

# Castro County Appraisal District 2024 Mass Appraisal Report

Prepared Pursuant to Standard 6 of the Uniform Standards of Professional Appraisal Practice

## TABLE OF CONTENTS

INTRODUCTION .....	3
LISTING OF TAXING JURISDICTIONS LOCATED IN CASTRO COUNTY .....	4
SUMMARY OF PROPERTIES APPRAISED .....	5
GENERAL ASSUMPTIONS AND LIMITING CONDITIONS.....	6
DEFINITION OF MARKET VALUE .....	7
AREA ANALYSIS .....	7
PROPERTY CLASSIFICATIONS .....	8
HIGHEST AND BEST USE ANALYSIS.....	9
MARKET ANALYSIS.....	9
APPRAISAL PERFORMANCE TESTING & RESULTS .....	10
VALUATION ANALYSIS .....	10
APPRAISAL METHODS .....	10
COST APPROACH .....	10
INCOME APPROACH.....	11
MARKET APPROACH.....	11
MARKET AREA.....	11
INDIVIDUAL VALUE REVIEW PROCEDURES.....	11
EFFECTIVE DATE OF APPRAISAL AND DATE OF THE REPORT .....	12
CERTIFICATION .....	12

## INTRODUCTION

The Castro County Appraisal District has prepared and published this report to provide our citizens and taxpayers with a better understanding of the district's responsibilities and activities. This mass appraisal report was written in compliance with Standard 6-3 of the Uniform Standards of Professional Appraisal Practice (USPAP), as developed by the Appraisal Standards Board of the Appraisal Foundation, and the Texas Property Tax Code.

Taxing jurisdictions that participate in the district must use the appraisals as the basis for imposition of property taxes. The State of Texas allocates state funds to school districts based upon the district's appraisals, as tested and modified by the Property Tax Assistance Division, State Comptroller of Public Accounts.

The 2024 mass appraisal results in an estimate of the market value of each taxable property within the district's boundaries. Where required by law to appraise property at a value other than market value, the district also estimates value on said requirement. These situations are described where applicable later in this report.

The Chief Appraiser is the chief administrative and executive officer of the appraisal district. The Chief appraiser employs and directs the district's staff, oversees all aspects of the appraisal districts operations and performs either directly or through the district staff a variety of operations.

The Chief Appraiser's responsibilities are as follows:

- 1) Discover, list and appraise property
- 2) Determine exemption and special use valuation requests
- 3) Organize periodic reappraisals
- 4) Notify taxpayers, taxing units and the public about matters that affect property values

The Castro County Appraisal District (Castro CAD) is budgeted for three (3) positions and currently consists of the Chief Appraiser and two (2) Appraisal/Collection Clerks. Castro CAD contracts with Western Valuation & Consulting, LLC (WVC) to appraise residential and commercial properties. Industrial, utility and pipeline properties (IUP), both real and personal, are appraised by Morgan Ad Valorem Services, Inc (MAVSI). Business personal, ag-use and all other types of property are appraised and maintained by the CAD.

It is the goal of Castro CAD staff to provide the best possible service to the property owners and taxing entities. It promotes and adheres to the professional standards and ethics as set forth by the Texas Department of Licensing and Regulation and the Texas Association of Appraisal Districts.

## **LISTING OF TAXING JURISDICTIONS LOCATED IN CASTRO COUNTY**

Castro County

Castro County Road & Bridge

Castro County Hospital District

High Plains Underground Water Conservation District #1

Dimmitt ISD

Hart ISD

Nazareth ISD

City of Dimmitt

City of Hart

City of Nazareth

Happy ISD

Hereford ISD

Lazbuddie ISD

Springlake-Earth ISD

Amarillo Junior College District

## SUMMARY OF PROPERTIES APPRAISED

The 2024 certified roll for Castro County Appraisal District consists of 7,496 parcels. The breakdown of these parcels is as follows:

<b>Code</b>	<b>Property Type</b>	<b>Parcel Count</b>	<b>Appraised Value</b>
A	Single Family Residence	2,099	\$172,859,010
B	Multifamily Residence	14	\$2,857,880
C	Vacant Lots and Land Tracts	347	\$936,180
D1	Qualified Open-Space Land	2,241	\$145,481,767
D2	Improvements on Qualified Open Space Land	469	\$11,016,850
E	Farm & Ranch, Real & Improvements	874	\$67,980,970
F1	Commercial Real Property	322	\$20,696,650
F2	Industrial and Manufacturing Real Property	112	\$486,349,880
H1	Tangible Personal Property: Personal Vehicles	289	\$11,800,700
J2	Gas Distribution System	37	\$8,229,910
J3	Electricity Company	37	\$96,023,150
J4	Telephone Company	32	\$2,932,200
J5	Railroad	6	\$6,796,270
J6	Pipeline Company	29	\$8,340,410
J8/9	Other Utility	4	\$722,350
L1	Commercial Personal Property	198	\$29,080,500
L2	Industrial and Manufacturing Personal Property	64	\$55,108,870
M	Tangible Other Personal, Mobile Homes	87	\$3,369,340
S	Special Inventory Tax	5	\$2,440,500
X	Totally Exempt Property	230	\$89,758,702

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraised value estimates provided by the district are subject to the following conditions:

- The appraisals were prepared exclusively for ad valorem tax purposes.
- The property characteristic data upon which the appraisals are based is assumed to be correct.
- Physical inspections of the property appraised were performed as CAD resources and time allowed. Inspections were scheduled based upon the biennial Reappraisal Plan developed by the Chief Appraiser and approved by the board of directors pursuant to Sec 6.05(i) of the Texas Property Tax Code.
- Validation of sales transactions occurred through Sales Letters to the buyer and seller.
- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to any property is assumed to be good and marketable, unless otherwise stated.
- All property is appraised as if free and clear of any or all liens or encumbrances, unless otherwise stated. All taxes are assumed to be current.
- All property is appraised as though under responsible, adequately capitalized ownership and competent property management.
- All parcel boundary data and structure sketches are assumed to be correct. Any plot plans and / or illustrative material contained with the appraisal records are included only to assist in visualizing the property.
- It assumes that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the mass appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined and considered in the mass appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or nation government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements or the properties described are within the boundaries or property lines, and that there are no encroachments or trespasses unless noted on the appraisal record.
- Unless otherwise stated in this report, the appraiser is not aware of the existence of hazardous substances or other environmental conditions. The value estimates are predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

## **DEFINITION OF MARKET VALUE**

Except as otherwise provided by the Texas Property Tax Code (hereafter referred to as Tax Code), all taxable property is appraised at its “market value” as of January 1. Under the tax code “market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- Exposed for sale in the open market with a reasonable time for the seller to find a purchaser
- Both the seller and the buyer 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
- Both the seller and buyer seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other

Specially appraised property is taxed on a basis, other than market value, as defined above. These categories include:

- residential homestead property (Sec 23.23, Tax Code),
- agricultural and timber property (Chapter 23, Subchapter C and D, Tax Code),
- real and personal property inventory (Sec 23.12, Tax Code),
- certain types of dealer inventory (Sec 23.121, 23.124, 23.1241 and 23.127, Tax Code)
- nominal (Sec 23.18, Tax Code) or restricted use properties (Sec 23.83, Tax Code).

## **AREA ANALYSIS**

Castro County Appraisal District appraises all properties within the physical boundaries of Castro County. Castro County is located in the Panhandle of Texas and is bordered by Deaf Smith County, Parmer County, Lamb County and Swisher County.

Castro County is predominantly an agricultural area. Crops for Castro County are cotton, corn, wheat and sorghum.

## **PROPERTY CLASSIFICATIONS**

The Property Tax Assistance Division of the State Comptroller's office requires properties to be identified by using a standard property classification as follows:

- A: Real Property: Single-family residential
- B: Real Property: Multifamily Residential
- C: Real Property: Vacant Lots and Tracts
- D1: Real Property: Qualified Agricultural Land

### **Sub Classifications for Agricultural**

- Irrigated Cropland
  - Dry Land Cropland
  - Native Pastureland
- D2: Real Property: Improvements on Qualified Open-Space
- E: Real Property: Farm and Ranch Improvements, Non-qualified Open-Space
- F1: Real Property: Commercial
- F2: Real Property: Industrial (Manufacturing)
- G1: Real Property: Oil, Gas and Other Minerals
- H: Tangible Personal Property
- J2: Gas Distribution System
- J3: Electric Company (including co-op)
- J4: Telephone Company (including co-op)
- J5: Railroad
- J6: Pipeline Company
- J7: Cable Television Company
- J8: Other Utility
- L1: Personal Property: Commercial
- L2: Personal Property: Industrial (Manufacturing)
- M: Mobile Homes/Other Tangible Personal Property
- S: Special Inventory
- X: Totally Exempt Property



## **HIGHEST AND BEST USE ANALYSIS**

The district's market value appraisals are performed pursuant to Article VIII, Sec 1, Texas Constitution, which provides that property must be taxed in proportion to its value as determined by law. Sec 23.01, Texas Property Tax Code, implements this provision as follows:

- (a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.
- (b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value.

Castro County Appraisal District appraises all properties in accordance with their highest and best use, except when prohibited to do so by the Texas Property Tax Code.

In determining highest and best use, preliminary judgements are made by appraisers. Changes in property use require a more detailed and technical highest and best use analysis

## **MARKET ANALYSIS**

Economic trends affect the universe of property appraised in Castro County. These trends typically involve the relocation of taxpayers in a residential area. Castro County is not known for a dramatic influx of new residents or businesses since our area is predominantly agricultural with a population that includes families with ties to early settlers to the county.

Sales information is obtained from multiple sources, but most from Sales Survey's sent to both the buyer and seller of a property transaction.

Castro CAD receives monthly updates of deeds that have been filed with the Castro County Clerk. This enables Castro CAD to maintain an accurate listing of property owners.

A portion of real property is reviewed and reappraised annually. An appraiser will use a current appraisal card, which includes a listing of property characteristics, as a base of reference when inspecting property for changes. Updates are made as necessary. If additions or additional structures are observed, those are measured and added to the property records. Also, if noted that a structure has been removed this correction will also be made.

## **APPRAISAL PERFORMANCE TESTING & RESULTS**

The Property Tax Assistance Division of the Texas Comptroller of Public Accounts conducts a biennial study to determine the degree of uniformity and the median level of appraisals by the district within each major category of property constituting at least 5% of the total value in each school district, as required by Sec 5.10, Texas Property Tax Code.

2023 was the last year a study was performed for Castro CAD. Dimmitt ISD was found to be below the confidence interval. Hart & Nazareth ISD's were found to be within the confidence intervals. Springlake-Earth ISD was found to be above the confidence interval. Happy, Hereford & Lazbuddie ISD's were not included in the study. The next Property Value Study will be performed for 2024.

## **VALUATION ANALYSIS**

Castro CAD valuation schedules are divided into four main classifications: residential, commercial, land and business personal property. Depreciation tables and schedules are also included within these schedules. These schedules are determined from sales data for real property and updated as needed.

Agricultural productivity is appraised with the income approach to value and determined annually pursuant to Sec 23.51(4) Texas Property Tax Code.

## **APPRAISAL METHODS**

Castro CAD will consider the three approaches to value to determine the most accurate value for each property. The three approaches to value to be considered are:

- Cost Approach – This approach to value considers the actual cost of construction.
- Income Approach – This approach to value considers the income less the expense of a property. This approach is typically used to value commercial property such as hotel / motel, apartment complex or retail rental property.
- Market Approach – This approach to value considers the actual market data through analysis of sales of similar properties in a specific area during a determined date range.

## **COST APPROACH**

The cost approach is best used for newer or unique properties. The property schedule is based on cost per square foot. The field appraiser measures and classifies properties in accordance with the proper classification code. The appraiser also estimates the condition and effective age of the improvements, if the actual built date is not known. Additional depreciation may be estimated for a variety of reasons including functional obsolescence due to bad floor plans or out of date construction methods. Economic obsolescence results from a loss of value due to adverse influences from outside the physical boundaries of the property. Examples of economic obsolescence may be proximity to a landfill, an airport flight path, etc. The basic formula for the cost approach to value is:

$$\text{Market Value} = \text{Replacement Cost New Less Depreciation} + \text{Land Value}$$

## **INCOME APPROACH**

Typically, commercial properties are best valued through the income approach to value. This approach is derived from data collected from landlords, tenants, and market surveys. In Castro County the predominant properties that are valued by this method are the motels. Productivity value is also determined through the income approach to value.

## **MARKET APPROACH**

The market approach to value is predominantly used for the residential property located in Castro County. This is the preferred method of valuation because the data is taken directly from the current market. Sales letters are mailed to the buyer and seller of a property. Response typically is moderate, at best. All schedules are reviewed annually with sales ratio studies verifying the accuracy of the schedules.

## **MARKET AREA**

The county of Castro is one market area. At the discretion of the chief appraiser, further analysis into smaller, sub-markets may be deemed necessary however, most neighborhoods within the cities have mixed classification codes and prior year's sales have indicated that subdivisions typically do not differentiate in price per square foot.

Due to the lack of sales information typically received by the CAD and the relative non-homogeneity of the cities and rural areas of Castro County, ratio studies are done by market area and further by classification code. This produces the most accurate ratio information by which to build/adjust our appraisal schedules.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

In order for comparable sales data to be considered reliable it must contain a sales date, sales price, financing information, tract size and details of the improvements. Sales data is gathered by sending Sales Surveys to the buyer and seller of properties that have an ownership change.

Individual sales are analyzed to meet the test of market value as defined by Sec 1.04(7) of the Texas Property Tax Code. Examples of reasons why sales may be deleted or not considered are:

1. Transfer between family members
2. Owner financing
3. Considerable improvements or remodeling has been done since the date of sale
4. Sales may be unusually high or low when compared with typical sales located in the market area – typically known as outliers
5. The sale involves personal property, such as furnishing or in the case of agricultural land a pivot sprinkler system
6. Property use change after the date of sale

## EFFECTIVE DATE OF APPRAISAL AND DATE OF THE REPORT

All appraisals are as of January 1, 2024. The effective date of this report is July 25, 2024.

## CERTIFICATION

I, Steven Cole Pierce, Chief Appraiser for Castro County Appraisal District, 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 person, impartial and unbiased professional analyses, opinions and conclusions
- I have no present or prospective interest in the properties subject to this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to any 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 is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the taxing jurisdiction, 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*, the International Association of Assessing Officers and the Texas Department of Licensing and Regulation
- This report has been prepared utilizing certified appraisal data



Steven Cole Pierce, RPA, RTA  
Chief Appraiser  
Castro CAD