

Adoption of 2015-2016 Appraisal Plan

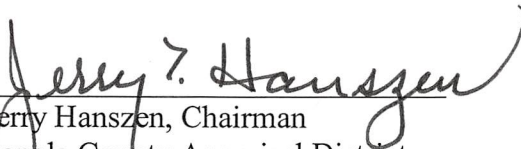
Resolution #2014-04
Panola County Appraisal District
Resolution for the Adoption of Appraisal Plan

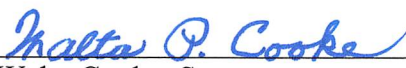
WHEREAS, the legislature of the State of Texas during its 79th legislative session adopted, and the Governor signed into law, Senate Bill No. 1652; and,

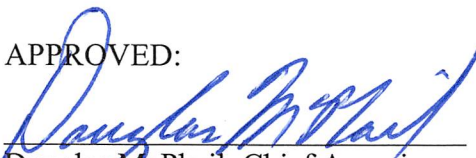
WHEREAS, this bill amended Section 6.05(i) of the Texas Property Tax Code to insure adherence with generally accepted appraisal practices by developing a written biennial plan for the periodic reappraisal of all property within the boundaries of the appraisal district according to the requirements of Section 25.18, and to hold a public hearing to consider such plan; and,

WHEREAS, such a plan was developed and shall be know as **Panola County Appraisal District Reappraisal Plan**, a copy of which is incorporated with this resolution, and further, a Public Hearing was conducted at the District's office to consider the plan on the 21st day of August 2014;

THEREFORE BE IT RESOLVED, that the Board of Directors of the Panola County Appraisal district, meeting in regular session this day, has considered and adopted this resolution on the 21st day of August, in the year of our Lord, 2014.


Jerry Hanszen, Chairman
Panola County Appraisal District


Walta Cooke, Secretary
Panola County Appraisal District

APPROVED:

Douglas McPhail, Chief Appraiser
Panola County Appraisal District

PANOLA COUNTY APPRAISAL DISTRICT

REAPPRAISAL PLAN

FOR YEARS 2015 & 2016

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EXECUTIVE SUMMARY

TAX CODE REQUIREMENT

The Written Plan

The Texas Property Tax Code 6.05(i) reads as follows:

(i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place 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.

Plan for Periodic Reappraisal

The Texas Property Tax Code 25.18(a) and (b) reads as follows:

- (a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05(i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
 - (1) identifying properties to be appraised through physical 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.

REVALUATION DECISION (REAPPRAISAL CYCLE)

The Panola County Appraisal District by policy adopted by the Board of Directors reappraises all property in the district annually. Each year the real property in the District is reviewed and reappraised. Tax years 2015 and 2016 will both have all of the Districts real property reviewed and reappraised. All business personal property industrial personal property, mineral properties, field compressors and large industrial plant properties are reappraised each year.

PERFORMANCE ANALYSIS

Each year, the previous tax year's equalized values are analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall and by market area within state property reporting categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* from the International Association of Assessing Officers (contained in the General Appraisal Manual). Mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal (appraisal accuracy). The mean ratio is calculated in each market area to indicate the level of appraisal (appraisal accuracy) by property reporting category. In each reappraisal year this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. This analysis is also used to indicate the uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for each tax year are detained in the appraisal district budget, as adopted by the Board of Directors and attached to the written biennial plan by reference. This reappraisal plan is adjusted to reflect the available staffing and the anticipated staffing for the next tax year. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished.

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. In reappraisal real property appraisal depreciation tables and cost new tables are tested against verified sales data to ensure they represent current market data. The cap rate study by commercial real property type is updated from current market data and market rents are reviewed and updated from available local data. Personal property schedules are tested and analyzed based on rendition and prior year hearing documentation.

Information Systems (IS) support is detained with year specific functions identified and system upgrades scheduled. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and testing. Existing maps and data requirements are specified and updates scheduled.

PLANNING AND ORGANIZATION

A calendar of key events with critical completion dates is prepared for each major work area. This calendar identifies all key events for appraisal, clerical, customer service, and information

systems. A separate calendar is prepared for each tax year. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

CALENDAR OF KEY EVENTS

WORK ASSIGNMENTS					
2015 TAX YEAR					
TYPE OF PROPERTY	APPRAISAL TEAM	SCHOOL DISTRICT	START	DEPTH OF FIELDWORK	FINISH
RESIDENTIAL	John	Western Portion of County	Oct 1	Reappraisal	March 1
	Garrett	Central Portion of County	Oct 1	Reappraisal	March 1
	Dena	Eastern Portion of County	Oct 15	Reappraisal	March 1
		Business Personal	Sept 15	OSR	Oct 15
		Personal Property (all)	Jan 1	Renditions	May 30
	Douglas	as needed	Oct 15	Reappraisal	March 1
COMMERCIAL	All	Panola County	Oct 1	Audit/New Imp	March 1
AG	All	Panola County	Oct 1	OSR/New AG/TIM	April 30

WORK ASSIGNMENTS					
2016 TAX YEAR					
TYPE OF PROPERTY	APPRAISAL TEAM	SCHOOL DISTRICT	START	DEPTH OF FIELDWORK	FINISH
RESIDENTIAL	John	Western Portion of County	Oct 1	Reappraisal	March 1
	Garrett	Central Portion of County	Oct 1	Reappraisal	March 1
	Dena	Eastern Portion of County	Oct 15	Reappraisal	March 1
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2015 CALENDAR OF KEY EVENTS

- September 1 Begin preparing maps, appraisal cards and appraisal cards marked specifically for special attention field inspection.
- September 15 Review and reappraise business personal properties
- October 1
through
April 1 Review and reappraise real property in each assigned area listed in the "Work Assignment" section in the General Appraisal Manual. Identify, review, appraise properties with new construction throughout the District. Locate properties demolished and make appropriate adjustments to the accounts involved.
- December Mail out Business Personal Property Renditions
- January Begin review of business personal property accounts

2016 CALENDAR OF KEY EVENTS

- September 1 Begin preparing maps, appraisal cards and appraisal cards marked specifically for special attention field inspection.
- September 15 Review and reappraise business personal properties
- October 1
through
April 1 Review and reappraise real property in each assigned area listed in the "Work Assignment" section in the General Appraisal Manual. Identify, review, appraise properties with new construction throughout the District. Locate properties demolished and make appropriate adjustments to the accounts involved.
- December Mail out Business Personal Property Renditions
- January Begin review of business personal property accounts

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions are specified and scheduled with Information Systems. All computer forms and IS procedures are reviewed and revised as required. The following details these procedures as it relates to the 2015 and 2016 tax year.

REAL PROPERTY VALUATION

Revisions to cost models, income models, and market models are specified, updated and tested each tax year.

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

Land values are updated using current market data (sales) and then 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

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

NOTICING PROCESS

Texas Property Tax Code, 25.19 – appraisal notice forms are reviewed and edited for updates and changes signed off on by the chief appraiser. Updates include the latest copy of Comptrollers Taxpayers rights, remedies, and responsibilities.

HEARING PROCESS

Protest hearing scheduling for informal and formal Appraisal Review Board hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district hearing documentation is reviewed and updated to reflect the current valuation process. Production of documentation is tested in compliance with current statutes.

DATA COLLECTION REQUIREMENTS

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific cycle.

LAND/AGRICULTURE – TIMBERLAND

All land tracts to include agriculture and timber properties will be inspected on an annual basis through either physical inspection or inspection through the use of aerial photography such as Onemap or Google.

NEW CONSTRUCTION/DEMOLITION

New construction field and office review procedures are identified and revised as required. Source of building permits is confirmed and system input procedures are identified. Process of verifying demolition of improvements is specified. This critical annual activity is projected and entered on the key events calendar for each tax year. This process is ongoing throughout each year.

REMODELING

Market areas with extensive improvements remodeling are identified, verified and field activities scheduled to update property characteristic data. Updates to valuation procedures are tested with ratio studies before finalized in the valuation modeling.

RE-INSPECTION OF PROBLEMATIC MARKET AREAS

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios, or high coefficient of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field reviews are scheduled to verify and /or correct property characteristic data. Additional sales data is researched and verified. In the absence of adequate market data, neighborhood delineation is verified and neighborhood clusters are identified.

RE-INSPECTION OF THE UNIVERSE OF PROPERTIES

The International Association of Assessing Officers, *Standard on Mass Appraisal of Real Property* specifies that the universe of properties should be re-inspected on a cycle of 4 – 6 year. The annual re-inspection requirements for tax years 2015 and 2016 are identified by property type and property classification and scheduled on the key events calendar.

KEY CHARACTERISTICS OF PROPERTY

Separate different areas of structure on diagram – i.e. living area, porches, garages, second floors, etc.

Make notes on class, use, construction type, effective age, CDU Rating, exterior wall height, functional obsolescence (See PCAD General Appraisal Manual, Tab 11)

On mobile homes, make sure to get tag numbers, color, estimate of age, roofing and siding material and skirting.

Make notes on the key components of the structure

foundation

number of baths

on-demand water heater

exterior wall type

geothermal components

roof type and material

generators

AC units, number and type

in-ground pools

any other relevant component

Measure significant detached structures repeating all the steps for the main structure

FIELD OR OFFICE VERIFICATION OF SALES DATA AND PROPERTY CHARACTERISTICS

Sales information must be verified and property characteristic data analyzed and noted. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid. This is an on-going process throughout the year.

PILOT STUDY

New and/or revised mass appraisal models are tested on randomly selected market areas. These modeling tests (sales ratio studies) are conducted each tax year. Actual test results are compared with anticipated results and those models not performing satisfactory are refined and retested. The procedures used for model specification and model calibration are in compliance with *Uniform Standards of Professional Appraisal Practice*, STANDARD RULE 6.

VALUATION BY TAX YEAR

Valuation by tax year – using market analysis of comparable sales and locally tested cost data, market area specific income and expense data, valuation models are specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers and the *Uniform Standards of Professional Appraisal Practice*. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the *IAAO Standard on Ratio Studies*. Properties in selected market areas are updated in non-reappraisal years.

All properties in the District are appraised utilizing the sales comparison approach to value, the cost approach to value and the income approach to value. The available data may determine which one or more of the approaches are most applicable in valuing a given property or a property classification.

The types of property appraised by the District are:

RESIDENTIAL REAL PROPERTY
SPECIAL INVENTORY RESIDENTIAL PROPERTY
MULTIFAMILY RESIDENTIAL PROPERTY
COMMERCIAL REAL PROPERTY
VACANT REAL PROPERTY
INDUSTRIAL REAL PROPERTY (Outsourced to P&A)
UTILITIES (Outsourced to P&A)
MINERAL PROPERTIES (Outsourced to P&A)
SPECIAL VALUATION PROPERTIES (AGRICULTURAL USE)
BUSINESS TANGIBLE PERSONAL PROPERTY
INDUSTRIAL TANGIBLE PERSONAL PROPERTY (Outsourced to P&A)

THE MASS APPRAISAL REPORT

Each tax year the Mass Appraisal Report is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15th). The Mass Appraisal Report is completed in compliance with STANDARD RULE 6-8 of the *Uniform Standards of Professional Appraisal Practice*. The signed certification by the Chief Appraiser is compliant with STANDARD RULE 6-9 of *USPAP*. This written reappraisal plan will be attached to the Mass Appraisal Report for reference.

VALUE DEFENSE

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal appeals and formal appraisal review board hearings is specified and tested. Statistical reports and listings of comparable sales information are produced for use in defense of property values. Additional data is obtained from discussions with property owners for equity adjustments when indicated.

**Questions concerning the content of this Plan should be addressed to the:
Chief Appraiser, Panola county Appraisal district, 1736 Ballpark Drive, Carthage, TX 75633**

ADDENDUM #1 List of Market Areas (Neighborhoods)

AASUB	APPLEGATE ACRES
BCITY	BECKVILLE CITY
BISD	BICKVILLE ISD
CCITY	CARTHAGE CITY
CISD	CARTHAGE ISD
DCSUB	DEERCREST SUBDIVISION
DLAKE	DIXIE LAKE
ECITY	CARTHAGE CITY EAST
EFISD	ELYSIAN FIELDS ISD
GISD	GARY ISD
INDCK	INDIAN CREEK SUBDIVISION
JISD	JOAQUIN ISD
LAKEM	LAKE MURVAUL (GISD ONLY)
LAMP1	LAMPIN SHORELINES #1 SUB
NLAKE	NORTH LAKE MURVAUL
RHSD	REHOBETH SUBDIVISION
TMISD	TATUM ISD
TNISD	TENAHA ISD
WHSUB	WESTERN HILLS SUBDIVISION
WIND	WINDERMERE SUBDIVISION
WWSUB	WILDWOOD SUBDIVISION