Nolan Central Appraisal District

Mass Appraisal Report 2026

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Mass Appraisal Report

Introduction:

Scope of Responsibility

The Nolan Central Appraisal District has prepared this Mass Appraisal Report to provide property owners, taxing units, and the public with an overview of the District's appraisal responsibilities, procedures, and activities. This report provides a general introduction followed by sections describing the appraisal processes utilized by the District for the various categories of property.

Nolan Central Appraisal District (CAD) is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the District. A Board of Directors, selected in accordance with the Texas Property Tax Code, constitutes the District's governing body. The chief appraiser serves as the chief administrator and chief executive officer of the District.

The District is responsible for property tax appraisal and exemption administration for twelve (12) taxing units within Nolan County: Nolan County, City of Blackwell, City of Roscoe, City of Sweetwater, Blackwell CISD, Highland ISD, Roscoe CISD, Sweetwater ISD, Trent ISD, Nolan County Hospital District, Wes-Tex Groundwater Conservation District, and Valley Creek Water Control District. Each taxing unit sets its own tax rate to generate revenue necessary to fund public services. Appraisals established by the District provide the basis for allocating the property tax burden according to the taxable value of property. The District also determines eligibility for applicable property tax exemptions in accordance with the Texas Property Tax Code.

Except as otherwise provided by the Texas Property Tax Code, taxable property is appraised at its market value as of January 1. Section 1.04(7) of the Texas Property Tax Code defines market value as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

1. the property is exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
2. both the seller and 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
3. 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.

The Texas Property Tax Code provides special appraisal provisions for certain types and uses of property, including residence homesteads, agricultural and other qualifying land, real property inventory, dealer inventory, and other property qualifying for special appraisal or valuation as provided by law. The District applies these provisions in accordance with applicable statutory requirements. An owner of qualifying real property inventory may elect, as provided by Section 23.12, to have the inventory appraised as of September 1 of the year preceding the tax year to which the appraisal applies.

In accordance with Section 25.18 of the Texas Property Tax Code and the District's board-approved reappraisal plan, the District conducts periodic reappraisal activities for real and personal property at least once every three years. These activities include identifying property, updating relevant property characteristics, defining market areas, developing and applying appropriate appraisal models, and reviewing appraisal results. The District reviews appraised values annually and performs additional appraisal and reappraisal activities as necessary to reflect market conditions and comply with applicable law.

The appraised value of real property is developed using relevant property characteristics, available market data, and recognized appraisal methods and techniques. The District utilizes computer-assisted mass appraisal (CAMA) systems and applies generally accepted mass appraisal practices and applicable professional standards. Contract appraisal firms utilized by the District are required to perform appraisal services in accordance with applicable laws, professional standards, and contractual requirements.

Personnel Resources

The Chief Appraiser is responsible for the overall administration and operation of Nolan Central Appraisal District, including planning, staffing, budgeting, finance, records management, purchasing, facilities, and coordination of the District's appraisal activities. Nolan Central Appraisal District utilizes in-house appraisal staff for residential and agricultural appraisal, sales analysis, mapping, business personal property administration, and other appraisal-related functions. The District contracts with Pritchard & Abbott, Inc. for the appraisal of commercial, industrial, mineral, utility, and certain industry-related business personal property within the scope of the District's contracted appraisal services.

The Chief Appraiser oversees the development and review of appraisal schedules, sales and ratio analysis, and other appraisal quality-control activities performed by the District. Appraisal work performed by contracted appraisers is incorporated into the District's appraisal records and is subject to review in accordance with District procedures. Appraisers performing appraisal services for the District, whether employed by the District or providing contracted services, are required to maintain applicable registrations, certifications, and continuing education requirements administered by the Texas Department of Licensing and Regulation (TDLR).

Nolan Central Appraisal District currently employs eight (8) full-time employees who perform appraisal, administrative, financial, mapping, records management, customer service, business personal property, and other functions necessary for the operation of the District.

Data

The District is responsible for establishing and maintaining approximately 21,723 real, mineral, and personal property accounts within Nolan County. The District maintains property information including ownership, property characteristics, exemptions, and other data necessary for appraisal and assessment administration. Property characteristic data is updated through field inspections, new construction review, property owner information, public records, and other reliable sources.

Sales information is collected, researched, and validated throughout the year using available sources, which may include sales questionnaires, property owners, buyers and sellers, real estate professionals, Multiple Listing Service (MLS) data, field inspections, and other reliable market sources. Sales information is reviewed in conjunction with property characteristic data and utilized in market analysis, ratio studies, and the appraisal process as appropriate.

The District also considers economic and market information, including trends in employment, interest rates, construction activity and costs, sales prices, rental rates, and other relevant market indicators obtained from public sources, private vendors, local market participants, and other reliable sources.

The District maintains a geographic information system (GIS) containing cadastral mapping and other geographic data used in the appraisal and property identification process. GIS data may include parcel boundaries, aerial imagery, and other applicable mapping layers.

Independent Performance Test

The Texas Comptroller of Public Accounts, through the Property Tax Assistance Division (PTAD), conducts independent studies and reviews of appraisal district performance as required by state law. These include the School District Property Value Study, the Appraisal District Ratio Study, and the Methods and Assistance Program (MAP) review, as applicable. These studies and reviews evaluate appraisal levels, uniformity, appraisal methods and procedures, and compliance with generally accepted appraisal standards and statutory requirements.

The Comptroller utilizes sales data, appraisal data, recognized auditing and sampling techniques, and statistical analysis to evaluate appraisal performance. Stratified sampling and other recognized methods may be used to improve sample representativeness and to measure appraisal level and uniformity. Sales ratio studies and appraisal ratio studies may also be used as part of this process.

Reported statistical measures may include the median level of appraisal, coefficient of dispersion (COD), price-related differential (PRD), and other measures of appraisal level and uniformity by property category. The results of these independent studies and reviews provide Nolan Central Appraisal District with additional information for evaluating appraisal performance and identifying areas of changing market conditions or potential appraisal concerns.

There are five (5) independent school districts with territory located within Nolan County for which appraisal rolls are developed by the Nolan Central Appraisal District. Preliminary results of the School District Property Value Study are generally released following the year of appraisal, with final results subsequently certified in accordance with applicable state requirements. The results of this independent study provide additional information to the District in evaluating appraisal performance and identifying areas of market activity or changing market conditions.

Appraisal Activities

Introduction:

Appraisal Responsibilities

The Chief Appraiser is responsible for the collection and maintenance of property characteristic data used for classification, appraisal, and other appraisal-related purposes. Accurate valuation of real and personal property requires reliable information regarding land, improvements, personal property, and other relevant property characteristics.

Appraisal activities include the planning, coordination, collection, review, and maintenance of property data for residential, commercial, and personal property located within the boundaries of Nolan Central Appraisal District. Data collection may include field inspections, property owner information, renditions, public records, and other reliable sources. Information collected in the field may be recorded electronically using mobile field devices and maintained in the District's computer-assisted mass appraisal (CAMA) system. District staff assists with the collection, review, and maintenance of property data as necessary.

The District conducts field inspections and data review activities in accordance with its adopted reappraisal plan. Properties are reviewed as necessary to identify changes, verify property characteristics, and maintain accurate appraisal records. The frequency and extent of physical inspections may vary based on the District's reappraisal plan, appraisal needs, staffing, available resources, and the characteristics of the property being reviewed.

Appraisal Resources

- Personnel – The appraisal activities consist of the Chief Appraiser RTC, RTA, RPA, Chief Deputy Appraiser/RPA, Residential Appraiser/RPA, ARB Coordinator/BPP/Admin Assistant. Certain property categories and special-use properties are appraised by an outside firm, Pritchard & Abbott, Inc.

- Data – The data used by field appraisers includes the existing property characteristic information contained in CAMA (Computer Assisted Mass Appraisal System) from the district's computer system. Property data is collected and recorded electronically in the field using mobile electronic devices and is maintained within the District's appraisal system. Personal property information is recorded and maintained on the appropriate personal property data records. Other data used includes maps, sales data, fire and damage reports, building permits, photos, and newspapers.

Preliminary Analysis

Data Collection/Validation

Data collection of real property involves maintaining data characteristics of the property on CAMA (Computer Assisted Mass Appraisal). The information contained in CAMA includes site characteristics, such as land size and topography, and improvement data, such as square foot of living area, year built, quality of construction and condition. Field appraisers use listing manuals that establish uniform procedures for the correct listing of real property. All properties are coded according to these manuals and the approaches to value are structured and calibrated based on this coding system. The field appraisers use these manuals during their initial training and as a guide in the field inspection of properties. Data collection for personal property involves maintaining information on the Personal Property System. The type of information contained in the personal property system includes personal property such as business inventory, furniture and fixtures, machinery and equipment, cost, and location. The field appraisers conducting on-site inspections will use a personal property manual during their initial training and as a guide to correctly list all personal property that is taxable.

The listing procedure manuals that are utilized by the field appraisers are located in the district office. The manuals are always available for public inspection. The appraisal district clerical staff handles requests for copies of the manual. The chief appraiser periodically updates the manual with current information.

Sources of Data

The sources of data collection are through the new construction field effort, building permits, data review/re-list field effort, data mailers, hearings, sales validation field effort, commercial sales verification, newspapers and publications, and property owner correspondence.

Data review of entire neighborhoods is generally a good source for data collection. The field appraiser will drive entire neighborhoods to review the accuracy of our data and identify properties that have to be re-listed. The sales validation effort in real property pertains to the collection of data of properties that have sold. In residential, the sales validation effort involves on-site inspection by field appraisers to verify the accuracy of our data and to get confirmation of the sales price.

Information provided by property owners is an important source for identifying changes or discrepancies in both real and personal property records. Property owners may notify the District in person, by telephone, electronically, through written correspondence, or through other available communication methods when they identify discrepancies in property information. When appropriate, information received from a property owner may result in additional review, verification, or a field inspection to ensure that the District’s property records are accurate and complete.

Data Collection Procedures

Field data collection requires organization, planning, and supervision of the field effort. Data collection procedures have been established for residential, commercial, and personal property. The field appraiser conducts inspections throughout the District and records property information electronically using a mobile field device or directly into the District’s CAMA system while in the office.

The quality of the data used is extremely important in establishing accurate values of taxable property. While production standards are established and upheld for the various field activities, quality of data is emphasized as the goal and responsibility of each appraisal district employee. New employees are trained in the specifics of data collection rules. Experienced employees are routinely re-trained in listing procedures prior to major field projects such as new construction, sales validation, or data review. A quality assurance process exists through supervision to review the work being performed by the field appraiser and data entry personnel. The chief appraiser is in charge with the responsibility of ensuring that all employees follow listing procedures, identify training issues and provide uniform training throughout the appraisal office staff.

Data Maintenance

The field appraiser is responsible for ensuring that all field data is complete, accurate, and properly recorded for data entry and quality assurance purposes.

Individual Value Review Procedures

Field Review

The date and extent of the most recent inspection, along with the appraiser responsible for the inspection, are maintained in the District's CAMA system. If a property owner or taxing jurisdiction disputes the District's property records during a hearing, by telephone, electronically, or through written correspondence, the information may be reviewed and updated based upon credible evidence provided. A field inspection may be conducted when additional verification is necessary for the current or subsequent year's appraisal.

As part of the District's ongoing data maintenance and reappraisal process, selected areas and neighborhoods are reviewed each year to identify changes in property characteristics, verify existing data, and maintain accurate and current appraisal records.

Office Review

Office reviews are completed on properties where information has been received from the owner of the property. Property owners frequently provide vital data which verifies the property characteristics or current condition of the property. When the property data is verified in this manner, field inspections are not required unless additional verification of data is required.

Performance Test

The chief appraiser is responsible for conducting ratio studies and comparative analysis. These statistical tests are executed at least four (4) times each year. The chief appraiser or field appraiser may conduct field inspections to ensure that the ratios produced are accurate and that the appraised values utilized are based on accurate property data characteristics.

Residential Valuation Process

Introduction:

Scope of Responsibility

The chief appraiser is responsible for developing equal and uniform market values for residential improved and vacant property. There are approximately 7,259 residential improved parcels and 1,624 vacant residential properties in Nolan County.

Appraisal Resources

- Personnel – The residential valuation appraisal staff consists of the Chief Appraiser RTC, RTA, RPA, Chief Deputy Appraiser/RPA, and Residential Appraiser/RPA.

- Data – A common set of property characteristics for each residential dwelling in Nolan County is collected in the field using electronic field devices and maintained in the District's computer-assisted mass appraisal (CAMA) system. These property characteristics serve as the basis for the CAMA approach to valuation.

Valuation Approach (Model Specification)

Area Analysis

Data regarding regional economic factors, including demographic patterns, regional economic and employment conditions, income trends, real property sales prices and rental rates, interest rate trends, the availability of vacant land, and construction trends and costs, is collected from public sources, private vendors, and other reliable market sources. Additional information regarding market conditions, appraisal practices, and industry trends is obtained through real estate publications and continuing education courses, seminars, and other professional resources provided by organizations and agencies such as the International Association of Assessing Officers (IAAO), Texas Association of Appraisal Districts (TAAD), Texas Association of Assessing Officers (TAAO), and Texas Department of Licensing and Regulation (TDLR).

Neighborhood and Market Analysis

Neighborhood analysis involves examining how physical, economic, governmental, and social forces and other influences affect property values. These factors are considered when identifying, classifying, and stratifying comparable properties into smaller, more manageable groups commonly referred to as neighborhoods. Residential valuation and neighborhood analysis are conducted for properties within the school districts served by Nolan Central Appraisal District.

The first step in neighborhood analysis is identifying groups of properties that share similar characteristics. For appraisal analysis purposes, a neighborhood is generally defined as a geographic grouping of properties that are subject to similar physical, economic, governmental, and social influences. Geographic stratification allows the District to recognize local supply and demand factors that may vary throughout the jurisdiction.

Once a neighborhood is identified, its boundaries are established through a process known as neighborhood delineation. Factors considered in neighborhood delineation may include location, sales price range, lot size, age of improvements, quality of construction, condition, living area, story height, and other relevant property characteristics. Neighborhood delineation may involve establishing geographic boundaries or using statistical analysis and property characteristics to further stratify properties into comparable groups.

Neighborhood analysis also considers patterns of growth and change that may influence property values within a neighborhood. Neighborhoods may experience periods of growth, stability, decline, or revitalization over time. Changes in development, property use, market demand, location influences, and other economic or physical factors are considered when evaluating neighborhood trends and their potential effect on property values.

Highest and Best Use Analysis

The highest and best use of a property is the reasonably probable use that results in the highest value of the property as of the date of appraisal. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive. The highest and best use of residential property is typically its current use, particularly in areas where deed restrictions, zoning, or other land-use controls limit alternative uses.

As part of the residential valuation process, the District considers highest and best use in transitional areas and areas containing a mixture of residential and commercial uses. In areas experiencing redevelopment or changing market conditions, the appraiser reviews the existing use of the property and surrounding market influences to determine whether the current use continues to represent the property's highest and best use.

In some transitional areas, older improvements may no longer contribute significantly to the overall property value, and the highest and best use of the property may be redevelopment or construction of new improvements. In areas of mixed residential and commercial use, properties are periodically reviewed to determine whether changes in market conditions, development patterns, or surrounding land uses warrant reconsideration of the property's highest and best use.

Data Collection and Validation

Sources of Data

The District's property characteristic data was originally obtained from existing records maintained by Nolan County, the school districts within the county, and other local taxing entities. Where property data was unavailable or incomplete, information was collected through field inspections and data collection efforts conducted by the District over time. Nolan County, school districts, cities, other local taxing entities, property owners, and the public may also provide the District with information regarding new construction, property changes, market activity, and other relevant information used in the appraisal and valuation process.

Valuation and Statistical Analysis (Model Calibration)

Cost Schedules

All residential properties within the District are valued using standardized cost schedules and a comparative unit method. The residential cost schedules utilized by Nolan Central Appraisal District are developed and maintained in-house to reflect local residential building costs and market conditions within Nolan County. Marshall & Swift, a nationally recognized cost service, is used as a reference in the development and review of construction costs.

The District analyzes local building costs, construction quality, property characteristics, and available market data in the development and calibration of its residential cost schedules. The schedules are tested against available sales data by comparing estimated improvement costs and land values to sales prices and by reviewing appraisal results across various construction quality classifications and property types. Based on this analysis, cost factors and schedules are adjusted as necessary to reflect local market conditions. The District reviews its residential cost schedules annually and updates them when warranted by current cost and market data.

Sales Information

A sales database is maintained by Nolan Central Appraisal District for the collection, verification, and analysis of sales information. Residential improved and vacant land sales, as well as commercial improved and vacant land sales, are maintained and reviewed as part of the appraisal process.

Sales information is collected from a variety of sources, including sales questionnaires sent to buyers, Multiple Listing Service (MLS) data, field discovery, protest hearings, vendors, builders, real estate professionals, closing documents, and other reliable market sources. Sales are coded according to type, source, validity, and verification status to identify relevant information concerning each property transfer.

Sales reports and other market analyses are generated and reviewed by the Chief Appraiser and appraisal staff to assist in the development, calibration, and evaluation of property values throughout the District.

Land Analysis

The Chief Appraiser conducts residential land analysis using existing and newly available market data. Lot size, front footage, depth factors, and other applicable land characteristics are considered in the valuation of individual parcels. Land tables are developed and maintained within the District's CAMA system to provide for the consistent valuation of primary and residual land and to reflect current market conditions.

Specific land influences may be applied, when necessary, to account for characteristics that affect value, including shape, size, topography, location, access, and other relevant factors. The Chief Appraiser utilizes recognized appraisal methods, including abstraction and allocation, as appropriate, to ensure that land values reflect the contributory market value of the land to the overall property value.

Statistical Analysis

The Chief Appraiser performs statistical analysis annually to evaluate whether appraised values are equitable, uniform, and consistent with the market. Ratio studies are conducted for each school district within the District to evaluate the two primary aspects of mass appraisal accuracy: appraisal level and appraisal uniformity. Statistical measures of central tendency and dispersion derived from sales ratios are reviewed by school district and property classification. These measures may include the median, weighted mean, standard deviation, coefficient of variation, coefficient of dispersion (COD), and other applicable statistical measures.

Measures of central tendency, including the median and weighted mean, are used to evaluate appraisal levels, while measures of dispersion, including the coefficient of dispersion, are used to evaluate appraisal uniformity. These statistical analyses assist the Chief Appraiser in identifying areas or property classifications that may require additional review or adjustment.

Through the sales ratio analysis process, the Chief Appraiser reviews residential property classifications within each school district annually. Ratio studies compare recent verified sales prices with the appraised values of the properties sold. The results provide a means of evaluating the current level and uniformity of appraised values within the District. Based on sales ratio statistics, available market data, and established valuation parameters, the Chief Appraiser determines whether appraisal models or value levels within a school district or property classification require adjustment to reflect current market conditions.

Market Adjustment or Trending Factors

Market adjustments or trending factors are developed through the analysis of appraisal statistics, ratio studies, and available market data and are used to ensure that appraised values are consistent with current market conditions. Because the cost approach separately estimates land and improvement values and relies on depreciated replacement cost, adjustments may be necessary to account for market influences not fully reflected in the cost schedules and to bring appraisal levels into alignment with the local market.

When a category of residential property requires adjustment, the Chief Appraiser reviews ratio studies comparing recent verified sales prices with the appraised values of the properties sold. Appraisal-to-sale ratios and other applicable statistical measures are analyzed to determine the level and uniformity of appraisal within the applicable property category, neighborhood, or school district. Based on this analysis, a market adjustment or trending factor may be developed and applied to bring appraised values into closer alignment with market values indicated by recent sales.

Market adjustments are developed using sales and market information considered representative of the properties being analyzed. Factors may be applied to similarly situated properties within the applicable category, neighborhood, market area, or school district to promote equal and uniform appraisal. After adjustments are applied through the District's CAMA system, additional ratio studies are performed to evaluate the resulting appraisal level and uniformity. The results are reviewed by the Chief Appraiser to determine whether the adjusted values appropriately reflect current market conditions or whether additional analysis or calibration is necessary.

Treatment of Residence Homesteads

Texas law limits increases in the appraised value of qualifying residence homesteads. For a residence homestead that qualifies for the limitation under Section 23.23 of the Texas Property Tax Code, the appraised value may not exceed the lesser of:

- the market value of the property; or
- the sum of:
    1. the appraised value of the property for the preceding tax year;
    2. 10 percent of the appraised value of the property for the preceding tax year for each year since the property was last appraised; and
    3. the market value of all new improvements to the property.

The limitation is applied in accordance with the requirements of Section 23.23 of the Texas Property Tax Code. The District determines the market value of residence homesteads annually and applies the limitation, when applicable, in determining the appraised value. Changes in ownership, qualification for a residence homestead exemption, new improvements, and other circumstances affecting the limitation are handled in accordance with applicable provisions of the Texas Property Tax Code.

Circuit Breaker Limitation on Appraised Value of Real Property Other Than Residence Homesteads

Beginning with the 2024 tax year, Section 23.231 of the Texas Property Tax Code established a circuit breaker limitation on the appraised value of certain real property other than residence homesteads. For the 2026 tax year, the limitation applies to qualifying real property with an appraised value of $5,320,000 or less, subject to the eligibility requirements and exclusions provided by law. The limitation does not apply to residence homesteads or to certain properties receiving special appraisal, including agricultural land, timberland, recreational, park and scenic land, public access airport property, and restricted-use timberland.

For qualifying property, the appraised value for a tax year may not exceed the lesser of:

1. the market value of the property; or
2. the sum of:
   (a) the appraised value of the property for the preceding tax year;

(b) 20 percent of the appraised value of the property for the preceding tax year; and
(c) the market value of all new improvements to the property.

The circuit breaker limitation takes effect on January 1 of the tax year following the first tax year in which the owner owns the property on January 1. The limitation expires on January 1 of the tax year following the tax year in which the property owner ceases to own the property.

Under current law, the circuit breaker limitation provided by Section 23.231 is scheduled to expire December 31, 2026, unless extended or otherwise modified by the Texas Legislature.

Treatment of Accounts with Prior Year Hearings

When a property's appraised value was reduced in the preceding tax year as a result of a protest or other legal proceeding, the final value determined through that process is recognized as the property's appraised value for that tax year. In the subsequent tax year, the District reviews the property using current market data, property characteristics, and applicable appraisal methods and techniques. Any increase in appraised value is supported by appropriate evidence and made in accordance with the requirements of the Texas Property Tax Code.

Individual Value Review Procedures

Field Review

The Chief Appraiser identifies individual properties that may require field review through sales ratio analysis, data review, and other appraisal analysis. Sold properties exhibiting significant variance between sales prices and appraised values may be field reviewed to verify the accuracy of property characteristics and determine whether additional appraisal review is necessary.

During a field inspection, the appraiser reviews relevant property characteristics, including quality of construction, condition, and applicable physical, functional, and economic obsolescence. These characteristics may have a significant effect on the market value of the property. Field inspections also provide an opportunity to review sold and unsold properties for comparability, consistency, and accuracy of appraisal data.

Areas designated for systematic field inspection are identified and reviewed in accordance with the District's adopted written reappraisal plan.

Office Review

Given the time and resources required to conduct field inspections of all properties, groups of homogeneous properties with similar characteristics, consistent sales ratios, and reliable property data may be reviewed in the appraisal office. Properties that have been recently inspected may also be reviewed through available records and market data unless they are located within an area designated for field inspection under the District's adopted written reappraisal plan.

Office review may include analysis of property characteristics, sales information, ratio studies, market trends, prior appraisal information, and other relevant data maintained in the District's CAMA system. If the review identifies inconsistencies or indicates that additional verification is necessary, a field inspection may be conducted.

Once the Chief Appraiser has reviewed the appraisal results and is satisfied with the level and uniformity of values, proposed values are finalized for the notice process in accordance with applicable requirements of the Texas Property Tax Code.

Performance Tests

Sales Ratio Studies

The primary analytical tool used by the Chief Appraiser to measure and evaluate appraisal performance is the ratio study. The District utilizes ratio studies and other statistical measures to evaluate the accuracy, level, and uniformity of appraised values. Sales ratio studies are generated for each school district and for the appraisal district as a whole to assist the Chief Appraiser in identifying market trends, changes in value, and areas that may require additional appraisal analysis.

Sales ratio studies are generated using Paragon statistical software and available verified sales data. Statistical measures reviewed may include the median level of appraisal, weighted mean, coefficient of dispersion (COD), and other applicable measures of appraisal level and uniformity. Results may also be analyzed by property classification, neighborhood, school district, or other appropriate market area.

The District's ratio study procedures are designed to provide an indication of appraisal performance and to assist in evaluating the level and uniformity of appraisals. Particular attention is given to residential properties classified as Category A (single-family residential property) and other property categories, as applicable. The results may also be compared with findings from studies conducted by the Texas Comptroller of Public Accounts to identify areas requiring further review or analysis.

Management Review Process

Once proposed value estimates are developed, the Chief Appraiser reviews sales ratio results and other relevant appraisal data by school district, property classification, neighborhood, or other appropriate market area. This review may include measures of appraisal level and uniformity, sales-to-appraisal ratios, market trends, and other applicable statistical measures. The primary objective of the management review process is to determine whether proposed values are supported by available market data and meet the District's standards for appraisal accuracy and uniformity.

Independent evaluation of the District's appraisal performance is also conducted by the Texas Comptroller of Public Accounts through applicable property value studies, ratio studies, and reviews. These evaluations provide measures of appraisal level and uniformity for various property categories and may include statistical measures such as the median appraisal ratio, coefficient of dispersion (COD), price-related differential (PRD), and other applicable measures. The Chief Appraiser reviews available Comptroller findings as an additional tool for evaluating appraisal performance and identifying areas that may require further analysis or adjustment.

Commercial Valuation Process

Introduction:

Appraisal Responsibility

This mass appraisal assignment includes commercially classified real property located within the boundaries of Nolan Central Appraisal District and for which the District has appraisal responsibility. Each parcel of real property is identified and maintained individually on the appraisal roll.

Commercial real property is generally appraised based on the fee simple interest in accordance with applicable provisions of the Texas Property Tax Code. Easements, restrictions, encumbrances, leases, contracts, and other factors that may affect property value are considered when applicable and supported by market evidence.

Taxable fractional or partial interests in real property are identified and appraised as appropriate. When applicable, the property is appraised as a whole, and values are allocated among the individual ownership interests based on their respective prorated interests.

Appraisal Resources

Improved commercial real property appraisal responsibilities are categorized by major property types, including office, retail, warehouse, and special-use properties such as hotels, clinics, and other specialized commercial properties. Nolan Central Appraisal District staff and appraisers employed by Pritchard & Abbott, Inc. perform commercial appraisal activities in accordance with the District's appraisal responsibilities and contracted appraisal services.

Data

Data used in the appraisal of commercial property may include verified sales of vacant land and improved properties, along with relevant market information obtained from those transactions. Such information may include sales prices, capitalization rates, income multipliers, marketing periods, and other applicable market indicators.

Additional information may include income and expense data obtained from property owners or other reliable sources, contract rental rates, lease information, tenant improvement costs, lease terms, construction costs, and other relevant property and market data. Market publications, local sales information, Multiple Listing Service (MLS) data, and other reliable sources may also be reviewed to identify and support market trends and assist in the valuation process.

Preliminary Analysis

Pilot Study

Pilot studies may be utilized to test new or existing appraisal procedures, valuation methods, or model modifications using a representative sample of properties within the District. Pilot studies may also be conducted when significant changes are made to appraisal procedures or valuation models. Ratio studies and other statistical analyses may be used to evaluate whether proposed changes produce accurate, equitable, and reliable appraisal results or whether additional calibration or modification is necessary.

This analysis may be used in the development, testing, and calibration of cost, market, and income approach models, as applicable.

Survey of Similar Jurisdictions:

Nolan Central Appraisal District may coordinate discovery, appraisal, and valuation activities with adjoining and other appraisal districts when appropriate. Information may be exchanged regarding market activity, property characteristics, sales, appraisal practices, and other relevant data to assist in maintaining accurate and uniform appraisals.

District administration and appraisal personnel also interact with appraisal professionals and officials from other jurisdictions through continuing education, professional organizations, conferences, and other industry activities, including the International Association of Assessing Officers (IAAO), Texas Association of Appraisal Districts (TAAD), Texas Association of Assessing Officers (TAAO), and Texas Rural Chief Appraisers (TRCA).

Valuation Approach (Model Specification)

Area Analysis

Data regarding regional and local economic factors, including demographic patterns, location influences, employment and income trends, real property sales prices and rental rates, interest rate trends, the availability of vacant land, and construction trends and costs, is collected from public sources, private vendors, market publications, and other reliable sources.

Additional information regarding market conditions, appraisal practices, and industry trends may be obtained through continuing education courses, seminars, conferences, and professional resources provided by organizations and agencies such as the International Association of Assessing Officers (IAAO), Texas Association of Appraisal Districts (TAAD), Texas Association of Assessing Officers (TAAO), and Texas Department of Licensing and Regulation (TDLR).

Neighborhood Analysis

Neighborhood analysis involves examining how physical, economic, governmental, and social forces and other influences affect commercial property values. These factors are used to identify, classify, and group properties with similar characteristics and market influences into appropriate market or economic areas. For commercial mass appraisal purposes, these groupings are generally referred to as market areas or economic areas.

Economic areas may be developed by major property use types, such as apartments, offices, retail properties, warehouses, and special-use properties, based on an analysis of similar economic and market influences. Factors considered may include rental rates, building classifications, age and condition of improvements, location, construction characteristics, market activity, occupancy levels, and other relevant market influences.

The identification and delineation of economic areas provide a basis for the development and application of commercial valuation models. Income models and other applicable valuation factors may be developed and analyzed by economic area and property type to reflect local market conditions. Economic areas are periodically reviewed and adjusted or re-delineated when changes in market conditions indicate that revisions are necessary.

Highest and Best Use Analysis

The highest and best use of a property is the reasonably probable use that results in the highest value of the property as of the date of appraisal. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive.

For improved properties, highest and best use may be considered both as currently improved and as if the land were vacant, when appropriate. This analysis assists in determining whether the existing improvements represent the most productive use of the property or whether factors such as an interim use, nonconforming use, excess land, surplus land, or an alternative use should be considered.

For vacant land, highest and best use is determined by considering surrounding land uses, development patterns, zoning and other legal restrictions, physical characteristics, market demand, and other relevant factors. The analysis considers the use that is reasonably probable and supported by current market conditions.

Improved commercial properties may have a variety of highest and best uses, including office, retail, multifamily, warehouse, industrial, special-use, or other appropriate uses. In many instances, a property's current use is also its highest and best use. Highest and best use analysis assists the appraiser in developing an appropriate estimate of market value.

Market value reflects the value of property in an open and competitive market under the conditions established by the Texas Property Tax Code. Value-in-use, by comparison, generally reflects the value of a property to a particular user for a specific purpose and may differ from market value. The District considers the applicable statutory definition and basis of value when determining the appropriate appraisal methodology for a property.

Market Analysis

Market analysis involves the examination of market forces affecting the supply of and demand for commercial real property. The analysis considers economic, social, governmental, environmental, and locational factors that may influence property values.

Current market activity is analyzed using available and reliable market data, which may include sales of commercial properties, new construction, rental and lease rates, occupancy and vacancy rates, absorption trends, operating expenses, replacement reserves, expense ratios, capitalization rates, and other relevant market indicators. This information is used to identify market trends and assist in the development and calibration of commercial valuation models.

Data Collection/Validation

Sources of Data

Property characteristic data for taxable commercial properties within Nolan Central Appraisal District's appraisal responsibility is maintained in the District's computer-assisted mass appraisal (CAMA) system. Property records are reviewed and updated as necessary based on field inspections, building permits, property owner information, appraisal records, protest hearings, and other reliable sources. Special-use and other commercial properties are reviewed as appropriate based on their individual characteristics and appraisal requirements. When discrepancies or changes are identified, the property information is reviewed and, when necessary, a field inspection is conducted to verify and maintain accurate property data.

Commercial sales information is obtained from a variety of sources. Nolan Central Appraisal District reviews recorded deeds and other available records involving transfers of commercially classified property within Nolan County. Transactions involving a change in ownership are reviewed and researched to obtain relevant sales information and determine whether the transaction is appropriate for appraisal analysis. Additional sales information may be obtained from Multiple Listing Service (MLS) data, sales questionnaires, closing documents, property owners, buyers and sellers, real estate professionals, protest hearings, local publications, and other reliable market sources. Sales information is reviewed and verified to the extent possible before being used in the appraisal and valuation process.

Data Collection Procedures

Data collection procedures have been established for residential, commercial, industrial, and personal property. Appraisers conduct field inspections and record property characteristics and other relevant information electronically using mobile field devices or directly into the District's CAMA system. The information collected is reviewed and maintained in the District's CAMA system and serves as the basis for the appraisal and valuation of property.

The quality and accuracy of property data are essential to the appraisal of taxable property. The District maintains procedures for data collection and review to promote consistency, accuracy, and completeness. Appraisers are responsible for ensuring that property characteristics and other relevant information are accurately recorded and maintained. New appraisers receive training in the District's data collection procedures, property classification standards, and use of the CAMA system and mobile field devices.

For properties involving a transfer of commercial ownership, a sales record is created and the research and verification process begins. Sales information may be obtained and verified through multiple sources, including sales questionnaires, Multiple Listing Service (MLS) data, property owners, buyers and sellers, real estate professionals, closing statements, and other reliable market sources. When a sales questionnaire is returned, the information provided is reviewed and recorded in the District's sales database. If sufficient information cannot be obtained to verify a transaction, the sale is documented as unconfirmed. Closing statements and other reliable documentation of the transaction are considered preferred sources for sales verification when available.

Valuation Analysis (Model Calibration)

Model calibration is the process of periodically reviewing and adjusting mass appraisal formulas, tables, schedules, and valuation factors to reflect current market conditions. Once appraisal models have been developed and specified, adjustments may be made to account for changes in construction methods, materials, costs, market conditions, and other factors that may affect property values.

The basic structure of a mass appraisal model may remain valid over an extended period of time, with market adjustments, trending factors, and other calibration techniques used as necessary to reflect current market conditions. Ratio studies, sales data, cost information, income and expense data, and other relevant market information may be analyzed to evaluate model performance.

When analysis indicates that existing models or calibration techniques no longer adequately reflect market conditions, model specifications, schedules, or valuation procedures may be revised as necessary to produce accurate, equitable, and supportable appraisal results.

Cost Schedules

The cost approach to value is applied to improved commercial real property, when appropriate, using the comparative unit method. This methodology utilizes recognized cost data sources, including Marshall & Swift Valuation Service, as well as available local construction cost information and other reliable cost data. Cost models are used to estimate the replacement cost new (RCN) of improvements and may include comparative base rates, unit-in-place adjustments, and other applicable cost adjustments.

Land value is estimated separately using available market data and recognized appraisal methods. Time and location adjustments may be applied to cost data as necessary to reflect changes in construction costs and local market conditions within Nolan County. Regional and local cost modifiers from recognized cost services, along with available local market information, may be considered in the development and calibration of commercial cost schedules.

Depreciation schedules are developed and applied based on property type, age, expected economic life, condition, and other relevant characteristics. Different economic life categories may be utilized for various classes of commercial improvements. Actual age, when known, and effective age are maintained in the District's CAMA system. Effective age reflects the condition, utility, and remaining economic life of an improvement relative to similar properties in the market.

Physical deterioration and functional or external obsolescence are considered when applicable and supported by property or market data. Adjustments may be made when the condition, effective age, functional utility, or external influences affecting a property differ from those typically reflected in the applicable depreciation schedule. Such adjustments may be developed or supported through ratio studies, market analysis, property-specific information, and other reliable appraisal data.

Income Models

The income approach to value is applied to commercial real property when the property is typically purchased and operated for its income-producing capacity and when sufficient market data is available to support the analysis. The income approach estimates value by converting the anticipated benefits of property ownership into an indication of market value.

Market rent is estimated using available rental and lease data obtained from property owners, market publications, lease information, and other reliable market sources. Market rental rates are applied to the appropriate units of comparison to estimate potential gross income. Vacancy and collection loss allowances are then applied based on available market data and stabilized occupancy levels to estimate effective gross income. Other income, such as parking, reimbursements, and miscellaneous income, may also be considered when applicable.

Operating expenses are estimated based on available property-specific and market data, assuming prudent management. Expenses may include typical operating costs, non-recoverable expenses, and replacement reserves, as appropriate for the property type. Expense ratios and allowances may vary according to property use, lease structure, market conditions, and other relevant factors. Allowable operating expenses are deducted from effective gross income to develop an estimate of net operating income (NOI).

Net operating income is converted into an indication of market value through the application of appropriate capitalization rates, income multipliers, discount rates, or other recognized income capitalization techniques. Capitalization rates and other factors may be derived from market transactions, income and expense information, market publications, and other reliable sources. Rates may vary by property type, location, quality, condition, age, market risk, and other relevant characteristics.

Direct capitalization is generally used when a property is expected to produce a stabilized level of income. Discounted cash flow analysis or other income techniques may be utilized when appropriate and supported by available market data. When a property experiences unusual vacancy, lease-up conditions, or other income-related factors that differ from stabilized market conditions, appropriate adjustments may be considered based on available market evidence.

Income models, capitalization rates, expense allowances, vacancy rates, and other model components are periodically reviewed and calibrated using available market data to ensure that resulting value estimates reflect current market conditions.

Sales Comparison (Market) Approach

The sales comparison approach estimates market value by analyzing sales of comparable properties. This approach may be used in the valuation of vacant land and improved commercial properties when sufficient reliable market data is available.

As discussed in the Data Collection/Validation section of this report, sales information for vacant and improved properties is collected, researched, and verified throughout the year. Relevant sales data is analyzed to identify market trends and provide support for valuation models and individual property appraisals.

Sales of comparable improved properties may also be used to develop and support depreciation schedules used in the cost approach and capitalization rates, income multipliers, and other factors used in the income approach. In addition, verified sales are utilized in ratio studies to evaluate the level and uniformity of appraised values and to identify areas that may require additional review or model calibration.

Final Valuation Schedules

Based on the market data analysis and appraisal review conducted through the cost, income, and sales comparison approaches, applicable valuation models, schedules, and factors are calibrated and finalized. The resulting schedules and models are maintained in the District's CAMA system and applied to commercial properties as appropriate based on property type, market area, and available market data.

Final value estimates are reviewed to ensure that they reflect current market conditions and provide for accurate, equitable, and uniform appraisal of commercial properties within the District.

Statistical and Capitalization Analysis

Statistical analysis of final values is an important component of the District's quality control process. Appraisal results are evaluated using available sales data, ratio studies, value change analysis, prior-year appraisal information, and other applicable statistical measures. Measures of central tendency and dispersion, including the median, weighted mean, coefficient of dispersion (COD), and other relevant statistics, may be used to evaluate the level and uniformity of appraised values by property type, market area, or other appropriate classification.

Commercial property values and valuation models are reviewed periodically using sales ratio analysis and other available market information. The results are used to identify property types or market areas that may require additional review, adjustment, or model calibration. Following any adjustments, appraisal results may be tested again to determine whether the resulting values appropriately reflect current market conditions and provide for equal and uniform appraisal.

Income model components, including market rents, occupancy and vacancy rates, other income, operating expenses, net operating income, capitalization rates, and applicable multipliers, are reviewed using available property-specific and market data. Income model results are compared with information obtained from property owners, market transactions, published sources, and other reliable market information to evaluate and calibrate the models as necessary.

Individual Value Review Procedures

Field Review

The date and extent of the most recent inspection, along with the appraiser responsible for the inspection, are maintained in the District's CAMA system. If a property owner disputes the District's property data during a protest hearing or provides credible information indicating that the records may be inaccurate, the information is reviewed and updated as appropriate. A field inspection may be conducted when additional verification is necessary.

Because not all commercial properties can be physically inspected each year, field review efforts are directed toward properties and market areas where changes or inconsistencies are identified. These may include areas experiencing new construction, remodeling or renovation, changes in occupancy or rental rates, new leasing activity, significant market changes, or unusual variations in sales prices.

During field review, appraisers evaluate relevant property characteristics, including building classification, quality of construction, condition, and applicable physical deterioration, functional obsolescence, and external obsolescence. Sold and unsold properties may also be inspected to evaluate comparability, verify property data, and promote consistency and uniformity of appraised values.

Office Review

Office reviews are conducted for commercial properties not requiring a field inspection and may include a review of property characteristics, valuation methodology, market data, prior-year values, sales information, and other relevant information maintained in the District's CAMA system. The review is used to identify unusual results, data inconsistencies, or value estimates that may require additional analysis or verification.

Appraised values are reviewed for consistency with applicable property types, market areas, and valuation parameters. Properties with values or characteristics that fall outside established parameters may be identified for additional review, correction, or field inspection as necessary.

Once the appraisal results have been reviewed and the appraiser is satisfied with the level and uniformity of values, proposed values are finalized for the notice process in accordance with applicable requirements of the Texas Property Tax Code.

Performance Tests

The primary analytical tool used by Nolan Central Appraisal District to evaluate mass appraisal performance is the ratio study. Ratio studies compare appraised values with available market indicators, generally verified sales prices, to evaluate the level and uniformity of appraisal. When sufficient sales data is unavailable, other recognized appraisal methods and market information may be considered as appropriate.

Nolan Central Appraisal District follows the guidelines and standards set forth in the International Association of Assessing Officers (IAAO) *Standard on Ratio Studies* in conducting ratio studies and evaluating appraisal performance. Ratio studies may be stratified by property category, market area, school district, or other appropriate classification to identify differences in appraisal level or uniformity.

Statistical measures may include the median appraisal ratio, coefficient of dispersion (COD), price-related differential (PRD), weighted mean, and other applicable measures. Ratio study results are used to evaluate appraisal performance, identify areas requiring additional review, and assist in the calibration and adjustment of mass appraisal models.

Sales Ratio Studies

Sales ratio studies are an integral part of evaluating appraisal level and uniformity and developing equitable and accurate market value estimates. The District uses sales ratio studies to identify areas or property groups that may require reappraisal, evaluate appraisal procedures, analyze market trends, and assist in the calibration and testing of mass appraisal models. Ratio studies are designed to evaluate appraisal performance for groups of properties and are not intended to determine the accuracy of an individual property's appraised value.

Sales ratio studies are generated through the District's CAMA system at least annually and may be conducted more frequently when market conditions or appraisal analysis indicate additional review is necessary. Studies may be stratified by property type, school district, neighborhood, economic area, or other appropriate market classification.

When ratio study results indicate unusual variation or potential data issues, property characteristics and sales information may be reviewed and field inspections conducted when necessary to verify the accuracy of the underlying data. Ratio study results assist the Chief Appraiser and appraisal staff in identifying market trends, evaluating appraisal level and uniformity, and determining whether additional analysis, model calibration, or valuation adjustments are warranted.

Comparative Appraisal Analysis

The commercial appraiser may perform comparative unit analyses in addition to traditional ratio studies to evaluate appraisal performance and uniformity. These analyses may be conducted by commercial property use type, including apartments, offices, retail properties, warehouses, and special-use properties.

Average unit values of sold and unsold properties may be compared to identify differences in appraisal levels and value changes. Analyses may also be stratified by building class, economic area, property type, or other relevant characteristics to evaluate appraisal performance among comparable groups of properties.

Comparisons of sold and unsold properties assist the appraiser in evaluating horizontal equity and identifying potential inconsistencies or selective appraisal. When analysis indicates significant differences among comparable property groups, additional review or model calibration may be performed as necessary. These analyses are conducted as part of the District's appraisal review process prior to annual notices of appraised value.

Industrial Valuation Process

Appraisal Responsibility

Nolan Central Appraisal District contracts with Pritchard & Abbott, Inc. for the appraisal of industrial properties within the District. Pritchard & Abbott is responsible for developing fair, equitable, and uniform market values for improved industrial real property, industrial land, and industry-related tangible personal property within its contracted appraisal responsibilities.

As part of the contracted appraisal process, Pritchard & Abbott performs applicable appraisal activities including data collection and maintenance, market and area analysis, highest and best use analysis, development and application of valuation models and schedules, field and office review, sales and market analysis, ratio studies, and other performance testing and appraisal procedures necessary to develop and support industrial property values.

Business Personal Property Valuation Process

Appraisal Responsibility

Nolan Central Appraisal District is responsible for the appraisal of business personal property located within the District. Business personal property may include, but is not limited to, furniture and fixtures, machinery and equipment, inventory and supplies, vehicles, leased assets, and other tangible personal property used for the production of income.

Nolan Central Appraisal District contracts with Pritchard & Abbott, Inc. for the appraisal of mineral, utility, industrial, and industry-related personal property within the scope of its contracted appraisal responsibilities.

Property characteristics and other relevant information are obtained through renditions, field inspections, property owner documentation, public records, and other reliable sources. The information is reviewed and maintained in the District's computer-assisted mass appraisal (CAMA) system and is used in the appraisal and valuation process.

Valuation Approach (Model Specification)

SIC Code Analysis

Standard Industrial Classification (SIC) codes are numerical codes used to classify businesses by industry type. Nolan Central Appraisal District utilizes SIC codes, where applicable, to classify business personal property accounts by business or industry type. These classifications assist the District in organizing and analyzing similar business personal property accounts for appraisal purposes.

Highest and Best Use Analysis

The highest and best use of personal property is the reasonably probable use that results in the highest value as of the date of appraisal. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive. In most cases, the current use of business personal property is considered its highest and best use unless available information indicates otherwise.

Data Collection/Validation

Sources of Data

Business Personal Property

Personal property data is developed and maintained using property owner renditions, field inspections, records obtained from taxing entities, public records, and other reliable sources. As part of its appraisal and reappraisal activities, District staff conducts field inspections as necessary to identify new businesses, changes to existing businesses, and taxable personal property that may not have been identified through other sources.

The District may also obtain information from business owners, taxing entities, public records, online resources, ownership records, and other reliable sources to identify new businesses, changes in ownership, changes in business operations, and other information relevant to the appraisal and valuation of business personal property.

Vehicles

Nolan Central Appraisal District receives vehicle information electronically from an outside vendor, Just Texas Inc., identifying vehicles registered for commercial use within Nolan County. The information is derived from available state motor vehicle title and registration records and is used to assist the District in identifying and reviewing vehicles associated with business personal property accounts.

Additional information may be obtained from property owner renditions, field inspections, existing appraisal records, and other reliable sources. Vehicle information is reviewed and maintained in the District's CAMA system as part of the business personal property appraisal process.

Leased and Multi-Location Assets

The primary source of information for leased and multi-location assets is property owner renditions and other documentation submitted to the District. Rendition information is reviewed to identify the type, ownership, location, cost, age, and other relevant characteristics of taxable personal property.

Additional information may be obtained through field inspections, existing appraisal records, lessor or lessee information, public records, and other reliable sources. For leased property, information may be reviewed to determine ownership, taxable situs, and the appropriate account on which the property should be listed. For businesses with assets located at multiple locations, available information is reviewed to identify and allocate property to the appropriate location or taxing jurisdictions, as applicable.

Information concerning leased and multi-location assets is reviewed and maintained in the District's CAMA system and used in the appraisal and valuation of business personal property.

Valuation and Statistical Analysis (Model Calibration)

Cost Schedules

Nolan Central Appraisal District utilizes cost schedules and depreciation factors in the appraisal of business personal property. The District considers property owner renditions, available local market data, historical cost information, and recognized appraisal guides and sources, including information published by the Texas Comptroller of Public Accounts, when applicable.

Cost schedules and valuation factors are reviewed and analyzed to promote consistent and uniform appraisal of similar business personal property. Adjustments may be made when supported by available market data, property characteristics, economic conditions, or other relevant appraisal information. The schedules and factors are periodically reviewed and updated as necessary to reflect current market conditions within Nolan County.

Statistical Analysis

Statistical analysis is used to evaluate the level and uniformity of business personal property appraisals and to identify property groups or accounts that may require additional review. Summary statistics may include the median, weighted mean, coefficient of dispersion (COD), standard deviation, and other applicable measures.

These statistical measures, along with available market data and appraisal information, assist the appraiser in evaluating appraisal performance, identifying unusual results or inconsistencies, and determining whether valuation schedules, depreciation factors, or individual accounts require further review or adjustment.

Depreciation Schedule and Trending Factors

Nolan Central Appraisal District primarily utilizes the cost approach in the valuation of business personal property. Replacement cost new (RCN) may be developed from property owner-reported historical costs or from valuation models and schedules maintained by the District. Trending or index factors used to estimate RCN are derived from recognized published valuation guides and other applicable appraisal sources.

Percent-good factors are applied to account for depreciation based on the age, type, and expected economic life of the property. Index factors and percent-good factors are combined to develop present value factors (PVF) by year of acquisition, as follows:

PVF = Index Factor × Percent-Good Factor

The present value factor is then applied to the reported historical cost:

Market Value Estimate = Historical Cost × PVF

The District utilizes present value factor schedules to promote the consistent and uniform appraisal of similar business personal property. Schedules and factors are reviewed periodically and adjusted as necessary based on available market data, recognized appraisal guides, and other relevant information.

Individual Value Review Procedures

Office Review

Business Personal Property

Nolan Central Appraisal District mails business personal property rendition forms and receives completed renditions submitted by property owners. Upon receipt, renditions are date-received, scanned into the District's records, and posted as received in the District's CAMA system. Renditions and supporting documentation for accounts within the scope of the District's contract with Pritchard & Abbott, Inc. are then transmitted electronically to the appropriate Pritchard & Abbott appraiser for review and use in the appraisal and valuation process.

Rendition information, new accounts, changes to existing accounts, prior protest or hearing information, field inspection data, ownership information, and other relevant documentation are reviewed and considered in developing the appraisal. Accounts with significant changes, unusual characteristics, or insufficient information may be subject to additional review or field inspection when necessary.

Vehicles

Vehicle information is received electronically from an outside vendor and reviewed against existing business personal property records maintained in the District's CAMA system. Current vehicle information is matched to existing accounts, and new accounts are created when appropriate. Available information is reviewed to determine ownership, business use, taxable status, situs, and applicable value.

Following the review, account information and values are updated as necessary. Additional information from property owner renditions, field inspections, or other reliable sources may also be considered in determining the appropriate appraisal of taxable vehicles. Notices of appraised value are generated and reviewed for accuracy prior to mailing in accordance with applicable requirements of the Texas Property Tax Code.

Performance Tests

Ratio Studies

The Texas Comptroller of Public Accounts, through the Property Tax Assistance Division (PTAD), conducts independent ratio studies to evaluate appraisal district performance. The Appraisal District Ratio Study measures the level and uniformity of appraisal within major property categories using data collected through the School District Property Value Study and other applicable study procedures.

Business personal property is generally reported within applicable state property categories, including Category L1 (Commercial Personal Property), Category L2 (Industrial Personal Property), and other personal property categories as appropriate. Study results, when sufficient data is available, provide an independent measure of appraisal performance and may include the median level of appraisal, coefficient of dispersion (COD), price-related differential (PRD), and other applicable statistical measures.

Nolan Central Appraisal District reviews available Comptroller study results, along with internal appraisal analysis and other relevant information, to evaluate the level and uniformity of business personal property appraisals and to identify areas that may require additional review or adjustment.

Internal Testing

Nolan Central Appraisal District may test new or revised cost schedules, depreciation schedules, trending factors, and other valuation components within the CAMA system prior to implementation. Testing allows the District to evaluate the effect of proposed changes on appraised values and identify any inconsistencies or unintended results.

Test results are reviewed and, when necessary, schedules or valuation factors are refined before final values are produced. Internal testing assists the District in maintaining accurate, equitable, and uniform appraisal of business personal property.

Limiting Conditions

The appraised value estimates developed by Nolan Central Appraisal District are subject to the following conditions:

1. The appraisals are prepared exclusively for ad valorem tax purposes and are developed in accordance with applicable requirements of the Texas Property Tax Code.
2. Property characteristic data used in the appraisal process is considered reliable based on the information available to the District. Property inspections are conducted as necessary and in accordance with the District’s reappraisal activities and available resources. The District utilizes field inspections, property owner information, renditions, public records, and other reliable sources to maintain and verify property characteristic data.
3. Sales transactions are researched and verified using available and reliable sources, which may include sales questionnaires, Multiple Listing Service (MLS) data, closing statements, property owners, buyers and sellers, real estate professionals, field reviews, and other market sources. When independent verification is unavailable, sales information is evaluated based on the reliability and relevance of the available data before being utilized in appraisal analysis.
4. A list of individuals and entities providing significant mass appraisal assistance is included with the certification, as applicable.

Certification Statement

I, Paula Kisinger, Chief Appraiser for Nolan Central Appraisal District, certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this Mass Appraisal Report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions stated in this report and represent the appraisal practices and procedures utilized by Nolan Central Appraisal District.
3. Nolan Central Appraisal District has developed and implemented mass appraisal methods and procedures for the appraisal of property within its jurisdiction in accordance with applicable provisions of the Texas Property Tax Code and generally recognized mass appraisal standards.
4. The appraisal methods, models, schedules, market analyses, and statistical testing described in this report have been developed, reviewed, and applied as appropriate for the property types appraised by the District.
5. Significant mass appraisal assistance provided by District personnel, contracted appraisal firms, or other individuals is identified in this report or in an accompanying list, as applicable.

Pursuant to Section 25.22(b) of the Texas Property Tax Code:

"I, Paula Kisinger, Chief Appraiser for Nolan Central Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the District subject to appraisal by me and that I have included in the records all property that I am aware of at an appraised value determined as required by law."

____

Paula Kisinger, Chief Appraiser
Nolan Central Appraisal District

Persons Providing Significant Mass Appraisal Assistance

Name	Title	Type of Assistance
Paula Kisinger	Chief Appraiser	Mass Appraisal Oversight and Administration
Robert DeLeon	Chief Deputy Appraiser, RPA	Residential and Agricultural Appraisal
Ruben Hurt	Appraiser	Residential Appraisal and Mapping
Tonya Couch	ARB Coordinator / BPP / Chief Appraiser Assistant	Business Personal Property and Appraisal Support
Pritchard & Abbott, Inc.	Contract Appraisal Firm	Commercial, Industrial, Mineral, Utility, and Contracted Business Personal Property Appraisal

Pritchard & Abbott, Inc. may utilize additional qualified personnel in the appraisal of properties within the scope of the District's contracted appraisal services.