

# Matagorda County Appraisal District

## 2023 Mass Appraisal Report

This report comprises the written report for the tax year stated above. It is written in accordance with Uniform Standards of Professional Appraisal Practices (USPAP) standard rule 6-8.

### INTRODUCTION

Definition of Appraisal Responsibility – Matagorda County Appraisal District (MCAD) is charged with appraising properties for ad valorem tax purposes for approximately 54,000 accounts located within the boundaries of Matagorda County and for 23 local taxing jurisdictions. The appraisals generate a total value in excess of \$11 billion that will generate \$111 million of tax levy. The appraisals shall be for “fair market value” as defined by the Texas Property Tax Code. “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

The effective date of the appraisal shall be January 1<sup>st</sup>, except where the taxpayer has elected to have the inventory appraised as of September 1<sup>st</sup>.

### GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal 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 in accordance with the reappraisal plan.
- Validation of sales transactions occurred through questionnaires to buyer and seller, telephone survey and field review. In the absence of such confirmation, residential sales data obtained from vendors was considered reliable.
- 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 engineering is assumed to be correct. Any plot plans and/or illustrative material contained within the appraisal records are included only to assist in visualizing the property.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless non-compliance 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 non-conformity has been stated, defined and considered in this 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 national 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 of the properties described are within the boundaries or property lines, and that there are no encroachments or trespasses unless noted on the appraisal records.
- 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 conditions, or for any expertise or engineering knowledge required to discover them.

#### **PROPERTY CHARACTERISTICS THAT AFFECT PROPERTY VALUES**

The following property characteristics have been identified by the Matagorda County Appraisal District to have an effect on property values:

- a) Location and Market Area of property – Situs of property may affect the market value. The inclusion or exclusion of a property within the graphic boundaries of local jurisdictions or neighborhoods shall be listed on each account. The documentation of these properties will allow their possible influence to be measured during the valuation process.
- b) Physical Attributes of property, such as size, age, and condition – The physical attributes of the properties are to be documented on each account. Measuring the size of the properties enables the appraiser to compare the effects of size against the cost tables to determine the deviation from the mean with respect to size.
- c) Legal and economic attributes – Matagorda County does not have governmental zoning. Economics and deed restrictions guide the residents in deciding where to build their structures. Appraisers must be aware of the possible effect on property value of inferior locations. Commercial property that is situated in areas that have little current commercial traffic or an overbuilt home in an area of smaller homes may adversely affect their market value. Deviation from the norm should be documented on each account.

#### **LEGAL AND STATUTORIAL REQUIREMENTS**

The appraisal district is authorized by the Texas Property Tax Code and is guided by USPAP in its appraisal functions.

## **APPRAISAL RESOURCES**

Personnel – All appraisers for the district are registered with the Texas Department of Licensing and Regulation and are in good standing.

Data – Physical characteristics of each property are detailed on a specific account unique to that property. Market data is obtained and compared to the subject properties. Schedules are derived and tested that compare the market data to the properties to be appraised. Values are indicated and the results are checked.

Information System – MCAD is partners with the Matagorda County Courthouse on the shared use of mainframe computer system. Third party software is used to house the appraisal data. PC's and laptop computers have access to the appraisal software through cables connecting the Courthouse and the Appraisal District. Outside vendors and the general public have limited access to the appraisal district's information through the internet.

**Valuation Approach** – Market value is a theoretic price that a person should be able to sell a piece of property for at a given time. Appraisers over the years have determined value using the following three approaches to value:

1. **Cost Approach:** Uses cost data that is gathered both from local sources and available through national publications. The reconstruction cost new (RCN) is calculated for any improvements. All forms of depreciation (physical, functional and economic) are subtracted from this RCN to estimate the value of an improvement as it sits today. The land value is added to the improvement value, and this comprises the appraisal value. The cost approach to value works well with newer properties that are not unique.
2. **Market Value:** This approach compares recently sold properties to the subject property. Adjustments are made for differences between the properties, and the value estimate is made. This is a good method if you have an active market and standardized comparable sales.
3. **Income Approach:** The income approach is equating a property's value to its income potential. Future income is discounted to a certain date and then capitalized to determine a value. This approach works well for income producing properties.

Each of these three approaches works well in given instances, however in property tax appraisal, the appraisal districts are forced to value all the property in a county and one approach is not enough to value all properties. To value all the properties in a county uniformly and equitably Mass Appraisal techniques are employed to estimate the market value of taxable properties.

**Mass Appraisal** – This approach is a hybrid of the other approaches. Data is gathered using cost, market and, in some cases, income to develop schedules that are tested statistically to arrive at an anticipated selling price for subject properties. This method is the most useful when valuing a group of properties.

## **DATA COLLECTION**

Source of Data – Data is very important to all forms of appraisal. The more data the appraiser has at his/her disposal, the more accurate the appraisal will be. Subject data is collected when the appraiser is visiting the property. Measurements are made of the improvements as well as descriptions of the type of construction and amenities. Public and private information is available at the local courthouse and subscription services offer local, state and national information.

Valuation Analysis – The data that has been collected is separated into like/kind groups. These groups are then further divided into models/neighborhoods and the tables are tested each year to determine what affect the market has had on a model/neighborhood. The tables are adjusted to reflect the market conditions as of the assessment date and applied to the subject properties. Calibration of the system is required to ensure the proper values are determined when the tables are compared to the market data. The model/neighborhood adjustments are reflected in the 2023 Preliminary Appraisals.

## **INDIVIDUAL VALUE REVIEW (INTERNAL)**

The appraisal staff reviews the property values before the notices are sent to the taxpayers. This gives them one last chance to study the data prior to its release to the public. The notices are sent to the property owners, and discussions are held with owners about their properties. Information is brought to the district's attention, and adjustments are suggested. If an agreement cannot be reached the value is determined by an impartial Appraisal Review Board, an arbitrator or district judge.

## **PERFORMANCE TEST (EXTERNAL)**

After the values of the properties have been certified for the year, the Texas Comptroller's office reviews the data in their Property Value Study for school funding purposes. The study determines the degree of uniformity and median level of appraisal for each school district. After differences are resolved, and the value study is published and becomes the starting point for the next appraisal year.

In 2023, Van Vleck and Boling ISD's received complete reappraisal, where each improvement is remeasured and the tables are reviewed. In the non-reappraisal areas the new improvements are added to the appraisal roll as well as removing structures that have been demolished during the year. The neighborhood codes are also adjusted to reflect market changes.



**Mass Appraisal 2023**  
**Estimated Totals – Matagorda County Appraisal District \***

<b>PTD Code</b>	<b>Description</b>	<b>Count</b>	<b>Market Value</b>
A	Single-Family Residence	15,662	\$2,474,820,417
B	Multi-Family Residence	148	\$ 151,687,295
C	Vacant Lots and Small Acreage	12,163	\$ 251,454,513
D	Qualified Open Space Land	8,261	\$2,488,575,362
E	Rural Land Non Open Space	4,133	\$ 437,099,239
F1/F2	Commercial/Industrial Real	1,535	\$4,050,826,084
G	Oil & Gas	7,769	\$ 105,420,950
J	Utilities	736	\$ 749,893,026
L1/L2	Commercial/Industrial BPP	1,594	\$ 621,807,868
M	Mobile Home	1,301	\$ 18,913,856
O	Residential Inventory	176	\$ 3,260,010
S	Special Inventory Tax	13	\$ 5,983,780
X	Totally Exemption	1,675	\$ 475,945,078

\* The mineral, industrial, and utilities appraisal information referenced in this report is sourced from Pritchard & Abbott's report "The Appraisal of Mineral, Industrial, Utility, Personal Property and Residential Real Estate as per Uniform Standards of Professional Appraisal Practice (USPAP)" effective January 1, 2020. On August 11, 2022, for the second consecutive year, The Appraisal Foundation's Appraisal Standards Board announced that the current edition of the USPAP would be extended by one additional year. Therefore, the 2020-2021 USPAP is applicable for tax years 2020, 2021, 2022, and 2023.

**USPAP Standard Rule 6-9: Signed Certification**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analysis opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report other than the properties owned by the district's staff members that are of public record.
- I have no bias with respect to any property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion that attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Staff appraisers have made a personal inspection of the property in accordance with the current reappraisal plan by the Matagorda County Appraisal District.
- No one other than the MCAD employees or persons or firms in the district's employment provided significant mass appraisal assistance to the person signing this certificate.

Staff Name:	Inspected Property	Provided Significant Appraisal Assistance
Vince Maloney, Chief Appraiser (RPA)	Yes	Yes
Allison Schneider, Appraisal Manager (RPA)	Yes	Yes
Juan Martinez, Appraiser (RPA)	Yes	Yes
James Adams, Appraiser (RPA)	Yes	Yes
Felicia Flores, Appraiser (RPA)	Yes	Yes
Navi Davalos, Appraiser Lvl 3	Yes	Yes
Laurie Medina, Office Manager	No	Yes
Elida Flores, Head Clerk	No	Yes
American Ramos, Clerk	No	Yes
Mirna Sanchez, GIS/Mapping Clerk	No	Yes
Marta Martinez, Deeds Clerk	No	Yes
Pritchard & Abbott Appraisal Firm (Mineral, Industrial, Utilities Appraiser)	Yes	Yes

Respectfully Submitted May 9, 2023

  
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 Vince Maloney, Chief Appraiser

## **Addendum to 2023 Mass Appraisal Report**

### **Strategic Plan**

A strategic plan is an opportunity to inform the public, jurisdictions, board members and staff of perceived strengths and areas of concern that management has for the district in the foreseeable future. It is a budget tool that is forward-looking to anticipate change for the upcoming year and also the ripple effects that will reach into successive fiscal periods, as well as approaching trends or events.

### **Personnel**

In prior years, the District was able to operate with a staff of nine people. This was possible due to experience level of the staff. Most of the staff had in excess of 25 years' experience; however most of the experienced staff has retired. The inexperienced replacements have had a high turnover rate. This is expected to continue for the next few years. The Board of Directors have anticipated this and added two more positions to the staff to try and compensate for the inexperience and high turnover.

Salaries must continue to be monitored to obtain experienced personnel.

### **Technology**

Currently, the appraisal district is under contract with Harris Govern/True Automation/BIS to provide the software packages that run the CAMA (appraisal software), GIS (mapping) and website host. Matagorda County also currently contracts with Harris Govern/True Automation/BIS to provide the software pages of the county's collections system. This relationship has proven to be very beneficial for providing the taxpayer the best possible customer service. An interlocal agreement is in place between the district and the county for the housing and maintenance of the server located in the courthouse. This interlocal agreement benefits both offices by cutting down the need for equipment and separately trained IT staff.

The district accesses the server via a direct fiber connection. Each staff member has access to the software via the district-owned PCs. The public is provided two public-access terminals located in the lobby. The district over the years has found staggering the PC replacement over a 3-5 year rotation and updating the storage capacity every three years works best to maintain the constant need to stay up with technology and storage requirements. Repairs and upgrades to both the server and the fiber connection are anticipated and budgeted accordingly.

In 2013, the appraisal district began offering the taxpayer a way to e-file a protest on his/her residential homestead. Harris Govern/True Automation/BIS provides the connection for the taxpayer to deliver via the web his/her protest to MCAD. In 2018, the appraisal district implemented the telephone conference protest for property owners and agents to protest and be heard via the telephone. In July 2021 the district opened its doors once again following a two-year closure in response to the COVID-19 pandemic. Taxpayers can still come before the Appraisal Review Board by telephone hearing and this process still tends to extend the amount of time needed to complete the protest hearing season.

### **Building Utility**

The building is 30+ years old but in good condition. The roof and front awning were replaced in 2009 with a 25-year guarantee. The carpet was replaced in 2010. In 2017, the windows in the board room were removed and bricked over to stop the persistent leaks. In 2020, the district updated the lobby area, closing off the hallway access to the public with a door and windows were added to the front counter reinforcing a security barrier between the front lobby area and the staff offices. During this same time, the office back door entrance was updated with a security code lock that allows a person access into the building with a passcode for another added layer of security. The two air conditioning units were replaced in 2021. The current budget has funds for repairs and should be adequate to handle anything short of a catastrophic event.

### **Contingencies**

The Matagorda County Appraisal District Board of Directors has created three contingency funds: \$50,000 for Equipment; \$685,139 for legal fees; and \$200,000 for disaster recovery. It is the opinion of management that the contingencies for both equipment and disaster recovery are adequate. Recent legislative changes and court opinions have drastically increased the potential that appraisal districts will have to pay plaintiff legal fees. The new legislation has opened up industrial challenges based on equity and a large increase in property owners filing lawsuits. Recent court opinions have also indicated that the awarding of plaintiff's attorney fees is mandatory in any reduction of value that is awarded. These accounts are \$15,000 minimum to \$100,000 maximum per case, per year. MCAD currently has in excess of (11) lawsuits pending for multiple years that will now be eligible for these awards.

Recently the district was in court with a major taxpayer. The appraisal district's 2015 legal expenditure was over one million dollars. A large contingency is encouraged to protect the jurisdictions from these unexpected expenses. More industrial taxpayers are filing suit, and the expenses associated with these suits are very troubling. We do not expect this trend to end any time soon.

### **Operational Planning**

The district operational plan is the budget. The components are analyzed in comparison with the prior year's expenditures and with respect to current and long term issues. Salary/benefits and staffing decisions are an intricate part of the budget, thereby establishing more than half of the expenditures several months in advance. Most infrastructure and software items are covered by contracts, leaving relatively few discretionary items to be managed. Principal among these are education, travel, legal counsel, computer/technology replacement and one-time projects.

### **Public Interactions**

The appraisal district provides a needed funding function for the taxing jurisdictions. Public interaction is an important part of our jobs. The more the public is aware of the district's duties and responsibilities, the greater the acceptance of the district's values. News releases help to inform the taxpayers of their opportunities and obligations in the tax cycle. Information available on the internet allows the general public to use the data collected and, to some extent, satisfies them that they are paying only their fair share of taxes. With this in mind, the district will continue to make public notices in the newspaper, speak at community events, provide brochures to help with understanding the



appraisal process, increase the data available over the internet, and treat the public in a professional manner.