows for statistical testing. This intended use of the appraised values is to establish a tax base upon which a property tax will be levied. Each taxing unit within BCAD boundaries will use the appraised values for ad valorem tax purposes only.

The purpose of the appraisal performed by BCAD is to estimate market value on January 1 of each year as defined by the Texas Property Tax Code (Sec. 1.04) as the price at which the 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 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 enforceable restrictions on its use; and
- (C) Both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

#### **Responsibilities**

The appraisal district is responsible for appraising property in the district for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on the property in the district. BCAD serves the public and six taxing entities of Briscoe County. The taxing entities in Briscoe County are composed of two school districts, two cities, the county, and one special district, Mackenzie Water Authority. The appraisal district also has two school districts in another county that have overlapping property in Briscoe County.

The Appraisal District certified a total of 4573 parcels with a total market value of \$774,171,859 for 2023. The following are those parcels and values by property type.

Real, Residential, Single Family	580	\$30,893,010
Real, Residential, Multi-Family	7	\$330,730
Real, Vacant Lots	271	\$1,056,650
Real, Farm and Ranch	2,367	\$47,357,310
Farm and Ranch Improvements	337	\$4,347,590
Improvements	458	\$23,727,130
Real, Commercial & Industrial	126	\$149,462,690
Real & Tangible, Personal Utilities	51	\$120,306,000
Tangible Personal	74	\$4,484,420
Mobile Homes	49	\$1,889,110
Other	297	\$23,327,900
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Total		\$774,171,859

### Organizational Structure

The Briscoe County Appraisal District was created by the Texas Legislature. BCAD appraises property for seven taxing entities in Briscoe County, Texas. The appraisal district is governed by a five-member board of directors which are appointed by the seven taxing entities in the County, and one non-voting member (Briscoe County Assessor-Collector) created by the 75<sup>th</sup> Texas Legislature. The board appoints the Chief Appraiser who serves at the pleasure of the board. The board also approves the budget and sets policies. The Chief Appraiser is the chief administrator of the appraisal district and may employ and compensate professional, clerical, and other personnel as provided by the budget. The Chief Appraiser may delegate authority to her employees.

BCAD currently has three employees being the Chief Appraiser, Tax Collector and Deputy.

All appraisers are required to be registered with the Texas Department of Licensing and Regulation (TDLR). The TDLR registration requires that each appraiser must successfully complete a five-year educational program and pass a required number of course hours within a specified time. Additionally, all appraisers must pass review exams at levels three and four of the certification programs. After successfully completing the required curriculum, an appraiser is awarded the designation of Registered Professional Appraiser (RPA). There is also a requirement of at least sixty hours of continuing education units every five years in order to recertify the RPA designation. BCAD currently has one RPA on staff.

Abreast of current trends affecting property through review of published materials, attendance at conferences, course work, and continuing education.

The chief appraiser is assigned the area within the boundaries of BCAD. The chief appraiser is responsible for the discovery, listing, and appraisal of all types of property within the BCAD unless specific types of property have previously been assigned to another appraiser.

### **Philosophy Statement**

The Briscoe County Appraisal District believes that the most important asset of the District is its people. Every employee is important and deserves to be treated fairly with consideration and respect. BCAD believes in providing good working conditions, a safe, clean, and friendly workplace to help each employee do his or her job effectively. We also believe that every employee has an obligation to develop his or her talents to the fullest.

The Briscoe County Appraisal District exists for the purpose of providing services to the property owners and taxing units within our jurisdiction. It is important that we recognize our responsibility to provide quality services on a cost-effective basis. Every property owner should be approached in a respectful, positive and friendly manner. Property owners should be assisted in a timely and courteous fashion. BCAD employees have an obligation as public servants to promote goodwill toward a property owner, not only in manner, but also by example.

Because of the nature of our work, not every owner will be pleased with the outcome of his or her contact with BCAD. What is important is that everyone who comes in contact with our office should have reason to feel that a knowledgeable and qualified person handled his or her matter in a fair and equitable manner.

### **Assumptions and Limiting conditions**

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisal, unless directed by, employed by, and provided legal counsel by the Briscoe County Appraisal District.
4. All properties are appraised in fee simple interest in accordance with the Texas Property Tax Code Section 25.06. Jurisdictional Exceptions to Standards Rule 6-4 (c) and 6-5 (c) of USPAP.
5. All sketches in the appraisal records are intended to be visual aids with rounded measurements and should not be construed as surveys or engineering reports, etc.
6. Members of the appraisal district or other reliable sources have obtained all information in the appraisal records.
7. The appraisal staff has inspected, as permitted, by observation, the land and improvements therefore; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters, unless specifically considered in the individual appraisal.
8. All interior inspections are performed at the property owner's request by appointment. All other inspections performed are external and assume the quality, condition and desirability of the interior are approximately equal to that of the exterior, unless otherwise known.
9. Agricultural land is appraised at market value using a market data model based on market sales information. However, it may also be subject to appraisal using income mode specified in Section 23, Sub-chapters C, D, and E of the Texas Property Tax Code. (Jurisdictional Exception to 6-4 (b) of USPAP.)
10. Subsurface rights (oil, gas, and other minerals) are not considered in making these appraisals.
11. Due to the lack of zoning the highest and best use for property is normally considered to be its current use.

The following summary reports are presented to be more specific about the appraisal of various property types within Briscoe County Appraisal District.

**Single-Family Residences 2023 Report**

**Overview**

Single-family residences consist of all land and real property improvements, which by the nature of their design and/or construction are suitable for single-family use only. This includes manufactured homes, which are classified as real property when the owner of the land is also the owner of the manufactured home and personal property when the owner of the manufactured does not own the land.

**Assumptions and Limiting Conditions**

The appraisals completed by BCAD for single-family residences are subject to the following assumptions and limiting conditions:

1. The Briscoe County Appraisal District’s staff has physically inspected all single-family residences within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties annually. Interior inspections have not been done on a majority of the properties in the jurisdiction because (1) most residential owners are not at their residence during regular business hours, (2) permission to inspect is not always granted (3) the safety of the appraiser may be in question, and (4) respect for privacy rights of the property owner should be exercised.
2. The opinion of value for each single-family property applies to land and improvements only. The value of personal property of an owner has not been included with the value of the real estate. The only personal property that is valued as an improvement only is a manufactured home where the owner of the home does not own the land.
3. Residential real property inventory as defined by the Texas Property Tax Code in Section 23.12 shall be considered as inventory and the market value shall be the price for which it would sell as a unit to a purchaser who would continue the business (Jurisdictional Exception to Standard Rule 6-5 (b) of USPAP).
4. Single-family qualified properties used to provide affordable housing are appraised in compliance with Section 23.22 of the Texas Property Tax Code. (Jurisdictional Exception to Standards Rule 6-4 (b) of USPAP)

## **Data Collection and Validation**

There are two basic types of data that are collected: which includes data which is specific to each property and data which is indicative of a particular class of property that has been predefined by BCAD.

Property-specific data is collected as part of the inspection process and through submission by the property owner. As part of the inspection process, the improvements are measured and classified. The appraiser also estimates the effective age and condition of the improvements. Many additional or unusual features are also noted at the time of the inspections. Data on individual properties is maintained on the appraisal card(s) for that property. Data on individual properties is verified through previous existing records, published reports, building permits, analysis of comparable properties, and through submission by the property owner. Appraisal cards are available for review at the appraisal district office.

Data pertaining to a class of properties is grouped together according to the differing quality levels, and then used to develop valuation models for each property class. Such data is collected in a variety of ways. Cost information is obtained from national recognized sources, local contractors, new construction permits, mechanic's liens, reliable sources of new property sales, and from rendition submitted by owners. All local information is used to verify, supplement, or modify costs from these published sources. New models and cost tables are currently under construction and are being used in test areas. Renditions are confidential submissions by property owners and cannot be used for other properties. However, data from renditions may be compared with data obtained from cost manuals to test their accuracy. A comprehensive appraisal manual for residential property is currently under construction by BCAD.

Market sales information is collected from a variety of sources including surveys of buyers and seller, deed records, and from local real estate professionals.

## **Valuation Approach and Analysis**

Improvements are appraised using replacement cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Depreciation is calculated on the age/life methods using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made of diminished utility and comparable sales are found to justify such. A market data model based on typical selling prices per unit of area is also used when appropriate sales information is available.

Land values are based on selling prices for the appropriate highest and best use of the site, and as though it were vacant. Highest and best used analysis of the improvements is based on the likelihood of the continued use of the improvements and their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

### **Review and Testing**

Field review of appraisals is performed through the regular inspection of subject properties. Ratio studies are performed and are the preferred method for measuring performance. The results of the performance measures used indicate the validity of the appraisal models used. Appraisers perform ratio studies to assigned areas.

Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

### **Multi-Family Properties 2023 Summary Report Overview**

Multi-family properties with situs in this district are appraised at market value as previously defined.

### **Assumptions and Limiting Conditions**

The appraised value derived is subject to the following assumptions and limiting conditions:

1. For multi-family properties only, the market value stated is for land, improvements and the personal property common to the classification and economic area. The business personal property value is insignificant to the overall value.
2. The Briscoe County Appraisal District's staff has physically inspected all apartment complexes and duplex properties within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties annually.
3. For a multi-family property that is used to provide affordable housing the property is appraised to comply with Texas Property Tax Code Sections 23.22. (Jurisdiction Exception to Standard 6-2 (d) of USPAP).

## **Data Collection and Validation**

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular property class that has been predefined by BCAD.

The property appraised has multi-family use. This classification of properties includes apartment complexes and duplex properties. Properties of this classification are discovered and their characteristic recorded during field inspection, investigation of building permits issued through political entities, and investigation of mechanic's liens recorded with the county clerk. Geographically, these properties are located in the City of Quitaque.

Specific property data is collected at the time of inspection or re-inspection and through submissions by property owners. Characteristics of a specific property's physical improvements are amenities that are recorded and stored electronically and may be printed on appraisal card(s). Appraisal cards are available for review at the district office.

Sales data is taken from deed records, local real estate professionals, written appraisal reports, telephone contact with principals, and sales letters received from buyer and seller. Sales are validated with the principals when possible. Sales data for properties is account-specific retained electronically.

General market data is gathered from multiple sources. Environmental, economic, political, and social influences vary geographically and by property use. Neighborhoods have been described to reflect properties within a use and the influences on the use. Apartment properties were assigned a comparative classification in the inspection process. Duplexes are classed in compliance with predefined classing criteria.

Apartment income and occupancy information is gathered by telephone survey. Income data is arrayed by neighborhood and comparative class to seek rent anomalies or outliers. Market rent and occupancy levels are established by neighborhood, comparative class, condition, desirability and age. Historical income and occupancy trends are studied, and those trends are forecast and projected into future years. Expenses from previous year's data, as supplied by the owner or operator of the property. From this research, expense trends are analyzed and projected.

Investor surveys are reviewed by their requirements and expectations are considered, as are trends from previous surveys. A range of investor yield rates is selected, and a gradient scale is used in consideration of the neighborhood characteristics and comparative class of properties. Income models are both for classes and neighborhoods in which sufficient amount of quality data exists. Where data is inadequate or inconsistent, models are interpolated.



## **Valuation Approach and Analysis**

Based on the principle of substitution, land values are determined by selling prices for similarly positioned functional tracts. Sites are analyzed for highest and best use as though they were vacant. Highest and best use of the improvements is based on the likelihood of the continued use of the improvements on their current and/or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

A value per unit is charted and stratified by neighborhood and comparative class. A sales value per unit is also charted by neighborhood and comparative class for recent sales. Acceptable ranges of value are established for these comparative units. Preliminary property values are adjusted to meet with agreed ranges and then unique property considerations are addressed.

New apartment construction is valued based on actual cost, when available. Actual costs are not available, national cost manuals are compared to the estimated cost on the building permit.

For apartment complexes within the appraisal district, personal property value is included with the real property estimate. This practice is due to the District's reliance on sales information and the income approach to value. Sales prices reported to the district are for the total property, real and business personal, and the income approach develops a value indication for all property necessary to sustain stabilized income, for the total property. The business personal property value is considered and insignificant portion of the overall property value.

Duplex properties are appraised by market adjust cost models. Property classifications are delineated and each classification's descriptive characteristics will be incorporated in new models and cost table that are currently under construction. Sales ratio studies are generated for each neighborhood. Neighborhood adjustments are applied as necessary and individual properties are reviewed for reasonableness.

## **Review and Testing**

Field review of appraisals is performed through the regular inspection of subject properties. Ratio studies are reviewed for level of appraisal measurements of central tendency and dispersion, bias, and appropriateness of neighborhood boundaries. The results of the performance measures are used to indicate the validity of the appraisal models.

Preliminary values are reviewed in consideration of classification and neighborhood. Value indications are compared to renditions and valid single property appraisals submitted for staff review. The appraiser reviews the submitted appraisal report to confirm and verifying data as would be done with a sale. Final value recommendations are tested for reasonableness by performing a sales ratio study and during the appeal process. During the appeal process, property specific income and expense are reviewed for reasonableness and values are adjusted as necessary.

Appraisal results are tested annually by the Property Tax Division of the Comptroller of Public Accounts for the State of Texas. Appraisal methods and procedures are also reviewed by the Property Tax Division.

**At this time there is only one property located in the BCAD that fits into the category of multi-family housing. This is a low-income property in Quitaque, Texas that is in a bad state of repair and does not fit into the process described above. The process above would be used if and when there is property built that fits this description.**

## **Commercial Property 2023 Summary Report**

### **Overview**

The appraisals completed by BCAD are subject to the following assumptions and limiting conditions:

1. The opinion of value for each property applies to land and improvements only. The value of trade fixtures, furnishings, and other equipment has not been included with the value of the real estate.
2. The Briscoe County Appraisal District's staff has physically inspected all properties within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties annually. Complete interior inspections have not been done on a majority of the properties.

### **Data Collection and Validation**

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular class of property that has been predefined by BCAD.

Property-specific data is collected as part of the inspection process and through submission by the property owner. As part of the inspection process, the improvements are measured and classified. Properties are classified according to construction type and quality. The appraiser also estimates the effective age and condition of the improvements. Any additional or unusual features are also noted at the time of the inspection. Data on individual properties is maintained on the appraisal card for that property. The data includes legal description, situs, owner address, parcel number, and the property specific information such as class, quality, measurements, condition, etc. Data on individual properties is verified through previously existing records, published articles and reports, mechanic's liens, analysis of comparable properties and through information obtained from the property owner. Appraisal cards are available for review at the appraisal district office.

Data pertaining to class of properties is used to develop valuation models for that property class. Such data is collected in a variety of ways. Cost information is obtained from national recognized sources, local contractors, new construction permits, mechanic's liens, reliable sources of new property sales, and from renditions submitted by the owners. Cost information on newly constructed improvements is also used to verify and/or modify cost from published sources. Renditions are confidential submission by property owners and cannot be used for other properties. However, data from renditions may be compared with data obtained from cost manuals to test their accuracy.

Market sales information is collected through surveys from buyers and sellers in addition to public records.

### **Valuation Approach and Analysis**

Land values are based on selling prices for the appropriate highest and best use of the site analyzed as though vacant. Highest and best use analysis of the improvements in their current and/or intended use is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

Improvements are valued using replacement and/or reproduction cost new less depreciation. Cost tables are constructed using published sources as a guide and adjustments are applied using local market information. Adjustments are also applied for functional and economic obsolescence if utilization, sales, and income information warrant. An income approach is also used when economic and/or subject property income information is available. A market data model based on typical selling prices per unit of similar properties is used when sufficient information is available.

The cost approach to value is most accurate and reliable when appraising new construction. In older areas of transition, cost is calculated and considered. However, due to the difficulty of measuring accrued depreciation, more weight is applied to the market and income approaches.

### **Review and Testing**

Field review of appraisals is performed through the regular inspection of subject properties. A computer-generated statistical review is also conducted. The statistical report includes appraisal to sales ratio, coefficient of dispersion, and other statistical measures. The performance measures used validate the results of the appraisal model.

Although the ratio study is the preferred method of measuring performance, single property appraisals submitted to the appraisal staff are also reviewed for appraisal accuracy. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

Briscoe County Appraisal District contracts with Morgan Ad Valorem for utility appraisal, commercial, and ag land. BCAD also contracts with Pritchard And Abbott, Inc for software.

## **Business Personal Property**

### **Overview**

Business personal property is the tangible personal property owned by a business or by an individual for the purpose of producing income. Other tangible personal property is except according to Sec. 11.14(a) of the Texas Property Tax Code.

### **Assumptions and Limiting Conditions**

The appraisals completed by the BCAD are subject to the following assumptions and limiting conditions:

The Briscoe County Appraisal District's staff has physically inspected all properties within its jurisdiction and normally re-inspects and/or compared renditions. The Comptroller's list of active businesses is reported on these properties annually.

### **Data Collection and Validation**

Data on new and existing businesses is collected through personal inspection, newspaper articles, governmental reports, comparisons to other businesses, renditions, and other confidential information supplied by the owner. Due to the multitude of personal property types, there is no standard data collection form or manual.

### **Valuation Approach and Analysis**

Personal property is defined by the Uniform Standards of Professional Appraisal Practice is identifiable, portable, and tangible objects which are considered by the general public to be personal, examples are furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment: all property that is not classified as real estate. Personal property that can be seen, weighted, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value. The Texas Property Tax Code Section 1.04(4) defines personal property as "Property that is not real property."

The purpose of the appraisals of business personal property is to estimate market value on January 1 of each year as previously defined in the introduction. A separate definition of

market value for inventory is found in the Texas Property Tax Code Sec. 23.12(a). The market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business. The Texas Property Tax Code sets forth three ways in which inventory may be valued if the requirements are met:

1. Sec.23.12(f) allows some inventory to qualify for appraisal as of September 1 of the year before January 1 of the taxable year.
2. Sec. 23.121,23.127,23.1241 and 23.12D dictate that dealers in new and used vehicles, vessels, outboard motors and trailers, manufactured housing, and heavy equipment be valued differently. (Jurisdictional Exception to Standard Rule 6-3 (b) & (c))
3. Sec. 23.12(a) covers the inventories of remaining businesses.

Personal property is appraised using original cost less depreciation models. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers.

Adjustments for functional and economic obsolescence may be made if utilization for the subject property justifies such. In the case of some personal property types, such as licensed vehicles and aircraft, market data from published pricing guides is used to construct a market value mode. In other cases, models are based on quality and density information available through published sources or through private sources. The models are cost based.

### **Review and Testing**

Field review of appraisals are performed through the inspection of subject properties. Sales for most types of personal property are infrequent. Furthermore, many market transactions occur for multiple sites and include both real and personal property, tangible and intangible, thereby making analysis difficult, subjective, and inadequate to develop a statistical analysis.

Performance is measured through comparison of like businesses as well as applying quality and density models to unit of comparison. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. The appraiser considers the submitted appraisal report by confirming and verifying data as would be done with a sale. BCAD's appraisal methods, procedures, and values are subject to review by the Property Tax Division of the Texas Comptroller's Office. The results of this review indicate the validity of the modes and calibration techniques employed by BCAD.

Briscoe County Appraisal District contracts Morgan Ad Valorem for the appraisal of some business personal property. Morgan Ad Valorem primarily appraises special purpose personal property that is subject to review by BCAD.

### **Certification**

The statements of fact contained in this report are true and correct.

1. The reported analyses, opinions, and conclusions are the appraisal staff's personal, unbiased professional analyses, opinions, and conclusions.
2. I have no present or prospective interest in the property that is the subject of this report, save and except the ownership of my personal residence and personal auto, and I have no personal interest in bias with respect to the parties involved.
3. My compensations is not contingent on the reporting of a predetermined value, or direction in value, that favors the cause of the client, the amount of value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
4. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
5. Personal inspections are made by BCAD appraisal staff.

Theresa Clinton, RPA

Chief Appraiser