NOLAN CENTRAL APPRAISAL DISTRICT

Public Information Guide

THE APPRAISAL PROCESS

How property is identified, reviewed, and valued for local property tax purposes

Nolan Central Appraisal District is responsible for appraising property within the district for ad valorem tax purposes. Property is generally appraised at its market value as of January 1 each year, subject to the Texas Property Tax Code and any applicable special appraisal provisions.

1. Market Value

Texas Property Tax Code Section 1.04 defines market value as the price at which a property would transfer for cash or its equivalent under prevailing market conditions when the property has been exposed for sale for a reasonable time, both parties are knowledgeable about the property and its uses and restrictions, and neither party is under compulsion or able to take unfair advantage of the other.

2. Overview of the Appraisal Process

The district uses a mass appraisal process to appraise groups of properties as of a common date using standardized methods, property characteristics, market information, and statistical review. The process generally includes:

- Discovering and identifying taxable property and new improvements.
- Maintaining accurate ownership, legal description, location, and property-characteristic records.
- Reviewing property through field inspection, available imagery, permit/deed information, renditions, and other reliable sources.
- Applying appropriate appraisal methods and models to estimate value.
- Analyzing market data and testing appraisal results for consistency and equity.
- Sending required notices and providing taxpayers the opportunity to discuss values and exercise protest rights.

Operational note: The exact timing, inspection cycle, staffing, contractors, and field procedures used by Nolan CAD may vary by property type, reappraisal plan, workload, and applicable law. This public guide describes the general process rather than a fixed field schedule.

3. Property Discovery and Data Collection

Accurate property descriptions and characteristics are essential to equitable appraisal. New construction, remodeling, changes in use, ownership changes, and business activity may be identified through sources such as:

- Field observations and property inspections.
- Deed and ownership records.
- Building permits and other public records, when available.
- Aerial or other imagery.
- Information supplied by property owners, including applications and renditions.
- Other reliable market or property information available to the district.

When property is reviewed, appraisal staff may compare district records with observable property characteristics and update the appraisal record as appropriate.

4. Residential Property

Residential property may be analyzed using one or more of the three generally recognized approaches to value:

Cost approach: Estimates the replacement cost new of improvements, deducts appropriate depreciation, and adds land value.

Sales comparison approach: Compares the subject property with similar properties that have sold and considers relevant differences between the properties.

Income approach: May be considered when the property is commonly purchased and held for its income-producing ability.

For mass appraisal, similar properties are grouped and valued using consistent models and schedules. Market information is analyzed to determine whether those models require adjustment.

5. Business Personal Property

Business personal property generally includes tangible personal property used for the production of income, such as furniture, machinery and equipment, computers, vehicles, inventory, and supplies, when taxable under Texas law.

The appraisal process for business personal property may include:

- Identifying businesses and taxable personal property accounts.
- Reviewing annual renditions and other information supplied by owners.
- Maintaining ownership, location, business-name, and property-characteristic records.
- Inspecting or otherwise reviewing property when appropriate.
- Applying appraisal methods, commonly including cost-based analysis, while considering the approaches to value applicable to the property.

Renditions: The source document states that business owners are generally required to file annual renditions by April 15 and that penalties may apply for late filing. Taxpayers should consult current Texas law and Nolan CAD forms/instructions for the filing requirements that apply to their property.

6. Commercial and Income-Producing Property

Commercial property may include office buildings, retail property, multifamily property, warehouses, and other income-producing or special-use real estate. Depending on the property and available data, the district may consider:

- Cost approach - replacement cost new, less depreciation, plus land value.
- Sales comparison approach - analysis of comparable market transactions when sufficient sales data are available.
- Income approach - analysis of a property's income-producing capacity when appropriate and supported by reliable market information.

7. Market Analysis, Consistency, and Equity

The district analyzes available sales and market data to evaluate appraisal models and the relationship between appraised values and market activity. Mass appraisal models are applied consistently to similarly situated properties, with adjustments made when supported by property characteristics or market evidence.

8. Notices, Informal Review, and Protest Rights

After appraisal work is completed, property owners receive notices when required by law. A property owner may contact the appraisal district to ask questions or discuss the appraisal. If the owner disagrees with an action of the appraisal district that is subject to protest, the owner may file a protest with the Appraisal Review Board within the deadline provided by law or shown on the applicable notice.

The appraisal district determines appraised values. The Appraisal Review Board is a separate body that hears and decides taxpayer protests. The Nolan CAD Board of Directors does not set individual values and does not overturn ARB determinations.

9. Questions About Your Property

For questions about property records, appraisal methods, renditions, exemptions, agricultural appraisal, notices, or protest procedures, contact Nolan Central Appraisal District.

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This guide is a general explanation of the appraisal process and is not a substitute for the Texas Property Tax Code, Nolan CAD's adopted reappraisal plan, appraisal manuals, or other governing law and policy.