

**REFUGIO COUNTY APPRAISAL DISTRICT**

**PLAN FOR PERIODIC REAPPRAISAL**

**FOR THE ANNUAL APPRAISAL FOR  
AD VALOREM TAX PURPOSES OF  
RESIDENTIAL, COMMERCIAL, RURAL  
AND PERSONAL PROPERTY**

**For Tax Years**

**2025 and 2026**

**TABLE OF CONTENTS**

<b>Item</b>	<b>Page</b>
<b>CONCEPTUAL OVERVIEW .....</b>	<b>3</b>
<b>TAX CODE REQUIREMENT.....</b>	<b>4</b>
<b>PLAN FOR PERIODIC REAPPRAISAL REQUIREMENTS.....</b>	<b>4</b>
Senate Bill 1652	
<b>REVALUATION DECISION.....</b>	<b>5</b>
Tax Year 2025	
Tax Year 2026	
<b>PERFORMANCE ANALYSIS.....</b>	<b>5</b>
Ratio Study Results	
Appraisal Accuracy	
Appraisal Uniformity	
<b>ANALYSIS OF AVAILABLE RESOURCES .....</b>	<b>6</b>
Staffing for Reappraisal Year	
Proposed Budget for 2025	
Pritchard & Abbott, Inc. Contract Services	
Existing Practices	
Information Systems (IS) Support	
Existing Data and Maps	
<b>PLANNING AND ORGANIZATION .....</b>	<b>6</b>
Calendar of Key Events – 2025	
Calendar of Key Events – 2026	
Performance Objectives	
Production Standards for Field Activities	
<b>MASS APPRAISAL SYSTEM &amp; PROCESSES .....</b>	<b>7</b>
Forms and Procedures	
CAMA System Revisions as Required	
<b>DATA COLLECTION REQUIREMENTS .....</b>	<b>8</b>
New Construction	
Remodeling	
Re-inspection of Problematic Markets	
Re-inspection of Universe of Properties on Specific Cycles	
Verification of Sales Data and Property Characteristics	

- PILOT STUDY BY TAX YEAR .....9**
  - Test New/Revised Mass Appraisal Methods
  - Ratio Studies by Market Category
  - Test Accuracy and Reliability in Market Areas
  
- VALUATION BY TAX YEAR.....12**
  - Market Analysis
  - Model Development
  - Model Calibration
  - Calculation of Preliminary Values
  - Test Values for Accuracy and Uniformity
  
- VALUE DEFENSE .....12**
  - Informal Appeals
  - Formal Appeals
  - Burden of Proof Evidence for Market Value and Equity
  
- THE WRITTEN REAPPRAISAL PLAN .....13**
  - Planning a Reappraisal
  - Steps in a Reappraisal
  
- REFUGIO CO. APPR. DISTRICT PLAN: 2025/2026.....15**
  - Approach
  - Identification of Market Areas
  - Organization
  - 2025 Reappraisal Schedule
  - 2026 Reappraisal Schedule

**CONCEPTUAL OVERVIEW:**

The system outlined in this plan is based on the following market value equations:

1. Market Value of Residential Property =  
Replacement Cost New x Total Percent Good + Depreciated Additive Values+ Land Value  
(Adjusted by Market Indicators as determined by Sales Data, as available)
2. Market Value of Commercial Property =  
Replacement Cost New x Total Percent Good + Depreciated Additive Values+ Land Value  
(Adjusted by Market Indicators as determined by Sales Data, as available)
3. Market Value of Manufactured Housing =  
Replacement Cost New x Total Percent Good + Depreciated Additive Values
4. Market Value of Commercial Personal Property =  
*Units x (Price/Unit of Inventory) + Units x (Price/Unit of FFE x Percent Good) + Additive Values*  
(Verified and adjusted by yearly Personal Property Renditions)
5. Market Value of Vacant Lots or Acreage =  
Units x Price/Unit  
(As determined by Market Transactions)
6. 1-d-1 Special Use Valuation (Ag Value) =  
Units x Value per Acre of Agricultural Use  
(As determined by Net Income per Acre/State Mandated Cap Rate)

**TAX CODE REQUIREMENT:**

Passage of Senate Bill 1652 amended Section 6.05 of the Texas Property Tax code by adding Subsection (i) to read as follows:

- (i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic 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 10<sup>th</sup> 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 REQUIREMENTS:**

Senate Bill 1652 amends Section 25.18, Subsections (a) and (b) to read as follows:

- (a) Each appraisal office shall implement the Plan for Periodic Reappraisal of property approved by the board of directors under Section 6.05(i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
  1. Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
  2. Identifying and updating relevant characteristics of each property in the appraisal records;
  3. Defining market areas in the district;
  4. Identifying property characteristics that affect property value in each market area, including:
    - a. The location and market area of property;
    - b. Physical attributes of property, such as size, age, and condition;
    - c. Legal and economic attributes; and
    - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

5. Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
6. Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
7. Reviewing the appraisal results to determine value.

### **REVALUATION DECISION (REAPPRAISAL CYCLE):**

The Refugio CAD, by policy adopted by the Board of Directors and the Chief Appraiser, reappraises all property in the district yearly. Each property within the District is physically inspected and/or statistically evaluated, constituting a complete appraisal of all properties in the district. Therefore, tax year 2025 is a reappraisal year and tax year 2026 is a reappraisal year.

### **PERFORMANCE ANALYSIS:**

Performance Analysis – the equalized values from the previous tax year are analyzed with ratio studies of the current market to determine the appraisal accuracy and appraisal uniformity overall, and by market area, within property reporting categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* of the International Association of Assessing Officers. Mean, median, and weighted ratios are calculated for properties in reporting categories to measure the level of appraisal accuracy. The median ratio is calculated in each reappraised category to indicate the level of appraisal accuracy by property reporting category. In 2025, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. Likewise, in 2026, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In 2025 and 2026, any reporting category that may have been previously excluded from reappraisal, due to lack of data, will be readdressed. If sufficient market data has been discovered and verified, the category will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

### **ANALYSIS OF AVAILABLE RESOURCES:**

Staffing and budget requirements for tax year 2025 are detailed in the 2025 budget, as adopted by the Board of Directors of the Refugio County Appraisal District, and is attached to this written biennial plan for reference. This reappraisal plan may be adjusted as needed to reflect the available staffing in tax year 2025 and anticipated staffing for tax year 2026. Budget restraints can impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2025-2026 time period.

The Refugio County Appraisal District Board of Directors has contracted with Pritchard & Abbott, Inc. to provide personnel and expertise towards the completion of the appraisal of Residential, Commercial, Rural, and related Personal Property including field work, data analysis, and taxpayer protest portions of the reappraisal plan. The Board of Directors have also contracted with Pritchard & Abbott, Inc. to provide personnel and expertise towards the completion of the appraisal of Mineral, Industrial, Utilities, and related Personal Property including field work, data analysis, and taxpayer protest portions of the reappraisal plan.

Existing appraisal practices, which are continued from year to year, are identified and methods to keep these practices current are utilized. Real property appraisal value tables are tested against verified sales data to ensure they represent current market data. Personal property values are evaluated and analyzed based on renditions, prior year documentation, and inspections. The Comptroller's Guide is utilized to appraise new and/or undocumented personal property and for verification purposes.

Information Systems (IS) support is detailed and system upgrades are scheduled. Existing maps and data requirements are continually updated to remain current.

### **PLANNING AND ORGANIZATION:**

A calendar of key events with critical completion dates is prepared for each area of work. This calendar identifies key events for appraisal, clerical, customer service, and information systems. A calendar is prepared for tax years 2025 and 2026. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

The projected dates incorporated into the calendar may be adjusted within the overall plan due to unforeseen changes in staffing, budgetary constraints, weather, and/or reevaluation of the priorities of the projects within the plan.

Periodic and concurrent examination of production standards, goals, and progress in the plan may very well require adjustments to the on-going plan or to the plan for the succeeding year(s). The CAD and the Chief Appraiser, together with the field staff provided by Pritchard and Abbott, Inc.,

will work together closely to identify issues that may affect the successful completion of the on-going plan and to resolve them.

### **MASS APPRAISAL SYSTEM:**

Computer Assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider. Refugio County Appraisal District contracts with the firm of Pritchard & Abbott, Inc. for these services.

#### **Real Property Valuation**

Revisions to cost models, income models, and market models are specified, updated, and tested each tax year, as information is available.

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

Land schedules are updated using current market data (sales) and then tested with ratio study tools. Value schedules are developed and tested on a pilot basis with ratio study tools.

#### **Personal Property Valuation**

Valuation procedures are reviewed, modified as needed, and tested. The latest edition of the Comptroller's Guide is utilized, as necessary, in the appraisal of personal property in the district.

#### **Noticing Process**

25.19 appraisal notice forms are provided by the IS Provider. The Provider reviews and edits for updates and changes required by legislative mandates. The District publishes, in the local newspaper, information about the notices and how to protest, and makes available the latest copy of the Comptroller's pamphlet *Taxpayer's Rights, Remedies, and Responsibilities*.

#### **Hearing Process**

Protest hearing scheduling for informal and formal Appraisal Review Board hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as required. The



appraisal district hearing documentation is reviewed and updated to reflect the current valuation process and requirements. Compliance with House Bill 201 is insured.

### **DATA COLLECTION REQUIREMENTS:**

Field and office procedures are reviewed and revised as required for data collection. Projects for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a specific cycle, and office (or field) verification of sales data and property characteristics. Data collection of real property involves maintaining data characteristics of the property on CAMA. The information contained in CAMA includes site characteristics, such as land size, use and location, and improvement data, such as square foot of living area, year built and effective age, quality of construction, and condition.

#### **New Construction/Demolition**

New construction field and office review procedures are identified and revised as required. Sources of building permits are confirmed. Municipal and county offices provide, as available, notification of utility hookups, septic system installation, development permits, demolition orders, etc.

#### **Remodeling**

Properties with extensive improvement remodeling are identified and field inspections are scheduled to update property characteristic data. Official Public Records provide indications of properties that may be undergoing enhancement through Deeds of Trust, Mechanics Liens, etc.

#### **Re-inspection of Problematic Market Areas**

Real property market areas (neighborhoods), by property classification, are tested for consistently low or high sales ratios and/or high coefficients of dispersion. Market areas that fail any or all of these tests, or are located in areas of development or change, are determined to be problematic. Field inspections are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified.

#### **Re-inspection of the Universe of Properties**

The International Association of Assessing Officers' *Standard on Mass Appraisal of Real Property*, specifies that the universe of properties should be re-inspected on a cycle of 3 years. The re-inspection includes physically viewing the property, photographing (if possible), and verifying the accuracy of the existing data. The field appraiser has an appraisal card of each

property to be inspected and makes notes of changes, depreciation, remodeling, additions, etc. The annual re-inspection requirements for tax years 2025 and 2026 are identified and scheduled in the written reappraisal plan.

### Verification of Sales Data and Property Characteristics

Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio analysis requires that the sales record accurately reflect the property appraised permitting the statistical analysis results to be valid and therefore be an accurate example of the universe of properties to which any adjustments will be applied. The conditions of each sale are investigated and confirmed, to the greatest extent possible, to determine its applicability to the overall market analysis. Properties exhibiting atypically high or low sales ratios (outliers) are especially scrutinized with reference to the Texas Property Tax Code definition of Market Value, Sec. 1.04(7), and may be excluded from the general market analysis if the transaction conditions do not correspond to the aforementioned definition of Market Value.

### PILOT STUDY BY TAX YEAR:

New and/or revised mass appraisal models are tested each tax year. Ratio studies, by market category, are conducted on proposed values each tax year. Proposed values on each category are tested for accuracy and reliability. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and calibration are in compliance with USPAP, STANDARD RULE 6.

In order to evaluate the accuracy of the schedule values, property sales information is collected throughout the year. Each property buyer receives a sales letter along with any other necessary forms as soon as the CAD office updates the ownership in the appraisal records. When the sales letter is returned, the sale amount and any other pertinent information are recorded within that parcel's sales records. Information is gathered also from real estate offices, other appraisers, other appraisal districts, and state reviewers. All credible information is included in the sales records and confirmation is attempted through additional sales letters (to buyers and sellers as necessary) or other personal contact. Given that the State of Texas is a non-disclosure state, and that the information needed by the Appraisal District is often confidential in nature, the market analysis performed is limited (USPAP Rule 6-8) by the availability of pertinent and complete data, including sales prices, sales conditions and circumstances, income and expense data, etc. As discussed hereafter, each sale is initially considered (assumed) to be a market transaction unless otherwise proved. The resulting conclusions from the market analysis are therefore limited by those assumptions. The Mass Appraisal conducted yearly by the Refugio CAD also can claim the Jurisdiction Exemption (USPAP) due to the limited scope and purpose of the appraisal, and considering the guidelines of the Texas Property Tax Code.

Each sale is analyzed to determine the conditions of the sale. All sales included in the study must be a “market value” transaction, as defined in the Texas Property Tax Code, Section 1.04(7), and quoted earlier in this manual. Any sale determined to not be an “arms length” transaction is then omitted from the final study. Several criteria are also considered when determining if each sales price needs any adjustment including, but not limited to: date of sale (in comparison to date of appraisal), special or unusual financing terms, inclusion of personal property, inclusion of intangible value, and significant variances between the market value and the sale price due to physical changes to the property that cannot be accounted for due to the January 1 target date. If adjustments can be made to the sales price to show a current, “arms length” value (including time and financing adjustments), the adjusted value is used in the ratio study. Any adjustments to reported sales prices must be discussed, debated, and approved by the appraisal supervisor and the Chief Appraiser.

Sales used to determine real estate value should not include value that can be attributed to personal property or intangible value. For example, if a home sells, and the transaction included personal property (vehicles, boats, furniture, free-standing appliances, tools, etc.), the value associated with that personal property should be deducted from the reported sales price. The resulting, adjusted sales price is then used in the ratio study. Likewise, commercial property transactions often include both personal property and intangible value. For example, if a motel sells and the buyer purchased the motel franchise along with the real estate, the value of the franchise (being intangible) should be deducted from the sales price before being used in any market study. Determining the value of any intangibles in any transactions can be problematic and will require research into the industry and the local and similar markets. Although suspected by the appraisal staff, and often reported by buyers, adjustment for intangibles requires confirmation from outside sources and the seller.

Financing adjustments occur rarely. Typically, prudent buyers will strive to acquire the most reasonable financing available, and then purchase the property of their choice using that same financing. Atypical financial arrangements usually accompany transactions that would not be considered “arms length” and would therefore be omitted from the ratio study.

Time adjustments are adjustments to the reported sales price of the property that are made when and if it can be proven that the general market trend in an area is changing over a given time period. While relatively simple to calculate in the abstract, time adjustments are extremely difficult to quantify without substantial data, especially in small, rural markets. If a typical property transfers more than one time in a given time period (ideally no more than 1 year), each time being an arms-length transaction, with typical financing, and without physical changes to the property, the difference in the sales prices can be attributed to the general market. This difference, expressed as a positive or negative percentage per month, can then be applied to other property’s sales prices to adjust the price to a standard date, usually January 1<sup>st</sup> of the appraisal year. For example, a residence may sell for \$50,000 on June 1<sup>st</sup> and then sell again October 1<sup>st</sup> (5 months later) for

\$55,000. The difference of \$5,000 (or 10% of the original sales price) is allocated as a market increase of 2% per month. A market Decrease is calculated in the same way. If this was an arms-length transaction of a typical property, that same percentage of increase or decrease can be used on other sales to adjust their sales prices to the January 1 target date.

A statistical analysis of each class of property is conducted using the available, credible, and adjusted sales information. Within each class of property, the appraisal district looks for not only an acceptable median value, but also a reasonable COD. Each of these values is considered when determining whether to adjust a class schedule, and by how much. The sample size of each class analysis is also a major consideration. Classes that exhibit little or slow activity are allowed a larger variance due to the fact that minimal data sets (small samples) may tend to give incomplete analysis or biased results for an entire statistical population.

Once a median value indicates that a particular property type or class needs adjustment, and the COD value reflects a consistent result, schedule values are recalculated to produce a revised analysis. The resulting median ratio should indicate that the adjusted appraised values of property more closely matches the current market value, as tested by the sales used in the analysis. The appraised values of all properties, sold and unsold, within that type or class are then recalculated, using the increase or decrease indicated by the ratio study, and submitted for notification.

A similar process is used to determine whether any neighborhood factors are needed by analyzing sales within a specific area (market segments) in comparison to the overall general market. These areas could be neighborhoods, cities, school districts or any other definable area within the appraisal district that displays market trends or values differing from the trends or values derived from the market as a whole. Any significant and quantifiable differences then need to be addressed with economic adjustments to the properties within the pertinent area.

As mentioned above, the main market segment is Refugio County in general. All analysis and subsequent adjustments are applied to this market segment. Other market segments have been identified in previous studies, and continue to be tested. The individual market segments currently tested are:

- Woodsboro Town site
- Mission River Oaks Subdivision
- Bayside/St Mary's Town site
- Austwell Town site
- Tivoli Town site
- Refugio Town site

Depending on the results of the yearly analysis, this list may expand or decrease as distinct market segments become (or fail to be) evident.

### **VALUATION BY TAX YEAR:**

Using market analysis of comparable sales and locally tested cost data (if available), valuation models (Value Per Square Foot Schedules) are specified and calibrated in compliance with supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the *IAAO Standard on Ratio Studies*. Property values in all market categories are analyzed and updated as necessary each reappraisal year.

### **VALUE DEFENSE:**

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearings is specified and tested. Taxpayers have the option to present their concerns informally to the chief appraiser, or by appointment with the Pritchard & Abbott staff. Should an understanding not be reached informally, the taxpayer may present their arguments to the Appraisal Review Board (ARB) as a formal appeal. The appraisal staff provided by Pritchard & Abbott Inc. defends the position of the chief appraiser before the ARB. The Appraisal District has the burden of proof for the value as notified. Evidence for further consideration by the CAD or the ARB should be presented by the taxpayer.

# THE WRITTEN REAPPRAISAL PLAN FOR REFUGIO COUNTY APPRAISAL DISTRICT

## PLANNING A REAPPRAISAL

Variation in reappraisal requirements requires Refugio County Appraisal District to carefully plan its work before beginning any reappraisal. Although the planning process may vary in specifics, it should involve five (5) basic steps:

1. Assess current performance.
2. Set reappraisal goals.
3. Assess available resources and determine needs.
4. Re-evaluate goals and adjust as necessary.
5. Develop a work plan.

## STEPS IN A REAPPRAISAL

The International Association of Assessing Officers (IAAO) textbook, Property Appraisal and Assessment Administration, lists steps in a reappraisal. These steps outline those activities performed by Refugio County Appraisal District for the completion of periodic reappraisals. Activities are listed below in the order in which they occur:

1. Performance Analysis:
  - \* Ratio study
  - \* Equity of existing values
  - \* Consistency of values with market activity
2. Revaluation Decision:
  - \* Statutory – at least once every three years
  - \* Administrative policy
3. Analysis of Available Resources:
  - \* Staffing

- \* Budget
  - \* Existing practices
  - \* Information system support
  - \* Existing data and maps
4. Planning and Organization:
    - \* Target completion dates
    - \* Identify performance objectives
    - \* Specific action plans and schedules
    - \* Identify critical activities with completion dates
    - \* Set production standards for field activities
  5. Mass Appraisal System:
    - \* Forms and procedures revised as necessary
    - \* CAMA (computer assisted mass appraisal) system revisions as required
  6. Conduct Pilot Study:
    - \* Test new/revised appraisal methods as applicable
    - \* Conduct ratio studies
    - \* Determine if values are accurate and reliable
  7. Data Collection:
    - \* Building permits and other sources of new construction
    - \* Check properties that have undergone remodeling
    - \* Re-inspection of problematic properties
    - \* Re-inspection of universe of properties on a cyclic basis
  8. Valuation:
    - \* Market analysis (based on ratio studies)
    - \* Schedules development
    - \* Application of revised schedules
    - \* Calculation of preliminary values
    - \* Tests of values for accuracy and uniformity
  9. Value Defense:
    - \* Prepare and deliver notices of value to property owners
    - \* Hold informal hearings
    - \* Schedule and hold formal appeal hearings

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

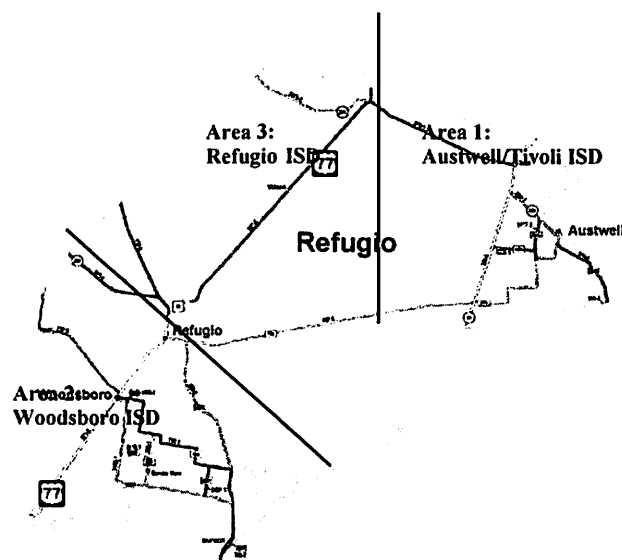
## Refugio County Appraisal District

## Residential, Commercial, Rural, and Personal Property 2025/2026 Reappraisal Plan

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

1. **Three-Year Cycle (Physical Inspections):** The CAD is divided into three areas. Each year, all real residential and commercial property within one of the areas will be reappraised, regardless of any ratio study/report findings. This includes all property within the following Categories: A, B, C, D/E, F, L (through inspections and renditions), M, O, and X. As this is a three-year cycle, and the written Reappraisal plan encompasses two years, the areas to be appraised in the current plan will often be a continuation of a cycle begun in previous years. These areas are identified as follows:
  - a) Area One: (2024) Austwell/Tivoli ISD, including all residential and rural tracts.
  - b) Area Two: (2026) Woodsboro ISD, including all residential, rural tracts and the overlapping area with Bee County.
  - c) Area Three: (2025) Refugio ISD, including all residential and rural tracts.
  - d) As mentioned prior, these yearly plans are designed to be flexible within the overall reappraisal plan. The specific workload within and between plan years may need to be adjusted to provide for complete and accurate reappraisals.

\*\*\*Note—all income producing personal property within the CAD is appraised on an annual basis, regardless of its location. \*\*\*





- 2. Annual Market Analysis:** In addition to the three-year cycle stated above, ratio studies shall be performed annually to determine areas or categories of properties within the CAD which need to be reappraised within the current year based on sales ratios. Any areas or categories whose ratios are above or below statutory requirements shall be reappraised in the current year regardless of the area in which they are located.

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

### **IDENTIFICATION OF MARKET AREAS**

Analyzing a market area involves the examination of how physical, economic, governmental and social forces and other influences affect property values. The effects of these forces are also used to identify, classify, and stratify comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. Analysis of comparable market sales forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area, neighborhood or district. Market sales indicate the effects of these market forces and are interpreted by the appraiser into an indication of market price ranges and indications of property component change considering a given time period relative to the date of appraisal. The Market Approach is the primary approach to estimate value based on actual sales. The Cost Approach is used for unique properties, where sales and rental information is scarce. The Income Approach is used whenever the highest and best use of the property is as income producing property.

The first step in neighborhood (market area) analysis is the identification of a group of properties that share certain common traits. A "neighborhood" for analysis purposes is defined as the largest grouping of properties where the property's physical, economic, governmental and social forces are generally similar and uniform.

Once a neighborhood with similar characteristics has been identified, the next step is to define its boundaries. This process is known as "delineation". Some factors used in neighborhood delineation include location, sales price range, lot size, age of dwelling, quality of construction and condition of dwellings, square footage of living area, and story height. Delineation can involve the physical drawing of neighborhood boundary lines on a map, but usually it involves statistical separation or stratification based on attribute analysis. That is, a neighborhood is not necessarily a geographic grouping of properties. A neighborhood is often a statistical grouping of like properties.

Part of neighborhood analysis is the consideration of discernible patterns that influence a neighborhood's individual market. Few neighborhoods are fixed in character. Each neighborhood may be characterized as being in a stage of growth, stability or decline. The growth period is a

time of development and construction. As new neighborhoods in a community are developed, they compete with existing neighborhoods. An added supply of new homes tends to induce population shift from older homes to newer homes. In the period of stability, or equilibrium, the forces of supply and demand are about equal. Generally, in the stage of equilibrium, older neighborhoods can be more desirable due to their stability of residential character and proximity to community facilities. The period of decline reflects diminishing demand or desirability. During decline, general property use may change from residential to a mix of residential, rental, and commercial uses. Declining neighborhoods may also experience renewal, reorganization, rebuilding, or restoration, which promotes increased demand and economic desirability.

Market area identification and delineation is the cornerstone of the residential valuation system. All the residential analysis work done in association with the residential valuation process is neighborhood specific. Neighborhoods are field inspected and delineated based on observable aspects of homogeneity and statistical tests. Neighborhood delineation is further reviewed through sales ratio analysis to determine if further neighborhood delineation or combination is warranted.

All market areas in Refugio County are reviewed at least annually. This review consists of reviewing the component properties that make up the market area and screening for outliers as well as reviewing sales ratio statistics to identify outliers or trends among property types or groupings that may indicate a different level of appraisal for said type or group. An example is where a new home is constructed of higher quality materials within a subdivision that may consist of older homes constructed of less quality materials. These properties may sell at different levels. If the two groups of properties are combined, one group will be over-appraised, while the other group will be under-appraised. If such a trend is detected in a market area, then the two groups should be separated in order to appraise both at market value and equitably.

Market trends vary and can only be detected through careful analysis. Market trends include, but are not limited to, category of property, class of improvements, location within the market area, and other factors that may influence the market. Therefore, the appraiser looks not only at the overall appraisal statistics for a market area, but also attempts to identify market trends by isolating property characteristics and outliers to verify the appraisal statistics and refine the market area.

Once the market area is properly refined, a final sales ratio for that neighborhood is conducted. When sales or income data demonstrate that current valuations need to be adjusted to achieve market value, all properties in the same neighborhood grouping are adjusted with the same adjustment factor.

Neighborhood grouping is highly beneficial in sales comparison analysis. Neighborhood groups, or clustered subdivisions, increase the available market data by linking comparable properties outside a given subdivision. Sales ratio analysis is performed on a neighborhood basis.

Due to limited sales information, the market area identified for Refugio CAD is within the boundary lines of the entire county. However, within this market area there are four sub-market areas that have been identified: (1) The Bayside city limits from the water line to FM 136, including

the St. Mary's Addition, (2) the Austwell city limits, (3) the Mission River Oaks Subdivision, and (4) Woodsboro Town site. These areas are reviewed annually to determine new market trends. If such a trend is detected within these market areas, then the groups are reappraised both at market value and equitably.

## ORGANIZATION

Field inspections are carried out by the Pritchard & Abbott field appraisers as assigned by the Pritchard & Abbott supervisor, with input and direction from the chief appraiser. The field appraiser physically inspects areas required by the reappraisal cycle, checks all existing data, works building permits, takes photographs of improvements (if possible), draws plans of new improvements for entry into computer, and rechecks any property on which a question or problem has arisen. Other duties may be required and will be executed upon direction of the chief appraiser, or supervisor.

Data entry of field work notes and sketches is performed by appraisal district staff.

The Pritchard & Abbott staff performs market analysis. Sales data is gathered throughout the year by CAD staff from deed records, sales confirmation letters from property owners, and other sources. The market data is analyzed, sales data is confirmed, outliers are identified, existing classification system is reviewed, market schedules are reviewed and updated as necessary, and final market schedules are presented to the chief appraiser for discussion and application to the universe of properties.

## 2025 REAPPRAISAL SCHEDULE

### August to December 2024:

- \* Plan and begin field inspections.

### Mid December 2024:

- \* Begin planning sales ratio studies for all areas within the CAD.
- \* Gather current sales data from sales confirmation letters, deed records, and other sources.

### January to March 2025:

- \* Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.
- \* Complete field inspections as provided by the reappraisal plan area.
- \* Begin running sales ratio reports. Compare with CAD values and sales information. Identify necessary schedule adjustments.

### March through April 2025:

- \* Continue running sales ratio reports.
- \* Refine sales analysis and mass appraisal schedules.
- \* Statistically test schedules.
- \* Complete data entry of all reappraisal and maintenance changes.
- \* Assist field appraiser with reappraisal functions as needed.
- \* Finalize all field work and data collection activities.
- \* Coordinate with overlapping jurisdictions.
- \* Execute mass appraisal/maintenance activities as required.
- \* Prepare for mailing 2025 Notices of Value.

### May through June 2025:

- \* Hold informal hearings.
- \* Respond to property owners' inquiries, protests, and questions from notice mailings.
- \* Provide certified estimated values to taxing units.
- \* Hold ARB hearings.

**July 2025:**

- \* Enter into computer all changes as ordered by ARB and notify other CADs if the ordered change falls into an overlapping area.
- \* Process and mail ARB orders.
- \* ARB approval of appraisal records by July 20<sup>th</sup> or as soon thereafter as is practicable.
- \* Certification of appraisal records and values to taxing units by July 25<sup>th</sup> or as soon thereafter as is practicable.

**As needed throughout the year:**

- \* Handle any outstanding protests by scheduling ARB hearings.

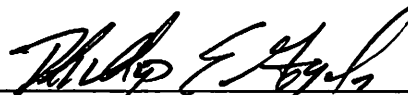
**2026 REAPPRAISAL SCHEDULE**

The same timetable and duties apply in each year. The field appraiser shall physically inspect all property in as described in Area Two (2). The chief appraiser and CAD staff shall continue to complete the same duties and reappraisal steps as outlined for 2025.

**PUBLIC MEETING HELD:**

September 11, 2024

**PRESENTED BY:**



Phillip E. Gonzales, Chief Appraiser

**APPROVED, REFUGIO COUNTY  
APPRAISAL DISTRICT BOARD OF  
DIRECTORS:**



Ruben Lee, Chairman