

TITUS COUNTY APPRAISAL DISTRICT REAPPRAISAL PLAN

**FOR APPRAISAL YEARS 2025 & 2026
PRESENTED TO BOARD OF DIRECTORS
WITH PUBLIC HEARING HELD ON
July 8, 2024**



Shirley Dickerson

TITUS COUNTY APPRAISAL DISTRICT | 2404 W FERGUSON MOUNT PLEASANT TX 75455

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CODE OF ETHICS

It is the strict policy of this Appraisal District to adhere to the following code of ethics.

- (1) I will be guided by the principal 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.
- (2) I will not accept anything of value from any party other than my employer unless acceptance of something is totally unrelated to my performance and duties as an appraiser, assessor, or collector.
- (3) I will not use information received in connection with my duties as an appraiser, assessor, or collector for my own purposes or for my own gain, unless such information can be known by ordinary means to any ordinary citizen.
- (4) I will not accept an assignment for which it is expected by any party that I will report a predetermined appraised value or report such predetermined values.
- (5) I will not speak or act in a manner or engage in any practice that is dishonest, fraudulent, and deceptive or in violation of law or generally accepted standards or morality.
- (6) I will uphold the honor and dignity of the property tax profession.

EXECUTIVE SUMMARY

Titus County Appraisal District is a political subdivision of the State of Texas established January 1, 1980. This re-appraisal plan and report required by SB. 1652 and is generated to provide to the citizens of Titus County a better understanding of the district's procedures, responsibilities, activities, results, and effects of those activities. The ultimate goal is to obtain an effective and positive result when analyzed by the Property Tax Division of the Comptroller's Office with the annual Property Value Ratio Study Report. This report establishes the position of equity and uniformity for the appraisal districts in the tested property categories.

Titus County Appraisal District is governed by a Board of Directors appointed by the taxing entities. The Board of Directors hires the Chief Appraiser as administrator of the appraisal district. The Property Tax Code is the governor of the legal, statutory, and administrative requirements of the appraisal district. The Comptroller implements rules which are requirements directing the operations of the appraisal district.

The appraisal district is required to appraise all property in its district boundaries for the purpose of local property taxation at market value as of January 1 except as otherwise provided by Sec. 23 of the tax code. Various types of property exemptions are determined by the appraisal district office such as homestead exemptions, charitable or religious exemption, partial and absolute exemptions, and agricultural productivity valuation.

Appraisals are generated with computer assisted mass appraisal programs using recognized appraisal techniques and methods. We compare our data to data gathered from recent cost guides and market sales data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures and subscribes to the standards known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable.

The purpose and requirement for the written reappraisal plan and periodic reappraisal resulted from the passage of SB. 1652 which amended the Tax code as follows:

THE WRITTEN PLAN

According to Section 6.05 of the Tax Code subsection (i):

"To ensure adherence with generally accepted appraisal practices, the Board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the 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 amendments, and by resolution 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."

THE PLAN FOR PERIODIC REAPPRAISAL

Section 25.18 of the Tax code (a) and (b) implements the following:

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

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

(1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps and property sketches;

(2) Identifying and updating relevant characteristics of each property in the appraisal records;

(3) Defining market areas in the district;

(4) Identifying property characteristics that affect property value in each market area

(A) The location and market area of the property;

(B) Physical attributes of the 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 determine 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.

The Titus County Appraisal District makes a determination as to the timing of all reevaluations on an annual basis. This determination will dictate the reappraisal of all property located in the CAD or determine re-appraisal of areas or categories of property located within the CAD such as subdivision, geo-graphical areas, rural areas, commercial areas, residential, vacant lots, etc. Regional divisions of the county ensure the CAD re-inspects and re-evaluates properties as required by the Property Tax Code on the two-year cycle as described in this plan. The endorsement of the appraiser validates the action taken on each property appraisal or re-appraisal. If a property does not change in value this action does not invalidate an action of re-appraisal if the value is endorsed by the appraiser. Any property that has not been re-appraised in the previous year or in the above-described scenario will fall into the category of annual determination of re-evaluation by region.

The reappraisal plan for Titus County Appraisal District is:

1. incorporate the application of proven and professionally acceptable techniques and procedures;
2. provide for the compilation of complete and accurate data and the processing of that data into an indication of value approximating the prices actually being paid in the market place;
3. provide the necessary standardization measures and quality controls essential to promoting and maintaining uniformity throughout the jurisdiction;
4. provide the appropriate production controls necessary to execute each phase of the operation in accordance with a carefully planned budget and work schedule, and
5. provide techniques especially designed to streamline each phase of the operation, eliminating functions, and reducing the complexities inherent in the appraisal process to more simplified but equally effective procedures.

PERFORMANCE ANALYSIS

As procedure have dictated and have occurred in years past, 2025 and 2026 appraisal years will be analyzed with ratio studies from the previous year's values along with the Comptroller's Property Value Study report to determine appraisal accuracy and appraisal uniformity overall with the use of additional market data gathered within and representing each of the state property reporting categories.

In conjunction with the ratio study and the property value study the mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal accuracy. The mean ratio is calculated in each market area to indicate the level of appraisal accuracy by property reporting category. In 2025 and 2026 this analysis will be used to develop the starting point for establishing the level of accuracy on the appraisal performance. The testing result will be an indicator of which properties will need to be addressed with a change and which properties will not need a change. This result can indicate a negative or positive increase or decrease in value.

All ratio calculations are in compliance with the Standard on Ratio Studies from the International Association of Assessing Officers.

ANALYSIS OF AVAILABLE RESOURCES

Data, maps, information systems support, existing practices, budget and employee staffing are all major components required to assist in accomplishing final results necessary to ensure the appraisal district is conforming with the IAAO and USPAP standards and practices when appraising all categories of property.

The ultimate goal is to have the proper employees in key positions with the experience, knowledge and certifications required to perform required duties. The office of the Chief Appraiser is responsible for the planning, organizing, staffing, and coordinating the district operations. The administrative functions are to direct and control the business support functions related to human resources, budget, finance, records management, purchasing, and the retention of fixed assets and facilities. The appraisal department or appraisers are responsible for the valuation of all real and personal property. These categories of property include commercial, residential, business personal, mineral, utilities, and industrial. The district's appraisers are subject to the certification requirements adopted by the Texas Department of Licensing and Regulation which is subject to the provisions of the Property Taxation Professional Certification Act. Support functions include records maintenance, information coordination, formal and informal property protest hearings, and many other citizen contacts.

The appraisal district's staff consists of 11 employees with the following classifications:

Official/administrator (executive level administration) -1

Technicians or appraisers -6

Administrative support -2

Collection clerks - 2

All certified appraisers with an RPA designation are required to receive additional training of a minimum of 30 hours of continuing education units which must be completed within 24 months period before the expiration of the license in order to continue working as a certified appraiser. An employee's failure to comply with this requirement will result in a revoked license and possible termination from the district.

A change in staffing has not been recognized for the 2025 or 2026 appraisal years at the time of this writing. Budget projections do include an open placement for two additional employees, either full-time or part time should the need arise. The utilization of all staff members with their normal allocated assignments will be under continuous observation and adjustments made to duties as deemed necessary and appropriate to complete the reappraisal cycle. Staffing will impact the cycle of real property inspection and personal property onsite review that can be accomplished in the 2025-2026 time period. The appraiser's longevity of employment with the Appraisal district can be a positive or negative effect on accomplishing the goals of re-appraisal. Appraiser's familiarity with the county is a plus to accomplish this demandingly large task.

The Titus County Appraisal District is responsible for establishing and maintaining approximately 28,800 real property accounts. The data that comprises the 28,800 property accounts include property characteristics, ownership, and absolute or partial exemption information.

A digital mapping system maintains parcel maps and various layers of data and aerial photography. The district's website allows a broad range of information available for public access, including information on individual appraisals, property characteristics, certified values, and exemption applications and forms. Aerial photography is an especially helpful tool in determining the productive use of agricultural and timber lands. Aerial photography is purchased approximately every two years to keep the district updated on changes in land composition.

Information system enables the district to maintain and continuously add additional data concerning the 28,800 accounts in the district. The server data base is a Dell Power Edge R640 and includes an additional job server with software support from the software group True Automation. The user base is net-worked to the mainframe using Windows 10 applications. True Automation programmers are updated on all applicable law changes and are continuously updating the software requirements that functions our reporting process as law requirements change.

Annual Budget requirements are presented to the entities before June 15, of each appraisal year requesting the budget needs for the following calendar year. 2024 budget was presented on June 12, 2023. The 2025 budget will be presented on June 10, 2024. A detailed 2024 budget will be attached to the written plan for reference. The 2025 budget will be attached as reference following the adoption of that budget in 2024.

As with any written plan established for any reason, restraints can hinder the targeted goals. Such restraints can include budgetary, staffing, technical issues included but not limited to natural disasters. However, every effort will be exercised to complete the re-appraisal cycles as intended in this document with a positive result accomplished and measured through the Property Value Study and Maps review by the Comptroller's Office. The Board of director's reserves for the appraisal district and the Chief Appraiser the right to amend this plan at any time deemed necessary and take appropriate measures to adjust procedures or plans to accomplish the goal of the plan.

REAPPRAISAL DECISION

Overview

The Titus County Appraisal District, by policy adopted by the Board of Directors and directions given the Chief Appraiser, reappraises approximately one-half of all property in the district every year. A breakdown of the areas to be reappraised is made using regional boundaries and map ID's. Using regions and Map ID's as an area, accounts are totaled within each region. Regions are divided so there is approximately the same number of accounts appraised each year. Only certain regions are appraised in a given year unless market indicators reflect the need to include all properties within the appraisal district boundaries. In any given appraisal year, the Chief Appraiser reserves the right to modify schedules, if in house ratio studies, natural disasters or other information deem re-appraisal necessary for the district as a whole or part of the district not within the regions as described or the time frame allotted to that area, while still ensuring adherence to the overall two-year cycle. The annual appraisal of business personal property, mineral, utilities, industrial, commercial, and special appraisals will continue as described below.

Example:

Year A: 2025 Region 2 described as properties located South of I-30 and Region 2C described as Map ID's 1-10+22.

10,623 parcels plus 8,882 annually totals 19,505

Year B: 2026 Region 1 described as properties located North of I-30 and Region 1C described as map ID's 11-21.

11,096 parcels plus 8,882 annually = 19,978 total See map exhibit attached

A reappraisal year for an area is a complete appraisal of all properties in the district or within the boundaries of the identified regions scheduled for re-appraisal. During the re-appraisal year's staff will discover new construction and remodeling, reinspect properties on the appraisal roll, identify and record changes in property characteristics that affect value and adjust values accordingly. Appraisal District staff will monitor sales and building classifications (i.e., land, improvements) to reflect current market conditions in this district. Review of foreclosure sales within neighborhoods or areas of generally economic depressed regions will be identified and appropriate weight given to determine the market value of those related properties.

If the analysis of collected sales data indicates a market adjustment needs to be made in all areas of the county, both years will be considered as a complete reappraisal year and all properties will be addressed accordingly. This reappraisal results in a mass production of recalculations by adjusting schedules and or depreciation used in the prior years. This adjustment will affect all properties.

PLANNING AND ORGANIZATION

A calendar of events with critical completion dates is prepared for each major work area. The major work areas are defined and identified below. Following the list is a calendar for beginning and processing all key events for appraisal, clerical, and information systems. The following list is not intended to place limitations on the activities involved in a reappraisal. This list is intended to be a guide and reference point for the process. Any activity or process identified as needing attention will become included in the process and be completed within each year cycle.

TAX YEAR 2025

Review sales analysis with current information with ratio reports

Identify properties of Region 2 and Region 2C

Discover new property in Region 1, 1C, 2 and 2C

Identify properties in Region 2 and 2C which need rechecking from prior year

Identify and inspect problematic market areas

Download properties for physical inspection and complete inspections

Identify properties that no longer exist in the district and adjust roll

Identify and update property characteristics

Check models and develop new models if necessary

Change ownership using legal documents

Review properties to remove homestead, agricultural and timber applications

Mass mailing of homestead applications to new owners

Mass mail agricultural and timber application to new owners

Mass mailing of rendition applications

Map properties from deed changes, check boundaries with deed if mapped

Review legal instruments for easements, covenants, leases, restrictions, contracts, declarations,
special assessments, ordinances, or legal restrictions

Mail buyer/seller sales surveys, income expense surveys, agricultural and timber lease surveys

Calculate values

Prepare, plan, and submit budgets for 2026

Prepare, plan, and hold agricultural and timber advisory meetings

Calculate values; mass mail appraisal notices, prepare, plan and hold formal and informal hearings

Certify the appraisal roll

TAX YEAR 2026

Review sales analysis with current information with ratio reports

Identify properties of Region 1 And Region 1C

Discover new property in Region 2, 2C, 1 and 1C

Identify in Region 1 and 1 C properties which need rechecking from prior year

Identify and inspect problematic market areas

Download properties for physical inspection and complete inspections

Identify properties that no longer exist in the district and adjust roll

Identify and update property characteristics

Check models and develop new models if necessary

Change ownership using legal documents

Review properties to remove homestead, agricultural and timber applications

Mass mailing homestead applications to new owners, process returned applications

Mass mail agricultural and timber application to new owners

Mass mailing of rendition applications

Map properties from deed changes, check boundaries with deed if mapped

Review legal instruments for easements, covenants, leases, restrictions, contracts, declarations, special assessments, ordinances, or legal restriction

Mail buyer/seller sales surveys, income and expense surveys, agricultural and timber lease surveys

Prepare, plan, and submit budgets for 2027

Prepare, plan, and hold agricultural and timber advisory meetings

Calculate values; mass mail appraisal notices, prepare, plan and hold formal and informal hearings

Certify the appraisal roll

2025 CALENDAR OF EVENTS

Phase Begin Complete

Administration/Planning Continuous

Training educational Continuous

Data Collection/Discovery:

Collection Deeds, mechanic liens, building permits

Assumed name filings etc. Continuous

Identify, route, inspect by:

Aerial photos, land-based photos, surveys, maps, property sketches, measure, update characteristics, measure, obtain physical attributes, such as size, age, condition, additions, deletions, document legal and economic attributes, recognize easements, covenants leases, reservations, contracts, declarations, ordinances, legal restrictions, recognize other features or characteristics that may affect the property value either positively or negatively, inspect problematic areas from August 2024 to March 2025

Change ownership records - Continuous

Check and develop new models from August 2024 to March 2025

Review exemptions and special appraisal, physical inspection for use from August 2024 to March 2025

Mass Mail exemptions, special appraisal applications, Personal and real property renditions, buyer/seller surveys, lease surveys,

Income and expense surveys from January 2025 April to 2025

Process returned exemptions and other applications or reports from January 2025 to April 2025

Sales Data Gathered Continuous and Data Entry from August 2024 to March 2025

Mapping

Deed processing, ownership changes, check boundaries with deed, map continuous

Valuation Analysis/Processing schedule building/adjustment testing and determining needs

for modifiers or adjustments calculate values, check models develop new models from August 2024 to

March 2025

Appraisal notices from April 1, 2025, to May 15, 2025

Submission of records to ARB May 15, 2025

Hearings Informal April 1, 2025, to May 15, 2025

Hearings formal May 16, 2025, to July 15, 2025

Certify Values July 25, 2025

2026 CALENDAR OF EVENTS

Phase Begin Complete

Administration/Planning Continuous

Training educational Continuous

Data Collection/Discovery:

Collection Deeds, mechanic liens, building permits,

Assumed name filings etc. Continuous

Identify, route, inspect by

Aerial photos, land-based photos, surveys, maps, property sketches measure, update characteristics,

remeasure, obtain physical attributes such as size, age, condition, additions, deletions, document legal

and economic attributes, recognize easements, covenants leases, reservations, contracts, declarations,

ordinances, legal restrictions, recognize other features or characteristics that may affect the property

value either positively or negatively, inspect problematic areas from August 2025 to March 2026

Change ownership records - Continuous

Check and develop new models from August 2025 to March 2026

Review exemptions and special appraisal, physical inspection for use from August 2025 to March 2026

Mass Mail exemptions, special appraisal applications, personal and real property renditions, buyer/seller surveys, lease surveys, income, and expense surveys from January 2026 April to 2026

Process returned exemptions and other applications or reports from January 2026 to April 2026

Sales Data Gathered Continuous and Data Entry from August 2025 to March 2026

Mapping

Deed processing, ownership Changes, check boundaries with deed, map Continuous valuation

Analysis/Processing schedule building/adjustment testing and determining needs for modifiers or adjustments, calculate values, check models, develop new models from August 2025 to March 2026

Appraisal notices from April 1, 2026, to May 15, 2026

Submission of records to ARB May 15, 2026

Hearings Informal from April 1, 2026, to May 15, 2026

Hearings formal from May 16, 2026, to July 15, 2026

Certify Values July 25, 2026

*Throughout both years: Collect, enter, and review sales data as it becomes available, update characteristics of improvements and changes noted by appraisers, make ownership changes as deeds are available, enter/remove exemptions and special use valuation and accounts as they are qualified or no longer qualify. Mail residence homestead exemptions applications to new owners as they are identified by the CAD. Mail surveys resources to collect sales and income data.

Continue to map and identify property in the district. Map spilt outs as deeds are received throughout the year. Properties needing mapping updates have a target date of completion within 180 days of discovery. The issue that may hinder this process includes deed metes and bounds description and deed errors.

The field appraisal staff is responsible for collecting and maintaining property characteristics for classification, valuation, and other purposes. Accurate valuation of real personal property by any method requires a comprehensive physical description of the land and building characteristics. This appraisal activity is responsible for administering, planning, and coordinating all activities involving data collection and maintenance of all commercial, residential, and personal property types located within the boundaries of Titus County and the jurisdictions of the appraisal district. The data collection effort involves the field inspection of real and personal property accounts, as well as entry of all data collected into the existing information system. Upon inspection the responsibility of the appraiser is analyzing condition, age, architectural style, quality of construction, quality of materials, type of construction, remodeled or outdated characteristics, additions, deletions, and any other component that affects value. The goal is to field inspect residential, commercial, and personal properties in the district every two years by regions each containing approximately 20,000 parcels.

Staff Providing Significant Mass Appraisal Assistance:

Chief Appraiser

Deputy Chief Appraiser

Commercial Appraiser

Ag/timber Appraiser

Residential Appraiser

Mapping Staff

Deed Processing Staff

Industrial Appraiser Contract Firm

MASS APPRAISAL SYSTEM

Revisions to cost models, income models and market models are specified, updated, and tested each year or a decision not to change is made depending on the final ratio study results.

Cost schedules are tested with market data (sales) to ensure the appraisal district is in compliance with the Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and comparing cost data from recognized industry leaders such as Marshall & Swift and NADA.

Depreciation tables are updated to adjust for physical, functional, or economic obsolescence. Physical inspections will determine which properties should have one or all of the listed depreciation types.

Models are developed, identified, and updated as to the market location, physical attributes, legal & economic attributes, easements, covenants, restrictions, contracts, and special assessments. Characteristics of current models are updated or modified to represent the testing and analysis of data.

Land tables are updated using current market data (sales) and then tested with ratio study tools. Value modifiers are developed for property categories by market area and tested on a pilot basis with ratio study tools.

Income, expense, and occupancy data is updated in the income models for each market area and cap rate studies are completed using current sales data. The resulting models are tested using ratio study tools.

PERSONAL PROPERTY VALUATION

Density schedules are updated using Marshall & Swift valuation guide. Valuation procedures are reviewed and modified as needed and tested. With the aid of the Titus County Appraisal District calendar the field appraisal staff is responsible for discovering, inspecting, calculating, and evaluating property characteristics of all real and personal property. The goal is to correctly identify all characteristics of property in Titus County and to allocate those characteristics to our models developed as comparable to generate on a mass scale the correct market value for every property located within the appraisal district authority. This process will begin in August

of each year and have a targeted completion date of March 31 with May 15 the target date for personal property of each year. The months of April, May, June, and July are set aside to complete formal and informal hearings of the equalization phase of the appraisal calendar July 25th is the target certification date.

Production standards for field activities and results are tested on a quarterly basis with the use of sales data gathered through MLS listing, buyer and seller questionnaires mailed by the appraisal district, verbal contact with citizens of Titus County, and confirmations of sales activity in warranty deed or county clerks recorded documents. Just as with the annual Property Value Study performed by the Comptroller's Property Tax Division the use of sales and recognized auditing and sampling techniques are used to determine the level and uniformity of property tax appraisal in this district. This process utilizes statistical analysis of sold properties (sales ratio) and appraisals of unsold properties (appraisal ratios) as a basis for assessment ratio reporting. The reported measures include the median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median and price-related differential (PDR) for properties overall and by state category. The ratio study includes stratified samples to improve sample representation for measuring uniformity.

Harris Govern software programming division provides updates of all program calculation adjustments, forms, and computer form revisions that are dictated in legislative sessions or changes in the law. Management assists with the scheduling and processing of these updates in order to be timely effective for the use in the appraisal process.

The mass appraisal process is accomplished by using model calibration. Model calibration involves the process of periodically adjusting the mass appraisal formulae, tables, and schedules to reflect current local market conditions. The basic structure of a mass appraisal model can be valid over an extended period of time, with trending factors utilized for updating the data to current market conditions. If the adjustment process becomes too involved, the model calibration technique can mandate new model specifications or a revised model structure. Many times, this occurs when new construction materials or cost and architectural design develops into an additional class of property.

Cost schedules will be updated with market data (sales) to ensure that the appraisal district is in compliance with the Texas Property Tax Code, Sec. 23.011 (4) requirement of being within 10% of a generally accepted cost data source. Cost models are typically developed based on the Marshall & Swift Valuation Service. Cost models reflect replacement cost new of all improvements. Because a national cost service is used as a basis for the cost models, location modifiers are necessary to adjust these base costs specifically for various types of improvements. The closest known local modifier will be used because a specific modifier for Titus County has not been developed.

Accrued depreciation is the measured loss of value deducted from the replacement cost new on all forms of physical deterioration, functional and economic obsolescence. Estimates of accrued depreciation are calculated for improvements with a range of variable years of expected life based on observed condition with consideration of actual age. Effective and actual ages are noted in our computer assisted mass appraisal system. Effective age estimates are based on the utility of the improvements relative to the scale of its total economic life and its competitive position in the marketplace. Effective age estimates are considered and reflected based on five levels of observed condition.

A depreciation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings on the property data characteristics. These adjustments can be developed via ratio studies or other market analysis and are tied to specific condition adequacy or deficiency, property type or location.

Estimating accrued depreciation and deducting that from the estimated replacement cost new of improvements indicates the estimated contributory value of the improvements. Adding land value, as if vacant, to the contributory value to the improvements indicates a property value by the cost approach.

Land tables are updated using current market data (sales) and then tested with ratio study tools. Value modifiers are developed for property categories by market area and tested with ratio study tools.

Income, expense, and occupancy data are useful tools in producing an income approach to value. The in-come approach is typically used to value property viewed as "income producing" such as duplexes, apartment buildings, storage facilities. The difficulty in gathering this important data has not afforded this district the ability to use this approach on a consistent nor widespread basis. The district will continue to consider this approach to value as information permits. The gathering of income data is a constant process and due diligence is performed to maintain income data to create models to be used in this approach. The income approach is used on the special appraisal process for the agricultural and timber properties. The data gathered and used in this type of appraisal is requested from the Comptroller and is data they have gathered from Texas A&M University which in turn has gathered information from timber mills and suppliers. The agricultural advisory board supplies additional information to comply with the income and expense information requirement about cash leases to determine the agricultural productivity special appraisal.

Capitalization process used in the income approach on agricultural and timber properties is a direct rate provided by Sec. 23.53 and Sec. 23.74 of the Property Tax Code. Capitalization rate for other income producing properties will be derived from the market or band of investment method and nationally recognized publications.

Personal property valuation cost schedules are developed by analyzing cost data from property owner renditions, hearings, state schedules, and published cost guides. The cost schedules are reviewed as necessary to conform to changing market conditions. Most of the information used by the district is generated to the district from the owner in a form of a rendition. Each year's rendition is compared to the last year to verify additions or deletions and to get a better understanding of what the property should exist at the business. The present value factor is used as an express calculation in the cost approach. The present value factor is applied to historical cost as follows:

MARKET VALUE ESTIMATE=PVF X HISTORICAL COST

Historical cost is normally supplied to the CAD via the completed rendition form from the owner of the business. The mass appraisal PVF schedule is used to ensure that estimated values are uniform and consistent and reflect current economic pressures of supply and demand.

DATA COLLECTION REQUIREMENTS

Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific cycle. The specific cycle will be determined annually after appropriate documentation on sales activity, replacement cost new data, and or any other economic catalyst that affects a sufficient number of properties that indicate a complete re-appraisal is necessary. The final result accomplished with this plan is every property being reappraised by law at least once every two years.

The principal source of data collection on new construction and remodeling are generated by building permits and mechanic liens filed with the city and the county. A field effort of driving the county also generates a

constant watchful eye on any new construction or additions that may be added to the property. With the addition of the web connection, property owners themselves are generating and filtering information to the cad about the property description of their individual property.

Data surveys included in the buyer and seller questionnaire when returned is helpful in identifying characteristic that are needed to correctly appraise property and gives to the cad the current sales data. Identifying these characteristics with the sales information aides in the model calibration of properties included in that class or category and identifies problematic areas. Quality of data is emphasized as the goal and responsibility of each appraiser. Sales information is verified by sources such as new owner, seller, Multiple Listing Service is a good source for data characteristics.

Field appraisers perform field activities to ensure the data they have entered into the computer-based system has been maintained and is correct. Data updates and file modification for property descriptions and input accuracy is conducted as the responsibility of the field appraiser.

Texas Railroad Commission and division orders are the source for our mineral appraisals. Personal Property rendition forms are the source of data for commercial property inventories, furniture and fixtures and machinery and equipment. Assumed names filed with county also, generate additional check points for new business personal property.

PILOT STUDY BY TAX YEAR

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 3 years. This re-inspection includes the re-measurement of at least two sides of each improved property.

Sales ratio studies are conducted each tax year by category and market areas. While the universe of market areas is considered to be Titus County, subsets of market areas can be broken out by school districts, cities, lake areas, rural areas, regions one and two, map ID's and neighborhoods. Higher value market areas are identified and include properties along I-30, the lake subdivisions, rural lake areas, and parts of the City of Mt. Pleasant. Moderate market areas cover Chapel Hill ISD and Harts Bluff ISD with Mt. Pleasant ISD having a mixture of high, moderate and low market areas. The lower market areas can be identified as properties located in Pewitt ISD (North-East area of Titus), Rivercrest ISD (North area of Titus), and Daingerfield ISD (South- East of Titus). Market areas are refined to reflect category of properties such as real property with a total of 20,754 parcels, business personal property with 1,907 parcels, commercial properties with 979 parcels, utility property with 313 parcels and mineral property with 5,337 parcels. This count of parcels reflects historical data because the parcel count will change on a regular basis in the normal course of business by adding new property and deleting removed property. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. Discovery of necessary adjustments will be disbursed among the market areas to correctly reflect market conditions in those market areas as described above. These procedures used for model specification and model calibration are in compliance with Uniform Standards of Professional Appraisal Practice, and Standard Rule 6.

The discovery of the necessary adjustments will be disbursed among the above defined market areas which include the following state category codes:

- A. Single Family Residence
- B. Multifamily Residence

- C. Vacant Lots and Tracts
- D. Open Space qualified land and improvements
- E. Rural Improvements and Rural Land not qualified
- F. Commercial and Industrial Real Property
- G. Oil and Gas
- J. Utilities
- L. Commercial and Industrial Personal Property
- M. Mobile Homes
- O. Residential Inventory
- S. Special Inventory
- X. Totally Exempt Property

VALUATION BY TAX YEAR

Calculation of preliminary values enables the district to use the market analysis of comparable sales and gathered cost data to ensure that the ratio study performed in each category of property, neighborhood, and defined market areas generates an acceptable ratio in each segment of property or grouped segment of properties. Properties in selected market areas are updated in non-reappraisal years as well as in re-appraisal years if the ratio results reflect the need for a change. Therefore, the need for re-appraisal year is made on an annual basis and determined by market areas. Every property is re-appraised at least once in every two years. A change may or may not occur depending on the cost data gathered, sales information gathered, or other pertinent information pertaining to the individual property or property characteristics.

All three approaches to value will be considered on all types of properties. The appraiser will determine and select the method that gives the greater weight of market value. Below is an itemization of which approach being common for each type of property and why the other approaches may not generate a representative market value.

RESIDENTIAL REAL PROPERTY

Sales comparison method is the most frequently used method of appraisal for this property.

Cost approach will be used for this property if sufficient sales data cannot be collected or on special use properties.

The income approach will be considered if rental income may be a better indication of value.

SPECIAL INVENTORY RESIDENTIAL PROPERTY

Cost approach to value is the most common usage in this category of property. Developers have the same benefits and rights as individuals with other types of inventories in which they are entitled to have their property grouped as if it were to be sold as a whole. This method is based on the use of cost or market whichever is the lowest.

Sales approach is not used until the developer sales the property and the category changes to a category other than inventory.

Income approach to value is not used on this property because it is not income producing.

MULTIFAMILY RESIDENTIAL PROPERTY

Due to the limited amount of sales activity in this type of property it is not feasible to use the sales comparison approach to value but is always considered if the data is available.

The cost approach would be used to as a comparison to the income approach which would be the best approach to value considering the evidence of income and expense information for properties of this type in this county. The inability to collect income and expense information determines whether the cost approach will be the reliable approach for this county.

Income approach may not be feasible because of the inability to receive documented evidence on true income and expense information in this subject area. Efforts and attempts to collect income data along with maintaining the income data will continue.

COMMERCIAL REAL PROPERTY

Sales comparison approach to value is a limited resource and is not a reliable approach for this group of property when sales are limited in number. Sales data may or may not include a documented value for goodwill without this measure the sales approach may generate a distorted value. The infrequency of sales activity limits the measure in this approach.

Cost approach to value is the most reliable approach to market for this type of property in this county.

Income approach is not used as this approach is for income producing properties. Income approach will be used if data collected can be stored and updated and the property is income producing such as apartments, hotels, motels, etc.

VACANT REAL PROPERTY

Sales comparison approach is the best approach for this type of property and is the most common used approach for this type of property.

Cost approach is not feasible.

Income approach could be used only on those properties that were generating a rental income. This is not the most common used approach in this type of property.

INDUSTRIAL REAL PROPERTY

Sales comparison approach is the best approach for this type of property but because of the limited sale activity in the area information may or may not be readily available.

Cost approach is a valid and sometimes the most effective process to generate a market value.

Income approach is not a common approach to value for this type of property but is always considered.

UTILITIES

Sales comparison approach is not used in this type of property appraisal because of the limited sales activity in the type of property.

Cost approach can and will be considered.

Income approach is the most common approach to value for this type of property.

MINERAL INTEREST

Sales comparison approach is not used in this type of appraisal because of the limited sales activity associated with this type of property.

Cost approach cannot be considered in this type of property.

The income approach is the most reliable approach to value.

SPECIAL VALUATION PROPERTIES

Sales comparison approach is not used in this type of appraisal. This property is appraised based on its ability to generate income. Sales data is limited on this type of property.

Cost approach is not used on this type of property. There is no effective or feasible way to use a cost approach on this type of property.

Income approach is the correct approach used on this type of property because it is an income producing property and is based on the land's ability to generate income.

INDUSTRIAL TANGIBLE PERSONAL PROPERTY

Cost approach to value is the most reliable approach with the aid of renditions that are prepared by the owner giving the historical cost of the items and with the use of indexing the historical value to generate an in use current value.

Income approach is not used as the personal property is not normally used nor produces rental income.

Sales approach is not used due to the limited amount of sales activity in this type of property.

THE MASS APPRAISAL REPORT

The appraisal of a large number of real and personal properties within an established period of time using standardized procedures and subjecting the resulting appraisals to statistical testing is the definition of mass appraisal.

The mass appraisal report is a report prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem appraisal calendar. Since the majority of ad valorem real property appraisal in Titus County is accomplished using mass appraisal techniques, the general standard for appraisal

should reflect compliance with USPAP Standard 6. The signed certificate is compliant with the Standard Rule 6-9 of USPAP. This written reappraisal plan is attached to the Mass Appraisal report by reference.

The scope of work for a mass appraisal includes the following:

1. Identifying properties to be appraised
2. Defining market areas
3. Identifying characteristics that affect the market value
4. Developing a benchmark property that reflects the relationship of characteristics affecting value
5. Calibrating the benchmark
6. Calculate the conclusion of the property being appraised
7. Reviewing the mass appraisal results

The purpose of the mass appraisal completed by Titus County Appraisal District is to estimate fair market value for ad valorem tax purposes. These values are used by the taxing jurisdictions in the county. Ad valorem equates to tax based on value and maintains a consistent appraisal date of January 1 of each year with the exception of some inventories.

Appraisals completed by the appraisal district office are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as through free and clear, under responsible ownership and competent management.
3. All sketches in the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering report unless otherwise specified.
4. All information in the appraisal documents has been obtained by member of the appraisal district staff or other reliable sources.
5. The opinion of value for each property applies to land and improvements. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
6. The appraisals were prepared exclusively for ad valorem tax purposes.
7. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisal, unless directed by, employed by and provided legal counsel by the Titus County Appraisal District.
8. Subsurface rights (minerals and oil) were not considered in making the appraisals.

9. The appraisers have inspected, as far as possible, by observation, the land, and the improvements, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. No representation of this matter is made unless specifically detailed by the owner or approval for inside inspection by the owner.

10. The values generated by the appraisal district are reviewed annually by the Property Tax Division of Comptroller of Public Accounts in order to finalize a Value Study each year for the purpose of the use in TEA state funding calculation.

CERTIFICATION STATEMENT;

"I, Shirley Dickerson, Chief Appraiser for the Titus County Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry and search to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by law."

Shirley Dickerson *7-8-2024*

Chief Appraiser

Date

VALUE DEFENSE

In addition to ratio review the use of sales data, cost data from generally accepted sources, original cost, effective age versus actual age, net operating income (when available, this one source that is very limited) and appraiser reviews property owners are afforded an opportunity to review the appraised values and supporting documentation with the generation of appraisal notices in April and May of each year. This process then begins what is known as the equalization phase.

25.19 appraisal notice forms are reviewed and edited for updates. Updates include the latest copy of Comptroller's Taxpayers Rights, Remedies and Responsibilities in English and Spanish. Titus CAD will mail notices for single family residence homestead properties by April 1st (or as soon thereafter as practicable) and all other properties will be mailed by May 15th (or as soon thereafter as practicable).

The equalization phase begins with the scheduling of formal and informal hearings. The appraisal district appraisers meet individually with the property owners to fulfill the informal process and make justified adjustments to property values. After due diligence in trying to inform the citizens of changes that have occurred with their individual properties it may become necessary to schedule a formal hearing with the ARB. All standards, documentations, and procedures are reviewed to assure compliance with HB201 producing documents to the taxpayer 14 days prior to their formal hearing or meeting with the Appraisal Review Board.

A group of citizens from Titus County are appointed to form the Appraisal Review Board to listen to the concerns, complaints, and evidence of the property owner in trying to determine the correct value of the property. This process is the second phase with the first phase being an informal review between the appraiser and the citizen. If the first phase does not accomplish a pleasing result for the property owner, then he or she has the opportunity to appear before the Appraisal Review Board. After the final determination of the Appraisal Review board the citizen can complete an application for binding arbitration if the value of the

property is less than \$5,000,000 and the appeal pertains to the value issue only. Arbitration may also apply on property over \$5,000,000 if it qualifies as a homestead under Section 11. 13. Other issues and value must be appealed to the District court.

Residential property defense mechanisms will include sales of comparable properties, replacement cost new less depreciation, cost guide information, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property on an appraisal card as they were known at the time of appraisal, pictures, maps with location, and deeds of trust or ownership deeds.

Special inventory residential property defense mechanisms will include the real property rendition generated to the appraisal district by the property owner.

Multifamily residential property defense mechanisms will include sales of comparable properties, re-placement cost new less depreciation, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property on an appraisal card as they were known at the time of appraisal, pictures, location maps, and deeds of trust or ownership deeds.

Commercial real property defense mechanism will include sales of comparable properties, re-placement cost new less depreciation, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property on appraisal card as they were known at the time of the appraisal, pictures, cost guide information, location maps, and deeds of trust or ownership deeds.

Vacant real property evidence will consist of sales comparable when available, location maps, deeds of trust or ownership deeds, and land schedules that reflect value uniformity.

Industrial real property, industrial tangible personal property, utilities, and mineral interest will include sales of comparable properties, replacement cost new less depreciation, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property as they were known at the time of appraisal, pictures, cost guide information, location maps, and deeds of trust or ownership deed.

Business tangible personal property evidence will be generated from the personal property rendition form completed by the business owner and calculation of the square foot method using the comptroller's manual for personal property.

The comparisons grids of similar properties in size, age, construction type and quality with similar values will be used to determine equity level of appraisal along with ratio reports.

It must be noted that no reappraisal program, regardless of how skillfully administered, can ever be expected to be error free. The correction of errors can best be assisted by giving the taxpayer an opportunity to question the value placed upon his individual property and the opportunity to produce evidence that the value is incorrect or inequitable. Errors will be brought to light and taking corrective action will serve to further the objectives of the program.

COMPUTER FORMULAS AND MODELS

Basic model for Real Property:

$$MV = IV + LV$$

MV = Market Value

IV = Improvement or structure value

LV = Land Value

Expanded model:

$$MV = [(IUNIT \times ISIZE) + OR -ADD TIVES \times \% GOOD \times INF] + [(LUNIT \times LSIZE) \times LNF]$$

MV = MARKET VALUE

IUNIT = REPLACEMENT COST NEW PER SQ FT

ISIZE = IMPROVEMENT SQ FT LIVING AREA

ADDATIVES = IMPROVEMENT AMENITIES CONTRIBUTORY VALUES

%GOOD = ALLOWED OR ALLOWABLE DEPRECIATION

INAF = IMPORVEMENT NEIGHBORHOOD FACTOR **IF** MEASUREABLE

LUNIT = LAND VALUE FROM SCHEDULES

LSIZE = LAND PARCEL PER SQ FT, ACREAGE OR FRONT FOOTAGE

LNAF = LAND NEIGHBORHOOD FACTOR **IF** MEASUREABLE

Basic model for personal property:

$$MV = PVFXHCX DF$$

MV = MARKET VALUE

PVF = PRESENT VALUE FACTOR


HC = HISTORICAL COST

DF = DEPRECIATION FACTOR


TITUS COUNTY APPRAISAL DISTRICT
RESOLUTION TO ADOPT
2025-2026 REAPPRAISAL PLANS

Whereas, according to Section 25.18 (c) and Section 6.05 (i) of the Texas Property Tax Code, the Board of Directors of an Appraisal District shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirement of Section 25.18 (c) and Section 6.05 (i) shall hold a public hearing to consider the proposed plan.

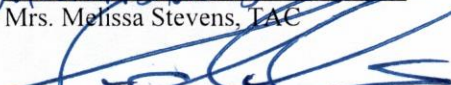
Therefore, on this 8TH day of July, 2024 the Board of Directors of Titus County appraisal District does approve and adopt the attached reappraisal plan for the years 2025 and 2026.



Mr. Hulen "Mike" Reynolds, Chairman



Mrs. Melissa Stevens, TAC



Mr. Joe Lewis, Director



Mr. David Grider, Secretary



Mr. Billy "Buddy" Blue, Director



Mr. Steve Martin, Director

Questions concerning this plan should be addressed to Chief Appraiser, Titus County Appraisal District, P. O. Box 528, 2404 West Ferguson Road, Mount Pleasant, Texas 75455. 903 572-7939.

