Lee Central Appraisal District
Reappraisal Plan



2027 – 2028

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GENERAL OVERVIEW

Lee Central Appraisal District prepares and publishes a reappraisal plan and appraisal report to provide Board of Directors, citizens and property owners with a better understanding of the district's responsibilities and activities. The report has several parts: a general introduction, sections describing the appraisal effort by the appraisal district and calendar of anticipated and mandated dates.

Lee Central Appraisal District (LCAD) is a political subdivision of the State of Texas created effective January 1, 1980. Texas Property Tax Code governs the legal, statutory, and administrative requirements of the appraisal district. Board of Directors, appointed by taxing units within the boundaries of Lee County, constitutes the district's governing body. The chief appraiser, appointed by the Board of Directors, is chief administrator and chief executive officer of the appraisal district.

The appraisal district is responsible for local ad valorem property appraisal and exemption administration for ten (10) jurisdictions or taxing units in the district. Each taxing unit, such as the county, a city, school district, municipal utility district, etc., sets its own tax rate to generate revenue to fund budgeted items as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals and values estimated by the appraisal district allocate the year's property tax burden base of each property's taxable market value.

LCAD also determines eligibility for various types of property tax exemptions such as those for homeowners, elderly and disabled, disabled veterans, charitable or religious organizations and special use value as agricultural productivity/wildlife.

NOTICE TO PUBLIC

It has been the practice of the Lee Central Appraisal District (LCAD) to annually appraise the market value of all properties in our district to ensure compliance with the laws of this state.

REAPPRAISAL PLAN

TAX CODE REQUIREMENT

S. B. 1652 enacted in 2005 by the Texas Legislature, amended the Tax Code to require a written biennial reappraisal plan. The following details the changes to the Tax Code:

THE WRITTEN PLAN

Section 6.05, Tax Code, is amended by adding Subsection (i) to read as follows:

(i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic 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 any amendments and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

PLAN FOR PERIODIC REAPPRAISAL

Subsections (a) and (b), Section 25.18, Tax Code, are amended to read as follows:

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

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

(1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deed or other legal documentation (such as permits, MLS's, etc.), 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, including:

a. The location and market area of the property;

b. Physical attributes of property, such as size, age, quality and condition;

c. Legal and economic attributes; and

d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances or legal restrictions;

(5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;

(6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and

(7) Reviewing the appraisal results to determine value.

VALUATION POLICY (REAPPRAISAL CYCLE)

LCAD board of directors, by approval of this 2027/2028 reappraisal plan, adopts the policy that all property in the district is subject to review annually. Appraisal analysis utilizing trend and market analysis along with statistical measures and physical inspection will be the basis by which properties are reviewed. Maintaining a current market value assessment as of January 1 of all properties is the district's goal.

REAPPRAISAL ACTIVITIES

1. Performance Analysis – the certified values from the previous tax year will be analyzed with ratio studies to determine the appraisal uniformity overall and by market area within property reporting categories. Ratio studies will be conducted in compliance with the current Standard on Ratio Studies of the International Association of Assessing Officers (IAAO).

2. Analysis of Available Resources – Staffing and budget requirements for tax year 2027 are detailed in the 2027 budget, as adopted by the board of directors. Staffing and budget requirements for tax year 2028 will be addressed in the 2028 budget to be adopted in accordance with Section 6.06 of the Property Tax Code.

3. Planning and Organization – A calendar of key events with critical completion dates will be prepared for each major work area. This calendar identifies key events for appraisal, mapping and records, administrative, inquiry, and information systems. A calendar is prepared for tax years 2027 and 2028. Production goals for field activities will be established and incorporated in the planning and scheduling process.

4. Mass Appraisal System – Computer Assisted Mass Appraisal (CAMA) system revisions required will be specified and scheduled with Information Systems. All computer forms and IS procedures will be reviewed and revised as required.

5. Data Collection Requirements – Field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each tax year include discovery and listing of new construction, demolition, and remodeling, re-inspection of problematic market areas and the universe of properties on a three year cycle as feasible and field or office verification of sales data and property characteristics. Re-inspection of properties is to be completed using physical inspection or by other reliable means of identification, including deeds, legal documentation, aerial imagery including change detection (structure footprints), street level photographs, surveys, maps and property sketches.

6. Valuation by Tax Year – Using market analyses of comparable sales, locally tested cost data and income analyses, valuation models will be specified and calibrated in compliance with supplemental standards from the IAAO and USPAP. The calculated values will be tested for accuracy and uniformity using ratio studies.

7. The Mass Appraisal Report – Each year USPAP required mass appraisal report will be prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar.

8. Value defense – The Appraisal District has both burden of proof of market value and equity in both informal and formal hearings. Inspection and/or disclosure of evidence and related materials will comply with Section 41.461 of the Tax Code.

2027 & 2028 REAPPRAISAL PLAN DETAIL

APPRAISAL ANALYSIS & DELIVERY OF NOTICES

In each year covered by the plan, LCAD will conduct a complete appraisal analysis of all properties in the district and will update property values countywide as necessary. The chief appraiser will provide a notice of appraisal for each property in compliance with section 25.19 of the Tax Code. Market areas that have existing values consistent with the market and demonstrate uniformity will be noticed at current year value levels. The activities involved in the appraisal analysis are described below.

PERFORMANCE ANALYSIS

For each tax year, the previous tax year's equalized values will be analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall and by market area within state property reporting categories. Ratio studies will be conducted in compliance with the IAAO Standard on Ratio Studies. Descriptive statistics, such as mean, median and weighted mean ratios will be calculated for properties in each reporting category to measure the level of appraisal accuracy and the coefficient of dispersion (COD) will be calculated to measure appraisal uniformity by property reporting category. This analysis will be used to develop the starting point for establishing the accuracy and uniformity of appraisal performance.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for tax year 2027 are detailed in the 2027 budget as adopted by the board of directors. Staffing and budget requirements for tax year 2028 will be addressed in the 2028 budget to be adopted in accordance with section 6.06 of the Property Tax Code. Staffing will impact the cycle of real property re-inspection and personal property on-site review of what can be accomplished in the 2027-2028 time period.

Existing appraisal practices, which are continued from year to year, will be reviewed and kept current. In each year, real property cost and depreciation tables will be tested against verified sales data to ensure they accurately reflect current market data. Residential analyst staff will evaluate the residential cost and depreciation tables to ensure consistency of data with that of Marshall & Swift, which is a nationally recognized cost service. Commercial analyst staff will update studies of capitalization rates and current market rents to update income models.

Information Systems (IS) support will be detailed with year specific functions identified and system upgrades scheduled. Computer generated forms will be reviewed for revisions based on year and reappraisal status. Legislative changes will be scheduled for timely completion and testing. Existing maps and data requirements will be specified and updates put in production as needed.

PLANNING AND ORGANIZATION

For each year, a calendar of key events with critical completion dates will be prepared for each major work area. The calendar identifies key events for appraisal, administrative, inquiry and information systems. Production goals for field activities will be established and incorporated in the planning and scheduling process.

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions and enhancements will be specified and prioritized with Information Systems. System Change Request forms will be submitted to convey and prioritize any necessary system changes. Legislative mandates will be addressed and implemented into the necessary system applications. All computer-generated forms, letters, notices and orders will be reviewed annually; and revised as required. The following details the procedures as they relate to the 2027 and 2028 Tax Years:

REAL PROPERTY VALUATION

Revisions to cost models, income models, and market models will be specified, updated and tested each tax year.

Cost schedules will be tested with market data (sales) to ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables will be tested for accuracy and uniformity through ratio studies and comparison with cost data from Marshall & Swift.

Land tables, where utilized, will be updated using current market data (sales) and then tested with ratio studies. Value modifiers will be developed for property categories by market area and tested on a pilot basis with ratio studies. Standardized land influence factors for adjusting for differences in physical characteristics (i.e., topography, road frontage, etc.) will be developed from appropriate paired sales analyses derived from the sales used to calibrate the land tables.

Income, expense and occupancy data will be updated in the income model for each market area or property type, and cap rate studies will be completed using current sales data. The resulting models will be tested using ratio studies.

PERSONAL PROPERTY VALUATION

Density schedules, where utilized will be updated as needed using data received during the previous tax year from renditions and hearing documentation. Valuation procedures will be reviewed modified as needed and tested.

APPRAISAL NOTICES

Appraisal notices will be sent in accordance with Tax Code Section 25.19, reviewed for legal sufficiency and correctness. Enclosures will be updated, including the latest version of the comptroller's *Property Taxpayer Remedies.* Real property notices will generally be mailed in late April. Personal property notices will be mailed in mid-May or early June.

HEARING PROCESS

Protest hearing scheduling procedures for informal and formal appraisal review board hearing will be reviewed and updated as required. Standard of documentation will be reviewed and amended as required. The appraisal

district hearing documentation will be reviewed and updated to reflect the current valuation methods and practices. Production of documentation will be tested and compliance with Tax Code requirements will be ensured.

IDENTIFYING & UPDATING RELEVANT CHARACTERISTICS FOR EACH PROPERTY

Field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each tax year include inspection of new construction, demolition, and remodeling, re-inspection of problematic market areas, and periodic re-inspection of the universe of properties.

NEW CONSTRUCTION/DEMOLITION

Field and office review procedures for inspection of new construction will be reviewed and revised as required. Field production standards will be established and quality review will be conducted to verify accuracy of data. Building permits will be received from the cities and input into the Permit database. The process of verifying demolition of improvement will be specified.

REMODELING

Property identified as having remodel or improvement updates will be scheduled for onsite inspection to verify property characteristics data.

MARKET AREA REVIEW

Real property market (neighborhood) areas, stratified by property classification, will be tested for low or high sales ratio, and high coefficients of dispersion. Market areas that fail any or all test will be reviewed. Field reviews will be scheduled to verify and correct property characteristics data. Additional sales data will be researched and verified in order to assess whether the market area is correctly defined and stratified.

MARKET AREA DELINEATION

Market areas are defined by the physical, economic, governmental and social forces that influence property values. The effects of these forces were used to identify, classify, and stratify or delineate similarly situated properties into smaller, more comparable and manageable subsets for valuation purposes.

Delineation may be the physical drawing of neighborhood boundary lines on a map or, it can also involve statistical separation or stratification based on attribute analysis. These homogeneous properties have been delineated into valuation neighborhoods for residential property or economic class for commercial property. Because there are discernible patterns of growth that characterize a neighborhood or market segment, analyst staff will evaluate and redefine the neighborhood boundaries or market segments when necessary; in order to ensure homogeneity of property characteristics. LCAD has three market areas (neighborhoods) defined as Dime Box ISD, Giddings ISD, Lexington ISD.

RE-INSPECTION OF THE UNIVERSE OF PROPERTIES

Texas Property Tax Code, Section 25.18 (b) requires the re-inspection of the universe of properties at least once every three years. The district's re-inspection activity is dictated by the availability of staff. Re-inspection of properties will be completed using a combination of field inspections, aerial photography and office review.

The district is responsible for establishing and maintaining approximately 45,944 parcels that include residential, mobile homes, commercial, agricultural/rural land, industrial properties, business personal property & oil & gas mineral interests covering 629 square miles within Lee Central Appraisal District's jurisdiction.

FIELD OR OFFICE VERIFICATION OF SALES DATA AND PROPERTY CHARACTERISTICS

Texas does not require full disclosure of sales transactions; the district will obtain sales prices through deeds, voluntarily disclosed closing statements or fee appraisals usually submitted as evidence in a protest hearing, buyer and seller mail questionnaires, or third-party sources and real estate web sites. Valid statistical analyses for direct and indirect equalization using sales ratios require the appraisal data to reflect the condition of the property at the time of sale.

VALUATION BY TAX YEAR

Valuation models are specified and calibrated using market analysis of comparable sales and cost data, and market area specific income and expense data. Calculated values are tested for accuracy and uniformity using ratio studies. Property values in all market areas are reviewed for update each year.

RESIDENTIAL REAL PROPERTY

Ratio studies will be conducted on each of the valuation neighborhood in the district to judge the two primary aspects of mass appraisal accuracy – level and uniformity of value. The valuation process for residential property typically begins in September. Land analysis, sales outlier review, neighborhood sales analysis, and finalization of proposed estimates of value will likely occur from September through March.

VALUATION METHODS USED:

COST APPROACH

The district uses a hybrid cost-market approach when valuing single-family and multi-family residential properties. A review and revision as needed of the base cost and additional residential cost schedules will be performed before each reappraisal year. Adjustments will be made for differences from base specifications using the unit-in-place method. Table driven cost factors, taken from Marshall & Swift, a nationally recognized cost estimator, will be adjusted for local or regional differences in construction and labor costs. Neighborhood or location adjustment factors are developed from appraisal statistics provided by ratio studies to ensure the estimated values reflect both the supply and demand side of the market. The following equation denotes the hybrid model used:

$$MV=MA\ [RCN-D]\ +LV$$

Market value equals Market Adjustment applied to Replacement Cost New Less Depreciation, plus Land Value.

Market adjustments will be applied uniformly within neighborhoods to account for location variances between market areas or across a jurisdiction.

Residential land values are estimated based on market sales. Adjustments to land appraisals may be based on parcel size, shape, rights-of-way or easements, slope, drainage issues and when necessary economic

obsolescence. Land values are calculated by any of the various units in place or when data is insufficient to accurately determine the appropriate unit or unit values, by site value.

In saturated Market Areas (Neighborhoods) where there are insufficient vacant land sales available, market area specific adjustment factors for land are calculated based upon ratio studies. The appropriate land adjustment will be determined by calculating the MA required to achieve an appropriate land: total value or land; total sale price ratio. This model may be described in equation form as follows:

$$MV=((RCN-D) +AV) +(L*MA)$$

After this has been completed the ratio study will then be used to determine whether an additional MA is required to adjust the improvement values to accomplish accurate appraisals. The model required to adjust both the improvement and land values may be described in the equation form as follows:

$$MV=[((RCN-D) +AV) *MA] + (L*MA)$$

The sales used to determine the market adjustment factor(s) will reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values. The market adjustment factor(s) calculated for each update neighborhood will be applied uniformly to all properties within a neighborhood and a second set of ratio studies will be generated that compares recent sale prices with the proposed market values for these sold properties. From this set of ratio studies, the analyst will judge the appraisal level and uniformity in both update and non-update neighborhoods.

SALES COMPARISON APPROACH

As indicated in Property Appraisal and Assessment Administration (IAAO, 1990), in the absence of a sale of the subject, sales prices of comparable properties are usually considered the best evidence of market value. The sales comparisons approach models the behavior of the market by comparing the properties being appraised with comparable properties that have recently sold or for or for which offers to purchase have been made. Their sales prices will then be adjusted for differences from the subject and a market value for the subject is estimated from the adjusted sales prices of comparable properties. The district does not use the direct sales comparison approach as a primary method of valuation it is used for verification of market value estimates.

INCOME APPROACH

The income approach is based on the principle that the value of an investment property reflects the quality and quantity of the income it is expected to generate over its life. The value is estimated present value of future benefits, namely income and proceeds from the sale of the property. The appraiser must estimate income from a property and capitalize the income into an estimate of current value.

The model used to estimate the present value of income expected in the future is represented by the following formulas known as IRV.

Value = Income/Rate

Income = Rate x Value

Rate = Income/Value

The income approach is most suitable for types of properties frequently purchased and held for the purpose of producing income, such as apartments, commercial buildings, and office buildings. It is not conductive to the valuation of single-family residential properties that are seldom rented, or where market demand factors such as personal preferences or location unduly influence the market.

INVENTORY RESIDENTIAL PROPERTY

Residential improved and vacant property, when qualified as an inventory, will be appraised in compliance with the Texas Property Tax Code, Section 23.12(a).

In general, the district uses its land value estimates and the actual itemized construction, labor, and material costs, plus other soft or indirect costs to estimate market value as of the assessment date. The market values of improved inventory will be reviewed annually, and inventory consideration will be eliminated when ownership transfers to the individual property owner.

Vacant residential inventory, when appropriate, will be valued using a discounted cash flow formula that considers value relative to the income or cash flow, the interest or discount rate, and the number of years the property is likely to be held. As with improved inventory, full market value will be applied once the vacant land is absorbed and ownership transfers for the purpose of residential construction.

COMMERCIAL REAL PROPERTY

All commercial properties including but not limited to retail properties, apartments, warehouses, medical offices, golf courses, office buildings and mobile home parks will be valued by the cost approach, the income approach, or the sales comparison approach as deemed most appropriate pursuant to Section 23.0101 of the Texas Property tax Code. Ratio studies will be performed to test the level and uniformity of appraisal within specific property use categories.

VALUATION METHODS USED:

COST APPROACH

The cost approach to value will be applied using the comparative unit method. This methodology involves the use of national cost data estimating services as well as actual cost information on comparable properties whenever possible. Cost models are typically developed based on Marshall & Swift Service and cost tables developed from local construction indexes. Cost models include the use of replacement cost new (RCN) of all improvements. The "replacement cost" will be used because it values the cost of a property that is a utility equivalent of the property being appraised using current construction methods and materials. Such costing is contra to "reproduction cost", which is defined as the cost to construct an exact duplicate of the property being appraised. Replacement cost new includes comparative base rates, per unit adjustments and lump sum adjustments. Time and location modifiers will be necessary to adjust cost data to reflect conditions in a specific market and changes in costs over a period of time. National cost estimating service is used as a primary basis for our cost models thus local modifiers will be applied to adjust the base costs specifically for Lee County.

Depreciation schedules will be developed based on what is typical for each property type of a specific age. Depreciation schedules have been implemented for what is typical of each major class of commercial property by economic life categories. Schedules have been developed for improvements with various terms of estimated expected economic life. These schedules will be tested periodically to ensure they will be reflective of current market conditions. The actual and effective ages of improvements will be based on the utility of the improvements relative to the improvement's total economic life and its competitive position in the marketplace.

Market adjustment factors such as external, economic and functional obsolescence will be applied, if warranted. A depreciation calculation override will be applied if the condition or effective age of a property varies from the norm. This override is indicated by appropriately noting the physical condition and functional utility ratings on the property data characteristics. These adjustments will typically be applied to a specific property type or location and will be developed through ratio studies or other market analyses. Accuracy in the development of the cost schedules, condition ratings, and depreciation schedules usually minimize the necessity of this type of adjustment factor.

SALES COMPARISON APPRAOCH

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized not only as a primary method for estimating land value but also in comparing sales of similarly improved properties to each parcel on the appraisal roll. Pertinent data from actual sales of properties, both vacant and improved, will be obtained throughout the year in order to analyze relevant information, which is then used in all aspects of valuation. Sales of similarly improved properties can provide a basis for the depreciation schedules in the cost approach, rates and multipliers used in the income approach, and as a direct comparison in the sales comparison approach. Improved sales will also be used in ratio studies, which afford the analyst an excellent means of judging the present level and uniformity of the appraised values.

Based on the market data analysis and review discussed in the cost, income and sales approaches, the cost and income modes will be calibrated annually. The calibration results will be keyed to the schedules and models in the CAMA system for utilization on all commercial properties in the district.

INCOME APPROACH

The income approach to value will be applied to those real properties that are typically viewed by market participants as “income producing”, which are bought and sold based on the property’s ability to produce income, and for which the income methodology is considered a leading value indicator. The first step in the income approach pertains to the estimation of market rent. This is derived primarily from actual rent data furnished by property

owners and local market study publications. This per unit rental rate multiplied by the number of units results in the estimate of potential gross rent.

A vacancy and collection loss allowance is the next item to consider in the income approach. The projected vacancy and collection loss allowance is established from actual data furnished by property owners and local market publications. This allowance accounts for periodic fluctuations in occupancy, both above and below an estimated stabilized level. The market derived stabilized vacancy and collection loss allowance is subtracted from the potential gross rent estimate to yield an effective gross rent. A secondary income or service income is calculated as a percentage of stabilized effective gross rent. Secondary income represents parking income, escalations, reimbursements, and other miscellaneous income generated by the operations of real property. The secondary income estimate is derived from actual data collected and available market information. The secondary income estimate is then added to effective gross rent to arrive at an effective gross income or EGI.

Allowable expenses and expense ratio estimates will be based on a study of the local market, with the assumption of "prudent management". An allowance for non-recoverable expenses such as leasing costs and tenant improvements will be included in the expenses. A non-recoverable expense represents costs that the owner pays to lease rental space. Different expense ratios will be developed for different types of commercial property based on use. For instance, retail properties are most frequently leased on a triple-net basis, whereby the tenant is responsible for this pro-rata share of taxes, insurance and common area maintenance. In comparison, a multi-tenant office building is most often leased on a base year expense stop. This lease type stipulates that the owner is responsible for all expenses incurred during the first year of the lease. However, any amount in excess of the total per unit expenditure in the first year is the responsibility of the tenant. Under this scenario, the total operating expense in year one establishes the base rate. Any increase in expense over the base rate throughout the remainder of the lease term would be the responsibility of the tenant. As a result, expense ratios will be implemented based on the type of commercial property.

Another form of allowable expense is the replacement of short-lived items, such as roof or floor coverings, air conditioning or major mechanical equipment or appliances requiring expenditures of large lump sums. When these capital expenditures are analyzed for consistency and adjusted, they may be applied on an annualized basis as stabilized expenses. When

performed according to local market practices by commercial property type, these expenses when annualized are known as replacement reserves. Subtracting the allowable expenses (inclusive of non-recoverable expenses and replacement reserves) from the effective gross income yields an estimate of net operating income or NOI.

Rates and multipliers will be used to convert income into an estimate of market value. These include income multipliers, overall capitalization rates, and discount rates. Each of these is used in specific applications. Rates and multipliers also vary between property types, as well as by location, quality, condition, design, age, and other factors. Therefore, application of the various rates and multipliers must be based on a thorough analysis of the market.

Capitalization analysis will be used in the income approach models. This methodology involves the capitalization of net operating income as an indication of market value for a specific property. Capitalization rates, both overall (going-in) cap rates for the direct capitalization method and terminal cap rates for discounted cash flow analyses will be derived from the market. Sales of improved properties from which actual income and expense data are obtained provide a very good indication of what a specific market participant is requiring from an investment at a specific point in time. Additionally, overall capitalization rates can be derived from the built-up method, band-of-investment, debt coverage ratio, and published sources for similar properties, as well as results from verified sales. The capitalization rates relate to satisfying the market return. This information is obtained from real estate and financial publications, as well as cap rate studies conducted by the district using verified sales and income information for that specific property.

Rent loss concessions will be made on specific properties with known vacancy problems. A rent loss concession accounts for the impact of lost rental income while the building is moving toward stabilized occupancy. The rent loss will be calculated by multiplying the rental rate by the percent difference of the property's stabilized occupancy and its actual occupancy. Build out allowances (for first generation space or retrofit/second generation space) and leasing expenses will be added to the rent loss estimate. A leasing expense necessary to bring the property to a stabilized level is also included in this adjustment. The total adjusted loss from these real property operations will be discounted using an acceptable rick rate. The discounted value, inclusive of rent loss due to extraordinary vacancy, build out allowances and leasing commissions, become the rent loss concession and will be deducted from the value estimate of the property at stabilized

occupancy. A variation of this technique allows that for every year that the property's actual occupancy is less than stabilized occupancy a rent loss deduction may be estimated. Conversely, if a property were consistently above the stabilized occupancy level as of the appraisal date, the market would pay a premium for this situation. In this instance, the present value of the excess income over the stabilized level will be added to the value of the property.

INDUSTRIAL REAL PROPERTY

Lee Central Appraisal District contracts with Pritchard & Abbott Inc. Valuation Consultants to appraise these types of properties. Generally, estimates of value developed by Pritchard & Abbott will be provided in late April early May of each Tax Year.

Industrial properties will typically be valued on a cost approach basis since these properties have a low frequency of being bought and sold in the open market compared to commercial and residential properties. In addition, since these properties are owner occupied, the income approach to value will rarely be applicable to industrial properties.

Some special use properties such as amusement facility will be valued in the commercial section. An income approach may be used to value these properties.

VALUATION METHODS USED:

COST APPROACH

The cost approach is most applicable to the valuation of industrial properties. The values will be appropriately adjusted for age and condition and if warranted, additional adjustment will be made for facility utilization. For example, two facilities making the same of similar products will not necessarily have values close together because one facility may have better efficiencies, which makes that facility worth more in the market. The market estimation of the worth of a facility will be taken into account since there will rarely be any similar properties available for comparison under the sales or income approaches to value.

Cost schedules will be tested to ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables will be tested for accuracy and uniformity using cost data primarily from Marshall & Swift.

SALES COMPARISON APPROACH

As previously stated, industrial real property does not have a history of being bought and sold with any regularity in the open market. In fact, most industrial facilities remain just as they are, without changing ownership.

The few sales of industrial facilities that do occur are not typically used as market sales, because the sales are usually part of a merger or acquisition or liquidation and other assets and intangible considerations are part of the sales price, and are not disclosed. There will usually not be enough verifiable sales of standalone industrial properties to have a representative sample of properties to which to compare when valuing industrial properties.

Utility properties, such as electric generation, electric transmission, telephone, and cable systems will rarely be sold in the open market on a stand-alone basis. In other words, when a utility sells, it sells as an entire company, not piecemeal assets. The sale comparison approach is not an appropriate method of valuation.

INCOME APPROACH

Industrial facilities are rarely valued by the income approach to value since they are usually owner occupied. These facilities are usually general commercial structures built to meet an industrial owner's very specific needs over a certain period of time. In other words, an industrial facility is built for that owner's needs and not built to lease out the facility to another industrial user. There are not enough industrial facilities built by industrial users that are leased out to other industrial users to be meaningful universe of properties for valuation purposes, if they can be found at all.

Industrial real property valuation analysis considers all three approaches to value to see which approach is most applicable to the property being valued. Usually, the cost approach is most applicable for the reasons previously given, but if there are any commercial properties that are closely similar to the industrial property being valued, then the approach to value for the commercial property is reviewed to see if its method is suitable for the industrial property being examined.

The income approach is the most valid approach to use in valuing utility properties. The reason is the unit as a whole is being valued and the result apportioned to the component parts of the whole. The worth of this income stream can be compared to other investment opportunities to select the proper capitalization rate to apply to the income stream to estimate the

value of the system. The worth of a utility is the income stream the system will generate compared to alternative investments that may have less risk in the market. The capitalization rate that is used to estimate the value of the income stream from the utility will always have a risk component in the capitalization rate. The usual forms of depreciation will be applied to the valuation and any additional consideration for economic issues will be applied. These factors will usually be reflected in the risk portion of the capitalization rate.

BUSINESS AND INDUSTRIAL PERSONAL PROPERTY

These property types will be valued each Tax Year by appraisal district staff and Pritchard & Abbott Inc. Generally, estimates of value developed by the Pritchard & Abbott will be provided to LCAD in late April or early May of each Tax Year. Notice of appraised value for business and industrial personal property are generally mailed mid-May.

VALUATION METHODS USED:

COST APPROACH

An approach to the valuation of business and industrial personal property is the cost approach. Cost analysis will be developed based on Standard Industrial Classification (SIC) codes. Data will be reviewed to conform to changing market conditions, if necessary.

Cost data is used to derive valuation summaries for specific categories of assets and/or SIC codes. The summaries indicate a range of values for replacement cost new (RCN) per square foot (or applicable unit), where available.

These values will be used to estimate the value of new accounts for which no property owner's rendition is filed. They also establish parameters for testing the valuation of property for which prior years' data exist or for which current year rendered information is available. This approach uses RCN, which is developed from property owner reported historical cost or other sources.

The percent good depreciation factors will be consistent with the depreciation schedules for furniture, fixtures and equipment provided by the Property Tax Assistance Division of the State Comptroller's Office when available. This mass appraisal percent good depreciation schedule is used to ensure that estimated values are uniform and consistent within the

market. RCN and percent good depreciation factors will be utilized to develop value estimates using the following formula:

Market Value Estimate + RCN x Percent Good Factor

SALES COMPARISON APPROACH

Business personal property is typically sold as part of the business as a whole and not by itself, which makes this approach unsuitable for valuing most personal property. This approach is only suitable for the valuation of certain types of vehicles, heavy equipment and airplanes. Value estimates for vehicles will be provided by independent sources and are based on data furnished by National Market Reports. These types of properties will be appraised using published market guides such as NADA book values or Aircraft Bluebook Price Digest.

There are not enough known sales of industrial personal property to have a meaningful population of sales for value comparison purposes. This category of personal property is inclusive of all types at a facility, such as furniture, computers, and machinery. It is typical for personal property to be included in the sale of a facility, instead of being sold separately. There may be subsets of personal property that are sold, but that does not provide the sales of all personal property necessary to make value comparisons under the sales approach.

INCOME APPROACH

The income approach has limited use in the appraisal of machinery, equipment, furniture, fixtures, and leasehold improvements because of the difficulty in estimating future net benefits; except in the case of certain kinds of leased equipment. When reliable data on equipment leases is available, the income approach may be used to estimate fair market value of the equipment.

The income approach is not suitable in the appraisal of industrial personal property because the industrial facility operator in the production of an end service or product is using the personal property. Industrial facilities are not in the business of leasing their personal property to another industrial facility for the production of an end service or product.

UTILITY PROPERTY

LCAD contracts with an engineering appraisal firm Pritchard & Abbott Inc. to provide estimates of value for real and personal property utilities. Generally, these values will be provided to the district mid to late April of each tax year.

VALUATION METHODS USED:

INCOME APPROACH

The income approach is the most valid approach to use in valuing utility properties. The reason is that the unit as a whole is being valued and the result apportioned to the pieces of the whole. The worth of this income stream can be compared to other investment opportunities to select the proper capitalization rate to apply to the income stream to estimate the value of the system. The worth of a utility is the income stream the system will generate compared to alternative investments that may have less risk in the market. The capitalization rate that is used to estimate the value of the income stream from the utility will always have a risk component in the capitalization rate. The usual forms of depreciation will be applied to the valuation and any additional consideration for economic issues will be applied. These factors will usually be reflected in the risk portion of the capitalization rate.

COST APPROACH

The cost approach to value is not conductive to the valuation of utilities because the cost to build a utility facility is very high in today's market. The primary reason being is that there is not enough available land in proximity to population density to make the construction worth doing. Also, the pollution control permitting process which will take months if not years due to objections to the construction in proximity to a population density renders this approach invalid. Few new utilities have been built in recent years that will be of sufficient magnitude to serve a large population, therefore, sufficient cost data is not available to use for valuation comparison purposes.

SALES COMPARISON APPROACH

The sales comparison approach is not an appropriate method of valuation for this property type. Utility properties, such as electric generation, electric transmission, telephone, and cable systems will rarely be sold in the open market on a stand-alone basis. When a utility sells, it sells as an entire company, not piecemeal assets.

MINERALS

Lee Central Appraisal District contracts with Pritchard & Abbott Inc. Valuation Consultants to appraise all oil and gas properties annually.

Identification of new property and its situs – Subsurface mineral properties lie within the earth and cannot be physically identified by inspection like other real property. To identify new properties, Pritchard & Abbott Inc. obtains monthly oil and gas lease information from the Railroad Commission of Texas (RRC) to compare against oil and gas properties already identified. The situs of new properties is determined by using plats and W-2/G1 records from the RRC as well as Pritchard & Abbott in-house map resources.

Identifying and updating relevant characteristics of all oil and gas properties to be appraised – Relevant characteristics necessary to estimate value of remaining oil or gas reserves are production volume and pattern, product prices, expenses borne by the operator of the property and the rate at which the anticipated future income should be discounted to incorporate future risk. Pritchard & Abbott Inc. obtains information to update these characteristics annually from regulatory agencies such as the RRC, the Comptroller of Public Accounts, submissions from property owners and operators, as well as from published investment reports, licensed data services, service for fee organizations and through comparable properties, when available.

Defining market areas in the district and identifying property characteristics that affect property value in each market area – Oil and gas markets are regional, national and international. Therefore, they respond to market forces beyond defined market boundaries as observed among more typical real properties

Developing an appraisal approach that best reflects the relationship among property characteristics affecting value and best determines the contribution of individual property characteristics – Among the three approaches to value, the income approach to value is most commonly used in the oil and gas industry. Through use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and

pattern, product prices, operating expenses and discount rate to determine an estimate of appraised value of an oil or gas property.

Comparison and review – Use of the income approach is the first step in determining an estimate of market value. After that, the appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected payouts and income indicators. The appraiser examines the model's value with its previous year' actual income, expecting value to typically vary within a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of properties among appraiser and review of appraisals by a more experienced appraiser further expand the review process.

Availability of Market data – Market data used in the valuation of a property is available to the CAD and the property owner on request.

SPECIAL USE PROPERTY VALUATION – AGRICULTURAL/TIMBER/WILDLIFE PROPERTY

The appraisal of agricultural land is governed by Chapter 23 of the Property Tax Code. The appraised value of qualified open-space land is determined on the basis of the category of land, using accepted income capitalization methods applied to the average net to land.

Schedules for valuing qualified land have been developed for various agricultural uses. These schedules are reviewed annually and updated as needed using data from recognized sources such as the Texas Agricultural Extension Service as well as local landowners engaged in leasing land for agricultural use. Lee Central Appraisal District contracts with Perdue, Brandon, Fielder, Collins & Mott LLP to develop these schedules.

Timberland will be appraised in a similar method using data furnished by state agencies; however, Lee County does not contain timberland. Wildlife appraisal is revenue neutral, so whatever the previous agricultural use was prior to converting to wildlife management will be the value used.

THE CONCEPT OF LAND

The concept of land is an economic concept. A common understanding of the attributes of land are recognized by appraisers:

- Each parcel of land is unique in its location and composition.
- Land is physically immobile.
- Land is durable.
- The supply of land is finite.
- Land is useful to people.

In real estate appraisals, the emphasis on land is **location**.

Land is valued as if vacant and available for the highest and best use. Similar land recently sold is analyzed and comparisons are made for such factors as size, time, location, and physical characteristics.

In making appraisals for ad valorem tax purposes, it is generally necessary to estimate separate values for the land and the improvements on the land. In actuality, the two are not separated and the final estimate of the property as a single unit must be given prime consideration. However, in arriving at the final estimate of value, aside from the requirements for property tax appraisals, there are certain other advantages in making a separate estimate of value for the land:

> An estimate of land value is required in the application of the Cost Approach. An estimate of land value must be deducted from the total property-selling price in order to derive at indications of depreciation through market data analysis. (Depreciation being equal to the difference between the replacement cost new of a structure and the actual price paid in the marketplace for the structure).
>
> As land is not a depreciable item, a separate estimate of land value is required for bookkeeping and accounting purposes; likewise, the total capitalization rate applicable to land will differ from the rate applicable to the improvements on the land. Since land may or may not be used to its highest potential, the value of land may be completely independent of the existing improvements on the land.

COMPARABLE SALES METHOD

The most frequently used method in estimating the value of land is the **Comparable Sales Method** in which land values are derived from analyzing the selling prices of similar sites. This method is in essence, the application of the

market-data approach to value and all the considerations pertaining are thereto equally applicable here.

The appraiser must select comparable and valid market transactions and must weigh and give due consideration to all the factors significant to value, adjusting each to the subject property. The comparable sites must be used in the same way as is the subject property and subjected to the same zoning regulations and restrictions. It is also preferable, whenever possible, to select compatibles from the same or a similar neighborhood or area. The major adjustments will be to account for variations in time, location, and physical characteristics to include size, shape, topography, landscaping, access as well as other factors which may significantly influence the selling price, such as the productivity of farmland.

Although it is always preferable to use sales of unimproved lots for compatibles, it is not always possible to do so. Older neighborhoods are not likely to yield a sufficient number of representative sales of unimproved lots to permit a valid analysis. In such cases, in order to arrive at an estimate of land values using the comparable sales approach, it is necessary to consider improved property sales and to estimate the portion of the selling price applicable to the structures. The procedure would be to estimate the replacement cost of the buildings as of the date of sale, estimate the accrued depreciation and deduct that amount from the replacement cost resulting in the estimated selling price of the buildings which can be deducted from the total selling price of the property to derive at the portion of the selling price which can be allocated to the land. The equation is as follows:

	Selling Price of Property
-	Estimated Depreciated Value of Buildings
=	Indication of Land Value

In order to apply the comparable sales method, it is first necessary to establish a common unit of comparison. The units generally used in the valuation of land are price per front foot, price per square foot, and price per acre. The selection of any one particular unit depends upon the type of property under appraisement … frontage being commonly used for platted, uniform type lots and square footage and acreage for larger, unplotted tracts, as well as irregularly shaped lots or tracts lacking in uniformity.

The utility of a site will vary with the frontage, width, depth and overall area. Similarly, the unit land values should be adjusted to account for differences in size and shape between the compatibles and the subject property. Since such

an adjustment is generally necessary for each lot, it is beneficial that the appraiser adopts and/or develops standardized procedures for adjusting the lot size and the unit values to account for the variations. Some of the techniques commonly employed are as follows:

STANDARD LOT SIZING TECHNIQUES provide for the adjustment of the frontage width, and depth of irregular shaped lots to make the units of measurement more comparable with uniform rectangular lots.

STANDARD DEPTH TABLES provide for the adjustment of front foot unit values to account for variations in the relative utility value of excessive or insufficient frontage as compared to a predetermined norm.

FRONTAGE TABLES provide for the adjustment of front footage unit values to account for variations in the relative utility value of excessive or insufficient frontage as compared to a predetermined norm.

ACREAGE TABLES provide for the adjustment of acreage unit values to account for variations in the relative utility value of excessive or insufficient acreage as compared to a predetermined norm.

During the process of adjusting the comparable sales to account for variations between them and the subject property, the appraiser must exercise great care to include all significant factors and to properly consider the impact of each of the factors upon the total value. If done properly, the adjusted selling prices of the comparable properties will establish a range in value in which the value of the subject property will fall. Further analysis of the factors should enable the appraiser to narrow the range down to the value level, which is most applicable to the subject property.

THE LAND RESIDUAL TECHNIQUE

In the absence of sufficient market data, income-producing land may be valued by determining the portion of the net income attributable to the land and capitalizing the net income into an indication of value. The procedure is as follows:

1. Determine the highest and best use of the land that may be either its present use, or hypothetical use.
2. Estimate the net income that the property can be expected to yield.
3. Estimate the replacement cost new of the improvements.
4. If the case involves the present use, estimate the proper allowance for depreciation, and deduct that amount from the replacement cost new of the improvements to arrive at an estimate of their depreciated value.
5. Develop separate capitalization rates for the structures and the land.

6. Calculate the income requirements of the improvements and deduct that amount from the total net income to derive that portion of the income that could be attributed to the land.
7. Capitalize the residual income attributable to the land to an indication of value.

COST OF DEVELOPMENT METHOD

This method finds its widest application in the appraisal of huge tracts of undeveloped land suitable for residential, commercial, and industrial development. It is a technique that requires a great deal of data, time, and skill and is therefore generally used only in those cases where an insufficient number of comparable sales are available for analysis. This method involves making estimates of the value of the site fully developed for its highest and most likely use and deducting an estimate of the total cost of developing the site to derive at an indication of its present value. The procedure for employing the method is as follows:

1. Determine the highest and most likely use of the site, including the optimum size of the lots if the use involves subdividing.
2. Estimate the most likely selling price of the development site(s) by the comparable sales method.
3. In cases involving subdividing, determine the optimum number of sites that can be developed.
4. Calculate the aggregate selling price that the developer can expect to receive.
5. Estimate the developing cost to include the cost of improvements, taxes, insurance, engineering fees, interest, advertising, sale, profit, and other related expenditures, and deduct that amount from the anticipated gross sale, to arrive at an indication of the present value of the developed site.

Zoning regulations primarily control a property's use. Existing and potential property uses must be checked against zoning regulations to determine if they are conforming or nonconforming uses. When the present use does not conform to current zoning regulations, the appraiser should consider how this fact might affect property value.

This section is adapted from guidelines provided by the State Comptroller's office to assist in the market valuation of rural lands. Appraised values based on market valuation must be established for all taxable land in each taxing jurisdiction, regardless of whether the land qualified or would qualify for productivity valuation. Market value must be retained for land receiving productivity valuation in the event of rollback purposes. In addition, market

values could be submitted to the Appraisal Review Board for determination of protests.

The rural land market can better be understood by dividing it into three types of markets, each based on the principal factor which influences value. Discussion of these market influences and common examples of each are presented below.

The Production Land Market

The principal factor influencing value of rural land in the production land market is the income potential associated with agricultural production. In the productive capacity of soils, the availability of irrigation water, and the topographic features which influence the ability of a producer to use the land for agricultural purposes.

The Investment Land Market

The principal factor influencing the market value of rural land in the investment land market is the appreciation potential of land investments. The investment land market is not composed strictly of speculators who purchase land with the intent to make a quick profit by resale, but also includes individuals who purchase land for conversion into subdivisions or for other types of development. In addition, the investment land market includes individuals who purchase land as a means of preserving their capital for a later use, or as a hedge against inflation.

The Consumptive Land Market

The principal factor influencing the market value of rural land in the consumptive land market is the satisfaction that land ownership provides. The consumptive land market is often characterized by the purchase of small tracts of land to be used for recreational purposes. For instance, an individual who lives in a city or town may purchase a 10-acre tract of land in a rural area to visit on weekends with his family.

Generally, the value of land located within 200 miles of major population centers is most heavily affected by consumptive market influences.

The most distinctive feature of the rural land market is that all three types of market influences, in combination with supply, establish market values. For this reason, it is important that the appraiser be knowledgeable of the key factors that influence value and of the relative influence each of these factors

has upon value when establishing procedures for the valuation of rural land in a jurisdiction.

ANALYSIS OF THE LOCATION MARKET

From a practical standpoint, using a fee-appraisal approach to appraise each individual tract of land in a jurisdiction is not possible. Fee appraisers make detailed appraisals of individual parcels by obtaining comparable sale of other land in the jurisdiction and adjusting each comparable sale to the subject property to estimate the value of the subject property. In this way, fee appraisers allow market transitions that have occurred regarding other properties to define the market value of the subject property. Common types of adjustments made by fee appraisers to comparable properties in estimating market values of subject properties include adjustments for date of sale, for size of tract, for productivity factors, for improvement value, and for special amenities.

Appraisers must also use market transactions to define factors that influence rural land values in their jurisdiction. However, unlike fee appraisers, we cannot compare each tract individually to each market transaction identified to make adjustments because of the volume of properties to be appraised. We must, therefore, incorporate the factors indicated by market transactions into general standards of schedules of value. Such schedules are normally comprised of per acre prices that will be multiplied by the number of acres in an individual tract to develop an estimate of the value of the tract. Schedules of this kind should be divided into as many categories or classes as are necessary to reasonably reflect market values when applied to individual tracts of land found in the jurisdiction.

CLASSIFICATION AND VALUATION OF RURAL LAND

The following steps are essential to the development of a sound system for valuation of rural lands:

1. Obtain a general overview of current selling prices of rural land in the jurisdiction. Identify the factors that influence market values and the relative importance of each.
2. Obtain as many verified sales of rural land in the jurisdiction as possible. Identify the terms of each sale to ensure that only arms-length transactions are considered.
3. Adjust sales prices for time, terms, and improvements, when warranted.
4. Identify each sale by location on a map of the jurisdiction.

5. Classify the adjusted sales into groups based on the principal factors influencing value. Possible groupings include influences based on:
    a. location, such as by areas, distance from city or town or from road frontage;
    b. productivity factors, such by soil type or by availability of water; and
    c. size of tract
6. Develop preliminary valuation schedules based on the per-acre selling price of the schedules based on the per-acre selling price of the adjusted sales and the market influences identified.
7. Test the schedules against the sale used in the development to determine their effectiveness and make revisions where necessary.
8. Develop appraisal cards for individual parcels that include those items of information necessary for application of the schedule.
9. Apply the valuation schedules to individual parcels to estimate market values.

As has been indicated above, the first step in the mass-appraisal process regarding rural land is to become familiar with the selling prices of land and the market influences at work in the jurisdiction. This can be accomplished through discussion with any number of individuals, including local realtors and property owners.

The second step is to gather as many sales of rural land as possible within the jurisdiction and to verify them as bona fide transactions. Each sale must be adjusted for time, improvements, and size of tract, special amenities, crops, and location when appropriate.

When the sales have all been adjusted to a common base, each should be plotted on a map. This will help the appraiser analyze the data by allowing him to see all of the sales locations simultaneously. The entire data set should then be analyzed to determine the key factors that have caused differences in selling prices. In most rural areas, the use of land in and for agriculture will be the key factor. Irrigated cropland and orchards will usually have the highest value, followed by dryland, cropland, then native pastureland or rangeland. There is currently no timberland located in Hill County. The majority of agricultural land is used for cropland and improved pasture.

THE MASS APPRAISAL REPORT

Each tax year, the mass appraisal report is prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar. The mass appraisal report is completed in compliance with USPAP Standard Rule 6-8. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6-9.

VALUE DEFENSE

The appraisal District, to meet its burden of proof for market value and equity in both informal and/or formal appraisal review board hearings, will rely on data in its possession or data obtained from other sources, as appropriate. Inspection and/or disclosure of evidence and related materials will comply with Section 41.461 of the Property tax Code. Disclosure of such data will be compliant with statutory confidentiality requirements.

ADDENDUM

APPRAISAL CONTRACTORS

Industrial Real and Personal, Mineral & Utility:

Pritchard & Abbott Inc.6950 Empire Central Drive
Houston, Texas 77040
(832) 243-9600

Agricultural Land Values:

Perdue, Brandon, Fielder, Collins & Mott LLP
3301 Northland Drive, Suite 505
Austin, Texas 78731
(512) 302-0190

2027 & 2028 Residential Calendar of Events												
	Aug	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**
Land Analysis												
Neighborhood Delineation												
Re-inspection/Sales Validation												
Sales Ration Analysis/Validation												
New Construction /Discovery												
New Construction Value Review												
Appeal of Property Value study												
New Subdivisions												
Split-outs/Combinations												
Jurisdiction Estimates												
Prior Year Correction Hearings												
Prior Year Corrections												
Field Checks												
Current Year Hearings												

2027 & 2028 Commercial/Industrial Calendar of Events												
	Aug	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**
Land Analysis												
Re-inspection												
Income & Expense Data												
Valuations												
Sales Analysis												
Permit Research												
New Construction/Discovery												
New Construction Value Review												
Appeal of Property Value Study												
Split-outs/Combinations												

Property Category Summary

The following appraisal categories are included in the district's property records. Each category is identified by its state property code, a brief description, and the corresponding parcel or account count.

Code	Property Category	Count
A	Single-family residence	3,176
B	Multifamily residence	88
C1	Vacant lots and land tracts	765
D1	Qualified open-space land	7507
D2	Improvements on qualified open-space land	2393
E	Rural land, non-qualified open-space	5318
F1	Commercial real property	859

F2	Industrial and manufacturing real property	49
G1	Oil and gas	17837
J1	Water systems	24
J2	Gas distribution systems	6
J3	Electric company property	23
J4	Telephone company property	26
J5	Railroad property	31
J6	Pipeline company property	242
J7	Cable television company property	13
J8	Other utility property	7
L1	Commercial personal property	905
L2	Industrial and manufacturing personal property	351
M1	Tangible other personal property, including mobile homes	1132
S	Special inventory tax	8
X	Totally exempt property	706

Prior Year Correction Hearings												
Prior Year Corrections												
Current Year Hearings												

2027 & 2028 Personal Property Calendar of Events												
	Aug	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**
Appraisal Contractors:												
Assign Accounts												
Deliver estimates of value												
Re-inspection/Discovery												
Valuation:												
Develop and Test Schedules												
Rendition Review/Finalize Values												
Prior Year Correction hearings												
Prior Year Corrections												
Current Year Hearings												

2027 GIDDINGS ISD REAPPRAISAL
NEIGHBORHOODS & PROPERTY COUNT

GCBA0-60	GCFA61-90	GRBA91-C	GRFF0-60	290EF	1G2	3G4
GCBA61-90	GCFA91-C	GRBF0-60	GRFF61-90	290EFC/FF	1G3	3G5
GCBA91-C	GCFF0-60	GRBF61-90	GRFF91-C	290EFCITY	1G4	4G1
GCBF0-60	GCFF61-90	GRBF91-C	GRFG0-60	CBD1	1G5	4G2
GCBF61-90	GCFF91-C	GRBG0-60	GRFG61-90	CBD2	1G6	4G3
GCBF91-C	GCFG0-60	GRBG61-90	GRFG91-C	CBD3	2G1	4G4
GCBG0-60	GCFG61-90	GRBG91-C	E290/SF-1	CC	2G2	4G5
GCBG61-90	GCFG91-C	GRFA0-60	E290/SF-2	DUPLEX	3G1	5G1
GCBG91-C	GRBA0-60	GRFA61-90	E290/SF-3	GTINY	3G2	5G2
GCFA0-60	GRBA61-90	GRFA91-C	EZ COM GI	1G1	3G3	5G3

A	SINGLE FAMILY RESIDENCE	2,125		J3	ELECTRIC COMPANY	13
B	MULTIFAMILY RESIDENCE	73		J4	TELEPHONE COMPANY	19
C1	VACANT LOTS AND LAND TRACTS	494		J5	RAILROAD	30
D1	QUALIFIED OPEN-SPACE LAND	3,969		J6	PIPELAND COMPANY	198
D2	IMPROVEMENTS ON QUALIFIED OP	1,274		J7	CABLE TELEVISION COMPANY	9
E	RURAL LAND, NON QUALIFIED OPE	2,806		J8	OTHER TYPE OF UTILITY	6
F1	COMMERCIAL REAL PROPERTY	648		L1	COMMERCIAL PERSONAL PROPE	657
F2	INDUSTRIAL AND MANUFACTURIN	21		L2	INDUSTRIAL AND MANUFACTURIN	290
G1	OIL AND GAS	17,086		M1	TANGIBLE OTHER PERSONAL, MOB	715
J1	WATER SYSTEMS	15		S	SPECIAL INVENTORY TAX	8
J2	GAS DISTRIBUTION SYSTEM	4		X	TOTALLY EXEMPT PROPERTY	472
					TOTAL	**27,462**

2028 LEXINGTON ISD REAPPRAISAL
NEIGHBORHOODS & PROPERTY COUNT

BARN	LCBG61-90	LRBA61-90	LRFF61-90	7L4	4L5	2L1
CL	LCBG91-C	LRBA90-C	LRFF91-C	7L3	4L4	1L2
CLCOM	LCFA0-60	LRBF0-60	LRFG0-60	7L2	4L3	1L1
CLEXSQ	LCFA61-90	LRBF61-90	LRFG61-90	7L1	4L2	1L
CLHWY77	LCFA91-C	LRBF91-C	LRFG91-C	6L2	4L1	1G1
LCBA0-60	LCFF0-60	LRBG0-60	LTINY	6L1	3L5	1D4
LCBA61-90	LCFF61-90	LRBG61-90	MWH	5L3	3L4	1D3
LCBA91-C	LCFF91-C	LRBG91-C	LX3	5L2	3L3	1D2
LCBF0-60	LCFG0-60	LRFA0-60	LX2	5L1	3L2	1D1
LCBF61-90	LCFG61-90	LRFA61-90	LX1	4L8	3L1	
LCBF91-C	LCFG91-C	LRFA91-C	BP	4L7	2L3	
LCBG0-60	LRBA0-60	LRFF0-60	7L5	4L6	2L2	

A	SINGLE FAMILY RESIDENCE	1,051		J2	GAS DISTRIBUTION SYSTEM	2
B	MULTIFAMILY RESIDENCE	15		J3	ELECTRIC COMPANY (INCLUDINC	10
C1	VACANT LOTS AND LAND TRACTS	271		J4	TELEPHONE COMPANY (INCLUDI	7
D1	QUALIFIED OPEN-SPACE LAND	3,538		J5	RAILROAD	1
D2	IMPROVEMENTS ON QUALIFIED	1,119		J6	PIPELAND COMPANY	44
E	RURAL LAND, NON QUALIFIED O	2,512		J7	CABLE TELEVISION COMPANY	4
F1	COMMERCIAL REAL PROPERTY	211		J8	OTHER TYPE OF UTILITY	1
F2	INDUSTRIAL AND MANUFACTURI	28		L1	COMMERCIAL PERSONAL PROPE	248
G1	OIL AND GAS	751		L2	INDUSTRIAL AND MANUFACTURI	61
J1	WATER SYSTEMS	9		M1	TANGIBLE OTHER PERSONAL, MC	417
				X	TOTALLY EXEMPT PROPERTY	234
					TOTAL	9,507