



# 2024 MASS APPRAISAL REPORT

## COLLINGSWORTH COUNTY APPRAISAL DISTRICT

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# COLLINGSWORTH COUNTY APPRAISAL

## DISTRICT 2024 MASS APPRAISAL REPORT

### Introduction

#### Purpose

The purpose of this report is to inform the Board of Directors, property owners and taxing entities within the boundaries of the Collingsworth County Appraisal District (CCAD) regarding methods and procedures utilized in the valuation and revaluation of taxable property. The report also intends to comply with Standards Rule 6 of Uniform Standards of Professional Appraisal Practice (USPAP). Standards Rule 6-8 requires a written summary report of a mass appraisal for ad valorem taxation. Mass appraisal is the process of valuing a group of properties as of a given date, using standard methods, and employing common data, which allows for statistical testing. The intended use of the appraised values is to establish a tax base upon which a property tax will be levied. Each taxing unit within CCAD boundaries will use the appraised values for ad valorem tax purposes only.

The purpose of the appraisals performed by CCAD is to estimate market value on January 1 of each year (as defined by the Texas Property Tax Code Sec. 1.04) on all taxable property within the boundaries of CCAD, "Market Value" is defined by Sec. 1.04 as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if-

- (A) Exposed for sale in the open market with a reasonable time for the seller to find a purchaser.
- (B) Both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- (C) Both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

It should be noted that market value as defined by the Texas Property Tax Code differs from the definition as established by USPAP; therefore, a jurisdictional exception applies.

CCAD follows an orderly sequence of tasks in arriving at appraised value for a property. The order is broadly prescribed in the Texas Property Tax Code which lists certain dates/deadlines that appraisal districts must comply with. A summary of the calendar of important dates for the period of this report is shown in the appendix. As mentioned above the effective appraisal date for most taxable property in this report is January 1 with the exception of inventory which may be appraised at its market value on September 1; the appraisal herein reported was completed on July 25, 2024.

## Appraisal District Boundaries

The appraisal district is responsible for appraising property in the district (all of Collingsworth County) for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes. CCAD serves the public and ten taxing entities in Collingsworth County. Taxing entities in Collingsworth County are as follows:

1. Collingsworth County
2. City of Dodson
3. Hedley ISD (the portion that falls within Collingsworth County)
4. Collingsworth Hospital District
5. Wellington ISD
6. City of Wellington
7. Mesquite Groundwater District
8. McLean ISD (the portion that falls within Collingsworth County)
9. Shamrock ISD (the portion that falls within Collingsworth County)
10. Memphis ISD (the portion that fall within Collingsworth County)

## Properties Appraised

The district employs Pritchard and Abbott, Inc., an appraisal firm located in Amarillo, Texas, to appraise minerals, pipelines, powerlines, and some industrial property. The firm is also engaged to provide the district with software used by the district to appraise and maintain property values.

The Appraisal District certified a total of 10,843 parcels with a total market value of \$292,208,188 (adjusted for productivity value) for 2024. The following chart breaks this total down into specific categories (the categories on the left are state-mandated designations for the various types of properties in this district):

A	REAL: RESIDENTIAL SINGLE FAMILY	1,246	68,817,070
B	REAL: RESIDENTIAL, MULTI-FAMILY	5	292,590
C	REAL: VACANTS/LOTS TRACTS	592	550,430
D1	REAL: QUALIFIED AG LAND	2,660	49,226,170
D2	REAL: NON-QUALIFIED AG LAND	532	13,941,690
E	REAL: FARM AND RANCH IMPROVEMENTS	375	28,515,420
F1	REAL: COMMERCIAL	160	10,454,680
F2	REAL: INDUSTRIAL	35	6,218,844
G1	REAL: MINERAL & GAS	3,017	1,795,802
J	REAL AND TTANGIBLE PERSONAL: UTILITIE	100	71,212,220
L1	PERSONAL COMMERCIAL & INDUSTRIAL	32	830,530
L2	PERSONAL: INDUSTRIAL- MANUFACTURING	333	15,522,070
M	MOBILE HOMES	58	764,540
X	EXEMPT PROPERTY	1,698	0

## **Organizational Structure**

The Collingsworth County Appraisal District was created by the Texas Legislature. The CCAD appraises property for ten entities in Collingsworth County, Texas. CCAD is a political subdivision of the State of Texas. The appraisal district is governed by a five-member board of directors, five of which are appointed by the voting entities in the county. The board appoints the chief appraiser who serves at the pleasure of the board. The board also approves the budget and sets policy.

### **Office of the Chief Appraiser**

The Chief Appraiser is the chief administrator of the appraisal district. The Chief Appraiser is appointed by the Board of Directors and answers directly to that body. The Chief appraiser employs and directs the district's staff, and oversees all aspects of the operations for the district, including, but not limited to:

- Appraisal of property which includes discovery, listing, review and valuation of all taxable property within the district, using standard approaches for estimating market value.
- Administration of exemptions, which includes approving or denying applications for total or partial exemption pursuant to Chapter 11 of the Texas Property Tax Code.
- Administration of special valuation including approving or denying applications for productivity valuation or other special valuations in accordance with Chapter 23 of the Texas Property Code.

Other duties including maintenance of all property records as required by the Texas Property Code; Sending and receiving rendition forms concerning property; preparing and sending required notices, postings and publications; any other duties necessary for the efficient appraisal of property for tax purposes in the district.

The Chief appraiser represents the Appraisal District in appeals concerning value with the Property Tax Assistance Division of the Texas Comptroller of Public Accounts.

### **Education**

All appraisers are required to be registered with the Texas Department of License and Registration (TDLR). The TDLR registration requires that each appraiser must successfully complete a five-year educational program and pass a required number of course hours within a specified time. Additionally, all appraisers must pass review exams at levels three and four of the certification programs. After successfully completing the required curriculum and passing the state tests, an appraiser is awarded the designation of Registered Professional Appraiser (RPA). There is also a requirement of at least thirty hours of continuing education units every two years in order to re-certify the RPA designation. CCAD currently has one RPA on staff. The CCAD appraisal staff stays abreast of current trends affecting property through review of published materials, attendance at conferences, course work, and continuing education.

### **Philosophy Statement**

The Collingsworth County Appraisal District believes that the most important asset of the district is its people. Every employee is important and deserves to be treated fairly with consideration and respect. CCAD believes in providing good working conditions, a safe, clean, and friendly work place to help each employee do his or her job effectively. We also believe that every employee has an obligation to develop his or her talents to the fullest.

The Collingsworth County Appraisal District exists for the purpose of providing services to the property owners and taxing units within our jurisdiction. It is important that we recognize our responsibility to

provide quality services on a cost-effective basis. Every property owner should be approached in a respectful, positive and friendly manner. Property owners should be assisted in a timely and courteous fashion. CCAD employees have an obligation as public servants to promote goodwill toward all property owners, not only in manner but by example.

The district is mandated to provide appraisals that are equal and uniform within the different categories of properties and among the different categories of properties. The district will maintain values at a level reflective of the current market values.

## Models Used in Appraisal

The models used in the appraisal covered by this report include three basic models, briefly described here:

**1. Market or Sales Comparison:**

This approach “considers the marketplace directly and uses the market to estimate value by comparing the subject property to similar properties that have recently sold.” (*Property Assessment Valuation – IAAO*) Appraised values are directly correlated to the prevailing market trends in the area. This method is the most widely used by CCAD in arriving at the appraisals covered by this report.

**2. Cost Approach:**

This model is used by CCAD when reliable market value is not available or when a property’s most accurate appraisal would be obtained by using this method such as for unique properties. In the cost approach, value is determined by land value plus the depreciated cost of improvements.

**3. Income Method:**

The income method is used by CCAD to appraise income-producing properties. This method converts all expected future net benefits into a present value figure.

## Components Analyzed

### Area Analysis

The properties appraised by Collingsworth County Appraisal District include all property located in the Collingsworth County. Collingsworth County is located in the southeastern Texas Panhandle and is bordered on the east by the state of Oklahoma, on the north by Wheeler County, on the south by Childress County, and on the west by Donley County. The district has one city, Wellington and one small town, Dodson as well as several unincorporated communities.

Farming by far contributes to most of the economic wealth in the area. The majority of the land in the county being rural devoted to cattle raising and crop farming. A listing of the top ten taxpayers is shown in another section of this report.

The nearest urban area in the state is Amarillo, 100 miles to the northwest. The location has a large effect on values of properties in this county.

The district is divided into three areas, one of which is reappraised each year on a rotating basis. The area reappraised in 2024 and covered by this report will be property in Collingsworth County, City of Dodson and Samnorwood.

## **Highest and Best Use Analysis**

The highest and best use of real estate is defined as the most reasonable and probable use of land that will generate the highest return to the property over a period of time. This use must be legal, physically possible, economically feasible and the most profitable of the potential uses. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

In order to complete the highest and best use analysis of a property, an appraiser must estimate its highest and best use as if the land were vacant. This estimate does not take into consideration the existing improvements. It is the highest value the land could have if it were available for any legal, physically possible and economically feasible development.

In determining highest and best use, preliminary judgements are made in the field by appraisers. Appraisal District property data cards contain information regarding lot size and frontage; therefore, appraisers normally make judgements on possible use of sites in the field. Most profitable uses are also determined by observing surrounding property and the way those properties are used.

## **Market Analysis**

Economic trends, national, regional and local trends affect the values of property appraised in our area. An awareness of social, economic, governmental and environmental conditions is essential in understanding, analyzing and identifying local trends that affect the real estate market and business climate.

Market analysis is performed throughout the year. Examples of sources of general data include "Trends" issued by The Real Estate Center at Texas A&M University; the monthly publication published by the State Comptroller's Office's, "The Appraiser" published by The Texas Association of Appraisal Districts, valuation guides such as Marshall-Swift and various news sources. When possible, local sources are also tapped in order to obtain data.

Sales information is gathered from various sources. Asking prices are gathered from the local paper and realtor listings. Information is also gathered from conversations with local real estate appraisers, agents and brokers.

The district receives copies of deeds and transactions filed in the county clerk's office. From this information, sales letters are mailed to sellers and buyers to obtain information on the sale. This information is not mandatory in the State of Texas and only a small percentage of letters are returned with useful information. This is a serious problem in that there is usually inadequate sales data to perform as thorough an analysis of sales data as USPAP would require. However, every effort is made to use what data is available. The Property Tax Assistance Division also sends out sales letters and that data is made available to the district at least once a year.

Sales and market analysis are performed each year on residential properties, as information is available. Each year new properties are inspected, measured and added to the roll. Individual properties are also reappraised when there are changes the property; for example, fire, remodeling, or an addition or demolition of a portion of the improvement. Appraisers will perform detailed field inspections of properties if requested by the owner.

The appraisers performing revaluation in the field have property record cards that contain specific information regarding the property being appraised. These cards contain brief legal descriptions, ownership interest, property use codes, property addresses, land size, drawings of improvements as well as any available detailed information of the improvements. A copy of a property data card is included in this report in the appendix.



# Sources Used as Basis of Appraisal

## Cost Schedules

Cost schedules were used by the District in mass appraising the properties in the County. Included are schedules for commercial real and residential real improvements, business personal property, mobile homes, aircraft, pipelines and powerlines. The source of commercial real estate and residential real estate schedules is based on information from Marshall and Swift Valuation Service cost guide and local and area construction cost information. Business personal property schedules come from the Property Tax Assistance Division appraisal manual, Marshall and Swift, NADA automobile and truck booklets, aircraft booklet, NADA mobile home guide and property owner original costs. Personal property renditions provided by property owners are also used in the valuation of business personal property. Information on costs for pipelines and powerlines are gathered from property owners, manufacturers, specific cost guides, consultants and various other sources. Powerline and pipeline cost schedules were maintained by Pritchard and Abbott for the 2021 appraisal year.) Costs information from these sources is adjusted for time and location before being applied to the schedules.

Renditions are confidential sources and cannot be used for specific information. However, data from renditions may be compared with data from cost manuals and used to test for accuracy. Data on individual properties is also collected from the field, compiled and analyzed. It can be compared to cost information to make localized adjustments.

## Market/Sales Comparison

In order for sales data to be considered reliable it must contain a sales date, sales price, financing information, buyer and seller and any information detrimental to the transaction. Sales data is gathered by sending sales letters to both the buyer and seller of properties that the District knows changed ownership. Commercial sales are confirmed from the direct parties involved whenever possible. Confirmation of sales from local real estate appraisers, title companies and interested parties is considered helpful in qualifying a sale.

Sales data is compiled and the properties are physically inspected. All data listed on the property record card is verified and updated as needed including building classification, building size, additions or added out buildings, condition of structures and any change in data or characteristics that would affect the value of the property. When all the variables of a sold property are identified and recorded, then the sale can be appropriately compared to similar properties.

A sale that has been properly analyzed may then be considered an “arms-length” transaction. Only arms-length transactions are used to estimate market value of other properties. Examples of reasons why sales may not be considered arms-length transactions are:

- Properties are acquired through foreclosures or auction.
- Properties are sold between relatives.
- The buyer or seller is under duress and may be compelled to sell or purchase.
- Financing may be non-typical or below or above prevailing market rates.
- Considerable improvements or remodeling have been done since the date of the sale and the appraiser is unable to make judgements on the property's condition at the time of the transaction.
- Sales may be unusually high or low when compared with typical sales located in the market area. Some sales may be due to relocation or through divorce proceedings.

- The property is purchased through an estate sale with the probability of special consideration given to the sale price.
- The sale includes personal property that is difficult to value and separate from the sale price.

Within the Collingsworth County Appraisal District and in the surrounding area it is often difficult to obtain sufficient sales data to meet USPAP standards for analysis of sales and exception is taken to USPAP Standard Six in this area.

## **Income Approach Used in Appraisals**

Income producing properties are properties like apartments, office buildings, rented single-family residences, rented or leased retail stores or spaces, shopping malls and other rented properties.

Value estimates or appraisals of income producing properties may be made based on data collected relevant to the property itself. When this data is available on a similar property that has recently sold in an arms-length transaction, then the resulting estimate can be a very good indicator. A simple formula including gross income, less expenses, divided by a capitalization rate may produce a reasonable estimate of the value of a property.

A capitalization rate may be simply defined as a reasonable rate of return on a like investment. The income approach to value may not always be the best method of appraisal for a given property, but it should be taken into consideration when the information is available because it is a strong indicator of value for investment property.

## **Depreciation**

Depreciation is a method of adjusting the value of a property because of deterioration in the condition or value of a property due to aging, wear and tear or other causes. Depreciation is applied to the improvements or structures (not to the land) and is primarily based on the age of a property. Effective age for a house that is properly maintained may be its actual or chronological age. However, if a structure suffers from deferred maintenance due to neglect, its effective age may be older than the actual age. In contrast, if a house is an older structure and has been remodeled or updated, its effective age may be less than its actual age.

During the appraisal covered by this report, appraisers in the field usually inspected structures from the exterior only. The interior condition is assumed to be similar to the exterior. However; if the taxpayer requests an interior inspection may be made by appointment.

Additional depreciation may be estimated for a variety of reasons including functional obsolescence resulting from bad floor plans or out of date construction methods. Economic obsolescence results from a loss of value to a property due to adverse influences from outside the physical boundaries of the property. Examples of economic obsolescence may be proximity to undesirable neighborhoods, location of residences outside city limits with no access to city amenities, residences located on farm and ranch land, etc.

These kinds of depreciation are combined in judging the condition of a property relative to the condition of the improvements. The physical depreciation are internal to CCAD's software system.

## Top Taxpayers

Collingsworth County net taxable property values total \$268,124,156 for 2024. The taxable and appraised values for the top 10 taxpayers in the County are listed below.

### 2024 Top Taxpayers - Collingsworth County

	Market Value	Taxable Value	
1	Cross Texas Transmission	\$ 24,146,370	\$ 159,451
2	Southwestern Public Service Co.	\$ 19,383,140	\$ 127,996
3	Texas Express Pipeline LLC	\$ 6,615,330	\$ 43,684
4	Southwestern Electric Power Co	\$ 6,326,810	\$ 41,779
5	Helena Agri-Enterprises, LLC	\$ 3,848,900	\$ 25,516
6	Greenbelt Electric Co-op Inc	\$ 3,579,730	\$ 23,638
7	Farmers Co-op Gin	\$ 2,609,570	\$ 17,232
8	Farmers Co-op Gin	\$ 2,499,180	\$ 16,503
9	Terry Canada	\$ 2,030,230	\$ 13,406
10	Helena Agri-Enterprises, LLC	\$ 1,845,090	\$ 12,184
Total of Top 10 Taxpayers		\$ 77,884,350	\$ 481,389
% of County Appraised Taxable Value			0.17 %

## General Assumptions and Limiting Conditions

In the process of appraising property at CCAD during the period covered by this report, various general assumptions or limiting conditions may have affected the resulting appraisal. A summary of these general assumptions and limiting condition follows: (assumptions and limiting conditions to specific types of appraisals are addressed later in this report)

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. 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.
3. The appraisers developing these appraisals are not required to give testimony of attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Collingsworth County Appraisal District.

4. All properties are appraised in fee simple interest in accordance with Texas Property Tax Code Sec 25.06 (Jurisdictional Exception to Standards Rule 6-4 (c) and 6-5(c) of USPAP)
5. All sketches in the appraisal records are intended to be visual aids with rounded measurements and should not be constructed as surveys or engineering reports, etc.
6. All information in the appraisal records are obtained by members of the appraisal district's staff or other reliable sources.
7. The appraisal staff has inspected, as permitted, by observation, the land and the improvements thereon; 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.
8. All interior inspections are performed at the property owners' request by appointment. All other inspections performed are external and assume the quality, condition, and desirability of the interior are approximately equal to that of the exterior, unless otherwise known.
9. Agricultural land is appraised at market value using a market data model based on market sales information. However, it may also be subject to appraisal using an income model specified in Sec. 23, Sub-chapters C, D, and E of the Texas Property Tax Code. (Jurisdictional Exception to 6-4 (b) of USPAP)
10. The highest and best use of property is defined as the most reasonable and probable use of the land that will generate the highest return to the property over a period of time. This use must be legal, physically possible, economically feasible, and the most profitable of the potential uses. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact. Furthermore, appraisers are limited by Texas Property Code Section 23.01(d) in the use of this principle for appraising residential homestead property.
11. Subsurface rights (mineral and oil) are not considered in making these appraisals.

## **Single Family Residence Appraisal 2024 Mass Appraisal Report**

### **Overview**

Single-family residences consist of all land and real property improvements that by the nature of their design and/or construction are suitable for single-family use only. This includes manufactured homes that are classified as real property when the owner of the land is also the owner of the manufactured home and personal property when the owner of the manufactured home does not own the land. Properties at CCAD are divided into three distinct areas of the county; each area is reappraised every third year. Commercial property in Collingsworth County will be appraised in 2024. Residential property in Wellington and Dodson will be reappraised in 2024 and property out in the county will be appraised in 2025.

### **Assumptions and Limiting Conditions**

The appraisals completed by CCAD for single-family residences are subject to the following assumptions and limiting conditions:

1. The Collingsworth County Appraisal District staff and/or contracted appraisers do not physically inspect all single-family residences within its jurisdiction each year, but some are re-inspected on a three-year rotating basis as noted above. Interior inspections have not been done on a majority of the properties in the jurisdiction because (1) most residential owners are not at their

- residence during regular business hours, (2) permission to inspect is not always granted, (3) the safety of the appraiser may be in question, and (4) respect for privacy rights of the property owner should be exercised.
2. The opinion of value for each single-family property applies to land and improvement only. The value of personal property of an owner has not been included with the value of the real estate. The only personal property that is valued as an improvement is a manufactured home where the owner of the home does not own the land. See Sec. 11.14(a) of the Texas Property Tax Code.
  3. Residential real property inventory as defined by the Texas Property Tax Code in Sec. 23.12 is considered as inventory and the market value is the price for which it would sell as a unit to a purchaser who would continue the business. (Jurisdictional Exception to Standards Rule 6-5(d) of USPAP)
  4. Single-family qualified properties used to provide affordable housing are appraised to comply with Sec. 23.22 of the Texas Property Tax Code.  
(Jurisdictional Exception to Standards Rule 6-4(b) of USPAP)

### **Homestead Cap Value**

The Collingsworth Appraisal District is required to keep written procedures to apply homestead capped values. The date of appraisal is tracked via the appraisal cards in the District software program. District personnel enter updated data each year that assures the cap value is calculated correctly.

Cap value applies to residential homestead only. If the property is a residence homestead (a home in which the owner lives), the appraised value may not exceed the lesser of:

1. The market value of the property, or
2. The sum of-
  - 10 percent of the appraised value of the property for the last year in which the property was appraised for taxation times the number of years since the property was last appraised.
  - The appraised value of the property for the last year in which the property was appraised; and
  - The market value of all new improvements to the property.

### **Data Collection and Validation**

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular class of property that has been predefined by CCAD.

Property-specific data is collected as a part of the inspection process and through submission by the property owner. As part of the inspection process, the improvements are measured and classified. Any additional or unusual features are also noted at the time of the inspection. Data on individual properties is maintained on an appraisal card(s) for that property. Data on individual properties is verified through previously existing records, published reports, building permits, analysis of comparable properties, GIS maps, and through submission by the property owner. Appraisal cards are available for review at the appraisal district office and via email.

Data pertaining to a class of properties is grouped together according to the differing quality levels, and then used to develop valuation models for each property class. Such data is collected in a variety of ways. Cost information is obtained from nationally recognized sources, local contractors, new construction permits, mechanics liens, reliable source of new property sales, and from renditions submitted by owners. All local information is used to verify, supplement or modify costs from these published sources. Renditions are confidential submissions by

property owners and cannot be used for other properties; however, data from renditions may be compared with data obtained from cost manuals to test their accuracy.

Market sales information is collected through a variety of sources including surveys of buyer and sellers, deed record, and from local real estate professionals.

### **Valuation Approach and Analysis**

Improvements are appraised using replacement cost new less depreciation models. 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 diminished utility and comparable sales are found to justify such. A market data model based on typical selling prices per unit of area is also used when appropriate sales information is available.

Land values are based on selling prices for the appropriate highest and best use of the site, and as though it was 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 and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is a statement of opinion, not a statement of fact. It should be noted that residence homesteads' highest and best use is always as a residence according to Texas Property Tax Code Section 23.01(d).

### **Review and Testing**

Field review of appraisal is performed through the regular inspection of subject properties. Ratio studies are preferred by CCAD as the method for measuring performance. The results of the performance measures used indicate the validity of the appraisal models used. Appraisers perform ratio studies annually.

Performance is also measured through comparison with valid single-property appraisal submitted for staff review. Appraisal results are also tested annually by the Property Tax Division of the Texas Comptroller's Office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

## **Multi-Family Properties 2024 Mass Appraisal Report**

### **Overview**

Multi-family properties with sites in this district are appraised at market value as previously defined. Because most multi-family properties are income producing, CCAD is in the process of transitioning to using the income approach in appraising all of these.

## **Assumptions and Limiting Conditions**

The appraised value derived is subject to the following assumptions and limiting conditions:

1. For some multi-family properties only, the market value stated is for land, improvements and the personal property common to the classification and economic area. The business personal property value is insignificant to the overall value.
2. The Collingsworth County Appraisal District's staff and/or contracted appraisers attempt to physically inspect all apartment complexes and duplex properties within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties every three years, unless they are appraised using the income approach, in that case, appraisals are recalculated yearly.
3. For multi-family property that is used to provide affordable housing the property is appraised to comply with Texas Property Tax Code Sec. 23.22 (Jurisdictional exception to Standard 6-2(d) of USPAP)

## **Data Collection and Validation**

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular property or class that has been predefined by CCAD.

The property appraised has multi-family use. This classification of properties includes apartment complexes and duplex properties. Properties of this classification are discovered and their characteristics recorded during field inspections, investigation of building permits issued through political entities, and investigation of mechanical liens recorded with the county clerk. Geographically, these properties are located throughout the county, the majority of which are in the city limits of Wellington.

Specific property data is collected at the time of inspection or re-inspection and through submissions by property owners. Characteristics of a specific property's physical improvements and amenities are recorded and stored electronically and may be printed on an appraisal card(s). Appraisal cards are available for review at the district office.

Sales data is taken from deed records, local real estate professionals, written appraisal reports, and telephone contact with principals. Sales are validated with the principals when possible. Sales data for properties is account-specific and retained electronically.

## **Valuation Approach and Analysis**

Based on the principal of substitution, land values are determined by the selling prices of similarly positioned functional tracts. Sites are analyzed for highest and best use as though they were vacant. Highest and best use of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

A value per unit is charted and stratified by neighborhood and comparative class. A sales value per unit is also charted by neighborhood and comparative class for recent sales. Acceptable ranges of value are established for these comparative units. Preliminary property values are adjusted to meet with agreed ranges and then unique property considerations are addressed.

Value indications are compared to renditions and valid single property appraisal submitted for staff review. The appraiser reviews the appraisal report to confirm and verify data as would be done with a sale. Final value recommendations are tested for reasonableness by performing a sales ratio study and, individually, during the appeal process. During the appeal process, property specific income and expense are reviewed for reasonableness and values are adjusted as necessary.

## **Review and Testing**

Field review of appraisal is performed through the regular inspection of subject properties. Ratio studies are preferred method for measuring performance. The results of the performance measures used indicated the validity of the appraisal models used. Appraisers perform ratio studies annually, though in reality data for ratio studies on multi-family properties is limited in Collingsworth County.

Appraisal results are tested annually by the Property Tax Division of the Comptroller of Public Accounts for the State of Texas. Appraisal methods and procedures are also reviewed by the Property Tax Division. Performance is also measured through comparison with valid single-property appraisal submitted for staff review.

# **Commercial/Industrial Property 2024 Mass Appraisal Report**

## **Overview**

This type of property consists of all land and improvements in Collingsworth County that are classed F1 & F2 commercial/industrial according to the property's highest and best use.

## **Assumptions and Limiting Conditions**

The appraisals completed by CCAD are subject to the following assumptions and limiting conditions:

1. The opinion of value for each property applies to land and improvements only. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
2. The Collingsworth County Appraisal District's staff and/or contracted appraisers attempt to physically inspect all properties within its jurisdiction and normally re-inspect and/or conduct statistical studies on these properties annually. Complete interior inspections have not been done on a majority of the properties.

## **Data Collection and Validation**

Two basic types of data are collected: data which is specific to each property and data which is indicative of a particular property class that has been defined by CCAD.

Property-specific data is collected as part of the inspection process and through submission by the property owner. As part of the inspection process, the improvements are measured and classified. Properties are classified according to construction type and quality. The appraiser also estimates the effective age and condition of the improvements. Any additional or unusual features are also noted at the time of the inspection. Data on individual properties is maintained on the appraisal card(s) for that property. The data includes legal description, sites, owner address, parcel number, and the property-specific information such as class, quality, measurements, condition, etc. Data on individual property is verified through previously existing records, published articles and reports, building permits, mechanics liens, analysis of comparable properties, and through



information obtained from the property owner. Appraisal cards are available for review at the appraisal district office.

Data pertaining to a class of properties is used to develop valuation models for that property class. Such data is collected in a variety of ways. Cost information is obtained from nationally recognized sources, as well as from new construction permits, mechanics liens, local contractors, reliable sources of sales on new property, and renditions submitted by the property owners. Cost information on newly constructed improvements is also used to verify and/or modify costs from published sources. Renditions are confidential submissions by property owners and cannot be used for other properties. However, data from renditions may be compared with data obtained from cost manuals to test their accuracy.

Market sales information is collected through surveys of buyers and sellers in addition to public records.

### **Valuation and Analysis**

Land values are based on selling prices for the appropriate highest and best use of the site analyzed 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 and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

Improvements are valued using replacement/reproduction cost new less depreciation. Cost tables are constructed using published sources as a guide and adjustments are applied using local market information. Adjustments are also applied for functional and economic obsolescence if utilization, sales and income information warrant. An income approach is used when economic and/or subject property income information is available. A market data model based on typical selling prices per unit of similar properties is used when sufficient information is available.

The cost approach to value is most accurate and reliable when appraising new construction. In older areas or areas of transition, cost is calculated and considered. However due to the difficulty of measuring accrued depreciation, more weight is applied to the market and income approaches (when income information is available).

### **Review and Testing**

Field review of appraisal is performed through the regular inspection of subject properties. Although the ratio study is preferred method of measuring performance, single property appraisal submitted to the appraisal staff are also reviewed for appraisal accuracy. Appraisal results are also tested annually by the Property Tax Division of the Texas Comptroller's office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

## **Minerals (Oil and Natural Gas Reserves) 2024 Mass Appraisal Report**

## **Overview**

Minerals-in-place (oil and gas reserves) are real property. Minerals in the District were appraised by Pritchard and Abbott, Inc. for 2024.

### **Assumptions and Limiting Conditions**

Appraisal of oil and gas reserves is based on estimating the present value of economically recoverable reserves of oil and gas. The economic analysis (appraisal) is based on estimating the discounted net present value of the oil and gas production over the economic life of the well(s).

### **Data Collection and Validation**

Texas Railroad Commission records are searched to discover new leases as of January 1 and the legal description information is gathered to determine the locations of the lease within Collingsworth CAD jurisdictional boundaries. Production history, production sale price information, and lease operating information cost gathered as the primary information for the economic analysis.

### **Valuation Approach and Analysis**

Crude oil and natural gas prices are important information in the appraisal of this property. Price analysis and estimates for crude oil and natural gas produced is based on the previous year's average price as per Texas Property Tax Code (Sec. 23.175).

## **Business Personal Property 2024 Mass Appraisal Report**

## **Overview**

Business personal property is the tangible personal property owned by a business or by an individual for the purpose of producing income. Other tangible personal property is exempt according to Sec. 11-14(a) of the Texas Property Tax Code.

### **Assumptions and Limiting Conditions**

The appraisals completed by CCAD are subject to the following assumptions and limiting conditions:

1. The Collingsworth County Appraisal District's staff and or contracted appraisers inspect properties as needed and examine renditions for accuracy, comparing them with the Comptroller's list of active businesses annually.

### **Data Collection and Validation**

Data on new and existing businesses is collected through personal inspection, newspaper articles, government reports, legal documents filed in the county, comparison to like businesses, renditions and other confidential information supplied by the owner.

## **Valuation Approach and Analysis**

Personal property as defined by the Uniform Standards of Professional Appraisal Practice is “identifiable, portable, and tangible objects that are considered by the general public to be personal, e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment: all property that is not classified as real estate.” The Texas Property Tax Code Section 1.04(5) defines tangible personal property as “...personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible objects that constitute evidence of a valuable interest, claim, or right and as negligible or of no intrinsic value.” The Texas Property Tax Code Section 1.04(4) defines personal property as “...property that is not real.”

The purpose of the appraisals of business personal property is to estimate market value on January 1 of each year as previously defined in the introduction. A separate definition of market value for inventory is found in the Texas Property Tax Code Sec. 23.12(a) “...the market value of inventory is the price for which it would sell as a unit to a purchaser who would continue the business.” The Texas Property Tax Code sets forth three ways in which inventory may be valued if the requirements are met:

1. Sec 23.12(f) allows some inventories to qualify for appraisal as of September 1 of the year before January 1 of the taxable year.
2. Sec 23.121, 23.127, 23.1241 and 23.12D dictate that dealers in new and used vehicles, vessels, outboard motors and trailers, manufactured housing, and heavy equipment be valued differently. (Jurisdictional exception to Standard Rule 6-3(b)7(c)).
3. Sec 23.12(a) covers the inventories of remaining businesses.

Personal property is appraised using original cost less depreciation models. 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. (A copy of the CCAD business personal property depreciation schedule for 2021 is shown in the appendix.)

Adjustments for functional and economic obsolescence may be made if utilization of the subject property justifies such. In the case of some business personal property types, such as licensed vehicles and aircraft, market data from published pricing guides is used to construct a market value model. In other cases, models are based on quality and density information available through published sources or through private sources. These models are cost based.

## **Review and Testing**

Field review of appraisals is performed through the inspection of subject properties.

Sales for most types of personal property are infrequent. Furthermore, many market transactions This makes analysis difficult, subjective, and inadequate to develop a statistical analysis. Performance is measured through comparison of like businesses as well as applying quality and density models to units of comparison. Performance is also measured through comparison with valid single-property appraisals submitted to staff review. CCAD’s appraisal methods and procedures and values are subject to review of the Property Tax Division of the Texas Comptroller’s Office.

## **Certification**

I certify that to the best of my knowledge and belief:

- The Statements of fact contained in this report are true and correct.
- The report analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinion, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on the reporting of a predetermined value, or direction in values that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinion, and conclusions were developed, and this report has been prepared in conformity with that Uniform Standards of Professional Appraisal Practice as set forth in Texas law.
- I have not made a personal inspection of all properties that are the subject of this report.
- Appraisers for Pritchard and Abbott, Inc. signed their own certification which is on file at the CCAD office.

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Brittany Jameson, Chief Appraiser

## Appendix B – 2024 Calendar of Key Events

### Calendar of Key Events - 2024 Appraisal

#### 2023

August	Worked changes/splits; examined building permits.
September	Adopted 2024 budget before the 15th.
October	Began inspection of real property within reappraisal area. Mail tax statements.
December	Begin data entry for inspected properties.

#### 2024

January	Begin drive-out for new and existing properties. Mailed applications for productivity valuation, exemptions requiring annual apps.
January - February February	Mailed renditions to business personal property owners. Begin review of business personal property renditions as received. Begin inspections or productivity valuation applications to verify compliance.
March	Begin discovery and inspection of real property. Continued work on inspection of real property, mobile homes.
April	Completed re-drive of real property sales. Completed data entry for inspected properties. Agricultural value tables changed and recalculated. Data entry completed for business personal property. Mailed appraisal notices. CCAD informal hearings began.
June	Clerical updates to appraisal records continued.
July	Appraisal Review Board hearing began and ended Appraisal Review Board approved the 2024 appraisal records. Chief Appraiser certified the appraisal roll.