

YOUNG COUNTY APPRAISAL DISTRICT

**RESTRICTED USE APPRAISAL-MASS APPRAISAL REPORT TAX
YEAR 2016**

Client and Users: All of the ad valorem taxing units with jurisdiction in Young County, Texas
Young County, Graham ISD, City of Graham, Olney ISD, City of Olney, Olney Hospital, Newcastle ISD, City of Newcastle, NCTC, Graham Hospital, Bryson ISD, Woodson ISD

IDENTIFICATION OF THE APPRAISAL

INTENDED USE OF THE APPRAISAL: The intended use of the Appraisal is for ad valorem tax purposes by the above-specified clients. This is restricted use appraisal. The appraiser's opinions and conclusions, set forth may not be understood properly without the additional information in the appraiser's work file. Young County Appraisal District is a political subdivision of the State of Texas, required to conduct the annual reappraisal of all taxable property located within Young County, Texas. There shall be no other uses for this appraisal. It is understood that the taxing units have an advanced knowledge of the Texas Property Tax System.

IDENTIFICATION OF THE PROPERTIES INVOLVED IN THE APPRAISAL: The properties involved within this appraisal are all taxable property found on the 2016 Appraisal Roll prepared by the Young County Appraisal District. This includes all taxable real and personal property located within Young County, Texas.

PROPERTY INTERESTS APPRAISED: Unlike some states taxing authorities, the Texas Property Tax Code does not specify a particular property interest to be appraised (ex. Fee simple). The Texas Property Tax Code does however specify in Section 23.01 that "each property shall be appraised based upon the individual characteristics that affect the property's market value." Therefore, each individual property interest was taken into consideration in conducting the 2016 appraisal.

DEFINITION OF VALUE: The Texas Property Tax Code defines three types of value, Market Value, Appraised Value and Assessed Value in Section 1.04.

MARKET VALUE: Market Value means the price at which 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 purchaser know all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restriction on its use: and
- (c) Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

APPRAISED VALUE: Appraised Value means the value determined as provided by Chapter 23 of this code (the Property Tax Code).

ASSESSED VALUE: Assessed Value means, for the purpose of assessment of property for taxation, the amount determined by multiplying the appraiser value by the applicable assessment ratio, but, for the purposes of determining the debt limitation imposed by Article III, Section 52 of the Texas Constitution, shall mean the market value of the property recorded by the chief appraiser.

ASSESSMENT RATIO: Section 26.02 of the Texas Property Tax Code specifies, “The assessment of property for taxation on the basis of a percentage of its appraised value is prohibited. All property shall be assessed on the basis of 100 percent of its appraised value.”

EFFECTIVE DATE OF THE APPRAISAL: Except as provided in Chapter 23 of the Texas Property Tax Code, the effective date of valuation is January 1, 2016.

DATE OF THE REPORT: The date of the report is AUGUST 24, 2016

EXTRAORDINARY ASSUMPTIONS: None

HYPOTHETICAL CONDITIONS: None

GENERAL ASSUMPTIONS:

This appraisal report has been made with the following general assumptions:

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clears of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed that the property conforms to all applicable zoning and use regulation and restrictions unless a non-conformity has been identified, described and considered in the appraisal.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contain in this report is based.
- It is assumed that the use of the land and improvements is confined within the

boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

- Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous materials, which may or may not be present on the property. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser however is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this filed, if desired.

GENERAL LIMITING CONDITIONS:

This appraisal report has been made with the following general limiting conditions:

- Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially and conclusions as to value, the identity of the appraiser, or the Young County Appraisal District) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
- No legal descriptions or surveys were furnished, so the appraiser used the records and maps of Young County Appraisal District to ascertain the physical dimensions and acreage of the properties. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted.
- The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

SCOPE OF WORK

THE EXTENT TO WHICH THE PROPERTY WAS IDENTIFIED:

For 2016, the Young County Appraisal District identified **34,580** taxable properties located in Young County. These properties were identified through prior year appraisal records, the official deed records of Young County, contract for deeds, the Texas Department of Housing and Community Affairs manufactured housing records, property renditions, GIS data and both field and office work.

Each of these properties is identified on a property level by the Owner's name, address, situs address, legal description, property description and a unique property identification number. This information is maintained in the Pritchard & Abbott appraisal software, property record cards and the appraisal roll.

THE EXTENT TO WHICH THE PROPERTY WAS INSPECTED:

Between 5/1/2015 and 6/10/2016 there were 26,744 properties inspected. The remainder of the district properties were appraised in the office by statistical testing and ratio studies.

THE TYPE AND EXTENT OF DATA RESEARCHED:

The official records of the Young County Clerk were extensively researched for all property transfers. The Young County Appraisal District is charged with appraising all property at its market value and also to maintain equity and equality among properties. The district gathered sales information from every available source.

It is the district policy to send sales verification letters to every grantor and grantee involved in every arm's-length transaction. An arm's-length transaction is one between uninvolved parties that complies with the Tax Code definition of market value. Historically the district has received about a 25 % response rate when analyzes by individual sale.

The district is a member of the North Texas Real Estate Information System. This information is invaluable and typically includes a large portion of the residential and vacant lot sales that occur. Although is includes some farm and ranch and commercial sales information, many of these sales are handled by independent real estate salespersons that are not members of the MLS.

It is a valuable source of information to trade sales with other real estate professionals, such as brokers, salespersons and real estate appraisers. Historically this was the method that the special use, high quality ranch properties and commercial sales were verified by the district. The legislature has effectively killed this method with legislation making most all-sales information confidential. These professional will not give the district sales information without something in return. This has greatly hampered the district's ability to do its duties.

All confirmed sales information is included in the appraisal district sales file. If the property has multiple sources of sales information, they will be compared for accuracy. Even "bad" sales information will be included but will be coded as "bad" and removed form calculation in internal sales ratio studies.

The district analyzed 239 confirmed sales that occurred between May 1, 2015 and June 15, 2016. These sales were first analyzed by the type of sale as follows:

- Sale Type A- Single Family Residential 150 confirmed sales
- Sale Type C- Vacant lots 15 confirmed sales
- Sale Type D- Farm and Ranch Vacant 34 confirmed sales

• Sale Type E- Farm and Ranch Improved	23 confirmed sales
• Sale Type B-Multi Family Residential	5 confirmed sales
• Sale Type F- Commercial	9 confirmed sales
• Sale Type M- Mobile Homes (improvement only)	1 confirmed sales
• Sale Type Bad- Sales considered not to be arm's length	24 confirmed sales

THE TYPE AND EXTENT OF ANALYSES APPLIED:

These sales were analyzed according to location, quality, size, conditions, age and then individual functional, economic and physical factors, as well as property rights. This information was then reconciled with unsold properties and analyzed using internal ratio studies to compare to existing appraisal schedules depending on location, property type and quality category.

INCLUSION OR EXCLUSION OF APPROACHES:

Regarding improved property the Young County Appraisal District typically utilizes a modified cost approach to value improvements. This approach begins with local and nationally recognized cost guides. This cost information is then modified with a sale generated local modifier.

Land is typically valued utilizing the market data approach. Sales information is analyzed by property use, restrictions, location, size and attributes, such as water, view, access, etc. The existing land schedules are then modified to reflect current sales activity.

Commercial properties are appraised using the cost, income and market data comparison approach.

APPRAISAL ASSISTANCE EXPLAINED:

The Young CAD field appraisers do the physical inspection and other fieldwork. The field appraisers and the Chief Appraiser conduct sales analysis, appraisal schedules and ratio studies.

SCHEDULES

SEE ADDENDUM FOR SCHEDULES

2016 APPRAISAL TOTALS

Total Land	\$953,253,825
Total Improvements	\$753,821,670
Total Mineral	\$370,933,510
Total Personal	\$73,867,710
Total Market Value	\$2,151,876,935

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 are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the clients, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of professional Appraisal Practice.
- I have not made a personal inspection of all of the property that is the subject of this report.
- Jesse D. Blackmon, RPA – TDLR #71861, Chase Banks, RPA – TDLR #73389, Madison Wellman – TDLR #74271, Molly Agraz – TDLR #74446 & Pam Neelley – TDLR #74262 provided significant real and personal property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Date: August 24, 2016

Luke Robbins, RPA
Chief Appraiser
TDLR # 69382