

# Parmer County Appraisal District

305 3<sup>rd</sup> Street  
P.O. Box 56  
Bovina, TX 79009

## Mass Appraisal Report 2021



## *Our Mission,*

*The mission of Parmer County Appraisal District is to discover, list and appraise property as accurately, ethically, and impartially as possible in order to estimate the market value of all property with the boundaries of the district for ad valorem tax purposes. The effective date of each appraisal is January 1<sup>st</sup>, unless the property owner has elected to have their business personal property appraised as of September 1<sup>st</sup>. The district must make sure each taxpayer is given the same consideration, information, and assistance as the next. This will be done by administering the laws under the property tax system and operating under the standards of:*

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

## **Purpose**

The purpose of this report is to better inform the property owners within the boundaries of the Parmer County Appraisal District (CAD) and to comply with Standards Rule 6-7 of Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2021 – December 31, 2021. Standards Rule 6-7 addresses a written summary report of a mass appraisal for ad valorem taxation. Mass appraisal is the process of valuing a group of properties as of a given date, using standard methods, and employing common data, which allows for statistical testing. The intended use of the appraised values is to establish a tax base upon which a property tax will be levied. Each taxing unit within Parmer County Appraisal District boundaries will use the appraised values for ad valorem tax purposes only.

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

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

## **Responsibilities**

The Parmer County Appraisal District is responsible for local property tax appraisal and exemption administration for eight (13) taxing units. The taxing units within the boundaries of the Parmer County Appraisal District are:

- Parmer County
- FM Road
- City of Friona
- City of Farwell
- City of Bovina
- Parmer County Hospital District
- Farwell Hospital
- Muleshoe Area Hospital
- High Plains Groundwater Water District
- Friona I.S.D.
- Bovina I.S.D

- Farwell I.S.D.
- Lazbuddie I.S.D.

The Parmer County Appraisal District certified 10,271 parcels with at total market value of \$1,678,487,266 for 2021. The following are those parcels and values by property type:

<b>Code</b>	<b>Property Type</b>	<b>Parcel Count</b>	<b>Market Value</b>
A	Single Family Homes	2400	166,054,085
B	Multi Family Homes	41	4,020,385
C	Vacant Lot	337	1,914,272
D1	Qualified Ag Land	2744	609,543,077
D2	Non-Qualified Ag Land	635	13,793,851
E	Farm & Ranch Improvements	1683	116,358,409
F1	Commercial Real Property	336	29,176,008
F2	Industrial Real Property	130	261,364,205
G	Oil & Gas	0	0
J	Utilities	239	136,872,399
L1	Commercial Personal Property	431	38,854,316
L2	Industrial Personal Property	208	178,380,909
M1	Tangible Personal Mobile Home	42	748,312
O	Residential Inventory	0	0
S	Special Inventory	10	1,792,553
X	Total Exempt Property	394	81,910,1421

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

The Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec.23.23), productivity (Sec.23.41), and real property inventory (Sec.23.12), dealer inventory (Sec.23.121, 23.124, 23.1241. and 23.127), and nominal (Sec.23.18) or restricted use properties (Sec.23.83). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1<sup>st</sup> of the year preceding the tax year to which the appraisal applies by filing an application with the Chief Appraiser requesting that the inventory be appraised as of September 1<sup>st</sup>.

The Texas Property Tax Code, under sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real and personal property at least once every three years. The district's current policy is to conduct an onsite inspection of real estate on a three-year cyclical. However, appraised values are reviewed annually and are subject to change for purposes of equalization. Personal property, business personal property, industrial property, complex commercial property, and utility property values are reviewed or reappraised every year. (See Reappraisal Plan)

The appraisal value of real estate is calculated using specific information about each property. Using computer-assisted appraisal programs, and recognized appraisal methods and techniques, we compare that information with the data for similar properties, and with recent market 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 promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. In cases where the appraisal district contracts for professional valuation services, the contract that is entered into by each appraisal firm requires adherence to similar professional standards.

### **Personnel Resources**

The office of the chief appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of district operations. The Administration Department's function is to plan, organize, direct, and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities, and postal services. The Appraisal Department is responsible for the valuation of all real and personal property accounts. The property types appraised include commercial, residential, business personal and industrial. The Appraisal Department is also responsible for the following support groups: review appraisal, productivity valuation, and special audit. The district's appraisers are subject to the provision of the Property Taxation Professional

Certification Act and must be duly registered with Texas Department of Licensing and Regulations. Support functions including records maintenance, information, and assistance to property owners, and hearings support are coordinated by support service department.

The appraisal district staff consists of three (3) full-time employees & one (1) part-time employee

- Chief Appraiser
- 1 Full-Time Appraiser
- 1 Full-Time Office Manager
- 1 Full-Time Clerk/ Deeds

All appraisers are required to be registered with the Texas Department of Licensing & Regulation (TDLR). TDLR registration requires that each appraiser must successfully complete a five-year educational program and pass a required number of course hours within a specified time. Additionally, all appraisers must pass review exams at levels three and four of the certification programs. After successfully completing the required curriculum and approval of a demonstration appraisal, an appraiser is awarded the designation of Registered Professional Appraiser (RPA). There is also a requirement of at least 30 hours of continuing education units every 2 years in order to recertify the RPA & RTA designations. The Parmer County Appraisal District staff stays abreast of current trends affecting property through review of published materials, attendance at conferences, course work, and continuing education.

The Board of Directors of the Parmer County Appraisal District has contracted with Pritchard & Abbott, Inc., an appraisal firm to appraise all Single-Family Residential, Multi-Family Residential, Vacant Lots and Tracts, Agricultural Land Schedules, Market Land Schedules, Farm and Ranch improvements, Commercial, Industrial, (Manufacturing), Industrial Personal Property, Mobile Home Schedules and Miscellaneous improvement schedules, Utility Companies within the boundaries of the appraisal district and conduct ratio studies.

### **Information Systems**

Parmer County Appraisal District implements many technologies as part of the information system. A centralized server is utilized to house all institutional data. This server runs the most current version of Microsoft Windows Server 2019 standard. This file/application server runs as a virtual machine, utilizing Microsoft Hyper-V virtualization technology, for disaster recovery purposes. A SQL Server database is used for the core application. Client workstations consist of Windows systems running Windows 10. All patches are updated and installed automatically. Antivirus software is installed on each computer on the network. Antivirus updates and scans are scheduled to run automatically. Network, Hardware, and Software support is outsourced to True Automation, BIS Consulting and Paradigm Technologies.

### **Shared Appraisal District Boundaries**

Due to passing of House Bill 1010, the appraisal of property ends at the county line.

Parmer CAD has overlapping properties with Castro, Deaf Smith and Bailey Counties. By agreement, Parmer CAD honors the appraised values from Castro and Bailey for the overlapping properties within their Appraisal Districts, and, also by agreement Parmer CAD provides values to Deaf Smith County for the overlapping properties within their Appraisal District.

### **Philosophy Statement**

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

The Parmer County Appraisal District exists for the purpose of providing services to the property owners and taxing units within our jurisdiction. It is important that we recognize our responsibility to provide quality services on a cost-effective basis. Every property owner should be approached in a respectful, positive, and friendly manner. Property owners should be assisted in a timely and courteous fashion. Parmer County Appraisal District employees have an obligation as public servants to promote goodwill toward all property owners, not only in manner but also by example.

Because of the nature of our work, not every property owner will be pleased with the outcome of his or her contact with Parmer County Appraisal District. What is important is that everyone who meets with our office should have reason to feel that a knowledgeable and qualified person handled his or her matter in a fair and equitable manner.

### **Assumptions and Limiting Conditions**

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Parmer County Appraisal District.
4. All properties are appraised in fee simple interest in accordance with Texas Property Tax Code Section 25.06. (Jurisdictional Exception to Standards Rule 6-4 (c) and 6-5 (c) of USPAP.

5. All sketches in the appraisal records are intended to be visual aids with rounded measurements and should not be construed as surveys or engineering reports, etc.
6. Members of the appraisal district's staff, or other reliable sources have obtained all information in the appraisal records.
7. The appraisal staff or Pritchard & Abbott, Inc. staff have inspected, as permitted, by observation, the land, and the improvements thereon; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters, unless specifically considered in an individual appraisal.
8. All interior inspections are performed at the property owner's request by appointment. All other inspections performed are external and assume the quality; condition and desirability of the interior are approximately equal to that of the exterior, unless otherwise known.
9. Agricultural land is appraised at market value using a market data model based on market sales information. However, it may also be subject to appraisal using an income model specified in Section 23, Sub-chapters C, D, and E of the Property Tax Code. (Jurisdictional Exception to 6-4 (b) of USPAP)
10. Subsurface rights (oil, gas, and other minerals) are not considered in making these appraisals.
11. Due to the lack of zoning the highest and best use for property is normally considered to be its current use.

The following summary reports are presented to be more specific about the appraisal of various property types within Parmer County Appraisal District.

## **Single-Family Residences 2021 Summary Report**

### **Overview**

Single-family residences consist of all land and real property improvements, which by the nature of their design and/or construction are suitable for single-family use only. This includes manufactured homes, which are classified as real property when the owner of the land is also the owner of the manufactured home and personal property when the owner of the manufactured home does not own the land.

### **Assumptions and Limiting Conditions**

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



1. The Parmer County Appraisal District's staff and appraisers with Pritchard & Abbott, Inc. have physically inspected all single-family residences within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties annually. Interior inspections have not been done on a majority of the properties in the jurisdiction because (1) most residential owners are not at their residence during regular business hours, (2) permission to inspect is not always granted, (3) the safety of the appraiser may be in question, and (4) respect for privacy rights of the property owner should be exercised.
2. The opinion of value for each single-family property applies to land and improvements only. The value of personal property of an owner has not been included with the value of the real estate. The only personal property that is valued as an improvement is a manufactured home where the owner of the home does not own the land. See Sec 11.14 (a) of the Texas Property Tax Code.
3. Residential real property inventory as defined by the Texas Property Tax code in Section 23.12 shall be considered as inventory and the market value shall be the price for which it would sell as a unit to a purchaser who would continue the business. (Jurisdictional Exception to Standard Rule 6-4 (b) of USPAP)
4. Single-family qualified properties used to provide affordable housing are appraised in compliance with Section 23.22 of the Texas Property Tax Code. (Jurisdiction Exception to Standards Rule 6-4 (b) of USPAP)

### **Data Collection and Validation**

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

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

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

modify costs from these published sources. New models and cost tables are currently under construction and are being used in test areas. Renditions are confidential submissions by property owners and cannot be used for other properties. However, data from renditions may be compared with data obtained from cost manuals to test their accuracy. A comprehensive appraisal manual for residential property is currently maintained by Parmer County Appraisal District.

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

### **Valuation Approach and Analysis**

Improvements are appraised using replacement cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if diminished utility and comparable sales are found to justify such. The following equation is the model used by the district:

$$MV = (RCNLD) MA + LV$$

In the formula above, the replacement cost new less depreciation (RCNLD) of the improvements is multiplied by the appropriate neighborhood market adjustment factor (MA) to arrive at a current improvement value. The current improvement value is added to the land value (LV) to arrive at an estimate of market value (MV). Market adjustments will be applied uniformly within neighborhoods to account for market preferences affecting value in each location throughout the district. A market data model based on typical selling prices per unit of area is also used when appropriate sales information is available. Parmer County Appraisal District recognizes 1 market areas in its jurisdiction.

Land values are based on selling prices for the appropriate highest and best use of the site, and as though it was vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

### **Review and Testing**

Field review of appraisal is performed through the regular inspection of subject properties. Ratio studies are performed and are the preferred method for measuring performance. The results of the performance measures used indicate the validity of the appraisal models used. Appraisers with Pritchard and Abbott Inc. perform ratio studies for their assigned areas.

Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are also tested bi-annually by the Property Tax Assistance

Division (PTAD) of the Texas Comptroller's Office. Appraisal methods and procedures are also reviewed by the PTAD with the MAP review.

### **Ratio Studies Procedures**

- I. Collect and Post Sales Data
  - A. Solicit sales information from all new property owners through sales letters and/or personal contact.
  - B. Collect sales information from outside appraisers and from fee appraisals presented.
  - C. Utilize sales information from Comptroller's office.
  - D. Post sales information to the sales database.
    1. Record actual sale price
    2. Note unusual financing
    3. Note non-arm length participants
    4. Adjust sales price for inclusion of personal property or intangible value
    5. Initiate frozen characteristics/partial sale codes if necessary
      - a) Imminent construction/renovation can bias any later analysis by including values not part of the original transaction
      - b) Sale including only a portion of the property described can also produce skewed results
- II. Preliminary Analysis
  - A. Run sales analysis (by type, group, or class) which includes any and all sales collected to date
  - B. Note median result and COD
  - C. Examine each sale included
    1. Compare sale ratio to median result
    2. Ratios substantially higher or lower than the median result (outliers) are singled out for further, in-depth analysis
      - a. Note seller-financial institutions, known real estate opportunists, probates, known persons who finance their own transactions

- b. Note buyer-financial institutions, known real estate opportunists, and re-location companies
- c. Examine deed records to confirm “arm’s length” violations not evident from examination of buyer and seller
  - i. contract for deed
  - ii. assumption of previous note
  - iii. a typical financing
- d. Re-inspect properties to rule out any physical differences from the current property records
- e. Outlier sales that cannot be excluded or adjusted due to the reasons given above are nonetheless included in the subsequent analysis

D. Adjust original data set

- 1. Omit sales that are not arm’s length
- 2. Adjust sales values for time or financing if necessary and possible
- 3. Adjust appraisal values for physical differences if applicable

III. Secondary Analysis

A. Run sales analysis (by type, group, or class) utilizing information from preliminary analysis

B. Note median result and COD

- 1. Median value may or may not change significantly
- 2. COD value should improve

C. Note sample size

- 1. Compare number of sales within the class to the perceived number of total properties within the class
- 2. From experience and discussion among the appraisal staff, determine whether any median result different from 1.00 is significant

D. Attempt to increase sample size—if necessary

- 1. Utilize time adjustments if determinable
- 2. Keep in mind marketing time for local market and any trends
- 3. Be careful to not include more sales just for sales sake

4. Changing markets and trends cannot be reflected in sales that are too old without accurate time adjustments.
- E. Apply results of analysis to current records
1. Any class whose median value is NOT SIGNIFICANTLY different from 1.00 does not require adjustment.
  2. Any class whose median value indicates that an adjustment is necessary should be analyzed
    - a) Look at typical depreciation (age/condition) for that class as reflected in the sales analysis
    - b) Calculate increase necessary to raise the individual ratios to produce a median result of 1.00 (keeping in mind that because of depreciation, the percentage increase required is going to be necessarily larger than the difference in percentage points needed to reach a 1.00 result)
    - c) Apply the calculated increase to the database
  3. Repeat procedure for all classes determined to need adjustment
- F. Run analysis again to test results
- IV. Examine results to identify neighborhoods that need adjustment
- A. As individual sales are examined, note any areas/neighborhoods/sub-divisions that consistently show ratios significantly different from the median result
  - B. Run analysis excluding the area in question
  - C. Run analysis including only the neighborhood in question
  - D. Check for significant variance between the two results
  - E. Apply neighborhood factor to correct variance

## **Multi-Family Properties 2021 Summary Report**

### **Overview**

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

### **Assumptions and Limiting Conditions**

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

1. For multi-family properties only, the market value stated is for land, improvements, and the personal property common to the classification and economic area. The business personal property value is insignificant to the overall value.
2. The field appraisers with Pritchard & Abbott, Inc. has physically inspected all apartment complexes and duplex properties within its jurisdiction.
3. For a multi-family property that is used to provide affordable housing the property is appraised to comply with the Texas Property Tax Code Section 23.22. (Jurisdictional Exception to Standard 6-2(d) of USPAP)

### **Data Collection and Validation**

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

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

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

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

General market data is gathered from multiple sources. Environmental, economic, political, and social influences vary geographically and by property use. Neighborhoods have been delineated to reflect competing properties within a use and the influences on that use. Apartment properties were assigned a comparative classification in the inspection process. Duplexes are classed in compliance with predefined classing criteria.

### **Valuation Approach and Analysis**

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

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

### **Review and Testing**

Field reviewer of appraisals performed through the regular inspection of subject properties. Ratio studies are reviewed for level of appraisal (measurements of central tendency and dispersion), bias, and appropriateness of neighborhood boundaries. Results of the performance measures used indicate the validity of the appraisal models.

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

Appraisal results are tested bi-annually by the PTAD of the Comptroller of Public Accounts for the State of Texas. Appraisal methods and procedures are also reviewed by the PTAD through the MAP review.

## **Commercial Property 2021 Summary Report**

### **Overview**

This type of property consists of all land and improvements in Parmer County that are classed “commercial” according to the properties highest and best use.

### **Assumptions and Limiting Conditions**

The appraisals completed by Parmer County Appraisal District are subject to the following assumptions and limiting conditions:

1. The opinion of value for each property applies to land and improvements only. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
2. Field appraisers with Pritchard & Abbott, Inc. has physically inspected all properties within its jurisdiction and normally re-inspects and/or conducts statistical studies on these properties annually. Complete interior inspections have not been done on a majority of the properties.

### **Data Collection and Validation**

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

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



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

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

### **Valuation Approach and Analysis**

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

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

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

### **Review and Testing**

Field review of appraisals is performed through the regular inspection of subject properties. A computer-generated statistical review is also conducted. The statistical report includes appraisal to sales ratio, coefficient of dispersion, and other statistical measures. The performance measures used validate the results of the appraisal model.

Although the ratio study is the preferred method of measuring performance, single property appraisals submitted to the appraisal staff are also reviewed for appraisal accuracy. Appraisal results are tested by the Property Tax Division of the Texas Comptroller's Office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

Parmer County Appraisal District contracts with Pritchard & Abbott, Inc. for annual reappraisal of real property in the commercial and industrial property types.

Parmer County Appraisal District also contracts with Pritchard & Abbott, Inc. for appraisal of all mineral properties within the Parmer County Appraisal District.

The summary reports of Appraisal Records Services, Inc. for compliance with Standards 6-7 of USPAP are attachments to this document.

**Business Personal Property  
2021 Summary Report**

**Overview**

Business personal property is the tangible personal property owned by a business or by an individual for the purpose of producing income. Other tangible personal property is exempt according to Sec. 11.14 (a) of the Texas Property Tax Code.

### **Assumptions and Limiting Conditions**

The appraisals completed by the Parmer County Appraisal District are subject to the following assumptions and limiting conditions:

The Parmer County Appraisal District's staff and Pritchard & Abbott Inc. field appraisers have physically inspected all properties within its jurisdiction and normally re-inspects and/or compares renditions and the Comptroller's list of active businesses report on these properties annually.

### **Data Collections and Validation**

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

### **Valuation Approach and Analysis**

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

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

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

Personal property is appraised using original cost less depreciation models. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on

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

### **Review and Testing**

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

Sales for most types of personal property are infrequent. Furthermore, many market transactions occur for multiple sites and include real and personal property, tangible and intangible, thereby making analysis difficult, subjective, and inadequate to develop a statistical analysis. Performance is measured through comparison of like businesses as well as applying quality and density models to units of comparison. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. The appraiser considers the submitted appraisal report by confirming and verifying data as would be done with a sale. Parmer County Appraisal District's appraisal methods and procedures and values are subject to review by the Property Tax Division of the Texas Comptroller's Office. The results of this review indicate the validity of the models and calibration techniques employed by Parmer County Appraisal District.

Parmer County Appraisal District contracts with Pritchard and Abbott, Inc. for the appraisal of industrial business personal property. Pritchard and Abbott, Inc. uses Marshall Swift valuation information for most of the personal property values. Their appraisals are reviewed by Parmer County Appraisal District.

### **Certification**

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is the appraisal staff's personal, unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in the property that is the subject of this report, save, and except the ownership of my personal residence and personal auto, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on the reporting of a predetermined value, or direction in value, that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Personal inspections are made by me, my staff, and outside appraisal firms.
- Persons providing significant professional assistance to the person signing this report are listed below:

Jill D. Timms, Chief Appraiser  
 Deanna Curtis, Deputy Appraiser  
 Leslie Mora, Office Manager  
 Dina Garcia, Deeds/ Collection Clerk  
 Danny Hamby, Pritchard & Abbott, Inc.  
 Larry Womble, Pritchard & Abbott, Inc.  
 Dean McDaniel, Pritchard & Abbott, Inc.  
 Debbie Stribling, Pritchard & Abbott, Inc.

Jill D. Timms, RPA, RTA, CTA  
 Chief Appraiser

**STAFF PROVIDING SIGNIFICANT  
 MASS APPRAISAL ASSISTANCE**

<b><u>NAME</u></b>	<b><u>TITLE</u></b>	<b><u>TDLR NUMBER</u></b>
Jill D. Timms	Chief Appraiser	70544
Deanna Curtis	Deputy Appraiser	74647
Malachi Ashley	P&A Appraiser	74697

Brant Ballard	P&A Appraiser	74393
John Elias	P&A Appraiser	74392
Danny Hamby	P&A Appraiser	73029
Dean McDaniel	P&A Appraiser	69180
Tim Mercer	P&A Appraiser	60129
Josh Roeder	P&A Appraiser	72097
Doug Sahli	P&A Appraiser	71050
Marty Seeley	P&A Appraiser	71643
Mark Stewart	P&A Appraiser	68585
Debbie Stribling	P&A Appraiser	16645
Richard Taylor	P&A Appraiser	72414
Larry Womble	P&A Appraiser	71931