

2023 Mass Appraisal Report

Crosby Central Appraisal District

Prepared for the Taxing Entities, CCAD Board of Directors, and General Public of Crosby County, Texas

Prepared by:

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Forward

The Crosby Central Appraisal District has prepared and published this report to provide our citizens and taxpayers with a better understanding of the District's responsibilities and activities. This report attempts to comply with Standard 6 of the Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2012. This report has several parts: a general introduction and then several sections describing the appraisal responsibilities and efforts by the Appraisal District.

The Appraisal District is responsible for the local property tax appraisal and exemption administration for nine taxing jurisdictions in Crosby County which include the school districts of Crosbyton CISD, Ralls ISD, and Lorenzo ISD. Also included are Crosby County, Crosby County Hospital District, High Plains Water District and the cities of Crosbyton, Ralls, and Lorenzo. Where there are shared jurisdictional boundaries, Crosby Central Appraisal District has established procedures whereby ownership and property data/information are routinely exchanged. Appraisers from adjacent Appraisal Districts discuss data collection and valuation issues to minimize the possibility of differences in property characteristics, legal description, and other administrative data.

Each taxing unit, such as the county, a city, school district, etc., sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems and other public services. Appraisals established by the Appraisal District allocate the year's tax burden on the basis of each property's taxable value January 1st. The Appraisal District also determines eligibility for various types of property tax exemptions, such as those for homeowners, the elderly, disabled veterans, charitable, and religious organizations.

The total market and taxable value per taxing entity as of July 25, 2023.

Total Value by Taxing Entity		
Taxing Entity	Market	Taxable
Crosby County	1,226,895,793	438,744,170
Crosbyton CISD	547,283,356	113,101,231
Lorenzo ISD	368,443,005	162,220,701
Ralls ISD	336,692,998	129,092,067
City of Crosbyton	65,011,968	48,924,771
City of Lorenzo	42,213,880	33,866,843
City of Ralls	67,448,918	54,348,542
Crosby County Hospital District	1,226,851,043	465,950,670
High Plains Water District	936,586,236	539,618,403

September 9, 2023
Board of Directors
Crosby Central Appraisal District
109 W Aspen St.
Crosbyton, Texas 79322

Re: 2023 Mass Appraisal Summary Report

Honorable Board Members,

The Appraisal District has finalized the 2023 Mass Appraisal Summary Report prepared for “ad valorem” tax purposes. The report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Texas Property Tax Code (TPTC). The purpose of the appraisal was to establish market value for the subject universe of properties. The individual market value for each item of taxable property comprises the appraisal rolls for the taxing entities served by this office.

The District completed the three (3) functions of the mass appraisal system, which includes reappraisal, data maintenance and value updates. Reappraisal consists of the periodic re-inspection of all properties within the jurisdiction. Data maintenance is the process of capturing and valuing new construction and new subdivisions, and any changes due to building permits. Value updates is the process of annual adjustments applied to all properties using trending factors.

The effective date of the appraisal is January 1, 2023, with the exception of certain inventories in which the property owner elected an appraisal date of September 1, 2022. The effective date of this report is September 9, 2023.

Crystal Hill

Crystal Hill, RPA, License # 75661
Chief Appraiser
Crosby Central Appraisal District

9/9/2023

Date

Introduction

The Crosby Central Appraisal District is a political subdivision of the state. The jurisdictional boundary of the Appraisal District covers 902 square miles. The Constitution of the State of Texas, the Texas Property Tax Code, and The Rules of the Texas comptroller's Property Tax Assistance Division govern the operation of the appraisal district.

Mission Statement

The mission of the Crosby Central Appraisal District is to discover, list and appraise property as accurately, ethically and impartially as possible in order to estimate the market value of all property within the boundaries of the district for ad valorem tax purposes. The district must make sure that each property owner is given the same consideration, information, and assistance. This is accomplished by properly administering the laws under the property tax system and operating under the standards of:

- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD)
- The International Association of Assessing Officers (IAAO) →
- The Uniform Standards of Professional Appraisal Practice (USPAP)

Appraisal District Overview

Appraisal District Personnel Resources

The appraisal district is governed by an eight-member board of directors. The board appoints the chief appraiser who serves at the pleasure of the board. The board also approves the budget and sets policy. The chief appraiser is the chief administrator of the appraisal district and may employ and compensate professional, clerical, and other personnel as provided by the budget.

The chief appraiser may delegate authority to their employees. Crosby Central Appraisal District currently has four employees, chief appraiser, two appraisers and one collection clerk. All appraisers are required to be registered with the Texas Department of Licensing and Regulation (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 approval of a demonstration appraisal, an appraiser is awarded the designation of Registered Professional Appraiser (RPA). There is also a requirement of continuing education units every two years to recertify the RPA designation. Crosby Central Appraisal District currently has one (1) certified appraiser on staff and two (2) employee registered with TDLR working towards their certification.

The Crosby Central Appraisal District appraisal staff stays abreast of current trends affecting property through review of published materials, attendance at conferences, course work, and continuing education. Appraisers are responsible for the discovery, listing, and appraisal of all types of property within the appraisal district boundaries.

The Crosby Central Appraisal District contracts with Thomas Y. Pickett & Co., Inc. to appraise industrial personal property, industrial real property, utility properties (Category J) and mineral accounts (Category G).

Appraisal Records and Data

Crosby Central Appraisal District is responsible for establishing and maintaining 9203 real and personal property accounts covering the entirety of Crosby County. We have two districts that extend into two neighboring counties, Lubbock and Garza, and one school district in another county that has overlapping properties in Crosby County. The data includes property ownership, location, description, characteristics and exemption information. Property characteristics data is reviewed and updated as necessary through annual field efforts. New construction is inspected and documented into appraisal records. Sales are routinely validated during the course of the annual field inspections. General trends in market data are required through various sources, including internally generated questionnaires to buyers and sellers.

Mapping

Crosby Central Appraisal District utilizes a digital Geographic Information System (GIS) which is hosted on the District's server integrated with the Computer Assisted Mass Appraisal (CAMA) system and posted on the District's website at www.crosbycentral.org. The District's GIS vendor for maintenance and updates is Pritchard and Abbott. The GIS is updated on a bi-weekly basis as a matter of course. GIS corrections and special mapping projects are uploaded within two weeks of notification.

Information Systems

The District uses computer software provided by Capitol Appraisal Group for the data processing of all appraisal records, records management system, and website maintenance and operations.

Taxing Jurisdictions

The Crosby Central Appraisal District is responsible for appraising properties within the county boundaries. The following jurisdictions fall within that scope:

Crosby County
Crosbyton Cisd
Ralls ISD
Lorenzo ISD
City of Crosbyton

City of Ralls
City of Lorenzo
Crosby County Hospital District
High Plains Water District

Scope of Appraisal

Subject of Appraisal Report

As noted above, the Crosby Central Appraisal District is charged with the appraisal of all real estate and tangible personal property, unless specifically exempted, within its jurisdiction. More specifically, the Texas Property Tax Code directs, “except as otherwise provided...all taxable property is appraised at its full market value as of January 1st.” Market Value, as defined below, is the type of value the Appraisal District seeks to determine.

Legal Requirements

This mass appraisal is made within the provisions of the Texas Property Tax Code (TPTC).

Administrative Requirements

This mass appraisal is conducted in accordance with the reappraisal plan of Crosby Central Appraisal District for 2023/2024 and the methods and procedures described in the appraisal manuals of the District. Furthermore, the District subscribes to the standards of The Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practices in accordance with Sec. 23.01 (b) of the TPTC.

Client and Intended User

The client and intended users of the appraisals performed by the Appraisal District are the taxing entities that provide services to the citizens of the county.

Properties Identified

The descriptions of the properties included in this appraisal are included in detail within the appraisal records of Crosby Central Appraisal District. These descriptions include, but are not limited to the legal description, situs location, ownership, and detailed listing of the characteristics of the properties. The property identification is contained on the Appraisal Card, which is maintained for each parcel account.

Property Rights Appraised

Most properties are appraised in fee simple interest unless otherwise required by the Texas Property Tax Code. However, restrictions, easements, encumbrances, etc., are considered on an individual basis. Fractional interests or partial holdings are appraised in fee simple for the total property and divided proportionately based on the pro-rated interests. Fee Simple estate is defined by the Dictionary of Real Estate Appraisal 6th Ed., (published by the Appraisal Institute), page 90 as: “An absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” In some properties where existing leases are in place, the Fee Simple interest is appraised subject to leasehold.

Assumptions and Limiting Conditions

The District has taken reasonable steps to secure adequate funding; however fiscal restraints do impact the mass appraisal process. Limited resources and personnel are available to perform the appraisals; therefore, it is not possible to physically inspect every property included

on the appraisal roll every year. Physical inspections are performed at least once every three years. When physical inspections are conducted on real property, they are generally performed with exterior review only. It is assumed that the interior conditions are consistent with the exterior condition. When physical inspections were made for the valuation of personal property, inspections are made of the entire facility if allowed by the owner or management of the business.

Additional Assumptions and Limiting Conditions:

- ❖ The appraisals were prepared exclusively for ad valorem tax purposes.
- ❖ It is assumed that the title to the properties is good and merchantable.
- ❖ No liability is assumed for matters of a legal nature.
- ❖ Assumptions made in the report are based on the best knowledge and judgment of the appraiser and are believed to be typical of the market.
- ❖ All properties are appraised as if free and clear of any or all liens or encumbrances, unless otherwise stated.
- ❖ Existence of hazardous materials or other adverse environmental conditions are not considered, unless otherwise indicated.
- ❖ Any drawings, photographs, plans or plats are assumed to be correct and are included solely to assist in visualizing the property.
- ❖ It is assumed that there is full compliance with all applicable federal, state and local regulations and laws, unless otherwise noted.
- ❖ No responsibility is assumed for hidden or unapparent conditions in the property that may affect its value.
- ❖ It is assumed that all required licenses, certificates of occupancy, consents or other administrative authority from local, state or federal governments can be obtained or renewed for any use on which the value estimate contained in this report is based.
- ❖ A specific survey and analysis of properties to determine compliance with the provisions of the Americans with Disabilities Act has not been performed and possible non-compliance has not been considered in valuing these properties.
- ❖ While it is believed all information included in the appraisal is correct and accurate; the appraiser does not guarantee such.
- ❖ Verification of sales transactions are attempted through the following means: questionnaires to buyer and seller, telephone inquiry, field review or sales data obtained from the Comptroller and other sales data services.

Hypothetical Considerations

There are no hypothetical considerations considered or used in the development of this mass appraisal.

Date of Report

The date of this 2023 Mass Appraisal Report is September 9, 2023.

Documentation for Mass Appraisal

The documentation for this report is contained in the appraisal records, property cards, appraisal manuals, sales ratio studies and supporting data maintained by Crosby Central Appraisal District.

Value Reporting

The final value is reported in the Appraisal Notices that are sent to property owners in May. However, due to the equalization process, the value is subject to change based on the Appraisal Review Board's final ruling.

VALUATION APPROACH

MARKET VALUE

Market value for purposes of this mass appraisal is defined by the Texas Property Tax Code, §1.04(7), which states:

"Market Value" means that price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- ❖ Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- ❖ 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
- ❖ 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.

In regards to inventory held as part of a business, §23.12(a) of the Texas Property Tax Code further provides, in part; "the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business."

The effective date of appraisals is January 1, with the exemption of inventory, which may be appraised at its market value as of September 1. To receive the September 1 appraisal date, a taxpayer must file an application by July 31.

The purpose of and intended use of the appraisals performed by the Crosby Central Appraisal District is to estimate market value for ad valorem tax purposes for the taxing entities located within the boundaries of Crosby Central Appraisal District. It is the goal of the staff of the Crosby Central Appraisal District to provide the best possible service to the tax paying public and the taxing entities. The Crosby Central Appraisal District staff promotes and adheres to the professional standards and ethics as set forth by the Texas Department of Licensing and Regulation, Texas Association of Appraisal Districts, Texas Association of Assessing Officers, and the International Association of Assessing Officers (IAAO).

AREA ANALYSIS

Overview of Types of Properties Appraised

There are four major categories of property appraised by the Crosby Central Appraisal District. These categories are:

1. Real:
 - a. Residential (both single family and multi-family)
 - b. Commercial/Industrial
 - c. Vacant Lots (both residential and commercial)
 - d. Vacant rural land and improvements on rural land
2. Personal:
 - a. Income producing business personal property
 - b. Industrial personal properties
3. Minerals:
 - a. Oil and Gas
4. Utilities:
 - a. Telephone companies
 - b. Electrical companies
 - c. Pipelines
 - d. Misc. other utilities

The Property Tax Assistance Division of the State Comptroller's Office requires properties to be identified by type using a standard identification code. The codes currently used by the Crosby Central Appraisal District are as follows:

- | | |
|----|--|
| A | Real Property: Single-Family Residential |
| B | Real Property: Multifamily Residential |
| C | Real Property: Vacant Lots and Tracts |
| D | Real Property: Qualified Agricultural Land |
| E | Real Property: Rural Land, Not qualified for open-space land appraisal, and Improvements |
| FI | Real Property: Commercial |
| F2 | Real Property: Industrial (Manufacturing) |
| GI | Real Property: Oil, Gas and Other Minerals |
| J3 | Electric Company (Including Co-Op) |
| J4 | Telephone Company (Including Co-Op) |
| J6 | Pipeline Company |
| L1 | Personal Property: Commercial |
| L2 | Personal Property: Industrial (Manufacturing) |
| MI | Mobile Homes |
| S | Special Inventory |
| X | Totally Exempt Property |

HIGHEST AND BEST USE ANALYSIS

The highest and best use of real estate is defined as the most reasonable and probably 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.

The 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, the appraiser must estimate the highest and best use as if the land were vacant. This estimate ignores the value of, and the restrictions created by existing improvements. It is the highest value the land could have if it were available for any legal, physically possible, and economically feasible kind of development.

In determining the highest and best use, preliminary judgments are made in the field by the appraiser. The appraiser is normally aware of zoning regulations within physical boundaries of the county.

Crosby Central Appraisal District property appraisal cards contain information regarding lot size and frontage that allow the appraiser to make judgments on the highest and best use of sites in the field. Economically feasible and most profitable uses are determined by observing surrounding property. However, changes in property use require a more detailed and technical highest and best use analysis. These studies are performed in the office.

MARKET ANALYSIS

National, regional, and local trends affect the universe of properties appraised in Crosby County. An awareness of social, economic, governmental, and environmental conditions is essential in understanding, analyzing, and identifying local trends that affect the real estate market. Market analysis is performed throughout the year. Both general and specific data is collected and analyzed. An in-house ratio study is conducted at least once a year.

Examples of sources of general data include "Trends" issued by The Real Estate Center at Texas A&M University, "The Appraiser" published by The Texas Association of Appraisal Districts, and the "Texas Assessor's News" published by the Texas Association of Assessing Officers. When possible, local sources such as lending institutions, local realtors, the Chamber of Commerce, and articles published in the local and area newspaper are used to obtain financing information, market trends and information, demographics, and labor statistics.

Sales information is received from various sources. Sales confirmation letters are mailed to each buyer and seller when a property changes hands. In addition, sales information is obtained from local realtors, fee/land appraisers, and lending institutions.

County deed records are regularly checked for new real estate transactions. Crosby CAD uses county deed records to generate sale confirmation letters for each buyer and seller to obtain detailed information on the sale. Because full sales disclosure is not mandatory in the State of Texas 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 appraisal district at least once a year.

Crosby Central Appraisal District currently does reappraisals on a three-year basis. The reappraisal includes the inspection of properties and the updating of all information on the properties. The current three-year re-inspection cycle was completed in 2021 for Lorenzo ISD, 2022 for Crosbyton CISD, and in 2023 the appraisal district staff conducted a reappraisal and

inspection of all properties in Ralls ISD. 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. In addition, building permits are obtained and changes to property records are made accordingly. Individual properties are also reappraised with changes to the condition as the property warrants; for example, fire, remodeling, or an addition or demolition of a portion of the improvement.

When performing field work, the appraiser carries property record cards that contain specific information regarding the property being appraised. These cards contain brief legal descriptions, ownership interests, property use codes, property addresses, land size, sketches of improvements as well as any available detailed information of the improvements. A copy of a property record card may be obtained at the appraisal office.

Field inspections require the appraiser to check all information on the property record cards and to update if necessary. If physical inspection of the property indicates changes to improvements, the appraiser notes these changes in the field. Examples of types of changes may be condition or effect age of the improvements as well as additions to the improvements. The classification of residential properties is also reviewed during the revaluation process. New improvements are also added at this time.

Single Family Residences 2023 Summary Report Overview

Single family residences consist of all land and real property improvements which by the nature of their design and/or construction are suitable for single family use only. This includes manufactured homes which 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.

Assumptions and Limiting Conditions

The appraisals completed by Crosby Central Appraisal District for single family residences are subject to the following assumptions and limiting conditions:

1. The Crosby Central Appraisal District's staff has physically inspected all single-family residences in Crosby County and normally re-inspects these properties every three years. Interior inspections have not been done on many of the properties in the county because
 - a. most residential owners are not at their residence during regular business hours,
 - b. permission to inspect is not always granted,
 - c. the safety of the appraiser may be in question, and
 - d. 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 only 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 Section 23.12 shall be considered as inventory and the market value shall be the price

for which it would sell as a unit to a purchaser who would continue the business.
(Jurisdictional exception to Standard Rule 6-4 (b) of USPSP)

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 Crosby Central Appraisal District. 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. The appraiser also estimates the effective age and condition of the improvements. Any additional or unusual features are also noted at the time of inspection. Data on individual properties is maintained on the appraisal card(s) for that property. Data on individual properties is verified through previously existing records, published reports, building permits, analysis of comparable properties, and through submission by the property owner. Appraisal cards are available for review at the appraisal district office. Data pertaining to a class of properties is grouped together according to the differing quality levels, and then used to develop 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 sources 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 buyers and sellers, deed records, 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 were 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.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. A computer assisted statistical review of property value changes is also conducted. Ratio studies are performed and are the preferred method for measuring performance. The results of the performance measures used indicate the validity of the appraisal models used. All appraisers perform ratio studies within the district and review and assist each other in adjusting models to current market information. Performance is also measured through comparison with valid single property appraisals submitted for staff review. Appraisal results are also tested by the Property

Tax Assistance Division of the Texas Comptroller's Office. Appraisal methods and procedures are also reviewed by the Property Tax Assistance Division.

Multi-Family Properties 2023 Summary Report

Multi-family properties with situs in this district are appraised at market value as previously defined.

Assumptions and Limiting Conditions

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

1. For 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. Crosby CAD staff physically inspected apartment complexes for the tax year 2022 in Crosbyton CISD. Duplex properties are inspected by appraisers as they field inspect residential property, typically once every three years.
3. For a multi-family property that is used to provide affordable housing the property is appraised to comply with Texas Property Tax Code Section 23.22 (Jurisdiction 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 class that has been predefined by Crosby Central Appraisal District. 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 periodic field inspections, investigation of building permits issued through political entities, and investigation of mechanic liens recorded with the county clerk. Geographically, these properties are located throughout the county. 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. General market data is gathered from multiple sources. Environmental, economic, political, and social influences vary geographically and by property use. Apartment properties were assigned a comparative classification in the inspection process. Duplexes are classed in compliance with predefined classing criteria.

Valuation Approach and Analysis

Based on the principal of substitution, land values are determined by selling prices for 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. New apartment construction is valued based on actual cost, when available.

If actual costs are not available, national cost manuals are compared to the estimated cost on the building permit.

Duplex properties are appraised by market adjusted cost models. Property classifications are delineated, and each classification's descriptive characteristics are set forth in Crosby Central Appraisal District appraisal manuals. Sales ratio studies are generated for each school district and classification. Neighborhood adjustments are applied as necessary and individual properties are reviewed for reasonableness.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. A computer assisted statistical review of property value changes is conducted. Ratio studies are reviewed for level of appraisal (measurements of central tendency and dispersion), bias, and appropriateness of neighborhood boundaries. Results of the performance measures used to indicate the validity of the appraisal models. Preliminary values are reviewed in consideration of classification and neighborhood. Value indications are compared to renditions and valid single property appraisals submitted for staff review. 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 expenses are reviewed for reasonableness and values are adjusted, as necessary. Appraisal results are tested by the Property Tax Assistance Division of the Comptroller of Public Accounts for the State of Texas. Appraisal methods and procedures are also reviewed by the Property Tax Assistance Division.

Commercial Property 2023 Summary Report Overview

This type of property consists of all land and improvements in Crosby County that are classed "commercial" 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 Crosby Central Appraisal District's staff has physically inspected all properties in the county and normally re-inspect these properties every three years. Complete interior inspections have not been done on many of the properties in the county.

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 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, situs, owner address, parcel number, and the property-specific information such as class, quality, measurements, condition, etc. Data on individual properties 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 their 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 real estate publications, reports, and public records.

Valuation Approach 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 also used when economic and/or subject property income information is available. A market date 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.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. A computer-generated statistical review is also conducted. The statistical report includes appraisal to sales ratio, coefficient of dispersion, and other statistical measures. The performance measures used validate the results of the appraisal model. Appraiser's review and assist each other in adjusting models to current market information. Although the ratio study is the preferred method of measuring performance, single property appraisals submitted to the appraisal staff are also reviewed for appraisal accuracy. The appraiser reviews the submitted appraisal report. Appraisal results are tested by the Property Tax Assistance Division of the Texas Comptroller's Office. Appraisal methods and procedures are also reviewed by the Property Tax Assistance Division. Crosby Central Appraisal District contracts with Capitol Appraisal Group, Inc. for the annual reappraisal of some real property in the commercial and industrial property types. Capitol Appraisal Group, Inc. primarily appraises special purpose real properties that are subject to review by CCAD. Crosby Central Appraisal District also contracts with Capitol Appraisal Group, Inc. for the reappraisal of all mineral properties within the Crosby Central Appraisal District. The summary reports of Capitol Appraisal Group, Inc. for compliance with Standards 6-7 of USPAP are attachments to this document.

Business Personal Property 2023 Summary 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. Crosby Central Appraisal District staff does not personally inspect every business each year. Re-inspection schedules for business personal property are as follows:
 - a. Business are driven to see if they are still in business
 - b. New businesses that are not conducted from residential locations are visited before they are placed on the roll.

Data Collection and Validation

Data on new and existing businesses is collected through personal inspection, newspaper articles, government reports, comparisons to like businesses, renditions, and other confidential information supplied by the owner. Due to the multitude of personal property types, there is no standard data collection form or manual.

Valuation Approach and Analysis

Personal property as defined by the Uniform Standards of Professional Appraisal Practice is "identifiable, portable and tangible objects which 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." Property Tax Code Sec 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 object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value." The Texas Property Tax Code Section 1.04(4) defines personal property as "property that is not real property." 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 an 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 (3) ways in which inventory may be valued if the requirements are met:

- a. 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.
- b. 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) & (c))
- c. 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 creates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization for the subject property justifies such. In the case of some 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 private sources. These models are cost based.

Review and Testing

Field review of appraisals is performed through the inspection of subject properties. A computer assisted statistical review of property value changes is also conducted. Sales for most types of personal property are infrequent. Furthermore, many market transactions occur for multiple sites and include both real and personal property, tangible, and intangible, thereby making analysis difficult, subjective, and inadequate to develop 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 for staff review. Crosby Central Appraisal District appraisal methods and procedures and values are subject to review by the Property Tax Assistance Division of the Texas Comptroller's Office. Crosby Central Appraisal District contracts with Capitol Appraisal Group, Inc. for the annual reappraisal of some business personal property. Capitol Appraisal Group, Inc. primarily appraises special purpose personal property that is subject to review by Crosby Central Appraisal District. The summary reports of Capitol Appraisal Group, Inc. for compliance with Standards 6-7 of USPSP are attachments to this document.

Staff Providing Significant Mass Appraisal Assistance

Crosby CAD Staff

Name	Title	TDLR #
Crystal Hill	Chief Appraiser	75661
Kelly Upchurch	Appraiser	
Kaylynn Rubalcado	Appraiser	

Eagle Appraisal & Consulting Staff

Name	Title	TDLR#
Kudrna, Chris A	Appraiser	72380
White, Amanda	Appraiser	73210
Harvey, Tobin K	Appraiser	77466
Helander, Sandra R.	Appraiser	60318
Hunt, Christopher	Appraiser	75831
Loggins, John	Appraiser	74355
Neill, Charlotte	Appraiser	76571
Norell, Linda S.	Appraiser	73691
Quintana, Everett	Appraiser	72915
Schaffner, Shane	Appraiser	72007
Thornton, Philip	Appraiser	77200
Zamarripa, Martha I.	Appraiser	73734
Zeitler, Gary L.	Owner	60534
Vernor, Dustin R	Appraiser	75125
Martin, Bruce	Appraiser	61340
Lozano, Rufino H	Appraiser	67727

Thomas Y. Pickett Staff

Name	Title	TDLR#
Daniel Shallue	Industrial-Utility-BPP Appraiser	76602
Austin Hixson	Mineral Appraiser	75033
Brooks Barrett	Industrial-Utility-BPP Appraiser	74688
Julie Forte	Mineral Appraiser	64377

Certification Statement

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

- ❖ The statements of fact contained in this report are true and accurate.
- ❖ The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions. They are my personal, unbiased professional analyses, opinions, and conclusions.
- ❖ I have no present or prospective interest in the properties that are the subject of this report, except for those properties that are personally owned, and I have no personal interest with respect to the parties involved.
- ❖ I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- ❖ My compensation is not contingent upon 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 result, 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.
- ❖ I may not have made a personal inspection of each and every property subject of this report.

Crystal Hill

Crystal Hill, Chief Appraiser, RPA, CCA

Crosby Central Appraisal District