

MOORE COUNTY APPRAISAL DISTRICT APPRAISAL MANUAL

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INTRODUCTION

One of the oldest and most firmly established forms of taxation as well as a principal source of income for the counties, cities and school districts of the State is that of ad valorem or property taxation.

Chapter 6, Subsection 6.01 of the Texas Property Tax Code provides for the establishment of an Appraisal District in each county and further states that the district is responsible for appraising property in the district for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the district.

Ad valorem taxes are imposed upon specific properties in this State, at a rate of 100% of the market value of the said properties. Section 1.04 (7) of the Texas Property Tax Code defines "market value" as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- (1) Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- (2) Both the seller and the purchaser 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
- (3) Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

Taxable properties are set out by the Texas Property Code, and defined under Section 1.04 as follows:

- (1) "Property" means any matter or thing capable of private ownership.
- (2) "Real property" means:
 - (a) Land
 - (b) An improvement
 - (c) A mine or quarry
 - (d) A mineral in place
 - (e) Standing timber
 - (f) An estate or interest, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated in Paragraph 2 (a) through 2(f).
- (3) "Improvement" means;
 - (a) A building, structure, fixture, or fence erected on or affixed to land
 - (b) A transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally located at a particular place only temporarily.

- (c) For purposes of an entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, the
 - (i) Subdivision of land by plat
 - (ii) Installation of water, sewer, or drainage lines
 - (iii) Paving of undeveloped land
- (4) “Personal property” means property that is not real property
- (5) “Tangible personal property” means personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim or right and has negligible or no intrinsic value
- (6) “Intangible personal property” means a claim, interest, right or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidence by a document (i.e.: a stock, bond, note or account receivable, franchise license or permit, demand or time deposit, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill).

This Appraisal Manual was developed with data gathered from Moore County market research and appraisal publications. The purpose of this manual is to guide and assist Moore County Appraisal District staff in appraising more efficiently and with greater overall consistency. It is important to bear in mind, when using this manual, that it is only a guide for reference.

Article VIII, Section 1 of the Texas Constitution requires that all property shall be assessed equally and uniformly. It is the belief of the Moore County Appraisal District that this fundamental principal is the cornerstone and foundation upon which all property administered tax rolls rest. Such mandatory requirements must be met in order to ensure the safety of the tax rolls of each taxing jurisdiction from lateral attack.

The primary purpose of this manual and its main objective is to provide uniform methods of appraisal to establish equitable market values of various properties throughout the district. The instructions on the following pages are designed to serve as a guide for measuring property components, obtaining information on each parcel of property, and classifying each property. The information recorded on the field work sheet is extremely important. For this reason, the field appraiser must use extreme care in recording data accurately and completely. Even though the appraisal employs a mass appraisal approach to value, each property must be approached as an individual parcel.

CONCEPTUAL OVERVIEW

The system outlined in this manual is based on the following market value equations:

1. Market Value of Residential Property =
Replacement Cost New x Total Percent Good + Depreciated Additive Values +
Land Value
(Adjusted by Market Indicators as determined by Sales Data, as available)
2. Market Value of Commercial Property =
Replacement Cost New x Total Percent Good + Depreciated Additive Values +
Land Value
(Adjusted by Market Indicators as determined by Sales Data, as available)
3. Market Value of Manufactured Housing =
Replacement Cost New x Total Percent Good + Depreciated Additive Values
4. Market Value of Commercial Personal Property =
Units x (Price/Unit of Inventory) + Units x (Price/Unit of FFE x Percent Good) +
Additive Values
(Verified and adjusted by yearly Personal Property Renditions)
5. Market Value of Vacant Lots or Acreage =
Units x Price/Unit
(As determined by Market Transactions)
6. 1-d-1 Special Use Valuation (Ag Value) =
Units x Value per Acre of Agricultural Use
(As determined by Net Income per Acre/State Mandated Cap Rate)

GENERAL PROCEDURES

In accordance with Sec 11.01 of the Texas Property Tax Code, the Moore County Appraisal District strives to discover, appraise, and assess all taxable property within Moore County and the jurisdictions served by the Appraisal District. Each parcel shall be appraised including all determinable improvements, factors, and conditions affecting the value of the property as a whole.

Improvements, as defined in Sec 1.04(3), includes any structures affixed to the land that is not readily, reasonably, and immediately portable. As such, the structure adds value to the property and would be typically included in any sale of the property as a whole. This application includes, but is not limited to:

1. Above ground swimming pools,
2. Patios,
3. Storage buildings or units, regardless of its permanent attachment, or lack thereof, to the land by means of metal tie-downs, or anchorage to a foundation.

Mobile or Manufactured Homes can be either Real Estate or Tangible Personal Property depending on the ownership of the land to which the structure is affixed, and/or the status of the Title or the Statement of Location as determined by the Texas Department of Housing and Community Affairs. In either case, Mobile or Manufactured Homes are taxable under Sec 11.14 of the Texas Property Tax Code. With proper proof of ownership, Mobile or Manufactured Homes are eligible to apply for Residential Homestead Exemption.

Fences, residential, commercial, or agricultural are considered appurtenances to the land and are included in the value of the site. Square foot measurements of each type of building are based on the perimeter measurements of that building. Schedule values are originally based on locally modified construction cost, adjusted over time by market conditions determined by sales. Therefore, a building's value per square foot applies not to useable area (space) but constructed area. Using the building code descriptions and schedules, each structure is assigned an depreciated value per square foot. Depreciation (physical, functional, and economic) factors are applied to each structure as is necessary.

Land values are determined from available information and applied using the appropriate basis (square footage, front footage, acreage, etc.).

BUSINESS PERSONAL PROPERTY VALUATION

Tangible personal property, used in the operation of a commercial business and not exempt by application or statute, is appraised for each tax year. Personal Property Renditions begin the yearly process for existing accounts. Being familiar with the local market and businesses, each rendition is evaluated for accuracy and reasonableness. A rendition that indicates significant variation is further investigated for accuracy. Office discussions, telephone calls and inspections are used to resolve the suspected variances. As the renditions are processed, the declared property is depreciated as necessary and the information recorded in the appraisal records. Each year, some personal property accounts fail to be rendered. The same procedure for suspect renditions is followed. Office discussion, to see if someone has any information pertaining to the business, telephone calls and/or inspections are conducted to determine if the business is closed or to input a proper appraised value with the appropriate penalty.

AGRICULTURAL VALUATION (1-d-1)

Land qualified for special use valuation (1-d-1) is appraised and two distinct values are recorded: market value, based on the analysis of current market groups, and agricultural value. Each appraisal begins with the 1-d-1 application. The specific agricultural use and location, indicates the proper agricultural classification. The District will inspect each property before it is granted Ag-Use Appraisal to insure compliance with Tax Code Sec. 23.51. Periodic inspections, through reappraisal, recheck, and diligent notice while on other projects, are used to verify current use or initiate further contact with the land owner as to current use. If an inspection raises a question about a property's current status as 1-d-1 qualified, the chief Appraiser may direct the Appraisal District Staff to send a new 1-d-1 application to the land owner. This process will weed out many unnecessary Ag denials due to a misinterpretation of inspection details. The District also uses new well information received from North Plains Water District every January. Any properties showing a new well drilled are sent a new Agricultural (1-d-1) Valuation Application. This often does not mean any changes to production but can also mean a change from grass to dry farm to irrigated farm land.

Landowners receive an Ag Use Questionnaire periodically. The District also sends a Land Information Survey that clearly identifies number of acres in each category or land. This is attached to the Agricultural (1-d-1) Valuation Application. The CAD uses the gathered information in its analysis of Agricultural income and expenses used in the yearly calculation of Ag Values. As directed by the Property Tax Code, typical and reasonable income and expenses are evaluated to arrive at typical operating income for each agricultural classification. The current Capitalization Rate converts the calculated income per acre to a value per acre.

DISCOVERY

Field inspections remain the primary method of discovery and verification of appraisal records. The Moore CAD Reappraisal Plan calls for examination of all real property in a 3 year cycle. During each check, all aspects of the property are inspected and any pertinent changes are noted. These changes may affect value, ownership, or identification and include, but are not limited to: measurements, additions, new construction, demolition, renovation, deterioration, rehabilitation, occupation, abandonment, etc., Inspections will also note changes, or perceived changes in ownership or property use, for further investigation by the CAD office. For example, new or different occupation may indicate a sale or a change in homestead status.

For commercial property, real estate inspections provide opportunity for personal property verification and contact with the owner. Business names and preliminary personal property assessments are noted at each commercial property real estate inspection. This information is then compared to the Business Personal Property Renditions. When a new business is identified, extra care is taken to speak with the owner and explain Personal Property taxation and the rendition procedure.

As noted earlier 1-d-1 status is verified with field inspections in both the reappraisal and rechecks. Properties identified as receiving the special valuation are confirmed and properties that could qualify, but currently do not and properties exhibiting a "change of use" are noted for further contact by the CAD office.

Whereas field inspections are the primary method of discovery, other indicators are also utilized. Official public records list deeds of trust, mechanic's lien, and changes of ownership. Any of these documents can, and often do, indicate that current value needs to be verified. Building and demolition permits from the municipalities also require reinspection. When available, county septic and/or development permits are used. The Moore County Newspress can also be a good source of information pertaining to new businesses.

Third party information is also useful to indicate changes in value, or the need to verify existing records. They can also be very helpful with new structures or changes in the rural areas. Insurance agents, fee appraisers, bank officials, interested neighbors, and "gossip" often provide information, although these sources are often suspect. Sales tax listings, telephone number listings, and various advertising methods provide additional information for the discovery of business personal property.

FIELD PROTOCOLS

The field appraiser is a very important person in the Ad Valorem tax system. Their appearance, attitude, and appraisal skills have a strong influence on the public's perception of the entire Ad Valorem tax system. Since the field appraiser makes contact where the taxpayer lives and works, and is often the only contact the taxpayer has with the tax system, it is important that appraisers and Appraisal District staff conduct ourselves at all times in a way that will favorably impress the public. The following suggestions should be reviewed and followed:

1. We should dress appropriately for the type appraisal we are conducting. Our appearance should be neat, clean and fitting the circumstances whether we are working in town or on rural properties.
2. Everyone that we come in contact with should be treated with dignity and respect. We should be courteous and friendly at all times.
3. The field appraiser will often be on a taxpayer's property when no one else is present. We must be careful to be perfectly trustworthy, being careful to leave things as they were when we arrived, such as closed gates, etc., and never disturbing the property we are appraising. Our ethical conduct should always be above reproach.
4. All appraisers will have a sign on their vehicle, plainly identifying it as a Moore CAD vehicle.
5. We should always have identification with us and carry our TDLR registration card when we are appraising.
6. You should always be prepared to present a business card to occupants when they are present. If it is appropriate the appraiser may leave a business card for further contact purposes.
7. As you approach the property, note the external features, such as road topography and access, neighborhood, and conformity of improvements to the area. Also note roof type, roofing material, foundation, siding, story height, condition, maintenance level, and other details needed for your appraisal.
8. Go directly to the front door and knock or ring the doorbell. Do not aggravate the occupants by prolonged, excessive ringing or knocking. If a minor answers the door, ask to speak to an adult. If no adult is available, leave a business card and leave the premises immediately.
9. Greet the occupant and explain your purpose in a brief and courteous manner. For example, you might say "Good Morning. I am John Doe from the Moore County Appraisal District. We are conducting a general reappraisal of the property in the county. I need to verify the measurements of the outside of this house and any out buildings." Then proceed with questions needed to complete your work.
10. Care should be taken when asking any of the following questions, since the owner or occupant may consider much of the information personal and private. Never push an owner, taxpayer, or occupant to answer questions if the situation becomes uncomfortable. The first question you always ask is "To make sure we have everything correct, do you mind if I ask you a few questions about this property?" If the response is favorable, you may proceed.

11. Sample questions you may need to ask the occupant:
 - a. What is the property owner's name?
 - b. What is the property owner's mailing address?
 - c. What is the physical address of this property?
 - d. If this is a recent purchase, do you mind sharing the price with us?
 - e. How old is the house/structure?
 - f. How many baths does the house have?
 - g. Does the house have central heat and air?
 - h. Do you have sewer services or a septic system?
 - i. Do you have public water, community water, or a water well?
 - j. If acreage: How is the land use divided (pasture, cropland, wildlife management, etc.)?
 - k. If acreage: Are there any other structures not located at this site?
12. After you have finished with your questions, thank them for their assistance and tell them, "We will only be here for a few more minutes, to check to measurements of your improvements." It is best to avoid unnecessary gossip or discussion of taxes and values. If the owner or occupant inquires about property values or confidential information, the appraiser must firmly, but politely, state that the purpose of the visit is to gather specific information on that property, and that values will be determined at a later date once all specific property information is gathered. However, please take the time to answer simple procedural questions and general taxation inquiries. Establish a good rapport with the taxpayer.
13. Remember to use "please" and "thank you" as often as appropriate, and don't hesitate in your conversation. The owner/occupant needs to be confident in your presentation and capabilities.
14. If the owner/occupant is uncooperative, rude, obnoxious, or asks you to leave, don't argue or lose your temper. Move to a safe distance and estimate the structure size, and then draw a sketch on your worksheet/card. Be sure to note that the owner/occupant refused to let you measure and inspect the property. Initial and date the worksheet along with noting any and all property characteristics apparent. Anytime an appraiser documents a change of any kind on a property card that is based on estimation, that fact MUST be noted on the property record.
15. If you encounter locked gates, bad dogs, or "No Trespassing" signs, follow the same procedure explained above. If no improvements are visible but reasonably suspected from what you see (road traffic, power lines, etc.) leave a business card with a note to contact the Appraisal District for access.
16. In addition to the primary task of collecting and verifying data and property characteristics, there will often be secondary projects for which data will need to be collected. These projects are designed to make subsequent appraisals and inspections easier and more efficient for each following year or appraisal cycle. Updating addresses, specific location notes, and public relations suggestions are continuing secondary field concerns. Field staff is directed to note and inform the CAD office of any concerns relating to CAD administration and resources, such as any corrections or modifications to be existing mapping system, areas of new development, or field perceptions of existing

or potential market areas. Further, a major (strategic) goal may be incorporated to each reappraisal cycle and noted in the current Reappraisal Plan. As directed by the Chief Appraiser, this goal, developed with the purpose of increasing accuracy, efficiency, and ease of appraisal operations, is a primary focus of the CAD staff during the current reappraisal cycle. Please consult the Chief Appraiser or Appraisal Supervisor for an additional requirements of the reappraisal inspections.

17. Questions to ask yourself before leaving:

- a. Did I leave a business card?
- b. Do I have readable sketches, notes and classifications?
- c. Did I take a photograph of the improvements?
- d. Do the dimensions of the improvements close or balance?
- e. Is all necessary information recorded on the card or worksheet, i.e. Classification, Condition, Effective Year, and any notes on each and every structure, attachment, and out buildings?
- f. Is there anything I need to note and discuss with my supervisor?
- g. Did I initial and date the worksheet?
- h. Did I collect secondary or additional information as requested for this reappraisal's goals?

18. Mobile Homes: The same general procedures apply when appraising a mobile home site. All structures need to be measured and classed. However, additional information needs to be gathered to complete the process.

- a. Note Manufacturer and Model.
- b. Note color scheme: Main color(s)/Trim color.
- c. Note HUD Label number. If the HUD number is not available due to repainting or residing or age, be sure to note that fact.
- d. Try to get ownership info at inspection. Mobile homes often have different ownership than the land on which they are located. Also, the purchaser may not have changed the title, in which case, the possessor may not be the official owner listed in the Department of Housing and Community Affairs records. All of these ownerships are important for the appraisal records.

MEASURING PROCEDURES

Basic Procedures:

1. Neatly draw the outline of the improvements on the worksheet or property card with the front of the improvement toward you, or as it faces the street.
2. If there are multiple buildings, draw the sketches on the card as you see them on the property, in relation to each other. If there are more buildings than will fit on one page of records, group the drawings with the primary building of the property on the first page and then progress logically so that in subsequent inspections another appraiser can easily identify any changes that may have occurred.
3. Try to draw the improvement in approximate proportions to the size of the structure. If the improvement is 30' wide and 60' long, draw the outline with its length double its width.
4. Measurements should be written horizontally opposite the line representing the measurement. Outside measurements should be written on the outside, and inside measurements on the inside. The placement of measurements on the drawing should clearly indicate the wall measured on the structure. When taking secondary measurements, such as overall length and/or width, that may include more than one class of structure (garages, carports, porches along with living area), these measurements should be distinct from measurements of the individually classed structures.
5. Be sure to draw the second story of a structure separately from the main body.
6. Be sure to note any changes in construction type (frame to brick, etc.).
7. Begin at one corner and measure completely around the building (note: If you are entering data into the computer, some computer systems require that you draw in a specific pattern. Check with your supervisor or CAD staff to see if this applies in your case.) Check the sum of overall measurements along the front of the improvement against the overall measurements of the rear. Then check the measurements along one side with that of the other side. The opposite wall measurements must balance for the drawing to be correct.
8. Angled Structures: When measuring angled structures, we need additional measurements to square the angled portions. While some computer drawing programs will draw angles for calculation of square footage, those angles are ultimately based on the "offsets" (up & over) from the base drawing. Measuring the angled wall itself may be helpful, but the other two measurements of the "triangle" are more important. This applies to odd shaped houses as well as bay windows.

APPRAISAL TECHNIQUES (VALUATION)

In any determination of value, data is sought in the local market on such factors as sales and offerings of similar properties and tracts of vacant land; current costs of reproduction of the improvements; rentals of similarly improved properties; and the current rate of return on investments and comparable properties. From this data, a value can be developed for both the land and the property as a whole. For the latter, several methods may be used: the cost approach, the income approach and the market data approach.

LAND VALUE

Land is valued as if vacant and available for the highest and best use. Similar land recently sold or offered for sale is analyzed and comparisons made for such factors as size, time, location, and physical characteristics.

COST APPROACH TO VALUE

In this method of valuation, an estimate is made of current costs of reproduction (or replacement) of the improvements. This amount is adjusted to reflect depreciation resulting from physical deterioration and obsolescence and is then added to the value of the land.

INCOME APPROACH TO VALUE

In this method of valuation, estimates are made of the gross income that might be expected from rentals and other sources, and of the expenses that might be incurred in operating the property. Resulting net income is then capitalized into an indication of value.

MARKET DATA APPROACH TO VALUE

In this method of valuation, similar properties recently sold in the current market are analyzed and compared with the property being appraised. Adjustments are made for differences in such factors as time of sale, location, type, age, and condition of the improvements and prospective use.

The following value schedules are originally based on the cost to construct the typical building types found in Moore County. Over time and as market sales indicate, these values are adjusted to give an undepreciated value per square foot. This value, applied to the square footage calculated for that building type and then appropriately depreciated, gives a value for the particular structure. Adding all contributory buildings, additives, and land values creates the total value for the subject property.

Moore CAD attempts to include pertinent information from all three approaches to value. Each approach has inherent benefits and limitations. And in some cases, one particular approach will be more indicative of the value of a property than the other approaches.

Cost approach provides the basis for the value schedules that follow. Unique properties, or properties that are not typical to the general market for any reason, are often valued with the cost approach.

Market approach is used to adjust the value schedules yearly. When market transactions indicate a general market change to typical properties, the adjusted mass schedules are used to apply changes to the records as a whole.

Income approach is utilized mainly as a verification or second opinion of commercial property, or for certain properties where the income approach is required by statute. Insufficient data is available to develop typical schedules based on income information, with the exception of 1-d-1 values. However, the income approach is often the primary approach on some commercial property where market (sales) information is lacking, and the cost approach cannot completely address the issues affecting the property within the current market conditions, and the necessary income information is readily available through governmental or industry publications. In cases where the income approach is utilized, accurate and typical income and expense data must be collected, and scrutinized by the appraiser to make sure the data accurately reflects the potential of the property. The income and expenses must be attributable to the ownership and operation of the property, not the business, for it to be considered in the calculation. Once expenses are deducted from income, and a Net Operating Income is determined, the property value is determined by dividing the Net Operating Income by an appropriate Capitalization Rate. Industry, financial, and market publications are researched yearly to determine the appropriate Capitalization Rate for that particular property for that year. The process is the same as that taught in the "Income Approach to Value" course and reference is made here to that course for further instructions and details. Finally, the value derived for the property based on an income approach necessarily includes any personal property associated with the operation of that property. Great care should be taken then to ensure that the included personal property is not double assessed.

APPRAISAL OF PERSONAL PROPERTY:

The appraisal of income producing personal property is conducted annually. Items not permanently affixed to a building are considered to be personal property. Usually, an item is personal property if it can be removed without damage to fixed property or the item.

GENERAL PROCEDURES:

1. On or around January 1st, information is gathered by checking prior year's tax roll. Additional information is obtained through newspapers, and radio/TV advertisements. This may discover new businesses as well as expansions. Also, the telephone directory yellow pages are scanned to discover new businesses and expansions, and the County is driven to look for new businesses. A list is maintained throughout the year of new business and businesses that have been closed. As mentioned earlier, inspections of commercial real estate offers a perfect opportunity to re-evaluate and verify business personal property, not to mention contact business operators and/or owners. New

business and businesses that have been closed. As mentioned earlier, inspections of commercial real estate offers a perfect opportunity to re-evaluate and verify business personal property, not to mention contact business operators and/or owners. New businesses are specifically targeted for personal visitation by appraisers, usually during other property rechecks. Time is set aside to compile the necessary information to set up the Personal Property account, to discuss the rendition process, and to make preliminary accounting of the Personal Property involved.

1. Rendition forms are mailed to all businesses by January 5th each year. Also, a list, from the Office of the Comptroller, of active sales tax permit holders is examined and forms mailed to each new business listed.
2. Compare renditions as received to the information obtain during the field inspection.
3. As renditions are received the records are coded, and a 10% penalty is assessed to any business that did not render by April 15th unless an extension was received. The Chief Appraiser is solely responsible for waiving penalties. The Chief Appraiser will take into consideration each account and make a fair and just decision before making a decision on waiving penalties.
4. Moore CAD uses a service, Just Texas that gives a listing of all registered commercial vehicles in our county. The Appraisal District uses this list to send out renditions to new businesses.

Personal Property such as machinery, equipment, vehicles and furniture and fixtures are normally valued using replacement cost less depreciation. Inventories are valued as of January 1st each year at the cost of goods on hand as of January 1st.

Moore CAD strives to choose the most appropriate method of appraisal for each property, ever mindful to maintain fairness and equality with in the local general market.

JURISDICTION CODES

Jurisdictions are usually political sub-divisions of the State with the power to levy and collect property taxes. Jurisdictions are specifically delineated areas. Each property parcel is coded for each and all Jurisdictions that have authority over that parcel. Jurisdiction codes may also be used to define certain areas that may not levy taxes.

Moore CAD uses the following Jurisdiction Codes.

Jur#	Jurisdiction Name
CAD	Moore County Appraisal District
01	Moore County Hospital District
03	Moore County
03R	FC&LR
03S	Special Roads
10	City of Dumas
11	City of Sunray
12	City of Cactus
14	City of Fritch
30	Dumas ISD
31	Sunray ISD
32	Sanford-Fritch ISD

61	Palo Duro River Authority
62	North Plains GWCD
63	Amarillo College

These codes are assigned to each parcel in accordance to its location within the Moore County Appraisal District and are found listed on both the parcel records in the computer system and on the property appraisal card. During inspection, the Jurisdiction Codes should be verified for each parcel.

HOMESTEAD EXEMPTION CODES

As authorized by the Texas Property Code, various homestead exemptions can be applied to qualifying properties as determined by the Chief Appraiser. As each property is inspected, note whether an exemption is in place on the property records, and try to verify with the occupancy of the property. Record on the property card and report to the Chief Appraiser any discrepancies in exemption status that may be discovered during a property inspection, including improperly granted homesteads, property that could qualify for homestead, and changes in the homeowner's status that could change the homestead qualified for.

HS Code	Description
H	General Homestead
S	Over 65 Homestead
D	Disabled Homestead
DV	Disabled Vet 100%

PROPERTY CATEGORY CODES

Each property is described with Category Codes (formerly known as TEA Codes). These codes allow the CAD to separate properties individually and in groups for a multitude of purposes, not the least of which is reporting to the State Comptroller's Office. All properties will fall within one of the following categories.

CAT Code	Description
A1	Real Single Family Residential
A2	Real Res Mobile Homes
B	Real Res Multifamily
C	Real Vacant Platted Lot/Tract
D1	Real Acreage – Ag
D2	Real Acreage – Non Ag
E1	Real Farm & Ranch Imps
E2	Mobile Home on D Category
F1	Real Commercial Property
F2	Real Industrial Property

G1	Oil and Gas
G3	Minerals, Non Producing
J1	Water Systems
J2	Gas Companies
J3	Electric Companies
J4	Telephone Companies
J5	Railroads
J6	Pipeline Companies
J7	Cable Television
L1	Commercial Person Property
L2	Industrial Personal Property
M1	Tangible Other Personal, Mobile Homes
S	Special Inventory Tax
X	Totally Exempt Property

DEPRECIATION

Over time, all structures will lose value as compared to newly constructed buildings of comparable use. This loss in value is referred to as depreciation. The three main types of depreciation, physical, functional, and economic, must be considered and estimated (if appropriate) to each property inspected.

Physical depreciation is the loss of value from natural aging and deterioration. Functional depreciation is value lost to a particular property due to market pressures in the form of buyer's tastes and preferences, and how they have changed over time. These effects are normally specific to the market area and include, but are not limited to: unusual floor plans, second floors, basements, and marked, specific deterioration of the structure or its components beyond the scope of overall physical depreciation. Economic depreciation refers to value lost to a specific property (or group of properties) due to effects outside the property itself. Most often caused by location, a property's value can be affected by where it is or what surrounds it.

- a. **Physical Depreciation** – Over time, a structure loses value due to the wasting away of materials, and this may be accelerated by deferring necessary maintenance. Expressed as a condition grade and a building age, all properties have their physical depreciation estimated at inspection. The combination of the condition grade and age gives a “percent good” reflecting the remaining value of the structure.
- b. **Functional Depreciation** – Often times a property will exhibit characteristics that will affect its value, either positively or negatively, when compared to the typical format for that particular structure. These characteristics need to be addressed when estimating the market value. A few examples will be helpful.

1. Second floors are less functional and often less desirable to buyers. Therefore, the living area on a second floor has less value per square foot than the corresponding living area on the first floor.
2. Enclosed garages, porches, or additions often have less utility than the original living area due to the quality or completeness of the renovation.
3. Room arrangements that are obviously poorly planned creating flow problems and inconveniences will affect the marketability of a property.
4. Structures that have extra amenities, such as more than typical insulation, superior air conditioning systems, intricate water filtration systems, specialty fixtures, custom cabinetry, etc., can all increase the value of a structure when compared to typical.

c. **Economic Depreciation** – If a property’s value is affected by conditions or situations outside the property itself, the result is economic depreciation. As with physical depreciation, the result can be either positive or negative. Although logical and often easy to imagine, economic depreciation is the most difficult adjustment to estimate because it is the most difficult to prove within the given market conditions. As such, adjustments for economic depreciation should be approached very carefully and only in situations where the estimated affect is obvious and significant. Examples are:

1. Residential property located in areas that are not primarily residential in nature.
2. Homes that are significantly larger (or smaller) than the typical home in a given neighborhood.
3. Commercial property subject to excessive regulation, or to income-limiting contracts.

All forms of depreciation should be considered when inspecting a property. Functional and economic depreciation may not be appropriate for a given structure, but details affecting the decision to apply must be noted and justified during inspection.

In that the Moore CAD estimates values from a statistical model (mass appraisal), the functional and economic factors discussed above are deviations from the market norm for a particular property. Consequently, both functional and economic adjustments can be either positive or negative depending on the specific attributes of the property inspected.

Physical Depreciation is estimated using the descriptions and table listed below to determine an appropriate Percent Good (value remaining or the inverse of Depreciation). Superior maintenance or appearance (condition) and below-average maintenance or appearance (condition) affect the loss in value over time and must be noted in order to apply depreciation appropriately in comparison to like properties. Either the built year (if known) or an “effective” year must be determined at inspection. The “effective” year give the relative age of the structure given its level of maintenance. The useful life of residential and commercial structures is approximately 50 years. Beyond that age, utility and function are limited such that the building is no longer enhancing the value of the property. The structure may have limited

value and use, but could be feasibly replaced with a new structure. The life of a structure can be extended if maintenance issues are addressed as they arise. A house that has been properly maintained over its life, i.e. roof repairs/replacement, painting, foundation repairs, wiring/plumbing modernization, renovation, etc., can have an effective age of 20 years when its actual age may be in excess of 100 years. In other words, protecting or enhancing the investment in your property extends its life and extends its value over time. Effective age is determined by estimating the remaining life of a structure. For example, a residence could be in excess of 100 years of actual age. However, with timely repair, rehabilitation, or renovation, the structure may be comparable to a residence of only 10-20 years of age. Physical depreciation is based on the effective age, in conjunction with the observed condition of the structure.

The value of mobile homes, and in certain circumstances rural buildings, is affected primarily by age. Their economic lives are shorter and therefore need an accelerated depreciation schedule. Marshall & Swift and NADA for Mobile Homes are also used in the valuation process.

LOCATION CODES

CAT Code	Description
01	MH North Bliss
02	MH Sanders
03	MH Prairie
04	MH Tom Mills
05	MH Steger
06	MH Morris
07	MH Terra Tracts
08	MH Canyon View
09	MH Cannon
10	MH Alexander
11	MH Yerby's
12	MH Huff
13	MH Parkview
15	MH Sec 353
16	MH Sunset Country
161	MH Sunset West
17	MH Kerr
18	MH Murphy
19	MH CClub
20	MH Huff
21	MH Kay
25	MH West Sub

26	MH Industrial Acres
30	MH Cactus OT
31	MH Cactus-Cline
32	MH Cactus-Graham
33	MH Cactus-Ashton Thomas
36	MH Cactus-Pressley AC
37	MH Etter-Roberts
371	MH Etter-OT
38	MH Cactus-Stone
39	MH Cactus-281
40	MH Cactus-Trevino
41	MH Cactus-Rector
411	MH Cactus-Getman
42	MH Cactus-Norris
43	MH Cactus-Stone
50	MH Sunray-OT
51	MH Sunray-Buena Vista
52	MH Sunray-1937
53	MH Sunray-Lane Acres
54	MH Sunray-North Park
55	MH Sunray-South Add
56	MH Sunray-Southside Park
57	MH Sunray-West Triangle
58	MH Sunray-Industrial
60	MH Sec 321
69	MH Blk 2-T
70	MH Blk 3-T
71	MH Blk Q
72	MH Blk 44
73	MH Blk M-2
74	MH J Poitevent
75	MH Blk 1-PD
76	MH Sherman-SISD
77	MH North Place
78	MH Blk M-1

These are adjustment codes based on area that indicate an adjustment based on area and location.

Personal Property Depreciation

The following table illustrates the percent good factors applied to discovered and rendered Business Personal Property. Moore County Appraisal District lacks sufficient information to develop typical schedules for business types. Owner Renditions and/or appraiser inspections determine Personal Property valuation. Individual assets are depreciated from original cost by the actual or effective age.

**MOORE COUNTY APPRAISAL DISTRICT
2010 TRUCK SCHEDULE**

2009	90000	76500	65030	55280	46990	39940	33950
2008	78300	66560	56580	48090	40880	34750	29540
2007	68120	57900	49210	41830	35560	30230	25700
2006	59260	50370	42810	36390	30930	26290	22350
2005	51560	43830	37260	31670	26920	22880	19450
2004	44860	38130	32410	27550	23420	19910	16920
2003	39030	33180	28200	23970	20370	17310	14710
2002	33180	28200	23970	20370	17310	14710	12500
2001	28200	23970	20370	17310	14710	12500	10630
2000	23970	20370	17310	14710	12500	10630	9040
1999	20370	17310	14710	12500	10630	9040	7680
1998	17310	14710	12500	10630	9040	7680	6530
1997	14710	12500	10630	9040	7680	6530	4900
1996	12500	10630	9040	7680	6530	4900	4170
1995	10630	9040	7680	6530	4900	4170	4170
1994	9040	7680	6530	4900	4170	4170	4170
1993	7680	6530	4900	4170	4170	4170	4170
1992	6530	4900	4170	4170	4170	4170	4170
1991	4900	4170	4170	4170	4170	4170	4170
1990	4170	4170	4170	4170	4170	4170	4170
1989	4170	4170	4170	4170	4170	4170	4170
1988	4170	4170	4170	4170	4170	4170	4170
1987	4170	4170	4170	4170	4170	4170	4170
1986	4170	4170	4170	4170	4170	4170	4170
1985	4170	4170	4170	4170	4170	4170	4170
1984	4170	4170	4170	4170	4170	4170	4170
1983	4170	4170	4170	4170	4170	4170	4170

2010 Depreciation Table (F&F-10 YR)

Year Max	Percent	Year Max	Percent
1	91%	8	28%
2	82%	9	19%
3	73%	10	10%
4	64%	11	10%
5	55%	12	10%
6	46%	13	10%
7	37%	14	10%

2010 Depreciation Table (M&E-10 YR)

Year Max	Percent	Year Max	Percent
1	91%	8	28%
2	82%	9	19%
3	73%	10	10%
4	64%	11	10%
5	55%	12	10%
6	46%	13	10%
7	37%	14	10%

2010 Depreciation Table (M&E-12 YR)

Year Max	Percent	Year Max	Percent
1	93%	8	44%
2	86%	9	37%
3	79%	10	30%
4	72%	11	23%
5	65%	12	16%
6	58%	13	10%
7	51%	14	10%

2010 Depreciation Table (M&E-15YR)

Year Max	Percent	Year Max	Percent
1	95%	11	45%
2	90%	12	40%
3	85%	13	35%
4	80%	14	30%
5	75%	15	25%
6	70%	16	20%
7	65%	17	20%
8	60%	18	20%
9	55%	19	20%
10	50%	20	20%

2010 Depreciation Table (M&E-20YR)

Year Max	Percent	Year Max	Percent
1	96%	14	44%
2	92%	15	40%
3	88%	16	36%
4	84%	17	32%
5	80%	18	28%
6	76%	19	27%
7	72%	20	26%
8	68%	21	25%
9	64%	22	25%
10	60%	23	25%
11	56%	24	25%
12	52%	25	25%
13	48%	26	25%

2010 Depreciation Table (COMP-5YR)

Year Max	Percent	Year Max	Percent
1	85%	9	10%
2	70%	10	10%
3	55%	11	10%
4	40%	12	10%
5	25%	13	10%
6	10%	14	10%

Residential Building Codes & Descriptions

Residential Building Type	Description
AD ON	Addition
CONC	Driveways; Sidewalk; Etc
CR PT	Car Port
D GAR	Detached Garage
DECK	Deck
DEMO	Demolition
FENCE	Fence
FIRE	Fire Damage
FYI	Notes For Information
GAR	Garage
MC LN	Mechanic's Lien
MISC	Miscellaneous
MV IN	Move In
NEW	New Construction
PATIO	Patio
PORCH	Porch
RA	Central Air
RE MD	Remodel
ROOF	Roof
SDG	Outside Veneer
SG BD	Storage Building
SIGN	Signage

Commercial Class Codes & Descriptions

Commercial Building Type	Description
CM	CM
CM 2ND	CM 2 nd
CM AT	CM Auto Teller
CM BAG	CM Bag Room
CM CANOPY	CM Canopy
CM COW	CM Cow Apt Barn
CM DISPLAY	CM Display
CM DT	CM Drive Thru
CM ELEV	CM Elevators
CM ENTRY	CM Entry
CM FBAS	CM Fin Basement
CM FEED	CM Feed Stg
CM FEQU	CM Fixed Equipment
CM HOP	CM Hopper/ Pit Room
CM ICE	CM Ice Stg
CM LIGHT	CM Ramp Lighting
CM LOAD	CM Loading Dock
CM MILK	CM Milking Barn
CM MISC 20	CM Misc 20
CM MISC 50	CM Misc 50
CM MISC 70	CM Misc 75
CM NDROP	CM Night Drop
CM OFFICE	CM Office
CM SER PIT	CM Service Pit
CM SHOP AV	CM Shop Av
CM SHOP GA	CM Shop GD
CM SIGN	CM Sign
CM STG AV	CM Stg Av
CM STG GD	CM Stg GD
CM TENNIS	CM Tennis Courts
CM UNFB	CM Unfin Basement
CM VLT	CM Vault
CM WATER	CM Soft Water System
CM WH	CM Warehouse
CMAT	CM Auto Teller
CMDUMB	CM Dumb Waiter

Residential Class Codes & Descriptions

Class Code	Class Code Description
BR2	Masonry Veneer
BR3	Masonry Veneer
BR4	Masonry Veneer
BR5	Masonry Veneer
BR6	Masonry Veneer
BR7	Masonry Veneer
FR1	Frame
FR2	Frame
FR3	Frame
FR4	Frame
FR5	Frame
FR6	Frame
FR7	Frame
FR8	Frame

Agricultural Land Qualification Policy Statement

The general policy of the Moore County Appraisal District is in accordance with the State Property Tax Code's qualification guidelines for agricultural use. The district's policy is that in order for ag-use valuation to be applied, the land must:

1. Be utilized to the "degree of intensity" generally accepted in Moore County.
2. Be managed in a "typically prudent manner".
3. Be a substantial tract of land.

In accordance to the State Property Tax Code guidelines, the net-to-land is based on a five-year average of the years preceding the year of the appraisal. This five-year average tends to remove fluctuations in value because of varying prices, yields, weather conditions, and costs. Only the factors associated with the land's capacity to produce marketable agricultural and recreational (hunting) products are considered in estimating the productivity values.

Only typical cash leases are used for the estimation of productivity values.

Definitions of Key Words and Phrases

Prudent: Capable of making important management decisions, shrewd in the management of practical affairs. Specifically, the law states that the land must be utilized, as would an ordinary and prudent manager in the area of the taxing unit. Normally, prudent farm or ranch managers are ordinary farmers in terms of acres farmed as well as management ability. Given that all other factors remain constant, the number of acres farmed determines the farmer's capital structure. It is assumed that prudent farm or ranch managers in a given area are assumed to have similar equipment of similar value and utility.

Substantial: Ample to satisfy; considerable in quantity. Specifically, the law states that agricultural land must be an identifiable and substantial tract of land. This means that the tract must be of adequate size to be economically feasible to farm or ranch.

Typically: Exhibiting the essential characteristics of a group. Specifically, the law states that Ag land will be utilized, as would a typical or ordinary prudent manager. Statistically, a typically prudent manager is the median farmer or rancher.

Agricultural use to the degree of intensity generally accepted in the area: Farming or ranching to the extent that the typically prudent manager in the area of the taxing unit would farm or ranch on an identifiable and substantial tract of land when the tract is devoted principally to agricultural use. The farming and ranching practices (cropping patterns, planting rate, fertilization methods, harvesting and marketing techniques, etc.) are those of a typically prudent farm or ranch manager.

Area: That land that is located inside the jurisdictional boundaries of the Moore County Appraisal District.

Principally: The more important use in comparison with other uses to which the land is put.

Market and Productivity Schedules

Qualified agricultural land is taxed on its productivity value. To determine that value, the CAD first must calculate the typical property owner's income that is generated by the land after certain expenses have been paid –commonly known as net-to-land. The Property Tax Code then requires the CAD to divide the average net-to-land. The Property Tax Code then requires the CAD to divide the average net-to-land for a five-year period by the annual cap rate to arrive at the land's productivity value.

Agriculture Rollback Procedures

- A. Discovery of roll backs to be worked
 - 1. To determine which accounts need to be rolled back review sales and ownership changes.
 - 2. Accounts can also be discovered by field appraisers working split-outs in the office or by owner inquiries.
- B. Research of possible rollback accounts
 - Research account by account to be determine if rollback is warranted.
 - 1. This requires checking if use has actually changed or if agriculture value has been removed. Rollback of Agriculture land is only warranted if the use has physically changed to anything but agriculture purposes.
 - 2. Check the account history to see if Ag use existed in all the previous five years.
 - 3. If account was created in any of the previous five years, you will have to check the parent account for Ag use as well. Multiple split-outs are not uncommon.
- C. Processing Rollback
 - 1. Once a rollback is deemed necessary, follow these instructions;
 - a. Maps
 - 1. Make a map of the account(s), which will be rolled back.
 - 2. Check soil types and scale dimensions of the account. The location of exact soil types under the account is important for identifying the per acre value for the rollback calculation.
 - 3. Identify category (dry land, irrigated, pasture) and class of the land.
 - b. Worksheets
 - 1. After maps are prepared a rollback worksheet is necessary.
 - 2. Edit the account
 - 3. If all the account requires a rollback, or if only a portion of the account requires a rollback editing will be required.
 - c. Edit worksheets

d. Owner Notification

1. The next step in the rollback process is to notify the property owner of the rollback. You will need the number of acres and the estimate of rollback taxes from the worksheet.
2. Send notification letters to the account based on the scope of the rollback with rollback acres and the estimated taxes.
3. Print the letter and attach it with the worksheet . The Chief Appraiser will then review the rollback packet. These items will need to be given scanned into imaging immediately.
4. After the items are scanned a copy of the notification letter is mailed *by certified mail*.
5. Once the letter is mailed we have to allow the property owner *thirty days* to question or file a protest. For this reason we have to hold the rollback until this time expires.
6. The original rollback packet (Worksheet and a copy of the Notification letter) will now be placed in the change file.
- 7.

D. Complete the Rollback.

1. Once the notification time has expired, pull the original rollback packet out of the file; and review it one last time. Once the final document is prepared and signed, the *Ag Roll Back* is then processed for collection of taxes.