



HAMILTON COUNTY APPRAISAL DISTRICT

REAPPRAISAL PLAN

2015-2016

BOARD OF DIRECTORS

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Dan Chorenziak

CHIEF APPRAISER

Doyle Roberts

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Hamilton County Appraisal District

Executive Summary

Tax Code Sec. 6.05(i) requires the adoption of this plan, using the "reappraisal" in a broad sense to mean the activities that the district undertakes every year: inspecting property. Under this section, a property is reappraised when these activities are done, even if its value does not change.

This plan describes Hamilton CAD's activities as an every other year cycle, and it is the district's policy to mail appraisal notices to all property owners where a change in value has occurred for \$1,000.00 or more plus or minus.

The Hamilton 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 Hamilton 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 member Board of Directors, appointed by the taxing units within the boundaries of Hamilton 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 twelve (12) jurisdictions or taxing units in the county. Each taxing unit, such as the county, a city, school district, hospital district, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. Hamilton CAD 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.

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 buyer;
- 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 evaluation of residential homestead property (Sec. 23.12), dealer inventory (Sec. 12.121, 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 update appraised values for real property every other year. The district's current policy is to conduct a general reappraisal of taxable property every other year. Appraised values are reviewed annually and are appraised every year.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal (CAMA) programs, and recognized appraisal methods and techniques, Hamilton CAD compares 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.

Mission Statement

Hamilton County Appraisal District's Mission Statement is "**To provide accurate and uniform appraisals based on the local market, conducted in a fair and professional environment with an emphasis on customer service.**" The goal of this strategic reappraisal plan is to maintain an appraisal roll that is accurate, equal and uniform, and in compliance with the Texas Constitution,

Reappraisal Plan

Tax Code Requirement

Statutory requirements for the strategic reappraisal plan were taken from section 6.05(i) and 25.18(a) and (b) of the Texas Property Tax Code which are as follows:

Section 6.05(i) of the Texas Property Tax Code

(i) To ensure adherence with general 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 for 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.

Implementation

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

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

- (1)** Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
- (2)** Identifying and updating relevant characteristics of each property in the appraisal records;
- (3)** Defining market areas in the district;
- (4)** Identifying property characteristics that affect property value in each market area, including:
 - (A)** The location and market area of 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 the conclusions reflected in the model to the characteristics of the properties being appraised; and
- (7)** Reviewing the appraisal results to determine value.

Reappraisal Cycle

Hamilton County Appraisal District will conduct a mass appraisal of all properties in the district compliant with *Uniform Standards of Professional Appraisal Practices* (USPAP) in each year

covered by this plan and update property values as necessary. The Chief Appraiser will provide notice of appraisal for property in compliance of Section 25.19 Tax Code.

Texas Property Tax Code, and the Texas Administrative Code.

Performance Analysis

Per procedural policy for past years, 2015 and 2016 appraisal years will be analyzed with ratio studies from the previous year's values along with the Comptroller's Property Value Study report to determine appraisal accuracy and appraisal uniformity overall with the use of additional market data gathered within and representing each of the state property reporting categories.

The equalized values from the previous tax year are analyzed with ratio studies to determine the appraisal accuracy and uniformity overall and by market area within property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ration Studies of the International Association of Assessing Officers. In conjunction with the ratio study and the property value study the mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal accuracy. This analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. Categories will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

Analysis of Available Resources/Personnel Resources

The office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordination, and controlling of district operations. The administration department's function is to plan, organize, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities and postal services. The appraisal department is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal, mineral, utilities, and industrial. The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation. Support functions including records maintenance, information and assistance to property owners, and hearings are coordinated by personnel in support services.

The appraisal district staff consists of 5 employees with the following classifications:

- 1 - Official/Administrator (executive level administration)
- 1 – Professional (supervisory and management)
- 3 – Technicians (appraisers, program appraisers and mapper)

A digital mapping system maintains parcel maps and various layers of data and aerial photography. The district's website allows information available for public access, including information on

individual appraisals, property characteristics, certified values, and exemption applications and forms.

True Automation provides a job server with software support. This lets the district maintain and continuously add additional data to the accounts in the district. True Automation programmers are updated on all applicable law changes and are continuously updating the software requirements that functions our reporting process.

As with any written plan established for any reason, restraints can hinder the targeted goals. Such restraints can include budgetary, staffing, technical issues included but not limited to natural disasters. However, every effort will be exercised to complete the reappraisal cycles as intended in this document with a positive result accomplished and measured through the Property Value Study and Maps review by the Comptroller's Office.

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 (5) years of employment as an appraiser. After they are awarded their license, they must receive additional training of a minimum of seventy-five (75) hours of continuing education units every two (2) 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 used in field work and statistical analyses of all types of property to ensure equality and uniformity of appraisal of all types of property.

Data

The district is responsible for establishing and maintaining approximately twelve thousand one hundred fifteen (12,115) real and personal property accounts covering eight hundred forty-four (844) square miles within Hamilton County. This data includes property characteristics, ownership, and exemption information. Property characteristic data on new construction is updated through and annual field effort; existing property data is maintained through a field review. Sales are routinely validated during a separate field effort; however, numerous sales are validated as part of the new construction trends, cost and market data are acquired through various sources, including internally generated questionnaires to sellers, university research centers, and market centers and vendors.

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

Planning and Organization

A calendar of events with critical completion dates is prepared for each major work area. The major work areas are defined and identified below. Following the list is a calendar for beginning and processes all key events for appraisal, clerical and information systems. The following list is not intended to place limitations on the activities involved in a reappraisal. This list is intended to be a guide and reference point for the process. Any activity or process identified as needing attention will become inclusive in the process and be completed within each year cycle.

TAX YEAR 2015 & 2016

(a) 2015 Re-appraisal for Hamilton, Star, and Evant I.S.D.'s.

(a & b) Review sales analysis with current information with ratio reports

Identify properties of region A described as properties new construction, improvements, remodels, demolished improvements, mobile homes brought into the county and problematic properties throughout the entire county.

(b) 2016 Re-appraisal for Hico, Jonesboro, Cransfill Gap I.S.D.'s

(a & b) Discover new property in the county

Identify properties in Region A & B which need rechecking from prior year

Identify and inspect problematic market areas

Route properties for physical inspection and complete inspections

Identify properties that no longer exist in the district and adjust roll

Identify and update property characteristics

Check models and develop new models if necessary

Change ownership using legal documents

Review properties to remove homestead and agricultural applications

Mass mailing of homestead applications to new owners

Mass mail agricultural application to new owners

Mass mailing of rendition applications

Map properties from deed changes, check boundaries with deed if mapped

Review legal instruments for easements, covenants, leases, restrictions, contracts, declarations, special assessments, ordinances, or legal restrictions

Mail buyer sales surveys

Mail agricultural lease surveys

Calculate values

Prepare, plan and submit budgets for 2016

Prepare, plan and hold agricultural advisory meetings

Calculate values

Mass mail appraisal notices

Prepare, plan and hold formal and informal hearings

Certify the appraisal roll

2015 - 2016 CALENDAR OF EVENTS

Year round events consist of: Administration/planning, training, workshop, collect deeds and mechanic liens, supplement of records, change ownership records, sales data, mapping, and data entry.

October -

- Get building permits/mechanic liens (if possible)
- Do ratio studies-market value- rural, residential and commercial properties
- Begin field work for re-inspection,

November –

- Depreciation schedule for personal property
- Continue field work
- Begin land review

December -

- Finish field work for re-inspection
- Conduct end of year ratio studies
- Inspect mobile homes
- Send 2015 BPP renditions, appraisal date for most taxable property.

January -

- January 1 – appraisal date for most categories of taxable property
- Send HS forms, send Ag forms
- Send BPP renditions
- Receive comptroller property value study or maps review and incorporate into district ration study analysis, valuation plan and appraisal district operating procedures
- Complete field inspection for remodeling, new construction, and other changes
- Wildlife annual report requests

February –

- Begin review of property, rural, residential and commercial.

March –

- Finalize valuation
- Process BPP renditions
- Finalize reappraisal work

April -

- Deadline for BPP
- Prepare value estimates for all taxing jurisdictions
- Second notice of outstanding Ag applications

May –

- Second notice of outstanding BPP renditions
- Extension deadline for BPP
- Mail appraisal notices
- Informal value discussions with property owners
- Submit appraisal records to ARB
- Review appraisals conducted by contract
- Capital Appraisal Group
- Last day to protest value

June -

- Prepare mass appraisal report
- Hold informal hearings
- Prepare for ARB hearing
- ARB hearings (formal)
- Preliminary budget to taxing units
- Impose penalty for failure/late BPP filing

July –

- ARB hearings
- Certify appraisal roll to taxing units
- Mail certified values to taxing units
- Effective tax rates
- Public hearings and adopt CAD budget
- EARS transaction appraisal roll submission and EPTS to Comptroller due August 1st

August -

- Field inspection on new construction
- Demolished properties
- Sales ratios on all property
- Update district schedules

September 15

- Deadline for CAD Board of Directors to approve budget and reappraisal plan
- Begin field work for properties within re-inspection appraisal plan and continue field work for real and personal properties

Mass Appraisal System

Revisions to cost models, income models, and market models are specified, updated, and tested each tax year. Hamilton County Appraisal District contracted with Lisco Appraisal Firm for these

services.

Cost schedules are tested with market data (sales) to ensure the appraisal district is in compliance with the 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 comparing cost data from recognized industry leaders.

Depreciation tables are updated to adjust for physical, functional, or economic obsolescence. Physical inspections will determine which properties would have one or all of the listed depreciation types.

Models are developed, identified and updated as to the market location, physical attributes, legal and economic attributes, easements, covenants, restrictions, contracts, and special assessments. Characteristics of current models are updated or modified to represent the testing and analysis of data.

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 on a pilot basis with ratio study tools.

Personal Property Valuation

The latest edition of the Comptroller's Guide is utilized in the appraisal of personal property in the district. Valuation procedures are reviewed and modified as needed and tested.

Notice Process

25.19 appraisal notice forms are reviewed and edited for updates. True Automation provides the updates to include the latest copy of Comptroller's Taxpayers Rights, Remedies and Responsibilities and any changes required by legislative mandates. The district publishes in the local newspapers, information about the notices and how to protest.

Identifying and Updating Relevant Property Characteristics/Data Collection Requirements

Field and office procedures will be reviewed and revised as required for data collection and verification of value-related and descriptive property characteristics for each property. Activities scheduled for each Tax Year include inspection of new construction, demolition, and remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a projected every other year cycle and annual verification of sales information. Methods of re-inspection include on-site inspection and use of orthographic and oblique imagery.

The principal source of data collection on new construction and remodeling are generated by mechanic liens filed with the city and county. A field effort of driving the county also generates a constant watchful eye on any new construction or addition that may be added to the property.

Data surveys included in the buyer questionnaire when returned is helpful tool in identifying characteristics that are needed to correctly appraise property, and give to the CAD the current sales data. Identifying these characteristics with the sales information identifies problematic areas. Of data is emphasized as the goal and responsibility of each appraiser. Sales information is verified by sources such as the new owner, seller, local realtors, and comptroller's sales letter survey.

SALES FILE/SALES CONFIRMATION

Sales collection is vital to the reappraisal plan of the Hamilton County Appraisal District. HCAD collects and confirms sales data from a variety of sources. Sales collected via the following method are considered confidential information of HCAD. The sources include:

- Sales Letters
 - Recent sales activity is discovered through information obtained from Hamilton County clerk's office through the deed transaction.
 - Sales letters are sent out to all commercial and rural sales when more information is necessary.
 - When the information is received back the appraisal technician then enters it into the PACS system.
- Fee Appraisers
 - Fee appraiser information is sometimes provided by the tax payer which indicates values of a subject property plus comparable properties.
 - That information is then scanned into the PACS account for further reference.
 - The appraisal technician enters the information into the sales tab in the PAC system.
- Comptroller
 - The State of Texas Comptroller's office collects sales data and will provide the information with HCAD when requested.

Sale confirmation is an important part of the reappraisal plan for the Hamilton County Appraisal District. Confirmed sales are a major component in determining market value.

Market value means the price at which a property would transfer for cash or 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 purchaser know of all the uses and purposes to which the property is adapted and for which it is capable for being used and of the enforceable restrictions on its use; and 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.

- Sales Confirmation Procedures
 - All qualified sales must meet the definition above.

- Sales not meeting the definition are not used as comparable sales for the purpose of determining market value.
- Sales transaction between family members is not used.

Field appraisers perform field activities to ensure the data they have entered into the CBS (computer based system) has been maintained and is correct. Data updates and file modification for property descriptions and input accuracy is conducted as the responsibility of the field appraiser.

Personal Property rendition forms are the source of data for commercial property inventories, furniture and fixtures and machinery and equipment. Assumed names filed with the county also, generate additional check points for new business personal property.

Pilot Study

Mass appraisal models, new or revised, will be tested on randomly selected market areas. Sales ratio studies will be used to test these models. Forecasted results will be compared against actual results and those models not performing satisfactorily will be refined and retested. The procedures used for model specification and model calibration will comply with **USPAP Standards Rule 6**, for the applicable year.

Valuation

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 of Ratio Studies*. Property values in all market areas are updated each reappraisal year.

All approaches to value will be considered on all types of properties. The appraiser will determine and select the method that gives the greater weight of market value.

REAPPRAISAL PLAN DETAIL

Variation in reappraisal requirements requires Hamilton county Appraisal District to carefully plan its work before beginning any reappraisal. Although the planning process may vary in specifics, it involves four (4) 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

REAPPRAISAL PROCESS

The Hamilton County Appraisal District, by policy adopted by the Board of Directors and the Chief Appraiser, reappraises approximately one-half of all property in the district every year. A breakdown of the areas to be re-appraised is made using I.S.D. boundaries. I.S.D.'s are divided so there is approximately the same number of accounts appraised each year. Only certain I.S.D.'s are appraised in a given year unless market indicators reflect the need to include all properties within the appraisal district boundaries. In any given appraisal year, the Chief Appraiser reserves the right to modify schedules, if in-house ratio studies, natural disasters or other information deem re-appraisal necessary for the district as a whole or part of the district not within the I.S.D. as described or the time frame allotted to that area; while still ensuring adherence to the overall every other year cycle.

A re-appraisal year for an area is a complete appraisal of all properties in the district or within the boundaries of the identified I.S.D. boundaries scheduled for reappraisal. During the reappraisal year's staff will discover new construction and remodeling, re-inspect properties on the appraisal roll, identify and record changes in property characteristics that affect value and adjust values accordingly. Appraisal District staff will monitor sales and building classifications (i.e. land, improvements) to reflect current market conditions in this district. Review of foreclosure sales within neighborhoods or areas of generally economic depressed regions will be identified and appropriate weight given to determine the market value of those related properties

Lisco Appraisal Service contracts with the CAD to inspect and reappraise the property in the given area in the given year. The CAD gives Lisco the properties to be inspected both residential and commercial and they will also inspect properties for ag valuation and does the rechecks, as the CAD would do. The CAD also has staff appraisers to handle the same situations as needed.

Market Areas

The market areas are assigned by ISD. Cranfills Gap and Jonesboro make up one market area, while Evant and Star make up the second market area and Hico and Hamilton make up the third market area for Hamilton County.

RE-INSPECTION PLAN

The re-inspection activities for 2015 will focus on Hamilton I.S.D., Star I.S.D. and Evant I.S.D. and will include residential, multi-family, rural homes and land, commercial land and improvements and manufactured home properties in those school districts.

Also, the re-inspection plan activities for 2015 will focus on all new construction and improvements, remodels, demolished improvements, mobile homes brought into the county and problematic properties throughout the entire county.

Properties that are physically inspected during the re-inspection plan or inspected due to a recent sale, recheck or other reason are related in the following manner: the field review card is printed from the mass appraisal system; appraisers perform visual reviews in a drive-by setting to confirm the characteristics of each property. If a visual review indicates a physical change, such as an addition or remodeling has been made to a property that is not noted on the field review card, the characteristics are corrected accordingly. In properties where physical data has been questioned or requires more review, the inspection may include confirming the dimensions of the structures and/or a complete interior and exterior inspection as permitted by the property owner. The field appraiser determines the extent of the inspection. A walk-through inspection is made on all new-construction if possible. Physical characteristics such as quality of construction, extent of detail and amenities and size are determined during these inspections. Additionally, size is confirmed through sources such as construction plans and realtor information. All available reliable resources are used in the pursuit of accurate characteristic data for each property.

Office reviews of properties are made to ensure appropriate and equitable classification of properties. Values are reviewed for uniformity within neighborhoods, as well as uniformity within the entire county.

Recently sold properties, with high variances from typical neighborhood sales ratios are site inspected to ensure proper classification and accurate characteristic descriptions prior to being used in ratio studies or being used to develop market value adjustment factors.

Residential Appraisal

The district uses the market trended cost approach when valuing single-family and multi-family residential properties. The comparative unit method will be used to develop the base cost of a structure. Adjustments are then made for differences from base specifications using the unit-in-place method. Cost models include the derivation of replacement cost new (RCN) of all improvements. This approach also employs the sales comparison approach in the valuation of the underlying land value. Neighborhood or location adjustment factors will be developed from appraisal statistics provided by ratio studies to ensure that estimated values reflect both the supply and demand side of the market. The following equation denotes the market trended cost model used:

$$MV = MA [RCN - D] + LV$$

Where the market value (MV) equals the market adjustment factor (MA) times the replacement cost new (RCN) less depreciation (RCNLD) plus the land value (LV). Market multipliers or

neighborhood factors are applied uniformly within neighborhoods to account for location variances between market areas or across a jurisdiction.

Depreciation schedules are developed based on what is typical for each type of property at that specific age. Depreciation schedules have been implemented for what is typical of each major class of residential property by economic life categories. Effective age estimates are based on the type of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the market place. Market adjustment factors such as external and/or functional obsolescence can be applied if needed. A depreciation calculation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings in the property data characteristics. These adjustments are typically applied to a specific property type or location and can be developed via ratio studies or other market analyses. Accuracy in the development of the cost schedules, condition ratings and depreciation schedules will usually minimize the necessity of this type of an adjustment factor.

Sales Comparison Approach

As indicated in the *Property Appraisal and Assessment Administration* (IAAO, 1990), in the absence of a sale of the subject, sales prices of comparable properties are usually considered the best evidence of market value, the sales comparison approach models the behavior of the market by comparing the properties being appraised with comparable properties that have recently sold or for which offers to purchase have been made. Their sales prices are then adjusted for differences from the subject and a market value for the subject is estimated from the adjusted sales prices of comparable properties.

Commercial Appraisal

The cost approach to value is applied to all improved commercial real property utilizing the comparative unit method. It is the most reliable approach for this type of property in this county. Sales comparison is not a reliable approach for commercial property where sales are limited, and sales data may or may not include a documented value for goodwill. Without this measure the sales approach may generate a distorted value, and the infrequency of sales limits the measure in this approach.

Land Appraisal

Each year the appraisal staff conducts an analysis on commercial, residential, and rural land. True Automation stores the land information required to consistently value individual parcels. Rural

land tables utilize a price per acre format, commercial and residential land utilizes a price per front foot format.

Appraisal of 1-d-1 Properties

Land that has been approved for special valuation under 1-d-1 is valued using the income approach by the following five steps:

1. Hamilton CAD had established the following land classes:

- Native Pasture Land
- Improved Grass Land
- Crop Land
- Irrigated Crop Land
- Orchard Land

Additional classifications or sub-classes may be added as the need arises.

2. Estimate the net to land per acre for each class and sub-class. This annual income is based on the five year average proceeding the year before the appraisal.
3. Divide the net to land for each class by that year's capitalization rate to develop a productivity appraisal schedule by land class.
4. Classify all qualified agricultural land according to the classification system.
5. Use the schedule to calculate the productivity value for each parcel of land. For any given parcel of land, the number of acres times the per acre value for that land class gives the agricultural productivity value.

Income and expense data shall be collected annually from the Agricultural Appraisal Advisory Board. Each board member will be requested to respond to the annual Texas Farm and Ranch Survey from the Property Tax Assistance Division of the Texas Comptroller's Office, using their expert knowledge and experience to provide income and expense data for each land class and sub-class.

In addition to establishing an agricultural productivity value, the Chief Appraiser is also required to keep a record of the market value of the land for each tax year.

Business Personal Property Valuation Process

These property types will be valued each Tax Year by district appraisal staff and contract appraisal firms. Business personal property is classified and utilizes a four digit numeric codes, called the Standard Industrial Classification (SIC) codes that were developed by the federal government to describe property. Hamilton CAD uses these classifications to classify personal property by business type.

Sources of Data

Data collecting by the district is collected from property owner renditions. District appraisers are able to collect new data through field inspections. These results in the discovery of new businesses, changes in ownership, relocation of businesses, and closures of businesses not revealed through other sources. Tax assessors, city and local newspapers, and the public often provide the district information regarding new personal property and other useful facts related to property valuation. The primary source of leased and multi-location assets is property owner renditions of property. Field inspections are another source for data.

Contract Appraisal Services

The Hamilton County Appraisal District contracts with an independent contractor (Capitol Appraisal) to perform appraisal services on utility personal property, pipelines, and other oil and gas related buildings and equipment.

INCOME, EXPENSE, AND COST INFORMATION GATHERING

The Hamilton County Appraisal District sends an information request to all mini-warehouse owners located within the appraisal district boundaries. This request asks for information related to the operating statements of the subject property, including actual income and expense data. The requests are mailed in February to allow for a complete fiscal year of data to be reported. Completion of the request is voluntary for the property owner.

NEW CONSTRUCTION

The discovery of newly constructed improvements is achieved by reviewing mechanic's liens and visual inspections during the course of the field review process by appraisers of the Hamilton County Appraisal District. Appraisal staff physically drives county and state roads to identify any new or existing property that is not currently on the Tax Roll. Agricultural observations are also noted during this process.

EXEMPTION PROCEDURES

Exemptions are very important to the taxpayers and the taxing jurisdictions in Hamilton County. The majority of the applications are for residential homesteads, over age 65, disabled persons, or veteran's disability. There are exemptions available for charitable organizations, churches, and other tax exempt organizations. The chief appraiser must approve all exemptions.

January 1 to April 30 are the filing dates, however, the Property Tax Code allows for applications to be filed for up to a year late on most exemptions.

When an application is submitted to the Appraisal District, if the application requirements are satisfied, the exemption will then be granted. If additional documentation is requested, a request for additional documentation will be sent out in letter form to the property owner requesting more information. The property owner will have 30 days to submit the requested documents, or the exemption will be subject to denial. If the application is denied, a written denial letter must be sent via certified mail to the homeowner.

The Mass Appraisal Report

At the conclusion of the appraisal phase of the ad valorem appraisal calendar, the mass appraisal report is prepared and certified by the chief appraiser. The mass appraisal report is completed in compliance with **USPAP Standards Rule 6 – 8**. The signed certification by the chief appraiser is compliant with **USPAP Standards Rule 6 – 9**. This written reappraisal plan is attached to the mass appraisal report by reference.

Value Defense

The equalization phase begins with the scheduling of formal and informal hearings. The appraisal district appraisers meet individually with the property owners to fulfill the informal process and make justified adjustments to property values. After due diligence in trying to inform the citizen of the changes that have occurred with their property it may become necessary to schedule a formal hearing with the ARB. All standards, procedures, and documentations are reviewed to assure compliance with HB 201 producing documents to the taxpayer 14 days prior to their formal hearing or meeting with the Appraisal Review Board.

Hamilton County Appraisal District
Resolution to Adopt Reappraisal Plan for Years 2015 – 2016

WHEREAS, the Texas Property Tax Code §6.05(i) requires the Board of Directors of the Hamilton County Appraisal District to biennially adopt a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of §25.18 and to hold a public hearing to consider the adoption of the proposed plan; and

WHEREAS, in accordance with Texas Property Tax Code §6.05(i), the Board of Directors of the Hamilton County Appraisal District has prepared the 2015 – 2016 Reappraisal Plan of the Hamilton Appraisal district and has given notice to the presiding officer of the governing body of each taxing unit participating in the district of the date, time and place that the Board of Directors intends to hold a public hearing on the adoption of the proposed plan; and

WHEREAS, the Board of directors of the Hamilton County Appraisal district on this date held a public hearing on the adoption of the proposed Reappraisal Plan of the Hamilton County Appraisal district; and

WHEREAS, the board of directors of the Hamilton County Appraisal District finds the proposed plan meets the requirements of Texas Property Tax Code §25.18 and has determined that it is in the public interest that the 2015 – 2016 Reappraisal Plan of the Hamilton County Appraisal District be adopted by the Hamilton County Appraisal District,

Therefore, be it resolved by the Board of Directors of the Hamilton County Appraisal District:

That the Hamilton County Appraisal District adopts the 2015 – 2016 Reappraisal Plan of the Hamilton County Appraisal district in accordance with the Texas Property Tax Code §6.05(i).

PASSED AND APPROVED THIS the _____ day of _____, 2014.

T.P. Medlock, Chairman

John Galindo, Vice Chairman

James Caldwell, Member

Dan Chorenziak, Member

Kenny Giessner, Secretary

**STAFF PROVIDING SIGNIFICANT
MASS APPRAISAL ASSISTANCE**

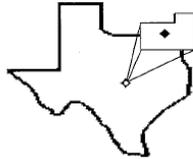
NAME	TITLE	DESCRIPTION OF ASSISTANCE
Doyle Roberts	Chief Appraiser	Chief Administrator of District
Patsy Melde	Deputy Chief Appraiser	Data Collection; Computer and Valuation Correlation
Dede Smith	Field Appraiser	Inspection and data entry of appraisal records
John Ratliff	GIS Mapping Tech	GIS Data Collection and Correlation
Denise Hernandez	Data Clerk, Processor	Data Collection and Valuation Correlation

HAMILTON COUNTY APPRAISAL DISTRICT

T.P. Medlock
Chairperson

John Galindo
Vice-Chairperson

Kenny Giessner
Secretary



119 East Henry Street
Hamilton, Texas 76531
(254 386 8945 Fax (254) 386 8947

James Caldwell

Dan Chorenziak

Doyle Roberts
Chief Appraiser

Note to add to the 2015-2016 Reappraisal Plan for the Hamilton County Appraisal District.

Lisco Appraisal Services is the main appraisers for the Hamilton County Appraisal District. They are charged with doing all the items listed in the reappraisal plan as they are listed. The HCAD determines which school districts are to be reappraised according to the reappraisal plan and they make sure Lisco has the all the information they need to do the plan. Cards are exchanged by email and brought back to HCAD and turned in along with the pictures taken for the accounts. The staff appraiser for HCAD then enters the information into the system, along with the photos. Lisco follows the reappraisal plan as it is written.

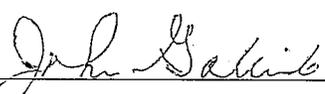
RESOLUTION ADOPTING REAPPRAISAL PLAN

Be it resolved this the 13th day August, 2014 to adopt the Hamilton County Appraisal District Reappraisal Plan for the appraisal years 2015-2016.

Signed this day, 08/13/2014



T.P. Medlock-Chairman



~~Kennedy Giessner-Secretary~~

John Galindo