Tax Appraisal District of Bell County
Reappraisal Plan

INTRODUCTION

Scope of Responsibility

The Tax Appraisal District of Bell County (TADBC) has prepared and published this reappraisal plan and appraisal report to provide our Board of Directors, taxing entities and taxpayers with a better understanding of the district's responsibilities and activities. This report has several parts: a general introduction and then, several sections describing the appraisal effort by the appraisal district.

The TADBC 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 member Board of Directors, appointed by the taxing units within the boundaries of Bell County, constitutes the district's governing body. The chief appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district.

The appraisal district is responsible for local property tax appraisal and exemption administration for all or part of thirty-five jurisdictions or taxing units in the county. The taxing entities are as follows:

Bell County	Florence I.S.D.
City of Bartlett	Gatesville I.S.D.
City of Belton	Holland I.S.D.
City of Harker Heights	Killeen I.S.D.
City of Holland	Lampasas I.S.D.
City of Killeen	Moody I.S.D.
Morgan's Point Resort City	Rogers I.S.D.
City of Nolanville	Rosebud-Lott I.S.D.
City of Rogers	Salado I.S.D.
Village of Salado	Temple I.S.D.
City of Temple	Troy I.S.D.
City of Troy	Central Texas College
Academy I.S.D.	Temple College
Bartlett I.S.D.	Elm Creek Watershed
Belton I.S.D.	Donahoe Creek Watershed
Bruceville-Eddy I.S.D.	Bell County MUD #1
Copperas Cove I.S.D.	Clearwater UWCD
	Temple Health & Bioscience Economic Development District

Each taxing unit, such as the county, a city, school district, or special district 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 market value. We also determine eligibility for various types of property tax exemptions 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 1st. 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 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 1st of the year preceding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1st.

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district's policy is to conduct a general reappraisal of taxable property every year. Appraised values are reviewed annually and are subject to change. All properties are appraised every year. Tax year 2015 and tax year 2016 are reappraisal years.

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 office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations. The administration department's function is to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services. The appraisal department is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal, 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 appraisal district staff consists of 50 employees with the following classifications:

- 4 - Official/Administrator (executive level administration)
- 8 - Professional (supervisory and management)
- 16 - Technicians (appraisers, programmer and mappers)
- 22 - Clerical Support

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 are awarded their license, they must receive additional training of a minimum of 15 hours of continuing education units every year. Failure to meet these minimum standards results in the termination of the employee. In addition, they must complete refresher courses in USPAP and Ethics every two years.

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

Data

The district is responsible for establishing and maintaining data on approximately 155,326 real and personal property accounts within Bell County.   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 and field inspections. General trends in employment, interest rates, new construction trends, and 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

Appraisal and mapping data are maintained within the district's data processing system, software applications, Internet website, and geographical information system. The district uses appraisal software produced and supported by True Automation, Inc. in Plano, Texas. The district also operates mapping work stations using the Geographic Information System software provided by ESRI, Inc.

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 a biennial property value study (PVS) of each Texas school district and each appraisal district. As part of this biennial study, the code requires the Comptroller to: use sales and recognized auditing and sampling techniques; 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 ten per cent of the median, the percentage of properties within twenty five per cent of the median and price-related differential (PRD) for properties overall and by state category.

There are sixteen independent school districts wholly or partially in TADBC for which appraisal rolls are annually developed. The preliminary results of this study are released February 1 in the year following the year of appraisement. 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.

Tax Code Section 5.102 requires the State Comptroller's Property Tax Assistance Division (PTAD) to conduct a biennial Methods and Assistance Program (MAPS) review of the appraisal district's governance, taxpayer assistance, operating procedures and appraisal standards, procedures, and methodology. The PTAD reports to the appraisal district's Board of Directors and to the taxing units an assessment of how well the appraisal district performs along with any recommendations deemed necessary to ensure compliance with laws, rules, regulations, and best appraisal practices. Any recommendations must be implemented within one year of the completion of the review.

Appraisal Activities

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 Bell County and the jurisdictions of this appraisal district. 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. TADBC is on an annual reappraisal cycle. The last reappraisal year was 2014 with the next scheduled in 2015. The appraisers check properties and make changes whenever the market reflects a change.

Appraisal Resources

- **Personnel** - The appraisal activities are conducted by 13 appraisers.

- **Data** - The data used by field appraisers includes the existing property characteristic information contained in the TADBC computer system. The data is printed on a property record card (PRC), or personal property data sheets. 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 using excellent relationships with other participants in the real estate market place.   The district 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 every three years (see Addendum "A" for schedule) with appraisers measuring all sides of each home, 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 annually. Exterior pictures are taken of

- homes as needed. Ratios are run yearly to check the market values and schedules are adjusted regularly to compensate for the market trends.

- Commercial Property- Commercial and industrial real estate is observed annually to verify class and condition. Real estate accounts are analyzed against sales of similar properties in TADBC. The income approach to value is also utilized to appraise larger

valued 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 checked annually with appraisers going into businesses to develop quality and density observations. A rendition is mailed by January 1 to each business on the current roll. Accounts are worked by using a combination of renditions and personal inspection.

- Utilities, Pipelines and Large Industrial Property- TADBC contracts with Capitol Appraisal Group, Inc. in Austin, Texas for the annual appraisal of utilities, pipelines and large industrial properties.

PRELIMINARY ANALYSIS

Data Collection/Validation

Data collection of real property involves maintaining data characteristics of the property in the district's computer system. The information contained in computer 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 business personal property 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 with input from the valuation group.

Sources of Data

The sources of data collection are through property inspection, new construction field effort, data review field effort, data mailer questionnaires, hearings, sales validation field effort, commercial sales verification and field effort, 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 take out a building permit. Paper permits are received and matched manually with the property's tax account number for data entry. Fee appraisers and realtors in Bell County are a reliable source of data, for both property description and market sales data. Sales letters mailed to the buyer and the seller are also very valuable information. Soil surveys and agricultural surveys of farming and ranching property owners and industry professionals are helpful for productivity value calibration. 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 review entire neighborhoods to review the accuracy of our data and identify properties that have to be reviewed. The sales validation effort in real property pertains to the collection of market data for properties that have sold. For residential and commercial properties, the sales validation effort involves on-site inspection by field appraisers to verify the accuracy of the property characteristics and confirmation of the sales price.

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. The field appraiser rechecks property at an owner's request. 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. Reappraisal notices notify the owner of a change and provides a good opportunity for review. 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.

Data Collection Procedures

The appraisers are assigned specific areas throughout the district to conduct field inspections. These geographic areas of assignment are maintained for several years to enable the appraiser assigned to that area to become knowledgeable of all the factors that drive values for that specific area. Appraisers of real estate and business personal property conduct field inspections and record information on real estate cards printed from the appraisal records on all data dealing with the property and allows for the entry of corrections and additions that the appraiser may find in his or her field inspection.

The quality of the data used is extremely important in estimating 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. Quality assurance supervision is charged with the responsibility of ensuring that appraisers follow listing procedures, identify training issues and provide uniform training throughout the field appraisal staff.

Data Maintenance

The appraisal support clerks are responsible for the data entry of 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 clerical staff with supervision and review 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 appraiser responsible are listed on the computerized property record. If a property owner or jurisdiction 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/re-list field effort. A field review is performed on all personal property accounts with available situs each year.

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. When the property data is verified in this manner, and considered accurate and correct, field inspections may not be required. The personal property department mails property rendition forms in January of each year to assist in the annual review of the property.

Performance Test

The property 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 entire area of property to be evaluated. Field appraisers, in many cases, may conduct field inspections to insure the accuracy of the property descriptions at the time of sale for this study. This inspection is to insure 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. Also, property inspections are 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.

Residential Valuation Process

INTRODUCTION

Scope of Responsibility

The residential appraisers are responsible for estimating equal and uniform market values for residential improved and vacant property. There are approximately 89,840 single and multiple family parcels in TADBC.

Appraisal Resources

- **Personnel -** The real property appraisal staff consists of twelve appraisers (including regional administrators) and eight clerical support employees. Each appraiser is responsible for the valuation of all real property in an assigned area.

- **Data -** An individualized set of data characteristics (see page seven) for each residential dwelling and multiple family unit in the district is collected in the field and data entered to the computer. The property characteristic data drives the property valuation under the Cost, Market, and Income Approaches to value.

VALUATION APPROACH

Land Analysis

Residential land valuation analysis is conducted prior to neighborhood sales analysis. 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 neighborhood.   Computerized land tables store the information required to consistently value individual parcels within neighborhoods given known land characteristics. 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. The appraisers use abstraction and allocation methods to insure that estimated land values best reflect the contributory market value of the land to the overall property value.

Area Analysis

Data on regional economic forces such as demographic patterns, regional locational factors, employment and income patterns, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources and provide the field appraiser a current economic outlook on the real estate market. Information is gleaned from real estate publications and sources such as continuing education in the form of IAAO and PTEC 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, manageable subsets of the universe of properties known as neighborhoods. Residential valuation and neighborhood analysis is conducted on various market areas within each of the sixteen school districts. 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 individual 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. A listing of neighborhoods identified by TADBC is included as Addendum "A" to this report.

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 gentrification, 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 economic misimprovements, 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. The cost schedules are reviewed regularly as a result of recent state legislation requiring that the appraisal district cost schedules be within a range of plus or minus ten percent from nationally recognized cost schedules.

A review of the residential cost schedule is performed annually. 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 district are considered. The property data characteristics of these properties are verified. TADBC schedules of 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, MLS, 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 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 means 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 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.

To achieve market value as defined on page two of this report the following hybrid model is used:

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

Therefore, the estimated market value (MV) of the property equals the land value (LV) plus the replacement cost new of property improvements (RCN) less accrued depreciation (AD). 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 locational 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, 95% to 105%, 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.

Treatment of Residence Homesteads

Beginning in 1998, the State of Texas implemented a constitutional classification scheme concerning the appraisal of residential property that receives a residence homestead exemption. Under 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;
  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 1st of the year following sale of the property and the property is appraised at its market value. An analogous 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 PROCEDURES

Field Review

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

As the district's parcel count has increases through new home construction, and the older existing homes 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.

Once the appraiser is satisfied with the level and uniformity of value for each neighborhood within his area of responsibility, the estimates of value go to noticing.

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 appreciation over a specified period of time. The system based ratio studies are designed to emulate the findings of the state comptroller's annual property value study for real property.

Management Review Process

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 and the Chief Appraiser 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 have met preset appraisal guidelines appropriate for the tax year in question.

Commercial and Light Industrial Property Valuation Process

INTRODUCTION

Appraisal Responsibility

This mass appraisal assignment includes all of the commercially described real property which falls within the responsibility of the TADBC and is located within the boundaries of the taxing jurisdictions. 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 appraisement of any nonexempt 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 real property appraisal staff consists of twelve appraisers (including regional administrators) and eight clerical support employees. Each appraiser is responsible for the valuation of all real property in an assigned area.

- **Data** - The data used by the appraisers in the valuation of commercial property includes verified sales of vacant land and improved properties and the pertinent data obtained from each (sales price levels, capitalization rates, income multipliers, equity dividend rates, 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.

TADBC 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, TADBC administration and personnel interact with other assessment officials through professional trade organizations including the International Association of Assessing Officers, Texas Association of Appraisal Districts and its subchapter Texas Metropolitan Association of Appraisal Districts and the Texas Association of Assessing Officers. District staff strives to maintain appraisal skills and professionalism by continuing education in the form of courses that are offered by several professional associations such as International Association of Assessing Officers (IAAO), Texas Association of Assessing Officers (TAAO), Texas Association of Appraisal Districts (TAAD) and Property Tax Education Coalition (PTEC) courses.

VALUATION APPROACH

Land Value

Commercial 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 to all land in that region. Generally, commercial property is appraised on a square foot basis. 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 the highest and best use.

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, manageable 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, is 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 insures 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 for 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), 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 property is continually updated, providing a uniform system of itemizing the multitude of components comprising improved properties. All properties located in TADBC 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. Many of these sales are available to the public for use during protest hearings, and are also used by the TADBC appraisers during the hearings process.

Sources of Data

As a result of maintenance of the ownership database in the district, TADBC receives all deed information recorded in Bell County 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. Closing statements are often provided during the hearings process. The actual closing statement is the most reliable and preferred method of sales verification. Finally, the district subscribes to Costar, a nationally recognized source of data regarding sales and leases of commercial property.

Valuation Analysis

Model calibration involves the process of periodically adjusting the mass appraisal formulae, 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, locational modifiers and estimates of soft cost factors are necessary to adjust these base costs specifically for various types of improvements located in Bell County. Thusly, 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 TADBC 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 on the property record. 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 five 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 becomes a very reliable 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.

Next, a 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. In addition, overall capitalization rates can be derived and estimated from the built-up method (band-of-investment). This method relates to satisfying estimated market return requirements of both the debt and equity positions in a real estate investment. This 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.

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 computerized appraisal 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 means 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 an excellent 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 in an upcoming reappraisal, or whether the level of market value is at an acceptable level.

Potential gross rent estimates, occupancy levels, secondary income, allowable expenses (inclusive of non-recoverable and replacement reserves), net operating income and capitalization rate 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 appraiser responsible are listed in the computer system. If a property owner disputes the District's records concerning this data in a

protest hearing, the schedules 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

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. Field review of real property accounts is accomplished while business personal property is reviewed and inspected in the field. Additionally, 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 contributing significantly to the market value of the property. 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 years sales history (USPAP property history requirement for non-residential property). 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 appraiser's review is limited to properties in their area of responsibility by property type (improved) or geographic area (commercial vacant land).

Once the appraiser is satisfied with the level and uniformity of value for each commercial property within their area of responsibility, the estimates of value go to noticing. Each parcel is

subjected to the value parameters appropriate for its use type.

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 for 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. An example of this are multi-family housing projects subject to subsidized rent provisions or other governmental guarantees as provided by legislative statutes (affordable housing) or agricultural lands to be appraised on the basis of productivity or use value.

TADBC has adopted the policies of the IAAO STANDARD ON RATIO STUDIES. 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 sale 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 cycles. However, these studies cannot be used to judge the accuracy of an individual property appraised value. The TADBC 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.

Overall 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 Study from the Property Tax Division of the Comptroller's Office. The appraisers utilize the True Automation software to run ratio analyses. 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 final appraisal and to annual noticing.

Business Personal Property Valuation Process

INTRODUCTION

Appraisal Responsibility

Personal Property used to produce an income is appraised by TADBC.

- **Personnel-** TADBC has three full time personal property appraisers and two clerical support employees.

- **Data** - A common set of data characteristics for each personal property account in TADBC is collected in the field and data is entered on a hard copy. 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 listing and interviews with property owners.

VALUATION APPROACH

SIC Code Analysis

Business personal property is classified and utilizes a 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 TADBC 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 appraisal and valuation of personal property. The appraisal procedures are reviewed and revised to meet the changing requirements of field data collection.

Sources of Data

Business Personal Property

The district's property characteristic data is collected through field data collection efforts and from property owner renditions. From year to year, reevaluation 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 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 TADBC with a listing of vehicles within the jurisdiction. The vendor develops this listing from the Texas Department of Transportation (TxDOT) Title and Registration Division records. Other sources of data include property owner renditions and field inspections.

VALUATION AND STATISTICAL ANALYSIS (model calibration)

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.

Statistical Analysis

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

Depreciation Schedule and Trending Factors:

Business Personal Property

TADBC'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 trending factors used by the CAD to develop RCN are based on published valuation guides. The percent good depreciation factors used by TADBC are also based on published valuation guides. The index factors and percent

good depreciation factors are used to develop present value factors (PVF), by year of acquisition, as follows:

$$PVF = INDEX\ FACTOR\ x\ PERCENT\ GOOD\ FACTOR$$

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

$$MARKET\ VALUE\ ESTIMATE = PVF\ x\ HISTORICAL\ COST$$

This mass appraisal PVF schedule is used to ensure that estimated values are uniform and consistent within the market and reflect current economic pressures of supply and demand. Public inspection and renditions are mandatory in arriving at correct value.

Vehicles

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

INDIVIDUAL VALUE REVIEW PROCEDURES

Office Review

Business Personal Property

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

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 TADBC personal property values and ratios are indicated.

Utility, Railroad, Pipeline, Industrial
and Industrial Personal Property Valuation Process

CAD Plan for Periodic Reappraisal of
Utility, Railroad and Pipeline Property

Subsections (a) and (b), Section 25.18, Tax Code:

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

(b)   The plan provides for annual reappraisal of all utility, railroad and pipeline property appraised by the TADBC. The TADBC has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the TADBC.

   (1)   Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. 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 also confidential to assist in identification of these properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual. New permitting documents on record with the Railroad Commission of Texas provide a source to identify potential new pipeline projects but does not provide indication if the project was actually started, completed, or a district location of the proposed project. Every effort is made to discover new utility, railroad, and pipeline properties through personal observation combined with permitting documents.

   (2)   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 confidential rendition. Additional data are obtained through public sources, regulatory reports and through analysis of comparable properties.

   (3)   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 services reports are used to help define market areas.

(4) 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 are available. Utility and railroad property are appraised in a manner similar to pipeline except that the RCNLD model is not used.

(5) 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 more experienced 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.

CAD Plan for Periodic Reappraisal of Industrial Real Property

Subsections (a) and (b), Section 25.18, Tax Code:

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

(b) The plan provides for annual reappraisal of selected industrial property appraised by the TADBC. The TADBC has a professional services contract with Capitol Appraisal Group, LLC. (CAGL) to appraise these properties for the TADBC.

(1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. 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.

(2) 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 previously existing records and through published reports.

(3) 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 area.

(4) 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 (cost, income and market), industrial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or market data are available, those appraisal models may also be used.

(5) 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 more experienced appraiser also contributes to the review process.

CAD Plan for Periodic Reappraisal of
Industrial Personal Property

Subsections (a) and (b), Section 25.18, Tax Code:

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

(b) The plan provides for annual reappraisal of all industrial personal property appraised by the TADBC. The TADBC has a professional services contract with Capitol Appraisal Group, LLC. (CAGL) to appraise these properties for the TADBC.

(1)   Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district.   Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Through inspection the appraiser identifies personal property to be appraised. The appraiser begins with properties from the previous tax year and identifies new properties from visual identification and/or publications, newspaper articles, or information obtained through the interview of property owners. The appraiser may also refer to other documents, both public and also 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.

(2)   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. These data are verified through previously existing records and through public reports.

(3)   Defining market areas in the district: Market areas for industrial personal property are generally either regional or national in scope. Published price sources are used to help define market areas.

(4)   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 are used when economic and/or subject property income is available, and a market data model is used when appropriate market sales information is a available.

(5)   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 more experienced appraiser also contributes to the review process.

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 buyers and sellers, telephone survey and field review. In the absence of such confirmation, residential sales data obtained from vendors was considered reliable.

4. A list is available of staff providing significant mass appraisal assistance to the person signing this certification.

Certification Statement:

"I, Marvin Hahn, Chief Appraiser for the Tax Appraisal District of Bell County, 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."

_____

Marvin Hahn
Chief Appraiser

ADDENDUM A

In a mass appraisal system the periodic inspection of all properties is critical. In order to maintain uniformity and equity an appraiser must be aware of the physical, functional and economic conditions that affect the value of each property. The appraiser must be aware of these conditions as they relate to the neighborhoods in which individual properties are located. An onsite physical inspection of all properties will occur at least once every three years. The neighborhoods to be inspected in each of tax years 2015, 2016 and 2017 are listed by region as follows:

TEMPLE REGION 2015

1. TEMPLE ISD A PROPERTIES (TEMPLE AREA C)
   TROY ISD A PROPERTIES
   NEIGHBORHOOD
   A. TR06
   B. TR07
   C. TR08
   D. TR09
   E. TR010
   F. TR011

2. TEMPLE ISD B PROPERTIES
   TROY ISD B PROPERTIES
   NEIGHBORHOOD
   A. TEMAPT

3. TROY ISD C PROPERTIES

4. TROY ISD D PROPERTIES
   NEIGHBORHOOD
   A. TR012
   B. TR013
   C. TR014
   D. TR015
   E. TR016

5. TROY ISD E PROPERTIES
   NEIGHBORHOOD
   A. TR01
   B. TR02
   C. TR03
   D. TR04

      E.   TR06

      F.   TR07

6.   TROY ISD F1 PROPERTIES

7.   TEMPLE M1 PROPERTIES
      A.   BLUEBONNETT (MO130)
      B.   SHADY(MO133)
      C.   BIRDCREEK(MO131)
      D.   MIDWAY(MO132)
      E.   WEST NUGENT(MO135)

8.   TEMPLE ISD O PROPERTIES
      ROGERS ISD O PROPERTIES
      TROY ISD O PROPERTIES
      A.   BUILDER INVENTORY VACANT LOTS
      B.   BUILDER INVENTORY IMPROVED LOTS

9.   TROY ISD EXEMPT LOTS

TEMPLE REGION 2016

1.   TEMPLE ISD A PROPERTIES (TEMPLE AREA A)

2.   TEMPLE ISD B PROPERTIES
      NEIGHBORHOOD
      A.   TEMAPT
      B.   TEMPLEX

3.   TEMPLE ISD C PROPERTIES

4.   TEMPLE ISD D PROPERTIES
      NEIGHBORHOOD-
      A.   70
      B.   TEMPLEISD-RURAL
      C.   BQ01-110

5.   TEMPLE ISD E PROPERTIES

6.   TEMPLE ISD F1 PROPERTIES
      NEIGHBORHOOD-

      A.   TEM-CON(Temple convenience stores)
      B.   TEM-STRIP(Temple retail strip centers)

      C.   TEM-RES(Temple residential commercial conversions)
      D.   TEMHOT(Temple hotel/motel)
      E.   TEM-FOOD(Temple fast food/restaurant)

7.   TEMPLE M1 PROPERTIES
      A.   BLUEBONNETT
      B.   SHADY
      C.   BIRDCREEK
      D.   MIDWAY
      E.   WEST NUGENT

8.   TEMPLE O PROPERTIES
      A.   BUILDER INVENTORY VACANT LOTS
      B.   BUILDER INVENTORY IMPROVED LOTS

9.   TEMPLE AREA EXEMPT PROPERTIES

TEMPLE REGION 2017

1.   TEMPLE ISD A PROPERTIES
      ROGERS ISD A PROPERTIES
      NEIGHBORHOOD-
      A.   ROG08
      B.   ROG09
      C.   ROG10
      D.   ROG11

2.   TEMPLE ISD B PROPERTIES
      NEIGHBORHOOD-
      A.   TEMAPT(Temple apartment complexes)

3.   ROGERS ISD C PROPERTIES

4.   ROGERS ISD D PROPERTIES
      NEIGHBORHOOD-
      A.   ROG12
      B.   ROG13
      C.   ROG14
      D.   ROG15
      E.   ROG16

5.   ROGERS ISD E PROPERTIES
NEIGHBORHOOD-
- A.   ROG01
- B.   ROG02
- C.   ROG03
- D.   ROG04
- E.   ROG06
- F.   ROG07

6.   TEMPLE ISD F1 PROPERTIES
NEIGHBORHOOD-
- A.   TEMHOT(Temple area hotel/motel)
- B.   ROGERS ISD ALL F1

7.   TEMPLE M1 PROPERTIES
- A.   BLUEBONNETT(MO130)
- B.   SHADY(MO133)
- C.   BIRD CREEK(MO131
- D.   MIDWAY(MO132)
- E.   WEST NUGENT(MO135)

8.   TEMPLE O PROPERTIES
ROGERS ISD O PROPERTIES
TROY ISD O PROPERTIES
- A.   BUILDER INVENTORY VACANT LOTS
- B.   BUILDER INVENTORY IMPROVED LOTS

9.   ROGERS ISD ALL EXEMPT PROPERTIES

BELTON REGION 2015

ME-BEL-100	MP1-115	MP3-MH
ME-BEL-A2	MP1-117	MP3WSTFD
ME-BLV-100	MP1-118	MP3-F
ME-BLV-A2	MP1-120	MP3WSTFD
MFT-1 LAND	MP1-130	ACA2 KB CK

MFT-LK AIR	MP1-90	ACA2-100
MFT-LV CLF	MP1-95	ACA2-105
MFT1-100	MP1-CONDO	ACA2-108
MFT1-102	MP1-COT	ACA2-110
MFT1-105	MP1-DUP	ACA2-90
MFT1-107	MP1-F	ACA2-92
MFT1-108	MP1-HO	ACA2-95
MFT1-109	MP1-MH	ACA2-A2/E2
MFT1-110	MP1-RCK-MH	ACA2F1
MFT1-119	MP1COND-LV	ACA3-100
MFT1-123	MP1LV-100	ACA3-102
MFT1-130	MP1LV-110	ACA3-109
MFT1-A2/E2	MP1LV-115	ACA3-110
MFT1-DUP	MP1LV-130	ACA3-113
MFT1-F	MP1O-103	ACA3-115
MFT1LV-100	MP1O-106	ACA3-83
MFT1LV-130	MP1O-110	ACA3-85
MFT1LV-90	MP1O-113	ACA3-90
MP1-100	MP1O-115	ACA3-92
MP1-102	MP1O-120	ACA3-A2/E2
MP1-103	MP1O-90	ACA3-DANTO
MP1-104	MP2-F	ACA3-E CEN
MP1-106	MP3-100	ACA3-ECHO
MP1-108	MP3-108	ACA3F1
MP1-110	MP3-110	ACA3MS-RGW
MP1-113	MP3-115	HOL1-100
HOL1-A2E2		
HOL1B1		
HOL1F1		
HOL1M1		

HOL2 BE-U

HOL2 BELL

HOL2-100

HOL2-105

HOL2-110

HOL2-115

HOL2-95

HOL2-A2E2

HOL2-BEL

HOL2F1

MO2-A2E2

MO3-100

MO3-105

MO3-108

MO3-90

MO3-A2E2

MO3-F

MO4-A2E2

GTV-100
GTV-A2E2
MP1O-107
MP3-105
MP3-112

BELTON REGION 2016

BP01-100	BR01-SGM2	BEL IND PK
BP01-115	BR01A	BEL LEV 1
BP01-135	BR01B	BEL-MOTEL
BP01-V A 1	BS01 A2/E2	BEM1

BP01-V A 2	BS01-100	ACA4-100
BQ01-100	BS01-106	ACA4-105
BQ01-105	BS01-110	ACA4-108
BQ01-110	BS01-111	ACA4-110
BR01-100	BS01-115	ACA4-115
BR01-102	BS01-117	ACA4-6
BR01-105	BS01-125	ACA4-90
BR01-106	BS01-135	ACA4-A2/E2
BR01-107	BS01-98	ACA4F1
BR01-108	BS01-BREND	ACA5
BR01-110	BS01-F1	ACA5-105
BR01-111	BS01-M-115	ACA5-110
BR01-112	BS01A	ACA5-90
BR01-113	BEB1	ACA5-97
BR01-114	BEB2	ACA5-A2/E2
BR01-115	BEB2-BS01	ACA5F1
BR01-117	BEF1	ACA6
BR01-118	BEF1-CONV	ACA6-105
BR01-120	BEF1-DT	ACA6-110
BR01-121	BEF1-MWS	ACA6-6
BR01-125	BEF1-MWS2	ACA6-A2/E2
BR01-95	BEF1-NSC	ACA7-105
BR01-96	BEF1-RSTR	ACA7-110
BR01-A2/E2	BEF1-STBK	ACA7-90
BR01-B2	BEF2	ACA7-A2/E2
BR01-F1	BEFI-BANK	ACA7F1
BR01-SGM I	BEL INCOME	
HOL4-100	SAL6-115	SAL5-116
HOL4-107	SAL6-120	SAL5-118
HOL4-115	SAL6-A2E2	SAL5-123

HOL4-A2E2	SAL7	SAL5-96
HOL4F1	SAL7F1	SAL5-98
HOL5-100	SAL7F1-BNK	SAL5-B2
HOL5-115	SAL7F1-BUS	SAL5-F1
HOL5-A2E2	SAL7F1-CON	SAL5-JEREM
HOL5F1	SAL7F1-NSC	SAL5RDGWD
HOL6	SAL7F1-RST	SAL5A
HOL6-115	SAL7F1NORT	SAL5A-MS
SAL5-100	SAL7F1WEST	SAL5A2E2
SAL5-105	SAL7MS	SAL5B-MS
SAL5-109	SAL8F1	SAL5C-MS
SAL5-110	SAL9M1	SAL6-100
SAL5-112	SALF1MOTE2	SAL6-105
SAL5-114	SALF1MOTEL	

BP01-105
BP01-112
BP01-120
BP01-125
BS01-103
BS01-108
BS01-109
ACA4-101
ACA4-102
ACA4-103
ACA4-104
ACA4-114

BELTON REGION 2017

ACA/HE	ACA/HEF1	ACA/HEM1
ACA1	ACA1-100	ACA1-101
ACA1-104	ACA1-105	ACA1-108
ACA1-106	ACA1-107	ACA1F1-R
ACA1-110	ACA1-113	ACA1-115
ACA1-120	ACA1-124	ACA1-130
ACA1-90	ACA1-95	ACA1-A2/E2
ACA1-LAN	ACA1-MS	ACA1B1
ACA1F1	ACA1F1-100	ACA1M1
BT01	BT01-100	BT01-103
BT01-101	BT01-108	BT01-109
BT01-105	BT01-106	BT01-107
BT01-110	BT01-111	BT01-112
BT01-113	BT01-115	BT01-116
BT01-117	BTRFTH	
BT01-116	BT01-120	BT01-122
BT01-125	BT01-126	BT01-90
BT01-95	BT01-97	BT01-98
BT01-A2/E2	BT01-B2	BT01-CS
BT01-CSDUP	BT01-F1	BT01-R03
BT01-R01	BT01-RRH3	BT01-SM
BT01-TVDR	BTRF-109	BTRF-110
BTRF-115	BTRF-117	BU01-100
BU01-103	BU01-104	BU01-105
BU01-106	BU01-110	BU01-111
BU01-113	BU01-115	BU01-120
BU01-125	BU01-142	BU01-147
BU01-150	BU01-85	BU01-90
BU01-92	BU01-97	BU01-B2
BU01-B2-LK	BU01-BE-MH	BU01-F1
BU01-LV	BU01-LV2	BU01-LVA
BU01-LVA2	BU01-LVA3	BU01-LVA4
BU01-LVA5	BU01-LVCYH	BU01-LVEGR
BU01-LVEP	BU01-LVNC	BU01-LVNC2
BU01-LVNC3	BU01-MH-DE	BU01-ST1
BU01-ST2	BV01-100	BV01-104
BV01-106	BV01-110	BV01-112

BV01-113	BV01-115	BV01-116
BV01-120	BV01-127	BV01-130
BV01-142	BV01-91	BV01-94
BV01-F1	BV01-LH1	BV01-LH2
BV01-MFPH4	BV01-N-PK2	BV01A
BW01-100	BW01-105	BW01-110
BW01-112	BW01-120	BW01-125
BW01-130	BW01-135	BW01-143
BW01-89	BW01-90	BW01-95
BW01-98	BW01-B2	BW01-CA
BW01-CVII	BW01-F1	BW01-SC
BW01A-120	BW01A-130	BW01A-135
BW01A-B2	BX01-100	BX01-105
BX01-110	BX01-114	BX01-115
BX01-120	BX01-130	BX01-135
BX01-137	BX01-155	BX01-B1
BX01-B2	BX01-F1	BX01-105
BY01-100	BY01-104	BY01-106
BY01-107	BY01-110	BY01-113
BY01-115	BY01-116	BY01-120
BY01-121	BY01-125	BY01-127
BY01-90	BY01-95	BY01-F1
BZ01-100	BZ01-104	BZ01-107
BZ01-108	BZ01-109	BZ01-110
BZ01-112	BZ01-116	BZ01-120
BZ01-126	BZ01-89	BZ01-93
BZ01-96	BZ01-RR1	BZ01-RR2
BAR1	BAR1-110	BAR1-2
BAR1-3	BAR1-4	BAR1-4F
BAR1-5	BAR1-A2-M1	BAR1-F1
BAR3	BAR3-100	BAR3-2
BAR3-3	BAR3-4F	BAR3-4V
BAR3-5	BAR3-6/7	BAR3-LAND
BAR3MOBILE	BAR6B1	BAR7RR
SAL-GOLFC	SAL-SIGNS	SAL1
SAL1-100	SAL1-102	SAL1-103
SAL1-105	SAL1-107	SAL1-109
SAL1-111	SAL1-112	SAL1-115
SAL1-117	SAL1-120	SAL1-125
SAL1-129	SAL1-5	SAL1-5OD

SAL1-6	SAL1-6OD	SAL1-7
SAL1-7OD	SAL1-8	SAL1-90
SAL1-92	SAL1-94	SAL1-95
SAL1-96	SAL1-97	SAL1-98
SAL1-B2	SAL1-F1	SAL1-MH
SAL1-MS	SAL1-SATCH	SAL10
SAL11	SAL11-2	SAL11-7
SAL12	SAL13	SAL1A
SAL1B1	SAL2	SAL2-100
SAL2-102	SAL2-108	SAL2-110
SAL2-115	SAL2-120	SAL2-121
SAL2-125	SAL2-90	SAL2-98
SAL2-A2E2	SAL2-F1	SAL3
SAL3-100	SAL3-102	SAL3-105
SAL3-106	SAL3-107	SAL3-109
SAL3-110	SAL3-115	SAL3-120
SAL3-90	SAL3-93	SAL3-95
SAL3-96	SAL3-98	SAL3-A2E2
SAL3-F1	SAL3-MS	SAL3A
SAL3B-MS	SAL3C-MS	SAL3D-MS
SAL4	SAL4-100	SAL4-102
SAL4-105	SAL4-107	SAL4-110
SAL4-112	SAL4-113	SAL4-114
SAL4-115	SAL4-90	SAL4-95
SAL4-97	SAL4-A2E2	SAL4-F1

KILLEEN REGION 2015

Killeen Area 1

Neighborhoods: HHBELLA2,HH
COX,HHHIDVALLY,HHHIGH1,HHHIGH2,HHBROKARW,HHNOVILLE,HHCOMH
ILLS,HHCOMLAND,HHDIAMBCK,HHENCOAK,HHGASCO,HHKERN,HHKERNA
,HHMEADFOR,HHMESAVTS,HHOAKRDG1,HHOAKRDG1A,HHPRESHGTS1,HH
PRESHTS2,HHROYSUBS,HHROYSUBS2,HHSTG

VAL,HHSUT4,HHSUT4-5,HHSUT4-
5A,HHSUTSIL,HHTHORO,HHTUSHOR,HHTUSMEAD,HHVINYRD,HHWARRDG,
HHWHITT,

Killeen Area 2

Neighborhoods:
CHANTZA,CHANTZB,CHAPWEST,COSPERRDG,COSPERRDG1,COSPERRDG6
HERITAGSF,HERITAGTH,HGLEN,JMSWAY1-5,LANCSTRSF,LANCSTRTH,
LANSCCBR,LANDCCFR,LOMAVISTA,MARYANN,ONIONCREEK,
ONIONCRK6,SOUTHBROOK,SOUTHGATE,TXTRLS,WAGONWHEEL

Killeen Area 3

Neighborhood:
BRDGEBRK,BRDGEFRM,BRDGEDUP,BRIGHTPL,CLCRKCRKDUP,CLEARCRK,
CONVAL,CONVAL4,GROVPARK,IVYGAP,IVYTRL1&2,SOMEADOWS,WIN6,WI
NDFLD

Killeen Area 4

Neighborhoods:
DOVERHTS,CSTLHTSDUP,K4WILLOWS,K4ABST,K4BELAIRE,K4CATALIN,
K4CMANOR1,K4CMANOR2,K4E.C.1,K4ELDORD,K4GRANDON

Killeen Area 5

Neighborhoods:
ALLENDALE,BROOKHAVEN,BROOKHN1,CEDARHILLS1&2,BLACKWELL,
COPPERFD,CROSS,CROSSP2,CROSSLAND,EVNGHOLLOW,EVNGHLW3RD,
FOXCREEK,FOXCREK123,FOXCR 6-,HAYNES,HUNTERCHASE,KOALAPARK,
JFSCHWERTNER,MOORECROS,LEON,NORTHCREST,NORTHPARK1,2,3,4,5
PARKNORTH,WESTHILS1,2,3,WESTCLIFF,

ALL AREAS ALL YEARS

<u>Neighborhoods:</u>
DUP100, DUP105, DUP106, DUP107, DUP108, DUP109, DUP110, DUP112, DUP115,
DUP118, DUP120, DUP125, DUP130, DUP135,
DUP140, DUP145, DUP150
MPX65, MPX70, MPX75, MPX80, MPX85, MPX90, MPX95, MPX100

<u>Neighborhoods:</u>
KILFOOD, KILINNS, KILBB, KILCC, KILMINI, KILNSC, KILRSTORE,
APTLEVEL1, APTLEVEL2, APTLEVEL3, APTLEVEL4, APTLEVEL5
APTLEVEL5A, APTLEVEL6,KIL-ORGIN, & KILNSC

KILLEEN REGION 2016

Killeen Area 1
Neighborhoods:
HHCEDMEAD,HHSKIPCHA1,1A,2,3,4,5,6,7,8,9,9A,567A,HHSNMEAD,HHSNMEA
D2,HHSWINDTRL,HHWILDAC,NOBELLA1,NOBELLA1A,NOCDHGTS,NONNLN
VL,NONLNRD1,2,2A,2B,3,NOVPLAZ,NOORIG,NOPITTS,NOBLEWD,NOWILDWO
,NOBELLA2,NOBELLA2A,NOBELLA1

Killeen Area 2
Neighborhoods:
MORRIS1,MORRIS2,MT C RANCH,MTN VW EST,OAKVLY,OKVLY17PT5,

OKVLY26PT5,OKVLY34PT5,OLD440DD,OLD440SF,RAHMANSF,RAHMANTH,
PRAIRIEVIEW1&2&VI,TRTLBNDSF,TRTLBNDTH,SPRINGVALY,STGHRDPH1

Killeen Area 3
Neighborhoods:
BUNNYTRL,EAGLEVAL,GOODNITRH,GRNP1,GR1,4,5,&DUP,LONEWIESS,LRS
OUTH,LAKECREST,RENICK,ROBDUP,ROB4-PLEX,ROBIN
HD,WATERCREST,STRAT,STRATDP,STRATMPX,STRATFORD,WILLOWRDG

Killeen Area 4
Neighborhoods:
K4GRNWILO,K4HDNVALY,K4JASPER,K4KHTS N,K4KHTS S,K4KHTS S2,
K4LAKE,K4MANOR,K4N.C.1,K4N.C.2,

Killeen Area 5
Neighborhoods:
DEERWOOD,DURAN,HYMESA,HYMESAP1,HYMESAP2,HYMESAP7S1,HYMES
AP7S2,HYMESAP7S3MESSER,MGLEN,ROSE1,ROSE2,ROSE3,SAVANAH1,SAVA
NA2/3,STILLFRST,TWINCREEK

ALL AREAS ALL YEARS

Neighborhoods:
DUP100, DUP105, DUP106, DUP107, DUP108, DUP109, DUP110, DUP112, DUP115,
DUP118, DUP120, DUP125, DUP130, DUP135,
DUP140, DUP145, DUP150

MPX65, MPX70, MPX75, MPX80, MPX85, MPX90, MPX95, MPX100

Neighborhoods:
KILFOOD, KILINNS, KILBB, KILCC, KILMINI, KILNSC, KILRSTORE,
APTLEVEL1, APTLEVEL2, APTLEVEL3, APTLEVEL4, APTLEVEL5
APTLEVEL5A, APTLEVEL6,KIL-ORGIN, & KILNSC

KILLEEN REGION 2017

Killeen Area 1

Neighborhoods:HHCT1,2,3,4,5,6,7,HHJDROD,HHLASIDE,HHNOVILLE,HHBRIAR,
HHBRIAR2,HHBRIAR3,HHRDGVIEW,HHTANWOOD,HHTANWOOD2,3,A,HHFU
LLER1,HHFULLER2,HHFULLER2A, HHFULLER3

Killeen Area 2

Neighborhoods:
DEORSAM,DEERPK,KINGSCR,KINGSWAY,REGENCYRDG,SUGARLOAF,
SUNCHASE,TRIMEST1E,1V,2F,2V,4 &4,TRE1,TRE3TANGESTKIL,
SWCROSING,HOODVIEWDP,HOODVIWESF

Killeen Area 3

Neighborhood:
SUNSL,SUNFL2,4,&5,SUNFLDUP,WALCRK1,2,3,&II,WELLS RCH,
WELLSRCH6-,PRSNG1,2,&3,PRSNGI2IA4,PRSNG356,RRRANCH
PCROSS,PCROSS5,PCROSS6-,LONETEXDP

Killeen Area 4

Neighborhoods:
K4N.E.1,K4N.E.2,K4N.E.3,K4N,W,1,K4N.W.2,K4NOLANCR,K4OAKHILL

,K4 OLD 190,K4SPARK,K4S.C.1,K4S.C.2,K4SKYLINE,K4STROSA,
KCHIMNEYCRNS

Killeen Area 5

Neighborhoods:
SPANISHOAK,SIMMONS,STHOLLOW,WHITEROCK,WHTRCK2 &
ALL PHASES, YOWLRACH1,2,&3,YOWLPH2BIG,CEDARHILL1&2,
TIMBERRDG

ALL AREAS ALL YEARS

Neighborhoods:
DUP100, DUP105, DUP106, DUP107, DUP108, DUP109, DUP110, DUP112, DUP115,
DUP118, DUP120, DUP125, DUP130, DUP135,
DUP140, DUP145, DUP150
MPX65, MPX70, MPX75, MPX80, MPX85, MPX90, MPX95, MPX100

Neighborhoods:

KILFOOD, KILINNS, KILBB, KILCC, KILMINI, KILNSC, KILRSTORE, APTLEVEL1, APTLEVEL2, APTLEVEL3, APTLEVEL4, APTLEVEL5 APTLEVEL5A, APTLEVEL6,KIL-ORGIN, & KILNSC

ADDENDUM B

Bell County 2015 & 2016 Residential Reappraisal Calendar

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Land Analysis	■	■	■	■	■	■	■					
Neighborhood Delineation	■	■	■	■	■	■						
Re-inspection/Sales Validation	■	■	■	■	■	■	■	■				
Sales Ratio Analysis/Valuation	■	■	■	■	■	■	■	■				
New Construction/Discovery	■	■	■	■	■	■	■	■				
New Construction Value Review				■	■	■	■					
Review Appeal of Property Value Study				■	■	■	■					
New Subdivisions	■	■	■	■	■	■	■	■	■			
Split-outs/Combinations	■	■	■	■	■	■	■	■	■	■	■	■
Jurisdiction Estimates									■	■	■	■
Prior Year Correction Hearings	■	■	■	■	■	■	■	■	■			
Prior Year Corrections	■	■	■	■	■	■	■	■	■	■	■	■
Field Checks	■	■	■	■	■	■	■	■	■	■	■	■
Current Year Hearings										■	■	■

Bell County 2015 & 2016 Commercial/Industrial Reappraisal Calendar

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Land Analysis	■	■	■	■	■	■	■					
Re-inspection	■	■	■	■	■	■	■	■				
Income & Expense Data	■	■	■	■	■	■	■					
Valuation	■	■	■	■	■	■	■	■				
Sales Analysis	■	■	■	■	■	■	■					
Permit Research	■	■	■	■	■	■	■					
New Construction/Discovery	■	■	■	■	■	■	■					
New Construction Value Review	■	■	■	■	■	■	■	■	■	■		
Appeal of Property Value Study				■	■	■	■	■	■			
Spit-outs/Combinations	■	■	■	■	■	■	■	■	■	■	■	■
Sales Verification	■	■	■	■	■	■	■	■	■	■	■	■
Prior Year Corrections Hearings	■	■	■	■	■	■	■					
Prior Year Corrections	■	■	■	■	■	■	■	■	■	■	■	■
Current Year Hearings										■	■	■

Bell County 2015 & 2016 Business Personal Property Reappraisal Calendar

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Field Inspection	▓	▓	▓	▓	▓	▓						
New Business Discovery	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓		
Rendition Processing						▓	▓	▓	▓	▓	▓	▓
Re-inspection						▓	▓	▓	▓	▓		
Valuation	▓	▓	▓	▓	▓	▓	▓	▓	▓			
Data Verification									▓	▓	▓	
Appeal of Property Value Study							▓	▓	▓			
Prior Year Correction Hearings	▓	▓	▓	▓	▓	▓	▓					
Prior Year Corrections	▓	▓	▓	▓	▓	▓		▓	▓	▓	▓	▓
Field Checks	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
Current Year Hearings										▓	▓	▓