

**Polk Central Appraisal District**

**REAPPRAISAL PLAN**  
**2015 & 2016**

**Public Hearing and Adoption 09/09/14**

# EXECUTIVE SUMMARY

## TAX CODE REQUIREMENT

Passage of S. B. 1652 amended the Tax Code to require a written biennial reappraisal plan. The following details the changes to the Tax Code:

### **The Written Plan**

Section 6.05, Tax Code, is amended by adding Subsection (i) to read as follows:

(i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the plan. Not later than the 10<sup>th</sup> 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 hearing, 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**

Subsections (a) and (b), Section 25.18, Tax Code, are amended to read as follows:

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

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

(1) identifying properties to be appraised through physical 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 Polk CAD by policy adopted by the Board of Directors reappraises all property in the district every three (3) years. The reappraisal year is a complete appraisal of all properties in the district. Tax year 2015 is a reappraisal year and tax year 2016 is a reappraisal year.

## **Reappraisal and Non-Reappraisal Year Activities**

### **1. PERFORMANCE ANALYSIS:**

The semi-annual property value study conducted by the State Comptroller's Office is the primary tool used to determine the level of performance. Additionally, equalized values from the previous tax year are analyzed with ratio studies to determine if value changes are required as the market changes from year to year during the reappraisal cycle. In-house ratio studies are conducted in compliance with the current *Standard on Ratio Studies* of the International Association of Assessing Officers (IAAO).

2. SET REAPPRAISAL GOALS:
  - A. Personal Property
    1. work all renditions annually
    2. work all VIT's monthly & annually
    3. work all DBA's and Abandonments on a monthly basis
    4. physically reappraise all personal property accounts once every year
  - B. 1-D-1 Open-Space Agriculture and Timber
    1. work all new applications for Ag/Timber annually
    2. work all new applications for Restricted-Use Timberland Appraisal annually
    3. work all Rollbacks for Ag/Timber annually as required
    4. physically inspect qualified accounts once every three years to ensure compliance with Texas Property Tax Code and local guidelines.
  - C. Real Property Reappraisal
    1. all permits for new construction annually
    2. physically inspect/appraise all real property accounts once every three years for new improvements, depreciation for age/condition and/or appreciation due to general maintenance or upkeep lessening the age/life of the improvements
    3. annually appraise all properties in which a real property rendition has been submitted
    4. all properties in which a re-check has been submitted by the taxpayer or a taxing unit
  - D. Contractual Appraisal – annually (Hugh Landrum & Assoc.)
    1. Utility, railroad & pipeline properties
    2. Oil & gas properties
    3. Special purpose improvements
    4. Industrial property

3. ASSESS AVAILABLE RESOURCES AND DETERMINE NEEDS

A. Resources:

- 1 – Chief Appraiser
- 1 – Deputy Chief Appraiser
- 1 – Appraisal Supervisor/Agriculture & Timber Appraiser/Mapping
- 1 – Personal Property Appraiser
- 1 – Adm. Appraiser/Bookkeeper
- 1 – Adm. Assistant
- 4 – Residential/Commercial Appraisers
- 1 – Cartographer
- 3 – Customer Service Specialists
- 1 – Deed Specialist
- 1 – Data Entry Specialist
- 1 – IT/Data Entry

B. Hugh L. Landrum & Associates, Inc.

- Contract Appraisals

C. Needs: **2015/2016**

Pictometry will make another complete flight of the county in late 2014 or early 2015

2015 Budget will remain the same as the 2014 Budget

A building addition of approximately 2300 SQ FT will be finalized in Early 2015

Possible addition of I pads and True Automation Mobile Software for Appraisers

Shredding of documents deemed appropriate for shredding

Disposal and liquidation of surplus property

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current. As requirements change, the in-house training is conducted to ensure that all appraisers have the most current information available.

Existing maps are updated on a daily basis by deeds as they are received, either across the counter or by the deed clerk through the county clerk's office. It takes two (2) weeks to receive deed information from county clerks office. In 2009 aerial photography was acquired from Pictometry which is used in locating property improvements that may have escaped taxation, identifying agriculture lands or determining timber type on a particular tract. Updates to this imagery should be done at least every two (2) to three (3) years. The Board of Directors of Polk Central Appraisal District postponed any updates to Pictometry for 2010 and 2011.

## 2015 Calendar of Events

### January 2015

1<sup>st</sup> Date that 2011 taxable values and qualification for certain exemptions determined (except for inventories appraised September 1) (Secs. 11.42, 23.01, 23.12).\*

Date a tax lien attaches to property to secure payment of taxes, penalties and interest that will be imposed for the year (Sec. 32.01).

Date rendition period begins; continues through April 15 for those property owners not requesting a filing extension (Sec. 22.23).

Continued effort in inspecting, reappraising problematic areas, picking up new construction

### February 2015

1<sup>st</sup> Last day for motor vehicle, boat and outboard motors, heavy equipment and manufactured housing dealers to file dealer's inventory declarations (Secs.

Continued effort in inspecting, reappraising problematic areas, picking up new construction

### March 2015

11<sup>th</sup> Deadline to file written appeal of PVS findings with Texas Comptroller (Government Code Sec. 403.303).

Continued effort in inspecting, reappraising problematic areas, picking up new construction

### April 2015

15<sup>th</sup> Last day for property owners to file renditions and property information reports unless they request a filing extension in writing (Sec. 22.23).

Finalizing inspections, reappraisals, ratio studies, data entry and preparing notices of appraised value for mailing.

### May 2015

1<sup>st</sup> Last day for property owners to file these applications or reports with the CAD\*\*

- Some exemption applications (Sec. 11.43);
- Notice to chief appraiser that property is no longer entitled to an exemption not requiring annual application (Sec. 11.43);
- Applications for special appraisal or notices to chief appraiser that property no longer qualifies for 1-d and 1-d-1 agricultural land, timberland, restricted use timberland, recreational-park-scenic land and public access airport property (Secs. 23.43, 23.54, 23.75, 23.84, 23.94, 23.9804).
- Railroad rolling stock reports (Sec. 24.32);
- Request for separate listing of separately owned land and improvements (Sec. 25.08);
- Request for proportionate taxing of a planned unit development property (Sec. 25.09)
- Request for separate listing of separately-owned standing timber and land (Sec. 25.10)
- Request for separate listing of undivided interest (Sec. 25.11); and
- Request for joint taxation of separately owned mineral interest (Sec. 25.12)

Time that chief appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Secs. 41.41, 41.70).

16<sup>th</sup> Last day for property owners to file renditions and property information reports if they requested an extension in writing. For good cause, chief appraiser may extend this deadline another 15 days (Sec. 22.23).

15<sup>th</sup> Last day (or as soon as practicable) for chief appraiser to prepare appraisal records and submit to ARB (Secs. 25.01, 25.22).

31<sup>st</sup> Last day for property owners to file protest with ARB (or by 30<sup>th</sup> day after notice of appraised value is delivered, whichever is later) (Sec. 41.44)

Last day for taxing units to file challenges with ARB (or within 15 days after ARB receives appraisal records, whichever is later) (Sec. 41.04).

Last day for religious organizations to amend charters and file new applications (or within 60 days of exemption denial, whichever is later) (Sec. 11.421).

Last day (or as soon as practicable) for Chief Appraiser to mail notices of appraised value and notices of overlapping appraisal districts (Secs. 6.025 and 25.19).

## 2015 Calendar of Events

### June 2015

- 7<sup>th</sup> Last day for chief appraiser to certify estimate of school district's taxable value for school district to use for publishing notice of budget and proposed tax rate and adopting its budget for a fiscal year that begins July 1 (Sec. 26.01)
- 14<sup>th</sup> Last day for chief appraiser to submit recommended 2012 budget to CAD board and taxing units (unless taxing units have changed CAD's fiscal year) (Sec. 6.06).
- 1<sup>st</sup> – 30<sup>th</sup> Formal appeals process normally conducted during the month of June.

### August 2015

- 31<sup>st</sup> Last day for property owner to give correct address to CAD in writing for tax bill; penalties and interest waived if bill not sent to correct address 21 days before delinquency date (Sec. 33.011).

### October 2015

- 1<sup>st</sup> – 31<sup>st</sup> Continued effort in inspecting, reappraising, problematic areas, conducting ratio studies, new construction

### July 2015

- 20<sup>th</sup> Date ARB must approve appraisal records, but may not do so if more than 5 percent of of total appraised value remains under protest (Sec. 41.12).
- 25<sup>th</sup> Last day for chief appraiser to certify appraisal roll to each taxing unit (Sec. 26.01).
- 31<sup>st</sup> Last day for property owners to apply for September 1 inventory appraisal for 2012 (Sec. 23.12).

### September 2015

- 1<sup>st</sup> 2011 taxable values of inventories may be determined as of this date, at property owner's written opinion (Sec. 23.12).
- 14<sup>th</sup> Last day for CAD board to adopt 2012 CAD budget, unless district has changed its fiscal year (Sec. 6.06)

### November 2015

- 1<sup>st</sup> – 30<sup>th</sup> Continued effort in inspecting, reappraising problematic areas, conducting ratio studies, new construction

### December 2015

- 1<sup>st</sup> – 31<sup>st</sup> Continued effort in inspecting, reappraising problematic areas, conducting ratio studies, new construction



## 2016 Calendar of Events

### January 2016

1<sup>st</sup> Date that 2012 taxable values and qualification for certain exemptions determined (except for inventories appraised September 1) (Secs. 11.42, 23.01, 23.12).\*

Date a tax lien attaches to property to secure payment of taxes, penalties and interest that will be imposed for the year (Sec. 32.01).

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- 14<sup>th</sup> Last day for chief appraiser to submit recommended 2013 budget to CAD board and taxing units (unless taxing units have changed CAD's fiscal year) (Sec. 6.06).

- 1<sup>st</sup> – 30<sup>th</sup> Formal appeals process normally conducted during the month of June.

### July 2016

- 1<sup>st</sup> – 18<sup>th</sup> Continuation of formal protest if necessary.

- 21<sup>st</sup> Date ARB must approve appraisal records, but may not do so if more than 5 percent of total appraised value remains under protest (Sec. 41.12)

- 25<sup>th</sup> Last day for chief appraiser to certify appraisal roll to each taxing unit (Sec. 26.01).

- 31<sup>st</sup> Last day for property owners to apply for September 1 inventory appraisal for 2013 (Sec. 23.12).

### August 2016

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### October 2016

- 1<sup>st</sup> – 31<sup>st</sup> Continued effort in inspecting, reappraising, problematic areas, conducting ratio studies, picking up new construction

### November 2016

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### December 2016

- 1<sup>st</sup> – 31<sup>st</sup> Continued effort in inspecting, reappraising problematic areas, conducting ratio studies, new construction

#### 4. RE-EVALUATE GOALS AND ADJUST AS NECESSARY

- A. Monthly
- B. Quarterly
- C. Semi-Annually
- D. Annually

#### 5. DEVELOP A WORK PLAN

- A. Determine appraiser area of responsibility
- B. Determine properties to be reappraised in each area
- C. Designate market areas, neighborhoods and trends
- D. Determine influences in each market area or neighborhood
- E. Determine yearly if problematic areas are shown

## **STEPS IN A REAPPRAISAL**

### **REVALUATION DECISION**

The Polk CAD by policy adopted by the Board of Directors reappraises all property in the district every three years. The non-reappraisal year 2011 is to be used to pick up new construction, adjust for changes in property characteristics that affect value, and adjust previous year values for equalization. The reappraisal year of 2012 is a complete reappraisal of all properties in the district.

#### **TAX YEAR 2015**

Tax year 2015 is a reappraisal year based on Polk CAD's cycle.

#### **TAX YEAR 2016**

Tax year 2016 is a reappraisal year based on Polk CAD's cycle.

### **PERFORMANCE ANALYSIS**

In each tax year 2015 and 2016 the previous 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 IAAO. The 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 2015 which is a reappraisal year, this analysis will used to

develop the starting point for establishing the level of accuracy of appraisal performance and as an indicator of uniformity or equity of existing appraisals.

In addition to the Annual Property Value Study done by the Comptrollers Office a ratio study needs to be done periodically throughout the year. This is done to ascertain if any influences have changed in the market areas throughout the county.

Based on sales that have occurred in the last 18 – 24 months, determinations will be made to ensure that values are equitable within each specific class of properties throughout the county. Additionally, through interviews with taxpayers, sales letter information (buyer & seller), deeds, advertisements, realtors, MLS etc., etc... and any other source available will be used in determining if the Appraisal District's values are consistent with the market.

## ANALYSIS OF AVAILABLE RESOURCES

### A. Staffing –

1. Chief Appraiser	Chad Hill
2. Deputy Chief Appraiser	Michael Griffiths
3. Systems Administrator	April Laman
4. Appraiser (Business Personal property)	Courtney Purvis
5. Appraiser Supervisor	Bradley Owens
6. Appraiser	Shaun Walker
7. Appraiser	Shana Kirkland
8. Appraiser	Shiloh Lemons
9. Appraiser (Ag / Timber)	Theresa Clifton
10. Cartographer	Clarence Floyd
11. Customer Service Supervisor	Imogene Montgomery
12. Customer Service Specialist	Dakota Smith
13. Customer Service Specialist	Megan Leggett
14. Data Specialists	Zunilda Oppenshaw
15. Deed Specialist	Veronica Carter
16. Admin Asst.	Hazel Lilly

- B. Budget – The Board of Directors and the Chief Appraiser conduct budget analyses to determine the needs of the Appraisal District annually. Service needs and specified goals/objectives are defined. Alternative means of meeting goals/objectives along with workload analyses, facilities, equipment, medical, software, hardware, utilities, maintenance, etc... are identified. Additionally, costs for any new requirements mandated by the State Comptroller or by the State Legislature has to be taken into account in developing the budget. Staffing requirements are detailed in the 2013 appraisal district budget, as adopted by the board of directors inclusive of the needs analysis as stated above. The reappraisal plan is adjusted to reflect anticipated staffing for 2015 and tax year 2016.

Increase or decrease in staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2015 -2016 time period.

- C. Existing practices – Discover, list and appraise all properties within Polk Central Appraisal District's jurisdiction at a legally correct level of value and equity with the staff and resources available.
- D. Information System Support – EZ Access is the current software company
- E. Existing data and maps – Polk Central Appraisal District uses ARC GIS as our GIS (Geographical Information System). The coordinate system used here is the NAD 1983 State Plane Texas Central Zone coordinate system with units in feet. Mapping is worked in two parts, maintaining daily changes due to ownership changes or resurveys and reworking of abstracts, cities, towns, subdivisions, etc., etc....in a constant effort to provide accurate parcel maps.(See Manual of Operating Procedure for Developing and Maintaining a Geographical Information System for use by an Appraisal District). During 2006 Polk Central Appraisal District acquired DOQQ's from the Texas Forest Service and in 2009 the District acquired Pictometry to better enable us to locate properties and to assist in determining agricultural or timber type in the county. Additionally, we will use the International Association of Assessing Officers (IAAO) Standards on Manual and Digital Cadastral Maps and Parcel Identifiers.

## PLANNING AND ORGANIZATION

### 2015 & 2016 CALENDAR OF KEY EVENTS

- A. Target completion dates of key activities
  - Appraisal of Real Property and re-checks to be completed by March 30<sup>th</sup>
  - Appraisal of Business Personal Property to be completed by April 30<sup>th</sup>
  - Appraisal of 1-d-1 (Open-Space) AG/TMBR to be completed by April 30<sup>th</sup>
  - Contractual Appraisals to be completed by April 1<sup>st</sup>
  - All data entry to be completed by April 6<sup>th</sup>
  - Customer Service is to assist taxpayers throughout the year with their property records, applications for exemptions or special valuations, ownership changes, plat maps, set up rechecks, etc., etc.... as necessary.

B. Performance objectives

- Appraisers will appraise all properties at 100% of their current market value as of January 1<sup>st</sup> of each given year. Appraisers will appraise all assessable properties uniformly, so that the coefficient of dispersion should be 10 or less throughout the reappraisal process.
- Cartographer and Deed Specialist shall promptly work all properties that change ownership in the jurisdiction by processing deeds received from taxpayers across the counter and form the County Clerks office deed records.
- Customer Service personnel shall on a daily basis provide information to taxpayers regarding property tax matters and/or update address changes as they occur.

C. Specific action plan and schedule

- Field appraisers are assigned areas of responsibilities to inspect for new construction, re-checks on existing improvements for age/life related depreciation, damage to structures or additions of new improvements. During the on-site inspection of a property appraisers will measure, at least, the two most significant sides of an existing improvement to verify that there has been no change in size or the removal of improvements. New photographs will be taken of all improvements as they re-checked or appraised during the reappraisal cycle.
- For Personal Property and AG/TMBR — Renditions/VITS and applications will be worked on a daily basis as they are submitted after January 1<sup>st</sup> of each year. Personal Property and AG/TMBR will be reappraised once every three years and re-inspections will be conducted during non re-appraisal years between certification of the prior year's appraisal roll and before January 1<sup>st</sup> of each year. All new businesses will be looked at annually as well as all new applications for AG/TMBR.
- Data Entry will enter data on a daily basis as it is brought in from the field. Due to the number of data entry personnel verses that of appraisers he/she may be behind several days in entering the appraiser's field data. Any field cards that need additional information or clarification will be returned to the Appraisal Supervisor to be corrected and then returned to data processing for data entry. Once data entry is completed a new appraisal card will be printed and filed in the appraisal record jacket.

- Customer Service will make changes to names, addresses and other pertinent account information as it is received. They will assist taxpayers in filing the proper applications and/or forms as needed. Additionally, they will assist in doing splits or combines of properties as they occur until the appraisal roll is certified annually.
  - Deed Clerk will work and maintain deed records approximately 2 weeks behind the County Clerk's office. Those deeds that require splits from the base account will be forwarded to the Customer Service Supervisor and/or to the Cartographer to determine what is to be split.
- D. Critical Activities with completion dates
- Collection of field data by April 1<sup>st</sup>
  - Enter all field data by April 15<sup>th</sup>
  - Collect/analyze sales, cost, income & expense data by April 1<sup>st</sup>
  - Adjust cost indexes and/or depreciation tables by April 1<sup>st</sup>
  - Develop market models as required
  - Review and finalize values by April 30<sup>th</sup>
  - Print and mail notices of appraised value by May 1<sup>st</sup>
  - Schedule and conduct hearings by July 20<sup>th</sup>
  - Finalize and certify appraisal records by July 25<sup>th</sup> or as soon thereafter as practicable.
- E. Production Standards for field activities
- Physically inspect each property
  - Measure all improvements
  - Photograph all improvements
  - Classify all residential/commercial property
  - Collect all attribute data regarding a specific property
  - Update property record or complete new appraisal worksheet
  - Update photograph of improvements as necessary
  - Check all work prior to giving to Data Entry for accurateness

## MASS APPRAISAL SYSTEM

- A. Forms and procedures revised
- A data collection worksheet that mirrors the software program will be utilized for new construction.
  - For existing structures the appraiser will use the most current appraisal card and annotate, draw or correct information as necessary.
  - Appraisers will use standardized property classification codes from the State and from the local field appraisers guide.
  - Sales analyses and ratio studies will be conducted to determine uniformity and the level of appraisal by class of property.
  - Form revisions will occur when mandated by the State or by the Chief Appraiser and will be tailored as necessary to mirror the software being utilized.

B. CAMA system revisions as required

- Computer Assisted Mass Appraisal (CAMA) system revisions are specified and scheduled with Information Systems (IS). All computer forms and IS procedures are reviewed and revised as required.
- Once legislative changes, mandates or problems, EZ Access assigns SARS to their programmers to accomplish those changes within 10 to 30 days.
- Collect field data
- Transfer field data (sketches, characteristics, dimensions, etc...) to CAMA System.
- Edit data
- Perform supervisor quality checks of data being entered
- Collect value information

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 ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders, such as Marshall & Swift.
- Land tables are updated and 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.
- Analyze sales, cost and income information
- Develop cost index, depreciation tables and capitalization rates
- Develop market models using Multiple Regression Analyses (MRA)
- Income, expense and occupancy data is updated in the income models for each market area and cap rate studies are completed using current sales data. The resulting models are tested using ratio study tools.

PERSONAL PROPERTY VALUATION

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



## NOTICING PROCESS

- 25.19 appraisal notice forms are reviewed and edited for updates and changes signed off on by appraisal district management. Updates include the latest copy of Comptrollers *Taxpayer rights, remedies and responsibilities*.

## HEARING PROCESS

- Protest hearing scheduling for informal and formal ARB hearings is 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 and compliance with HB 201 is ensured.

## DATA COLLECTION REQUIREMENTS

- A. Field and office procedures are reviewed and revised for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of a universe of properties on a specific cycle (3 years).
- B. New Construction/Demolition
  - New construction field and office review procedures are identified and revised as required. Field production standards are established and procedures for monitoring tested. Source of building permits is confirmed and system input procedures are identified. Process of verifying demolition of improvements is specified. This critical annual activity is projected and entered on the key events calendar for each year.
  - Acquire building permits from Emergency Management office and cities
  - Acquire cost information from local contractors
  - Acquire market information from sales of new/existing homes
  - Visual inspection of each property during re-appraisals.
- C. Remodeling
  - Market areas with extensive improvement 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. This field activity when entered in the key events calendar must be monitored carefully.
  - Exterior remodeling is evident during field inspections
  - Interior remodeling is not as evident
  - Seek cost information from contractors and building supply businesses (e.g.; Lowe's, Red Barn, Thomas Supply, etc., etc....)

- D. Reinspection 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 test are determined to be problematic. Areas that are deemed to be problematic, field reviews are conducted to verify and/or correct property characteristics.
  - If area is problematic a complete reappraisal may be warranted.
  - Sales data is researched and verified
  - In the absence of adequate market data, neighborhood delineation is verified and neighborhood clusters are identified.
- E. Reinspection of universe of properties on a specific cycle (3 years)
- Due to a influx in growth in certain areas from one year to the next a re-inspection of those areas may/will be warranted sooner than every (3 years).
  - The re-inspection includes the re-measurement of the two most significant sides of each improved property.
  - It is the goal of this appraisal district to physically reappraise each property once every 3 years.
- F. Field or office verification of sales data and property characteristics
- Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid.

## PILOT STUDY

- A. Test new/revised appraisal methods
- As updates are received for manuals or procedures are changed by the Comptroller, State Legislature or Chief Appraiser they will be tested against existing methods to ensure accuracy and uniformity throughout.
- B. Ratio studies by market area and/or neighborhood
- The current market areas in Polk County are as follows:
    1. Private Lake Front Property (Acreage and/or Front Foot)
    2. Private Lake View Property
    3. Interior lots within subdivisions
    4. City of Livingston
    5. Hwy 190 East and West corridor
    6. Hwy 59 North and South corridor
    7. Hwy 59 bypass/business
    8. Rural Acreage
    9. Lake Livingston Water Front Property (Acreage and/or Front Foot)
    10. Lake Livingston Water View Property
    11. By taxing entities (School Districts, Cities, etc.)

- C. Determine if values are accurate and reliable in certain market areas and tie to the market areas.
  - Test valuation schedules and models against sales to ensure values are accurate and uniform so appraisal levels are consistent among property groups and measures of uniformity cannot be improved further.
- D. Test new/revised appraisal methods
  - As updates are received for manuals or procedures are changed by the Comptroller, State Legislature or Chief Appraiser they will be tested against existing methods to ensure accuracy and uniformity throughout.

## 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 *IAAO* and *USPAP*. 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*. Property values in all market areas are updated each reappraisal year.

### A. Market analysis

Polk County is experiencing an economic increase regarding new construction of homes and businesses and the sale of older homes and of larger tracts of land being divided and sold. Several factors behind this are major timber companies are selling off their lands to private investment groups, but retaining their mills. The older generation are selling and moving to get closer to medical treatment facilities and/or families. Baby-boomers, now reaching the age of retirement, are looking for places to spend their golden years either on the lake or in the rural countryside areas. Stock markets such as the NYSE, NASDAQ, etc. have not been a good place to invest monies in the last few years; therefore people are investing in real-estate. With these money markets being so volatile; real-estate has always been a good investment and people who invest in land and homes will seek to maximize their return on their dollar sometime in the future. Additionally, with the close proximity to Houston and the Intercontinental Airport it provides a rural atmosphere as well as a recreational area with Lake Livingston, but is close enough to enjoy the luxuries of the big city atmosphere when needed.

Since the primary area of growth influx is along Lake Livingston it basically affects both Livingston ISD and Onalaska ISD the most. However, there is growth in the other ISD's as well, but not to the same degree. The major commercial growth has been along the Hwy 59 bypass and the Hwy 190 corridor in Livingston during the past few years.

## B. Model Development

Initially, the models used in Polk Central Appraisal District were developed based on costs for a particular type residence or commercial improvement. Photos were taken of each of these and then the costs figures applied. As time passed these schedules were adapted from costs to cost/sales and now to sales based. These schedules are maintained in the appraisal office and each appraiser's field guide.

Vacant land sales were used to determine the price per acre, square foot or front foot values on the land. Again, as time has passed this has evolved to a process whereby, we use vacant land sales and we use abstraction and allocation methods on a property that has sold with an improvement to determine the values for the land schedules. These schedules are maintained in the appraisal office.

## C. Model Calibration

Periodically, Polk CAD will adjust the mass appraisal formulas, tables and schedules to reflect current local market conditions. These adjustments are made to reflect new construction procedures, materials, costs and/ labor costs. These basic mass appraisal models can be valid for several years by using trending factors to update the data to the current market. When calibration of a model becomes too involved Polk CAD will revise the model structure or create new model specifications based on the current market analysis.

Polk CAD uses a combination of the cost and market approach to value all real property. We conduct a comparative analysis between our values and Marshall & Swift. The cost approach uses the comparative unit method which involves using national cost data reporting services (Marshall & Swift) as well as actual cost information on comparable properties when possible. The market approach is used for estimating land value and comparing sales of similar improved properties on the appraisal roll. The income approach to value is applied to those real properties that are income producing when data is available.

Improvements are appraised using replacement/reproduction cost new less depreciation. Replacement costs are estimated from published sources, contractors, comparable properties and other public information sources. Reproduction costs are based on actual cost to replicate an improvement. Replacement costs take into account depreciation for age/condition (physical obsolescence) or for functional or economic obsolescence. Depreciation is calculated on age/life using typical economic lives and depreciation rates based on published sources, market evidence/condition and knowledge of experienced appraisers. Adjustments for functional or economical obsolescence are made if utilization, sales or income data for a specific property warrant such a change. Income models are used when economical or subject property income information is available.

Capitalization and discount rates are based on published capital costs for the industry of the subject property. Market models are based on typical selling prices per unit of area, volume, or capacity when appropriate market sales information is available.

### Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

- Title to the property is assumed to be good and marketable and the legal description correct.
- No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
- The appraisers developing these appraisals are required to give testimony at the ARB or by attendance in court, when directed by, employed by, and provided legal counsel by the Appraisal District.
- The appraisers do not inspect or re-inspect every property every year.
- All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
- All information in the appraisal documents has been obtained by the appraisers within the district as well as Hugh L. Landrum & Associates or other reliable sources.
- The appraisals were prepared exclusively for ad valorem tax purposes.
- The appraisers have inspected as far as possible, by observation, the land and the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

### RESIDENTIAL REAL PROPERTY

**Model calibration in the Cost Approach** involves the selection of the appropriate economic life for each type or class of property. Further calibration occurs through the use of the appraiser's opinion of effective age for each property. Below is the mathematical formula for the Cost Approach.

### **COST APPROACH TO VALUE**

Replacement Cost New Less Depreciation = Cost Indicator of Value  
**(RCNLD = Value) or (RCN - [ PD, FO or EO ] = Value)**

RCN = Replacement or Reproduction Cost New

PD = Physical Depreciation

FO = Functional Obsolescence

EO = Economic Obsolescence

### **INCOME APPROACH TO VALUE**

**Model calibration in the Income Approach** involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the income stream to reflect the characteristics of the subject property being appraised.

Below is the mathematical formula used for the Income Approach.

Potential Gross Rent – Vacancy/Collection Loss – Fixed Expenses – Variable Expenses  
= Net Operating Income – Rate = Value

$$\text{PGR} - \text{VCL} - \text{FE} - \text{VE} = \text{NOI}$$

$$\text{NOI} - \text{Rate} = \text{Value}$$

**A variation for the income model** that may be used for the Income Approach would be as follows.

NOI for year 1 x Discount Factor for year 1 = Present Worth of year 1 NOI

NOI for year n x Discount Factor for year n = Present Worth of year n NOI

Net Reversion x Discount Factor for year n = Present Worth of Reversion

Sum of Present Worths for all years 1 – n = Income Indicator of Value

NOI = Net Operating Income

DF = Discount Factor

PW = Present Worth

n = Last year of holding period

## **SALES COMPARISON APPROACH TO VALUE**

**Model calibration in the Sales Comparison Approach** involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property. Below is the mathematical formula used for the Sales Comparison Approach.

Adjusted Sales Price of Comparable Property / Unit of Comparison = Price per Unit of comparison

Adjusted Sales Price per Unit of comparison x Subject Property's number of Units of comparison = Indicator of Market Value

$$\text{ASPCP} / \text{U} = \text{PU}$$

$$\text{ASPU} \times \text{SU} = \text{Market Data Indicator of Value}$$

ASPCP = Adjusted Sales Price of Comparable Property

ASPU = Adjusted Sales Price per Unit of comparison

PU = Price per Unit of comparison

SU = Subject Property's number of Units of comparison

U = Unit of Comparison

Land values are based on selling prices for the appropriate highest and best use of the land. Highest and best use analysis of the improvements is based on the continued use of the improvements in their current or intended use. This analysis is also essential to accurate appraisals. Identification of a highest and best use different from the current or intended use has a big effect on the cost and market data models. An appraiser's opinion of highest and best use is nothing more than an opinion and **not** a statement of fact.

Land used for timber or agriculture are appraised at market value using a market data model based on market sales information. These lands may also be appraised using an income model specified in Section 23, Sub-chapters C, D and E of the Texas Property Tax Code. This is a legally specified income model per Standards Rule 6-4 (b) of the Uniform Standards of Professional Appraisal Practice 2010/2011 edition.

### **Review and Testing**

Data collection methods and appraisal techniques are reviewed periodically to ensure that procedures are applied uniformly. Field review of appraisal is performed through regular inspection of subject properties. A computer-assisted statistical review of value changes is also conducted. Periodic reviews of randomly selected properties to verify accuracy of the data and the appraisal results are conducted.

Appraisal to sales ratios are the preferred method for ensuring performance. Performance is also measured through comparison with valid single-property appraisal submitted for staff review.

Appraisal results are tested and methods and procedures reviewed annually by the Property Tax Division of the Texas Comptroller's Office. The ratio study results as well as the methods and procedures review indicate the validity of the models and calibration techniques used by the district.

### **SPECIAL INVENTORY RESIDENTIAL PROPERTY**

Pursuant to the Texas Property Tax Code Sec. 23; sub-section 23.12. Inventory

- (a) Except as provided by Sections 23.121, 23.1241, 23.124, and 23.127, the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business. An inventory shall include residential real property which has never been occupied as a residence and is held for sale in the ordinary course of a trade or business, provided that the residential real property remains unoccupied, is not leased or rented, and produces no income.
- (b) The chief appraiser has established procedures for the equitable and uniform appraisal of inventory for taxation.
  - (1) the appraisal district uses one procedure for the determination of the quantity of property held for inventory without regard to the kind, nature, or character of the property comprising the inventory; and
  - (2) applies the same enforcement, verification, and audit procedures, techniques, and criteria to the discovery, physical examination, or quantification of all inventories without regard to the kind, nature, or character of the property comprising the inventory.
- © In appraising an inventory, the chief appraiser uses the information obtained pursuant to Subsection (b) of this section and applies generally accepted appraisal techniques in computing the market value as defined in Subsection (a) of this section.
- (d) This particular type of property uses the Sales Comparison Approach to value and a developers discount is applied to each property that is held in inventory if the application is filed in a timely manner with all the appropriate information needed. Once these properties have sold the developers discount is removed and the property goes on the appraisal roll at market value. If the inventory sells as a whole then the new owner must reapply to continue as category "O" properties held as inventory.

### **MULTIFAMILY RESIDENTIAL PROPERTY**

These types of properties are classified as duplexes, condominiums, townhouses or apartment complexes (Planned Unit Developments).



Duplexes and apartment complexes usually have long term lease agreements or on a month to month basis. Since it is difficult, at best, to obtain income information from these types of properties in rural counties we use a comparative analysis between our values and Marshall and Swift. The cost approach uses the comparative unit method which involves using national cost data reporting services (Marshall & Swift) as well as actual cost information on comparable properties when available.

Condominiums and townhouses (Planned Unit Developments) are appraised in accordance with Sec. 25.09 of the Texas Property Tax Code. The value of each apartment or unit shall include the value of its fractional share in the common elements of the condominium or townhouse. These properties use a combination of the sales and cost approach using the comparative unit method and adding the fractional share value to arrive at a current market value per unit.

### **COMMERCIAL REAL PROPERTY**

New schedules for valuing commercial real property (land and buildings) were developed in previous tax years and will be applied in 2011. The land is valued at its highest and best use of the site. Sites are analyzed for highest and best use as though vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Improvements are appraised using replacement/reproduction costs new less depreciation modes. Replacement costs are estimated from published sources, other publicly available information and comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization, sales and income data for the property justify such. Income Approach models (direct capitalization and discount cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A market data model based on typical selling prices per unit of area, volume or capacity is also used when appropriate market sales information is available.

Model calibration in the cost approach involves the selection of the appropriate economic life for each type or class of property. Further calibration occurs through the use of the appraiser's opinion of effective age for each property. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

## **BUSINESS PERSONAL PROPERTY**

During tax years 2009 and 2010 depreciation tables were adjusted and updated as necessary and are being applied in 2011. Personal Property is appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence and the experience of knowledgeable appraisers. Adjustments for functional and economical obsolescence may be made if utilization and income data for the subject property justify such an adjustment. Income models (direct capitalization and discounted cash flow) are used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A value estimate derived from an income approach model in which the operating income was capitalized must be reduced by the value of any real property in order to arrive at the value of the operating personal property. A market data model based on typical selling prices per item / unit of capacity is also used when appropriate market sales information is available. A market value model is constructed from published pricing guides for vehicles along with the valuation used by Tex Auto Appraisal Guide.

Cost information is the most readily available type of data available, ergo; the cost approach model is most often used. If market or income models are to be utilized to arrive at a value then they must be reduced by the value of the land to get the value of improvements and personal property. Model calibration and formulas utilized in personal property are indicated below.

## **CALIBRATION FOR BUSINESS PERSONAL PROPERTY**

**Model calibration in the Cost Approach** involves the selection of the appropriate economic life for each type or class of property. Further calibration occurs through the use of the appraiser's opinion of effective age for each property. Below is the mathematical formula for the Cost Approach.

### **COST APPROACH TO VALUE**

Replacement Cost New Less Depreciation = Cost Indicator of Value

$$(RCNLD = \text{Value}) \text{ or } (RCN - [PD, FO \text{ or } EO]) = \text{Value}$$

RCN = Replacement or Reproduction Cost New

PD = Physical Depreciation

FO = Functional Obsolescence

EO = Economic Obsolescence

### **INCOME APPROACH TO VALUE**

**Model calibration in the Income Approach** involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the income stream to reflect the characteristics of the subject property being appraised.

Below is the mathematical formula used for the Income Approach.

Potential Gross Rent – Vacancy/Collection Loss – Fixed Expenses – Variable Expenses  
= Net Operating Income – Rate = Value

$$PGR - VCL - FE - VE = NOI$$

$$NOI - \text{Rate} = \text{Value}$$

**A variation for the income model** that may be used for the Income Approach would be as follows.

NOI for year 1 x Discount Factor for year 1 = Present Worth of year 1 NOI

NOI for year n x Discount Factor for year n = Present Worth of year n NOI

Net Reversion x Discount Factor for year n = Present Worth of Reversion

Sum of Present Worths for all years 1 – n = Income Indicator of Value

NOI = Net Operating Income

DF = Discount Factor

PW = Present Worth

n = Last year of holding period

## **SALES COMPARISON APPROACH TO VALUE**

**Model calibration in the Sales Comparison Approach** involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property. Below is the mathematical formula used for the Sales Comparison Approach.

Adjusted Sales Price of Comparable Property / Unit of Comparison = Price per Unit of comparison

Adjusted Sales Price per Unit of comparison x Subject Property's number of Units of comparison = Indicator of Market Value

$$\text{ASPCP} / \text{U} = \text{PU}$$

$$\text{ASPU} \times \text{SU} = \text{Market Data Indicator of Value}$$

ASPCP = Adjusted Sales Price of Comparable Property

ASPU = Adjusted Sales Price per Unit of comparison

PU = Price per Unit of comparison

SU = Subject Property's number of Units of comparison

U = Unit of Comparison

### **D. Calculation of Preliminary Values**

Polk CAD analyzes the Comptroller's PVS as well as our in-house ratio studies to determine the mean, median and/or the mode by class of improvement. The data from our in-house ratio studies are verified to ensure that only valid sales are used from the prior year. A typical improvement is utilized to determine the price per square foot for a mass of properties within a specific class. Polk CAD uses verified vacant land sales to determine land values by acreage, square foot, or front foot by market areas, sub-division or rural. Additionally, when necessary, abstraction by allocation is used in determining land values. Once prices per square foot have been determined for improvements by class as well as land values they are tested to determine accuracy and uniformity.

#### E. Testing Values for Accuracy and Uniformity

Enter prices per square foot by class into the CAMA System and rerun the ratio report on the same data. Randomly select sales and check on random sampling to see if at, above or below market value. Once a determination of value has been made, adjust class schedules as necessary.

Enter prices per acre, square foot or front foot per land category and rerun ratio report on the same data. Randomly select sales and check random sampling to see if at, above or below market value. Once a determination of values has been made, adjust land schedules as necessary.

#### 9. The Mass Appraisal Report

**(The Mass Appraisal Report will be attached in 2014)**

#### 10. Value Defense

A. Informal Appeals – This is normally a 30 day period from the time the notices of appraised value are mailed during which a taxpayer/property owner may seek relief from property valuations on his/her property with an appraiser. The appraiser for good cause and with the proper documentation may adjust value for depreciation, obsolescence or by accepting late applications for homesteads, AG or Timber, etc. which may affect value. Polk Central Appraisal District requests that each person that wishes to protest formally go through this informal process to see if it can be settled without a formal hearing.

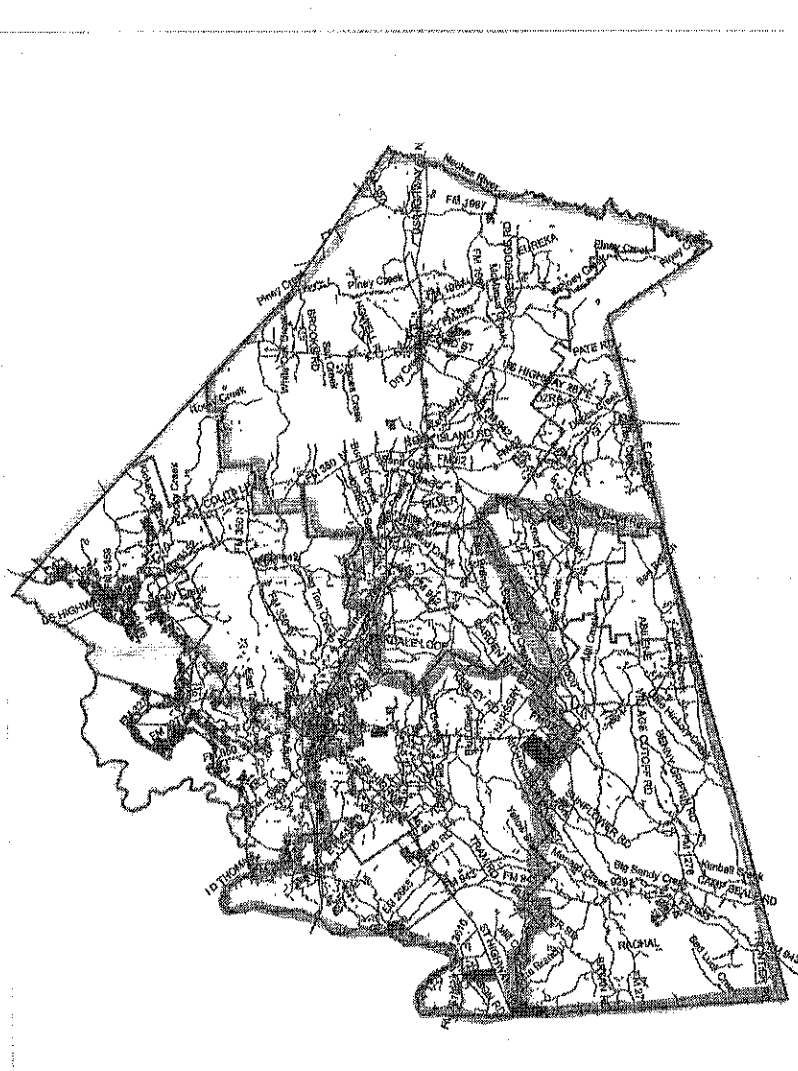
B. Formal Appeals – If during the informal appeals process a satisfactory agreement cannot be made with the taxpayer, he/she can file a protest to go before the Appraisal Review Board (ARB) for a formal hearing. The taxpayer will be sent a certified letter stating the date, time and location of their hearing along with a copy of the Property Taxpayer Remedies pamphlet and the Appraisal Review Board Rules and Procedures. Depending on the rendered decision from the ARB the taxpayer has the right to accept the decision from the ARB, request binding arbitration or file suit in District Court.

C. Burden of proof evidence for market value and equity – In mass appraisal the burden of proof is the responsibility of the Appraisal District. Evidence, such as, schedules, sales data, photographs, comparable properties, cost information, income data and other recognized sources of national costs data services will be used to evidence the market value. Additionally, comparable properties will be utilized in order to prove that the Appraisal District's values are equal and uniform.

## REVIEW, VERIFICATION & EVALUATION OF IN-HOUSE APPRAISALS

Prior to submission of the Appraisal Roll to the ARB, the Chief Appraiser will conduct a random sampling of appraisals from in-house as well as the contractor services with all supporting data to evaluate appraisal procedures and results. Appraisers are responsible for those properties which they appraise. This will include but not be limited to methodology, technique, data used and final outcome. The Chief Appraiser or designee will verify that all assigned properties were indeed appraised and valued as set forth in the Polk Central Appraisal District Appraiser Manual, and document any failure to do so, noting what if anything is required to correct the deficiency.

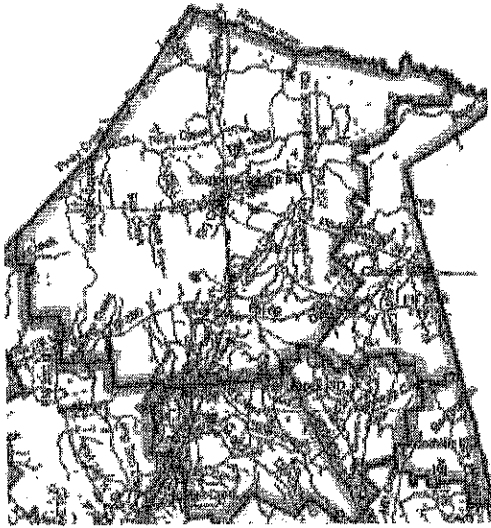
Further, a computer-assisted statistical review (Ratio Study) will be conducted Quarterly as well as verifying that each appraiser is meeting their goal within their respective assigned area in Polk County. In this way the Chief Appraiser can verify that the appraisers are completing their assigned task within their assigned area.



#### Appraisal Regions Defined

1. Region 1 Corrigan ISD, Chester ISD, Leggett ISD West of FM 2500
2. Region 2 Big Sandy ISD, Woodville ISD Leggett ISD East of FM 2500
3. Region 3 Onalaska ISD, Livingston ISD North of Hwy 190 W and West of Hwy 59 North
4. Region 4 Goodrich ISD, Livingston ISD South of Hwy 190 W and East of Hwy 59 North

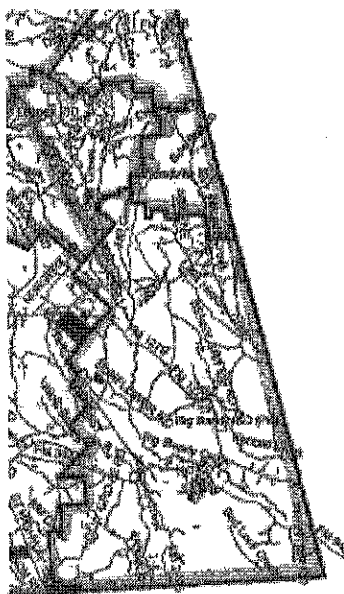
## Organization of Field Work by Appraisal Region



### Appraisal Region 1

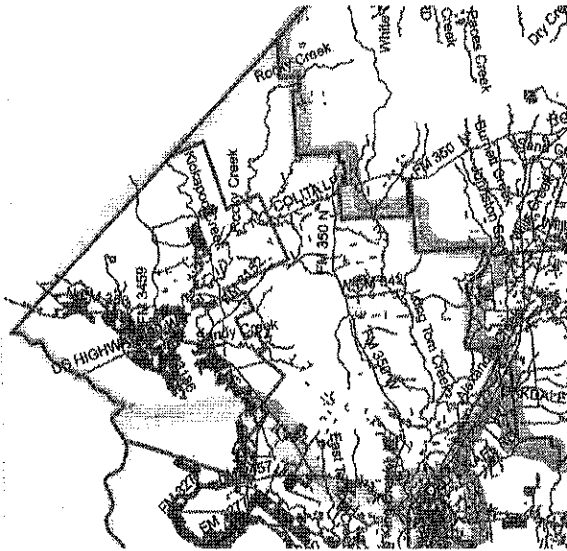
1. All building permits will be field inspected
2. The final 1/3 of region 1 will be physically inspected in 2015
3. Areas of inconsistency or areas of high deviation will be site inspected as they are determined to lack uniformity.





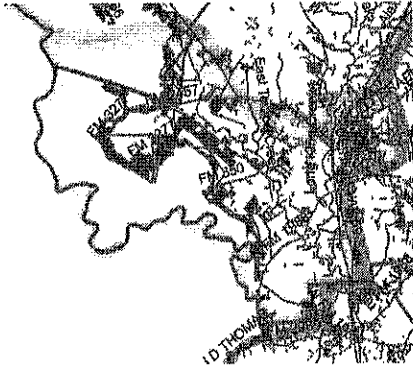
### Appraisal Region 2

- 1 All building permits will be field inspected
2. The final 1/3 of the region will be completed for 2015 year and the 3 year cycle will start over in 2016
3. Areas of inconsistency or areas of high deviation will be site inspected as they are determined to lack uniformity.



### Appraisal Region 3

1. All building permits will be field inspected
2. The final 1/3 of Region 3 will be completed for 2015 and in 2016 the 3 year inspection cycle will start over.
3. Areas of inconsistency or areas of high deviation will be site inspected as they are determined to lack uniformity.

**Appraisal Region 4**

1. All building permits will be field inspected
2. The final 1/3 of the region will be completed for 2015 year and the 3 year inspection cycle will renew in 2016
3. Areas of inconsistency or areas of high deviation will be site inspected as they are determined to lack uniformity.



#### Appraisal Region 5

1. All building permits will be field inspected
2. The final 1/3 of the region will be completed for 2015 year and the 3 year inspection cycle will renew in 2016
3. Areas of inconsistency or areas of high-deviation will be site inspected as they are determined to lack uniformity

	Event	Dept/Staff	Comments:
1	<b>New Appraisal Year - Dept's begin working on:</b>		
•	Appraisers continue to work on field inspections building permits and pictometry change finder rechecks	Appraisal	
•	Sales Ratio Analysis begins	Appraisal	
•	Work new DBA's and Discover new property, prepare to mail renditions		
•	Mail & process Homestead Exemptions for new owners	Taxpayer Info	
•	Continue setting up new subdivision plats & ownership updates & map projects	Mapping	
	<i>*Date that values and qualification for certain exemptions are determined</i>		<i>*Sections 11.42, 23.01,</i>
	<i>(except for inventories appraised Sept. 1).</i>		<i>23.12</i>
•	Print & Mail BPP Renditions as soon as possible		
•	<i>Administer Oath of Office to newly elected Board of Directors (chosen in odd number years)</i>	Admin	
•	District's Investment Policy for approval by CAD's BOD	Admin	
•	Review prior year budget remaining funds	Admin	
•	Initiate audit for prior year	Admin	
	ARB Meeting to approve supplemental records	ARB	

	Event	Dept/Staff	Comments:
31	<i>*Deadline-Texas Comptroller's preliminary Property Value Study.</i>	Appraisal	<i>*Section 403.302</i>
	<i>*Last day for chief appraiser to deliver applications for agricultural designation</i>	Appraisal	<i>*Section 11.44, 23.43</i>
	<i>and exemptions requiring annual applications.</i>		
	<i>*Last day for appraisal district to give public notice of capitalization rate</i>	Appraisal	<i>*Sec.11.1825</i>
	<i>used to appraise property with low and moderate income housing exemption.</i>		
February			
1	• Second Quarter Allocation letters sent to entities	Admin	
	• Sales Analysis continues	Appraisal	
	• Exemption verification letters mailed to entities	Admin	
	• Submit Ads to newspapers- <b>Taxpayer Rights &amp; Exemptions</b>	Admin	
	• Change finder field inspections should be completed	Appraisal	
	• ARB meeting to approve supplemental records and possible 1/3 over protest	ARB	
28			
March			
1	• Test results of Neighborhood Adjustments with Sales Ratios.	Appraisal	
	<i>*Deadline to file written appeal of PVS findings with the State Comptroller.</i>	Admin	<i>*Section 403.303</i>
	• Audit Appraisal work-clerical & market data	Appraisal	

	Event	Dept/Staff	Comments:
	• Submit Ad to newspapers-Protest & Appeals Procedures	Admin.	*Section 41.41,41.70
	Submit Letter to Tax-Assessor Collectors and entities regarding form which rolls are provided	Admin.	*Section 26.01(a) *by April 1st
	• Ag. Advisory board meeting	Ag. Advisory	
31			
April			
1			
	• ***Appraisal Review Board Members attend training classes***	ARB	*Section 5.041
	*Last day (or as soon as practicable thereafter) for chief appraiser to mail	Admin/IT	*Sections 25.19, 1.07-1.11
	notices of appraised value for single-family residence homestead properties.		
1	*Last day for the chief appraiser to notify the taxing units of the form in which	Admin.	*Section 26.01(a)
	the appraisal roll will be provided for them.		
15	*Last day for property owners to file personal property renditions and property		*Section 22.23
	information reports unless they request a filing extension in writing.		
30	• *Last day for chief appraiser to certify estimate of school district's preliminary	Admin.	*Section 26.01
	taxable value for school districts, counties & cities and send notification letters		*mail letters for delivery
	of values to each entities tax-assessor collector.		before April 30th
May			
1	• Operations Survey - sent by PTAD to be returned in 60 days	Admin.	
	• *Last day for property owners to file these applications or		*Section 11.43

	Event	Dept/Staff	Comments:
	reports with the CAD:		
	•Some exemption applications		
	•Notice property no longer entitled to an exemption not requiring annual applic.		*Section 11.43
	•Property no longer qualifies for 1-d & 1-d-1 Ag use & other special uses properties		*Sec. 23.43,23.54,23.75
	•Railroad Rolling Stock reports		*Sec. 24.32
	•Requests for separate listing of separately owned land & Imps.		*Sec. 25.08
			*Sec. 25.09
	•Request for separate listing of undivided interests		*Sec. 25.11
	•Request for joint taxation of separately owned mineral interests		*Sec. 25.12
	*Last day (or as soon as practicable thereafter) for chief appraiser to mail notices of		*Section 25.19
	appraised value for properties other than single-family residence homesteads.		
	Formal Hearings Begin	ARB	
	*Last day for property owners to file renditions and property information reports if		*Section 22.23
	they requested an extension in writing. (Can be extended 15 days for good cause)		
•	*Last day (or as soon as practicable thereafter) for chief appraiser to mail notices	Admin.	*Sec. 11.45,23.44,23.57,
	of appraised value, denial of exemptions and denial of special appraisals.		
•	*Date (or as soon as practicable thereafter) for chief appraiser to prepare	Admin.	*Sec. 25.01, 25.22
	appraisal records & submit to ARB.		
19	*Last day for chief appraiser to count taxing units' resolutions to change CAD's finance method		*Section 6.061



	Event	Dept/Staff	Comments:
24	<i>*Last day for chief appraiser to notify taxing units of change in the CAD's finance method.</i>		<i>*Section 6.061</i>
31	<i>*Last day for taxing units to file challenges with ARB(or within 15 days after ARB receives appraisal records, whichever is later).</i>		<i>*Section 41.04</i>
	<i>*Last day for property owners to file protest with ARB (or by 30th day after notice of appraised value is delivered, whichever is later).</i>		<i>*Section 41.44</i>
	Event	Staff/Dept.	Comments
June			
1	<i>*Last day for religious organizations to amend charters and file new applications for Section 11.20 exemption.</i>		<i>*Section 11.20 &amp; 11.421</i>
14	<i>*Last day for chief appraiser to submit recommended budget to CAD board and taxing units(unless taxing units have changed CAD's fiscal year).</i>	Admin	<i>*Section 6.06</i>  <i>"before June 15th"</i>
16	<i>*Beginning date that CAD board may pass resolution to change CAD finance method, subject to taxing units' unanimous approval. Period ends August 15th</i>		<i>*Section 6.061</i>
30	<i>*Last day for private schools to amend charters to conform with Section 11.21 &amp; file new applications for exemptions(or within 60 days of exemption denial, whichever later).</i>		<i>*Section 11.422</i>
	<i>*Last day for CAD's to report formation of reinvestment zones and tax abatement agreements to the Texas Comptroller.</i>		<i>*Section 312.005</i>

	Event	Dept/Staff	Comments:
	• Reappraisal Plan submitted to Board of Directors *	Admin	
	Even number years		
July			
1			*Section 24.35
•	submission to Texas Comptroller (or as soon as practicable thereafter).		
20	*Date ARB must approve appraisal records, but may not do so if more than 5%	ARB	*Section 41.12
•	of total appraised value remains under protest. The board of directors of a CAD		
	with a population of 1 million or more may postpone the deadline to August 30th.		
25	*Last day for Texas Comptroller to certify apportionment of railroad rolling stock		*Section 24.38
	value to counties, with supplemental records after that date.		
•	*Last day for chief appraiser to certify appraisal roll to each taxing unit.	Admin	*Section 26.01
	The chief appraiser also shall certify the district appraisal roll to the comptroller	Admin/ IT	
25	Secretary of CAD board of directors sends written notification to all entities of	Admin	*even yrs (2010,2012,,)
•	public hearing about Reappraisal Plan.* (10 days prior to BOD mtg)		Section 6.06(b)
August			
•	Appraisers begin field reviews & pick-up of new construction for new year	Appraisal	
1	*Last day for property owners to apply for September 1 inventory appraisal for the next year.		*Section 23.12
1			
•			

	Event	Dept/Staff	Comments:
1 •	Electronic Appraisal Report Submission (EARS) to Comptroller (after Supp 1-annually)	Admin / IT	*Section 5.07
	Comptroller will send back report in Sept-Oct. -CAD mails Report of Prop Val to entities by November 1st.		
9 •	<b>Board of Directors Elections</b> -Odd yrs.- CA notifies entities of election process.	Admin	nomination forms sent
	(*mail early in month so entities can include on September Agendas)		
15 •	Mail Approved Reappraisal Plan to entities. (every 2 years)	Admin	
	<i>*Last day for CAD board to pass resolution to change CAD finance method, subject</i>		*Section 6.061
	<i>to taxing unit's unanimous consent.</i>		
	<i>*Last day for CAD board to pass resolution to change number of directors, method</i>		*Section 6.031
	<i>for appointing or both, and deliver to each taxing unit.</i>		
31 •	<b>Submit Ad-Public Hearing for CAD Budget at Board of Directors Meeting</b>	Admin	*Section 6.062 *10 days
			prior to BOD mtg
	Event	Staff/Dept.	Comments
31 •	Secretary of CAD Board of Directors sends entities written notification of Budget	Admin	10 days prior to Public
	Hearing during September's Board of Directors meeting.		Meeting
	<i>*Last day taxing units may file resolutions with the CAD board to oppose proposed</i>		*Section 6.061
	<i>change in the CAD finance method.</i>		
	<i>*Last day taxing unit entitled to vote for appointment of CAD directors to file a</i>		*Section 6.031
	<i>resolution opposing a change by the CAD board in selection of directors.</i>		
September			

	Event	Dept/Staff	Comments:
1	<i>*The following years taxable value of inventories may be determined as of this date,</i>		<i>*Section 23.12</i>
	<i>at property owner's written option.</i>		
15	<i>*Last day for CAD board to adopt CAD budget, unless a district has changed its</i>	Admin	<i>*Section 6.06</i>
	fiscal year. BOD approves budget at scheduled meeting.		
	<i>*Last day for CAD board to notify taxing units in writing if a proposal to change a</i>		<i>*Section 6.061</i>
	<i>finance method by taxing units' unanimous consent has been rejected.</i>		
	<i>*Last day for CAD board to notify taxing units in writing if a proposal to change the</i>		<i>*Section 6.031</i>
	<i>number or method of selecting CAD directors is rejected by a voting taxing unit.</i>		
16	• Approved CAD Budget is mailed to entities.	Admin	
16	• Submit Ad to newspaper for <b>Appraisal Review Board Applicants</b> for the next year	Admin	
20	• Submit Ad to newspaper for <b>Auditor (even yrs) Depository (odd yrs)</b> . BOD approves	Admin	Auditor-Sect. 6.063
	in October & November meetings.* for Oct. 1st publication		Depository-Sect. 6.09
October			
1	• <b>CAD Board of Director Elections</b> -Before October 15, eligible voting entities may		*Odd yrs.(2009,2011,2013,,)
	nominate by resolution one candidate for each position on the board.*		
12	• Valuation Service Contract approval scheduled at monthly BOD meeting.*	Admin	*Odd yrs(2009,2011,2013,,)
	• Board of Directors select new Appraisal Review Board members.*	Admin	*at scheduled BOD meeting
15	• Mail copy of approved Audit report to presiding officers of taxing entities	Admin	Section 6.063(b)

	Event	Dept/Staff	Comments:
27 •	CAD Board of Director Elections-Before October 30, Chief Appraiser prepares ballot and delivers it to the presiding officer of each entitled voting entity.*	Admin	*deadline to return-Dec. 16
November			
December			
15 •	Mail Dealer Declaration forms(motor vehicles, vessels, manufactured houses,		Mail before January 1
	heavy equipment, etc.)		
•	Before December 15th, the entities governing bodies shall submit their votes for		*Odd yrs (2009,2011,2013,,)
	new CAD Board of Directors. *		
	*Source Texas Property Tax Code		