

MARTIN CAD

S.B. 1652 Biennial Reappraisal Plan

For Tax Years

2023 - 2024

Adopted 9/7/2022 Amended 7/8/2022

TAX CODE REQUIREMENT

Passage of Senate Bill 1652 amended Section 6.05 of the Texas Property Tax code 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 appraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even-numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the Comptroller within 60 days of the approval date.

Plan for Periodic Reappraisal Requirement:

Senate Bill 1652 amends Section 25.18, Subsections (a) and (b) 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:

Market areas for residential properties are delineated within the City of Stanton as well as immediate surrounding areas. Rural residential properties represent another market area. Market areas are in constant review for discrepancies that may need attention. The current economy in Martin County has provided the opportunity for numerous sub-divisions, which also represent unique market areas, most of these being in the rural market.

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.**

****Note - the burden of proof (evidence) of market values and equity falls on the appraisal district.****

**MARTIN COUNTY APPRAISAL DISTRICT
RESIDENTIAL, COMMERCIAL, RURAL, and PERSONAL
PROPERTY 2023/2024 REAPPRAISAL PLAN**

Pursuant to Section 25.18 of the Texas Property Tax Code, the Martin County Appraisal District (MCAD) has established the following reappraisal plan to provide for the reappraisal of all property within the district at least once every three (3) years. The plan establishes a two-fold approach:

1. **Three-Year Cycle:** Martin CAD is divided into three areas for a re-appraisal. Each year, all real, residential and commercial property within one of the areas will be reappraised, regardless of any ratio study/report findings. These areas are identified as follows:

- a. **Area One:** All of the City of Stanton and parcels in Stanton ISD, excluding that area of Stanton ISD that overlaps into Howard County.

That area could be better described: from south to north, as the south county line to mid Blk. 35-1-N, mid Blk. 36-1-N, upper Blk. 37-1-N, upper Blk. 38-1-N, and upper Blk. 39-1-N and from the east Martin County line that borders Howard County to the west Martin County line that borders Andrews County.

- b. **Area Two:** All of Grady ISD.

That area could be described: from south to north, the mid Blk. 35-1-N, mid Blk. 36-1-N, upper Blk. 37-1-N, upper Blk. 38-1-N, and upper 39-1-N to mid Blk 35-2-N, mid Blk 36-2-N, lower Blk 36-3-N, all Dickens CSL, west part of Leagues 252 and 253 Ward CSL, mid Wheeler CSL, mid Hartley CSL, upper Parmer CSL, and lower University Lands, Blk 7, and from 1 mile west of the east Martin County line that borders Howard County to the west Martin County line that borders Andrews County.

- c. **Area Three:** All of Klondike ISD, excluding that area that lies within Dawson County, and all of Sands ISD, excluding those areas of Sands ISD that overlap into Dawson County, Borden County, and Howard County.

Klondike ISD could be described: from south to north, from mid Blk. 35-2-N, mid Blk 36-2-N, lower Blk 36-3-N, east part of 252 and 253 Ward CSL, NE/4 of Lge 245 Dickens CSL, mid Wheeler CSL, mid Hartley CSL, upper Parmer CSL and lower University Lands, Blk 7 to the north Martin County line that borders Dawson County and the east line being the mid Blk 34-3-N, mid Blk. 35-3-N, east Bauer & Cockrell, Blk. A to the west Martin County line that borders Andrews County.

Sands ISD could be described: from south to north as upper Blk. 34-1-N and mid Bauer & Cockrell, Blk. A to north Martin County line that borders Dawson County, and from east Martin County line that borders Howard County to upper Blk. 34-1-N, mid Bauer & Cockrell, Blk. A, west Blk. 34-2-N, mid Blk. 35-3-N and mid Blk. 34-3-N.

All of the boundaries lines described are staggered. Attached are maps that can be a visual to describe the boundaries and outline each school district.

Sec 6.02(a) of the Property Tax Code sets the guidelines for appraisal district boundaries.

1. **Annual Appraisal Process:** In addition to the three year cycle stated above, ratio studies will be performed annually to determine areas or categories of properties within the CAD which need to be reappraised within the current year based on sales ratios. Any areas or categories whose ratios are above or below statutory requirements shall be reappraised in the current year regardless of the area in which they are located.
2. **Depreciation:** Depreciation of 1-2% is used when ratio studies reflect the need for that action. Market in Martin County normally stays on the high side and is a reflection of the oil activity in our County which increases the demand, therefore depreciation is considered annually but is not a requirement in our reappraisal, and does not apply automatically. More often than not, ratio studies require an increase of table costs rather than a decrease.
3. Renditions are sent the latter part of December to all known businesses. Visits are made to each new business to explain the rendition and taxation process. If the renditions are not received in the CAD by May 1, a phone call is made to the business to ask for completion of the form.

This two-fold approach will insure not only that all residential and commercial properties within the CAD are reappraised at least once every three years, but also that all other categories within the CAD are reviewed annually so that the appraisal district stays current with respect to market value in those areas where residential and/or commercial property values appear to be changing rapidly.

Organization

Field inspections are carried out by the chief appraiser and staff. The chief appraiser physically inspects areas required by the reappraisal cycle and rechecks any property within any area on which a question or problem has arisen. The chief appraiser will also make periodic adjustments to building and

market land schedules, and taxable land schedules that will assist in keeping the values within MCAD updated according to the current market. Other duties include checking all existing data, including the County Clerk's records, building permits provided by the City of Stanton, and entering data for new improvements into the computer. These duties and others will be executed by the chief appraiser and assisted by the CAD staff. Data entry of field work notes and sketches is performed by the CAD staff.

The digital mapping system is updated quarterly with regard to owner changes and divided or undivided interests splits. Parcel owner changes will be reflected on the mapping system after changes are sent to the software company for updating, and splits are will be sent to the software company for updating as well. These changes will be made on the tax roll only after the proper deeds, probates, etc. have been filed in the County Clerks office.

2023 Reappraisal and Work Schedule

JANUARY

- Conduct field reappraisals in Area 3 and other parcels of the CAD that have been coded for inspection for the coming tax year, for example, incomplete construction in the last year are rechecked for completion, mobile home parcels are checked each year, new construction is inspected. Data entry is completed by the CTR operator and the chief appraiser
- Property Value Study from the Comptroller's office is reviewed
- Consider exemptions for the current year
- Mail renditions to new and existing businesses
- Set up quarterly installment payments for Over-65 homeowners and Veterans
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Collect and post taxes and interact with taxpayers as needed
- Mail second notice tax statements to unpaid accounts
- Maintain all accounts as needed
- Martin CAD will begin the 5th Method & Assistance Program (MAP)
- Updates to the mapping system are emailed monthly to the system director
- Prepare and send appropriate changes to the Martin County tax office

FEBRUARY

- Continue field appraisals for the current year

- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Collect and post taxes and interact with taxpayers as needed
- Maintain all accounts as needed
- Prepare and send appropriate changes to the Martin County tax office

MARCH

- Continue field appraisals for the current year
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Collect and post taxes and interact with taxpayers as needed
- Run sales ratio studies to determine mass schedule changes
- Maintain all accounts as needed
- Second quarter budget contributions should be received by CAD from appropriate taxing unit
- Prepare and send appropriate changes to the Martin County tax office

APRIL

- Continue field appraisals for current year
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Notify taxing units of the form in which the appraisal roll will be provided by April 1
- Maintain all accounts as needed
- Collect and post taxes and interact with taxpayers as needed
- Publish requirements for filing renditions and availability of forms
- Certify to each taxing unit estimates of taxable value for the coming tax year
- Enter schedule changes as determined
- Publish notices about taxpayer protest procedures and other appraisal district responsibilities such as homestead eligibility and veteran's eligibility, and owners' rights and methods to protest to the ARB
- Contact business owners that have not returned their renditions to the CAD
- Personal property renditions are worked and entered into the software system
- Provide training assistance to new and returning ARB
- Prepare and send appropriate changes to the Martin County tax office

MAY

- Prepare and mail appraisal notices for coming tax year
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Collect and post taxes and interact with taxpayers as needed
- Mail May delinquent tax statements to delinquent taxpayers and make them aware of an additional penalty to be incurred July 1 for attorney's collection costs on unpaid taxes
- Prepare appraisal records to submit to the ARB by May 15
- Begin receiving protests and start informal hearings
- Maintain all accounts as needed
- Return mail from mailing of appraisal notices is worked swiftly and mailed out the second time as quickly as possible
- Prepare and send appropriate changes to Martin County tax office

JUNE

- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Collect and post taxes and interact with taxpayers as needed
- Submit a copy of the preliminary CAD budget to each taxing unit by June 15
- Present preliminary budget to the BOD by June 15
- Maintain all accounts as needed
- Third quarter budget contributions should be received by CAD from the appropriate taxing unit
- Prepare and send appropriate changes to Martin County tax office
- ARB hearings

JULY

- Penalty is applied to delinquent accounts on July 1
- Collect and post taxes and interact with taxpayers as needed
- ARB hearings if not held in June
- Second ARB hearing if needed
- ARB ordered changes are entered into the computer and ARB orders are certified to each protested account
- ARB certifies value for CAD by July 20
- Chief Appraiser certifies values to each taxing unit by July 25
- Maintain all accounts as needed
- Review CD from county clerk to make owner changes for tax roll

- Mail appropriate homestead and 1-D-1 open space forms as needed
- Prepare and send appropriate changes to Martin County tax office

AUGUST

- Chief Appraiser of Martin CAD is the appointed tax assessor for each taxing unit and effective tax rates are calculated for each. Rates are submitted to taxing unit with proper discussion and questions are answered to everyone's satisfaction. An effective tax rate calendar is set up with each taxing unit to fit their scheduled meetings as much as possible. Appropriate publications are prepared and published in a timely manner.
- Collect and post taxes and interact with taxpayers
- Maintain all accounts as needed
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D_1 open space forms as needed
- CAD is responsible for making sure that overlap values and records are sent in a timely manner
- Prepare and send appropriate changes to Martin County tax office
- Publish the time, date, and place of the public hearing for the approval of the CAD budget with required information

SEPTEMBER

- Collect and post taxes and interact with taxpayers
- Maintain all records as needed
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Approved tax rates are submitted to CAD as a collecting office
- Tax rates and other information is submitted to Pritchard & Abbott Inc to begin the printing process of tax statements
- Fourth quarter budget contributions should be received by the CAD from the appropriate taxing units
- Final budget will be presented to the BOD and approved by September 15 with required posting and publishing 10 days prior to hearing
- Tax statements will be prepared, stuffed and mailed by Pritchard & Abbott the first -12 days of October
- Prepare and send appropriate changes to Martin County tax office

OCTOBER

- Collect and post taxes and interact with taxpayers

- Maintain all records as needed
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Return mail from mailing of tax statements is worked swiftly and mailed out the second time as quickly as possible
- Prepare supplemental tax statements as needed
- Prepare and send appropriate changes to Martin County tax office

NOVEMBER

- Collect and post taxes and interact with taxpayers
- Maintain all records as needed
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Prepare supplemental tax statements as needed
- Prepare and send appropriate changes to Martin County tax office

DECEMBER

- Notify Comptroller of eligibility to serve as Chief Appraiser for the new year by January 1
- Collect and post taxes and interact with taxpayers
- Maintain all records as needed
- Review CD from county clerk to make owner changes for tax roll
- Mail appropriate homestead and 1-D-1 open space forms as needed
- Prepare and send appropriate changes to Martin County tax office
- First quarter contributions should be received by the CAD from the appropriate taxing units

2024 Reappraisal and Work Schedule

The same timetable and duties apply in each year, unless legislature passes new laws or changes existing laws. The chief appraiser will perform an on-site inspection of Area 1 and other specified parcels. The chief appraiser and CAD staff will continue to complete the same duties and reappraisal steps as outlined for 2023.

MARKET VALUE

Appraising property at market value is always the number one focus at Martin CAD.

Sec 1.04 states the definition of market value to be as follows:

"Market value" means 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 purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

PERFORMANCE ANALYSIS

Performance Analysis - the equalized values from the previous tax year are analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies of the International Association of Assessing Officers. Mean, median, and weighted ratios are calculated for properties in reporting categories to measure the level of appraisal accuracy. The mean ratio is calculated in each reappraised category. In 2023, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In the 2024 reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In 2023 and 2024, any reporting category that may have been excluded from reappraisal due to lack of data to support reappraisal will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget restraints can impact the cycle of property inspection and personal property on-site review that is accomplished in the 2023-2024 time period.

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current. Each year, real property appraisal depreciation tables are tested against verified sales data to ensure they represent current market data. Any areas considered to be represented incorrectly through the testing process, are adjusted to reflect the market more accurately. Personal property accounts are appraised based on renditions and prior year documentation. Due to lack of sales of personal property in the district, the CAD may use comparables from other CAD's to aide in appraisal of some businesses such as water stations, car washes, and hotels.

PLANNING AND ORGANIZATION

The CAD plans each year are based on the dates set by the State of Texas Comptroller's Property Tax Calendar. This calendar identifies key dates for each area of responsibility for the CAD. Every effort is made by all employees of the CAD to utilize the calendar for the benefit of the CAD, and the progression of the responsibilities of the CAD. Inter-office communication, as well as with the taxing jurisdictions and the soft ware provider, is ongoing to ensure that work is finished in a timely manner. Pritchard & Abbott Inc is contracted for printing tax statements and appraisal notices in a timely manner.

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider, Pritchard & Abbott, Inc. Martin County Appraisal District contracts with the firm of Pritchard & Abbott, Inc for multiple services, and contracts are reviewed by Martin CAD Board of Directors based on expiration of any specific contract in order to ensure that services do not lapse.

Real Property Valuation

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

Cost schedules are tested with market data (sales) to insure the appraisal district is compliant with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well 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. New and/or existing mass appraisal schedules are studied each year. Ratio sales studies are conducted each year and are analyzed to determine if adjustments need to be made for the current year in cost or depreciation schedules. These procedures are compliant with Standard Rule 6, Uniform Standards of Professional Appraisal Practice (USPAP).

Land schedules are updated using current market data (sales) and then tested with ratio study tools. Value schedules are developed and tested on a pilot basis with ratio study tools. Martin CAD contracts with Pritchard & Abbott, Inc to perform these services and to complete the AG budget which determines market and taxable values for the Ag category of the tax roll.

Personal Property Valuation

Renditions are mailed the first days of each calendar year for the beginning tax year to all new and existing businesses that were on the tax roll in the preceding year. This is done to encourage the rendering of business personal property for the upcoming tax year by the owner. This rendition gives the business owner an opportunity to render values that he or she deems appropriate. New businesses are visited on site by the appraiser. The rendition process is explained to the owner and a second rendition, if needed, is left with that owner to fill out and return to the CAD for appraisal review. The account is appraised using data from the rendition and onsite inspection, and when needed, comparable businesses in adjoining appraisal districts. New businesses are found in different ways, including newspaper articles, observation, advertisement, etc.

DATA COLLECTION PROCESS

Specific activities for gathering and appraising property take place each year. These activities include physical inspection of new construction, demolition of properties, remodeling, properties that were unfinished in the last reappraisal year, and specific properties that a taxpayer requests an onsite inspection. Preparation of a tax roll is an ongoing process 52 weeks of the year.

New Construction and Demolition

New construction properties are identified by researching building permits, mechanics liens, observation of construction, and taxpayer request. The City of Stanton provides copies of building permits to the CAD each January for new construction within the City limits. Mechanics liens are researched in the county clerk's office. Grady ISD and Sands ISD, both being rural school districts, are questioned concerning new construction in their respective areas. Properties that were undergoing construction during the last appraisal cycle are revisited to inspect for completion. Every effort is made to ensure that all taxable improvements are appraised and entered on the tax roll. Martin CAD abides by the Code of Ethics Rule #1 that states: "I will be guided by the principle that property taxation should be fair and uniform and I will apply all laws, rules, methods and procedures in a uniform manner to all taxpayers."

Remodeling

Properties having undergone extensive remodeling are identified and inspected to update property characteristic data. Onsite inspections will also be done at the owner's request or as the appraiser deems necessary.

Re-inspection of Problematic Market Areas

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios; or high coefficient of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified. In the absence of adequate market data, normal neighborhood delineation is verified and neighborhood clusters are identified; however, due to the small size of the towns it is impossible to delineate or distinguish between specific neighborhoods, and the entire county must be considered as a whole in general when defining the market area.

Re-Inspection of the Universe of Properties

The International Association of Assessing Officers, *Standard on Mass Appraisal of Real Property*, specifies that the universe of properties should be re-inspected on a cycle of 4-6 years. The re-inspection includes the re-measurement of at least two sides of each improved property. The annual re-inspection requirements for tax years 2023 and 2024 are identified by property type and property classification and scheduled on the key events calendar. The Martin County Appraisal District re-inspects the assigned one-third of the District annually, and any other property upon request or problematic.

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.

MINERAL, INDUSTRIAL, UTILITY, AND RELATED PERSONAL PROPERTY

Martin CAD contracts with Pritchard & Abbott, Inc of Fort Worth, TX to appraise properties in the areas of minerals, industrial, utilities and personal properties related to those accounts. On file in the CAD office is a 2023-2024 Reappraisal Plan submitted by Pritchard & Abbott, Inc for those areas for which they are responsible.

NOTICING PROCESS

Section 25.19 appraisal notices are provided by the IS Provider. The Provider researches the changes mandated by the legislature in order to keep the forms updated. The CAD publishes, in the local newspaper, information about the notices, exemptions available, and how to protest. The appraisal notices are

mailed by first class mail, to each owner. Included in each envelope are the required forms, being a protest form and a copy of the hearing process.

HEARING PROCESS

Informal hearings will be handled by the chief appraiser at the CAD or an appraiser representing Pritchard & Abbott, Inc. The appraiser responsible for review is determined by the category of the account being protested. Protests that cannot come to an agreement with the CAD will be scheduled for a formal hearing. The Appraisal Review Board will hear the protest and make a determination based on evidence submitted by the Chief Appraiser and the owner.

CERTIFICATION

2023 – 2024 Re-Appraisal Plan

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

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are the appraisal staff's personal, unbiased professional analysis, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, save and except the ownership of my personal residence and personal auto 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 value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated results, or the occurrence of a subsequent event.

My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

Personal inspections are made by the Martin CAD appraisal staff and Pritchard & Abbott Inc. appraisal staff.

Persons providing significant professional assistance to the person signing this report are listed below:

NONE

Marsha Graves 8-31-22

Marsha Graves, RPA

Chief Appraiser