

**LUBBOCK CENTRAL APPRAISAL DISTRICT**

**2015 AND 2016 REAPPRAISAL PLAN**



**2014 APPRAISAL REPORT**

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## Summary

The Lubbock Central Appraisal District has prepared and published this reappraisal plan and appraisal report to provide our property owners and any interested person or organization a comprehensive description of the district's responsibilities and activities required by law.

### **Market Value Appraisal Required**

#### **State Administration**

The appraisal of property for property tax purposes is required by the Texas Constitution and statutory law.

#### Art. VIII. Sec. 1.(b), Texas Const.

"All real and tangible personal property in this State, unless exempt as required or permitted by this Constitution, whether owned by natural persons or corporations, other than municipal, shall be taxed in proportion to its value, which shall be ascertained as may be provided by law."

#### Sec. 26.02 Property Tax Code

"The assessment of property for taxation on the basis of a percentage of its appraised value is prohibited. All property shall be assessed on the basis of 100 percent of its appraised value."

#### Sec. 23.01 (a) Property Tax Code

"Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1."

#### Sec. 5.10 (a) Property Tax Code

"At least once every two years, the comptroller shall conduct a study in each appraisal district ...."

#### Sec. 5.102 (a) Property Tax Code

"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."

#### Sec. 5.12 (a) Property Tax Code

"The comptroller shall audit the performance of an appraisal district if one or more of the following conditions exist according to each of two consecutive studies conducted by the comptroller under Section 5.10, regardless of whether the prescribed condition or conditions that exist are the same for each of those studies:

- (1) The overall median level of appraisal for all property in the district for which the comptroller determines a median level of appraisal is less than 0.75;
- (2) The coefficient of dispersion around the overall median level of appraisal of the properties used to determine the overall median level of appraisal

- for all property in the district for which the comptroller determines a median level of appraisal exceeds 0.30; or
- (3) The difference between the median levels of appraisal for two classes of property in the district for which the comptroller determines a median level of appraisal is more than 0.45. ”

Sec. 403.301, Government Code

“It is the policy of this state to ensure equity among taxpayers in the burden of school district taxes and among school districts in the distribution of state financial aid for public education. The purpose of this subchapter is to promote that policy by providing for uniformity in local property appraisal practices and procedures and in the determination of property values for schools in order to distribute state funding equitably.”

Sec. 403.302, Government Code

“(a) The comptroller shall conduct a study using comparable sales and generally accepted auditing and sampling techniques to determine the total taxable value of all property in each school district.” ....

“(b) In conducting the study, the comptroller shall determine the taxable value of property in each school district.” ....

**Local Administration**

Sec. 6.01 Property Tax Code

“(a) An appraisal district is established in each county.

(b) The district is responsible for appraising property in the district for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the district.

(c) An appraisal district is a political subdivision of the state.”

Sec. 6.03 (a) Property Tax Code

“(a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section.” ....

Sec. 6.05 (c) Property Tax Code

“(c) The chief appraiser is the chief administrator of the appraisal office.” ....

Sec. 6.05 (e) Property Tax Code

“(e) The chief appraiser may delegate authority to his employees.”

Sec. 23.0101 Property Tax Code

“In determining the market value of property, the chief appraiser shall consider the cost, income, and market data comparison methods of appraisal and use the most appropriate method.”

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

## **The Written Plan**

Section 6.05, Property 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 10<sup>th</sup> day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

## **Plan for Periodic Reappraisal**

Subsections (a) and (b), Section 25.18, Property 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, contract, 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 Lubbock CAD by policy adopted by the Board of Directors reappraises all property in the district each year. The reappraisal year is a complete appraisal of all properties in the district. Tax years 2015 and 2016 are both reappraisal years.

### **Tax Year 2015**

Appraised, assessed, and taxable values shall be determined as of January 1, 2015 as required by the Constitution and statutes of the State of Texas.

### **Tax Year 2016**

Appraised, assessed, and taxable values shall be determined as of January 1, 2016 as required by the Constitution and statutes of the State of Texas.

## **Performance Analysis**

In each tax year 2015 and 2016 the previous tax year's equalized values are analyzed with ratio studies and/or comparison reports to determine overall appraisal accuracy and appraisal uniformity. Additional reports are conducted using state property reporting categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* published by the International Association of Assessing Officers. Mean, median, and weighted mean ratios along with standard deviation, coefficient of dispersion, coefficient of variation and price-related differential are calculated for properties in each reporting category by neighborhood or market area to measure the level of appraisal.

### **Ratio Study Results**

The primary tool used to measure mass appraisal performance is the ratio study. A ratio study compares appraised values to market prices. In a ratio study, market values (value in exchange) are typically represented with a range of sale prices, i.e. a sales ratio study. Independent and expert appraisals may also be used to represent market values in a ratio study, i.e. an appraisal ratio study. If there are not enough examples of market price to provide necessary representativeness, independent appraisals can be used as indicators of market value. This can be particularly useful for commercial or industrial real property for which sales are limited. In addition, appraisal ratio studies can be used for properties statutorily not assessed (taxed) at market value, but reflective of a use-value requirement. Examples of this are multi-family housing projects subject to subsidized rent provisions or other governmental guarantees as provided by constitutionally authorized legislative statutes (affordable housing) or, agricultural lands to be appraised on the basis of productivity value.

## **Appraisal Accuracy and Uniformity**

Appraisers perform ratio studies and comparative analysis. Ratio studies are conducted on properties located within defined neighborhoods or districts by field and supervisory appraisal staff. The sale ratio and comparative analysis of sale property to appraised property forms the basis for determining the level of appraisal and market influences and factors for the neighborhood. This information is the basis for updating property valuation for the area of property to be appraised. Appraisers, in many cases, may conduct field inspections to confirm the accuracy of the property descriptions at the time of sale for this study. This inspection is to ensure that the ratios produced are accurate for the property sold and that appraised values utilized in the study are based on accurate property data characteristics observed at the time of sale. Property inspections are also performed to discover if property characteristics had changed as of the sale date or subsequent to the sale date. Sale ratios should be based on the value of the property as of the date of sale; not after a subsequent or substantial change was made to the property after the negotiation and agreement to price was concluded. Properly performed ratio studies are a good reflection of the level of appraisal for the district.

## **Analysis of Available Resources**

### **Staffing**

Staffing and budget requirements for tax year 2015 will be detailed in the 2015 appraisal district budget, as adopted by the board of directors. A 2015 budget is attached to the written biennial plan. This reappraisal plan reflects the available staffing in tax year 2015 and the anticipated staffing for tax year 2016. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2015-2016 time period.

### **Existing Practices**

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. Real property appraisal depreciation tables and cost new tables are tested against verified sales data to ensure they represent current market data. The cap rate study by commercial real property type is updated from current market data and market rents are reviewed and updated from local and area published data. Personal property density schedules are tested and analyzed based on renditions and prior year hearing documentation.

### **Information Systems**

Information Systems (IS) support is detailed with year specific functions identified and system upgrades scheduled. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and testing. Refer to the incorporated budget for information systems upgrades. Reserve funds are also used when required due to rapid changes in available technology and unfunded state mandates.

### **Existing data and maps**

Existing maps and data requirements are specified and updates scheduled. For the public, Lubbock CAD maintains, updates, and offers several different ways of accessing our GIS data. In the public access area 930 map slides are maintained and updated on a regular basis. The public has access to the District's web mapping application through a computer in the public access area and to the GIS data through the internet. A number of projects to enhance the geographical information system (GIS) for 2015 and 2016 are planned. A few of the projects planned are redrawing the city of Slaton and collecting as many GPS points as possible. The District's current aerial photos were flown as of January 1, 2014. Currently aerials are done in December of each odd numbered year or January of the subsequent even numbered year.

## Planning and Organization

### Calendar of Key Events – 2015 Appraisal

#### 2014

- July
- 24 - Assistant Chief Appraiser recommends 2015 and 2016 Reappraisal Plan to Chief Appraiser (BOD approval by 9/15).
  - 25 - All field appraisers begins preparation of the 2015 re-drive
  - 30 - Create the 2015 CAMA working File. (IT)
- August
- 1 - Review property changes informal and formal hearings in 2015 by each appraiser's section. (All real and personal property coordinators and field appraisers).
  - 4 - Begin re-inspection of Residential real property in New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD's. (Real property senior appraiser and field appraisers).
    - Begin re-inspection of all Agricultural appraised land in Lubbock and Shallowater ISD's. (Land senior appraiser and field appraisers).
    - Begin field work on new business personal property. (Four personal property field appraisers.)
    - Begin re-inspection on real commercial and industrial properties in Cooper, Frenship and Shallowater ISD's. (Commercial senior appraiser and field appraisers).
  - 8 - Secretary of the Board of Directors delivers to the presiding officer of the governing body of each taxing entity participating in the district written notice of the date, time and location of the public hearing to consider the 2015 and 2016 Re-Appraisal Plan.
  - 20 - Regular Board of Directors' meeting. Appraisal District Board of Directors adopt 2015 Appraisal District budget. Hold public hearing for the adoption of the 2015-2016 Re-Appraisal Plan (Code date September 15<sup>th</sup>).
  - 21 - Regular Appraisal Review Board Meeting.
- September
- 2 - Begin ratio studies by category in each neighborhood including each school district. Identify areas to be re-inspected and adjustments to be made. (Real Property coordinator and field appraisers)
  - 8 - Begin re-inspection of approximately 3,000 business personal property accounts in Abernathy, Idalou, Lorenzo, New Deal, Shallowater, Roosevelt, Slaton, and Southland ISDs as well as portions of Lubbock ISD. (Four personal property field appraisers.)
  - 12 - All omitted property supplements complete for 2014.

- 24 - Regular Board of Directors Meeting.
- 25 - Regular Appraisal Review Board Meeting.
- October
  - 1 - Mail 2014 tax statements.
    - Certify TIF District totals to City of Lubbock CBD and North Overton. (Assistant Chief Administrator).
    - Update litigation file with new and settled suits. (Chief Appraiser)
  - 13 - Review all forms and renditions for changes. (Info Services and real and personal property coordinators).
    - Order outside manuals, listings, price guides for 2015. (Appraisal Secretary)
  - 29 - Regular Board of Directors Meeting
  - 30 - Regular Appraisal Review Board Meeting.
  - 31 - Completion of re-inspection of residential real property in New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD's. (All residential appraisers)
    - Completion of re-inspection of commercial properties in Lubbock Cooper, Frenship and Shallowater ISD's. (Commercial Appraisers)
    - Completion of re-inspection of Agricultural land in Lubbock and Shallowater ISD's. (Land Appraisers)
    - Deadline for Comptroller Property Value Reports. (Assistant Chief Administrator)
- November
  - 3 - Begin field work on real property new construction, omitted property and partial completions. (Real Property Coordinator and field appraisers.)
    - Begin field work on commercial and industrial new construction, omitted property and partial completions. (Commercial Field Appraisers.)
  - 7 - Completion of re-inspection of business personal property accounts in Abernathy, Idalou, Lorenzo, New Deal, Shallowater, Roosevelt, Slaton, and Southland ISDs as well as portions of Lubbock ISD. (BPP Appraisers)
  - 10 - Additional field work on any new Business Personal Property accounts added after 09/01/2014. (BPP Appraisers)
- December
  - 1 - Request current dealer lists (motor vehicle, manufactured housing, OB motors) (Personal Property Coordinator)
  - 3 - Combined November/December Board of Directors meeting.
  - 4 - Combined November/December Appraisal Review Board meeting.

- 8 - Mail tax value factor and declarations to existing accounts with blank declaration and tax statements. (Personal Property Coordinator)
- Mail letters to warehouses for client information. (Personal Property Appraiser)
- 12 - Finalize rendition formats for 2015. (Personal Property Coordinator)
- Mail homestead applications for sales through October 31<sup>st</sup>. (Info Services Manager)
- 31 - Completion of field work on real property new construction, omitted property and partial completions. (Real Property Coordinator and field appraisers.)
- Completion field work on commercial and industrial new construction, omitted property and partial completions. (Commercial Field Appraisers.)

## 2015

### January

- 1 - Date which determines 2015 taxable value and exemption status. (Sec. 23.01)
- 5 - Begin re-inspection of approximately 1,700 personal property mobile homes in mobile home parks. (BPP field appraisers)
- Begin re-driving of all real property sales that occurred 01/01/2014 through 12/31/2014.
- Begin review of real property cost and depreciation tables. (Residential Senior Appraiser and Real Property Coordinator).
- Mail questionnaires for agricultural information for crop year 2013. (Senior Land Appraiser)
- Mail abatement applications to qualified property owners. (Info Services Manager)
- Mail 2015 renditions. (Info Services Manager)
- Mail homestead applications. (Info Services Manager)
- 8 - Regular Appraisal Review Board meeting.
- 28 - Regular Board of Directors meeting.
- Publication of rendition, market value, and open space notices. (Administration).

### February

- 2 - Begin review of Comptrollers' Property Value Study.
- Deadline for special inventory declaration from dealers.

Comptroller certifies preliminary school district taxable value from 2014 Property Value Study.

- Deadline for chief appraiser to deliver applications for productivity valuation, exemptions requiring annual application, and mobile home homestead exemptions to prior year recipients. (Info Services Manager)
- Deadline for 2014 25.25 (d) and (h) motions.
- Begin review of renditions and decreased value reports.
- Completion of new business personal property accounts.

4 - Mail reminder notices to special inventory dealers who have not filed declarations

16 - Receive auto roll from outside vendor.

- Review tender of levy on appraisal lawsuits. (Sec. 42.08) (Real Property Coordinator)
- Completion of testing and updates for depreciation and cost new improvement tables.

25 - Regular Board of Directors Meeting

26 - Regular Appraisal Review Board meeting.

27 - Second publication of rendition, market value, and open space notices. (Administration)

- Deadline for real property splits and new accounts for 2015.
- Completion of re-inspection of mobile homes in mobile home parks. (Mapping division.)
- Completion of re-drive of real property sales.

March

2 - Begin reviewing ratio studies by NBHDs for adjustments for 2015. (Real Property coordinator and field appraisers).

- Begin working renditions on business personal property accounts.
- Prepare 2015 Abatement files update exemption amounts.

12 - Deadline for school and appraisal districts to file written appeal of preliminary 2014 Property Value Study Results.

13 - Residential Inventory values finalized and entered. (Senior Land Appraiser and field land appraiser).

- Auto roll completed and entered. (BP field appraiser).
- Agricultural value tables changed and recalculated. (Real Property Coordinator and Senior Land Appraiser)

16 - Preliminary 2016 Budget forecast packets distributed to division management

- Publication of Notice of Protest procedures. (Administration)
  - 24 - Submit appraisal notice changes to outside vendor.
    - All projects complete with recommendations. Results entered to CAMA system.
  - 25 - Mail dealer non-compliance list to respective authority on special inventory accounts. (Personal Property Coordinator).
    - Business Personal new businesses complete. (All BP field appraisers).
    - Completion of all NHBD and/or improvement adjustments.
    - Last day for real property changes to be entered.
    - Deadline for updating agricultural land value tables.
    - Deadline for updates to multi-family income tables.
    - Deadline for auto roll accounts to be loaded in system.
    - Real new construction and partial completes to data entry.
    - All data entry complete.
    - Regular Board of Directors' meeting
  - 26 - Regular Appraisal Review Board Meeting
    - 1 - Last day (or as soon thereafter as practicable) for the Chief Appraiser to send notices of appraised value on single family residential homesteads.
      - Mail 25.19 Appraisal Notices for all single family properties.(Info Services Manager).
      - Deadline to file 2015 exemption application for vehicle used for personal use and income producing activity.
    - 15 - Deadline for property owners to file renditions, information reports, and decreased value reports unless extension request in writing filed by this date
      - Informal hearings begin. (Or as soon as Notices of Appraised Value are mailed)
    - 29 - Regular Board of Directors meeting.
    - 30 - All Business Personal Rendition and requested extensions enter into CAMA system. (All BP appraisers)
      - Chief Appraiser delivers "Estimate of Total Taxable Value" to each taxing entity.
      - Deadline for numerous reports to be filed by property owners. (Exemptions, ag-use, Freeport etc).
      - Deadline for rendition extensions granted, except for regulated utility and mineral properties. (Sec. 22.23 (b)) (Personal Property Coordinator)
- April

- Add rendition penalty to all accounts without rendition or extension request received.
- May 1 - CAMA system locked for preliminary totals.
  - Generate various reports for proofing.
  - Mail notices for denial of exemptions or special valuation.
  - Publish Notice of Protest procedures.
  - Mail Appraisal Notices. (Second run) (Commercial & Personal Property)
- 4 - Appraisal Review Board hearings begin (May 4<sup>th</sup> thru July 10<sup>th</sup>)
  - Chief Appraiser submits appraisal records to the Appraisal Review Board.
  - Review un-rendered business personal property account with penalty.
- 13 - Process and verify accounts appraised by Capitol Appraisal Group, Inc. (Mineral and 152 Utility File)
  - 2016 Budget forecast packets due to Chief Appraiser
- 15 - Deadline for rendition extensions granted on regulated utility and mineral properties.
  - First draft of 2016 budget finalized.
- 20 - Mail Appraisal Notices. (Third run) (Personal Property)
  - Process, load and balance Capitol Appraisal Group Industrial File.
- 27 - Regular Board of Directors meeting.
- June 1 - Protest deadline for residential appraisal notices. Or 30 days after a notice was delivered whichever is later.
  - Completion of renditions filed with no extensions.
- 12 - Chief Appraiser mails 2016 Proposed Budget to each taxing entity and each appraisal district board member.
- 17 - Publish notice of public hearing for 2016 Proposed Budget.
- 24 - Regular Board of Directors meeting.
- July 1 - Deadline for Comptroller's "Test PTAD file submission" (optional)
- 8 - Appraisal Review Board hearing for all property owners appraised by Capitol Appraisal Group, Inc.
- 10 - Appraisal Review Board hearings end.
- 13 - All data entry completed and proofed.
  - CAMA system locked for totals

- Secretary of the Board of Directors delivers to the presiding officer of the governing body of each taxing entity participating in the district written notice of the date, time and location of the public hearing to consider the 2016 Appraisal District Budget
- 15 - Completion of all renditions granted extensions
- 20 - Appraisal Review Board approves the 2015 appraisal records.
- 23 - Print appraisal rolls for self-collectors.
- 24 - Chief Appraiser certifies appraisal rolls to each taxing entity.
- 29 - Create 2015 Certified Appraisal Roll
  - Create 2016 CAMA working file. (IT)
  - Regular Board of Directors meeting
  - Public hearing of 2016 Budget
- August 3 - All field appraisers begin preparations of the 2016 re-drive.
  - Review property changes during informal and formal hearings in 2015 by each appraiser's section. (All real and personal property coordinators and field appraisers).
- 10 - Begin re-inspection of residential properties in Lubbock ISD north of 34<sup>th</sup> Street. (Senior Residential Appraiser and all residential field appraisers)
 

Begin re-inspection of real commercial and industrial properties in – New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD's. (Commercial Appraisers)

  - Begin field work on new business personal property. (Four personal property field appraisers)
  - Begin re-inspection of all Agricultural appraised land in Frenship ISD.
- 26 - Regular Board of Directors' meeting. Appraisal District Board of Directors adopt 2016 Appraisal District budget (Code date September 15<sup>th</sup>).
- 27 - Regular Appraisal Review Board Meeting.
- 31 - Begin ratio studies by category in each neighborhood including each school district. Identify areas to be re-inspected and adjustments to be made. (Real Property coordinator and field appraisers)
- September 8 - Begin re-inspection of approximately 3,000 business personal property accounts in Lubbock ISD.
- 11 - All omitted property supplements complete for 2015.

- 24 - Regular Appraisal Review Board Meeting.
- 30 - Regular Board of Directors Meeting.
- October
  - 1 - Mail 2015 tax statements.
    - Certify TIF District totals to City of Lubbock CBD and North Overton. (Assistant Chief Administrator).
    - Update litigation file with new and settled suits. (Chief Appraiser)
  - 9 - Review all forms and renditions for changes. (Info Services and real and personal property coordinators).
    - Order outside manuals, listings, price guides for 2014. (Appraisal Secretary)
  - 28 - Regular Board of Directors Meeting.
  - 30 - Completion of re-inspection of residential property in Lubbock ISD north of 34<sup>th</sup> Street. (All real field appraisers)
    - Completion of re-inspection of business personal property accounts in portions of Lubbock ISD.
    - Completion of re-inspection of commercial properties in – New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD’s. (Commercial Appraisers)
    - Completion of re-inspection of Agricultural land in Frenship ISD.
    - Deadline for Comptroller Property Value Reports. (Assistant Chief Administrator)
    - Regular Appraisal Review Board Meeting
- November
  - 2 - Begin field work on real property new construction, omitted property and partial completions. (Real property coordinator and field appraisers).
    - Begin field work on commercial and industrial new construction, omitted property and partial completions. (Commercial Field Appraisers.)
    - Begin field work on new business personal property. (Four personal property field appraisers.)
- December
  - 1 - Request current dealer lists (motor vehicle, manufactured housing, OB motors) (Personal Property Coordinator)
  - 2 - Combined November/December Board of Directors meeting.
  - 3 - Combined November/December Appraisal Review Board meeting.
  - 11 - Mail tax value factor and declarations to existing accounts with blank declaration and tax statements. (Personal Property Coordinator)

- Mail letters to warehouses for client information. (Personal Property Appraiser)
- 16 - Finalize rendition formats for 2016. (Personal Property Coordinator)
  - Request updated special inventory dealer list from appropriate state agency. (Personal Property Coordinator)
  - Mail homestead applications for sales through October 31<sup>st</sup>. (Info Services Manager)
- 31 - Completion of field work on residential new construction, omitted property and partial completions. (Real Property Coordinator and field appraisers)
  - Completion of field work on commercial and industrial new construction, omitted property and partial completions. (Commercial Field Appraisers.)
  - Completion of field work on new business personal property. (Four personal property field appraisers.)

**2016**

January

- 1 - Date which determines 2016 taxable value and exemption status. (Sec. 23.01)
- 4 - Begin re-inspection of approximately 1,700 personal property mobile homes in mobile home parks. (BPP field appraisers)
  - Begin review of real property cost and depreciation tables. (Residential senior appraiser and Real Property Coordinator).
  - Begin re-inspection of all real property sales that occurred 01/01/2015 through 12/31/2015
  - Mail questionnaires for agricultural information for crop year 2014. (Senior Land Appraiser)
  - Mail abatement applications to qualified property owners. (Info Services Manager)
  - Mail 2016 renditions. (Info Services Manager)
  - Mail homestead applications. (Info Services Manager)
- 7 - Regular Appraisal Review Board meeting.
- 27 - Regular Board of Directors meeting.
- 29 - Publication of rendition, market value, and open space notices. (Administration).
  - Comptroller certifies preliminary school district taxable value 2015 Property Value Study.
  - Deadline for chief appraiser to deliver applications for productivity valuation, exemptions requiring annual

- application, and mobile home homestead exemptions to prior year recipients. (Info Services Manager)
- February
- Completion of new business personal property accounts.
  - 1 - Begin review of Comptrollers' Property Value Study.
  - Deadline for 2015 25.25 (d) and (h) motions.
  - Begin review of renditions and decreased value reports.
  - Deadline for special inventory declaration from dealers.
  - 8 - Mail reminder notices to special inventory dealers who have not filed declarations
  - 15 - Receive auto roll from outside vendor.
  - 22- Review tender of levy on appraisal lawsuits. (Sec. 42.08) Real Property Coordinator)
    - Completion of testing and updates for depreciation and cost new improvement tables.
  - 24 - Regular Board of Directors meeting.
  - 25 - Regular Appraisal review Board meeting
    - Second publication of rendition, market value, and open space notices. (Administration)
    - Deadline for real property splits and new accounts for 2016.
  - 29 - Completion of re-inspection of mobile homes in mobile home parks.
    - Complete re-drive of real property sales
    - Begin reviewing ratio studies by NBHD for adjustments for 2016. (Real Property coordinator and field appraisers).
    - Begin working renditions on business personal property accounts.
- March
- 1 - Prepare 2016 Abatement files update exemption amounts.
  - 7 - Residential Inventory values finalized and entered. (Senior Land Appraiser and field land appraiser).
    - Auto roll completed and entered. (BP field appraiser).
  - 12 - Deadline for school and appraisal districts to file written appeal of preliminary 2013 Property Value Study Results.
  - 14 - Agricultural value tables changed and recalculated. (Real Property Coordinator and Senior Land Appraiser)
  - 17 - Preliminary 2017 Budget forecast packets distributed to division management
    - Publication of Notice of Protest procedures. (Administration)

- 18 - Submit appraisal notice changes to outside vendor.
  - All projects complete with recommendations. Results entered to CAMA system.
- 24 - Deadline for updating agricultural land value tables.
  - Deadline for updates to multi-family income tables.
  - Deadline for auto roll accounts to be loaded in system.
  - Real new construction and partial completes to data entry.
  - Last day for real property changes to be entered.
  - Completion of all NHBD and/or improvement adjustments.
- 30 - Regular Board of Directors Meeting
- 31 - Regular Appraisal Review Board meeting
  - Mail dealer non-compliance list to respective authority on special inventory accounts. (Personal Property Coordinator).
  - Business Personal new businesses complete. (All BP field appraisers).
- April
  - 1 - Last day (or as soon thereafter as practicable) for the Chief Appraiser to send notices of appraised value on single family residential homesteads.
    - Mail 25.19 Appraisal Notices for all single family properties. (Info Services Manager).
    - Deadline to file 2016 exemption application for vehicle used for personal use and income producing activity.
  - 8 - Mail 25.19 Appraisal Notice on all other Real Property
  - 15 - Deadline for property owners to file renditions, information reports, and decreased value reports unless extension request in writing filed by this date
    - Informal hearings begin. (Or as soon as Notices of Appraised Value are mailed)
  - 22- All Business Personal Rendition and requested extensions enter into appraisal system.
  - 27 - Regular Board of Directors meeting.
  - 29 - All Business Personal Renditions and extensions requested entered into CAMA system. (All BP Appraisers)
- May
  - 2 - Deadline for rendition extensions granted, except for regulated utility and mineral properties. (Sec. 22.23 (b)) (Personal Property Coordinator)
    - Deadline for numerous reports to be filed by property owners. (Exemptions, ag-use, Freeport etc).
    - Chief Appraiser delivers "Estimate of Total Taxable Value"

- Add rendition penalty to all accounts without rendition or extension request received.
  - CAMA system locked for preliminary totals.
  - Generate various reports for proofing.
  - Mail notices for denial of exemptions or special valuation.
  - Mail Appraisal Notices. (second run) (Commercial & Personal Property)
  - Appraisal Review Board hearings begin (May 2<sup>nd</sup> thru July 10<sup>th</sup>)
  - Chief Appraiser submits appraisal records to the Appraisal Review Board.
- 9 - Review un-rendered business personal property account with penalty.
- 12 - Process and verify accounts appraised by Capitol Appraisal Group, Inc.
- 2017 Budget forecast packets due to Chief Appraiser.
- 16 - Publish Notice of Protest procedures.
- Deadline for rendition extensions granted on regulated utility and mineral properties.
  - First draft of 2017 budget finalized.
- 23 - Mail Appraisal Notices. (third run) (Personal Property)
- Process, load and balance Capitol Appraisal Group Industrial File.
- June 2 - Completion of renditions filed with no extensions.
- Protest deadline for residential appraisal notices. Or 30 days after a notice was delivered whichever is later.
- 13- Chief Appraiser mails 2017 Proposed Budget to each taxing entity and each appraisal district board member.
- 20 - Publish notice of public hearing for 2017 Proposed Budget.
- 29 - Regular Board of Directors meeting.
- July 1 - Deadline for Comptroller's "Test PTAD file submission" (optional)
- 7 - Appraisal Review Board hearing for all property owners appraised by Capitol Appraisal Group, Inc.
- Secretary of the Board of Directors delivers to the presiding Officer of the governing body of each taxing entity participating in the district written notice of the date, time and location of the public hearing to consider the 2017 Appraisal District Budget.
- 10 - Appraisal Review Board hearings end.

- 15 - Completion of all renditions granted extensions.
- 20 - All data entry completed and proofed.
  - CAMA system locked for totals
  - Appraisal Review Board approves the 2016 appraisal records.
- 27 - Print appraisal rolls for self-collectors.
  - Chief Appraiser certifies appraisal rolls to each taxing entity.
  - Regular Board of Directors meeting  
Public hearing of 2017 Budget
- 29 - Create 2016 Certified Appraisal Roll
  - Create 2017 CAMA working file.
- August 1 - Review Appraisal Review Board changes.
  - Begin 2017 CAMA record changes
- 5 - Publish calculated effective tax rates of applicable entities
  - Begin re-inspection of residential properties in Lubbock ISD south of 34<sup>th</sup> Street. (Senior Residential Appraiser and all residential field appraisers)
  - Begin re-inspection of real commercial and industrial properties in Lubbock ISD west of University Ave. (Commercial Appraisers)
  - Begin re-inspection of business personal property accounts in specific NBHD's (Four Personal Property Appraisers)
  - Begin re-inspection of Agricultural land in Lubbock Cooper ISD.
  - Assistant Chief Appraiser recommends 2017 and 2018 Reappraisal Plan to Chief Appraiser. (BOD approval by 9/15)
- 17 - Secretary of the Board of Directors delivers to the presiding officer of the governing body of each taxing entity participating in the district written notice of the date, time and location of the public hearing to consider the 2017 and 2018 Re-Appraisal Plan.
- 25 - Regular Appraisal Review Board Meeting
- 31 - Regular Board of Directors' meeting. Appraisal District Board of Directors adopt 2017 Appraisal District budget. Public hearing and adoption of the 2017 and 2018 Re-appraisal Plan.(Code date September 15<sup>th</sup>).
- September 5 - Begin ratio studies by category in each neighborhood including each school district. Identify areas to be re-inspected and adjustments to be made. (Real Property coordinator and field appraisers)

- 15 - All omitted property supplements complete for 2016.
- 21 - Deliver appraisal rolls, statements and receipts to all self-collecting entities.
- 28 - Regular Board of Directors Meeting.
- 29 - Regular Appraisal Review Board Meeting.
  - Deliver appraisal roll to Comptroller
- October 3 - Deadline for Comptroller certified PTAD file submission.
  - Mail Tax Statements
- 26 - Regular Board of Directors Meeting
- 29 - Regular Appraisal Review Board Meeting
- November 1 - Begin review of 2017 calendar.
- December 7 - Combined November/December Board of Directors Meeting
- 8 - Combined November/December Appraisal Review Board Meeting.
- 15 - Mail inquiry letters to storage warehouse client information.

### **Target Completion dates – 2015**

#### **2014**

- September 12 - All omitted property supplements complete for 2014.
- October 31 - Complete re-inspection of residential properties in New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD's. (For tax year 2015)
  - Completion of re-inspection of commercial properties in Cooper, Frenship and Shallowater ISD's. (For tax year 2015)
  - Completion of re-inspection of Agricultural land in Lubbock and Shallowater ISD's. (For tax year 2015)
  - Completion of re-inspection of business personal property accounts in Abernathy, Idalou, Lorenzo, New Deal, Shallowater, Roosevelt, Slaton, and Southland ISDs as well as portions of Lubbock ISD. (For tax year 2015)
- December 31 - Completion of field work on real property new construction, omitted property and partial completions  
 Completion field work on commercial and industrial new construction, omitted property and partial completions.

#### **2015**

- January      1 - Date which determines 2015 taxable value and exemption status. (Sec. 23.01)
- 30 - Comptroller certifies preliminary school district taxable value from the 2014 Property Value Study.
- February     2 - Deadline for 2014 25.25 (d) and (h) motions
- 18 - Completion of testing and updates for depreciation and cost new improvement tables.
- 25- Deadline for real property splits and new accounts for 2015.
- Completion of re-inspection of mobile homes in mobile - home parks.
- March        2 - Begin reviewing ratio studies
- 6 - Auto roll completed and entered. (BPP field appraiser).
- Agricultural value tables changed and recalculated. (Real Property Coordinator and Senior Land Appraiser)
- 12 - Deadline for school and appraisal districts to file appeal of preliminary 2014 Property Value Study results.
- 27 - Completion of all NHBD and/or improvement adjustments.
- All projects complete and entered into CAMA system.
- Business Personal new businesses complete. (All BP field appraisers).
- Last day for real property changes to be entered.
- All appraisal data entry complete.
- Completion of all NBHD and/or improvement adjustments.
- Deadline for updating agricultural land value tables.
- Deadline for updates to multi-family income tables.
- Deadline for auto roll accounts to be loaded in system.
- Real new construction and partial completes to data entry.
- April        1 - Chief Appraiser to send notices on appraised value on single family residential homesteads.
- 15 - Deadline for property owners to file Renditions
- 30 - Chief Appraiser delivers "Estimate of Total Taxable Value to each taxing entity.
- May          4 - Appraisal Review Board Hearings begin.
- 20 - Process, load and balance Capitol Appraisal Group Industrial File.
- June        1 - Protest deadline for residential appraisal notices. Or 30 days after a notice was delivered whichever is later.
- Completion of renditions filed with no extensions.

- July 19 - Publish notice of public hearing for 2016 Proposed Budget.
- 15 - Completion of all renditions granted extensions.
- 20 - All data entry completed and proofed.
- 25- Chief Appraiser certifies the Appraisal Roll to the Entities
- September 13 - All omitted property supplements complete for 2015.

**Target Completion dates – 2016**

**2015**

- October 30 - Completion of re-inspection of residential properties in Lubbock ISD north of 34<sup>th</sup> Street.
  - Completion of re-inspection of commercial properties in New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD's.
  - Completion of re-inspection of business personal accounts in portions of Lubbock ISD.
  - Completion of re-inspection of Agricultural land in Frenship ISD.
- December 31 - Completion of field work on residential new construction, omitted property and partial completions. (Real Property Coordinator and field appraisers)
  - Completion of field work on commercial and industrial new construction, omitted property and partial completions. (Commercial Appraisers)
  - Completion of all field work on new business personal property. (All Personal Property Appraisers)

**2016**

- January 1 - Date which determines 2016 taxable value and exemption status. (Sec. 23.01)
- 29 - Comptroller certifies preliminary school district taxable value 2015 PVS
- February 19 - Completion of testing and updates for depreciation and cost new improvement tables.
- 26 - Deadline for real property splits and new accounts for 2016.
  - Completion of re-inspection of mobile homes in mobile home parks.
- March 2 - Deadline for splits and new construction (Mapping Division)
- 11 - Residential Inventory values finalized and entered.
  - Auto roll completed and entered.
- 14 - Deadline for school and appraisal districts to file written appeal of preliminary 2015 Property Value Study results.

- Agricultural value tables changed and recalculated.
- Business Personal new businesses complete.
- 25 - All projects complete and entered into CAMA system.
  - Last day for real property changes to be entered.
  - Deadline for updating agricultural land value tables.
  - Deadline for updates to multi-family income tables.
  - Deadline for auto roll accounts to be loaded in system.
  - Real new construction and partial completes to data entry. All projects complete with recommendations.
  - Completion of all NHBD and/or improvement adjustments.
- April 1 - Chief Appraiser to send notices on appraised value on single family residential homesteads.
- 15 - All Business Personal Renditions and extensions requested entered into CAMA system.
- 29 - All Business Personal Rendition and requested extensions enter into appraisal system.
- May 2 - Appraisal Review Board hearings begin.
- 16 - Deadline for rendition extensions granted on regulated utility and mineral properties.
- 19 - Process, load and balance Capitol Appraisal Group Industrial File.
- June 2 - Completion of renditions filed with no extensions.
  - Protest deadline for residential appraisal notices, or 30 days after a notice was delivered whichever is later.
- 15 - Completion of all renditions granted extensions.
- July 20 - All data entry completed and proofed.
- 25 - Chief Appraiser certifies appraisal rolls to each taxing entity.

## **Mass Appraisal System**

Computer Assisted Mass Appraisal (CAMA) system revisions are specified and scheduled with Information Systems. All computer forms and IS procedures are reviewed and revised as required. The following details these procedures as it relates the 2015 and 2016 tax years.

### **Real Property Valuation**

Revisions to cost models, income models, and market models are specified, updated and tested each tax year.

Cost schedules are tested with market data (sales) to insure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011.

Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study results and compared with cost data from recognized industry sources, such as Marshall & Swift.

Land values are updated using current market data (sales) and then tested with ratio study tools. Land to building ratios are reviewed when sufficient sales indicate a consistent ratio to use with similar parcels for a current land value. Land is valued by different units of value such as per acre, square foot, per lot, and front foot.

Income, expense, and occupancy data is updated in the income models for each market area and cap rate studies are completed using current sales data, local and regional surveys, publications and information received in the prior year's hearings process. The resulting models are tested using ratio study tools. All apartments and hotels are valued by the income approach with other types of income producing properties when sufficient income and expense data is known.

### **Personal Property Valuation**

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 observed condition. There are many value guides used to estimate values for vehicles, aircraft, trailers and specialty equipment. Confidential renditions filed by property owners are also used for comparison purposes. Valuation procedures are reviewed modified as needed and tested.

### **Notice Process**

The form for 25.19 appraisal notices is reviewed and edited for updates and changes signed off on by appraisal district management. Updates include the latest copy of the Comptroller's *Taxpayers rights, remedies, and responsibilities*, the Appraisal Review Board's Rules and Procedures and a protest form with instructions. Any changes made by the Legislature are acted upon and tested.

Recent legislative changes require the Chief Appraiser to send appraisal notices of appraised values on single-family residential homesteads by April 1 or as soon thereafter as possible each year. All other property types or mail around May 1st or as soon thereafter as possible.

An appraisal notice is mailed if the appraised value of the property exceeds the preceding year value by \$100 or more, the appraised value of the property is greater than the value rendered by the property owner or the property was not on the appraisal roll in the preceding year.

### **Hearing Process**

Protest hearing scheduling for informal and formal Appraisal Review Board (ARB) hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district ARB hearing documentation is reviewed and updated to reflect the current valuation process. Production of documentation is tested to ensure compliance with Section 41.67 of the Texas Property Tax Code.

The Appraisal Review Board Rules of Procedure adopted by said board govern the hearing process. A copy of the rules is mailed to each owner or agent protesting a property and available to the public at any time.

### **Data Collection Requirements by Tax Year**

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each year include collection of building permits for new construction, demolition and remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties, occupancy permits, vehicle registration, new sales tax permits, and various outside sources of relevant data. Properties outside permitted areas are scheduled to be re-inspected on an annual basis.

### **New Construction/Demolition/Remodeling**

New construction field and office procedures are identified and revised as required. Permits for new construction and demolition are reviewed from various sources and entered into the CAMA system for active or inactive status. Each appraiser assigned a section or type of property receives appraisal cards and a copy of the permit for a field visit to verify status and completion date. Septic tank installations and electrical hook-ups are handled in the same manner for the rural areas. A review of mechanics liens and deed records can indicate a possible field review is needed.

Remodeling is more difficult to find, but some of the above mentioned items help identify possibilities. The primary identifying process for discovering property that has been remodeled is a neighborhood field inspection. Certain neighborhoods are selected for field inspections each year.

### **Re-inspection of problematic market areas**

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios; or high coefficients of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field or office reviews are assigned to verify and/or correct property characteristic data. Additional sales data is researched and verified. In the absence of adequate market data, neighborhood delineation is verified and neighborhood clusters are identified.

### **Re-inspection of universe of properties on at least a three year cycle**

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 four to six years. Section, 25.18 (b) of the Texas Property Tax Code states that “ the plan shall provide for reappraisal of all real property in the district at least once every three years”. Lubbock CAD’s policy is to reappraise all real property each year and to re-inspect each real parcel at least once every three years. The annual re-inspection requirements for tax years 2015 and 2016 are identified by property type and property classification and scheduled on the key events calendar.

Section 3.3.5 of the (The International Association of Assessing Officers, 2013) *Standard on Mass Appraisal of Real Property* states:

*Provided that initial physical inspections are timely completed and that an effective system of building permits or other methods of routinely identifying physical changes is in place, jurisdictions may employ a set of digital imaging technology tools to supplement field re-inspections with a computer-assisted office review. These imaging tools should include the following:*

- *Current high-resolution street-view images (at a sub-inch pixel resolution that enables quality grade and physical condition to be verified)*
- *Orthophoto images (minimum 6" pixel resolution in urban/suburban and 12" pixel resolution in rural areas, updated every 2 years in rapid growth areas, or 6-10 years in slow growth areas).*
- *Low level oblique images capable of being used for measurement verification (four cardinal directions, minimum 6" pixel resolution in urban/suburban and 12" pixel resolution in rural areas, updated every 2 years in rapid growth areas or, 6-10 years in slow growth areas).*

### **Field or Office verification of sales data and property characteristics**

Sales information must be verified and property characteristic data captured at the time of sale. The sales ratio tools require that the property that sold must equal the property appraised in order for the statistical analysis results to be valid.

Sales are verified through multiple attempts to acquire a sales price through outside sources, such as appraisers, real estate professionals, buyer and seller. Deeds are reviewed for total consideration and market data letters are mailed to buyers and sellers on a quarterly basis.

### **Pilot Study by Tax Year**

New and/or revised mass appraisal models are tested on randomly selected market areas. These modeling tests (sales ratio studies) are conducted each tax year. 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 are in compliance with *Uniform Standards of Professional Appraisal Practice*, STANDARD RULE 6.

### **Valuation by Tax Year**

Valuation for each tax year uses market analysis of comparable sales and locally tested cost data and 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 are tested for accuracy and uniformity using ratio studies. Performance standards used are those established by the *IAAO Standard on Ratio Studies*. Property values in all market areas are updated each reappraisal year.

## **RESIDENTIAL REAL PROPERTY**

### **Identifying properties to be appraised:**

Residential properties are identified for reappraisal as part of the appraiser's regular assignment through building permits, sales information obtained from various sources, deed information, sewer permits, and new electrical hook-ups, information received from property owners, information from news articles, photographs, maps, aerial photos and other sources.

All residential properties are scheduled for re-inspections on a regular basis. A typical parcel count for residential property in any year is 25,000 to 35,000. Re-inspections of residential properties can create changes to characteristics of a property such as additions, condition and other such changes. These changes will be recorded in the CAMA system and impact the results of ratio studies that will determine the reappraised value of the property.

Re-inspections for 2015 will be all residential properties in the boundaries of New Deal, Abernathy, Idalou, Roosevelt, and Slaton Independent School Districts. Approximately 30,000 residential parcels will be updated by field visits or Pictometry aerial photos. The residential properties in Lubbock school district will be re-inspected in 2016.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through the inspection process, sales data, permits, deed information, owner descriptions, maps and aerial photos. Subject property data is verified through previous existing records and through published reports. Each re-inspection is recorded in the CAMA system with required characteristics for residential real property such as class, size, age, condition topography, access, construction style, roof style, photographs and other such attributes.

### **Defining market areas in the district:**

Market areas for residential properties tend to be localized within certain boundaries like a subdivision or other geographic controls. Information from local builders and developers, realtors, appraisers, research centers, and sales data are used to help define market areas.

Currently the market areas of the Appraisal District are Urban, Suburban and Rural. Within these market areas are submarkets made up of Abernathy ISD, Frenship ISD, Idalou ISD, Lorenzo ISD, Lubbock ISD, Lubbock Cooper ISD, New Deal ISD, Roosevelt ISD, Shallowater ISD, Slaton ISD, and Southland ISD. Within the market and submarket areas are 120 neighborhood groups that have been identified that cover the entire district with 607 neighborhoods within the neighborhood groups. The number of neighborhoods changes each year depending on new sales information. Improvement or land modifiers within each market area or neighborhood are used to refine appraised values within each. A list of market areas and neighborhoods and adjustments are listed in the residential manual on pages 90 through 106.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Residential valuation is conducted by neighborhood and market area analysis. Analysis of comparable market sales forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area or neighborhood. Market sales indicate the effects of these market forces and are interpreted by the appraiser into an indication of market price ranges and indications of property component change considering a given time period relative to the date of appraisal. Cost and Market Approaches to estimate value are the basic techniques utilized to interpret these sales.

All residential parcels in the district are valued with a replacement cost estimated from identical cost schedules based on the improvement classification system (models) using a comparative unit method. The district's residential cost schedules are developed from prior year sales and compared to Marshall and Swift, a nationally recognized cost estimator service. These cost estimates are compared with sales of new improvements and evaluated from year to year and indexed to reflect the local residential building and labor market. Costs may also be indexed for neighborhood factors and influences that affect the total replacement cost of the improvements in a smaller market area based on evidence taken from a sample of market sales.

Abstraction and allocation of property components based on sales of similar property is an important analysis tool to interpret market sales under the cost and market approaches to value. These analysis tools help determine and estimate the effects of change, with regard to price, as indicated by sale prices for similar property within the current market. Characteristics such as year built, size, construction type, condition and a classing system that groups improvements into similar groups of construction style and quality aid in comparing like properties.

The income approach is seldom used in single-family residential properties due to limited income information. Usually there are sufficient sales and cost information that results in a much more accurate market value.

### **Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

## **SPECIAL INVENTORY RESIDENTIAL PROPERTY**

### **Identifying properties to be appraised:**

All special inventory residential properties are identified from annual applications from property owners. A list of prior year qualified properties is mailed an application each year.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

Characteristics of each property are identified and updated from applications filed each year, plats and other deed records filed and by field review. Improved

properties are updated as all residential property under the residential section above.

**Defining market areas in the district:**

Market areas for vacant land properties tend to be local, by school district or city. Information from local builders and developers, realtors, appraisers, research centers and sales data are used to help define market areas.

Currently there are 120 neighborhood groups that have been identified that cover the entire district with 607 neighborhoods within the neighborhood groups. The number of market areas change each year depending on new sales information. Improvement or land modifiers within each market area or neighborhood are used to refine appraised values within each. A list of market areas and neighborhoods and adjustments are listed in the residential manual on pages 90 through 106.

**Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

The value of the land component to the property is estimated based on available market sales for comparable and competing land under similar usage. A comparison and analysis of comparable land sales is conducted based on a comparison of land characteristics found to influence the market price of land located in the neighborhoods. Specific land influences are considered, where necessary, and depending on neighborhood and individual lot or tract characteristics, to adjust parcels outside the neighborhood norm for such factors as access, view, shape, size, and topography.

Several builders and land developers have assisted the district in providing information to determine that an adjustment to the market value of residential lots of 30% would be appropriate in most cases for an inventory value. A parcel with a completed improvement on January 1 meeting the above criteria was considered also and an adjustment of 20% on the improvement value would be a reasonable inventory value. These adjustments reflect a value that would be typical to arrive at a cost value which is considered the value that a unit would sell to a purchaser that would continue the business as defined by Section, 23.12 of the Property Tax Code.

**Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

## **MULTIFAMILY RESIDENTIAL PROPERTY**

### **Identifying properties to be appraised:**

Multifamily residential properties are identified as part of the appraiser's regular assignment through building permits, sales information obtained from various sources, deed information, sewer permits, and new electrical hook-ups, information received from property owners, information from news articles, new sales tax permits, photographs, maps, aerial photos and other sources.

Coding within a CAMA system provides different means of accessing records of a particular improvement type along with characteristics of the property for analysis and identifying.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through the inspection process, sales data, permits, deed information, owner descriptions, maps and aerial photos. Subject property data is verified through previous existing records and through published reports.

### **Defining market areas in the district:**

Market areas for multifamily residential properties tend to be localized within certain boundaries like a subdivision or other geographic controls. Information from local builders and developers, realtors, appraisers, research centers, and sales data are used to help define market areas.

Multi-family properties are divided into four quadrants within the County for economic areas that match information from local surveys that aid in the providing income information such as rent rates, expenses and occupancy percentages.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Among the three approaches to value multifamily residential properties are most commonly appraised using income models. Abstraction and allocation of property components based on sales of similar property is an important analysis tool to interpret market sales under the cost and market approaches to value. These analysis tools help determine and estimate the effects of change, with regard to price, as indicated by sale prices for similar property within the current market. Cost and sales approaches are used to test the income models on an annual basis.

### **Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

## **COMMERCIAL REAL PROPERTY**

### **Identifying properties to be appraised:**

Commercial properties are identified as part of the appraiser's regular assignment through building permits, sales information obtained from various sources, deed information, sewer permits, and new electrical hook-ups, information received from property owners, information from news articles, new sales tax permits, photographs, maps, aerial photos and other sources.

Coding within a CAMA system provides different means of accessing records of a particular improvement type along with characteristics of the property for analysis and identifying. Re-inspections of commercial properties can create changes to characteristics of a property such as additions, condition and other such changes. These will be recorded in the CAMA system and impact the results of ratio studies and other approaches to value to determine the reappraised value of properties

Commercial and Industrial real properties to be re-inspected by field visits or Pictometry aerial photos in 2015 are in Cooper, Frenship and Shallowater ISD's.

Mini-storage warehouses (WM 1-3) will be reviewed to determine whether certain segments are classed correctly. Covered storage such as are used in R.V. and boat storage will be added as a new improvement segment for 2015. Pictometry Change Finder will be use to compare aerial photography for new improvements.

In 2016 commercial and industrial properties in New Deal, Abernathy, Idalou, Roosevelt and Slaton ISD's will be re-inspected. Also converting specific improvement classes to Marshall & Swift will continue.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through the inspection process, sales data, permits, deed information, owner descriptions, maps and aerial photos. Subject property data is verified through previous existing records and through published reports.

Each re-inspection an appraiser does is recorded on an appraisal card with required characteristics for commercial property such as class, size, age, condition, topography, access, wall height, roof style, and other such attributes.

### **Defining market areas in the district:**

Market areas for commercial properties tend to be localized within certain boundaries like a subdivision or other geographic controls. Information from local builders and developers, realtors, appraisers, research centers, and sales data are used to help define market areas.

The same market areas and neighborhoods mentioned above are used to adjust commercial properties.

**Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Among the three approaches to value commercial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or sales data is available, those appraisal models may also be used.

Marshall & Swift Commercial computer models are used extensively for most commercial improvement types due to the lack of sales and income information.

**Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

## **VACANT REAL PROPERTY**

### **Identifying properties to be appraised:**

Vacant real properties are identified as part of the appraiser's regular assignment through sales information obtained from various sources, deed information, information received from property owners, information from news articles, photographs, maps, aerial photos and other sources.

Agricultural land in Lubbock and Shallowater ISD's will be re-inspected for changes in 2015. In 2016 agricultural land in Frenship ISD will be re-inspected for changes.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through the inspection process, sales data, permits, deed information, owner descriptions, maps and aerial photos. Subject property data is verified through previous existing records and through published reports.

### **Defining market areas in the district:**

Market areas for vacant real properties tend to be localized within certain boundaries like a subdivision or other geographic controls. Information from local builders and developers, realtors, appraisers, research centers, and sales data are used to help define market areas.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

The value of the land component to the property is estimated based on available market sales for comparable and competing land under similar usage. A comparison and analysis of comparable land sales is conducted based on a comparison of land characteristics found to influence the market price of land located in the neighborhoods. Specific land influences are considered, where necessary, and depending on neighborhood and individual lot or tract characteristics, to adjust parcels outside the neighborhood norm for such factors as access, view, shape, size, and topography.

Cost and income approaches are not used in the value of vacant real properties because of limited information available.

### **Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

## **INDUSTRIAL REAL PROPERTY**

Lubbock CAD has a professional services contract with Capitol Appraisal Group, Inc. (CAGI) to appraise some Industrial properties. Lubbock CAD follows the same process on the properties that the CAD appraises.

### **Identifying properties to be appraised:**

Industrial properties are identified as part of the appraiser's physical inspection process each year and through submitted data by the property owner. The appraiser may also refer to legal documents, photography and other descriptive items.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through the inspection process. Confidential rendition, assets lists and other confidential data also provide additional information. Subject property data is verified through previous existing records and through published reports.

### **Defining market areas in the district:**

Market areas for industrial properties tend to be regional, national and sometimes international. Published information such as prices, financial analysis and investor services reports are used to help define market areas.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Among the three approaches to value industrial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or sales data is available, those appraisal models may also be used.

### **Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

## **UTILITY, RAILROAD AND PIPELINE PROPERTY**

Lubbock CAD has a professional services contract with Capitol Appraisal Group, Inc. (CAGI) to appraise Utility, Railroad, and Pipeline properties.

### **Identifying properties to be appraised:**

Utility, railroad and pipeline properties that are susceptible to inspection are identified by inspection. The appraiser may also refer to other documents, both public and confidential to assist in identification of these properties.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through data collected as part of the inspection process and through later submissions by the property owner, sometimes including a confidential rendition. Additional data is obtained through public sources, regulatory reports and through analysis of comparable properties.

### **Defining market areas in the district:**

Market areas for utility, railroad and pipeline property tend to be regional or national in scope. Financial analyst and investor service reports are used to help define market areas.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

For all three types of property, the appraiser must first form an opinion of highest and best use. Among the three approaches to value (cost, income and market), pipeline value is calculated using a replacement/reproduction cost new less depreciation model [RCNLD]. In addition to the RCNLD indicator, a unit value model may also be used if appropriate data is available. Utility and railroad property is appraised in a manner similar to pipeline except that the RCNLD model is not used.

### **Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process. These types of property are also subject to review by the Property Tax Division of the Texas Comptroller's Office through their annual Property Value Study.

## **OIL AND GAS PROPERTY**

Lubbock CAD has a professional services contract with Capitol Appraisal Group, Inc. (CAGI) to appraise Oil and Gas properties.

### **Identification of new property and its' situs:**

As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAGI obtains monthly oil and gas lease information from the Railroad Commission of Texas [RRC] to compare against oil and gas properties already identified. The situs of new properties is determined using plats and W-2/G-1 record from the RRC, as well as CAGI's in-house map resources.

### **Identifying and updating relevant characteristics of all oil and gas properties to be appraised.**

The relevant characteristics necessary to estimate value of remaining oil or gas reserves are production volume and pattern, product prices, expense borne by the operator of the property, and the rate at which the anticipated future income should be discounted to incorporate future risk. CAGI obtains information to update these characteristics annually from regulatory agencies such as the RRC, the Comptroller of Public Accounts, submissions from property owners and operators, as well as from published investment reports, licensed data services, service for fee organizations and through comparable properties, when available.

### **Defining market areas in the district and identifying property characteristics that affect property value in each market area:**

Oil and gas markets are regional, national and international in scope. Therefore they respond to market forces beyond defined market boundaries as observed among more typical real properties.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Among the three approaches to value, the income approach to value is most commonly used in the oil and gas industry. Through use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and pattern, product prices, operating expenses and discount rate to determine an estimate of appraised value of an oil or gas property.

### **Comparison and Review:**

Use of the income approach is the first step in determining an estimate of market value. Next an appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected model's value with its previous year's actual income. Typically the value will vary within a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of

properties among appraisers and review of appraisal by a senior appraiser further expand the review process.

## **SPECIAL VALUATION PROPERTIES**

### **AGRICULTURAL USE**

Land that is devoted principally to agricultural use, such as the production of crops, livestock, poultry, fish, or cover crops can qualify for agricultural appraisal under two different state laws. The only one used in Lubbock County is called “open-space valuation” or “1-d-1” (after Article 8, Section 1-d-1 of the Texas Constitution). The other is “1-d” which requires the owner to show at least 50% of their income is derived from farming or ranching. Other uses that can qualify are land idle for a government program or for normal crop or livestock rotation, wildlife management, raising certain exotic animals or birds to produce human food or other items of commercial value.

Market value of agricultural land must also be recorded for each parcel along with an agricultural value when the land qualifies. Market and ag-use values are based on a per acre basis; with market value determined by sales information. Land that has qualified for agricultural appraisal and the use changes to a non-agricultural purpose the person who changes the use will owe a “rollback” tax for each of the previous five years in which the land received an agricultural value. The rollback tax is the difference between the taxes paid and what would have been paid if the land had been taxed on market value. Also, 7 percent interest is charged for each year from the date on which taxes would have been due.

#### **Identifying properties to be appraised:**

Agricultural land properties are identified as part of the appraiser’s regular assignment primarily through the receipt of Agricultural Applications. Other discover tools utilized by the appraisers include sales information obtained from various sources including deed information, information received from property owners, information from news articles, photographs, maps, aerial photos and other sources.

#### **Identifying and updating relevant characteristics of each property in the appraisal records:**

The appraiser identifies and updates relevant characteristics through the inspection process, sales data, deed information, owner descriptions, maps and aerial photos. Subject property data is verified through previous existing records and through published reports.

#### **Defining market areas in the district:**

Market areas for agricultural land properties tend to be defined by topography, access and amount of water, soil types and drainage. Information from local farmers, realtors, appraisers, research centers, county and state published information and sales data are used to help define market areas.

#### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Sales of land are reviewed on a regular basis and tested against LCAD values through ratio studies and other market tests mentioned earlier. Agricultural values are reviewed annually based on an overall county five-year average of income, expenses and the net income to land for each category of land on a parcel. Most agricultural land in Lubbock County is irrigated or dry land row crop with some native pasture land. Each category is broken down by soil type with the slope considered. County wide averages of a typical farm are used rather than the information of each individual farm to eliminate inequity primarily in different management styles. There are various sources of information for Lubbock County from state organizations to local agencies and land owners. Lubbock CAD primarily uses information from questionnaires sent to Lubbock County farmers to derive typical income and expenses figures. Information from the Lubbock County Farm Service Agency is also used in the calculations of the net income to land values.

The cost approach is not relevant in appraising land.

**Comparison and Review:**

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

**WILDLIFE MANAGEMENT**

There are currently no properties appraised for wildlife management purposes since Lubbock CAD has no applications on file.

Lubbock CAD will comply with section 23.521 of the Texas Property Tax Code once an application is received.

**TIMBER USE**

There is no timber use land in Lubbock County; therefore there is no plan to appraise such land.

## **BUSINESS TANGIBLE PERSONAL PROPERTY**

### **Identifying properties to be appraised:**

Through inspection the appraiser identifies personal property to be appraised. The appraiser may also refer to other documents, both public and confidential, to assist in identification of these properties. Such documents might include but are not limited to the previous year's appraisal roll, vehicle listing services and private directories. Confidential renditions, sales tax permits, news media and various other permits issued by state or local governments are also used.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

Data identifying and updating relevant characteristics of the subject properties are collected as part of the inspection process through directories and listing services as well as through later submissions by the property owner, sometimes including confidential rendition. This data is verified through previously existing records and through public reports.

### **Defining market areas in the district:**

Market areas for business personal property are generally either regional or national in scope. Published price sources are used to help define market areas.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Personal property is appraised using replacement/reproduction cost new less depreciation models. Income approach models can be used when economic and/or subject property income is available, and a market data model can be used when appropriate market sales information is available.

### **Comparison and Review:**

The appraiser reconciles multiple models by considering the model that best addresses the individual characteristics of the subject property. Year-to-year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisal by a senior appraiser also contributes to the review process.

## **INDUSTRIAL TANGIBLE PERSONAL PROPERTY**

Lubbock CAD has a professional services contract with Capitol Appraisal Group, Inc. (CAGI) to appraise some industrial tangible personal property.

### **Identifying properties to be appraised:**

Through inspection the appraiser identifies personal property to be appraised. The appraiser may also refer to other documents, both public and confidential, to assist in identification of these properties. Such documents might include but are not limited to the previous year's appraisal roll, vehicle listing services and private directories.

### **Identifying and updating relevant characteristics of each property in the appraisal records:**

Data identifying and updating relevant characteristics of the subject properties are collected as part of the inspection process through directories and listing services as well as through later submissions by the property owner, sometimes including confidential rendition. This data is verified through previously existing records and through public reports.

### **Defining market areas in the district:**

Market areas for industrial tangible personal property are generally either regional or national in scope. Published price sources are used to help define market areas.

### **Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics:**

Industrial personal property is appraised using replacement/reproduction cost new less depreciation models. Income approach models can be used when economic and/or subject property income is available, and a market data model can be used when appropriate market sales information is available.

### **Comparison and Review:**

The appraiser reconciles multiple models by considering the model that best addresses the individual characteristics of the subject property. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a senior appraiser also contributes to the review process.

# The Mass Appraisal Report by Tax Year

2014

## INTRODUCTION

### Scope of Work

The Lubbock Central Appraisal District has prepared and published this reappraisal plan and appraisal report to provide our property owners and any interested person or organization a comprehensive description of the district's responsibilities and activities required by law. This report has several parts: a general introduction and then, several sections describing the appraisal process of the appraisal district.

The Lubbock Central Appraisal District (CAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A five member Board of Directors, appointed by the taxing units within the boundaries of Lubbock County, constitutes the district's governing body. The chief appraiser, appointed by the Board of Directors, is the chief administrator of the appraisal district.

The appraisal district is responsible for local property tax appraisal and exemption administration for 22 jurisdictions or taxing units and five public improvement districts in the county. Each taxing unit, such as the county, a city, school district, hospital district, etc., sets 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. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's value. We also determine eligibility for various types of property tax exemptions and special use valuation such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation.

*Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1<sup>st</sup>. Under the tax code, "market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:*

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

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241

and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1<sup>st</sup> of the year proceeding the tax year to which the appraisal applies by filing an application requesting that the inventory be appraised as of September 1<sup>st</sup>.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal programs, and recognized appraisal methods and techniques, we compare that information with the data for similar properties, and with recent cost and market data. The district follows 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.

### **Personnel Resources**

The appraisal district is responsible for the valuation of all taxable real and personal property. The property types appraised include commercial, residential, business personal, mineral, utilities, and industrial. The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation. Support functions including records maintenance, information and assistance to property owners, and hearings are coordinated by personnel in support services.

The 2014 appraisal district budget funds 60 total positions. Of these 44 full time equivalent personnel units are allocated for statutory appraisal district responsibilities. The remaining 16 are utilized to fulfill the appraisal district's contractual obligation to the taxing units for tax collection services.

### **Staff Education and Training**

All personnel that are performing appraisal work are registered with the Texas Department of Licensing and Regulation and are required to take appraisal courses to achieve the status of Registered Professional Appraiser within five years of employment as an appraiser. After they have earned this license, they must receive additional training of a minimum of 30 hours of continuing education units every two years. Failure to meet these minimum standards results in the termination of the employee.

Additionally, all appraisal personnel receive extensive training in data gathering processes, data entry, field work and statistical analyses of all types of property to ensure equality and uniformity. On-the-job training is delivered by supervisory and other experienced appraisers for new appraisers. Supervisors meet with staff to introduce new procedures and monitor appraisal activity to ensure that standardized appraisal procedures are being followed.

### **Data**

The district is responsible for establishing and maintaining approximately 138,000 real and personal property accounts covering 893 square miles within Lubbock County and a few within adjoining counties. Portions of adjoining

counties are under over-lapping taxing jurisdictions and these properties are included within this number of property accounts. These over-lapping jurisdictions are Abernathy, Southland, Lorenzo Independent School Districts and the City of Abernathy. This data includes property characteristics, ownership, and exemption information. Property characteristic data on new construction is updated through an annual field effort; existing property data is maintained through a field review. Sales are routinely validated during a separate field effort; however, numerous sales are validated as part of the new construction field inspections. General trends in new construction cost and market data are acquired through various sources, including internally generated questionnaires to buyer and sellers, university research centers, and market data centers and vendors.

The district has a geographic information system (GIS) that maintains cadastral maps and various layers of data and aerial photography. The district's website makes a broad range of information available for public access, including information on the appraisal process, property characteristics data, certified values, protests and appeal procedures. Downloadable files of related tax information and district forms, including exemption applications and business personal property renditions are also available.

### **Information Systems**

The Information Technology Manager and the mapping department manage and maintain the district's data processing facility, software applications, website, and geographical information system. The district appraisal and collection software operates from a SQL server database running on a Dell PowerEdge R720. Documents are housed on a Dell Power Vault NX400 NAS. There are seven additional rack mounted Dell Power Edge R620 servers configured as domain controllers, a web server, a GIS server, application servers, and job servers. All of these servers are running versions of Windows Server 2008/2012. Tyler Technologies provides software services for appraisal and collections applications.

### **INDEPENDENT PERFORMANCE TEST**

According to Chapter 5 of the TPTC and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Assistance Division (PTAD) conducts an annual property value study (PVS) of each Texas school district and each appraisal district. As part of this annual study, the code requires the Comptroller to: use sales and recognized auditing and sampling techniques; review each appraisal district's appraisal methods, standards and procedures to determine whether the district used recognized standards and practices (MSP review); test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and, determine the level and uniformity of property tax appraisal in each appraisal district. The methodology used in the property value study includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analyses of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within

10% of the median, the percentage of properties within 25% of the median and price-related differential (PRD) for properties overall and by state category.

There are eight independent school districts in Lubbock CAD for which appraisal rolls are annually developed. The preliminary results of this study are released February 1 in the year following the year of appraisal. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) the following July of each year. This outside (third party) ratio study provides additional assistance to the CAD in determining areas of market activity or changing market conditions.

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## Appraisal Activities

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### INTRODUCTION

#### ***Appraisal Responsibilities***

The field appraisal staff is responsible for collecting and maintaining property characteristic data for classification, valuation, and other purposes. Accurate valuation of real and personal property by any method requires a comprehensive physical description of personal property, and land and building characteristics. This appraisal activity is responsible for administering, planning and coordinating all activities involving data collection and maintenance of all commercial, residential and personal property types located within the boundaries of Lubbock County and the other taxing units of Lubbock CAD. The data collection effort involves the field inspection of real and personal property accounts, as well as data entry of all data collected into the existing information system. The goal is to periodically field inspect residential, commercial, and personal properties in the district every three years. The determination of value for all property located in the district is reviewed and evaluated each year.

#### **Appraisal Resources**

- **Personnel** - The appraisal activities are conducted by 18 appraisers.
- **Data** - The data used by field appraisers includes the existing property characteristic information contained in CAMA (Computer Assisted Mass Appraisal System) from the district's computer system. The data is printed on a property record card or downloaded to a field device. Other data used includes maps, sales data, fire and damage reports, building permits, photos and actual cost and market information. Sources of information are gathered through reciprocal relationships with participants in the real estate market place. The district cultivates sources and gathers information from both buyers and sellers participating in the real estate market.

## **Appraisal Frequency and Method Summary**

- **Residential Property-** Residential property is physically examined at least once every three years with appraisers noting condition of the improvement and looking for changes that might have occurred to the property since the last on-site check. In some subdivisions where change of condition is frequent, homes are examined more frequently. Exterior pictures are taken of homes on a continuous basis. Every subdivision is statistically analyzed annually to ensure that sales that have occurred in the subdivision during the past 12 months are within a  $\pm 3\%$  range of appraised value. If the sales do not indicate that range, adjustments are made to the subdivision using a process outlined in detail in the Residential Appraisal section of this report.
- **Commercial Property-** Commercial and industrial real estate is observed at least every three years to verify class and condition. Pictures are taken of the improvements on a continuous basis. Real estate accounts are analyzed against sales of similar properties in Lubbock CAD as well as similar communities in West Texas that have similar economies. The income approach to value is also utilized to appraise commercial properties such as shopping centers, apartment complexes, office buildings, restaurants, motels and hotels, and other types of property that typically sell based on net operating income.
- **Business Personal Property-** Business personal property is observed at least once every three years with appraisers actually going into businesses to develop quality and density observations. A rendition is left for new businesses to complete. Similar businesses to a subject are analyzed annually to determine consistency of appraisal per square foot. Businesses are categorized using SIC codes. Rendition laws provide additional information on which to base values of all BPP accounts.
- **Minerals-** Working and royalty interests of producing oil and gas wells are appraised annually on a contractual basis by Capitol Appraisal Group (CAG). The most recent production data available from the Texas Railroad Commission is used by CAG to appraise these properties each year. Reserves are then valued based upon State mandated pricing using the previous year's average of oil or gas values. A discount is applied over the anticipated life of the well in order to consider the value of money over time to recover those reserves. Each producing lease is valued as a unit and then that value is divided according to the various owners of the lease listed in division orders.
- **Utilities and Pipelines-** Utility companies and pipelines are appraised annually by Capitol Appraisal Group using a unit value developed using all three approaches to value. For example, a utility company's total value in the State is estimated using cost, market, and income approaches to value and then the entire value is allocated using the components of that utility company that has situs in the various taxing units of Lubbock CAD. Components include such things as miles of transmission lines, miles of distribution lines, substations and the like for an electric utility.

## **PRELIMINARY ANALYSIS**

### **Data Collection/Validation**

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal). The information contained in CAMA includes site characteristics, such as land size and topography, and improvement data, such as square foot of living area, year built, quality of construction, and condition. Field appraisers are required to use a property classification system that establishes uniform procedures for the correct listing of real property. All properties are coded according to a classification system. The approaches to value are structured and calibrated based on this coding system and property description and characteristics. The field appraisers use property classification references during their initial training and as a guide in the field inspection of properties. Data collection for personal property involves maintaining information on software designed to record and appraise business personal property. The type of information contained in the BPP file includes personal property such as business inventory, furniture and fixtures, machinery and equipment, with details such as cost and location. The field appraisers conducting on-site inspections use a personal property classification system during their initial training and as a guide to correctly list all personal property that is taxable.

The listing procedure utilized by the field appraisers is available in the district offices. Appraisers periodically update the classification system.

### **Sources of Data**

The sources of data collection are through property inspection, new construction field effort, data review/re-list field effort, data mailer questionnaires, hearings, sales validation, commercial sales verification, newspapers and publications, and property owner correspondence by mail or via the Internet. A principal source of data comes from building permits received from taxing jurisdictions that require property owners to file a building permit. Permits are received in hard copy and loaded to our CAMA system. Area and regional real estate brokers and managers are sources of market and property information. Data surveys of property owners requesting market information and property description information is also valuable data. Soil surveys and agricultural surveys of farming and ranching property owners and industry professionals are helpful for productivity value calibration. The Texas Railroad Commission is the source for mineral production data and leasing information. Improvement cost information is gathered from local building contractors and Marshall and Swift Valuation Service. Various income and rental surveys are performed by interviewing property managers and operators to determine operating income and expenses for investment and income producing real property.

Data review of entire neighborhoods is generally a good source for data collection. Appraisers study entire neighborhoods to review the accuracy of our data and identify properties that have to be re-listed. The sales validation effort in real property pertains to the collection of market data for properties that have sold. Property owners are one of the best sources for identifying incorrect data that generates a field check. Frequently, the property owner provides reliable

data to allow correction of records without having to send an appraiser on-site. As the district has increased the amount of information available on the Internet, property owners have the opportunity to review information on their property and forward corrections via e-mail. For the property owner without access to the Internet, letters are sometimes submitted notifying the district of inaccurate data. Properties identified in this manner are added to a work file and inspected at the earliest opportunity. Accuracy and validity in property descriptions and characteristics data is the highest goal and is stressed throughout the appraisal process from year to year. Appraisal quality and validity relies on data accuracy as its foundation.

### **Data Collection Procedures**

The appraisers are assigned specific geographic areas throughout the district to conduct field inspections. Appraisers of real estate and business personal property conduct field inspections and record information on a field appraisal card or mobile field device which is returned to the office for entry. The quality of the data used is extremely important in determining market values of taxable property. While work performance standards are established and upheld for the various field activities, quality of data is emphasized as the goal and responsibility of each appraiser. New appraisers are trained in the specifics of data collection and the classification system set forth and recognized as “rules” to follow. Experienced appraisers are routinely re-trained in listing procedures prior to major field projects such as new construction, sales validation or data review. A quality assurance process exists through supervisory review of the work being performed by the field appraisers.

### **Data Maintenance**

The field appraiser is responsible for the data entry of his/her fieldwork into the computer file. This responsibility includes not only data entry, but also quality assurance. The majority of the data collected in the field is input by computer staff with supervision by the field appraiser. Data updates and file modification for property descriptions and input accuracy is conducted as the responsibility of the field appraiser and appraisal supervisors.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### **Field Review**

The date of last inspection and the CAD appraiser responsible are listed on the CAMA record or property card. If a property owner or taxing unit disputes the district’s records concerning this data during a hearing, via a telephone call or other correspondence received, the record may be corrected based on the evidence provided or an on-site inspection may be conducted. Typically, a field inspection is requested to verify this information for the current year’s valuation or for the next year’s valuation. Every year a field review of real property located in certain areas or neighborhoods in the jurisdiction is done during the data review effort. A field review is performed on all personal property accounts, with available situs, at least once every three years.

## **Office Review**

Office reviews are completed on properties where update information has been received from the owner of the property and is considered accurate and correct. A new resource for conducting office reviews is aerial photography that can measure and view a property from four angles. Property can be viewed as of January 1 of 2014 to verify information received from outside sources. Data mailers, sent in mass, or at the request of the property owner, frequently verify some property characteristics or current condition of the property. When the property data is verified in this manner, and considered accurate and correct, field inspections may not be required. The personal property section mails property rendition forms in December of each year to assist in the annual review of the property.

## **PERFORMANCE TEST**

The appraisers are responsible for conducting ratio studies and comparative analysis. Ratio studies are conducted on property located within certain neighborhoods or districts by appraisal staff. The sale ratio and comparative analysis of sale property to appraised property forms the basis for determining the level of appraisal and market influences and factors for the neighborhood. This information is the basis for updating property valuation for the area of property to be evaluated. Field appraisers, in many cases, may conduct field inspections to confirm the accuracy of the property descriptions at the time of sale for this study. This inspection is to ensure that the ratios produced are accurate for the property sold and that appraised values utilized in the study are based on accurate property data characteristics observed at the time of sale. Property inspections are also performed to discover if property characteristics had changed as of the sale date or subsequent to the sale date. Sale ratios should be based on the value of the property as of the date of sale not after a subsequent or substantial change was made to the property after the negotiation and agreement in price was concluded. Properly performed ratio studies are a good reflection of the level of appraisal for the district.

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# **Land Valuation Process**

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## **Introduction**

### **Scope of Responsibility**

The land appraisers are responsible for estimating equal and uniform market values for all types of land including but not limited to residential, multi-family, commercial, agricultural and industrial. There are approximately 14,000 vacant residential, multifamily, commercial and industrial properties and an estimated 7,700 parcels or 455,000 acres of farm land within the boundaries of Lubbock CAD.

## **Appraisal Resources**

**Personnel** – The land appraisal staff consists of 2 appraisers. The following appraisers are responsible for estimating the market and special use valuations on all types of vacant land.

**Don Beaudoin –**

**Senior Land Appraiser**

**Sharee Gardner –**

**Land Appraiser**

**Data** - An individualized set of data characteristics for each land parcel in this district is collected in the field and from outside sources; then entered into the CAMA system. The land characteristic data, such as location, view, slope, soil type, zoning, and various other influences are considered.

### **Land Analysis**

The value of the land component of the property is estimated based on available market sales of comparable and competing land, typically under similar usage. A comparison and analysis of comparable land sales is conducted based on a comparison of land characteristics found to influence the market price of land located in the neighborhoods. Specific land influences are considered, where necessary, and depending on neighborhood and individual lot or tract characteristics, to adjust parcels outside the neighborhood norm for such factors as access, view, shape, size, and topography.

### **Area Analysis**

Data on regional economic forces such as demographic patterns, regional location 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 PTAD approved classes.

Land is analyzed annually to compare appraised values with recent sales of land in the market area. If appraised values differ from sales prices being paid, adjustments are made. Factors are placed on individual properties based on corner influence, depth of site, shape of site, easements across site, and other factors that may influence value. The land is valued as though vacant at its highest and best use.

### **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 vacant land could change over time. This is due in part to the fact that land development, in many areas, through use of deed restrictions and zoning, precludes other land uses. Land valuation undertakes reassessment of highest and best use in transition areas and areas of mixed residential and commercial use. In transition areas, with ongoing changes, the appraiser reviews the existing property's use and makes a determination regarding highest and best use. As

an example, it may be determined in a transition area that older, non-remodeled homes are an economic detriment, and the highest and best use of such property is the construction of new dwellings. In areas of mixed residential and commercial use, the appraiser reviews properties in these areas to determine if changes in the real estate market require reassessment of the highest and best use of a select population of properties.

### **Sales Information**

A sales file for the storage of sales data at the time of sale is maintained for real property. Vacant 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 has been established to define salient facts related to a property's purchase or transfer and to help determine relevant market sale prices. Neighborhood sales reports are generated as an analysis tool for the appraiser in the development and estimation of market price ranges and property component value estimates.

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## **Residential Valuation Process**

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### **INTRODUCTION**

#### **Scope of Responsibility**

The residential appraisers are responsible for estimating equal and uniform market values for residential improved property. There are approximately 86,000 residential improved single and multiple family parcels within Lubbock CAD boundaries.

#### **Appraisal Resources**

**Personnel** - The residential appraisal staff consists of 8 appraisers. The following appraisers are responsible for estimating the market value of residential property:

<b>Kevin Van Deusen-</b>	<b>Real Property Coordinator</b>
<b>Amy Goble -</b>	<b>Senior Residential Appraiser</b>
<b>Sam Gonzales -</b>	<b>Residential Appraiser</b>
<b>Eletia Richardson -</b>	<b>Residential Appraiser</b>
<b>Brandi Natividad -</b>	<b>Residential Appraiser</b>
<b>Brooke Howard -</b>	<b>Residential Appraiser</b>
<b>Vacant -</b>	<b>Residential Appraiser</b>
<b>Vacant -</b>	<b>Residential Appraiser</b>

**Data** - An individualized set of data characteristics for each residential dwelling and multiple family units in this district are collected in the field and data entered to the computer. The property characteristic data drives the application of computer-assisted mass appraisal (CAMA) under the Cost, Market, and Income Approaches to property valuation.

## **VALUATION APPROACH**

### **Area Analysis**

Data on regional economic forces such as demographic patterns, regional location 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. This information provides the appraiser a basis for establishing the current economic outlook for the real estate market. Information is gleaned from real estate publications and sources such as continuing education in the form of IAAO and PTAD approved classes.

### **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 subsets of the universe of properties known as neighborhoods. Residential valuation and neighborhood analysis is conducted on various market areas within each of the political entities known as Independent School Districts (ISD). Analysis of comparable market sales forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area, neighborhood or district. Market sales indicate the effects of these market forces and are interpreted by the appraiser into an indication of market price ranges and indications of property component change considering a given time period relative to the date of appraisal. Cost and Market Approaches to estimate value are the basic techniques utilized to interpret these sales. For multiple family properties the Income Approach to value is also utilized to estimate an opinion of value for investment level residential property.

The first step in neighborhood 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. Geographic stratification accommodates the local supply and demand factors that vary across a jurisdiction. Once a neighborhood with similar characteristics has been identified, the next step is to define its boundaries. This process is known as "delineation". Some factors used in neighborhood delineation include location, sales price range, lot size, age of dwelling, quality of construction and condition of dwellings, square footage of living area, and story height. Delineation can involve the physical drawing of neighborhood boundary lines on a map, but it can also involve statistical separation or stratification based on attribute analysis. Part of neighborhood analysis is the consideration of discernible patterns of growth that influence a neighborhood's market. Few neighborhoods are fixed in character. Each

neighborhood may be characterized as being in a stage of growth, stability or decline. The growth period is a time of development and construction. As new neighborhoods in a community are developed, they compete with existing neighborhoods. An added supply of new homes tends to induce population shift from older homes to newer homes. In the period of stability, or equilibrium, the forces of supply and demand are about equal. Generally, in the stage of equilibrium, older neighborhoods can be more desirable due to their stability of residential character and proximity to the workplace and other community facilities. The period of decline reflects diminishing demand or desirability. During decline, general property use may change from residential to a mix of residential and commercial uses. Declining neighborhoods may also experience renewal, reorganization, rebuilding, or restoration, which promotes increased demand and economic desirability.

Neighborhood identification and delineation is the cornerstone of the residential valuation system at the district. All the residential analysis work done in association with the residential valuation process is neighborhood specific. Neighborhoods are field inspected and delineated based on observable aspects of homogeneity. Neighborhood delineation is periodically reviewed to determine if further neighborhood delineation is warranted. Whereas neighborhoods involve similar properties in the same location, a neighborhood group is simply defined as similar neighborhoods in similar locations. Each residential neighborhood is assigned to a neighborhood group based on observable aspects of homogeneity between neighborhoods. Neighborhood grouping is highly beneficial in cost-derived areas of limited or no sales, or use in direct sales comparison analysis. Neighborhood groups, or clustered neighborhoods, increase the available market data by linking comparable properties outside a given neighborhood. Sales ratio analysis, discussed below, is performed on a neighborhood basis, and in soft sale areas on a neighborhood group basis.

Currently there are 120 neighborhood groups that have been identified that cover the entire district with 607 neighborhoods within the neighborhood groups. The number of neighborhoods change each year depending on new sales information. Improvement or land modifiers within each neighborhood group or neighborhood are used to refine appraised values within each neighborhood group or neighborhood. Neighborhood groups are separated by different boundaries and within those boundaries neighborhoods are broken down in various ways such as: improvement class, age, subdivision boundaries or any group that has a common attributes that effect the value in that market area.

### **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. In transition areas with ongoing changes, the appraiser reviews the existing residential property use and makes a determination

regarding highest and best use. Once the conclusion is made that the highest and best use remains residential, further highest and best use analysis is done to decide the type of residential use on a neighborhood basis. As an example, it may be determined in a transition area that older, non-remodeled homes are an economic detriment, and the highest and best use of such property is the construction of new dwellings. In areas of mixed residential and commercial use, the appraiser reviews properties in these areas on a periodic basis to determine if changes in the real estate market require reassessment of the highest and best use of a select population of properties.

## **VALUATION AND STATISTICAL ANALYSIS (Model Calibration)**

### **Cost Schedules**

All residential parcels in the district are valued with a replacement cost estimated from identical cost schedules based on the improvement classification system using a comparative unit method. The district's residential cost schedules are estimated from Marshall and Swift, a nationally recognized cost estimator service. These cost estimates are compared with sales of new improvements and evaluated from year to year and indexed to reflect the local residential building and labor market. Costs may also be indexed for neighborhood factors and influences that affect the total replacement cost of the improvements in a smaller market area based on evidence taken from a sample of market sales.

Section 23.011 of the Property Tax Code requires a clearly stated reason for any variation between generally accepted cost data and locally produced cost data if the data vary by more than 10%. A review of the residential cost schedule is performed on a regular basis. As part of this review and evaluation process of the estimated replacement cost, newly constructed sold properties representing various levels of quality of construction in the district are considered. The property data characteristics of these properties are verified and reviewed. CAD replacement costs are compared against Marshall & Swift, a nationally recognized cost estimator, and the indicated replacement cost abstracted from these market sales of comparably improved structures. The results of this comparison are analyzed using statistical measures, including stratification by quality and reviewing of estimated building costs plus land to sales prices. As a result of this analysis, a new regional multiplier or economic index factor and indications of neighborhood economic factors are developed for use in the district's cost process. This new economic index is estimated and used to adjust the district's cost schedule to be in compliance with local building costs as reflected by the local market.

### **Sales Information**

A sales file for the storage of "snapshot" sales data at the time of sale is maintained for real property. Residential vacant land sales, along with commercial improved and vacant land sales are maintained in a sales information system. Residential improved and vacant 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 has been established to define salient facts related to a property's purchase or transfer and to help

determine relevant market sale prices. The effect of time as an influence on price was considered by paired comparison and applied in the ratio study to the sales as indicated within each neighborhood area. Neighborhood sales reports are generated as an analysis tool for the appraiser in the development and estimation of market price ranges and property component value estimates. Abstraction and allocation of property components based on sales of similar property is an important analysis tool to interpret market sales under the cost and market approaches to value. These analysis tools help determine and estimate the effects of change, with regard to price, as indicated by sale prices for similar property within the current market.

Monthly time adjustments are estimated based on comparative analysis using paired comparison of sold property. Sales of the same property were considered and analyzed for any indication of price change attributed to a time change or influence. Property characteristics, financing, and conditions of sale were compared for each property sold in the pairing of property to isolate only the time factor as an influence on price.

### **Statistical Analysis**

The residential valuation appraisers perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market. Ratio studies are conducted on each of the residential valuation neighborhoods in the district to judge the two primary aspects of mass appraisal accuracy--level and uniformity of value. Appraisal statistics of central tendency generated from sales ratios are evaluated and analyzed for each neighborhood. The level of appraised values is determined by the weighted mean ratio for sales of individual properties within a neighborhood, and a comparison of neighborhood weighted mean ratios reflect the general level of appraised value between comparable neighborhoods.

The appraiser, through the sales ratio analysis process, reviews every neighborhood annually. The first phase involves neighborhood ratio studies that compare the recent sales prices of neighborhood properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. The appraiser, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level in a neighborhood needs to be updated or whether the level of market value in a neighborhood is at an acceptable market value level.

### **Market and Cost Reconciliation and Valuation**

Neighborhood analysis of market sales to achieve an acceptable sale ratio or level of appraisal is also the reconciliation of the market and cost approaches to valuation. Market factors are developed from appraisal statistics provided from market analyses and ratio studies and are used to ensure that estimated values are consistent with the market and to reconcile cost indicators. The district's primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not particularly specified in a purely cost model.

The following equation denotes the basic model:

$$MV = LV + (RCN - AD)$$

MV = Market Value

LV = Land Value

RCN = Replacement Cost New of Improvements

AD = Accrued Depreciation

The following equation denotes the hybrid model used:

$$MV = [(IUNIT \times ISIZE) \times \%GOOD \times INAF] + [LUNIT \times LSIZE]$$

MV = Market Value

IUNIT = Replacement Cost New per square foot

ISIZE = Improvement square feet of living area

%GOOD = Percent good from normal depreciation table

INAF = Improvement neighborhood (market area) alignment factor

LUNIT = Land value per square foot, front foot or lot value

LSIZE = Land parcel square foot, front foot or lot value

As the cost approach separately estimates both land and building contributory values and uses depreciated replacement costs, which reflect only the supply side of the market, it is expected that adjustments to the cost values may be needed to bring the level of appraisal to an acceptable standard as indicated by market sales. Thus, demand side economic factors and influences may be observed and considered. These market, or location adjustments, may be abstracted and applied uniformly within neighborhoods to account for location variances between market areas or across a jurisdiction. Whereas, in accordance with the Market Approach, the estimated market value (MV) of the property equals the basic unit of property, under comparison, times the market price range per unit for sales of comparable property. For residential property, the unit of comparison is typically the price per square foot of living area or the price indicated for the improvement contribution. This analysis for the hybrid model is based on both the cost and market approaches as a correlation of indications of property valuation. A significant unknown for these two indications of value is determined to be the rate of change for the improvement contribution to total property value. The measure of change for this property component can best be reflected and based in the annualized accrued depreciation rate. This cost related factor is most appropriately measured by sales of similar property. The market approach, when improvements are abstracted from the sale price, indicates the depreciated value of the improvement component, in effect, measuring changes in accrued depreciation, a cost factor. The level of improvement contribution to the property is measured by abstraction of comparable market sales, which is the property sale price less land value. The primary unknown for the cost approach is to accurately measure accrued depreciation affecting the amount of loss attributed to the improvements as age increases and condition changes. This evaluation

of cost results in the depreciated value of the improvement component based on age and condition. The evaluation of this market and cost information is the basis of reconciliation and indication of property valuation under this hybrid model.

When the appraiser reviews a neighborhood, the appraiser reviews and evaluates a ratio study that compares recent sales prices of properties, appropriately adjusted for the effects of time, within a delineated neighborhood, with the value of the properties' based on the estimated depreciated replacement cost of improvements plus land value. The calculated ratio derived from the sum of the sold properties' estimated value divided by the sum of the time adjusted sales prices indicates the neighborhood level of appraisal based on sold properties. This ratio is compared to the acceptable appraisal ratio, 96% to 100%, to determine the level of appraisal for each neighborhood. If the level of appraisal for the neighborhood is outside the acceptable range of ratios, adjustments to the neighborhood are made.

If reappraisal of the neighborhood is indicated, the appraiser analyzes available market sales, appropriately adjusted for the apparent effects of time, by market abstraction of property components. This abstraction of property components allows the appraiser to focus on the rate of change for the improvement contribution to the property by providing a basis for calculating accrued depreciation attributed to the improvement component. This impact on value is usually the most significant factor affecting property value and the most important unknown to determine by market analysis. Abstraction of the improvement component from the adjusted sale price for a property indicates the effect of overall market suggested influences and factors on the price of improvements that were a part of this property, recently sold. Comparing this indicated price or value allocation for the improvement with the estimated replacement cost new of the improvement indicates any loss in value due to accrued forms of physical, functional, or economic obsolescence. This is a market driven measure of accrued depreciation and results in a true and relevant measure of improvement marketability, particularly when based on multiple sales that indicate the trending of this rate of change over certain classes of improvements within certain neighborhoods. Based on this market analysis, the appraiser estimates the annual rate of depreciation for given improvement descriptions considering age and observed condition. Once estimated, the appraiser recalculates the improvement value of all property within the sale sample to consider and review the effects on the neighborhood sale ratio. After an acceptable level of appraisal is achieved within the sale sample, the entire neighborhood of property is recalculated utilizing the indicated depreciation rates taken from market sales. This depreciation factor is the basis for trending all improvement values and when combined with any other site improvements and land value, brings the estimated property value through the cost approach closer to actual market prices as evidenced by recent sale prices available within a given neighborhood. Therefore, based on analysis of recent sales located within a given neighborhood, estimated property values will reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values. The estimated property values calculated for each update neighborhood are based on market indicated factors applied uniformly to all properties within a neighborhood. Finally, with all the market-trend factors applied, a final ratio

study is generated that compares recent sale prices with the proposed appraised values for these sold properties. From this set of ratio studies, the appraiser judges the appraisal level and uniformity in both update and non-update neighborhoods and verifies appraised values against overall trends as exhibited by the local market, and finally, for the school district as a whole.

### **Residential Homestead Property**

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 that 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.

Assessed values of capped properties must be recomputed annually. If a capped property sells, the cap automatically expires as of January 1<sup>st</sup> of the year following sale of the property and the property is appraised at its market value. A similar provision applies to new homes. While a developer owns them, unoccupied residences may be partially complete and appraised as part of an inventory. This valuation is estimated using the district's land value and the percentage of completion for the improvement contribution that usually is similar to the developer's construction costs as a basis of completion on the valuation date. However, in the year following changes in completion, occupancy, or sale, they are appraised at market value.

## **INDIVIDUAL VALUE REVIEW**

### **Field Review**

The appraiser identifies individual properties in critical need of field review through sales ratio analysis. Sold properties are field reviewed on a periodic basis to check for accuracy of data characteristics.

As the district's parcel count has increased through new home construction, and the homes constructed in the boom years of the late 70's and early 80's experience remodeling, the appraisers are required to perform the field activity associated with transitioning and high demand neighborhoods. Increased sales activity has also resulted in a more substantial field effort on the part of the appraisers to review and resolve sales outliers. Additionally, the appraiser frequently field reviews subjective data items such as quality of construction, condition, and physical, functional and economic obsolescence, factors contributing significantly to the market value of the property. After preliminary estimates of value have been determined in targeted areas, the appraiser takes valuation documents to the field to test the computer-assisted values against his own appraisal judgment. During this review, the appraiser is able to physically inspect both sold properties and unsold properties for comparability and consistency of values.

### **Office Review**

Once field review is completed, the appraiser conducts a routine valuation review of all properties as outlined in the discussion of ratio studies and market analysis. Valuation reports comparing previous values against proposed and final values are generated for all residential improved and vacant properties. The percentage of value difference are noted for each property within a delineated neighborhood allowing the appraiser to identify, research and resolve value anomalies before final appraised values are released. Previous values resulting from a hearing protest are individually reviewed to determine if the value remains appropriate for the current year.

## **PERFORMANCE TESTS**

### **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 that it produces meet the standards of accuracy in several ways. Overall sales ratios are generated for each neighborhood to allow the appraiser to review general market trends within their area of responsibility, and provide an indication of market change over a specified period of time.

### **Management Review**

Once the proposed value estimates are finalized, the appraiser reviews the sales ratios by neighborhood and presents pertinent valuation data, such as weighted sales ratio and pricing trends, to the appraisal supervisors for final review and approval. This review includes comparison of level of value between related neighborhoods within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values meet accuracy and equity requirements.

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## **Commercial and Industrial Property Valuation Process**

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### **INTRODUCTION**

#### **Appraisal Responsibility**

This mass appraisal assignment includes all of the commercially described real property which falls within the responsibility of the commercial valuation appraisers of the Lubbock Central Appraisal District and located within the boundaries of the district. Commercial appraisers appraise the fee simple interest of properties according to statute and court decisions. However, the effect of easements, restrictions, encumbrances, leases, contracts or special assessments are considered on an individual basis, as is the appraisal 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**

**Personnel** - The improved real property appraisal responsibilities are categorized according to major property types of multi-family or apartment, office, retail, warehouse and special use (i.e. hotels, hospitals and, nursing homes). The following appraisers are responsible for estimating the market value of commercial and industrial property:

**Ronald Rowe - Assistant Chief Appraiser**

**Kevin Vandusen - Real Property Coordinator**

**Gil Vining - Senior Commercial Appraiser**

**Brian Brandenberger - Commercial Appraiser**

**Vacant - Commercial Appraiser**

**Vacant - Commercial Appraiser**

#### **Capitol Appraisal Group - Independent Appraisal Firm**

**Data** - The data used by the commercial appraisers 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 appraisers includes actual income and expense data (typically obtained through the 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, market data publications are also reviewed to provide additional support for market trends.

### **PRELIMINARY ANALYSIS**

#### **Market Study**

Market studies are utilized to test new or existing procedures or valuation modifications in a limited sample of properties located in the district and are also considered and become the basis of updating whenever substantial changes in valuation are made. These studies target certain types of improved property to evaluate current market prices for rents and for sales of commercial and industrial real property. These comparable sale studies and ratio studies reveal whether the valuation system is producing accurate and reliable value estimates or whether procedural and economic modifications are required. The appraiser implements this methodology when developing cost approach, market approach, and income approach models.

Lubbock CAD coordinates its discovery and valuation activities with adjoining appraisal districts. Numerous field trips, interviews and data exchanges with adjacent appraisal districts have been conducted to ensure compliance with state statutes. In addition, Lubbock CAD administration and personnel interact with other assessment officials through professional trade organizations. The district's staff maintains appraisal skills and professionalism through continuing education in the form of courses that are offered by professional associations.

## **VALUATION APPROACH**

### **Area Analysis**

Area data on regional economic forces such as demographic patterns, regional location 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.

### **Neighborhood Analysis**

The neighborhood and market areas are comprised of the land area and commercially classed properties located within the boundaries of this appraisal jurisdiction. These areas consist of a wide variety of property types including multiple-family residential, commercial and industrial. Neighborhood and area analysis involves the examination of how physical, economic, governmental and social forces and other influences may affect property values within subgroups of property locations. The effects of these forces are also used to identify, classify, and organize comparable properties into smaller subsets of the universe of properties known as neighborhoods. In the mass appraisal of commercial and industrial properties these subsets of a universe of properties are generally referred to as market areas, neighborhoods, or economic areas.

Economic areas are defined by each of the improved property use types (apartment, office, retail, warehouse and special use) based upon an analysis of similar economic or market forces. These include but are not limited to similarities of rental rates, classification of projects (known as building class by area commercial market experts), date of construction, overall market activity or other pertinent influences. Economic area identification and delineation by each major property use type is the benchmark of the commercial valuation system. All income model valuation (income approach to value estimates) is economic area specific. Economic areas are periodically reviewed to determine if re-delineation is required. The geographic boundaries as well as income, occupancy and expense levels and capitalization rates by age within each economic area for all commercial use types and its corresponding income model have been estimated for these properties.

### **Highest and Best Use Analysis**

The highest and best use is the most reasonable and probable use that generates the highest net to land and present value of the real estate as of the date of valuation. The highest and best use of any given property must be physically possible, legally permissible, financially feasible, and maximally

productive. For improved properties, highest and best use is evaluated as improved and as if the site were still vacant. This perspective assists in determining if the existing improvements have a transitional use, interim use, nonconforming use, multiple uses, speculative use, has excess land, or a different optimum use if the site were vacant. For vacant tracts of land within this jurisdiction, the highest and best use is considered speculative based on the surrounding land uses. Improved properties reflect a wide variety of highest and best uses which include, but are not limited to: office, retail, apartment, warehouse, light industrial, special purpose, or interim uses. In many instances, the property's current use is the same as its highest and best use. This analysis ensures that an accurate estimate of market value (sometimes referred to as value in exchange) is derived.

On the other hand, value in use represents the value of a property to a specific user for a specific purpose. This perspective of value may be significantly different than market value, which approximates market price under the following assumptions: (i) no coercion of undue influence over the buyer or seller in an attempt to force the purchase or sale, (ii) well-informed buyers and sellers acting in their own best interests, (iii) a reasonable time for the transaction to take place, and (iv) payment in cash or its equivalent.

### **Market Analysis**

A market analysis relates directly to examining market forces affecting supply and demand. This study involves the relationships between social, economic, environmental, governmental, and site conditions. Current market activity including sales of commercial properties, new construction, new leases, lease rates, absorption rates, vacancies, allowable expenses (inclusive of replacement reserves), and expense ratio trends. Capitalization rate studies are analyzed to determine market ranges in price, operating costs and investment return expectations.

## **DATA COLLECTION / VALIDATION**

### **Data Collection Manuals**

Data collection and documentation for Commercial/Industrial property is continually updated, providing a uniform system of itemizing the multitude of components comprising improved properties. All properties located in Lubbock CAD's inventory are coded according to a specific classification system and the approaches to value are structured and calibrated based on this coding system.

Annually, after the sales of property have been researched, verified, keyed into the database, and quality control has been completed, the sales data is summarized and produced into list form. The confirmed sales reports, known as the Commercial Improved and Vacant Land sales listings categorize the sales by property and use type, and sort the data by location and chronological order.

### **Sources of Data**

In terms of commercial sales data, Lubbock CAD receives a copy of the deeds recorded in Lubbock and adjoining counties that convey commercially classed properties. These deeds involving a change in commercial ownership are

entered into the sales information system and researched in an attempt to obtain the pertinent sale information. Other sources of sale data include the protest hearings process and local, regional and national real estate and financial publications.

For those properties involved in a transfer of commercial ownership, a sale file is produced which begins the research and verification process. The initial step in sales verification involves a computer-generated questionnaire, which is mailed to both parties in the transaction (Grantor and Grantee). If a questionnaire is answered and returned, the documented responses are recorded into the computerized sales database system. If no information is provided, verification of many transactions is then attempted via phone calls to parties thought to be knowledgeable of the specifics of the sale. Other sources contacted are the brokers involved in the sale, property managers or commercial vendors. In other instances, sales verification is obtained from local appraisers or others that may have the desired information. Finally, closing statements are often provided during the hearings process. The actual closing statement is the most reliable and preferred method of sales verification.

## **VALUATION ANALYSIS**

Model calibration involves the process of periodically adjusting the mass appraisal formula, tables and schedules to reflect current local market conditions. Once the models have undergone the specification process, adjustments can be made to reflect new construction procedures, materials and/or costs, which can vary from year to year. The basic structure of a mass appraisal model can be valid over an extended period of time, with trending factors utilized for updating the data to the current market conditions. However, at some point, if the adjustment process becomes too involved, the model calibration technique can mandate new model specifications or a revised model structure.

### **Cost Schedules**

The cost approach to value is applied to improved real property utilizing the comparative unit method. This methodology involves the utilization of national cost data reporting services as well as actual cost information on local comparable properties whenever possible. Cost models are typically developed based on the Marshall Valuation Service which indicates estimated hard or direct costs of various improvement types. Cost models include the derivation of replacement cost new (RCN) of all improvements represented within the district. These include comparative base rates, per unit adjustments and lump sum adjustments for variations in property description, design, and types of improvement construction. This approach and analysis also employs the sales comparison approach in the evaluation of soft or indirect costs of construction. Evaluating market sales of newly developed improved property is an important part of understanding total replacement cost of improvements. What total costs may be involved in the development of the property, as well as any portion of cost attributed to entrepreneurial profit can only be revealed by market analysis of pricing acceptance levels. In addition, market related land valuation for the underlying land value is important in understanding and analyzing improved sales for all development costs and for the abstraction of improvement costs for

construction and development. Time and location modifiers are necessary to adjust cost data to reflect conditions in a specific market and changes in costs over a period of time. Because a national cost service is used as a basis for the cost models, location modifiers and estimates of soft cost factors are necessary to adjust these base costs specifically for various types of improvements located in Lubbock. Local modifiers are additional cost factors applied to replacement cost estimated by the national cost service. Estimated replacement cost new will reflect all costs of construction and development for various improvements located in Lubbock CAD as of the date of appraisal.

Accrued depreciation is the sum of all forms of loss affecting the contributory value of the improvements. It is the measured loss against replacement cost new taken from all forms of physical deterioration, functional and economic obsolescence. Accrued depreciation is estimated and developed based on losses typical for each property type at that specific age. Depreciation estimates have been implemented for what is typical of each major class of commercial property by economic life categories. Estimates of accrued depreciation have been calculated for improvements with a range of variable years expected life based on observed condition considering actual age. These estimates are continually tested to ensure they are reflective of current market conditions. The actual and effective ages of improvements are noted in CAMA. Effective age estimates are based on the utility of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the marketplace. Effective age estimates are considered and reflected based on levels or rankings of observed condition, given actual age.

Additional forms of depreciation such as external and/or functional obsolescence can be applied if observed. A depreciation calculation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings on the property data characteristics. These adjustments are typically applied to a specific condition adequacy or deficiency, property type or location and can be developed via ratio studies or other market analyses.

The result of estimating accrued depreciation and deducting that from the estimated replacement cost new of improvements indicates the estimated contributory value of the improvements. Adding the estimated land value, as if vacant, to the contributory value of the improvements indicates a property value by the cost approach. Given relevant cost estimates and market related measures of accrued depreciation, the indicated value of the property by the cost approach is a generally accepted valuation technique.

### **Income Models**

The income approach to value is applied to those real properties which are typically viewed by market participants as "income producing", and for which the income methodology is considered a leading value indicator. The first step in the income approach pertains to the estimation of market rent on a per unit basis. This is derived primarily from actual rent data furnished by property owners and from local market surveys conducted by the district and by information from area rent study reviews. This per unit rental rate multiplied by the number of units results in the estimate of potential gross rent.

A vacancy and collection loss allowance is the next item to consider in the income approach. The projected vacancy and collection loss allowance is established from actual data furnished by property owners and local market survey trends. This allowance accounts for periodic fluctuations in occupancy, both above and below an estimated stabilized level. This feature may also provide for a reasonable lease-up period for multi-tenant properties, where applicable. The market derived stabilized vacancy and collection loss allowance is subtracted from the potential gross rent estimate to yield an indication of estimated annual effective gross rent to the property.

Secondary income or service income is considered and, if applicable, calculated as a percentage of stabilized effective gross rent. Secondary income represents parking income, escalations, reimbursements, and other miscellaneous income generated by the operations of real property. The secondary income estimate is derived from actual data collected and available market information. The secondary income estimate is then added to effective gross rent to arrive at an effective gross income, when applicable.

Allowable expenses and expense ratio estimates are based on a study of the local market, with the assumption of prudent management. An allowance for non-recoverable expenses such as leasing costs and tenant improvements may be included in the expenses. A non-recoverable expense represents costs that the owner pays to lease rental space. Relevant expense ratios are developed for different types of commercial property based on use and market experience. For instance, retail properties are most frequently leased on a triple-net basis, whereby the tenant is responsible for all operating expenses, such as ad valorem taxes, insurance, and common area and property maintenance. In comparison, a general office building is most often leased on a base year expense stop. This lease type stipulates that the owner is responsible for all expenses incurred during the first year of the lease. As a result, expense ratios are implemented and estimated based on observed market experience in operating various types of commercial property.

Another form of allowable expense is the replacement of short-lived items (such as roof or floor coverings, air conditioning or major mechanical equipment or appliances) requiring expenditures of lump sum costs. When these capital expenditures are analyzed for consistency and adjusted, they may be applied on an annualized basis as stabilized expenses. When performed according to local market practices by commercial property type, these expenses when annualized are known as replacement reserves. For some types of property, typical management does not reflect expensing reserves and is dependent on local and industry practices.

Subtracting the allowable expenses (inclusive of non-recoverable expenses and replacement reserves when applicable) from the annual effective gross income yields an estimate of annual net operating income to the property.

Return rates and income multipliers are used to convert operating income expectations into an estimate of market value for the property under the income approach. These include income multipliers, overall capitalization rates, and discount rates. Each of these multipliers or return rates are considered and used in specific applications. Rates and multipliers may vary between property types, as well as by location, quality, condition, design, age, and other factors.

Therefore, application of the various rates and multipliers must be based on a thorough analysis of the market for individual income property types and uses. These procedures are supported and documented based on analysis of market sales for these property types.

Capitalization analysis is used in the income approach models to form an indication of value. This methodology involves the direct capitalization of net operating income as an indication of market value for a specific property. Capitalization rates applicable for direct capitalization method and yield rates for estimating terminal cap rates for discounted cash flow analysis are derived from the market. Sales of improved properties from which actual income and expense data are obtained provide a very good indication of property return expectations a specific market participant is requiring from an investment at a specific point in time. Although typically less reliable than the market method, overall capitalization rates can be derived and estimated from the built-up method (band-of-investment). This more subjective method relates to satisfying estimated market return requirements of both the debt and equity positions in a real estate investment. Information is obtained from available sales of property, local lending sources, and from real estate and financial publications.

Rent loss concessions are estimated for specific properties with vacancy problems. A rent loss concession accounts for the impact of lost rental income while the building is moving toward stabilized occupancy. The rent loss is calculated by multiplying the rental rate by the percent difference of the property's stabilized occupancy and its actual occupancy. Build out allowances (for first generation space or retrofit/second generation space as appropriate) and leasing expenses are added to the rent loss estimate. The total adjusted loss from these real property operations is discounted using an acceptable risk rate. The discounted value (inclusive of rent loss due to extraordinary vacancy, build out allowances and leasing commissions) becomes the rent loss concession and is deducted from the value indication of the property at stabilized occupancy. A variation of this technique allows a rent loss deduction to be estimated for every year that the property's actual occupancy is less than stabilized occupancy. Caution must be exercised in determining whether an adjustment is warranted. Management, operational and other factors not inherent in the fee simple value at highest and best use are not valid.

### **Sales Comparison (Market) Approach**

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized not only for estimating land value but also in comparing sales of similarly improved properties to parcels on the appraisal roll. As previously discussed in the Data Collection / Validation section of this report, pertinent data from actual sales of properties, both vacant and improved, is pursued throughout the year in order to obtain relevant information which can be used in all aspects of valuation. Sales of similarly improved properties can provide a basis for the depreciation schedules in the Cost Approach, rates and multipliers used in the Income Approach, and as a direct comparison in the Sales Comparison Approach. Improved sales are also used in ratio studies, which afford the appraiser an excellent means of judging the present level and uniformity of the appraised values.

## **Final Valuation Schedules**

Based on the market data analysis and review discussed previously in the cost, income and sales approaches, the cost and income models are calibrated and finalized. The calibration results are keyed to the schedules and models in the CAMA system for utilization on all commercial properties in the district. Market factors reflected within the cost and income approaches are evaluated and confirmed based on market sales of commercial and industrial properties. The appraisers review the cost, income, and sales comparison approaches to value for each of the types of properties with available sales information. The final valuation of a property is estimated based on reconciling these indications of value considering the weight of the market information available for evaluation and analysis in these approaches to value.

## **Statistical and Capitalization Analysis**

Statistical analysis of final values is an essential component of quality control. This methodology represents a comparison of the final value against the standard and provides a concise measurement of the appraisal performance. Statistical comparisons of many different standards are used including sales of similar properties, the previous year's appraised value, audit trails, value change analysis and sales ratio analysis.

Appraisal statistics of central tendency and dispersion generated from sales ratios are calculated for each property type with available sales data. These summary statistics including, but not limited to, the weighted mean, provide the appraisers an analytical tool by which to determine both the level and uniformity of appraised value of a particular property type. The level of appraised values can be determined by the weighted mean for individual properties within a specific type, and a comparison of weighted mean ratios can reflect the general level of appraised value.

The appraisers review every commercial property type annually through the sales ratio analysis process. The first phase involves ratio studies that compare the recent sales prices of properties to the appraised values of the sold properties. This set of ratio studies affords the appraiser a valid means of judging the present level of appraised value and uniformity of the appraised values. The appraiser, based on the sales ratio statistics and designated parameters for valuation update, makes a preliminary decision as to whether the value level of a particular property type needs to be updated or whether the level of market value is acceptable.

Potential gross rent estimates, occupancy levels, secondary income, allowable expenses (inclusive of non-recoverables and replacement reserves), net operating income and capitalization rates and multipliers are continuously reviewed. Income model estimates and conclusions are compared to actual information obtained on individual commercial and industrial income properties during the protest hearings process, as well as with information from published sources and area property managers and owners.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

## **Field Review**

The date of last inspection, extent of that inspection, and the Lubbock CAD appraiser responsible are listed in the CAMA system. If a property owner disputes the District's records concerning this data in a protest hearing, CAMA may be altered based on the credibility of the evidence provided. Normally, a new field check is then requested to verify this information for the current year's valuation or for the next year's valuation. In addition, if a building permit is filed for a particular property indicating a change in characteristics, that property is added to a work file for review

Commercial appraisers are somewhat limited in the time available to field review all commercial properties of a specific use type. However, a major effort is made by appraisers to field review as many properties as possible or economic areas experiencing large numbers of remodels, renovations, or retrofits, changes in occupancy levels or rental rates, new leasing activity, new construction, or wide variations in sale prices. The appraisers frequently field review subjective data items such as building class, quality of construction (known as cost modifiers), condition, and physical, functional and economic obsolescence factors. In some cases, field reviews are warranted when sharp changes in occupancy or rental rate levels occur between building classes or between economic areas. With preliminary estimates of value in these targeted areas, the appraisers test computer assisted values against their own appraisal judgment. While in the field, the appraisers physically inspect sold and unsold properties for comparability and consistency of values.

## **Office Review**

Office reviews are completed on properties subject to field inspections and are performed in compliance with the guidelines required by the existing classification system. Office reviews are typically limited by the available market data presented for final value analysis. These reviews summarize the pertinent data of each property as well as comparing the previous value to the proposed value conclusions of the various approaches to value. These evaluations and reviews show proposed value changes, income model attributes or overrides, economic factor (cost overrides) and special factors affecting the property valuation such as new construction status, and a three year sales history. The appraiser may review methodology for appropriateness to ascertain that it was completed in accordance with USPAP or more stringent statutory and district policies. This review is performed after preliminary ratio statistics have been applied. If the ratio statistics are generally acceptable overall, the review process is focused primarily on locating skewed results on an individual basis. Previous values resulting from protest hearings are individually reviewed to determine if the value remains appropriate for the current year based on market conditions.

Each parcel is subjected to the value parameters appropriate for its use type. Values are finished when the appraiser is satisfied with the level and uniformity of value for each commercial property within their area of responsibility.

## **PERFORMANCE TESTS**

The primary tool used to measure mass appraisal performance is the ratio

study. A ratio study compares appraised values to market prices. In a ratio study, market values (value in exchange) are typically represented with the range of sale prices, i.e. a sales ratio study. Independent, expert appraisals may also be used to represent market values in a ratio study, i.e. an appraisal ratio study. If there are not enough examples of market price to provide necessary representativeness, independent appraisals can be used as indicators of market value. This can be particularly useful for commercial or industrial real property for which sales are limited. In addition, appraisal ratio studies can be used for properties statutorily not appraised at market value, but reflect the use-value requirement. Examples of this are multi-family housing projects subject to subsidized rent provisions or other governmental guarantees as provided by constitutionally authorized legislative statutes (affordable housing), or agricultural lands to be appraised on the basis of productivity value.

Lubbock CAD has adopted the IAAO STANDARD ON RATIO STUDIES approved April 2013 regarding its ratio study standards and practices. Ratio studies generally have six basic steps: (1) determination of the purpose and objectives, (2) data collection and preparation, (3) comparing appraisal and market data, (4) stratification, (5) statistical analysis, and (6) evaluation and application of the results.

### **Sales Ratio Studies**

Sales ratio studies are an integral part of estimating equitable and accurate market values, and ultimately property assessments for these taxing jurisdictions. The primary uses of sales ratio studies include the determination of a need for general reappraisal; prioritizing selected groups of property types for reappraisal; identification of potential problems with appraisal procedures; assist in market analyses; and, to calibrate models used to estimate appraised values during valuation or reappraisal. However, these studies cannot be used to judge the accuracy of an individual property appraised value. The Lubbock County Appraisal Review Board may make individual value adjustments based on unequal appraisal (ratio) protest evidence submitted on a case-by-case basis during the hearing process.

Sales ratios are generated by use type semi-annually (or more often in specific areas) to allow appraisers to review general market trends in their area of responsibility and for the Property Value Study from the Property Tax Division of the Comptroller's Office. The appraisers utilize desktop applications such as MARSHALL & SWIFT and EXCEL programs to evaluate subsets of data by economic area or a specific and unique data item. On the desktop, this may be customized and performed by building class and age basis. In many cases, field checks may be conducted to insure the ratios produced are accurate and the appraised values utilized are based on accurate property data characteristics. These ratio studies aid the appraisers by providing an indication of market activity by economic area or changing market conditions (appreciation or depreciation).

### **Comparative Appraisal Analysis**

The commercial appraiser performs an average unit value comparison in addition to a traditional ratio study. These studies are performed on commercially classed properties by property use type (such as apartment,

office, retail and warehouse usage or special use). The objective to this evaluation is to determine appraisal performance of sold and unsold properties. Appraiser's average unit prices of sales and average unit appraised values of the same parcels and the comparison of average value changes of sold and unsold properties. These studies are conducted on substrata such as building class and on properties located within various economic areas. In this way, overall appraisal performance is evaluated geographically, by specific property type to discern whether sold parcels have been selectively appraised. When sold parcels and unsold parcels are appraised equally, the average unit values are similar. These sales and equity studies are performed prior to finalizing appraised values.

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## **Business Personal Property Valuation Process**

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### **INTRODUCTION**

#### **Appraisal Responsibility**

There are four different personal property types appraised by the district's personal property section: Business Personal Property accounts; leased assets; vehicles and aircraft; and multi-location assets.

Personnel - The personal property staff consists of 5 appraisers

<b>George Izzard -</b>	<b>Personal Property Coordinator</b>
<b>Janie Gonzales -</b>	<b>Personal Property Appraiser</b>
<b>Danny Bingham -</b>	<b>Personal Property Appraiser</b>
<b>Jim Hammock -</b>	<b>Personal Property Appraiser</b>
<b>Elaina Rosa -</b>	<b>Personal Property Appraiser</b>

**Data** - A common set of data characteristics for each personal property account in Lubbock CAD is collected in the field and data entered using a field appraisal card. The personal property appraisers collect the field data and maintain electronic property files making updates and changes gathered from field inspections, newspapers, property renditions, sales tax permit listings and interviews with property owners.

### **VALUATION APPROACH**

#### **SIC Code Analysis**

Business personal property is classified and utilize four digit numeric codes, called Standard Industrial Classification (SIC) codes, that were developed by the federal government to describe property. These classifications are used by Lubbock CAD to classify personal property by business type.

SIC code identification and delineation is the cornerstone of the personal property valuation system at the district. All of the personal property analysis work done in association with the personal property valuation process is SIC code specific. SIC codes are delineated based on observable aspects of homogeneity and business use.

### **Highest and Best Use Analysis**

The highest and best use of property is the reasonable and probable use that supports the greatest income and 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 discovery 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 is obtained largely through field data collection and renditions filed by property owners. From year to year, revaluation activities permit district appraisers to collect new data via an annual field inspection. This project results in the discovery of new businesses, changes in ownership, relocation of businesses, and closures of businesses not revealed through other sources. Local publications, such as newspapers, and the public often provide the district information regarding new personal property and other useful facts related to property valuation.

#### Vehicles

An outside vendor provides Lubbock CAD with a listing of vehicles within the jurisdiction. The vendor develops this listing from the Texas Department of Transportation (TX 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. Another source of data is the field inspection process previously described for other personal property types.

## **VALUATION AND STATISTICAL ANALYSIS**

### **Cost Schedules**

Cost schedules are developed based on the SIC code by the Property Tax Division of the Comptroller's Office and 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 expressed as a price per unit.

### **Statistical Analysis**

Summary statistics including, but not limited to, the median, weighted mean, and standard deviation provide the appraisers analytical tools 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

Lubbock CAD's primary approach to the valuation of business personal property is the cost approach. The replacement cost new (RCN) is either developed from property owner reported historical cost or from CAD developed valuation models. The percent good depreciation factors used by Lubbock CAD are also based on published valuation guides.

### **Computer Assisted Personal Property Appraisal**

The valuation process has two main objectives: 1) Analyze and adjust estimated asset cost with existing SIC models. 2) Develop new models for business classifications not previously integrated into appraisal software. The delineated sample is reviewed for accuracy of SIC code, square footage, field data, and original cost information. Models are created and refined using actual original cost data to derive a typical replacement cost new (RCN) per square foot for a specific category of assets. The RCN per square foot is depreciated by the estimated age using the depreciation table adopted for the tax year.

Personal Property tables are used in the business personal property valuation program to estimate the value of new accounts for which no property owner's rendition is filed. Table values are also used for testing the valuation of property for which prior data years' data exist or for which current year rendered information is available. The calculated current year value or the prior year's value is compared to the table value. If the value being tested is within an acceptable range of the model value, the account passes that range check and moves to the next valuation step. If the account fails the test, it is flagged for individual review. Allowable ranges may be adjusted from year to year depending on the analysis of the results of the prior year.

#### Vehicles

Value estimates for vehicles are provided by an outside vendor and are based on Red Book published book values. There are also considerations available for mileage adjustments. Vehicles that are not valued by the vendor are valued by an appraiser using published guides.

#### 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 Red Book 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

Property owner renditions, accounts with field or other data changes, accounts with prior hearings, new accounts, and SIC code cost table changes are all reviewed. The accounts are compared to appraised values of the prior year and current year model values. The appraisers review accounts as necessary for changes.

## **PERFORMANCE TESTS**

### **Ratio Studies**

Each 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 Lubbock CAD's personal property values and ratios are indicated.

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## **Minerals (Oil and Gas Reserves) Valuation Process**

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### **INTRODUCTION**

#### **Appraisal Responsibility**

Minerals-in-place (oil and gas reserves) are real property. Appraisal of minerals, oil and gas reserves, is based on estimating the present value of the economically recoverable reserves of oil and gas. Mineral rights are property rights and may be separable property interests from the land surface property rights. Minerals being produced are a tangible asset and are appraised for ad valorem taxation. The valuation of minerals-in-place is based on estimating the discounted net present value of the oil and gas production over the economic life of the well(s). Basically, this method of valuation is an income approach using discounted cash flow analysis methodology. Oil and Gas Properties are also marketed based on proven reserves and the unit of comparison in this market is considered in barrels of oil or in cubic feet of natural gas. The market approach is based on sales of property based on barrels of proven reserves.

Mineral interests are commonly divided into property interests known as working interests and royalty interests. The valuation of this property begins with the valuation of the mineral lease and is divided into the property interests according to division orders for each lease.

Capitol Appraisal Group is an independent valuation firm that appraises all mineral properties within the boundaries of Lubbock CAD.

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## Utility Property Valuation Process

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### INTRODUCTION

#### **Appraisal Responsibility**

Utility properties are the tangible assets of various businesses including electric production, transmission, and distribution companies, railroads, petroleum product gathering and delivery pipelines, telephone and communication providers and others. The valuation of these properties is considered to be complex due to the involvement of both tangible and intangible property elements that comprise these businesses and due to the size of some of the utilities that are regional and national companies. The appraisal of these companies becomes complex when considering the valuation of the property as a unit in place, evaluating the property by the approaches to value at the company level. Once the estimated value of the unit is determined, it is allocated based on the tangible property assets that are located within Lubbock CAD.

Lubbock CAD contracts with Capitol Appraisal Group for the valuation of utility properties.

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#### **LIMITING CONDITIONS**

The appraised value estimates provided by the district are subject to the following conditions:

1. The appraisals were prepared exclusively for ad valorem tax purposes.
2. The property characteristic data upon which the appraisals are based is assumed to be correct. Exterior inspections of the property appraised were performed as staff resources and time allowed. Some interior inspections of property appraised were performed at the request of the property owner and required by the district for clarification purposes and to correct property descriptions.
3. Validation of sales transactions was attempted through questionnaires to buyer and seller, telephone survey and field review. In the absence of such confirmation, residential sales data obtained from vendors was considered reliable.
4. I have attached a list of staff providing significant mass appraisal assistance to the person signing this certification.

**Certification Statement:**

"I, Tim Radloff, Chief Appraiser/Administrator for the Lubbock Central Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by law."



Tim Radloff

Chief Appraiser/Administrator



Ronald Rowe

Assistant Chief Appraiser

**Compliant with STANDARD RULE 6 - 8 of USPAP**

**Signed Certification by the Chief Appraiser as required by  
STANDARD RULE 6 - 9 of USPAP**

**APPENDIX A**  
**2014 ADOPTED BUDGET**  
**2015 ADOPTED BUDGET**

**LUBBOCK CENTRAL APPRAISAL DISTRICT**



*2014 ADOPTED BUDGET*

**LUBBOCK CENTRAL APPRAISAL DISTRICT**

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LUBBOCK CENTRAL APPRAISAL DISTRICT  
2014 ADOPTED BUDGET SUMMARY

August 21, 2013

CATEGORY: Line Item Description:	APPRAISAL DIVISION			COLLECTIONS DIVISION			COMBINED BUDGETS		
	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE
SALARIES AND WAGES	1,691,790	1,704,600	12,810	582,290	596,170	13,880	2,274,080	2,300,770	26,690
EMPLOYEE BENEFITS	582,473	619,293	36,820	205,552	223,242	17,690	788,025	842,535	54,510
MEDICARE, WORK COMP & UNEMP.	39,350	41,540	2,190	11,390	12,290	900	50,740	53,830	3,090
INFORMATION TECHNOLOGY	194,660	218,010	23,350	88,535	85,255	-3,280	283,195	303,265	20,070
OFFICE SUPPLIES	108,700	106,360	-2,340	125,035	123,070	-1,965	233,735	229,430	-4,305
TRANSPORTATION	67,385	70,685	3,300	790	790	0	68,175	71,475	3,300
EDUCATION, TRAIN. & CERT.	85,412	89,007	3,595	19,144	19,275	131	104,556	108,282	3,726
OCCUPANCY	131,234	132,707	1,473	53,657	53,781	125	184,890	186,488	1,598
OFFICE EQUIPMENT	28,800	29,645	845	12,150	12,965	815	40,950	42,610	1,660
PROFESSIONAL SERVICES	283,323	399,026	115,704	32,245	32,735	490	315,568	431,761	116,193
TOTAL: Before capital purchases requests, facility note, and committed/obligated funds	3,213,126	3,410,872	197,746	1,130,788	1,159,573	28,786	4,343,914	4,570,446	226,532
6.051 Facility Note	226,910	226,910	0	N/A	N/A	0	226,910	226,910	0
TOTAL: Excluding committed/obligated funds % CHANGE 2013 vs. 2014	3,440,036	3,637,782	197,746	1,130,788	1,159,573	28,786	4,570,823	4,797,355	226,532
			5.75%			2.55%			4.96%
<b>EXPENDITURES TO BE PAID FROM COMMITTED/OBLIGATED FUNDS</b>									
Information Technology: Capital Purchases	50,670	231,580	180,910	11,430	2,820	-8,610	62,100	234,400	172,300
Building: Capital Improvements	23,500	23,500	0	N/A	N/A	0	23,500	23,500	0
Office Equipment & Autos: Capital Purchases	52,950	49,500	-3,450	0	0	0	52,950	49,500	-3,450
<b>COMMITTED/OBLIGATED FUNDS</b>									
CONTINGENCIES	160,656	170,544	9,888	33,924	34,787	863	194,580	205,331	10,751
TECHNOLOGY	382,463	339,182	-43,281	117,767	95,494	-22,273	500,230	434,676	-65,554
PROPERTY TAX CODE 6.051	652,328	652,122	-206	N/A	N/A	0	652,328	652,122	-206
UNFUNDED TCDRS LIABILITY	525,664	441,032	-84,632	214,708	175,915	-38,793	740,372	616,947	-123,425
GASB CAPITAL ASSET DEPRECIATION	364,659	296,429	-68,230	63,058	42,701	-20,357	427,717	339,130	-88,587
SICK LEAVE LIABILITY	134,434	139,733	5,299	60,019	65,971	5,952	194,453	205,704	11,251
TOTAL COMMITTED/OBLIGATED FUNDS	2,220,204	2,039,043	-181,161	489,476	414,867	-74,609	2,709,680	2,453,910	-255,770

ADOPTED 2014 BUDGET ALLOCATION		ADOPTED 2014 BUDGET ALLOCATION		COLLECTIONS COMBINED	
Total	\$ 3,637,782	Total	\$ 1,159,573	Total	\$ 4,797,355
less: Collections rent	45,000	less: Misc. revenues	26,000	less: Misc. revenues	45,000
less: Misc. revenues	25,000	less: Investment revenues	5,000	less: Investment revenues	51,000
less: Investment revenues	12,000				17,000
<b>ADOPTED AMOUNT TO BE ALLOCATED</b>	<b>\$ 3,555,782</b>	<b>ADOPTED AMOUNT TO BE ALLOCATED</b>	<b>\$ 1,128,573</b>	<b>ADOPTED AMOUNT TO BE ALLOCATED</b>	<b>\$ 4,684,355</b>
2013 Allocation	3,358,036	2013 Allocation	1,099,788	2013 Allocation	4,457,824
Percent change 2013 vs. 2014	5.89%	Percent change 2013 vs. 2014	2.62%	Percent change 2013 vs. 2014	5.08%
\$ Change 2013 vs. 2014	\$ 197,746	\$ Change 2013 vs. 2014	\$ 28,785	\$ Change 2013 vs. 2014	\$ 226,531

LUBBOCK CENTRAL APPRAISAL DISTRICT  
SCHEDULE OF POSITIONS, COMPENSATION AND BENEFITS

POSITION	2014				TEXAS			TEXAS			BUDGET ALLOCATION	
	SALARY	INSURANCE	WORKMAN'S COMP	UNEMPLOYMENT INSURANCE	RETIREMENT	APPR %	COLL %					
CHIEF APPRAISER/ADMINISTRATOR	119,600.00	8,720.27	574.08	225.00	23,687.87	70%	30%					
ASSISTANT CHIEF ADMINISTRATOR	97,300.00	8,579.34	467.04	225.00	16,103.15	20%	80%					
ASSISTANT CHIEF APPRAISER	97,300.00	8,579.34	1,148.14	225.00	16,103.15	100%	0%					
DIRECTOR OF APPRAISAL	77,250.00	8,452.62	911.55	225.00	12,784.88	100%	0%					
COLLECTIONS/INFORMATION SERV MANAGER	69,193.34	8,401.70	332.13	225.00	11,451.50	50%	50%					
INFORMATION TECHNOLOGY MANAGER	77,250.00	8,452.62	370.80	225.00	12,784.88	50%	50%					
REAL PROPERTY APPRAISAL COORDINATOR	59,740.00	8,341.96	704.93	225.00	9,886.97	100%	0%					
COLLECTIONS COORDINATOR	62,559.12	8,359.77	300.28	225.00	10,353.53	0%	100%					
FISCAL/HR COORDINATOR	55,000.00	8,312.00	264.00	225.00	9,102.50	50%	50%					
GIS COORDINATOR	62,789.83	8,361.23	301.39	225.00	10,391.72	100%	0%					
INFORMATION SERVICES COORDINATOR	65,897.34	8,380.87	316.31	225.00	10,906.01	50%	50%					
PERSONAL PROPERTY COORDINATOR	53,560.00	8,302.90	632.01	225.00	8,864.18	100%	0%					
INFORMATION TECHNOLOGY TECHNICIAN	30,079.30	8,154.50	144.38	225.00	4,978.12	70%	30%					
FACILITY MAINTENANCE TECHNICIAN	32,543.06	8,170.07	1,972.11	225.00	5,385.88	80%	20%					
ADMINISTRATIVE ASSISTANT	30,269.64	8,155.70	145.29	225.00	5,009.63	50%	50%					
AGENCY ACCOUNTANT	32,445.00	8,169.45	155.74	225.00	5,369.65	0%	100%					
AGENCY BOOKKEEPING TECHNICIAN	30,186.42	8,155.18	144.89	225.00	4,995.85	0%	100%					
COLLECTIONS TECHNICIAN	23,823.49	8,114.96	114.35	225.00	3,942.79	0%	100%					
CUSTOMER SERVICE TECHNICIAN (3)	67,032.16	24,316.84	321.75	675.00	11,093.82	0%	100%					
TAX CERTIFICATE TECHNICIAN	33,957.04	8,179.01	162.99	225.00	5,619.89	0%	100%					
SPECIAL INVENTORY/MORTGAGE TECHNICIAN	20,352.80	8,093.03	97.69	225.00	3,368.39	0%	100%					
APPRAISERS (19)	740,184.78	156,001.57	8,734.18	4,275.00	122,500.58	100%	0%					
MODELER	49,955.00	8,280.12	589.47	225.00	8,267.55	100%	0%					
APPRAISAL SECRETARY	31,292.43	8,162.17	150.20	225.00	5,178.90	100%	0%					
APPRAISAL TECHNICIAN	28,408.43	8,143.94	136.36	225.00	4,701.60	100%	0%					
INFORMATION TECHNICIANS (DATA) 5	137,477.81	40,690.86	659.89	1,125.00	22,752.58	50%	50%					
INFORMATION TECHNICIANS (RECORDS) 5	127,182.55	40,625.79	610.48	1,125.00	21,048.71	100%	0%					
INFORMATION TECHNICIANS (RECORDS) 1	20,352.80	8,093.03	97.69	225.00	3,368.39	60%	40%					
GIS ANALYST	41,010.48	8,223.59	196.85	225.00	6,787.23	100%	0%					
MAP/DEED SPECIALISTS (2)	50,882.00	16,250.37	244.23	450.00	8,420.97	100%	0%					
GIS TECHNICIAN	35,820.93	8,190.79	171.94	225.00	5,928.36	100%	0%					

Appraisal Collections  
44.00  
16.00

**LUBBOCK CENTRAL APPRAISAL DISTRICT  
2014 ADOPTED CAPITAL EXPENDITURES FROM  
COMMITTED/OBLIGATED FUNDS**

<b>1. INFORMATION TECHNOLOGY</b>	<b>Total</b>	<b>Appraisal</b>	<b>Collections</b>
PC's (8)	8,000	5,600	2,400
Canon Desktop Scanners (2)	1,400	980	420
Curbside Imagery/Sketch Verification	150,000	150,000	
Mobile Office	60,000	60,000	
Field Devices	15,000	15,000	
<b>2. BUILDING: CAPITAL IMPROVEMENTS</b>			
General Building Improvements	23,500	23,500	
<b>3. OFFICE EQUIPMENT &amp; AUTOS: CAPITAL PURCHASES</b>			
Autos (3)	49,500	49,500	
<b>4. SUMMARY OF CATEGORY REQUESTS</b>			
Information Technology	234,400	231,580	2,820
Building: Capital Improvements	23,500	23,500	
Office Equipment & Autos: Capital Purchases	49,500	49,500	
<b>TOTAL 2014 ADOPTED CAPITAL EXPENDITURES</b>	<b>307,400</b>	<b>304,580</b>	<b>2,820</b>
Charge to:			
(1) - Capital Asset Depreciation	247,400	244,580	2,820
(2) - Technology	60,000	60,000	0
	<u>307,400</u>	<u>304,580</u>	<u>2,820</u>

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2014 ADOPTED BUDGET DETAIL

August 21, 2013

CATEGORY: Line Item Description:	APPRAISAL DIVISION		COLLECTIONS DIVISION		COMBINED BUDGETS		
	2013 BUDGET	2014 BUDGET	2013 BUDGET	2014 BUDGET	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE
<b>SALARIES and WAGES:</b>							
Salaries/Wages	1,671,210	1,692,100	563,010	584,170	2,234,220	2,276,270	42,050
Overtime	9,000	5,000	9,500	7,000	18,500	12,000	-6,500
Temporary Help	11,580	7,500	9,780	5,000	21,360	12,500	-8,860
<b>TOTAL: SALARIES and WAGES</b>	<b>1,691,790</b>	<b>1,704,600</b>	<b>582,290</b>	<b>596,170</b>	<b>2,274,080</b>	<b>2,300,770</b>	<b>26,690</b>
<b>EMPLOYEE BENEFITS:</b>							
Group Health Insurance	319,390	327,680	115,890	121,610	435,280	449,290	14,010
Disability Insurance	5,350	5,410	1,800	1,870	7,150	7,280	130
Retirement	254,910	283,400	86,860	98,740	341,770	382,140	40,370
Employee Recognition	2,823	2,803	1,002	1,022	3,825	3,825	0
<b>TOTAL: EMPLOYEE BENEFITS</b>	<b>582,473</b>	<b>619,293</b>	<b>205,552</b>	<b>223,242</b>	<b>788,025</b>	<b>842,535</b>	<b>54,510</b>
<b>MEDICARE, WORK COMP &amp; UNEMPLOYMENT:</b>							
Medicare	20,470	21,430	6,540	6,800	27,010	28,230	1,220
Worker's Compensation	11,430	11,000	2,140	2,110	13,570	13,110	-460
State Unemployment Insurance	7,450	9,110	2,710	3,380	10,160	12,490	2,330
<b>TOTAL: M'WARE, W. COMP &amp; UNEMPL.</b>	<b>39,350</b>	<b>41,540</b>	<b>11,390</b>	<b>12,290</b>	<b>50,740</b>	<b>53,830</b>	<b>3,090</b>
<b>INFORMATION TECHNOLOGY:</b>							
Stock Computer Paper	2,020	2,410	2,160	2,260	4,180	4,670	490
Offset Printing	11,240	11,840	11,030	11,350	22,270	23,190	920
Printer Toner/Ink	5,070	5,070	5,070	5,070	10,140	10,140	0
Repairs/Miscellaneous Supplies	2,175	2,175	675	675	2,850	2,850	0
Hardware & Software Maintenance	157,050	172,380	67,600	63,900	224,650	236,280	11,630
Personal Computer Hardware & Software	17,105	24,135	2,000	2,000	19,105	26,135	7,030
Consulting Fees	0	0	0	0	0	0	0
<b>TOTAL: INFORMATION TECHNOLOGY</b>	<b>194,660</b>	<b>218,010</b>	<b>88,535</b>	<b>85,255</b>	<b>283,195</b>	<b>303,265</b>	<b>20,070</b>
<b>OFFICE SUPPLIES:</b>							
Stationery/Office Supplies	11,970	12,400	17,500	17,880	29,470	30,280	810
Photocopy Supplies	3,940	3,940	3,940	3,940	7,880	7,880	0
Forms and Printed Matter	6,130	4,000	6,540	5,000	12,670	9,000	-3,670
Document Storage/Microfilm Related	1,750	1,850	3,325	3,530	5,075	5,380	305
Postage and Freight	64,860	64,860	84,970	84,970	149,830	149,830	0
Ads/Publications	8,100	8,600	6,200	6,200	14,300	14,800	500
Books and Subscriptions	11,950	10,710	2,560	1,550	14,510	12,260	-2,250
<b>TOTAL: OFFICE SUPPLIES</b>	<b>108,700</b>	<b>106,360</b>	<b>125,035</b>	<b>123,070</b>	<b>233,735</b>	<b>229,430</b>	<b>-4,305</b>

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2014 ADOPTED BUDGET DETAIL

August 21, 2013

CATEGORY: Line Item Description:	APPRAISAL DIVISION		COLLECTIONS DIVISION		COMBINED BUDGETS		13 vs 14 \$ CHANGE	2014 BUDGET	13 vs 14 \$ CHANGE	2014 BUDGET	13 vs 14 \$ CHANGE
	2013 BUDGET	2014 BUDGET	2013 BUDGET	2014 BUDGET	2013 BUDGET	2014 BUDGET					
<b>TRANSPORTATION:</b>											
Automobile Maintenance	11,865	11,865	0	0	0	0	0	11,865	0	11,865	0
Automobile Parking	500	500	0	100	100	0	0	600	0	600	0
Automobile Insurance	33,930	37,230	3,300	0	0	0	0	33,930	0	37,230	3,300
Automobile Fuel/Mileage Reimbursement	21,090	21,090	0	690	690	0	0	21,780	0	21,780	0
<b>TOTAL: TRANSPORTATION</b>	<b>67,385</b>	<b>70,685</b>	<b>3,300</b>	<b>790</b>	<b>790</b>	<b>0</b>	<b>0</b>	<b>68,175</b>	<b>0</b>	<b>71,475</b>	<b>3,300</b>
<b>EDUCATION, TRAINING, CERTIFICATION:</b>											
Registration Fees	34,297	32,714	-1,583	6,012	6,012	0	0	40,309	0	38,726	-1,583
Transportation	21,812	23,836	2,024	5,968	6,064	96	96	27,780	96	29,900	2,120
Lodging	21,509	23,927	2,418	5,019	5,054	35	35	26,528	35	28,981	2,453
Meals	6,544	7,280	736	1,520	1,520	0	0	8,064	0	8,800	736
Tuition Reimbursement	1,250	1,250	0	625	625	0	0	1,875	0	1,875	0
<b>TOTAL: EDUCATION, TRAIN. &amp; CERT.</b>	<b>85,412</b>	<b>89,007</b>	<b>3,595</b>	<b>19,144</b>	<b>19,275</b>	<b>131</b>	<b>131</b>	<b>104,556</b>	<b>131</b>	<b>108,282</b>	<b>3,726</b>
<b>OCCUPANCY:</b>											
Building Rent	0	0	0	45,000	45,000	0	0	45,000	0	45,000	0
Building Repair & Maintenance	12,275	12,275	0	0	0	0	0	12,275	0	12,275	0
Janitorial Services	25,400	25,400	0	0	0	0	0	25,400	0	25,400	0
Gas	4,500	4,500	0	0	0	0	0	4,500	0	4,500	0
Electricity	25,000	27,500	2,500	0	0	0	0	25,000	0	27,500	2,500
Water	5,500	6,050	550	0	0	0	0	5,500	0	6,050	550
Sewer/Sanitation	1,700	2,000	300	0	0	0	0	1,700	0	2,000	300
Janitorial Supplies	5,200	5,200	0	0	0	0	0	5,200	0	5,200	0
Telephone: Base Charge & Misc.	14,490	13,370	-1,120	5,450	5,450	0	0	19,940	0	18,820	-1,120
Telephone: Long Distance	700	700	0	300	300	0	0	1,000	0	1,000	0
Multi-Peril Insurance (Fire & Casualty)	21,310	22,450	1,140	2,370	2,490	120	120	23,680	120	24,940	1,260
Umbrella Liability Insurance	2,400	2,420	20	0	0	0	0	2,400	0	2,420	20
Employee Theft & Embezzlement Bond	1,010	1,090	80	430	470	40	40	1,440	40	1,560	120
Public Officials Liability Insurance	5,900	5,610	-290	0	0	0	0	5,900	0	5,610	-290
Notary Public Bond	249	142	-107	107	71	-36	-36	355	-36	213	-142
Computer/Electronic Equipment Ins.	5,600	4,000	-1,600	0	0	0	0	5,600	0	4,000	-1,600
<b>TOTAL: OCCUPANCY</b>	<b>131,234</b>	<b>132,707</b>	<b>1,473</b>	<b>53,657</b>	<b>53,781</b>	<b>125</b>	<b>125</b>	<b>184,890</b>	<b>125</b>	<b>186,488</b>	<b>1,598</b>
<b>OFFICE EQUIPMENT:</b>											
Fax Machines: Maintenance Charges	500	550	50	250	270	20	20	750	20	820	70
Copier: Lease Purchase	10,260	11,055	795	10,260	11,055	795	795	20,520	795	22,110	1,590
Post Office Box Rental	1,190	1,190	0	1,190	1,190	0	0	2,380	0	2,380	0
Postage Meter Equipment	16,100	16,100	0	0	0	0	0	16,100	0	16,100	0
Microfilm Equipment Maintenance	0	0	0	0	0	0	0	0	0	0	0
Telephone System: Maintenance & Misc.	300	300	0	0	0	0	0	300	0	300	0
Other Equipment Maintenance	450	450	0	450	450	0	0	900	0	900	0
<b>TOTAL: OFFICE EQUIPMENT</b>	<b>28,800</b>	<b>29,645</b>	<b>845</b>	<b>12,150</b>	<b>12,965</b>	<b>815</b>	<b>815</b>	<b>40,950</b>	<b>815</b>	<b>42,610</b>	<b>1,660</b>

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2014 ADOPTED BUDGET DETAIL

August 21, 2013

CATEGORY: Line Item Description:	APPRAISAL DIVISION			COLLECTIONS DIVISION			COMBINED BUDGETS		
	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE	2013 BUDGET	2014 BUDGET	13 vs 14 \$ CHANGE
<b>PROFESSIONAL SERVICES</b>									
Attorney Consulting Fees	4,800	48,500	43,700	1,000	1,000	0	5,800	49,500	43,700
Accounting/Audit Fees	12,910	12,910	0	18,030	18,030	0	30,940	30,940	0
Complex Property Appraisal Fees	74,500	74,500	0	0	0	0	74,500	74,500	0
Information Services Fees	5,070	5,070	0	0	0	0	5,070	5,070	0
Armored Car/Mail Service	0	0	0	5,950	6,250	300	5,950	6,250	300
Boards and Commissions	99,403	181,376	81,974	0	0	0	99,403	181,376	81,973
Appraisal Consulting Fees	75,000	65,000	-10,000	0	0	0	75,000	65,000	-10,000
Architectural Consulting	2,800	2,800	0	1,200	1,200	0	4,000	4,000	0
Court Costs/Filing Fees	0	0	0	1,100	1,100	0	1,100	1,100	0
Bank Service Charges	0	0	0	0	0	0	0	0	0
Professional Association Dues	7,630	7,660	30	1,490	1,680	190	9,120	9,340	220
Security Services	1,010	1,010	0	3,375	3,375	0	4,385	4,385	0
Pre-Employment Physicals	200	200	0	100	100	0	300	300	0
<b>TOTAL: PROFESSIONAL SERVICES</b>	<b>283,323</b>	<b>399,026</b>	<b>115,704</b>	<b>32,245</b>	<b>32,735</b>	<b>490</b>	<b>315,568</b>	<b>431,761</b>	<b>116,193</b>
TOTAL: Before capital purchases requests, facility note, and committed/obligated funds	3,213,126	3,410,872	197,746	1,130,788	1,159,573	28,786	4,343,914	4,570,446	226,532
<b>6.051 Facility Note</b>									
	226,910	226,910	0	N/A	N/A	0	226,910	226,910	0
<b>TOTAL: Excluding committed/obligated funds</b>	<b>3,440,036</b>	<b>3,637,782</b>	<b>197,746</b>	<b>1,130,788</b>	<b>1,159,573</b>	<b>28,786</b>	<b>4,570,824</b>	<b>4,797,356</b>	<b>226,532</b>
<b>% CHANGE 2013 vs. 2014</b>			<b>5.75%</b>			<b>2.55%</b>			<b>4.96%</b>
<b>EXPENDITURES TO BE PAID FROM COMMITTED/OBLIGATED FUNDS</b>									
Information Technology: Capital Purchases	50,670	231,580	180,910	11,430	2,820	-8,610	62,100	234,400	172,300
Building: Capital Improvements	23,500	23,500	0	N/A	N/A	0	23,500	23,500	0
Office Equipment & Autos: Capital Purchases	52,950	49,500	-3,450	0	0	0	52,950	49,500	-3,450
<b>COMMITTED/OBLIGATED FUNDS</b>									
CONTINGENCIES	160,656	170,544	9,888	33,924	34,787	863	194,580	205,331	10,751
TECHNOLOGY	382,463	339,182	-43,281	117,767	95,494	-22,273	500,230	434,676	-65,554
PROPERTY TAX CODE 6.051	652,328	652,122	-206	N/A	N/A	0	652,328	652,122	-206
UNFUNDED TCDRS LIABILITY	525,664	441,032	-84,632	214,708	175,915	-38,793	740,372	616,947	-123,425
GASB CAPITAL ASSET DEPRECIATION	364,659	296,429	-68,230	63,058	42,701	-20,357	427,717	339,130	-88,587
SICK LEAVE LIABILITY	134,434	139,733	5,299	60,019	65,971	5,952	194,453	205,704	11,251
<b>TOTAL COMMITTED/OBLIGATED FUNDS</b>	<b>2,220,204</b>	<b>2,039,043</b>	<b>-181,161</b>	<b>489,476</b>	<b>414,867</b>	<b>-74,609</b>	<b>2,709,680</b>	<b>2,453,910</b>	<b>-255,770</b>

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2014 ADOPTED APPRAISAL BUDGET ALLOCATION

\$3,555,782

SCHOOLS	2013 LEVY	PERCENT OF TOTAL	ALLOCATION	QUARTERLY PAYMENT
Frenship	\$ 41,611,579	11.7863%	\$ 419,097.00	\$ 104,774.25
Idalou	3,754,018	1.0633%	37,809.00	9,452.25
Lubbock-Cooper	27,501,673	7.7898%	276,987.00	69,246.75
Lubbock	115,298,118	32.6578%	1,161,241.00	290,310.25
New Deal	2,528,021	0.7161%	25,461.00	6,365.25
Roosevelt	3,665,893	1.0384%	36,921.00	9,230.25
Shallowater	4,296,947	1.2171%	43,277.00	10,819.25
Slaton	4,678,782	1.3253%	47,123.00	11,780.75
Lorenzo	163,201	0.0462%	1,644.00	411.00
Abernathy	1,188,307	0.3366%	11,968.00	2,992.00
Southland	8,635	0.0025%	87.00	21.75
<b>CITIES</b>				
Idalou	\$ 487,613	0.1381%	\$ 4,911.00	\$ 1,227.75
Lubbock	66,684,667	18.8882%	671,623.00	167,905.75
New Deal	154,492	0.0438%	1,556.00	389.00
Ransom Canyon	732,850	0.2076%	7,381.00	1,845.25
Shallowater	754,722	0.2138%	7,601.00	1,900.25
Slaton	1,253,938	0.3552%	12,629.00	3,157.25
Wolfforth	1,562,942	0.4427%	15,741.00	3,935.25
Abernathy	116,392	0.0330%	1,172.00	293.00
<b>SPECIAL DISTRICTS</b>				
Lubbock County	\$ 55,593,926	15.7468%	\$ 559,922.00	\$ 139,980.50
Hospital District	19,667,527	5.5708%	198,084.00	49,521.00
Water District	1,345,034	0.3810%	13,547.00	3,386.75
<b>TOTALS</b>	<b>\$ 353,049,277</b>	<b>100.00%</b>	<b>\$ 3,555,782.00</b>	<b>\$ 888,945.50</b>
				<b>3,555,782.00</b>



## **2014 BUDGET CALENDAR**

- April 10-May 22, 2013** Staff development of preliminary proposed budget.
- May 29, 2013** Review budget calendar during appraisal district board meeting.
- June 14, 2013** Chief Appraiser finalizes proposed budget.
- June 14, 2013** 2014 proposed budget mailed to each taxing unit and each appraisal district board member.
- June 26, 2013** Budget review during appraisal district board meeting.
- July 5, 2013** Chief Appraiser publishes notice of public hearing for 2014 Budget.
- July 5, 2013** Secretary of the Board of Directors delivers 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 for the public hearing to consider the 2014 appraisal district budget.
- July 31, 2013** Public hearing on the 2014 budget.
- August 21, 2013** Appraisal District Board of Directors adopt the 2014 appraisal district budget.

June 14, 2013

**This letter was mailed to top administrative officials of each taxing unit and  
LCAD Board of Directors**

Enclosed please find your copy of the 2014 proposed appraisal district budget. Our 2014 budget proposed for adoption is an increase of 4.96%. The amount to be allocated to the taxing units for payment is an increase of 5.08%. The portions of these proposed appraisal and collections budgets to be paid by each taxing unit are included on pages 7 and 8 respectively.

Preliminary allocations of the appraisal division and the collections division budgets are based on 2013 parcel counts and 2012 tax levies. Final allocations will be based on certified 2013 parcel counts and adopted 2013 tax rates and levies when those are established by all taxing units. If you anticipate a significant increase or decrease in your 2013 tax levy compared to that of 2012, I would suggest you consider adjusting your allocated amount(s) accordingly when making projections during your budget process for the coming year.

Also enclosed is an analysis of bills passed by the 83<sup>rd</sup> regular legislative session that affect property appraisal and taxation. The most significant is HB 585. It was promoted by plaintiff trial lawyers and paid tax protest agents. Effects will likely include more protests and costly litigation. Several provisions of the bill are designed to favor large, especially capital intensive properties. (see enclosed Senate Finance Committee public hearing witness list)

Only time will tell with certainty if the promoters' objective of shifting a portion of their tax burden to homeowners, small businesses, farmers and ranchers will achieve their intended results. We will continue to aggressively defend our valid market value estimates to the maximum extent allowed by law, on what will be anything but a level playing field at the ARB and in court.

Your participation in this budget process is encouraged and I would welcome the opportunity to answer any questions and consider any suggestions you may have concerning the proposed budget. The board is scheduled to adopt a budget at their regular meeting August 21, 2013.

Respectfully submitted,

Dave Kimbrough

Enclosures

cc: «cc»  
«cc\_2»

June 28, 2013

**This letter was mailed to top administrative officials of each taxing unit.**

Enclosed is a copy of the required notice of public hearing to consider the 2014 proposed appraisal budget for the Lubbock Central Appraisal District. The notice will be published in the July 5, 2013 edition of the Lubbock Avalanche Journal. It must be published in a newspaper of general circulation in the county and may not be smaller than one-quarter page in size. This notice is only for the appraisal portion of the budget. Our collections budget is governed by the contracts we have with those entities for whom we collect.

One requirement of the publication that I want you to be aware of is that the notice must state, "a copy of the proposed budget is available for public inspection in the office of each of those governing bodies". This may create inquiries from individuals in your jurisdiction wanting to review the proposed budget. The notice also contains a statement that the proposed budget is available for inspection at the appraisal district office as well. If you have public inquiries about the budget and would like our office to handle them, please do not hesitate to refer the individuals to me.

Sincerely,

Dave Kimbrough

Enclosure

cc: «cc»  
«cc\_2»

# NOTICE OF PUBLIC HEARING

The Lubbock Central Appraisal District will hold a public hearing on a proposed appraisal budget for the 2014 fiscal year.

The public hearing will be held on July 31, 2013 at 4:00 p.m. in the board room of the Lubbock Central Appraisal District. 2109 Avenue Q – Lubbock, Texas. (806-762-5000)

A summary of the appraisal budget follows:

The total amount of the proposed appraisal budget is \$3,637,782. The total amount of increase from the current year's appraisal budget is \$197,746.

The amount of committed/obligated funds is \$2,039,043. The amount of decrease from the current year's committed/obligated funds is \$181,161.

An estimate of the amount of the appraisal budget that will be allocated to the taxing units is \$3,555,782. The amount of increase from the current year's appraisal budget allocated to the taxing units is \$197,746.

The number of employees compensated under the proposed appraisal budget will be 44.0 (full-time equivalent).

The number of employees compensated under the current appraisal budget is 45.0 (full-time equivalent).

The appraisal district is supported solely by payments from the local taxing units served by the appraisal district.

If approved by the appraisal district board of directors at the public hearing, this proposed budget will take effect automatically unless disapproved by the governing bodies of the county, school districts, cities, and towns served by the appraisal district.

A copy of the proposed budget is available for public inspection in the office of each of those governing bodies. A copy is also available for public inspection at the appraisal district office.

LUBBOCK CENTRAL APPRAISAL DISTRICT

Board of Directors

LeRoy Montoya

Greg Jones                      Arlee Jackson  
Brady Goen                      Bobby McQueen

MEMORANDUM

TO:            PRESIDING OFFICERS OF THE GOVERNING BODIES OF ALL  
                 TAXING UNITS

FROM:        ARLEE JACKSON, SECRETARY  
                 BOARD OF DIRECTORS                      J

DATE:        JULY 5, 2013

SUBJECT:    PUBLIC HEARING FOR APPRAISAL DISTRICT BUDGET  
                 REQUIRED BY SECTION 6.06(b), TEXAS PROPERTY TAX  
                 CODE

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The Lubbock Central Appraisal District will hold a hearing for the general public on the 2014 proposed budget in accordance with Section 6.06(b), Texas Property Tax Code. The date, time and location of this hearing are as follows:

DATE:            Wednesday, July 31, 2013

TIME:            4:00 p.m.

LOCATION:        Lubbock Central Appraisal District  
                 Board Room  
                 2109 Avenue Q  
                 Lubbock, Texas 79411

On June 14, 2013, the Chief Appraiser mailed a copy of the proposed budget to the chief administrative officer of your jurisdiction. The board of directors reviewed the budget during our regular monthly board meeting on June 26, 2013. At our August 21, 2013 meeting the board will adopt a budget for 2014.

If you have questions or comments concerning the proposed budget, please have a staff member of your jurisdiction contact Dave Kimbrough at the appraisal district office. If there are issues that are still not resolved to your satisfaction, I would invite you to contact our Board Chairman, LeRoy Montoya, yourself, before Friday, August 16, 2013. He can be reached by calling 776-2208.

Thank you for your continued support of and cooperation with your appraisal district.

cc:            LCAD Board Members  
                 Dave Kimbrough

RESOLUTION

WHEREAS, the Lubbock Central Appraisal District Board of Directors has held a public hearing for the purpose of hearing comments from the general public concerning the 2014 appraisal budget; and,

WHEREAS, the Lubbock Central Appraisal District is in compliance with all notices required by Section 6.06 of the Property Tax Code; and,

WHEREAS, the Lubbock Central Appraisal District developed this budget in accordance with applicable Governmental Accounting Standards Board Statements including, but not limited to No's 34, 54, 67, and 68.

NOW THEREFORE:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LUBBOCK CENTRAL APPRAISAL DISTRICT:

THAT, the total combined budgets to be spent or obligated to be spent in the amount of \$7,251,265 be adopted for the 2014 calendar/fiscal year with the appraisal budget being in the amount of \$5,676,825 and the assessment/collections budget being in the amount of \$1,574,440, and the total amounts of the budgets are hereby appropriated to the several line items and committed/obligated funds comprising the Lubbock Central Appraisal District budgets; and,

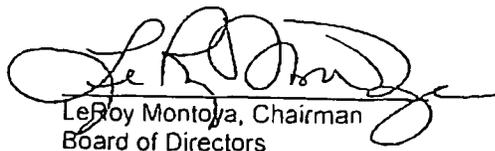
THAT, the combined budgeted committed/obligated funds included in the total budgets above are \$2,453,910 with the appraisal budgeted committed/obligated funds being in the amount of \$2,039,043 and the assessment/collections budgeted committed/obligated funds being in the amount of \$414,867; and,

THAT, the amount of the combined budgets excluding budgeted committed/obligated funds is \$4,797,355 with the appraisal budget being in the amount of \$3,637,782 and the assessment/collections budget being in the amount of \$1,159,573; and,

THAT, the Chief Appraiser/Administrator has the authority to execute line item transfers save and except capital expenditures and committed/obligated funds so long as the transferred amounts do not exceed the aggregate amount of the operating budgets as adopted; and, that a report for each month shall show expenditures by line item; and

THAT, the amounts to be allocated to the taxing units within the boundaries of the Lubbock Central Appraisal District for the appraisal budget is \$3,555,782 and the assessment/collection budget to be allocated is \$1,128,573.

Passed by the Board of Directors this 21st day of August, 2013.

  
LeRoy Montoya, Chairman  
Board of Directors

ATTEST:

  
Arlee Jackson, Secretary  
Board of Directors

**LUBBOCK CENTRAL APPRAISAL DISTRICT**



**2015 ADOPTED BUDGET**

**LUBBOCK CENTRAL APPRAISAL DISTRICT**

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LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED BUDGET SUMMARY

August 20, 2014

CATEGORY: Line Item Description:	APPRAISAL DIVISION			COLLECTIONS DIVISION			COMBINED BUDGETS		
	2014 BUDGET	2015 BUDGET	14 vs 15 \$ CHANGE	2014 BUDGET	2015 BUDGET	14 vs 15 \$ CHANGE	2014 BUDGET	2015 BUDGET	14 vs 15 \$ CHANGE
SALARIES AND WAGES	1,704,600	1,734,080	29,480	596,170	630,260	34,090	2,300,770	2,364,340	63,570
EMPLOYEE BENEFITS	619,293	587,429	-31,864	223,242	215,716	-7,526	842,535	803,145	-39,390
MEDICARE, WORK COMP & UNEMP.	41,540	43,050	1,510	12,290	13,430	1,140	53,830	56,480	2,650
INFORMATION TECHNOLOGY	218,010	281,202	63,192	85,255	64,677	-20,578	303,265	345,879	42,614
OFFICE SUPPLIES	106,360	110,700	4,340	123,070	126,300	3,230	229,430	237,000	7,570
TRANSPORTATION	70,685	75,425	4,740	790	790	0	71,475	76,215	4,740
EDUCATION, TRAIN. & CERT.	89,007	91,430	2,423	19,275	19,747	472	108,282	111,177	2,895
OCCUPANCY	132,707	136,661	3,954	53,781	54,653	872	186,488	191,314	4,826
OFFICE EQUIPMENT	29,645	29,155	-490	12,965	12,755	-210	42,610	41,910	-700
PROFESSIONAL SERVICES	399,026	431,711	32,685	32,735	33,880	1,145	431,761	465,591	33,830
<b>TOTAL:</b> Before capital purchases requests, facility note, and committed/obligated funds	3,410,872	3,520,842	109,969	1,159,573	1,172,208	12,635	4,570,446	4,693,051	122,605
6.051 Facility Note	226,910	226,910	0	N/A	N/A	0	226,910	226,910	0
<b>TOTAL: Excluding committed/obligated funds</b>	<b>3,637,782</b>	<b>3,747,752</b>	<b>109,969</b>	<b>1,159,573</b>	<b>1,172,208</b>	<b>12,635</b>	<b>4,797,355</b>	<b>4,919,960</b>	<b>122,605</b>
% CHANGE 2014 vs. 2015			3.02%			1.09%			2.56%
<b>EXPENDITURES TO BE PAID FROM COMMITTED/OBLIGATED FUNDS</b>									
Information Technology: Capital Purchases	231,580	84,500	-147,080	2,820	25,500	22,680	234,400	110,000	-124,400
Building: Capital Improvements	23,500	23,500	0	N/A	N/A	0	23,500	23,500	0
Office Equipment & Autos: Capital Purchases	49,500	49,500	0	0	0	0	49,500	49,500	0
<b>COMMITTED/OBLIGATED FUNDS</b>									
CONTINGENCIES	170,544	176,042	5,498	34,787	35,166	379	205,331	211,208	5,877
TECHNOLOGY	339,182	405,468	66,286	95,494	139,575	44,081	434,676	545,043	110,367
PROPERTY TAX CODE 6.051	652,122	652,122	0	N/A	N/A	0	652,122	652,122	0
UNFUNDED TCDRS LIABILITY	441,032	0	-441,032	175,915	0	-175,915	616,947	0	-616,947
GASB CAPITAL ASSET DEPRECIATION	296,429	0	-296,429	42,701	32,909	-9,792	339,130	32,909	-306,221
SICK LEAVE LIABILITY	139,733	139,618	-115	65,971	71,049	5,078	205,704	210,667	4,963
<b>TOTAL COMMITTED/OBLIGATED FUNDS</b>	<b>2,039,042</b>	<b>1,373,250</b>	<b>-665,792</b>	<b>414,868</b>	<b>278,699</b>	<b>-136,169</b>	<b>2,453,910</b>	<b>1,651,949</b>	<b>-801,961</b>

ADOPTED 2015 BUDGET ALLOCATION	ADOPTED 2015 BUDGET ALLOCATION	COLLECTIONS COMBINED
Total	\$ 3,747,752	\$ 1,172,208
less: Collections rent	45,000	45,000
less: Misc. revenues	31,000	65,000
less: Investment revenues	12,000	17,000
<b>ADOPTED AMOUNT TO BE ALLOCATED</b>	<b>\$ 3,659,752</b>	<b>\$ 1,133,208</b>
→ 2014 Allocation	3,555,782	1,128,573
Percent change 2014 vs. 2015.....	2.92%	0.41%
\$ Change 2014 vs. 2015.....	\$ 103,970	\$ 4,635
		\$ 108,605

LUBBOCK CENTRAL APPRAISAL DISTRICT  
SCHEDULE OF POSITIONS, COMPENSATION AND BENEFITS

POSITION	2015			TEXAS			TEXAS			BUDGET ALLOCATION	
	SALARY	INSURANCE	WORKMAN'S COMP	UNEMPLOYMENT INSURANCE	RETIREMENT	APPR %	COLL %				
CHIEF APPRAISER/ADMINISTRATOR	119,600.00	9,689.51	574.08	225.00	16,181.88	70%	30%				
ASSISTANT CHIEF ADMINISTRATOR	99,300.00	9,561.22	476.64	225.00	13,435.29	20%	80%				
ASSISTANT CHIEF APPRAISER	95,000.00	9,534.04	1,121.00	225.00	12,853.50	100%	0%				
DIRECTOR OF APPRAISAL	75,000.00	9,407.64	885.00	225.00	10,147.50	100%	0%				
COLLECTIONS/INFORMATION SERV MANAGER	75,000.00	9,407.64	360.00	225.00	10,147.50	50%	50%				
INFORMATION TECHNOLOGY MANAGER	80,000.00	9,439.24	384.00	225.00	10,824.00	50%	50%				
REAL PROPERTY APPRAISAL COORDINATOR	62,500.00	9,328.64	737.50	225.00	8,456.25	100%	0%				
COLLECTIONS COORDINATOR	65,687.00	9,348.78	315.30	225.00	8,887.45	0%	100%				
FISCAL/HR COORDINATOR	62,000.00	9,325.48	297.60	225.00	8,388.60	50%	50%				
GIS COORDINATOR	65,500.00	9,347.60	314.40	225.00	8,862.15	100%	0%				
INFORMATION SERVICES COORDINATOR	67,875.00	9,362.61	325.80	225.00	9,183.49	50%	50%				
PERSONAL PROPERTY COORDINATOR	56,000.00	9,287.56	660.80	225.00	7,576.80	100%	0%				
INFORMATION TECHNOLOGY TECHNICIAN	35,000.00	9,154.84	168.00	225.00	4,735.50	70%	30%				
FACILITY MAINTENANCE TECHNICIAN	34,180.00	9,149.66	2,071.31	225.00	4,624.55	80%	20%				
ADMINISTRATIVE ASSISTANT	41,600.00	9,196.55	199.68	225.00	5,628.48	50%	50%				
AGENCY ACCOUNTANT	36,000.00	9,161.16	172.80	225.00	4,870.80	0%	100%				
AGENCY BOOKKEEPING TECHNICIAN	31,390.00	9,132.02	150.67	225.00	4,247.07	0%	100%				
COLLECTIONS TECHNICIAN	24,775.00	9,090.22	118.92	225.00	3,352.06	0%	100%				
CUSTOMER SERVICE TECHNICIANS (3)	71,032.00	27,249.84	340.95	675.00	9,610.63	0%	100%				
TAX CERTIFICATE TECHNICIAN	35,325.00	9,156.89	169.56	225.00	4,779.47	0%	100%				
SPECIAL INVENTORY/MORTGAGE TECHNICIAN	20,352.80	9,062.27	97.69	225.00	2,753.73	0%	100%				
APPRAISERS (19)	731,236.00	174,360.57	8,628.58	4,275.00	98,936.23	100%	0%				
MODELER	49,500.00	9,246.48	584.10	225.00	6,697.35	100%	0%				
APPRAISAL SECRETARY	33,000.00	9,142.20	158.40	225.00	4,464.90	100%	0%				
APPRAISAL TECHNICIAN	30,000.00	9,123.24	144.00	225.00	4,059.00	100%	0%				
INFORMATION TECHNICIANS (DATA) 5	143,780.00	45,576.89	690.14	1,125.00	19,453.43	50%	50%				
INFORMATION TECHNICIANS (RECORDS) 5	132,665.25	45,506.64	636.79	1,125.00	17,949.61	100%	0%				
INFORMATION TECHNICIANS (RECORDS) 1	22,880.00	9,078.24	109.82	225.00	3,095.66	60%	40%				
GIS ANALYST	43,060.00	9,205.78	206.69	225.00	5,826.02	100%	0%				
MAP/DEED SPECIALISTS (2)	52,520.00	18,199.21	252.10	450.00	7,105.96	100%	0%				
GIS TECHNICIAN	37,250.00	9,169.06	178.80	225.00	5,039.93	100%	0%				
TOTAL SALARIES/BENEFITS	2,529,008.05	552,001.73	21,531.13	13,500.00	342,174.79						

Appraisal Collections  
44.00  
16.00

**LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED CAPITAL EXPENDITURES FROM  
COMMITTED/OBLIGATED FUNDS**

<b>1. INFORMATION TECHNOLOGY</b>	<b>Total</b>	<b>Appraisal</b>	<b>Collections</b>
Domain Controller	10,000	7,000	3,000
Replicated Database Server	12,000	8,400	3,600
New desktop PC's	30,000	21,000	9,000
Backup Hardware	5,000	3,500	1,500
Replace Cameras	20,000	14,000	6,000
Additional Access Control	8,000	5,600	2,400
GIS Server/Installation	10,000	10,000	
Field Devices	15,000	15,000	
<b>2. BUILDING: CAPITAL IMPROVEMENTS</b>			
General Building Improvements	23,500	23,500	
<b>3. OFFICE EQUIPMENT &amp; AUTOS: CAPITAL PURCHASES</b>			
Autos (3)	49,500	49,500	
<b>4. SUMMARY OF CATEGORY REQUESTS</b>			
Information Technology	110,000	84,500	25,500
Building: Capital Improvements	23,500	23,500	
Office Equipment & Autos: Capital Purchases	49,500	49,500	
<b>TOTAL 2015 ADOPTED CAPITAL EXPENDITURES</b>	<b>183,000</b>	<b>157,500</b>	<b>25,500</b>

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED BUDGET DETAIL

August 20, 2014

CATEGORY: Line Item Description:	APPRAISAL DIVISION		COLLECTIONS DIVISION		COMBINED BUDGETS	
	2014 BUDGET	2015 BUDGET	2014 BUDGET	2015 BUDGET	2014 BUDGET	2015 BUDGET
<b>SALARIES and WAGES:</b>						
Salaries/Wages	1,692,100	1,721,580	584,170	618,260	2,276,270	2,339,840
Overtime	5,000	5,000	0	7,000	0	12,000
Temporary Help	7,500	7,500	0	5,000	0	12,500
<b>TOTAL: SALARIES and WAGES</b>	<b>1,704,600</b>	<b>1,734,080</b>	<b>596,170</b>	<b>630,260</b>	<b>2,300,770</b>	<b>2,364,340</b>
<b>EMPLOYEE BENEFITS:</b>						
Group Health Insurance	327,680	345,630	121,610	128,350	449,290	473,980
Disability Insurance	5,410	5,510	1,870	1,980	7,280	7,490
Retirement	283,400	233,410	98,740	84,340	382,140	317,750
Employee Recognition	2,803	2,879	1,022	1,046	3,825	3,925
<b>TOTAL: EMPLOYEE BENEFITS</b>	<b>619,293</b>	<b>587,429</b>	<b>223,242</b>	<b>215,716</b>	<b>842,535</b>	<b>803,145</b>
<b>MEDICARE, WORK COMP &amp; UNEMPLOYMENT:</b>						
Medicare	21,430	22,860	6,800	7,710	28,230	30,570
Worker's Compensation	11,000	11,080	2,110	2,340	13,110	13,420
State Unemployment Insurance	9,110	9,110	3,380	3,380	12,490	12,490
<b>TOTAL: M' CARE, W. COMP &amp; UNEMPL.</b>	<b>41,540</b>	<b>43,050</b>	<b>12,290</b>	<b>13,430</b>	<b>53,830</b>	<b>56,480</b>
<b>INFORMATION TECHNOLOGY:</b>						
Stock Computer Paper	2,410	3,560	2,260	2,220	4,670	5,780
Offset Printing	11,840	19,960	11,350	12,010	23,190	31,970
Printer Toner/Ink	5,070	5,262	5,070	5,262	10,140	10,524
Repairs/Miscellaneous Supplies	2,175	2,175	675	675	2,850	2,850
Hardware & Software Maintenance	172,380	213,220	63,900	39,100	236,280	252,320
Personal Computer Hardware & Software	24,135	27,025	2,000	2,410	26,135	29,435
Consulting Fees	0	10,000	0	3,000	0	13,000
<b>TOTAL: INFORMATION TECHNOLOGY</b>	<b>218,010</b>	<b>281,202</b>	<b>85,255</b>	<b>64,677</b>	<b>303,265</b>	<b>345,879</b>
<b>OFFICE SUPPLIES:</b>						
Stationery/Office Supplies	12,400	13,600	17,880	17,880	30,280	31,480
Photocopy Supplies	3,940	3,950	3,940	3,950	7,880	7,900
Forms and Printed Matter	4,000	3,800	5,000	5,300	9,000	9,100
Document Storage/Microfilm Related	1,850	2,170	3,530	3,370	5,380	5,540
Postage and Freight	64,860	66,980	84,970	88,290	149,830	155,270
Ads/Publications	8,600	8,600	6,200	6,200	14,800	14,800
Books and Subscriptions	10,710	11,600	1,550	1,310	12,260	12,910
<b>TOTAL: OFFICE SUPPLIES</b>	<b>106,360</b>	<b>110,700</b>	<b>123,070</b>	<b>126,300</b>	<b>229,430</b>	<b>237,000</b>
<b>TOTAL: 14 vs 15 \$ CHANGE</b>						
<b>14 vs 15 \$ CHANGE</b>						
<b>14 vs 15 \$ CHANGE</b>						

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED BUDGET DETAIL

August 20, 2014

CATEGORY: Line Item Description:	APPRAISAL DIVISION		COLLECTIONS DIVISION		COMBINED BUDGETS	
	2014 BUDGET	2015 BUDGET	2014 BUDGET	2015 BUDGET	2014 BUDGET	2015 BUDGET
<b>TRANSPORTATION:</b>						
Automobile Maintenance	11,865	11,865	0	0	11,865	11,865
Automobile Parking	500	500	0	100	600	600
Automobile Insurance	37,230	36,970	-260	0	37,230	36,970
Automobile Fuel/Mileage Reimbursement	21,090	26,090	5,000	690	21,780	26,780
<b>TOTAL: TRANSPORTATION</b>	<b>70,685</b>	<b>75,425</b>	<b>4,740</b>	<b>790</b>	<b>71,475</b>	<b>76,215</b>
<b>EDUCATION, TRAINING, CERTIFICATION:</b>						
Registration Fees	32,714	33,596	882	6,012	6,080	68
Transportation	23,836	24,284	448	6,064	5,909	-156
Lodging	23,927	25,272	1,346	5,054	5,656	602
Meals	7,280	7,028	-253	1,520	1,477	-43
Tuition Reimbursement	1,250	1,250	0	625	625	0
<b>TOTAL: EDUCATION, TRAIN. &amp; CERT.</b>	<b>89,007</b>	<b>91,430</b>	<b>2,423</b>	<b>19,275</b>	<b>19,747</b>	<b>472</b>
<b>OCCUPANCY:</b>						
Building Rent	0	0	0	45,000	45,000	0
Building Repair & Maintenance	12,275	12,275	0	0	0	0
Janitorial Services	25,400	26,120	720	0	0	0
Gas	4,500	4,500	0	0	0	0
Electricity	27,500	28,875	1,375	0	0	0
Water	6,050	6,050	0	0	0	0
Sewer/Sanitation	2,000	2,100	100	0	0	0
Janitorial Supplies	5,200	5,200	0	0	0	0
Telephone: Base Charge & Misc.	13,370	15,428	2,058	5,450	6,332	882
Telephone: Long Distance	700	700	0	300	300	0
Multi-Peril Insurance (Fire & Casualty)	22,450	22,290	-160	2,490	2,480	-10
Umbrella Liability Insurance	2,420	2,710	290	0	0	0
Employee Theft & Embezzlement Bond	1,090	1,090	0	470	470	0
Public Officials Liability Insurance	5,610	5,610	0	0	0	0
Notary Public Bond	142	213	71	71	71	0
Computer/Electronic Equipment Ins.	4,000	3,500	-500	0	0	0
<b>TOTAL: OCCUPANCY</b>	<b>132,707</b>	<b>136,661</b>	<b>3,954</b>	<b>53,781</b>	<b>54,653</b>	<b>872</b>
<b>OFFICE EQUIPMENT:</b>						
Fax Machines: Maintenance Charges	550	0	-550	270	0	-270
Copier: Lease Purchase	11,055	11,055	0	11,055	11,055	0
Post Office Box Rental	1,190	1,250	60	1,190	1,250	60
Postage Meter Equipment	16,100	16,100	0	0	0	0
Microfilm Equipment Maintenance	0	0	0	0	0	0
Telephone System: Maintenance & Misc.	300	300	0	0	0	0
Other Equipment Maintenance	450	450	0	450	450	0
<b>TOTAL: OFFICE EQUIPMENT</b>	<b>29,645</b>	<b>29,155</b>	<b>-490</b>	<b>12,965</b>	<b>12,755</b>	<b>-210</b>
<b>TOTAL: ALL DIVISIONS</b>	<b>192,117</b>	<b>196,011</b>	<b>1,490</b>	<b>86,755</b>	<b>87,555</b>	<b>1,490</b>
<b>TOTAL: ALL DIVISIONS</b>	<b>192,117</b>	<b>196,011</b>	<b>1,490</b>	<b>86,755</b>	<b>87,555</b>	<b>1,490</b>

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED BUDGET DETAIL

August 20, 2014

CATEGORY: Line Item Description:	APPRAISAL DIVISION		COLLECTIONS DIVISION		COMBINED BUDGETS	
	2014 BUDGET	2015 BUDGET	2014 BUDGET	2015 BUDGET	2014 BUDGET	2015 BUDGET
<b>PROFESSIONAL SERVICES</b>						
Attorney Consulting Fees	48,500	63,500	1,000	1,000	49,500	64,500
Accounting/Audit Fees	12,910	13,070	18,030	18,100	30,940	31,170
Complex Property Appraisal Fees	74,500	78,250	0	0	74,500	78,250
Information Services Fees	5,070	5,070	0	0	5,070	5,070
Armored Car/Mail Service	0	0	6,250	6,490	6,250	6,490
Boards and Commissions	181,376	184,941	0	0	181,376	184,941
Appraisal Consulting Fees	65,000	75,000	0	0	65,000	75,000
Architectural Consulting	2,800	2,800	1,200	1,200	4,000	4,000
Court Costs/Filing Fees	0	0	1,100	1,100	1,100	1,100
Bank Service Charges	0	0	0	0	0	0
Professional Association Dues	7,660	7,770	1,680	1,760	9,340	9,530
Security Services	1,010	1,010	3,375	4,050	4,385	5,060
Pre-Employment Physicals	200	300	100	180	300	480
<b>TOTAL: PROFESSIONAL SERVICES</b>	<b>399,026</b>	<b>431,711</b>	<b>32,735</b>	<b>33,880</b>	<b>431,761</b>	<b>465,591</b>
TOTAL: Before capital purchases requests, facility note, and committed/obligated funds	3,410,872	3,520,842	1,159,573	1,172,208	4,570,446	4,693,051
6.051 Facility Note	226,910	226,910	N/A	N/A	226,910	226,910
<b>TOTAL: Excluding committed/obligated funds</b>	<b>3,637,782</b>	<b>3,747,752</b>	<b>1,159,573</b>	<b>1,172,208</b>	<b>4,797,356</b>	<b>4,919,961</b>
% CHANGE 2014 vs. 2015			3.02%		1.09%	2.56%
<b>EXPENDITURES TO BE PAID FROM COMMITTED/OBLIGATED FUNDS</b>						
Information Technology: Capital Purchases	231,580	84,500	2,820	25,500	234,400	110,000
Building: Capital Improvements	23,500	23,500	N/A	N/A	23,500	23,500
Office Equipment & Autos: Capital Purchases	49,500	49,500	0	0	49,500	49,500
<b>COMMITTED/OBLIGATED FUNDS</b>						
CONTINGENCIES	170,544	176,042	34,787	35,166	205,331	211,208
TECHNOLOGY	339,182	405,468	95,494	139,575	434,676	545,043
PROPERTY TAX CODE 6.051	652,122	652,122	N/A	N/A	652,122	652,122
UNFUNDED TCDRS LIABILITY	441,032	0	175,915	0	616,947	0
GASB CAPITAL ASSET DEPRECIATION	296,429	0	42,701	32,909	339,130	32,909
SICK LEAVE LIABILITY	139,733	139,618	65,971	71,049	205,704	210,667
<b>TOTAL COMMITTED/OBLIGATED FUNDS</b>	<b>2,039,042</b>	<b>1,373,250</b>	<b>414,868</b>	<b>278,699</b>	<b>2,453,910</b>	<b>1,651,949</b>
			-665,792	-136,169	2,453,910	-801,961

LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED APPRAISAL BUDGET ALLOCATION

\$3,659,752

SCHOOLS	2014 LEVY	PERCENT OF TOTAL	ALLOCATION	QUARTERLY PAYMENT
Frenship	\$ 45,232,085	12.1422%	\$ 444,376.00	\$ 111,094.00
Idalou	3,555,129	0.9544%	34,927.00	8,731.75
Lubbock-Cooper	31,658,061	8.4984%	311,020.00	77,755.00
Lubbock	118,737,162	31.8742%	1,166,514.00	291,628.50
New Deal	2,605,451	0.6994%	25,597.00	6,399.25
Roosevelt	3,792,389	1.0180%	37,258.00	9,314.50
Shallowater	4,591,440	1.2325%	45,108.00	11,277.00
Slaton	4,707,525	1.2637%	46,248.00	11,562.00
Lorenzo	140,088	0.0376%	1,376.00	344.00
Abernathy	1,280,893	0.3439%	12,584.00	3,146.00
Southland	7,368	0.0020%	72.00	18.00
<b>CITIES</b>				
Idalou	\$ 555,044	0.1490%	\$ 5,453.00	\$ 1,363.25
Lubbock	71,916,404	19.3055%	706,532.00	176,633.00
New Deal	149,013	0.0400%	1,464.00	366.00
Ransom Canyon	736,426	0.1977%	7,235.00	1,808.75
Shallowater	783,517	0.2103%	7,698.00	1,924.50
Slaton	1,320,468	0.3545%	12,973.00	3,243.25
Wolfforth	1,708,238	0.4586%	16,782.00	4,195.50
Abernathy	122,108	0.0328%	1,200.00	300.00
<b>SPECIAL DISTRICTS</b>				
Lubbock County	\$ 57,335,658	15.3914%	\$ 563,286.00	\$ 140,821.50
Hospital District	20,196,277	5.4216%	198,415.00	49,603.75
Water District	1,387,793	0.3725%	13,634.00	3,408.50
<b>TOTALS</b>	<b>\$ 372,518,537</b>	<b>100.00%</b>	<b>\$ 3,659,752.00</b>	<b>\$ 914,938.00</b>
				<b>3,659,752.00</b>

**LUBBOCK CENTRAL APPRAISAL DISTRICT  
2015 ADOPTED COLLECTIONS BUDGET ALLOCATION  
\$1,133,208**

TAXING UNITS	2014 Parcels	2014 Levy	% of Total	2014 Total	% of Total	Col 2 x Col 4	% of Total
LUBBOCK COUNTY	138,260						
LUBBOCK ISD	79,740						
CITY OF LUBBOCK	101,507						
FRENSHIP ISD	21,599	2.93	x	63,285.00	\$		
CITY OF SLATON	3,571	2.93	x	10,463.00			
CITY OF WOLFFORTH	2,464	2.93	x	7,220.00			
SLATON ISD	5,192	2.93	x	15,213.00			
ROOSEVELT ISD	5,503	2.93	x	16,124.00			
NEW DEAL ISD	3,533	2.93	x	10,352.00			
SHALLOWATER ISD	4,113	2.93	x	12,051.00			
IDALOU ISD	3,414	2.93	x	10,003.00			
CITY OF NEW DEAL	468	2.93	x	5,666.00	(minimum - 1/2 of 1%)		
CITY OF IDALOU	1,175	2.93	x	5,666.00	(minimum - 1/2 of 1%)		
LUBBOCK-COOPER ISD	14,056	2.93	x	41,184.00			
TOWN OF RANSOM CANYON	810	2.93	x	5,666.00	(minimum - 1/2 of 1%)		
CITY OF SHALLOWATER	1,264	2.93	x	5,666.00	(minimum - 1/2 of 1%)		
<b>Budget</b>	<b>1,133,208</b>						
<b>Parcels</b>	<b>386,669</b>						
<b>Per Parcel</b>	<b>2.93</b>						
<b>Budget</b>	<b>1,133,208</b>						
<b>Parcels</b>	<b>386,669</b>						
<b>Per Parcel</b>	<b>2.93</b>						

TAXING UNITS	2014 Parcels	2014 Levy	% of Total	2014 Total	% of Total	Col 2 x Col 4	% of Total
Lubbock ISD	79,740	\$ 118,737,162	13.3786%	\$ 44,046.33	44.0463%	5.8928%	60.580%
City of Lubbock	101,507	71,916,404	17.0306%	26,677.99	26.6779%	4.5434%	28.639%
Lubbock County	138,260	57,335,658	23.1969%	21,269.00	21.2690%	4.9337%	10.088%
Hospital District	138,260	20,196,277	23.1969%	7,491.99	7.4919%	1.7379%	0.693%
Water District	138,260	1,387,793	23.1969%	0,514.88	0.5148%	0.1194%	100.000%
<b>2015 Collections budget to be allocated</b>	<b>596,027</b>	<b>\$ 269,573,294</b>	<b>100.0000%</b>	<b>\$ 99,999.99</b>	<b>99.9999%</b>	<b>17.2272%</b>	<b>100.000%</b>
less Frenship ISD, City of Slaton, City of Wolfforth, Slaton ISD, Roosevelt ISD, New Deal ISD, Shallowater ISD							
Idalou ISD, City of New Deal, City of Idalou, Lubbock-Cooper ISD, Town of Ransom Canyon, City of Shallowater							
<b>TOTAL</b>						<b>\$ 1,133,208</b>	

TAXING UNITS	2014 Parcels	2014 Levy	% of Total	2014 Total	% of Total	Col 2 x Col 4	% of Total
Roosevelt ISD		\$ 4,031.00		\$ 4,031.00			
New Deal ISD		2,588.00		2,588.00			
Shallowater ISD		3,012.75		3,012.75			
Frenship ISD		15,821.25		15,821.25			
Idalou ISD		2,500.75		2,500.75			
Slaton ISD		3,803.25		3,803.25			
Lubbock-Cooper ISD		10,296.00		10,296.00			
City of Slaton		2,615.75		2,615.75			
City of Wolfforth		1,805.00		1,805.00			
City of New Deal		1,416.50		1,416.50			
City of Idalou		1,416.50		1,416.50			
Town of Ransom Canyon		1,416.50		1,416.50			
City of Shallowater		77,021.00		77,021.00			
Lubbock ISD (55%)	0.6058	63,017.00		63,017.00			
City of Lubbock (45%)		66,202.50		66,202.50			
Lubbock County	28.6390%	93,279.00		93,279.00			
Hospital District	10.0880%	1,602.00		1,602.00			
Water District	0.6930%	283,302.00		283,302.00			
<b>TOTALS</b>		<b>\$ 1,133,208.00</b>		<b>\$ 283,302.00</b>			

## **2015 BUDGET CALENDAR**

- April 21-May 5, 2014** Staff development of preliminary proposed budget.
- May 28, 2014** Review budget calendar during appraisal district board meeting.
- June 13, 2014** Chief Appraiser finalizes proposed budget.
- June 13, 2014** 2015 proposed budget mailed to each taxing unit and each appraisal district board member.
- June 25, 2014** Budget review during appraisal district board meeting.
- July 7, 2014** Chief Appraiser publishes notice of public hearing for 2015 Budget.
- July 7, 2014** Secretary of the Board of Directors delivers 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 for the public hearing to consider the 2015 appraisal district budget.
- July 30, 2014** Public hearing on the 2015 budget.
- August 20, 2014** Appraisal District Board of Directors adopt the 2015 appraisal district budget.

June 12, 2014

**This letter was mailed to top administrative officials of each taxing unit and  
LCAD Board of Directors**

Enclosed please find your copy of the 2015 proposed appraisal district budget. Our 2015 budget proposed for adoption is an increase of 2.56%. The amount to be allocated to the taxing units for payment is an increase of 2.32%. The portions of these proposed appraisal and collections budgets to be paid by each taxing unit are included on pages 7 and 8 respectively.

Preliminary allocations of the appraisal division and the collections division budgets are based on 2013 parcel counts and 2013 tax levies. Final allocations will be based on certified 2014 parcel counts and adopted 2014 tax rates and levies when those are established by all taxing units. If you anticipate a significant increase or decrease in your 2014 tax levy compared to that of 2013, I would suggest you consider adjusting your allocated amount(s) accordingly when making projections during your budget process for the coming year.

Your participation in this budget process is encouraged and I would welcome the opportunity to answer any questions and consider any suggestions you may have concerning the proposed budget. The board is scheduled to adopt a budget at their regular meeting August 20, 2014.

Respectfully submitted,

Tim Radloff

Enclosure

cc: letter only, no enclosure

«CC»

«CC\_2»

June 30, 2014

**This letter was mailed to top administrative officials of each taxing unit.**

Enclosed is a copy of the required notice of public hearing to consider the 2015 proposed appraisal budget for the Lubbock Central Appraisal District. The notice will be published in the July 7, 2014, edition of the Lubbock Avalanche Journal. It must be published in a newspaper of general circulation in the county and may not be smaller than one-quarter page in size. This notice is only for the appraisal portion of the budget. Our collections budget is governed by the contracts we have with those entities for whom we collect.

One requirement of the publication that I want you to be aware of is that the notice must state, "a copy of the proposed budget is available for public inspection in the office of each of those governing bodies". This may create inquiries from individuals in your jurisdiction wanting to review the proposed budget. The notice also contains a statement that the proposed budget is available for inspection at the appraisal district office as well. If you have public inquiries about the budget and would like our office to handle them, please do not hesitate to refer the individuals to me.

Sincerely,

Tim Radloff

Enclosure

cc: «cc»  
«cc\_2»

## **NOTICE OF PUBLIC HEARING**

The Lubbock Central Appraisal District will hold a public hearing on a proposed appraisal budget for the 2015 fiscal year.

The public hearing will be held on July 30, 2014 at 3:00 p.m. in the board room of the Lubbock Central Appraisal District. 2109 Avenue Q – Lubbock, Texas.  
(806-762-5000)

A summary of the appraisal budget follows:

The total amount of the proposed appraisal budget is \$3,747,752. The total amount of increase from the current year's appraisal budget is \$109,969.

The amount of committed/obligated funds is \$1,373,250. The amount of decrease from the current year's committed/obligated funds is \$665,792.

An estimate of the amount of the appraisal budget that will be allocated to the taxing units is \$3,659,752. The amount of increase from the current year's appraisal budget allocated to the taxing units is \$103,970.

The number of employees compensated under the proposed appraisal budget will be 44.0 (full-time equivalent).

The number of employees compensated under the current appraisal budget is 44.0 (full-time equivalent).

The appraisal district is supported solely by payments from the local taxing units served by the appraisal district.

If approved by the appraisal district board of directors at the public hearing, this proposed budget will take effect automatically unless disapproved by the governing bodies of the county, school districts, cities, and towns served by the appraisal district.

A copy of the proposed budget is available for public inspection in the office of each of those governing bodies. A copy is also available for public inspection at the appraisal district office.

LUBBOCK CENTRAL APPRAISAL DISTRICT  
Board of Directors  
LeRoy Montoya  
Greg Jones                      Arlee Jackson  
Brady Goen                      Bobby McQueen

MEMORANDUM

TO:            PRESIDING OFFICERS OF THE GOVERNING BODIES OF ALL  
                 TAXING UNITS

FROM:        ARLEE JACKSON, SECRETARY  
                 BOARD OF DIRECTORS     A-

DATE:        JULY 7, 2014

SUBJECT:    PUBLIC HEARING FOR APPRAISAL DISTRICT BUDGET  
                 REQUIRED BY SECTION 6.06(b), TEXAS PROPERTY TAX  
                 CODE

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The Lubbock Central Appraisal District will hold a hearing for the general public on the 2015 proposed budget in accordance with Section 6.06(b), Texas Property Tax Code. The date, time and location of this hearing are as follows:

DATE:        Wednesday, July 30, 2014

TIME:        3:00 p.m.

LOCATION:    Lubbock Central Appraisal District  
                 Board Room  
                 2109 Avenue Q  
                 Lubbock, Texas 79411

On June 12, 2014, the Chief Appraiser mailed a copy of the proposed budget to the chief administrative officer of your jurisdiction. The board of directors reviewed the budget during our regular monthly board meeting on June 25, 2014. At our August 20, 2014, meeting the board will adopt a budget for 2015.

If you have questions or comments concerning the proposed budget, please have a staff member of your jurisdiction contact Tim Radloff at the appraisal district office. If there are issues that are still not resolved to your satisfaction, I would invite you to contact our Board Chairman, LeRoy Montoya, yourself, before Friday, August 15, 2014. He can be reached by calling 776-2208.

Thank you for your continued support of and cooperation with your appraisal district.

cc:    LCAD Board Members  
      Tim Radloff

RESOLUTION

WHEREAS, the Lubbock Central Appraisal District Board of Directors has held a public hearing for the purpose of hearing comments from the general public concerning the 2015 appraisal budget; and,

WHEREAS, the Lubbock Central Appraisal District is in compliance with all notices required by Section 6.06 of the Property Tax Code; and,

WHEREAS, the Lubbock Central Appraisal District developed this budget in accordance with applicable Governmental Accounting Standards Board Statements including, but not limited to No's 34, 54, 67, and 68.

NOW THEREFORE:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LUBBOCK CENTRAL APPRAISAL DISTRICT:

THAT, the total combined budgets to be spent or obligated to be spent in the amount of \$6,571,909 be adopted for the 2015 calendar/fiscal year with the appraisal budget being in the amount of \$5,121,002 and the assessment/collections budget being in the amount of \$1,450,907, and the total amounts of the budgets are hereby appropriated to the several line items and committed/obligated funds comprising the Lubbock Central Appraisal District budgets; and,

THAT, the combined budgeted committed/obligated funds included in the total budgets above are \$1,651,949 with the appraisal budgeted committed/obligated funds being in the amount of \$1,373,250 and the assessment/collections budgeted committed/obligated funds being in the amount of \$278,699, and,

THAT, the amount of the combined budgets excluding budgeted committed/obligated funds is \$4,919,960 with the appraisal budget being in the amount of \$3,747,752 and the assessment/collections budget being in the amount of \$1,172,208; and,

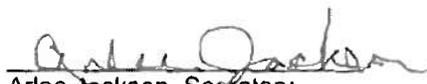
THAT, the Chief Appraiser/Administrator has the authority to execute line item transfers save and except capital expenditures and committed/obligated funds so long as the transferred amounts do not exceed the aggregate amount of the operating budgets as adopted; and, that a report for each month shall show expenditures by line item; and

THAT, the amounts to be allocated to the taxing units within the boundaries of the Lubbock Central Appraisal District for the appraisal budget is \$3,659,752 and the assessment/collection budget to be allocated is \$1,133,208.

Passed by the Board of Directors this 20th day of August, 2014.

  
LeRoy Montoya, Chairman  
Board of Directors

ATTEST:

  
Arlee Jackson, Secretary  
Board of Directors

**APPENDIX B1**  
**NOTICE OF PUBLIC HEARING**

LUBBOCK CENTRAL APPRAISAL DISTRICT  
Board of Directors  
LeRoy Montoya  
Greg Jones                      Arlee Jackson  
Brady Goen                      Bobby McQueen

MEMORANDUM

TO:            PRESIDING OFFICERS OF THE GOVERNING BODIES OF ALL  
                 TAXING UNITS

FROM:        ARLEE JACKSON, SECRETARY  
                 BOARD OF DIRECTORS     *A*

DATE:        August 1, 2014

SUBJECT:    PUBLIC HEARING TO CONSIDER THE 2015-2016 REAPPRAISAL  
                 PLAN REQUIRED BY SECTION 6.05(i), TEXAS  
                 PROPERTY TAX CODE

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The Lubbock Central Appraisal District board will hold a public hearing to consider the plan. The date, time and location of this hearing is as follows:

DATE:        Wednesday, August 20, 2014

TIME:        3:00 p.m.

LOCATION:    Lubbock Central Appraisal District  
                 Board Room  
                 2109 Avenue Q  
                 Lubbock, Texas 79411

We appreciate your continued support of and cooperation with the appraisal district.

cc:    LCAD Board Members  
      Tim Radloff

**APPENDIX B2**  
**BOARD RESOLUTION OF**  
**FINAL ORDER**

**RESOLUTION**

**WHEREAS**, the Lubbock Central Appraisal District Board of Directors has held a public hearing for the purpose of considering the proposed 2015-2016 Reappraisal Plan; and,

**WHEREAS**, the Lubbock Central Appraisal District is in compliance with all notices required by Section 6.05(i) of the Property Tax Code;

**NOW THEREFORE:**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LUBBOCK CENTRAL APPRAISAL DISTRICT:**

**THAT**, the 2015-2016 Reappraisal Plan is hereby finally approved.

Passed by the Board of Directors this 20<sup>th</sup> day of August, 2014.

  
LeRoy Montoya, Chairman  
Board of Directors

ATTEST:

  
Arlee Jackson, Secretary  
Board of Directors