

Appraisal District for Chambers County

2015-2016 Reappraisal Plan



Amended May 18, 2015

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Reappraisal Plan

INTRODUCTION

Scope of Responsibility

The Chambers County Appraisal District has prepared and published this reappraisal plan and appraisal report to provide our Board of Directors, citizens 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 Chambers County Appraisal District (CAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A five member Board of Directors, appointed by the taxing units within the boundaries of Chambers 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 20 jurisdictions or taxing units in the county. Each taxing unit, such as the county, a city, school district, municipal utility district, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's 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 exigencies of the other.

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241 and 23.127), nominal (Sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1st of the year proceeding 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 updated appraised values for real property at least once every three years. The district's current policy is to conduct general reappraisal of taxable property every year. Appraised values are reviewed annually and are subject to change. Business personal properties, minerals and utility properties are appraised every year.

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

At Chambers County Appraisal District we have three levels of personnel which are Administration, Appraisal, and Records. The administration department's function is to plan, organize, direct and control the business support functions related to human resources, budget, finance, and oversee day to day operations of the district. The appraisal department is responsible for the inspections of all real and personal property accounts. The property types appraised include commercial, residential, and business personal. 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. The Records department provides support functions including records maintenance, information and assistance to property owners, map maintenance and coordination of hearings.

The appraisal district staff consists of 10 employees with the following classifications:

- 3 – Administration
- 4 – Appraisal
- 3 – Records

Chambers CAD employs an outside appraisal firm, Capitol Appraisal Group out of Austin to appraise minerals, oil and gas utilities, and various other complex properties. Capitol Appraisal Group is also guided by the principles set forth in USPAP.

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 75 hours of continuing education units every five years. Failure to meet these minimum standards results in the termination of the employee.

Additionally, all appraisal personnel receive extensive training in data gathering processes including data entry into Laptops used in field work 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 administration to new appraisers and administration meets 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 approximately 35,000 real and personal property accounts covering 599 square miles within Chambers 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 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, 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's website makes a broad range of information available for public access, including certified appraised value information, protest and appeal procedures through links to the Property Tax Code, and downloadable files. The downloadable files include Homestead forms, 1d1 Ag applications, Timber application, Real Estate Rendition form and Business Personal Property Rendition form.

Information Systems

The Systems Administrator manages and maintains the district's data processing facility, software applications, and Internet website. The district operates from a sequal server database. The Mainframe is a Dell Power Edge T410. The user base is networked through the mainframe using Windows 2003 Server. Pritchard & Abbott, inc. provide software services for appraisal applications.

Appraisal Activities

Appraisal Resources

- **Personnel** – The residential appraisal staff consists of 3 Appraisers, an Appraisal Director and a Assistant Chief Appraiser. The following appraisers are responsible for estimating the market value of real property:

Kayla Pelham, RPA..... Asst Chief Appraiser
Marcel Pierel, RPA..... Appraisal Director / System Administrator
Norma Baker, RPA.....Appraiser
Natalie Whatley.....Appraiser
Kayla Rabalais..... Appraiser

Data –The data used by field appraisers includes the existing property characteristic information contained in CAMA (Computer Assisted Mass Appraisal System) from the district’s computer system. The data is downloaded every morning to Laptops that the appraisers use in the field. Other data used include maps, sales data, fire and damage reports, building permits, photos and actual cost and market information. Sources of information are gathered using excellent reciprocal relationships with other participants in the real estate market place. The district cultivates sources and gathers information from both buyers and sellers participating in the real estate market.

Sec. 25.18. Periodic Reappraisals.

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

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

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

Chambers CAD proposes to physically inspect all property every other year. The appraisal opinion of value for all property located in the district is reviewed and evaluated each year. Only in cases where physical access is denied or impossible, will the CAD resort to the other means of property identification mentioned above. For 2015, Chambers CAD will reappraise all property located in the county based on the attached schedules. The county has been divided into 5 sections and each appraiser works to complete the scheduled work in his or her area prior to close out each year . Commercial, real, and personal property is typically reappraised annually. Years 2015 and 2016 will be devoted to inspecting and reappraising all real parcels in the county. See Page 17 for a map of the 5 reappraisal sections, a list of the property categories and estimated number of parcels included in this plan. Also included is our 2015 work timeline and the timeline proposed for 2016 field work.

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

Identifying and updating relevant property characteristics occurs by physical inspection, building permits and information obtained from property owners. Changes in age, condition, quality, size, remodels, demolitions and other property specific attributes contribute to relevant property characteristics. Relevant property characteristics are maintained on the property record card and within the CAMA system for each property account.

(3) defining market areas in the district;

Market areas are defined and determined by market activity (sales). Each school district in the county is defined as a market area. Sales are collected by mailing sales confirmation/verification letters to recent buyers and sellers, from realtors, and fee appraisers. The CAD has four school districts and three incorporated cities. For purposes of statistical analysis and appraisal schedule maintenance, Chambers CAD conducts ratio studies for property categories by school district, and defines its market areas as Anahuac ISD, Barbers Hill ISD, East Chambers ISD, and Goose Creek ISD.

(4) identifying property characteristics that affect property value in each market area, including:

(A) the location and market area of property;

(B) physical attributes of property, such as size, age, and condition;

(C) legal and economic attributes; and

(D) easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

When Chambers CAD has sufficient market data (sales) it uses techniques of the Market Approach to Value to adjust comparable sales to determine what differences in property characteristics, if any, are affecting market value. Comparable sales analysis will identify and adjust differences in location, physical attributes, legal and economic attributes, easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances and legal restrictions.

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

Chambers CAD utilizes an appraisal model (CAMA) developed by its software vendor (P&A) that values individual property characteristics based on their contributory value to the total property value. Contributory value for each property segment (characteristic) is determined by sales analysis and local building costs. The model accesses appraisal cost schedules for each segment developed and maintained by Chambers CAD and calculates a total market value for each property.

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

Chambers CAD uses conclusions reflected in appraisal model results to construct and maintain property classification guides identifying minimum property characteristics typical for each property class.

(7) reviewing the appraisal results to determine value.

Chambers CAD tests the results of its appraisal model values (appraisals) against market data (sales) to determine the accuracy and level of appraisal, as well as to monitor the integrity of the appraisal model (CAMA). Ratio study results are used to maintain and update appraisal schedules to achieve market value appraisals.

Appraisal Frequency and Method Summary

- Residential Property- Residential property is physically examined every other year with appraisers driving in front 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. Every subdivision is statistically analyzed annually to ensure that sales that have occurred in the subdivision during the past 12 months are within a $\pm 3\%$ range of appraised value. If the sales do not indicate that range, adjustments may be made to the subdivision.
- Commercial Property- Commercial and industrial real estate is observed annually to verify class and condition. The inspection occurs as Business Personal Property appraisers are checking BPP accounts. Real estate accounts are analyzed against sales of similar properties in Chambers CAD. In some instances, 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 observed annually with appraisers actually going into businesses to develop quality and density observations. A rendition is left for new businesses to complete. Similar businesses to a subject are analyzed annually to determine consistency of appraisal per square foot. Businesses are categorized using SIC codes. Rendition laws provide additional information on which to base values of all BPP accounts.

Reappraisals

Chambers CAD will reappraise all real property annually by evaluating all appraisal schedules, tables, and neighborhood factors. Within budget constraints, it is the district's goal to complete update inspections of all improved properties excluding industrial improved properties appraised by Capitol Appraisal Group on a two (2) year rotation in each school district. These update inspections will include physical inspection of the properties and updating all attributes and other necessary information. Revisions of cost and market models are specified, updated and tested each year.

Land tables are updated using current market data (sales) and tested with ratio study tools. Value modifiers are developed for property categories by market area and tested with ratio tools.

All personal property will be reappraised annually. Update inspections of personal property will be conducted one or more times per year. Density schedules are updated using data received during previous year from renditions and hearings. Valuation procedures are reviewed, modified, and tested.

Mineral and Industrial Property will be appraised annually by Capitol Appraisal Group located in Austin, TX.

The Cost Approach to Value

The cost approach to value is an appraisal analysis that is based on the economic principle of substitution that suggests that an informed purchaser would not pay more for a property than the cost of reproducing a substitute property with the same utility. The cost approach involves estimating the cost of the improvements new less all forms of depreciation (physical, functional and economic) plus the value of the site. If an improvement has no accrued depreciation, then and only then is cost equal to value.

Steps in the Cost Approach include:

1. Estimate the value of the site as if vacant
2. Estimate the reproduction or replacement cost new of the improvements
3. Estimate the accrued depreciation
4. Deduct the accrued depreciation from the reproduction (or replacement) cost new to obtain an estimate of the present worth of the improvements
5. Add the present worth to the site value to obtain the indicated value. The significance of the cost approach lies in its extent of application – it is the one approach that can be used on all types of properties. The cost approach is a starting point for appraisers and therefore a very effective “yardstick” in any equalization program for ad valorem taxes. Its widest application is in the appraisal of properties where lack of adequate market and income data preclude the reasonable application of the other two approaches to value.

The Market Approach to Value

The market approach to value is an appraisal analysis that involves the compiling of sales and offerings of properties that are comparable to the property being appraised. The sales and listings are then adjusted for differences and a value range obtained. The market approach is reliable to the extent that the properties are comparable and the appraiser’s judgment of property adjustments is sound. The procedure for utilizing this approach is essentially the same for all types of property with the only difference being the elements of comparison.

The significance of the market approach lies in its ability to produce estimates of value that directly reflect the attitude of the market. Application is contingent upon the availability of comparable sales, and therefore finds its widest range in the appraisal of vacant land and residential properties.

The Income Approach to Value

The income approach to value is an appraisal technique that measures the present worth of the future benefits of a property by capitalization of the net income stream over the remaining economic life of the property.

The income approach involves making an estimate of “Effective Gross Income” which is derived by deducting vacancy and collection losses from the estimated economic rent, as evidenced by comparable properties. Operating expenses, taxes and insurance, and reserves for replacements are deducted from the effective gross income. The resultant net income is capitalized into an indication of value.

The income approach obviously has its basic application in the appraisal of properties universally bought and sold for their ability to generate and maintain an income stream. The effectiveness of

the approach lies in the appraiser's ability to relate to the changing economic environment and to analyze income yields in terms of their relative quality and durability.

In theory, the market value of a property should be equal to the present value of its future income. The simplest capitalization formula is $V=I/R$ (PRESENT VALUE OF PROPERTY = ANNUAL NET INCOME EXPECTED IN THE FUTURE DIVIDED BY THE RATE [INTEREST, RISK, OR DISCOUNT RATES]). For an asset that declines in value over time, the appropriate capitalization formula is $V= (I/R) [1-1/ (I+R) N]$ where N equals the number of years that the asset will be in use. The resultant capitalization rate is the hoped-for or expected rate of return. It is the rate necessary to attract capital to the investment.

Section 23.012 of the Texas Property Tax Code (effective January 1, 2004) requires the chief appraiser, when using the income approach, to:

1. Analyze available comparable rental data or the potential earnings capacity of the property, or both, to estimate the gross income potential of the property;
2. Analyze available comparable operating expense data to estimate the operating expenses of the property;
3. Analyze available comparable data to estimate rates of capitalization or rates of discount; and
4. Base projections of future rent or income potential and expenses on reasonably clear and appropriate evidence.
5. In developing income and expense statements and cash-flow projections, the chief appraiser shall consider: (1) Historical information and trends; (2) Current supply and demand factors affecting those trends; (3) Anticipated events such as competition from other similar properties under construction.

Residential Valuation Process

Introduction

All taxable properties in the district are valued by the aforementioned cost schedule using a comparative unit method. All Chambers CAD schedules were developed in house and are periodically modified to reflect the current market. The cost schedules are tested against commonly accepted sources of building cost information, such as Marshall & Swift, to determine accuracy. Cost estimates are also compared to analysis of the local market to determine level of appraisal.

Residential market Analysis

Market analysis is performed throughout the year. Both, general and specific data is collected and analyzed. There are a number of economic principles that relate to the market value of property. The principle of supply and demand is an important economic principle that must be considered by appraisers. There are a number of others including economic trends, national, regional, and local trends that affect the value of properties located in our various tax jurisdictions. An awareness of physical, economic, governmental, and social forces is essential in understanding, analyzing, and identifying local trends that affect the real estate market.

Data Collections

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a two year rotation. The International Association of Assessing Officers, standard on mass appraisal of real property, specifies that the universe of properties should be re-inspected on a cycle of 4-6 years.

New construction field and office review procedures are identified and revised as required. Field production standards are established and procedures for monitoring tested. Source of building permits is confirmed and system input procedures are identified. Process of verifying demolition of improvements is specified. Market areas with extensive improvement remodeling are identified, verified and field activities scheduled to updated property characteristic data. Updates to valuation procedures are tested with ratio studies before finalized in the valuation modeling.

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios; or high coefficient of dispersion. Market areas that fail any or all these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified. Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid.

Basic Measuring Procedures

In any appraisal the foundation for the cost approach is the improvement sketch. The district's appraisers are trained in the procedures for measuring, drawing, vectoring and reconciling

measurements. Appraisers are also trained to segregate and separately measure areas by use (i.e. main area/living area, porches, garages, patios etc.)

Highest and Best Use Analysis

In considering the fair market value of taxable property, CCAD employs the principle of highest and best use analysis. Highest and best use analysis is the first step in the district appraisers' economic analysis. Highest and best use is defined as the most profitable use at a specific time. For the purpose of ad valorem property taxation in Texas, the specific time is January 1 of each calendar year. The highest and best use must be legal, physically possible, and financially feasible. CCAD appraisers generally consider that the current use of the property is most likely its highest and best use. In certain types of property, local zoning and deed restrictions often determine highest and best use. However, in areas of transition, it may be necessary for the analyst to more carefully consider the concept of highest and best use. Highest and best use may not be the present use of the property when the agents of production are not in alignment (i.e. land, labor, capital and management), then highest and best use of the property may not currently exist.

Neighborhood Analysis

Initially, property is considered based on its location within particular boundaries. The most common boundary used to define location is the school district boundary. In all types of property, valuation analysis and neighborhood analysis is conducted on school districts. The IAAO defines a neighborhood as the environment of a subject property that has a direct and immediate effect on value. For our purposes, the neighborhood boundary is the environment of the subject property. The neighborhood concept is used in the grouping of all taxable property located in CCAD with the exception of some special use properties.

Land Analysis

Land analysis is conducted generally by our Assistant Chief Appraiser and Appraisal Director. Highest and best use determinations generally occur at this time. Base lot square footage rates, acreage rates, primary and residual price rates, and hard code unit prices are established during this phase of the appraisal operation. A computerized land table containing the necessary information by ISD and neighborhood, and any other pre-specified area, assist the analyst in consistently valuing land based on its location, size, configuration, and topography elements. When possible, the sales comparison approach is used to assist in the development of unit prices. The land appraisal techniques of allocation by abstraction and allocation by ratio are used to best reflect the value of the land as vacant in areas where build-out has occurred or in areas where vacant land sales are not available.

Land Classification:

1. Ag---as a value classification of land considering the AG use to which the land is principally devoted.
 - a.) Irrigated cropland—there are many rice fields in Chambers County.
 - b.) Dry cropland—there are several hay fields in Chambers County.
 - c.) Improved Pasture—there are many improved pastures in Chambers County.
 - d.) Native Pasture—there are numerous pastures used for the grazing of livestock in Chambers County.
 - e.) Timber—Chambers County has some, but not much, Timber land in the County.

The rest of the land is residential or commercial.

Appraisal of Vacant land and Subdivisions

A ratio study is performed to determine if land values need to be adjusted. A ratio study report is run for vacant land in each school district. This study includes vacant Subdivision lots and all other vacant land. The Chief Appraiser, Asst Chief Appraiser and Appraisal Director review each report and determine if any specific market area or Subdivision is showing signs of increase or decline. After each area is discussed, any necessary changes are made before further testing is performed on residential or commercial property.

When a new subdivision is approved and filed at the county clerk's office it is listed on a daily register that is downloaded from a secure ftp site. We obtain a copy of the approved plat from the county rural addressing office. Once the acreage is split and the subdivision parcels are created we contact the Developer in an attempt to determine the asking prices of each lot. We offer a 50% developer's discount for lots held in inventory if the developer provides this information. Sometimes a written request is mailed and in some instances we may contact the developer by phone, if we have that contact information. Once the asking prices are determined the values are set with a developer's discount on the appropriate lots. In some instances we can get the asking prices from local realtor websites.

If we do not get feedback from the developer, the lot values will remain at a price per acre suitable for the area or the same as the parent parcel it was split from with no discount. Once the lot is sold, the developer's discount is removed and the value becomes true market value based on the asking prices provided to us.

Appraisal of Rural Land

This section provides general guidelines to assist appraisers in the market valuation of rural lands. Appraised values based on market valuation must be established for all taxable land in each taxing jurisdiction, regardless of whether the land qualified, or would qualify, for productivity valuation under either Article VIII, Section I-d of Section I-d-1 of the Texas Constitution. Market values so determined must be submitted to the Appraisal Review Board for determination of protests for all taxable land in each jurisdiction, including land that qualifies for productivity valuation. In addition, appraised values based on market valuation must be retained for land receiving productivity valuation for rollback purposes.

The rural land market can best be understood by dividing it into three distinct types of markets—the production, investment, and consumptive land markets—each based on the principle factor which influences value. Discussion of these market influences and common examples of each are presented below.

The Production Land Market

The principle factor influencing value of rural land in the production land market is the income potential associated with agricultural production. In the production land market, land values will reflect the productive capacity of soils, the availability of irrigation water, and the topographic features which influence the ability of a producer to use the land for agricultural purposes. Most areas of the Texas High Plains are still dominated by production-market influences.

The Investment Land Market

The principle factor influencing the market value of rural land in the investment land market is the appreciation potential of land investments. The investment land market is not composed

strictly of speculators who purchase land with the intent to make a quick profit by resale, but also includes individuals who purchase land for conversion into subdivisions or for other types of development. In addition, the investment land market includes individuals who purchase land as a means of preserving their capital for a later use, or as a hedge against inflation. Although investment-market influences exist in all areas of the state, they are the principle market influences in suburban areas.

The Consumptive Land Market

The principal factor influencing the market value of rural land in the consumptive land market is the satisfaction that land ownership provides. The consumptive land market is often characterized by the purchase of small tracts of land to be used for recreational purposes. For instance, an individual who lives in a city or town may purchase a 10 –acre tract of land in a rural area to visit on weekends with his family.

The most distinctive features of the rural land market are that all three types of market influences, in combination with supply, establish market values. For this reason, it is important that the appraiser be knowledgeable of the key factors that influence value and of the relative influence each of these factors has upon value when establishing procedures for the valuation of rural land in a jurisdiction.

Analysis of the Location Market

From a practical standpoint, using a fee-appraisal approach to appraise each individual tract of land in a jurisdiction is not possible. Fee appraisers make detailed appraisals of individual parcels by obtaining comparable sales of other land in the jurisdiction and adjusting each comparable sale to the subject property to estimate the value of the subject property. In this way, fee appraiser allow market transactions that have occurred regarding other adjustments made by fee appraisers to comparables in estimating market values of subject properties include adjustments for date of sale, for size of tract, for productivity factors, for improvement value, and for special amenities.

Chambers County Appraisal District appraisers must also use market transactions to define factors that influence rural land values in their jurisdictions. However, unlike fee appraisers, these appraisers cannot compare each tract individually to each market transaction identified to make adjustments because of the volume of properties to be appraised. Appraisal office appraisers must, therefore, incorporate the factors indicated by market transactions into general standards or schedules of value. Such schedules are normally comprised of per acre prices that will be multiplied by the number of acres in an individual tract to develop an estimate of the value of the tract. Schedules of this kind should be divided into as many categories or classes as are necessary to reasonably reflect market values when applied to individual tracts of land found in the jurisdiction.

Sales Analysis

The Appraisal Director gathers the sales information. CCAD receives sales primarily from buyer and seller questionnaires, or local Real Estate Appraisers. Sales are reviewed for validity and in some cases field inspected for data accuracy. All sales are keypunched into our CAMA system. The sales are classified to recognize their appropriate status and source. The sales ratio analysis and associated individual property review is conducted on a year around basis. As stated above, properties that do not fit a homogeneous statistical profile are set aside for review.

Ratio studies are performed by Property Class, School District, and Neighborhoods to identify areas in need of reappraisal. In all classes of property a number of different reports are generated

on our computer system to provide information on statistical measures, i.e. percent of increase or decrease from prior year. Percent of change to land value, percent of change to improvement value, etc. This type of information along with the other forms of analysis described in this report often helps locate areas or property types in need of reappraisal.

Market Adjustment

The ratio study procedures provide accurate information regarding the level of appraisal of the various classes and categories of properties. For the purpose of valuing residential property, the CCAD approach to value is described by the IAAO as hybrid cost-sales comparison approach. This commonly accepted mass appraisal technique considers local influences not always accounted for in the cost approach. The following equation explains this theory:
$$MV = MA (RCN-D) + LV.$$

Where MV equates to market value, MA equals market adjustment, RCN-D is the replacement cost new of the dwelling, less depreciation, and LV is the estimate of land value based on highest and best use. Market value equals market adjustment times RCNLD + Land.

In areas where the sales ratio indicates that the property located within a given neighborhood is not being appraised at the legally permissible level of appraisal, the market adjustment process described in the previous paragraph is conducted. Base cost estimates are compared to sales and a ratio is derived. The ratio is divided into a target ratio, and a neighborhood adjustment factor is determined. Each homogenous parcel in that given neighborhood is programmatically adjusted according to the factor derived from the process. The adjustment factor is keypunched to a mainframe computer program and each parcel is adjusted programmatically. Ongoing neighborhood analysis and delineation ensures the accuracy of this process.

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 for each year since the property was re-appraised
PLUS the value of any improvements added since the last re-appraisal.

Assessed values of capped properties must be recomputed annually. If a capped property sells, the cap automatically expires as of January 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.

Commercial Property Valuation

The CCAD uses all three approaches to value when possible valuing income-producing properties. The primary approach used to initiate the valuation process is the cost approach to value. Marshall & Swift's Marshall Valuation Services is a reference we use to get cost estimates for building costs. The CAD then applies local modifiers and current cost multipliers to the indicated cost per square foot in order to get a final price per square foot for the local area. We then test that price per square foot less depreciation in the market to see if it comparable to the local market when available.

The income and expense data of these types of properties is gathered and evaluated. When appropriate, the income approach to value is used. Information from variety of sources is obtained and detailed analysis is undertaken. When possible, the appraiser uses the technique of direct capitalization to derive the income approach to value.

The field inspection, valuation review, and performance analysis described throughout this report, apply to commercial as well as other types of properties. When available, the appraiser also uses sales comparison approach to determine the fair market value of income-producing properties. When using the cost approach, however, it is sometimes necessary for the appraiser to utilize the unit in place, quantity survey, or historical cost method to derive accurate cost estimates.

Personal Property Valuation

All income-producing business personal property located within district boundaries is subject to tax. Business use vehicles are also listed in the appraisal records and subject to ad valorem taxation. Personal property schedules are used to value business furniture, fixtures, equipment, and inventory. Additionally, personal property values are obtained by some other sources.

Business owners are required by Texas law to render their business personal property each year. The appraiser considers rendered values during the appropriate phase of valuation analysis. Rendered values are often used as a basis for the CAD value if the value rendered is reasonable for the type of business and within acceptable ranges when compared to the district's personal property schedules. Should the property owner choose not to render the property, or if the rendered amount does not fit acceptable ranges, then the district will appraise the property based on the district's schedules.

Depreciation of the property is determined by the age of the property and its expected life. Business vehicles are valued based on NADA Used Car Guide's trade-in value for the particular make, model, and age of the vehicle. The CAD uses the renditions as well as field checks to discover and list vehicles that are taxable.

Procedures for Ratio Studies

A ratio study is designed to evaluate appraisal performance through a comparison of appraised or assessed values for tax purposes with estimates of market value based on sales prices, and tested by measures of central tendency. The district will adhere to the IAAO standards on ratio studies.

Steps in Ratio Studies

1. Definition of Purpose and Objectives

The CCAD will perform ratio studies in accordance with IAAO Standards on a periodic basis to evaluate the Appraisal District's overall level of appraisal. These studies will be used as performance analysis to determine whether value estimates are equitable and consistent with our local market place. The ratio studies performed by the Chambers County Appraisal District will also be used as a tool in determine when a type, area, or class of property should be reappraised. Further, the ratio study will assist in the analysis of appraisal schedules, so that the Appraisal District might recognize the need for adjustments to the schedule.

2. Collection and Preparation of Market Data

The CCAD Appraisal Department appraisers will collect data from a variety of sources. These sources of market data include, but are not limited to real estate companies, CCAD sales letters, grantors, grantees, personal contact, field review, closing statements, or vendors of real estate sales information. Contiguous appraisal districts and local real estate appraisers also provide recent sales information.

3. Matching CCAD Appraisals and Market Data

District appraisal staff members will compare appraised values with sales prices on individual properties. Special care will be taken to identify a variety of non-arms length transactions. Sales between family members, estate sales, relocation sales, and a number of other non-arms length transactions are coded so that they may be set aside during the valuation phase of the appraisal process.

4. Stratification

The District performs stratification based on a variety of different criteria. Sales are stratified by school district, class, use, abstract, subdivision, or neighborhood. Analysis is performed to determine an adequate sample size for ratio studies. See Neighborhood Definitions after Ratio Procedures.

5. Statistical Analysis

The Appraisal Director will perform ratio studies on a periodic basis. Ratio studies will be performed after all appraisal schedule changes to evaluate performance. The median, weighted mean, coefficient of dispersion, price related differential, standard deviation, and range will be calculated on each applicable class, category, and subdivision of property. Further, statistical analysis will be performed to identify all forms of bias in the assessment process.

6. Evaluation and Use of Results

The Assistant Chief Appraiser and Appraisal Director will use the measures of central tendency, and the relative measures of dispersion, and all indications of variance to evaluate the District's overall level of appraisal. The general level of appraisal is judged and

evaluated by the CCAD staff by observing all related data, including measures of central tendency. Appraisal quality within the class, category, subdivision, or neighborhood will be judged based on the relative measures of dispersion. The results will then be used to evaluate appraisal data, current schedules, practices and procedures. Sales ratio analysis may indicate areas where appraisers need additional training to improve performance and to eliminate bias in the appraisal process. Real property appraisal plans are adjusted according to ratio study indications.

Measure of central tendency and variation relates to the overall level of appraisal. Listed are three measures of central tendency and two measures of variation.

1. *Median*, the middle ratio when the ratio is arrayed in order of magnitude. If there is an even number of ratios, the median is the average of the two middle ratios.
2. *Mean*, an arithmetic average of ratios.
3. *Weighted Mean**, a weighted average of the ratios. A weighted mean is more affected by ratios with high sales prices than by ratios with low sales prices.
4. *Coefficient of Dispersion*, measures the average percentage deviation of the ratios from the median ratio.
5. *Price Related Differential*, the mean divided by the weighted mean. This statistic has a slight upward bias. A PRD above 1.03 tends to indicate regressivity. A PRD below .98 indicates progressivity.

*A weighted mean ratio is determined by the following steps: (1) Sum the appraised values for the entire sample; (2) Sum the sales prices for the entire sample; (3) Divide the total of appraised values by the total of sales prices.

Adjustments for Date of Sale

CCAD will adhere to the following steps when considering adjustments to confirmed sales prices for the effects of time:

1. On-going tracking of sales and appraisal ratios over time;
2. Including the date of sale as a variable when observing monthly regression models;
3. Maintaining an ongoing analysis of re-sales;
4. Appraisal staff will compare per unit values over time in homogenous strata;
5. Observing the results and making necessary changes by isolating the effect of time through paired sales analysis.

CCAD monitors changes in price levels over time in ratio studies made for assessment purposes where the objective of the analysis is to estimate the level of appraisal as of the January 1 assessment date. If sales prices have generally been rising, ratios of sales that have occurred after the assessment date will tend to understate the overall level of appraisal. As such, CCAD will make necessary adjustments to reflect these trends. Similarly, ratios for sales that occurred before the January 1 assessment date will tend to overstate the level of appraisal. If prices are in decline, the opposite pattern would result. In each case, appropriate adjustments will be implemented to the appraisal schedules, or neighborhood adjustments will be properly modified. According to significant market trends where a sufficient number of sales indicate changes, price levels will be monitored and time adjustments made by area, class, or type of property. CCAD recognizes that property bases tend to change in value at different rates.

Adjustments for Financing

CCAD will adhere to the following steps when considering adjustments to confirmed sales prices for financing. Most sales transactions in Chambers County reflect prevailing market trends and typical interest rates. When our analyst discovers financing arrangements that do not represent prevailing conditions, appropriate adjustments will be implemented. The CCAD staff members will consider adjustments under the following conditions:

1. When the seller and lender are the same party and financing is not at market rates.
2. The buyer assumes an existing mortgage or lease at a non-market rate.
3. If the lenders charge the seller "points" (commonly referred to as a percentage of the loan amount) for making money available to the purchaser/borrower. Points paid by the buyer should be considered as part of the down payment and no adjustment will be implemented.

The CCAD will adjust for financing on an as needed basis by individual parcel. Adjustments are made as warranted either upward or downward. Our analyst will conduct the following computations when necessary. The amount of adjustment will be computed by capitalizing the difference between monthly payments based on the typical market interest rate and those based on the subject interest rate. Obviously the sale price may not reflect the full amount because of the uncertainty of the holding period, tax considerations, etc.

The CCAD will also conduct market analysis with paired sales and statistical techniques to assist in controlling such factors. When the seller pays points the sales price will be adjusted downward by the value of the points. When the sample size is adequate, such adjustments may be considered. However, adjustments for financing will only be considered when ample data on actual market interest rates is available. Understandably, obtaining and properly analyzing such data, as well as determining the extent to which the market actually capitalizes non-market financing is difficult and requires careful consideration by our staff.

In-House Ratio Study Plan

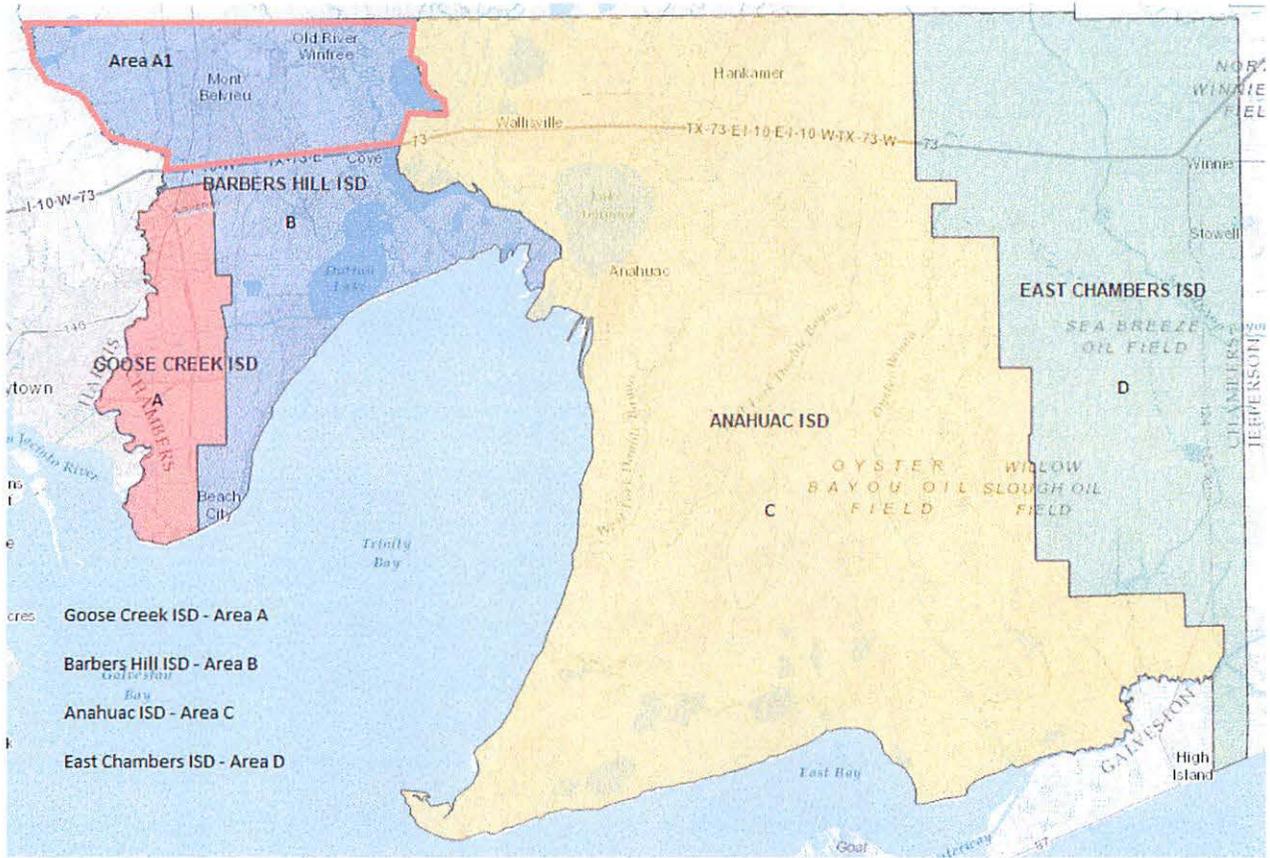
1. The Chambers County Appraisal District will perform ratio studies throughout the year on vacant land and all improved property for all four (4) school districts.
2. The Chambers County Appraisal District will perform ratio studies throughout the year on all residential appraisal neighborhoods in all four (4) school districts.
3. Ratio studies will be performed before all updates of appraised values.
4. Ratio studies will be performed after each update of appraised values.
5. Ratio studies will be performed on an as needed basis to verify the level of appraisal, vacant and/or improved property for specified areas, school district, or other natural, political, or man-made boundaries.

Property Tax Division Annual Ratio Study

The Property Tax Division of the Texas Comptroller of Public Accounts performs annual ratio studies on all Texas school districts. Appraisal districts performance is judged by the results of these ratio studies. State law requires that appraisal districts appraise all taxable property at one hundred percent of market value. Failure to appraise property within the confidence interval of

95% to 105% may result in diminished funding from the state to local school districts. Additionally, in circumstances where an appraisal district fails to appraise properties within the PTD's intervals for an extended period of time a master may be appointed to assume control of the appraisal districts operations.

Neighborhood Definitions



Area	School District	Boundaries
A	Goose Creek ISD	East of Cedar Bayou to West of 99 Grand Pky, South of I-10
A1*	Barbers Hill ISD	Barbers Hill ISD North of I-10, worked with market Area A
B	Barbers Hill ISD	West of Lost & Old River to 99 Grand Pky, North of I-10 Mont Belvieu
C	Anahuac ISD	Hankamer/Wallisville to East Bay & Trinity Bay
D	East Chambers ISD	Winnie, Stowell, South to Galveston/High Island

Estimated Parcel Counts by Area

Category	Area A	Area A1	Area B	Area C	Area D
A Real: Residential Single-Family	2,397	2,542	3,496	2,662	1,873
C Real: Platted Vacant Lots/Tracts	328	767	709	2,292	627
D Real: Rural acreage	57	463	399	3,894	1,284
E Real: Farm/Ranch Improvements	221	510	741	3,163	864
F Real: Commercial and Industrial	190	256	91	195	248
G Real: Oil, Gas and Other Minerals	6	393	543	1,630	635
J Real & Intangible Personal Utilities	123	221	306	179	79
L Tangible Personal Business	532	483	669	508	516
M Tangible Personal Other	184	136	189	247	305

S Special Inventory

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*Area A (Goose Creek ISD) & Area A1 (Barbers Hill ISD Area B North of I-10) are worked together as one market area.

Neighborhood Definitions Cont.

Anahuac ISD Neighborhoods: Area C

1. An area with a north boundary of Crossover Road, West Boundary of Trinity Bay, East Boundary of Double Bayou West Fork and South Boundary of Double Bayou Main Branch. This neighborhood market area is represented in the land schedules as land class RS30OAK. Within this boundary there is also Bay Frontage adjustments which are represented by land class RS30BAY.

2. An area defined as White Heron Subdivision. This neighborhood market area is represented by a neighborhood code of 62500. For 2015 the neighborhood code 62500 has a factor of 1.05 which can be found on the appraisal card under EC%

East Chambers Neighborhoods: Area B

1. An area with a north boundary of the north line of Abstract 14, West boundary of the west line of Abstract 14, East Boundary of the County Line and South Boundary of the south line of Stowell Townsite. This neighborhood market area is represented in the land schedules as land class RS33TWN.

2. An area defined as Briarmeadow Subdivision. This neighborhood market area is represented by a neighborhood code of 19500. For 2015 the neighborhood code 19500 has a factor of 1.15 which can be found on the appraisal card under EC%.

Goose Creek ISD Neighborhoods: Area A

1. An area defined as Country Meadows Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 2240 for single story houses and 2240A for two story houses. For 2015 the neighborhood code 2240 has a factor of .80 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 2240A has a factor of .77 which can be found on the appraisal card under EC%.

2. An area defined as Devinwood Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 22800 for single story houses and 2280A for two story houses. For 2015 the neighborhood code 22800 has a factor of .86 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 2280A has a factor of .71 which can be found on the appraisal card under EC%.

3. An area defined as Hunter's Chase Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 32450 for single story houses and 32460 for two story houses. For 2015 the neighborhood code 32450 has a factor of .72 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 32460 has a factor of .56 which can be found on the appraisal card under EC%.

4. An area defined as Pinehurst Subdivision Section One. This neighborhood market area is represented by a neighborhood code of 4700. For 2015 it was determined that a factor of .90 was used which can be found on the appraisal card under EC%.
5. An area defined as Pinehurst Subdivision Section Two. This neighborhood market area is represented by a neighborhood code of 4701. For 2015 it was determined that a factor of .90 was used which can be found on the appraisal card under EC%.
6. An area defined as Pine Meadows Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 4670 for single story houses and 4670A for two story houses. For 2015 the neighborhood code 4670 has a factor of .89 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 4670A has a factor of .66 which can be found on the appraisal card under EC%.
7. An area defined as Lynnwood Subdivision. This neighborhood market area is represented by a neighborhood code of 38775 for single story houses and 3877A for two story houses. For 2015 the neighborhood code 38775 has a factor of .75 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 3877A has a factor of .72 which can be found on the appraisal card under EC%.

Barbers Hill ISD Neighborhoods: Area A1 Area B

1. An area defined as Barrow Ranch Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 12770 for single story houses and 1277A for two story houses. For 2015 the neighborhood code 12770 did not have a factor applied to it. However, for 2015 the neighborhood code 1277A has a factor of 1.07 which can be found on the appraisal card under EC%.
2. An area defined as The Colony Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 21955 for single story houses and 2195A for two story houses. For 2015 the neighborhood code 21955 has a factor of 1.22 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 2195A has a factor of 1.15 which can be found on the appraisal card under EC%.
3. An area defined as Cotton Creek Subdivision. This neighborhood market area is represented by a neighborhood code of 22350 for single story houses and 2235A for two story houses. For 2015 it was determined that a factor did not need to be applied to this market neighborhood.
4. An area defined as Cottonwood Subdivision. This neighborhood market area is represented by a neighborhood code of 22370. For 2015 the neighborhood code 22370 has a factor of .81 which can be found on the appraisal card under EC%.
5. An area defined as Cove at Cotton Creek Subdivision. This neighborhood market area is represented by a neighborhood code of 22525 for single story houses and 2252A for two story houses. For 2015 the neighborhood code 22525 has a factor of .94 which can be found on the appraisal card under the EC%. For 2015 the neighborhood code 2252A has a factor of .88 which can be found on the appraisal card under EC%.
6. An area defined as Creekside at Cotton Creek Subdivision. This neighborhood market area is represented by a neighborhood code of 22340 for single story houses and 2234A for two story houses. For 2015 the neighborhood code 22340 has a factor of .98 which can be found on the appraisal card under the EC%. For 2015 the neighborhood code 2234A has a factor of .85 which can be found on the appraisal card under EC%.

7. An area defined as Crown Colony Subdivision Sections 1 & 2. This neighborhood market area is represented by a neighborhood code of 22550. For 2015 the neighborhood code 22550 has a factor of .93 which can be found on the appraisal card under the EC%.
8. An area defined as Crown Colony Subdivision Sections 3. This neighborhood market area is represented by a neighborhood code of 22570. For 2015 the neighborhood code 22570 has a factor of .93 which can be found on the appraisal card under the EC%.
9. An area defined as Eagle Creek Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 23085. For 2015 the neighborhood code 23085 has a factor of .87 which can be found on the appraisal card under the EC%.
10. An area defined as Eagle Heights Subdivision. This neighborhood market area is represented by a neighborhood code of 23200. For 2015 the neighborhood code 23200 has a factor of 1.05 which can be found on the appraisal card under the EC%.
11. An area defined as Fisher's Landing Subdivision. This neighborhood market area is represented by a neighborhood code of 2512. For 2015 it was determined that a factor did not need to be applied to this market neighborhood.
12. An area defined as Fisher's Landing Subdivision Section 2. This neighborhood market area is represented by a neighborhood code of 2513. For 2015 it was determined that a factor did not need to be applied to this market neighborhood.
13. An area defined as Fisher's Landing Subdivision Section 3. This neighborhood market area is represented by a neighborhood code of 2514. For 2015 it was determined that a factor did not need to be applied to this market neighborhood.
14. An area defined as Fisher's Landing Subdivision Section 4. This neighborhood market area is represented by a neighborhood code of 2515. For 2015 it was determined that a factor did not need to be applied to this market neighborhood.
15. An area defined as Lakes of Champions Subdivision. This neighborhood market area is represented by a neighborhood code of 36250. For 2015 the neighborhood code 36250 has a factor of 1.17 which can be found on the appraisal card under the EC%.
16. An area defined as Lanai Subdivision (All Sections). This neighborhood market area is represented by a neighborhood code of 3630 for single story houses and 3630A for two story houses. For 2015 the neighborhood code 3630 has a factor of .84 which can be found on the appraisal card under the EC%. For 2015 the neighborhood code 3630A has a factor of .85 which can be found on the appraisal card under EC%.
17. An area defined as Legends Bay Subdivision. This neighborhood market area is represented by a neighborhood code of 36400 for single story houses and 3640A for two story houses. For 2015 the neighborhood code 36400 has a factor of .96 which can be found on the appraisal card under EC%. For 2015 the neighborhood code 3640A has a factor of .83 which can be found on the appraisal card under EC%.
18. An area defined as Maley Woods Subdivision Section 1. This neighborhood market area is represented by a neighborhood code of 38875. For 2015 for the neighborhood code 38875 has a factor of 1.11 which can be found on the appraisal card under EC%.

19. An area defined as Maley Woods Subdivision Section 2. This neighborhood market area is represented by a neighborhood code of 38890. For 2015 for the neighborhood code 38890 has a factor of 1.11 which can be found on the appraisal card under EC%.

20. An area defined as Maley Woods Subdivision Section 3. This neighborhood market area is represented by a neighborhood code of 38895. For 2015 for the neighborhood code 38895 has a factor of 1.11 which can be found on the appraisal card under EC%.

21. An area defined as Old River Country Subdivision Section 1. This neighborhood market area is represented by a neighborhood code of 44000. For 2015 the neighborhood code 44000 has a factor of 1.04 which can be found on the appraisal card under EC%.

22. An area defined as Old River Country Subdivision Section 2. This neighborhood market area is represented by a neighborhood code of 44010. For 2015 the neighborhood code 44010 has a factor of 1.04 which can be found on the appraisal card under EC%.

23. An area defined as Old River Country Subdivision Section 3. This neighborhood market area is represented by a neighborhood code of 44020. For 2015 the neighborhood code 44020 has a factor of 1.04 which can be found on the appraisal card under EC%.

24. An area defined as Olsen Estates. This neighborhood market area is represented by a neighborhood code of 44500. For 2015 the neighborhood code 44500 has a factor of 1.10 which can be found on the appraisal card under EC%.

25. An area defined as Plantation (All Sections). This neighborhood market area is represented by a neighborhood code of 47300. For 2015 the neighborhood code 47300 has a factor of 1.07 which can be found on the appraisal card under EC%.

26. An area defined as Timber Ridge Subdivision Section 2. This neighborhood market area is represented by a neighborhood code of 57975. For 2015 the neighborhood code 57975 has a factor of 1.09 which can be found on the appraisal card under EC%.

27. An area defined as Veranda Subdivision Section 1. This neighborhood market area is represented by a neighborhood code of 60300. For 2015 the neighborhood code 60300 has a factor of .85 which can be found on the appraisal card under EC%.

28. An area defined as Veranda Subdivision Section 2. This neighborhood market area is represented by a neighborhood code of 60310. For 2015 the neighborhood code 60310 has a factor of .85 which can be found on the appraisal card under EC%.

29. An area defined as Brookstone Subdivision. This neighborhood market area is represented by a neighborhood code of 19655. For 2015 the neighborhood code 19655 has a factor of .97 which can be found on the appraisal card under EC%.

30. An area defined as Eagle Pointe Subdivision. This neighborhood market area is represented by a neighborhood code of 23400. For 2015 the neighborhood code 23400 has a factor of .8 which can be found on the appraisal card under EC%.

31. An area defined as Falcons Point Subdivision. This neighborhood market area is represented by a neighborhood code of 24600. For 2015 the neighborhood code 24600 has a factor of 1.12 which can be found on the appraisal card under EC%.

31. An area defined as Sellers Station Subdivision Section 1 Phase 1. This neighborhood market area is represented by a neighborhood code of 49800 . For 2015 the neighborhood code 49800 has a factor of 1.14 which can be found on the appraisal card under EC%.

STANDARD 6: MASS APPRAISAL, DEVELOPMENT AND REPORTING

In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals.

Comment: Standard applies to all mass appraisals regardless of the purpose or use of such appraisals. It is directed toward the substantive aspects of developing and communicating competent analyses, opinions, and conclusions in the mass appraisal of properties, whether real property or personal property. Mass appraisals can be prepared with or without computer assistance. The reporting and jurisdictional exceptions applicable to public mass appraisals prepared for purposes of ad valorem taxation do not apply to mass appraisals prepared for other purposes. A mass appraisal includes:

1. identifying properties to be appraised
2. defining market area of consistent behavior that applies to properties
3. identifying characteristics (supply and demand) that affect the creation of value in that market area
4. developing a model structure that reflects the relationship among the characteristics affecting value in the market area
5. calibrating the model structure to determine the contribution of the individual characteristics affecting value
6. applying the conclusions reflected in the model to the characteristics of the property or properties being appraised
7. reviewing the mass appraisal results

The JURISDICTIONAL EXCEPTION RULE may apply to several sections of this Standard because ad valorem tax administration is subject to various state, county, and municipal laws.

Standards Rule 6-1 (This Standards Rule contains binding requirements from which departure is not permitted.)

In developing a mass appraisal, an appraiser must:

- (a) be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce a credible mass appraisal;

Comment: Mass appraisal provides for a systematic approach and uniform application of appraisal methods and techniques to obtain estimates of value that allow for statistical review and analysis of results.

This requirement recognizes that the principle of change continues to affect the manner in which appraisers perform mass appraisals. Changes and developments in the real property and personal property fields have a substantial impact on the appraisal profession. To keep abreast of these changes and developments, the appraisal profession is constantly reviewing and revising appraisal methods and techniques and devising new methods and techniques to meet new circumstances. For this reason it is not sufficient for appraisers to simply maintain the skills and the knowledge they possess when they become appraisers. Each appraiser must continuously improve his or her skills to remain proficient in mass appraisal.

- (b) not commit a substantial error of omission or commission that significantly affects a mass appraisal

Comment: In performing appraisal services, an appraiser must be certain that the gathering of factual information is conducted in a manner that is sufficiently diligent, given the scope of work as identified according to Standards Rule 6-2(c), to ensure that the data that would have a material or significant effect on the resulting opinions or conclusions are identified and, where necessary, analyzed. Further, an appraiser must use sufficient care in analyzing such data to avoid errors that would significantly affect his or her opinions and conclusions, and

- (c) not render a mass appraisal in a careless or negligent manner.

Comment: An appraiser must not render appraisal services in a careless or negligent manner. This rule requires an appraiser to use due diligence and due care.

Standards Rule 6-2 (This Standards Rule contains specific requirements from which departure is permitted. See the DEPARTURE RULE.)

In developing a mass appraisal, an appraiser must observe the following specific appraisal requirements:

- (a) identify the client and other intended users;
- (b) identify the purpose and intended use of the appraisal;
- (c) identify the scope of work necessary to complete the assignment, including any special limiting conditions;

Comment: Constraints on the mass appraisal process must not limit the scope of work to such a degree that the mass appraisal results are not credible. The scope of work is acceptable when it is consistent with:

- ◆ the expectations of participants in the market for the same or similar appraisal services; and
- ◆ what the appraiser's peers' actions would be in performing the same or a similar assignment in compliance with USPAP.

An appraiser must have sound reasons in support of the scope-of-work decision and must be prepared to support the decision to exclude any information or procedure that would appear to be relevant to the client, an intended user, or the appraiser's peers in the same or a similar assignment.

An appraiser must not allow assignment conditions or other factors to limit the extent of research or analysis to such a degree that the resulting opinions and conclusions developed in an assignment are not credible in the context of the intended use of the appraisal.

- ii. when the subject is real property, identify and consider any personal property, trade fixtures, or intangibles that are not real property but are included in the appraisal;
- iii. when the subject is personal property, identify and consider any real property or intangibles that are not personal property but are included in the appraisal;

- iv. identify known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of similar nature; and
- v. identify and analyze whether an appraised fractional interest, physical segment or partial holding contributes pro rata to the value of the whole;

Comment: The above requirements do not obligate the appraiser to value the whole when the subject of the appraisal is a fractional interest, physical segment, or a partial holding. However, if the value of the whole is not identified, the appraisal must clearly reflect that the value of the property being appraised cannot be used to develop the value opinion of the whole by mathematical extension.

- (j) in appraising real property, identify and analyze the effect on use and value of the following factors: existing land use regulations, reasonably probable modifications of such regulations, economic supply and demand, the physical adaptability of the real estate, neighborhood trends, and highest and best use of the real estate.

Comment: This requirement sets forth a list of factors that affect use and value. In considering neighborhood trends, an appraiser must avoid stereotyped or biased assumptions relating to race, age, color, gender, or national origin or an assumption that race, ethnic, or religious homogeneity is necessary to maximize value in a neighborhood. Further, an appraiser should avoid making an unsupported assumption or premise about neighborhood decline, effective age, and remaining life. In considering highest and best use, an appraiser must develop the concept to the extent required for a proper solution to the appraisal problem.

- (k) recognize that land is appraised as though vacant and available for development to its highest and best use and that the appraisal of improvements is based on their actual contribution to the site

Comment: This requirement may be modified to reflect the fact that, in various market situations, a site may have a contributory value that differs from the value as if vacant.

- (l) in appraising personal property: identify and analyze the effects on use and value of industry trends, value-in-use, and trade level of personal property. Where applicable, identify the effect of highest and best use by measuring and analyzing the current use and alternative uses to encompass what is profitable, legal, and physically possible, as relevant to the purpose and intended use of the appraisal. Personal property has several measurable marketplaces; therefore, the appraiser must define and analyze the appropriate market consistent with the purpose of the appraisal;

Comment: The appraiser must recognize that there are distinct levels of trade and each may generate its own data. For example, a property may have a different value at a wholesale level of trade, a retail level of trade, or under various auction conditions. Therefore, the appraiser must analyze the subject property within the correct market context.

- (m) analyze the relevant economic conditions at the time of the valuation, including market acceptability of the property and supply, demand, scarcity, or rarity.

Standards Rule 6-3 (This Standards Rule contains binding requirements from which departure is not permitted.)

In developing a mass appraisal, an appraiser must:

- (a) identify the appropriate procedures and market information required to perform the appraisal, including all physical, functional, and external market factors as they may affect the appraisal;

Comment: Such efforts customarily include the development of Standardized data collection forms, procedures, and training materials that are used uniformly on the universe of properties under consideration.

- (b) employ recognized techniques for specifying property

Comment: The formal development of a model in a statement or equation is called model specification. Mass appraisers must develop mathematical models that, with reasonable accuracy, represent the relationship between property value and supply and demand factors, as represented by quantitative and qualitative property characteristics. The models may be specified using the cost, sales comparison, or income approaches to value. The specification format may be tabular, mathematical, linear, nonlinear, or any other structure suitable for representing the observable property characteristics. Appropriate approaches must be used in appraising a class of properties. The concept of recognized techniques applies to both real and personal property valuation models.

- (c) employ recognized techniques for calibrating mass appraisal models.

Comment: Calibration refers to the process of analyzing sets of property and market data to determine the specific parameters of a model. The table entries in a cost manual are examples of calibrated parameters, as well as the coefficients in a linear or nonlinear model. Models must be calibrated using recognized techniques, including, but not limited to, multiple linear regression, nonlinear regression, and adaptive estimation.

Standards Rule 6-4 (This Standards Rule contains specific requirements from which departure is permitted. See DEPARTURE RULE.)

In developing a mass appraisal, an appraiser must observe the following specific requirements, when applicable:

- (a) collect, verify, and analyze such data as are necessary and appropriate to develop, when applicable:
 - i. the cost new of the improvements;
 - ii. accrued depreciation;
 - iii. value of the land by sales of comparable properties;
 - iv. value of the property by sales of comparable properties;
 - v. value by capitalization of income (i.e., rentals, expenses, interest rates, capitalization rates, and vacancy data;

Comment: This rule requires appraisers engaged in mass appraisal to take reasonable steps to ensure that the quantity and quality of the factual data that are collected are sufficient to produce credible appraisals. For example, in real property, where applicable and feasible, systems for

routinely collecting and maintaining ownership, geographic, sales, income and expense, cost, and property characteristics data must be established. Geographic data must be contained in as complete a set of cadastral maps as possible, compiled according to current Standards of detail and accuracy. Sales data must be collected, confirmed, screened, adjusted, and filed according to current Standards of practice. The sales file must contain, for each sale, property characteristics data that are contemporaneous with the date of sale. Property characteristics data must be appropriate and relevant to the mass appraisal models being used. The property characteristics data file must contain data contemporaneous with the date of appraisal including historical data on sales, where appropriate and available. The data collection program must incorporate a quality control program, including checks and audits of the data to ensure current and consistent records.

- (b) base estimates of capitalization rates and projections of future rental rates, expenses, interest rates, and vacancy rates on reasonable and appropriate evidence; Comment: This requirement calls for an appraiser, in developing income and expense statements and cash flow projections, to weigh historical information and trends, current market factors affecting such trends, and reasonably anticipated events, such as competition from developments either planned or under construction.
- (c) identify and, as applicable, analyze terms and conditions of any available leases; and
- (d) identify the need for and extent of any physical inspection.

Standards Rule 6-5 (This Standards Rule contains specific requirements from which departure is permitted. See DEPARTURE RULE.)

In applying a calibrated mass appraisal model an appraiser must:

- (a) value improved parcels by recognized methods or techniques based on the cost approach, the sales comparison approach, and income approach, as applicable;
- (b) value sites by recognized methods or techniques; such techniques include but are not limited to the sales comparison approach, allocation method, abstraction method, capitalization of ground rent, and land residual technique;
- (c) when developing the value of a leased fee estate or a leasehold estate, analyze, as applicable, the effect on value, if any, of the terms and conditions of the lease;

Comment: In ad valorem taxation the appraiser may be required by rules or law to appraise the property as if in fee simple, as though unencumbered by existing leases. In such cases, market rent would be used in the appraisal, ignoring the effect of the individual, actual contract rents.

- (d) analyze the effect on value, if any, of the assemblage of the various parcels, divided interests, or component parts of a property; the value of the whole must not be developed by adding together the individual values of the various parcels, divided interests, or component parts;

Comment: When the value of the whole has been established and the appraiser seeks to value a part, the value of any such part must be tested by reference to appropriate market data and supported by an appropriate analysis of such data.

- (e) analyze the effect on value, if any, of anticipated public or private improvements, located on or off the site, to the extent that market actions reflect such anticipated improvements as of

the effective appraisal date; appraise proposed improvements only after examining and having available for future examination:

- i. plans, specifications, or other documentation sufficient to identify the scope and character of the proposed improvements;
- ii. evidence indicating the probable time of completion of the proposed improvements; and
- iii. reasonably clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections, and the anticipated competition at the time of completion.

Comment: Ordinarily, proposed improvements are not appraised for ad valorem tax purposes. Appraisers, however, are sometimes asked to provide opinions of value of proposed improvements so that developers can estimate future property tax burdens. Sometimes units in condominiums and planned unit developments are sold with an interest in unbuilt community property, the pro rata value of which, if any, must be considered in the analysis of sales data. Development of a value opinion for a subject property with proposed improvements as of a current date involves the use of the hypothetical condition that the described improvements have been completed as of the date of value when, in fact, they have not.

The evidence required to be examined and maintained may include such items as contractors' estimates relating to cost and the time required to complete construction, market and feasibility studies; operating cost data, and the history of recently completed similar developments. The appraisal may require a complete feasibility analysis.

Standards Rule 6-6 (This Standards Rule contains binding requirements from which departure is not permitted.)

In reconciling a mass appraisal an appraiser must:

- (a) reconcile the quality and quantity of data available and analyzed within the approaches used and the applicability or suitability of the approaches used; and
- (b) employ recognized mass appraisal testing procedures and techniques to ensure that standards of accuracy are maintained.

Comment: It is implicit in mass appraisal that, even when properly specified and calibrated mass appraisal models are used, some individual value estimates will not meet Standards of reasonableness, consistency, and accuracy. However, appraisers engaged in mass appraisal have a professional responsibility to ensure that, on an overall basis, models produce value estimates that meet attainable Standards of accuracy. This responsibility requires appraisers to evaluate the performance of models, using techniques that may include but are not limited to, goodness-of-fit statistics, and model performance statistics such as appraisal-to-sale ratio studies, evaluation of hold-out samples, or analysis of residuals.

Standards Rule 6-7 (This Standards Rule contains binding requirements from which departure is not permitted.)

A written report of a mass appraisal must clearly communicate the elements, results, opinions, and value conclusions of the appraisal. Each written report of a mass appraisal must:

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

- (b) contain sufficient information to enable the intended users of the appraisal to understand the report

Comment: When any portion of the work involves significant mass appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the name(s) of those providing the significant mass appraisal assistance in the certification, in accordance with SR 6-8. Documentation for a mass appraisal for ad valorem taxation may be in the form of (1) property records, (2) sales ratios and other statistical studies, (3) appraisal manuals and documentation, (4) market studies, (5) model building documentation, (6) regulations, (7) statutes, and (8) other acceptable forms.

- (c) clearly and accurately disclose any extraordinary assumptions, hypothetical conditions, or limiting conditions that directly affect the appraisal and indicate its impact on value.

Comment: Examples of extraordinary assumptions or hypothetical conditions might include items such as the execution of a pending lease agreement, atypical financing, and a known but not yet quantified environmental issue, or completion of onsite or offsite improvements. In a written report the disclosure is required in conjunction with statements of each opinion or conclusion that is affected.

- (d) state the identity of the client and any intended users, by name and type;
- (e) state the purpose and intended use of the appraisal;
- (f) disclose any assumptions or limiting conditions that result in deviation from recognized methods and techniques or that affect analyses, opinions, and conclusions;

Comment: One limiting condition that must be disclosed is whether or not any physical inspection was made.

- (g) set forth the effective date of the appraisal and the date of the report;

Comment: In ad valorem taxation the effective date of the appraisal may be prescribed by law. If no effective date is prescribed by law, the effective date of the appraisal, if not stated, is presumed to be contemporaneous with the data and appraisal conclusions.

The effective date of the appraisal establishes the context for the value opinion, while the date of the report indicates whether the perspective of the appraiser on the market or property use conditions as of the effective date of the appraisal was prospective, current, or retrospective.

Reiteration of the date of the report and the effective date of the appraisal at various stages of the report in tandem is important for the clear understanding of the reader whenever market or property use conditions on the date of the report are different from such conditions on the effective date of the appraisal.

- (h) define the value, including the type and definition and its source;
- (i) identify the properties appraised including the property rights;

Comment: The report documents the sources for location, describing and listing the property. When applicable, include references to legal descriptions, addresses, parcel identifiers, photos, and building sketches. In mass appraisal this information is often included in property records.

When the property rights to be appraised are specified in a statute or court ruling, the law must be referenced.

- (j) describe sufficient information to disclose to the client and any intended users of the appraisal the scope of work used to develop the appraisal;

Comment: This requirement is to ensure that the client and intended users whose expected reliance on an appraisal may be affected by the extent of the appraiser's investigation are properly informed and are not misled as to the scope of work. The appraiser has the burden of proof to support the scope of work decision and the level of information included in a report. When any portion of the work involves significant mass appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the name(s) of those providing the significant mass appraisal assistance in the certification, in accordance with SR 6-8.

- (k) describe and justify the model specification(s) considered, data requirements, and the model(s) chosen;

Comment: The user and affected parties must have confidence that the process and procedures used conform to accepted methods and result in credible value estimates. In the case of mass appraisal for ad valorem taxation, stability and accuracy are important to the credibility of value opinions. The summary report must include a discussion of the rationale for each model, the calibration techniques to be used, and the performance measures to be used.

- (l) describe the procedure for collecting, validating, and reporting data;

Comment: The summary report must describe the sources of data and the data collection and validation processes. Reference to detailed data collection manuals must be made, as appropriate, including where they may be found for inspection.

- (m) describe calibration methods considered and chosen, including the mathematical form of the final model(s); describe how value estimates were reviewed; and, if necessary, describe the availability of individual value estimates;

- (n) in the case of real property, discuss how highest and best use was determined;

Comment: The mass appraisal summary report must reference case law, statute, or public policy that describes highest and best-use requirements. When actual use is the requirement, the report must discuss how use-value opinions were developed. The appraiser's reasoning in support of the highest and best use opinion must be provided in the depth and detail required by its significance to the appraisal.

- (o) identify the appraisal performance tests used
- (p) provide any additional information necessary to explain the appraisal more fully, including departures permitted by the DEPARTURE RULE; and
- (q) include a signed certification in accordance with Standards Rule 6-8.

Standards Rule 6-8 (This Standards Rule contains binding requirements from which departure is not permitted.)

Each written mass appraisal report must contain a signed certification that is similar in content to the following form:

I certify that, to the best of my knowledge and belief:

- ◆ the statements of fact contained in this report are true and correct.
- ◆ the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ◆ I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest with respect to the parties involved
- ◆ I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- ◆ my engagement in this assignment was not contingent upon developing or reporting predetermined results
- ◆ my compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. performance measures attained;
- ◆ my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ I have (or have not) made a personal inspection of the properties that are the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- ◆ no one provided significant mass appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant mass appraisal assistance must be stated.)

Comment: The above certification is not intended to disturb an elected or appointed assessor's work plans or oath of office. A signed certification is an integral part of the appraisal report. An appraiser, who signs any part of the mass appraisal report, including a letter of transmittal, must also sign this certification.

Any appraiser who signs a certification accepts full responsibility for all elements of the certification, for the assignment results, and for the contents of the appraisal report.

When a signing appraiser has relied on work done by others who do not sign the certification, the signing appraiser is responsible for the decision to rely on their work. The signing appraiser is required to have a reasonable basis for believing that those individuals performing the work are competent and that their work is credible.

The names of individuals providing significant mass appraisal assistance who do not sign a certification must be stated in the certification. It is not required that the description of their assistance be contained in the certification, but disclosure of their assistance is required in accordance with SR 6-7(b).

Statement 1* On Appraisal Standards No. 6 (Smt-6)

In USPAP, the Comment to Standards Rules 1-2 and 7-2 states: When the purpose of an assignment is to develop an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion. The Comment to Standards Rules 2-2 and 8-2 states: Stating the definition of value requires the definition itself, an appropriate reference to the source of the definition, and any comments needed to clearly indicate to the

reader how the definition is being applied. How is the opinion of reasonable exposure time developed? Is it presumed to occur prior to or starting from the effective date of the appraisal?

- ◆ The reasonable exposure time inherent in the market-value concept is always presumed to precede the effective date of the appraisal.
- ◆ Exposure time is different for various types of property and under various market conditions.

The answer to the question "what is reasonable exposure time?" should always incorporate the answers to the question "for what kind of property at what value range?" rather than appear as a statement of an isolated time period. *Appraisal Frequency and Method Summary*

- Residential Property- Residential property is physically examined every other year with appraisers driving in front 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. Every subdivision is statistically analyzed annually to ensure that sales that have occurred in the subdivision during the past 12 months are within a $\pm 3\%$ range of appraised value. If the sales do not indicate that range, adjustments may be made to the subdivision.
- Commercial Property- Commercial and industrial real estate is observed every other year to verify class and condition. The inspection occurs as Business Personal Property appraisers are checking BPP accounts. Real estate accounts are analyzed against sales of similar properties in Chambers CAD. The income approach to value is sometimes 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 observed annually with appraisers actually going into businesses to develop quality and density observations. A rendition is left for new businesses to complete. Similar businesses to a subject are analyzed annually to determine consistency of appraisal per square foot. Businesses are categorized using SIC codes. Rendition laws provide additional information on which to base values of all BPP accounts.

Document 3A
2015 - 2016
CAD Plan for Periodic Reappraisal of Industrial Real Property

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

- (a) CAD 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 CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
 - (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.

Document 3B
2015 - 2016
CAD Plan for Periodic Reappraisal of Industrial Personal Property

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

- (a) CAD 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 CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
 - (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 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.

Document 3C
2015 - 2016
CAD Plan for Periodic Reappraisal of
Utility, Railroad and Pipeline Property

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

- (a) CAD 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 CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
- (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 distinct 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.

Document 3D
2015 - 2016
CAD Plan for Periodic Reappraisal
of Oil and Gas Property

In accordance with Section 25.18 of the Tax Code:

- (a) CAD shall implement the plan for periodic reappraisal of property as approved by the board of directors under Section 6.05 (i).
- (b) The plan provides for annual reappraisal of all oil and gas property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.
 - (1) Identification of new property and its situs. As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAGL obtains monthly oil and gas lease information from the Railroad Commission of Texas [RRC] to compare against oil and gas properties already identified.

The situs of new properties is determined using plats and W-2/G-1 records from the RRC, as well as CAGL's in-house map resources.

- (2) Identifying and updating relevant characteristics of all oil and gas properties to be appraised. Relevant characteristics necessary to estimate value of remaining oil or gas reserves are production volume and pattern, product prices, expenses borne by the operator of the property, and the rate at which the anticipated future income should be discounted to incorporate future risk. CAGL obtains information to update these characteristics annually from regulatory agencies such as the RRC, the Comptroller of Public Accounts, submissions from property owners and operators, as well as from published investment reports, licensed data services, service for fee organizations and through comparable properties, when available.
- (3) Defining market areas in the district and identifying property characteristics that affect property value in each market area. Oil and gas markets are regional, national and international. Therefore they respond to market forces beyond defined market boundaries as observed among more typical real properties.
- (4) Developing an appraisal approach that best reflects the relationship among property characteristics affecting value and best determines the contribution of individual property characteristics. Among the three approaches to value (cost, income and market), the income approach to value is most commonly used in the oil and gas industry. Through use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and pattern, product prices, operating expenses and discount rate to determine an estimate of appraised value of an oil or gas property.
- (5) Comparison and Review. Use of the income approach is the first step in determining an estimate of market value. After that the appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected payouts and income indicators. The appraiser examines the model's value with its previous year's actual income, expecting value to typically vary within in a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser further expand the review process.

Assistant Chief Appraiser / Appraisal Director Plans for 2015-2016

1. Update and modify Land Schedules.
2. Appraise all new subdivisions for 2015 & 2016 and develop land schedules based on asking prices given from developer or comparative market sales.
3. Process all sales data as received.
Perform periodic ratio studies by:
 1. School District

2. Property Improvement Class
3. Land Type

Personal Property Plans for 2015-2016

Process assumed names from County Clerk's office for the current year.

Complete inspections of all new businesses.

Process all renditions received from taxpayers.

Grant an extension of the deadline for filing a rendition until May 15th if the owner requested the extension in writing. The Chief Appraiser may extend the filing date another 15 days with good cause.*

*Section 22.23 of the State Property Tax Code

Impose a penalty of 10% of the tax amount imposed if the taxpayer did not file a timely rendition statement.*

*Section 22.23 of the State Property Tax Code.

Reappraisal inspection of all existing personal property accounts.

--Field Appraisal Plans for 2015

The field Appraisers will be conducting on-site reappraisals of the following areas for 2015.

Anahuac ISD—Area C—Worked by Appraiser – Norma Baker

Abstracts:

493, 181, 673, 492, 310, 180, 656, 101, 674, 86, 177, 60, 87, 74, 58, 62, 59, 75, 17, 171, 1, 468, 467, 209, 305, 7, 383, 313, 8, 311, 39, 300, 494, 959, 619, 125, 542, 126, 122, 580, 121, 558, 120, 581, 119, 520, 118, 117, 535, 519, 115, 555, 592, 511, 114, 526, 617, 245, 472, 116, 18, 660, 578, 553, 514, 513, 41, 387, 365, 174, 45, 52, 390, 47, 78, 388, 316, 235, 232, 233, 312, 162, 48, 51, 197, 236, 50, 367, 166.

Subdivisions:

Pineland Acres, Wood Hollow, Edward Wiley, Burney Bayou, Glenwood Terrace, Sherman Clark, Ranches at Turtle Bayou, Sunset Pines on Turtle Bayou, Indian Trails, Indian Trails Replat Lots 6-8 Bk 5, Elm Properties, Turtle Bayou, Margie White Estates, PB Partnership, Allen Farms Commercial, Allen Farms, Farris, Gator Country, Plummer Estates, Oetken East, Oetken West, Riley Addn Minor Plat, Farring, Chambers County Industrial Park #1, WM Mathews, Paquet, SC Gill, Carrington, JB Farris, Anahuac T/S, Wharfyard, Willcox Park, Willcox Addition, Willcox #2, Willcox #3, Willcox #4, Joe McNiel Minor Plat, Tinkler, Tinkler Re-plat, Edgar Haynes Minor Plat, Anahuac Gardens, Airport, Airport Division, Belton Lane, Harvest Ridge, Penick, Oakwood Gardens, Shady Shore, Chambliss, Bayview, Thomas Ralph Jackson, Moorehead, Godfrey Place, Sunnyside 1 & 2, Bayside Clinic, James Peveto Minor Plat, Ollie Cove, Sharp, Thompson Acres, Lester Ray Division, Channelview, Leblanc Minor Plat, Andrew Dunn, John Stegall, Double Bayou Estates, Double Bayou 1 & 2, Sportsman, Oak Island

Anahuac ISD Cont'd

1 & 2, Shady Glen, El Camino Paradiso, Bayside, Jackson & Darden, Presley Landing, Humphrey Minor Plat, White Heron 1& 2, White Heron Replat 3-5 Bk 3, Heron Place, Bayou Bay, Crawford Minor Plat, LL Nelson, Ben & Jeri Minor Plat, Oak Ridge, Gersback, Southshore, Southshore 1 & 2, Egrets View, Heartfield, Robbins.

Reappraisal Plan
Appraisal District for Chambers County
Page 46

Mobile Home Parks:

James Sandlin, John Bradley, Mathews, Sutterfield, Hankamer MH Park, JB Colley, Mitchell, Parkway.

East Chambers ISD—Area D—Worked by Appraiser – Marcel Pierel

Abstracts:

248, 612, 613, 551, 614, 624, 669, 628, 249, 550, 638, 250, 423, 630, 546, 644, 641, 645, 642, 651, 643, 647, 609, 141, 438, 629, 436, 150, 625, 157, 434, 154, 437, 424, 149, 426, 251, 655, 476, 155, 151, 435, 147, 433, 439, 153, 144, 425, 252, 557, 541, 430, 460, 146, 291, 432, 458, 292, 459, 293, 431, 626, 627, 576, 585, 575, 562, 595, 457, 406, 54, 363, 43, 294, 302, 633, 631, 634, 354, 355, 400, 222, 295, 401, 296, 399, 665, 461, 462, 621, 92, 91, 315, 561, 26, 16, 276, 277, 247, 591, 620, 552, 477, 246, 578, 244, 282, 281, 515, 611, 509, 280, 279, 474, 278, 601, 534, 270, 536, 512, 271, 480, 272, 602, 273, 479, 269, 573, 657, 654, 639, 264, 522, 268, 556, 648, 524, 582, 523, 571, 570, 125, 495, 574, 263, 664, 124, 572, 653, 496, 652, 497, 623, 583, 262, 123, 566, 588, 265, 483, 594, 267, 481, 266, 527, 261, 547, 607, 577, 597, 600, 260, 548, 499, 502, 622, 500, 615, 616, 501, 11, 14.

Subdivisions:

Big Hill, Brunet, Gilbert Hargraves, Sunny Acres, Highland, ZN Cormier, Thibodeaux, Raymond, Rollins, ML Franzen, Mendenhall, McWilliams, Penn Terrace, Briar Meadow Sec 1, 2, 5, Vaughan Estates, McBride, Tom Jenkins, Vaughn Estates, Pine Oak Village 1-3, North Lake, Syphrett, Robbin Miller, McCormick, Stidham, Franzen Park Place, Spindletop Manor, Leblanc, Henderson Heights, Quality Inn Minor Plat, Studio 6 Minor Plat, Foodmaker, Rollins Acres, Winnie T/S, John F Wilson, Fox Winnie, Stowell T/S, First Street Addition, Tractor Supply of Winnie, Winnie Suburbs A-11 and A-14, Winnie Suburbs Replat Lots 4-22, Koch Subdivision A-16 and A-26.

Mobile Home Parks:

Cammareri, Circle P Villa, El Rancho, Green Acres, Ranch House, Myrna Roy, Sherrill, G & R Trailer Park.

Northern Part of Barbers Hill ISD / Goose Creek ISD—Area A & A1
Worked by Appraiser – Kayla Rabalais

Abstracts:

12, 13, 242, 306, 205, 61, 15.

Subdivisions:

Leaning Oaks, Green Acres, Hunter's Cove, Timber Ridge 1 & 2, Indian Ridge, Woodland Acres 1 & 2, Old River Country 1-3, Fisher's Landing 1-4, Foster Estates, Creekview S/D, Hidden Fairways, Secret, Brookstone 1 & 2, Eagle Point, Villages @ Champions Gate, Villages at Champions Gate Phase 1, Amended Portion Villages @ Champions Gate Ph 1, Cherry Point 1 & 2, Daniels S/D, Lynn Strickland, Cherry Creek, Equistar, Fitzgerald, Hatcherville Homesites, CA & Marion Williams Minor Plat, FH Stubbs, Mont Belvieu, Gilbert Heights, Park Lane, Methodist Church, JH Williams, Brazell, Amanda Williams, Barbers Hill Addn, JH Boyd, Cedar Hill Estates, Warren Petroleum, Angel Brothers Travel Center, Annie Higgins, Mont Belvieu McDonalds, Pear Hendricks, West Winfree Station, Langston Booster, Patel Business Center, Brickyard, Cottonwood Estates Phase One, Olsen Estates, Lakes of Champions, Lakes of Champions Sec 2A, Eagle Creek 1-3, The Colony @ Mont Belvieu 1 & 2, Buckeye, Eagle Drive, Jelly Bean Junction Minor Plat, LAD Crossing, Crown Colony 1-3, Annie's Place, Pancho, Rabalais Minor Plat, Eaglebrook Apartments, Eaglenest Storage, KB Ranch, Rodney Porter Minor Plat, Community Resource Credit Union Minor Plat, Family Dollar, M & T Auto, Post Oak Plaza, Sonic Mont Belvieu, Sharon Porter, Barbers Hill Banking Center, Cotford 1, Five Star Dry Cleaners, Guarantee Mortgage, Hamilton, Marie's, Wilkey Commercial Reserve, Frank & Laura Sylvia, Laubach, Sylvia Estates, Sylvia Oaks, Carriage Trails, Lost Lake Village, Oaks Grande 1 & 2, River Oaks, Tiltons Landing 1 & 2, Charles Smith Minor Plat, Himmel & Hicks, Old Irish Farms 1-3, Julia Ann Villa, West Star Division, Pine Meadows 1 & 2, Country Meadows 1 & 2, Susan Fullbright Minor Plat, Hunters Chase 1-3, RSC Rental, Abbe 1 & 2, Lynnwood, Pinehurst 1 & 2, Debruhl, Ronald J Carey Minor Plat, Jackie Graham, Khairunnissa Investments, Patel Minor Plat, Pine Lakes RV Park, Staples, Tanglewilde 1-3, Bayou Bend, Devinwood, Rios Roofing, Goose Creek ISD Bayou Bend Minor Plat, Shady Oaks RV Park, Cedar Bayou Storage, Landing @ Cedar Bayou, Norman Dykes Minor Plat, Cedar Bend, Lincoln Cedars, Triple S S/D, Provost Minor Plat, Salvador & Guadalupe Morfin Minor Plat, Forest Cove, Fisher Road Warehouse, Bay Breeze Courts, Sylvan Acres, Oaks @ Houston Point, Seaview, Shore Homes, Wilburn Ranch Est, Perry Road Extension, Cedar Crossing, Cedar Crossing Phase II, Cedar Crossing Replat of Restricted Reserve A Phase II, ROW Plat for West Greenwood, South Greenwood, Cedar Port Blvd, ROW Plat for Powers Rd, ROW Plat for Powers Rd Extension, Greentransport Facility Minor Plat, Ameriport 1-3.

Mobile Home Parks:

Cedar Bayou, Ocean, Sunny Villa, River Forest, Woodland Acres Sec B, Robin Roberts, Saw Creek

Southern Part of Barbers Hill ISD –Area B—Worked by Appraiser – Natalie Whatley

Abstracts:

23, 28, 306.

Subdivisions:

Bayridge, Seacrest, J Beasley #1, Julia H Casey, Keese Minor Plat, Baycrest Acres, Baycrest Addition, LJ Lawrence, Umbrella Point, Baybreeze, High Bluff, Walton Court, Barton Clark, J Beasley #1 and #3, Del Rio & Alvarez, Cedar Gully, High Point, The Bay Place, Huff & Sunbeck, North Point 1-3, Point Barrow on the Bay, Point Barrow Estates, Barton Clark, Southwind Estates, Walker Parkview, Barrow Ranch 1-4, Barrow Ranch Minor Plat, Replat R Barrow Estates, Beach Haven, Greenbriar Estates, Lennie Lane, Hidden Oak Estates, RWJ Airpark 1 & 2, RWJ Replat, Coles Crossing 1 & 2, Cotton Lake Estates, Girlinghouse, Lake Ridge 1 & 2, Falcon's Point, Eagle Heights, Katie's Creek, Tiffany Acres 1 & 2, Trinity Cove, Valley of Hope, Sellers Addition, Rancho Ibarra, USA Industrial Park, Hackberry Creek Storage, Hackberry Creek 1 & 2, Cotton Creek, Jackson & Fulghum, The Cove at Cotton Creek, Creekside at Cotton Creek, Cove at Cotton Creek Estates, Legends Bay 1-4, Tommy Grimes, Veranda 1 & 2, Maley Woods 1-3, Peace Tabernacle, Plantation (all sections), Southern Plantation (All sections), Blue Wing Acres, Manchaca Acres, Williams Division, Blueberry Cove, Merrill, Welton J Williams, Ben Mar Cove, Alva Clark, Spring Branch Estates, Charles Higgins, Boles Estate Minor Plat, Mitchell, Kubik Estates, Seller Station, Chambers Town Center, Sharon and Cecil Parker Minor Plat, Gy & My Crossing Minor Plat, Safe Chemicals, Winfree Oaks Sec 1, Bay Ten Business Park, Lanai 1 & 2.

Mobile Home Parks:

Tower Terrace, West Chambers County Estates, Cotton Bayou Manor, Deleon, Gray's

--Field Appraisal Plans for 2016--

The field Appraisers will be conducting on-site reappraisals of the following areas for 2016.

Anahuac ISD—Area C—Worked by Appraiser – Norma Baker

Abstracts:

303, 111, 389, 140, 587, 112, 646, 650, 506, 659, 658, 649, 525, 113, 618, 488, 569, 568, 508, 145, 253, 539, 590, 143, 567, 156, 445, 444, 137, 443, 138, 449, 132, 447, 136, 133, 448, 454, 135, 441, 139, 442, 455, 134, 175, 413, 304, 364, 33, 337, 338, 584, 381, 241, 129, 422, 410, 172, 308, 182, 103, 202, 170, 421, 379, 204, 183, 414, 108, 464, 411, 330, 199, 80, 339, 83, 93, 640, 81, 169, 398, 163, 164, 329, 88, 187, 188, 49, 356, 319, 57, 105, 173, 358, 237, 336, 159, 238, 89, 224, 234, 420, 456, 453, 127, 452, 131, 450, 128, 446, 130, 148, 287, 507, 636, 593, 586, 152, 142, 579, 290, 427, 440, 451, 30, 288, 419, 289, 27, 6, 409, 318, 429, 301, 10, 34, 35, 223, 231,

407, 396, 256, 258, 403, 402, 254, 385, 397, 21, 161, 418, 46, 417, 82, 198, 160, 345, 343, 323, 332, 384, 211, 606, 195, 55, 243, 377, 360, 69, 100, 333, 64, 668, 667, 331, 672, 670, 671, 469, 366, 463, 196, 194, 192, 386, 179, 218, 217, 412, 368, 219, 191, 193, 189, 215, 216, 214, 213, 212, 190, 70, 56, 71, 40, 225, 207, 415, 317, 359, 158, 405, 255, 203, 32, 200, 257, 201, 184, 404, 392, 97, 259, 283, 186, 99, 185, 334, 395, 393, 284, 285, 286, 394, 324, 341, 342, 240, 328, 226, 326, 340, 346, 382, 94, 327, 357, 371, 373, 376, 375, 361, 362, 344, 325, 347, 208, 167, 66, 72, 65, 110, 349, 374, 372, 370, 391, 104, 36, 369, 504, 353.

Subdivisions:

Pineland Acres, Wood Hollow, Edward Wiley, Burney Bayou, Glenwood Terrace, Sherman Clark, Ranches at Turtle Bayou, Sunset Pines on Turtle Bayou, Indian Trails, Indian Trails Replat Lots 6-8 Bk 5, Elm Properties, Turtle Bayou, Margie White Estates, PB Partnership, Allen Farms Commercial, Allen Farms, Farris, Gator Country, Plummer Estates, Oetken East, Oetken West, Riley Addn Minor Plat, Farring, Chambers County Industrial Park #1, WM Mathews, Paquet, SC Gill, Carrington, JB Farris, Anahuac T/S, Wharfyard, Willcox Park, Willcox Addition, Willcox #2, Willcox #3, Willcox #4, Joe McNeil Minor Plat, Tinkler, Tinkler Re-plat, Edgar Haynes Minor Plat, Anahuac Gardens, Airport, Airport Division, Belton Lane, Harvest Ridge, Penick, Oakwood Gardens, Shady Shore, Chambliss, Bayview, Thomas Ralph Jackson, Moorehead, Godfrey Place, Sunnyside 1 & 2, Bayside Clinic, James Peveto Minor Plat, Ollie Cove, Sharp, Thompson Acres, Lester Ray Division, Channelview, Leblanc Minor Plat, Andrew Dunn, John Stegall, Double Bayou Estates, Double Bayou 1 & 2, Sportsman, Oak Island 1 & 2, Shady Glen, El Camino Paradiso, Bayside, Jackson & Darden, Presley Landing, Humphrey Minor Plat, White Heron 1 & 2, White Heron Replat 3-5 Bk 3, Heron Place, Bayou Bay, Crawford Minor Plat, LL Nelson, Ben & Jeri Minor Plat, Oak Ridge, Gersback, Southshore, Southshore 1 & 2, Egrets View, Heartfield, Robbins.

Mobile Home Parks:

James Sandlin, John Bradley, Mathews, Sutterfield, Hankamer MH Park, JB Colley, Mitchell, Parkway.

East Chambers ISD—Area D—Worked by Appraiser – Marcel Pierel

Abstracts:

248, 612, 613, 551, 614, 624, 669, 628, 249, 550, 638, 250, 423, 630, 546, 644, 641, 645, 642, 651, 643, 647, 609, 141, 438, 629, 436, 150, 625, 157, 434, 154, 437, 424, 149, 426, 251, 655, 476, 155, 151, 435, 147, 433, 439, 153, 144, 425, 252, 557, 541, 430, 460, 146, 291, 432, 458, 292, 459, 293, 431, 626, 627, 576, 585, 575, 562, 595, 457, 406, 54, 363, 43, 294, 302, 633, 631, 634, 354, 355, 400, 222, 295, 401, 296, 399, 665, 461, 462, 621, 92, 91, 315, 561, 276, 277, 247, 591, 620, 552, 477, 246, 578, 244, 282, 281, 515, 611, 509, 280, 279, 474, 278, 601, 534, 270, 536, 512, 271, 480, 272, 602, 273, 479, 269, 573, 657, 654, 639, 264, 522, 268, 556, 648, 524, 582, 523, 571, 570, 125, 495, 574, 263, 664, 124, 572, 653, 496, 652, 497, 623, 583, 262, 123, 566, 588, 265, 483, 594, 267, 481, 266, 527, 261, 547, 607, 577, 597, 600, 260, 548, 499, 502, 622, 500, 615, 616, 501.

Subdivisions:

Big Hill, Brunet, Gilbert Hargraves, Sunny Acres, Highland, ZN Cormier, Thibodeaux, Raymond, Rollins, ML Franzen, Mendenhall, McWilliams, Penn Terrace, Briar Meadow Sec 1, 2, 5, Vaughan Estates, McBride, Tom Jenkins, Vaughn Estates, Pine Oak Village 1-3, North Lake,

Syphrett, Robbin Miller, McCormick, Stidham, Franzen Park Place, Spindletop Manor, Leblanc, Henderson Heights, Quality Inn Minor Plat, Studio 6 Minor Plat, Foodmaker, Rollins Acres, John F Wilson, Fox Winnie, First Street Addition, Tractor Supply of Winnie.

Mobile Home Parks:

Cammareri, Circle P Villa, El Rancho, Green Acres, Ranch House, Myrna Roy, Sherrill, G & R Trailer Park.

Northern Part of Barbers Hill ISD / Goose Creek ISD—Area A & A1
Worked by Appraiser – Kayla Rabalais

Abstracts:

491, 493, 490, 29, 489, 20, 4, 321, 5, 210, 2, 22, 227, 228, 229, 44, 19, 24, 599, 503, 635, 637, 661, 608, 554, 596, 610, 378, 350.

Subdivisions:

Leaning Oaks, Green Acres, Hunter's Cove, Timber Ridge 1 & 2, Indian Ridge, Woodland Acres 1 & 2, Old River Country 1-3, Fisher's Landing 1-4, Foster Estates, Creekview S/D, Hidden Fairways, Secret, Brookstone 1 & 2, Eagle Point, Villages @ Champions Gate, Villages at Champions Gate Phase 1, Amended Portion Villages @ Champions Gate Ph 1, Cherry Point 1 & 2, Daniels S/D, Lynn Strickland, Cherry Creek, Equistar, Fitzgerald, Hatcherville Homesites, CA & Marion Williams Minor Plat, FH Stubbs, Mont Belvieu, Gilbert Heights, Park Lane, Methodist Church, JH Williams, JH Boyd, Brazell, Amanda Williams, Barbers Hill Addn, Cedar Hill Estates, Warren Petroleum, Angel Brothers Travel Center, Annie Higgins, Mont Belvieu McDonalds, Pear Hendricks, West Winfree Station, Langston Booster, Patel Business Center, Brickyard, Cottonwood Estates Phase One, Olsen Estates, Lakes of Champions, Lakes of Champions Sec 2A, Eagle Creek 1-3, The Colony @ Mont Belvieu 1 & 2, Buckeye, Eagle Drive, Jelly Bean Junction Minor Plat, LAD Crossing, Crown Colony 1-3, Annie's Place, Pancho, Rabalais Minor Plat, Eaglebrook Apartments, Eaglenest Storage, KB Ranch, Rodney Porter Minor Plat, Community Resource Credit Union Minor Plat, Family Dollar, M & T Auto, Post Oak Plaza, Sonic Mont Belvieu, Sharon Porter, Barbers Hill Banking Center, Cotford 1, Five Star Dry Cleaners, Guarantee Mortgage, Hamilton, Marie's, Wilkey Commercial Reserve, Frank & Laura Sylvia, Laubach, Sylvia Estates, Sylvia Oaks, Carriage Trails, Lost Lake Village, Oaks Grande 1 & 2, River Oaks, Tiltens Landing 1 & 2, Charles Smith Minor Plat, Himmel & Hicks, Old Irish Farms 1-3, Julia Ann Villa, West Star Division, Pine Meadows 1 & 2, Country Meadows 1 & 2, Susan Fullbright Minor Plat, Hunters Chase 1-3, RSC Rental, Abbe 1 & 2, Lynnwood, Pinehurst 1 & 2, Debruhl, Ronald J Carey Minor Plat, Jackie Graham, Khairunnissa Investments, Patel Minor Plat, Pine Lakes RV Park, Staples, Tanglewilde 1-3, Bayou Bend, Devinwood, Rios Roofing, Goose Creek ISD Bayou Bend Minor Plat, Shady Oaks RV Park, Cedar Bayou Storage, Landing @ Cedar Bayou, Norman Dykes Minor Plat, Cedar Bend, Lincoln Cedars, Triple S S/D, Provost Minor Plat, Salvador & Guadalupe Morfin Minor Plat, Forest Cove, Fisher Road Warehouse, Bay Breeze Courts, Sylvan Acres, Oaks @ Houston Point, Seaview, Shore Homes, Wilburn Ranch Est, Perry Road Extension, Cedar Crossing, Cedar Crossing Phase II, Cedar Crossing Replat of Restricted Reserve A Phase II, ROW Plat for West Greenwood, South Greenwood, Cedar Port Blvd, ROW Plat for Powers Rd, ROW Plat for Powers Rd Extension, Greentransport Facility Minor Plat, Ameriport 1-3.

Mobile Home Parks:

Cedar Bayou, Ocean, Sunny Villa, River Forest, Woodland Acres Sec B, Robin Roberts, Saw Creek

Southern Part of Barbers Hill ISD-Area B —Worked by Appraiser – Natalie Whatley

Abstracts:

408, 31, 106, 3, 25, 321, 416, 314, 564, 322, 320, 37, 102, 4, 5, 210.

Subdivisions:

Bayridge, Seacrest, J Beasley #1, Julia H Casey, Keese Minor Plat, Baycrest Acres, Baycrest Addition, LJ Lawrence, Umbrella Point, Baybreeze, High Bluff, Walton Court, Barton Clark, J Beasley #1 and #3, Del Rio & Alvarez, Cedar Gully, High Point, The Bay Place, Huff & Sunbeck, North Point 1-3, Point Barrow on the Bay, Point Barrow Estates, Barton Clark, Southwind Estates, Walker Parkview, Barrow Ranch 1-4, Barrow Ranch Minor Plat, Replat R Barrow Estates, Beach Haven, Greenbriar Estates, Lennie Lane, Hidden Oak Estates, RWJ Airpark 1 & 2, RWJ Replat, Coles Crossing 1 & 2, Cotton Lake Estates, Girlinghouse, Lake Ridge 1 & 2, Falcon's Point, Eagle Heights, Katie's Creek, Tiffany Acres 1 & 2, Trinity Cove, Valley of Hope, Sellers Addition, Rancho Ibarra, USA Industrial Park, Hackberry Creek Storage, Hackberry Creek 1 & 2, Cotton Creek, Jackson & Fulghum, The Cove at Cotton Creek, Creekside at Cotton Creek, Cove at Cotton Creek Estates, Legends Bay 1-4, Tommy Grimes, Veranda 1 & 2, Maley Woods 1-3, Peace Tabernacle, Plantation (all sections), Southern Plantation (all sections), Blue Wing Acres, Manchaca Acres, Williams Division, Blueberry Cove, Merrill, Welton J Williams, Ben Mar Cove, Alva Clark, Spring Branch Estates, Charles Higgins, Boles Estate Minor Plat, Mitchell, Kubik Estates, Seller Station, Sunmart Gardens, Chambers Town Center, Sunmart Gardens, Sharon and Cecil Parker Minor Plat, Gy & My Crossing Minor Plat, Safe Chemicals, Winfree Oaks Sec 1, Bay Ten Business Park, Lanai 1 & 2.

Mobile Home Parks:

Tower Terrace, West Chambers County Estates, Cotton Bayou Manor, Deleon, Gray's

CHAMBERS CAD 2015 REAPPRAISAL WORK TIMELINE (PROPOSED)

2015 Fieldwork begins in August 2014 and ends March 20, 2015

August thru September

Work subdivisions, abstract land, residential and commercial properties in all school districts

Work permits and tasks in scheduled areas

Quality control checks

Field checks for ag applications received in office

Data Entry

October thru November

Continue reappraisal field work of subdivisions, abstract land, residential and commercial properties in all school districts

Work permits and tasks in scheduled areas

Quality control checks

Field checks for ag applications received in office

Data Entry

December thru January

Begin personal property inspections for all jurisdictions.

Retrieve DBA's from County Clerk and create new database for BPP accounts.

Drive out new construction areas. Check new construction for %complete and enter new improvements in all school districts

Work permits and tasks in scheduled areas

Quality control checks

Field Checks for ag applications received in office

Run preliminary ratios to check for any areas of concern

February

Ag Advisory Board meeting and set ag values

Complete remaining permits, tasks and any additional new construction in all school districts

Field checks for ag applications received in office

Start running error edit reports for accuracy

Work BPP Renditions and grant extensions

March

Final land and building audits

Complete field work by March 20, 2015

Run final ratios and check by March 20, 2015

Complete error edit reports prior to March 20, 2015

Mail notices of appraised value (P&A)

Work BPP Renditions and grant extensions

April-July

Continue on BPP working renditions until close out May 20, 2015

Begin working with taxpayers on property tax protests

Inspect protested properties and conduct informal hearings

BPP and Industrial notices go out (May)

Begin formal ARB hearings (June/July)

CHAMBERS CAD 2016 REAPPRAISAL WORK TIMELINE (PROPOSED)

2016 Fieldwork begins in August 2015 and ends March 2016

August thru September

Work subdivisions, abstract land, residential and commercial properties in all school districts

Work permits and tasks in scheduled areas

Quality control checks

Field checks for ag applications received in office

Data Entry

October thru November

Continue reappraisal field work of subdivisions, abstract land, residential and commercial properties in all school districts

Work permits and tasks in scheduled areas

Quality control checks

Field checks for ag applications received in office

Data Entry

December thru January

Begin personal property inspections for all jurisdictions.

Retrieve DBA's from County Clerk and create new database for BPP accounts.

Drive out new construction areas. Check new construction for %complete and enter new improvements in all school districts

Work permits and tasks in scheduled areas

Quality control checks

Field Checks for ag applications received in office

Run preliminary ratios to check for any areas of concern

February

Ag Advisory Board meeting and set ag values

Complete remaining permits, tasks and any additional new construction in all school districts

Field checks for ag applications received in office

Start running error edit reports for accuracy

Work BPP Renditions and grant extensions

March

Final land and building audits

Complete field work by closeout in March 2016

Run final ratios and check by closeout in March 2016

Complete error edit reports prior to closeout in March 2016

Mail notices of appraised value (P&A)

Work BPP Renditions and grant extensions

April-July

Continue on BPP working renditions until close out in May 2016

Begin working with taxpayers on property tax protests

Inspect protested properties and conduct informal hearings

BPP and Industrial notices go out (May)

Begin formal ARB hearings (June/July)

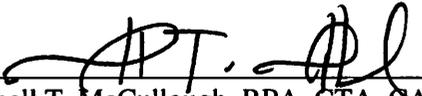
LIMITING CONDITIONS

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 on new properties and at the request of the property owner and required by the district for clarification purposes and to correct property descriptions.
3. Validation of sales transactions was attempted through questionnaires to buyer and seller, telephone survey and field review. In the absence of such confirmation, residential sales data obtained from vendors was considered reliable.
4. I have attached a list of staff providing significant mass appraisal assistance to the person signing this certification.

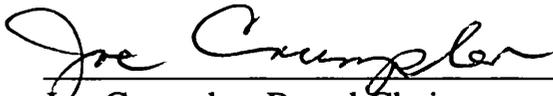
Certification Statement:

“I, Mitchell T. McCullough, Chief Appraiser for the Chambers County Appraisal District, solemnly swear that I have made or caused to be made diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records as 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.”



Mitchell T. McCullough, RPA, CTA, CAI
Chief Appraiser

Board Approved May 18, 2015



Joe Crumpler, Board Chairman

**STAFF PROVIDING SIGNIFICANT
MASS APPRAISAL ASSISTANCE**

<u>NAME</u>	<u>TITLE</u>	<u>REGISTRATION NUMBER</u>	<u>TYPE OF ASSISTANCE</u>
Kayla Pelham, RPA	Asst Chief Appraiser	71067	Residential / Commercial & Personal Property
Marcel Pierel, RPA	Appraisal Director	73110	Residential / Commercial & Personal Property
Norma Baker, RPA	Field Appraiser	69268	Residential / Commercial Property
Natalie Whatley	Field Appraiser	73852	Residential / Commercial Property
Kayla Rabalais	Field Appraiser	73856	Residential / Commercial Property

