

GARZA CENTRAL APPRAISAL DISTRICT

PLAN FOR PERIODIC REAPPRAISAL

*2019/2020*

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## ***INTRODUCTION***

The Garza Central Appraisal District (Garza CAD) has prepared this plan as required under Section 6.05 (i) and Section 25.18 of the Texas Property Tax Code (PTC). This report is designed to provide the Board of Directors, property owners, taxing entities and taxpayers with a better understanding of the district's responsibilities and activities—especially the reappraisal process of the Garza Central Appraisal District.

The Garza Central Appraisal District is a political subdivision of the State of Texas created to appraise all of the taxable property within its jurisdiction at 100% market value. Appraisal districts were created by the Legislation in 1979 and approved by voters in the 1980 general election. The provision contained in the Texas Property Tax Code, relative to legal, statutory, and administrative requirements, governs all appraisal districts.

The Board of Directors, elected by the taxing units within the boundaries of Garza County, constitutes the district's governing body. Garza CAD has a five member Board of Directors. The Board of Directors appoints the Chief Appraiser, whom is the chief administrator and executive officer of the district.

Garza Central Appraisal District is responsible for conducting appraisals to be used by the six taxing units it serves. Those six entities are as follows:

City of Post	Post ISD
Garza County	Southland ISD
Garza Health Care District	Crosby CISD

Each taxing unit 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. The appraisal district also determines 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.

Any reference to a specific work plan contained herein is considered tentative for the Appraisal District. The work plan assumptions are made with the understanding that there are no natural disasters or new legislative requirements that will require the Appraisal District to reallocate resources necessary to complete the normal work plan to address these possible high needs areas. As well, the Garza Central Appraisal District work plan is made under the assumption that there will be an ample supply of market data, and/or verifiable market activity in the district for conducting a reappraisal process.

## EXECUTIVE SUMMARY

### PROPERTY TAX CODE REQUIREMENT

The passage of Senate Bill 1652 amended Section 6.05 of the Texas Property Tax Code to require a written biennial reappraisal plan by adding Subsection (i) to read as follows:

(i)--To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even-numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the Comptroller within 60 days of the approval date.

### PLAN FOR PERIODIC REAPPRAISAL

Senate Bill 1652 amends Section 25.18, Subsections (a) and (b) to read as follows:

- (a)-- Each appraisal office shall implement the Plan for Periodic Reappraisal of property approved by the board of directors under Section 6.05(i).
- (b)--The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
1. identifying properties to be appraised through physical inspections or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land based photographs, surveys, maps, and property sketches;
  2. identifying and updating relevant characteristics of each property in the appraisal records;
  3. defining market areas in the district;
  4. identifying property characteristics that affect property value in each market area, including:
    - a. the location and market area of 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;
  5. developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
  6. applying conclusions reflected in the model to the characteristics of properties being appraised;
  7. reviewing the appraisal results to determine value.

### REVALUATION DECISION (REAPPRAISAL CYCLE):

The Garza CAD, by policy adopted by the Board of Directors and the Chief Appraiser, reappraises all property located in one-third of the county on an annual basis with the exception of the industrial, mineral and personal property accounts which are appraised annually. In a reappraisal year, the District appraises all properties in that one-third of the County. The District reviews cost tables and schedules for every class of property in the District each year, with adjustments made to the schedules when needed. The reappraisal year completes appraisal of all properties in the district. Tax year 2019 is a reappraisal year and tax year 2022 is a reappraisal year.

### PERFORMANCE ANALYSIS:

The individual school districts equalized values are analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity with regards to the State Comptroller's property reporting categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* published by the International Association of Assessing Officers.

### ANALYSIS OF AVAILABLE RESOURCES:

The staffing and budget requirements for the Garza Central Appraisal District for the tax year 2019 are detailed in the 2019 budget, as adopted by the Board of Directors. The 2019 budget is attached to the written biennial plan by reference. This reappraisal plan is adjusted to reflect the available staffing in tax year 2018 and anticipated staffing for tax year 2019. Budget restraints can impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2019-2020 time period.

### PLANNING AND ORGANIZATION:

A preliminary reappraisal calendar of key events with critical completion dates is prepared for each area of work. This calendar is prepared to detail completion dates for appraisal, clerical, customer service, and information systems. A calendar is prepared for tax years 2019 and 2020 and can be viewed on page 11 of this document.

### COMPUTER ASSISTED MASS APPRAISAL SYSTEM:

Computer Assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider. Garza Central Appraisal District contracted with the firm of Capitol Appraisal Group, Inc. for these services.

## DATA COLLECTION REQUIREMENTS:

Data sources used by the District are continually reviewed and researched. Field and office procedures are reviewed and revised as required for data collection. Activities for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a specific cycle, and field or office verification of sales data and property characteristics. On properties that have transferred ownership, the District will verify the sales price and individual property characteristics as of the date of sale through field inspection and office research.

## PILOT STUDY BY TAX YEAR:

New and/or revised mass appraisal models are tested each tax year. Ratio studies, by market area, are conducted on proposed values relevant to the area of the district that will be appraised that tax year. Proposed values on each category are tested for accuracy and reliability. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and calibration are in compliance with USPAP, STANDARD RULE 6.

## VALUATION BY TAX YEAR:

Using market analysis of comparable sales and locally tested cost data, valuation models (Cost Per Square Foot Schedules) are specified and calibrated in compliance with supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the *IAAO Standard on Ratio Studies*.

## THE MASS APPRAISAL REPORT:

Each even numbered tax year, the required Mass Appraisal Report is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15<sup>th</sup>). The Mass Appraisal Report is completed in compliance with STANDARD RULE 6— 8 of the *Uniform Standards of Professional Appraisal Practice*. The signed certification by the Chief Appraiser is compliant with STANDARD RULE 6—9 of *USPAP*. This written report is attached to the Reappraisal Plan for reference.

## VALUE DEFENSE:

The Appraisal District has the burden of proof for market value and equity in both formal and informal Appraisal Review Board hearings. The evidence used in these hearings is specified and tested.

## **PERFORMANCE ANALYSIS**

### Real Property Valuation

Revisions to cost models, income models, and market models are specified, updated, and tested each year. Garza Central Appraisal District contracts with Lisco Appraisal Service for these services.

Cost schedules are tested with market data (sales) to insure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders, such as Marshall & Swift and local contractors.

Land schedules are updated using current market data (sales) and then tested with ratio study tools. Values are then modified by adjusting schedules that are developed and tested on a pilot basis with ratio study tools.

### Personal Property Valuation

Density schedules are updated using data received during the previous tax year from renditions and hearing documentation. Valuation procedures are reviewed, modified as needed, and tested.

### Noticing Process

25.19 appraisal notice forms are produced by the IS Provider. The Provider reviews and edits for updates and changes required by legislative mandates. These are reviewed and signed off on by the District Chief Appraiser. The district publishes information about the notices and how to protest in the local newspaper. The district makes available the latest copy of the Comptroller's pamphlet *Taxpayer's Rights, Remedies, and Responsibilities*.

### Hearing Process

Garza County currently conducts formal and informal hearings. Protest hearing scheduling for informal and formal Appraisal Review Board hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district hearing documentation is reviewed and updated to reflect the current valuation process and requirements. The district makes available the Texas Comptroller of Public Accounts Appraisal Review Board Survey to anyone that appears before the Board. Compliance with Chapter 41 of the Property Tax Code and HB201 is insured.

## Defining Market Areas in the District

Market areas for residential properties are delineated within the Post ISD, the City of Post, the Southland ISD, the town site of Southland, the town site of Justiceburg as well as the immediately surrounding areas. Rural residential properties represent one market area and Lake Alan Henry properties represent another. Market areas are reviewed annually for presence of competing property characteristics.

Garza CAD has specific market areas. Each school district is a market area and each city/town site is a market area. The general market areas for Garza County are as follows:

- 1. Post ISD** – Post ISD is the largest school district in the county. It includes the City of Post, the town site of Justiceburg, the Lake Alan Henry area and surrounding rural areas located in the central and southern portion of the county that reaches from east to west. Post ISD is a district that overlaps into Lynn and Kent counties.
- 2. City of Post** – Post is by far the largest city within the county with a 2010 population of approximately 5,450 citizens. It is located to the southeast of Lubbock, Texas and encompasses 3.8 square miles. Median household net worth in 2014 was \$131,700.
- 3. The town site of Justiceburg** – The rural community of Justiceburg lies about 15 miles southeast of Post. The population of Justiceburg in 2010 was approximately 10 citizens.
- 4. Lake property** – Property located near and around Lake Alan Henry in Garza County is a rural market area located approximately 18 miles southeast of the City of Post. This area is unique to the rural area of the county and justifies its own market area designation.
- 5. Southland ISD** – Southland ISD is an area located along the northwest Garza County line for approximately 12 miles before going south about 5 miles and bearing west approximately 8 miles before taking a southern turn again for about 5 miles and returning to the western border of the county. Southland ISD includes the town site of Southland as well as the surrounding rural areas. Southland ISD is an overlapping property with Lynn County and Lubbock County.
- 6. The town site of Southland** – The town site of Southland is located 20 miles northwest of the City of Post. The population of Southland is approximately 125 as of the year 2010.
- 7. Crosby CISD** – Crosby CISD is approximately a 42 square mile area that lies in the northeast corner of Garza County. The district itself is located in Crosby County and overlaps into Garza County. Appraisal duties for this area are performed by Garza CAD staff and data is provided to the Crosby CAD for assessment.
- 8. Rural area of Garza County** – The rural area of Garza County is another market area with an adjustment to value up or down based on the proximity to the market areas above mentioned.

The eight market areas are obvious to the general public. While the Garza Central Appraisal District believes these are important to consider as market areas, upon detailed review of the properties within each of these areas, the appraisers have segmented many properties into neighborhoods in order to better appraise properties at market value and to remain as equal and uniform as possible.



# THE WRITTEN REAPPRAISAL PLAN

## PLANNING A REAPPRAISAL

Variation in reappraisal requirements requires Garza Central Appraisal District to carefully plan its work before beginning any reappraisal. Although the planning process may vary in specifics, it should involve five (5) basic steps:

1. Assess current performance.
2. Set reappraisal goals.
3. Assess available resources and determine needs.
4. Re-evaluate goals and adjust as necessary.
5. Develop a work plan.

## STEPS IN A REAPPRAISAL

The International Association of Assessing Officers (IAAO) textbook, Property Appraisal and Assessment Administration, lists ten steps in a reappraisal. These steps outline those activities performed by Garza Central Appraisal District for the completion of periodic reappraisals. Activities are listed below in the order in which they occur:

1. Performance Analysis:
  - a. ratio study
  - b. equity of existing values
  - c. consistency of values with market activity
2. Revaluation Decision:
  - a. statutory — at least once every three years
  - b. administrative policy
3. Analysis of Available Resources:
  - a. staffing
  - b. budget
  - c. existing practices
  - d. information system support
  - e. existing data and maps
4. Planning and Organization
  - a. target completion dates
  - b. identify performance objectives
  - c. specific action plans and schedules
  - d. identify critical activities with completion dates
  - e. set production standards for field activities
5. Mass Appraisal System:
  - a. forms and procedures revised as necessary
  - b. CAMA (computer assisted mass appraisal) system revisions as required

6. Conduct Pilot Study
  - a. test new/revised appraisal methods as applicable
  - b. conduct ratio studies
  - c. determine if values are accurate and reliable
7. Data Collection
  - a. building permits and other sources of new construction
  - b. check properties that have undergone remodeling
  - c. re-inspection of problematic properties
  - d. re-inspection of universe of properties on a cyclic basis
8. Valuation:
  - a. market analysis (based on ratio studies)
  - b. schedules development
  - c. application of revised schedules
  - d. calculation of preliminary values
  - e. tests of values for accuracy and uniformity
9. The Mass Appraisal Report
  - a. establish scope of work
  - b. compliance with Standards Rule 6-7 of USPAP
  - c. signed certification by the chief appraiser as required by Standards Rule 6- 8 of USPAP
10. Value Defense:
  - a. prepare and deliver notices of value to property owners
  - b. hold informal hearings
  - c. schedule and hold formal appeal hearings

\*\*Note the burden of proof (evidence) of market values and equity falls on the appraisal district.\*\*

### **2019/2020 Reappraisal Plan**

Pursuant to Section 25.18 of the Texas Property Tax Code, the Garza Central Appraisal District has established the following reappraisal plan to provide for the reappraisal of all property within the district at least once every three (3) years. The plan establishes a two-fold approach:

1. Three-Year Cycle: The CAD is divided into three areas. Each year, all real residential and commercial property within one of the areas will be reappraised, regardless of any ratio study/report findings. These areas are identified as follows:
  - a. Area One: Post I.S.D. - Blocks 2, 5, 6, 7, 8, 22, 50 and 97. Crosby CISD – Block 2. To be completed in 2019.
  - b. Area Two: All of the Southland Independent School District and Blocks 9, 13, 14, 19, 30, and 80 of the Post I.S.D. To be completed in 2020.
  - c. Area Three: City of Post and Post I.S.D. Blocks 55, 11, 40, 12, and 25. Area Three to be completed in 2021.

**\*\*Note: all income producing personal property within the CAD is appraised on an annual basis, regardless of its location\*\***

2. **Annual Ratio Reports:** In addition to the three year cycle stated above, ratio studies shall be performed annually to determine areas or categories of properties within the CAD which need to be reappraised during the current year based on sales ratios. Any areas or categories whose ratios are above or below statutory requirements shall be reappraised in the current year regardless of the area in which they are located.

This two-fold approach will insure not only that all residential and commercial property within the CAD is reappraised at least once every three years, but also that all other categories within the CAD are reviewed annually so that the appraisal district stays current with respect to market value in those areas where residential and or commercial property values appear to be changing rapidly.

### **Organization**

Field inspections are carried out by the field appraiser as directed by the chief appraiser. The field appraiser physically inspects areas required by the reappraisal cycle, checks all existing data, works building permits, takes photographs of improvements, draws plans of new improvements for entry into computer, rechecks any property on which a question or problem has arisen. Other duties may be required and will be executed upon direction of the chief appraiser.

Data entry of field work notes and sketches is performed by appraisal district staff

The chief appraiser performs market analysis. Sales data is gathered throughout the year from deed records, sales confirmation letters from property owners, and other sources. Lisco Appraisal Service is supplied with all sales data throughout the year and assists with the market analysis. The market data is analyzed, sales data is confirmed, outliers are identified, existing classification system is reviewed, market schedules are reviewed and updated as necessary, and final market schedules are applied to the universe of properties.

Capitol Appraisal Group is contracted to appraisal all mineral and industrial property within the Garza Central Appraisal District.

### **2019 Reappraisal Schedule**

#### **Mid November 2018:**

Begin planning sales ratio studies for all areas within the CAD.  
Gather current sales data from sales confirmation letters, deed records and other sources.

#### **December 2018:**

Begin fieldwork in the eastern one-third of Garza County. As parcels are driven, staff will begin updating changes in the appraisal data base.

**January to March 2019:**

Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.

Continue field inspections as provided by the reappraisal plan area.

Begin running sales ratio reports.

Compare with CAD values and sales information.

Identify necessary schedule adjustments

Begin working renditions that have been returned.

**March through April 2019:**

Complete field inspections as provided by the reappraisal plan area.

Continue running sales ratio reports. Refine sales analysis and mass appraisal schedules.

Statistically test schedules.

April 15<sup>th</sup> is the deadline to file renditions unless extensions are granted. Continue working renditions for deadline completion.

Complete data entry of all reappraisal and maintenance changes.

Assist field appraiser with reappraisal functions as needed.

Finalize all field work and data collection activities.

Execute mass appraisal/maintenance activities as required.

Prepare for mailing 2019 Notices of Value.

**May through June 2019:**

Hold informal hearings.

Respond to property owner's inquiries, protests, and questions from Notice mailings.

Provide certified estimated values to taxing units.

Hold ARB hearings.

**July 2019:**

Process and mail ARB orders.

Enter into computer all changes as ordered by ARB and notify other CADs that fall into an overlapping area.

ARB approval of appraisal records by July 20<sup>th</sup> and Certification of appraisal records and values to taxing units by July 25<sup>th</sup>.

**As Needed throughout the year:**

Maintain database—name, address, legal, value, etc

Maintain records retention

Flag any changes with regard to exemptions, ownership changes, value changes to be followed up on in next appraisal year (hard copy kept in folder)

Handle any outstanding protests by scheduling ARB hearings.

## **2020 Reappraisal Schedule**

The same timetable and duties apply in each year. The field appraiser shall physically inspect all property in as described in Area Two (2). The chief appraiser and CAD staff shall continue to complete the same duties and reappraisal steps as outlined.

### **Mid November 2019:**

Begin planning sales ratio studies for all areas within the CAD.  
Gather current sales data from sales confirmation letters, deed records and other sources.

### **December 2019:**

Begin fieldwork in the western one-third of Garza County. As parcels are driven, staff will begin updating changes in the appraisal data base.

### **January to March 2020:**

Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.  
Continue field inspections as provided by the reappraisal plan area.  
Begin running sales ratio reports.  
Compare with CAD values and sales information.  
Identify necessary schedule adjustments  
Begin working renditions that have been returned.

### **March through April 2020:**

Complete field inspections as provided by the reappraisal plan area.  
Continue running sales ratio reports. Refine sales analysis and mass appraisal schedules.  
Statistically test schedules.  
April 15<sup>th</sup> is the deadline to file renditions unless extensions are granted. Continue working renditions for deadline completion.  
Complete data entry of all reappraisal and maintenance changes.  
Assist field appraiser with reappraisal functions as needed.  
Finalize all field work and data collection activities.  
Execute mass appraisal/maintenance activities as required.  
Prepare for mailing 2020 Notices of Value.

### **May through June 2020:**

Hold informal hearings.  
Respond to property owner's inquiries, protests, and questions from Notice mailings.  
Provide certified estimated values to taxing units.  
Hold ARB hearings.

**July 2020:**

Process and mail ARB orders.

Enter into computer all changes as ordered by ARB and notify other CADs that fall into an overlapping area.

ARB approval of appraisal records by July 20<sup>th</sup> and Certification of appraisal records and values to the taxing units by July 25<sup>th</sup>.

**As Needed throughout the year:**

Maintain database—name, address, legal, value, etc

Maintain records retention

Flag any changes with regard to exemptions, ownership changes, value changes to be followed up on in next appraisal year (hard copy kept in folder)

Handle any outstanding protests by scheduling ARB hearings.