

2013 PROPERTY VALUE STUDY

Deaf Smith County Appraisal District's Summary

OVERVIEW - The primary purpose of the Texas Comptroller's *Property Value Study* (PVS) is to estimate a school district's taxable property value.

A School District is funded from state funds and local property taxes. The State bases its funding on the total taxable property value within the school district. The Commissioner of Education uses the PVS to distribute education funds to school districts.

The secondary purpose of the PVS is to collect data to provide taxpayers, school districts, appraisal districts and the Legislature with **measures of appraisal district performance**.

MEASURING THE APPRAISAL DISTRICT'S PERFORMANCE

The Comptroller conducts the PVS every two years; the PVS is conducted as a ratio study. The study measures appraisal level and uniformity.

- The level of appraisal – shows whether the CAD has appraised properties at 100 percent of the legally required level—normally the market value.
- The uniformity of appraisal – indicates how much the percentage of market value varies from property to property.

HOW THE COMPTROLLER CONDUCTS THE PROPERTY VALUE STUDY

The Comptroller develops ratios and value estimates for property categories and then combines information on the various property categories into overall estimates.

The Comptroller generally includes the following property categories in the study:

- A: Real Property: Single-Family, Residential;
- B: Real Property: Multifamily, Residential;
- C: Real Property: Vacant Lots and Tracts;
- D2/E: Real Property: Non-qualified, Rural Acreage at Market Value and Farm and Ranch Improvements;
- D1: Real Property: Acreage at Productivity Value;
- F1: Real Property: Commercial;
- G: Real Property: Oil, Gas and Other Minerals;
- J: Real and Tangible Personal Property: Utilities; and
- L1: Personal Property: Commercial.

The PTAD's ratio study - The PTAD estimates most of the above category values by obtaining a representative sample of properties in each category, computing a median ratio for Appraisal Districts and a weighted mean ratio for school districts.

- The PTAD randomly selects a number of properties that have sold. If there are not enough sales to achieve the assigned sample size, PTAD randomly selects enough properties to fill the gap and then appraises those properties.
- The PTAD physically inspects each property.
- An appraisal ratio is calculated for every property, with the property's appraised value being divided by the sales price or PTAD appraised value to get a ratio.
- The ratio for the category of property is calculated by either the median for the appraisal district or the weighted mean for school districts.
- Then the ratio for each tested category is divided into the Local Tax Roll Value to calculate a PTAD value for the category.

A Coefficient of Dispersion (COD) is calculated for each category (appraisal districts only) -

The COD is a measure of appraisal uniformity. A high COD indicates high variation, this means low appraisal uniformity. A low COD indicates low variation, this means high appraisal uniformity. The accepted standard for CODs are:

- Single family residential, 5 to 15 in large to mid-sized jurisdictions with some older properties in addition to newer ones and less active markets.
- Income-producing properties: 5 to 20 in large to mid-sized jurisdictions with some older properties in addition to newer ones and less active markets.

Also a Percentage of Properties within 10 Percent and 25 Percent of the Median is figured (appraisal districts only). To calculate the percentage within 25 percent of the median, multiply the median times 25 percent, then add and subtract the result to find the upper and lower end of the range.

NOTE: The COD and the percentage of properties within 10 percent and 25 percent of the median measure how consistently appraisal districts appraise properties at the same level. A low COD and high percentages indicate equitable appraisals, while a high COD and low percentages indicate inequitable appraisal.

Price-Related Differential (PRD) for appraisal districts - The PRD measures another form of inequity that may arise from differences in the appraisal of low-value and high-value properties.

Margin of Error The Comptroller tests the taxable values of the appraisal district by constructing a statistical margin of error around the Comptroller's estimate of value for categories selected in the school district. The PTAD generally uses a margin of error of 5 percent. If the category values are within 5% of the PTAD estimate of value then the Appraisal District / School values are considered valid, or acceptable.

OTHER CATEGORIES EXPLAINED FURTHER

Utilities (Category J)

The utilities category (Category J) consists of the real property and tangible personal property of telephone, electric, gas distribution, railroad and pipeline companies, as well as the property of other companies. The PTAD develops an overall estimated value for the company then compares this value against the appraisal district's value for the sampled utility properties and calculates a weighted mean ratio for utilities to estimate a value of all utility property in the school district.

Agricultural Land (Category D)

The Property Tax Code requires agricultural land to be appraised twice, 1) its market value must be assessed and it also receives a productivity value or "ag-value".

The Appraisal District calculates Ag-value by:

- Classifying land according to its agricultural productivity. In Deaf Smith County we have dry land, irrigated land, native pasture and improved pasture; slope and soil type is also considered.
- Typical income and expenses are calculated to determine the net income for each land class over a five-year period, and
- Then the net income is capitalized for an appraisal for productivity value. (For 2013 the capitalization rate was 10 percent as outlined by the Property Tax Code.)

The PTAD tests the Appraisal District's calculation of Ag-value by:

- Austin-based PTAD staff develops an estimate of net return-to-land value per acre for each land class. Then multiplying the value for each class times the reported acreage in the class yields the total taxable value per land class. The total of the values for each land class is the total taxable value for all acreage receiving productivity appraisal in a school district.
- The appraisal district gives the Comptroller (through the Comptroller's Electronic Appraisal Roll Submission EARS) the total appraised value of all land receiving productivity appraisal. The PTAD divides this reported value by its own estimate of productivity value. The resulting ratio shows the general level of appraisal of all land receiving productivity appraisal in a school district.

How did the Deaf Smith County Appraisal District and School Districts fare in the 2013 Property Value Study?

The **Deaf Smith County Appraisal District** had a very favorable *Property Value Study for 2011*. The category of properties that were tested in the 2013 PVS were:

Category	Level of Appraisal	C.O.D.	10%	25%	PRD
A. Single family residences	0.99	7.41	75%	96%	1.01
E. Real Prop NonQual	1.01	6.45	85%	96%	1.00
Total	1.00	6.42	82%	97%	1.03

The level of appraisal shows the Appraisal District has properties at 100% of market value as is required by the Texas State Constitution.

Uniformity of appraisal is indicated by the C.O.D.s of all categories being below 10 and a large number of properties being appraised within 10% and 25% of market value.

A low COD and high percentages indicate equitable appraisals.

Please see the attached worksheet.

The **School Districts** that depend upon the Deaf Smith County Appraisal District for their property values likewise received favorable findings in the *Property Value Study for 2011*. All School Districts reported values were found to be *within the 5% margin of error* percentages and the state has assigned Local Values to be used in school finance. This means maximum state funding for the School.

Please see the attached worksheets.

Questions concerning the 2013 Property Values Study can be explained by staff at the Deaf Smith County Appraisal District. In addition you can access the Texas Comptroller's website for the worksheets and additional information.

2013 Property Value Study

Deaf Smith CAD Summary Worksheet

Category	Number of Ratios **	2013 CAD Rept Appraised Value	Median Level of Appr	Coefficient of Dispersion	% Ratios w/in (+/-) 10% of Median	% Ratios w/in (+/-) 25% of Median	Price-Related Differential
A. Single-Family Residences	123	336,256,399	0.99	7.41	74.79	95.93	1.01
B. Multi-Family Residences	0	16,327,492 *	*	*	*	*	*
C1. Vacant Lots	0	6,743,600 *	*	*	*	*	*
C2. Colonia lots	0	0 *	*	*	*	*	*
D2. Rural Real F & L	0	11,616,901 *	*	*	*	*	*
E. Real Prop NonQual	72	75,922,701	1.01	6.45	84.72	95.83	1
F1. Commercial Real	33	112,944,000 *	*	*	*	*	*
F2. Industrial Real	0	266,768,500 *	*	*	*	*	*
G. Oil, Gas, Minerals	0	500 *	*	*	*	*	*
J. Utilities	2	75,972,100 *	*	*	*	*	*
L1. Commercial Personal	29	138,365,300 *	*	*	*	*	*
L2. Industrial Personal	0	124,700,300 *	*	*	*	*	*
M. Other Personal	0	1,591,200 *	*	*	*	*	*
O. Residential Inventory	0	0 *	*	*	*	*	*
S. Special Inventory	0	4,481,300 *	*	*	*	*	*
Overall	259	1,171,690,293	1	6.42	82.23	96.52	1.03
* Not Calculated in study							

Hereford ISD (in Deaf Smith County)

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	330,723,199	0.999	331,054,253	330,723,199
B. Multi-Family Residences	16,327,492	N/A	16,327,492	16,327,492
C1. Vacant Lots	6,732,800	N/A	6,732,800	6,732,800
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	57,001,143	1.3314	42,813,425	57,001,143
D2. Real Prop Farm & Ranch	7,951,800	N/A	7,951,800	7,951,800
E. Real Prop NonQual Acres	59,006,400	1.0679	55,254,612	59,006,400
F1. Commercial Real	112,481,600	0.961	117,046,410	112,481,600
F2. Industrial Real	263,327,700	N/A	263,327,700	263,327,700
G. Oil, Gas, Minerals	500	N/A	500	500
J. Utilities	71,069,800	0.9284	76,550,840	71,069,800
L1. Commercial Personal	137,678,700	1.0054	136,939,228	137,678,700
L2. Industrial Personal	121,402,700	N/A	121,402,700	121,402,700
M. Other Personal	1,591,200	N/A	1,591,200	1,591,200
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	4,481,300	N/A	4,481,300	4,481,300
Subtotal	1,189,776,334		1,181,474,260	1,189,776,334
Less Total Deductions	102,411,474		102,509,164	102,411,474
Total Taxable Value	1,087,364,860		1,078,965,096	1,087,364,860 T2

Walcott ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	959,900	N/A	959,900	959,900
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	500	N/A	500	500
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	35,234,498	1.0402	33,872,344	35,234,498
D2. Real Prop Farm & Ranch	1,898,000	N/A	1,898,000	1,898,000
E. Real Prop NonQual Acres	6,302,900	1.027	6,137,196	6,302,900
F1. Commercial Real	32,800	N/A	32,800	32,800
F2. Industrial Real	474,800	N/A	474,800	474,800
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	3,454,600	N/A	3,454,600	3,454,600
L1. Commercial Personal	544,200	N/A	544,200	544,200
L2. Industrial Personal	287,800	N/A	287,800	287,800
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	49,189,998		47,662,140	49,189,998
Less Total Deductions	1,132,261		1,132,261	1,132,261
Total Taxable Value	48,057,737		46,529,879	48,057,737 T2

Vega ISD (in Deaf Smith County)				
Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	1,262,800	1.0272	1,229,361	1,262,800
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	7,543,900	1.1493	6,564,053	7,543,900
D2. Real Prop Farm & Ranch	690,000	N/A	690,000	690,000
E. Real Prop NonQual Acres	4,355,100	1.0155	4,288,626	4,355,100
F1. Commercial Real	424,400	N/A	424,400	424,400
F2. Industrial Real	2,910,400	N/A	2,910,400	2,910,400
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	241,500	N/A	241,500	241,500
L1. Commercial Personal	71,200	N/A	71,200	71,200
L2. Industrial Personal	3,009,800	N/A	3,009,800	3,009,800
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	20,509,100		19,429,340	20,509,100
Less Total Deductions	1,411,035		1,370,227	1,411,035
Total Taxable Value	19,098,065		18,059,113	19,098,065 T2

Adrian ISD (in Deaf Smith County)				
Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	1,322,100	1.0103	1,308,621	1,322,100
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	4,300	N/A	4,300	4,300
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	17,759,105	1.0441	17,008,677	17,759,105
D2. Real Prop Farm & Ranch	748,101	N/A	748,101	748,101
E. Real Prop NonQual Acres	2,507,101	0.9829	2,550,718	2,507,101
F1. Commercial Real	4,500	N/A	4,500	4,500
F2. Industrial Real	55,600	N/A	55,600	55,600
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	735,100	N/A	735,100	735,100
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	23,135,907		22,415,617	23,135,907
Less Total Deductions	886,597		873,628	886,597
Total Taxable Value	22,249,310		21,541,989	22,249,310 T2

Wildorado ISD (in Deaf Smith County)				
Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	1,955,500	0.9834	1,988,509	1,955,500
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	6,000	N/A	6,000	6,000
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	3,484,700	1.2187	2,859,468	3,484,700
D2. Real Prop Farm & Ranch	281,300	N/A	281,300	281,300
E. Real Prop NonQual Acres	3,383,700	1.023	3,307,625	3,383,700
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	421,300	N/A	421,300	421,300
L1. Commercial Personal	71,200	N/A	71,200	71,200
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	9,603,700		8,935,402	9,603,700
Less Total Deductions	1,151,940		1,172,401	1,151,940
Total Taxable Value	8,451,760		7,763,001	8,451,760 T2

Friona ISD (in Deaf Smith County)				
Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	32,900	N/A	32,900	32,900
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	1,535,204	N/A	1,535,204	1,535,204
D2. Real Prop Farm & Ranch	47,700	N/A	47,700	47,700
E. Real Prop NonQual Acres	367,500	N/A	367,500	367,500
F1. Commercial Real	700	N/A	700	700
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	49,800	N/A	49,800	49,800
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	2,033,804		2,033,804	2,033,804
Less Total Deductions	51,300		51,300	51,300
Total Taxable Value	1,982,504		1,982,504	1,982,504 T2