

Briscoe County Appraisal District

Appraisal Methods

Mass Appraisal

Market Value

Market value is the price at which a property would sell for cash or its equivalent under prevailing market conditions if:

1. Exposed for reasonable time in the open market
2. Both the buyer and the seller are well informed of all the property uses, purposes, and restrictions
3. Both parties seek to maximize their gains
4. Neither party is in position to take advantage of the other

The valuation of property, for the purposes of local property taxes, is done by the Mass Appraisal Method. In mass appraisal, the focus is not on the primary property, as it would be during an appraisal for a lending agency, but an entire classification of properties.

Classification of a property is determined by the construction type of the individual property. Briscoe CAD has 11 classifications for residential properties. In reviewing a property for valorem appraisal, the construction type, age and condition of the property are taken into consideration. All of the appraisal, for property tax purposes, is done from the exterior of the structure.

Local Property Tax Appraisal Methods

Texas Property Tax Code Section 23.01 (a): Except as otherwise provided by this chapter, all taxable property is appraised as its market value as of January 1. Section 23.01 (b): The market value of property shall be determined by the application of generally accepted appraisal methods and techniques.

There are three approaches to value:

Market / Sales Comparison

The market approach to value is dependent upon the availability of sales prices for properties. Ration studies, an analysis of sales of similar properties, are considered to determine value per square foot. This is the most reliable approach to value in an active sales market for residential properties.

Cost Approach

The cost approach to value calculates the value of primarily new construction. This method is the best approach for unique properties where there are no sales. The cost approach uses actual construction costs and the adjusting the cost to reflect the actual condition and circumstances of the construction.

Income Approach

The income approach to value is used for commercial properties that produce income such as hotels, apartments, leased storage facilities, or offices. By determining the Net Operating Income, the appraiser is best able to set a value at or near a present worth of the business. It is the most meaningful value indication for properties that produce income.