REEVES COUNTY APPRAISAL DISTRICT
REAPPRAISAL PLAN FOR TAX YEARS 2016 AND 2017
MASS APPRAISAL SUMMARY REPORT
September 15, 2014

INTRODUCTION

The Reeves County Appraisal District (Reeves CAD) is required by the Texas Property Tax Code (Tax Code) to appraise all property within the district for the purpose of ad valorem taxation by the public entities of the district. Reeves CAD implements recognized methods and techniques within the parameters of the *Uniform Standards of Professional Appraisal Practices*, as issued by the Appraisal Foundation, and the Property Appraisal and Assessment Administration published by the International Association of Assessing Officers. Mass appraisal includes the use of tables and schedules formulated by benchmark properties. Adjustments are made for features and amenities which are present or missing in the subject property. Sales ratio studies are analyzed for quality and quantity adjustments as well as calibration of tables and schedules.

SCOPE OF WORK

Field appraisers must discover, list, and place a value on all taxable property within the district. Market areas within the district must be delineated and described. The property must be identified and inspected noting property characteristics, quality, condition, and volume. An appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics must be developed. For all types of property, the appraiser must first form an opinion of "highest and best use" and then determine which of the three approaches (cost, income, or market sales) to value will derive the best indication of value. Sales and valuation data must be collected from recognized sources and within local market areas. Analysis of collected data must be applied that will derive credible conclusions and opinions. Conclusions and opinions must be reviewed for uniformity and accuracy. Results are tested by statistical analysis. The scope of work must include the research and analysis that are necessary to develop credible assignment results.

ACCEPTABILITY OF WORK PRODUCT

The scope of work is acceptable if it meets or exceeds (1) the expectations of parties who are regular intended users for similar assignments and (2) what an appraiser's peers' actions would be in performing the same or similar assignment.

RESOURCES

The Reeves CAD budget categorically defines the resources of, and is a standing plan for, the district. The District employs a staff of six full time and 1 part-time student worker. Of those, two are working on dual certification (RPA & RTA). Two are working on RPA and two are working on RTA certification from the Texas Department of Licensing and Regulation.

TYPES OF PROPERTY APPRAISED

Reeves County Appraisal District appraises the following types of property within the District:
Residential
Commercial
Land
Business Personal Property
Reeves County Appraisal District, per a contract with Pritchard and Abbott appraises Oil and Gas Properties, Utilities, Pipelines, Industrial Property, and Industrial Personal Property. Copies of their plans are attached for your consideration.

REVALUATION DECISION (Statutory or Administrative)

The Tax Code requires properties be reappraised at least once every three (3) years. Administratively, data must be collected and analyzed to determine the accuracy and uniformity of property values. Sales data, renditions, cost analysis, and neighborhood information must be gathered and considered. The State Property Value Study is an essential tool in administrative considerations of accuracy and uniformity.

Appraisal Year 2015

Year 1-2015 Town of Pecos City
We will reappraise and verify by visual inspection all categories of property within the Town of Pecos City excluding property not within annexation boundaries of the Town of Pecos City. All new construction and demolitions will be identified and all factors that may affect value will be applied for all property types and classes within the district. All mineral and industrial properties will be reappraised by a contacted professional appraisal services as provided in their reappraisal plan.

Appraisal Year 2016

Year 2-2016 Reeves County
We will reappraise and verify by visual inspection all categories of property within the Reeves County boundaries excluding Property within the annexation boundaries of the City of Balmorhea and the Town of Pecos City. All new construction and demolitions will be identified and all factors that may affect value will be applied for all property types and classes within the district. All mineral and industrial properties will be reappraised by a contacted professional appraisal services as provided in their reappraisal plan.

Appraisal Year 2017

Year 3-2017 City of Balmorhea
We will reappraise and verify by visual inspection all categories of property within the City of Balmorhea excluding property not within annexation boundaries of the City of Balmorhea. All new construction and demolitions will be identified and all factors that may affect value will be applied for all property types and classes within the district. All mineral and industrial properties will be reappraised by a contacted professional appraisal services as provided in their reappraisal plan.

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RESIDENTIAL PROPERTIES

Identifying Properties to be appraised: For tax years 2005 through 2009, residential properties within the district have appreciated rapidly. The average home value increased from $ 20,675.85 to $ 26,420.99 during those years. 2014 sales data indicated that the residential market had substantially stabilized. Just over 20 new residential improvements were under construction in 2009. Our goal for 2016 and 2017 will be to re-drive a minimum of 1/3rd of existing residential properties in each year, to inspect sale properties as quickly as possible after the data of sale, to analyze sales data within the district for the purpose of schedule refinement, as well as inspection for building permitted new construction. Through the analysis of sales data, new construction, and property inspections, Reeves CAD calibrates its tables and schedules including, adding, or removing feature and amenity characteristic modifiers.

Identifying and updating relevant characteristics of each property in the appraisal records: Through personal inspection, field appraisers verify and complete the property record characteristic data. Additional sources for data collection include, but are not limited to, building permits, mechanic and material liens, and confidential renditions. Additional data may be derived through neighborhood and comparable property analysis.

Defining market areas within the district: Market areas for residential properties are delineated within the Town of Pecos City and Balmorhea City as well as the immediately surrounding areas. Rural residential properties represent one market area. Market areas are reviewed annually for presence of competing property characteristics.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determining the contribution of individual property characteristics: For all types of property, the appraiser must first determine the "highest and best use" of the property (with one jurisdictional exception which is not present in our market). OF the three approaches to value (cost, sales comparison, and income) residential properties rely heavily on the sales comparison approach to value. The cost approach, replacement/reproduction cost new less depreciation, is considered in verification of local modifiers as well as physical depreciation calibration.

Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year to year property value changes are reviewed for reasonable confidence. Ratio studies measure the accuracy and uniformity of the results. Random samples are selected for individual sales analysis. Outlier properties are re-driven and the related sales data re-confirmed, when possible. This category of properties is also reviewed by the State Comptrollers' Office through the biennial Property Value Study.

Identifying Properties to be appraised: Commercial properties are inspected on a three year cycle by neighborhood. Other commercial properties that may be inspected are determined by the collection of data both public and confidential to assist in the identification of properties. For the 2016-2017 cycle, all commercial and industrial properties will be inspected and property characteristics verified and /or completed. Sales and lease data are presently being collected and verified.

Identifying and updating relevant characteristics of each property in the appraisal records: Through personal inspection, field appraisers verify and complete the property record characteristic data. Additional sources for data collection include, but are not limited to, building permits, mechanic and material liens, deeds and deeds of trust, and confidential renditions. Additional data may be derived through neighborhood and comparable property analysis.

Defining market areas within the district: Market areas for commercial properties are delineated within the Town of Pecos City and Balmorhea City as well as the immediately surrounding areas. US 285(Cedar St) and HWY 80(3rd st) each represent a market area. HWY 17 (Balmorhea HWY) and rural commercial properties compose another market area. Market areas are review annually for presence of competing property characteristics.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: For all types of property, the appraiser must first determine the "highest and best use" of the property. Of the three approaches to value (cost, sales comparison, and income) commercial properties rely on the income approach to value subject to availability of relevant data. The cost approach, replacement/reproduction cost new less depreciation, is applicable and considered to assist accuracy and uniformity, in the development of local modifiers, and the calibration of tables and schedules. Sales comparison data is utilized when available.

Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year to year property value changes are reviewed for reasonable confidence. Ratio studies measure the accuracy and uniformity of the results. Another appraiser may review the results for accuracy and reasonableness.

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BUSINESS PERSONAL PROPERTIES

Identifying Properties to be appraised: Business personal properties are inspected on a three year cycle by neighborhood. Other business personal properties that may be inspected are determined by the collection of data both public and confidential to assist in the identification of properties. Business personal properties are inspected in connection with commercial real property inspections. The district subscribes to (Infonation) an annual vehicle listing service.

Identifying and updating relevant characteristics of each property in the appraisal records: Through personal inspection, field appraisers verify and complete the property record characteristic data. Additional sources for data collection included, but not limited to, directories, listing services, local advertisements, and submissions by the owner sometimes including confidential renditions. Additional data may be derived through comparable property analysis.

Defining market areas within the district: Market areas for business personal properties are delineated within the Town of Pecos City and Balmorhea City surrounding areas. City Designated re-investment zones are considered. Market areas for business personal property are consistent with those for commercial real property. Market areas are reviewed annually for presence of competing property characteristics.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: For all types of property, the appraiser must first determine the "highest and best use" of the property. Of the three approaches to value (cost, sales comparison, and income) business personal properties are typically considered by the cost approach to value (replacement/reproduction cost new less depreciation). Sales and income data are considered when appropriate data is available.

Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year to year property value changes are reviewed for reasonable confidence. Comparative analysis of properties with similar characteristics are considered to determine accuracy and uniformity of the results.

Identifying Properties to be appraised: Land parcels are inspected on a cycle according to use. Other land parcels that may be inspected are determined by the collection of data both public and confidential to assist in the identification of properties. Properties receiving productivity value are inspected for change of use.

Identifying and updating relevant characteristics of each property in the appraisal records: Through personal inspection, field appraisers verify and complete the property record characteristic data. Additional sources for data collection include, but not limited to, governmental records, deeds and plats, and submissions by the owner sometimes including confidential renditions. Additional data may be derived through comparable property analysis. For 2016 and 2017, residential and commercial land values will be reviewed for accuracy and uniformity by neighborhood. For 2016, rural market values will be reviewed for accuracy and uniformity.

Defining market areas within the district: Market areas for land parcels are delineated within the Town of Pecos City and Balmorhea City as well as the immediate surrounding areas. Land market areas will coincide with those predefined areas by use unless the highest and best use determines otherwise. Market areas are reviewed annually for presence of competing properties.

Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: For all types of property, the appraiser must first determine the "highest and best use" of the property. Of the three approaches to value (cost, sales comparison, and income) Land parcels are typically considered by the comparable sales approach to value. A land residual value may also be considered when appropriate. Income data is considered when appropriate data is available.

Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year to year property value changes are reviewed for reasonable confidence. Comparative analysis of properties with similar characteristics and ration studies are considered to determine accuracy and uniformity of the results.

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GENERAL CONSIDERATIONS

Reeves County Appraisal District begins the appraisal process in September of each year. Although the date of appraisal for all taxable property is January 1st of each year (exception- Sec. 23.12 Tax Code, Sept. 1st for some personal property, and Sections 23.121 through 23.128 - Special inventories), market data is collected through out the year.
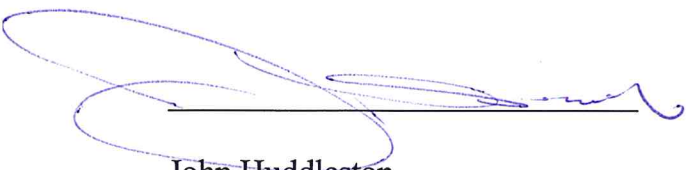
Property re-checks and building permits/mechanics liens will be inspected for completion. Incomplete improvements will be re-inspected near the January appraisal date. Splits, plats, and combinations of adjoining properties will be inspected for change of property characteristics. Appraisal records will be reviewed for completion of data, inclusion of characteristics, and application of classing criteria. Field inspections should be completed by mid April.

Renditions, homestead applications, abatement applications, productivity (Ag) applications, and auto dealer declarations will be mailed in early January each year. New business renditions will be hand carried and a field inspection performed. Field inspections of business personal property accounts that have not rendered nor requested a deadline extension will begin process after April 15th.
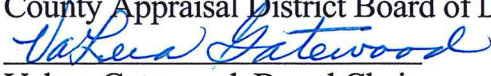
The Agricultural Advisory Committee shall be assembled in February to gather and present data from the last two (2) years production confirming data for the year ended two years prior. The AAC will be furnished the results of the productivity calculations before mid April will solicitation of comment.

Market data collected and assimilated will be used in the calibration of improvement tables in late April. Neighborhoods will be analyzed for further adjustment. Ratio studies will be used to measure the increase/decrease in accuracy and uniformity of table and characteristic calibration and neighborhood adjustments.

Appraisal methodologies will be reviewed for consistent application of generally accepted procedures. Results will be reviewed and random samples proofed for accuracy and reasonableness. Appraisal results will be tested for accuracy and uniformity by ratio studies and their statistical measures.

John Huddleston
Chief Appraiser
Reeves County Appraisal District

Adopted September 17, 2014 by the Reeves County Appraisal District Board of Directors

Valera Gatewood, Board Chair