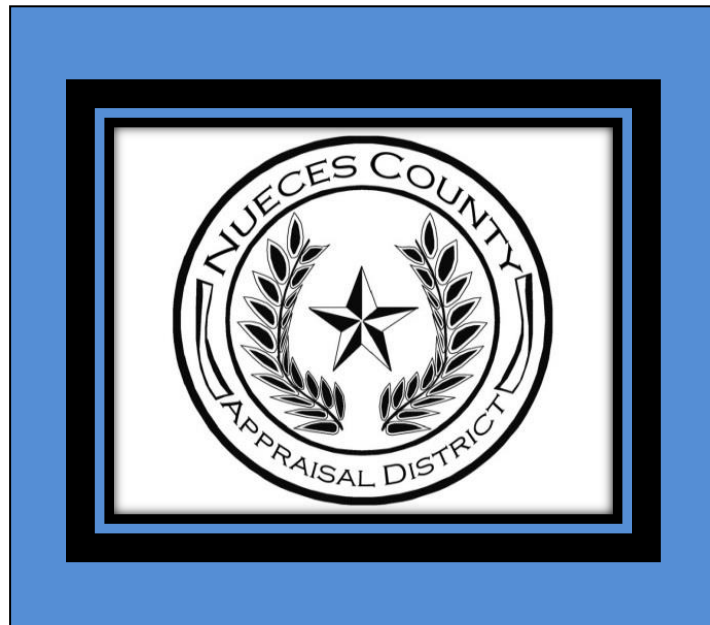


Nueces County Appraisal District



**Appraising Residential Property
2022**

Mission Statement

The mission of the Nueces County Appraisal District is to discover, list and appraise all property located within the boundaries of the district in an accurate, ethical, and impartial manner in an effort to estimate the market value of each property and achieve uniformity and equity between classes of properties. This will be accomplished by maintaining the highest standards in appraisal practices and law, guided by the goals of providing quality service to both taxpayers and taxing entities and by developing personnel who are professional and knowledgeable.



Introduction

The Nueces County Appraisal District (NCAD) 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 appraisal district. A Board of Directors, who is appointed or elected by the taxing units within the boundaries of Nueces County, constitute the district's governing body. The Chief Appraiser, appointed by the Board of Directors, is the Chief Appraiser and Executive Director of the Appraisal District.

The Nueces County Appraisal District is responsible for local tax appraisal and exemption administration for thirty-eight jurisdictions or taxing units in the county. Each taxing unit, such as the county, city, school district and special district sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems and other public services. Property appraisals are values by the appraisal district and are used by the taxing units to distribute the annual tax burden. The taxes are generally based on each property's market value. The NCAD also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled persons, disabled veterans and charitable or religious organizations.

Taxing Jurisdictions Served by NCAD

The Nueces County Appraisal District is responsible for appraising all properties for all taxing unit that has territory located within the 847 square miles of Nueces County. The 38 taxing entities with territory in the appraisal district include:

Nueces County
Rural Farm to Market

Cites:

- City of Corpus Christi
- City of Robstown
- City of Bishop
- City of Agua Dulce
- City of Driscoll
- City of Port Aransas
- City of Aransas Pass

School Districts:

- Corpus Christi ISD
- Robstown ISD
- Bishop ISD
- Agua Dulce ISD
- Driscoll ISD
- Port Aransas ISD
- Aransas Pass ISD
- London ISD
- Flour Bluff ISD
- Calallen ISD
- Tuloso-Midway ISD
- West Oso ISD
- Banquete ISD

Special Districts:

- | | | |
|-----------------------------|------------------|------------------------|
| Hospital District | Fire District #1 | Fire District #6 |
| Del Mar College | Fire District #2 | Drainage District #2 |
| South Texas Water Authority | Fire District #3 | Drainage District #3 |
| Kennedy County Ground Water | Fire District #4 | Nueces County Water #4 |
| Downtown Management Dist. | Fire District #5 | Banquete Water #5 |



Appraising Residential Property

The purpose of this informational document is to help taxpayers understand how residential property is appraised. After reviewing this document, we hope that you will understand the assessment process, and the District's appraisal methodology. In addition, information will be provided about how the District uses the mass appraisal method to value property.

Introduction to the Appraisal Process

The District's role in the assessment process is to appraise property within its jurisdiction at a fair, equal and uniform market value; in relation to January 1st. Appraisal District's use mass appraisal techniques to appraise properties efficiently and equitably each year. The Texas Property Tax Code requires that District's maintain property records and assigns market value to all properties.

What is market value?

Appraisal districts follow the provisions of the Texas Property Tax Code (TPTC). The TPTC requires, unless otherwise provided, that all taxable property be appraised at its market value as of January 1st of that tax year. TPTC defines "market value" as:

The price at which a property would transfer for cash or its equivalent under prevailing market conditions if: (A) exposed for sale in the 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.

Appraisal Methodology

Mass Appraisal

The annual appraisal of properties in Nueces County is performed using a technique known as 'Mass Appraisal'. The District utilizes a mass appraisal system as a standard method to appraise all taxable properties at fair market value as of January 1st of each year. Mass appraisal is defined by the International Association of Assessing Officers (IAAO) as: "The process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing".

Mass appraisal utilizes market models which explain the relationship between sales prices and the property characteristics that produce value such as: property location, utility (use), property size, amount and type of waterfront, type and scope of view, improvement quality, improvement square footage, age, condition, etc. A mass appraisal system, as established by IAAO, has three main functions; reappraisal, data maintenance; and value updates.

Reappraisal is the process of preparing the mass appraisal system for reappraisal. This function consists of planning and organizing, analyzing current procedures and resources, data collection, and ratio studies.

Data maintenance is the process of capturing and valuing new construction and new subdivisions, and any changes due to building permits. Furthermore, the appraisal district must perform periodic re-inspections of all properties, in which property characteristics are verified and re-evaluated.

The *Value updates* function is the process of applying annual adjustments to all properties using trending factors based on market analysis.

Residential Property Appraisal

What is a Residential Property?

“Residential Property”, as defined by (IAAO), is “Real property that might be vacant land or an improved parcel of land devoted to or available for residential use”. Residential properties are typically found in areas zoned for residential use, but could also be found in rural areas outside the city limits. Residential properties could be improved or unimproved (vacant).

Appraisal of Residential Properties

Property appraisals are conducted through physical inspections and through aerial photography. The aerial photography program allows an appraiser to review and/or measure a property from his/her computer with a 360 degree view. By utilizing this method, staff may review new additions to a property such as, a swimming pool, porch or any other improvement discovered, without leaving the office premise. Property appraisal values are determined by the location of a property, economic influences, and/or physical attributes. Property appraisal records are updated to reflect any relevant changes of characteristics and/or images identified by the appraiser, in comparison to the last inspection conducted.

The District yearly goes through a process in order to arrive at a final market value. These steps further explained, include data collection, inspection/review of properties, valuation, statistical analysis, and finally notification of values.

Data Collection

The District gathers as much information from available resources. The data gathered will be used for further review, valuation and analysis of properties. Data sources are used in the collection of data including but not limited to

- Maps & Plats
- Deed Transactions
- Field Inspections
- Sales Surveys
- Building Permits
- Real Estate Publications
- Aerial Photography
- Renditions

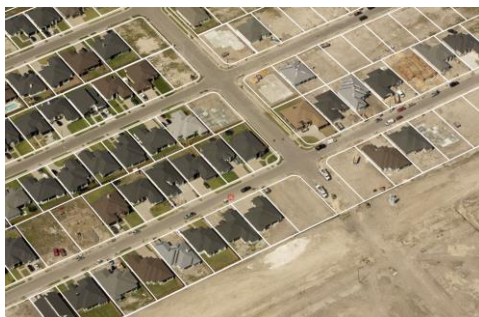
Data gathered also is subject to accuracy and accountability. Quality control occurs immediately after data collection begins and is achieved through performance audits to check for data accuracy and transposition as per Sec.3.3.2.5 Data Collection Quality Control from the IAAO Standards on Mass Appraisal of Real Property.

Appraisal Inspections

All residential properties are inspected/reviewed but not limited to a 3 year cycle per Sec.25.18 (b) of the Texas Property Tax Code. Inspections/reviews are done through reliable means including but not limited to deeds or other legal documentation, aerial digital photography, land-based photographs, surveys, maps, property sketches, and physical inspections.

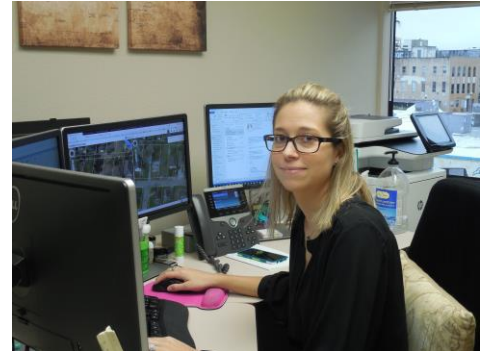
Inspection & Review of Properties

Each time the District has new aerial photos flown (Pictometry), the appraisers perform the inspections using this information. This allows the appraiser to view all properties from the front and rear of the home and facilitate a better understanding of what the property consists of than by using a “from the road” inspection only. NCAD has the Pictometry photos flown as near to the January 1 appraisal date as possible on a biennial basis.



Geographic Information Systems

The GIS Department develops and maintains the county parcel data using the application ArcMap, developed by Environmental Systems Research Institute, Inc. In addition we have a complete archive of county maps dating back to 1982. Our datasets include, and are not limited to parcels with a unique identifier called tax id, or geographic id, block and lot numbers, subdivisions, city limit lines, streets, zoning codes, school districts, water districts, drainage districts, emergency services districts, abstracts, elevations, zip codes, submerged state tracts, neighborhoods, land tables, improvements classes, state codes and property sales. The printed or viewable maps in Geographic Information System (GIS) or PACS are complete with north orientation, a scale bar, a measurement tool, identifying features and in compliance with Comptroller Rule 9.3002. They are sometimes published to fit the needs of a specific party displaying a variety of data including market and geo-coded aerial imagery.



Valuation

There are 3 different approaches to value in appraisal practice. The Income, Cost, and Market (Sales) approach

The *Income Approach* values property based on their ability to produce lease or rental income. Therefore, it is primarily used for income producing properties (i.e. hotels, commercial office buildings, etc.). Since residential properties are typically owner occupied and not used for the production of income, the Cost and Market Approach are relied upon for the appraisal of residential properties.

The *Cost Approach* values properties based on the estimated cost of replacing that property. The approach derives a "Replacement Cost New minus Depreciation" (RCNLD) using current cost data from reliable sources that are placed in cost tables and depreciation tables.

The *Market (Sales) Approach* uses qualified sales data from comparable properties to calibrate neighborhood market adjustments. Per Sec. 23.013 (b-1) of the TPTC, only qualified arms-length transactions (transaction between unrelated parties under no duress) and foreclosures (bank owned properties) sold within 36 months of the appraisal date are used for the analysis. Vacant residential land is appraised using the Market Approach.

Market Analysis

The PACS CAMA (Computer Assisted Mass Appraisal) system used by Nueces County Appraisal District has the capability to perform regression analysis as an appraisal method. This is a system which allows the computer to select comparable sales for each residential property and make appropriate adjustments to arrive at a value estimate via the market approach. The District had used a variant of the cost approach to estimate the value of each property and the sales approach. By using both methods, a more accurate appraisal estimate can be developed. To use this approach more efficiently, a significant number of sales are required. Our Market Analysis department continues to analyze and use sales data to determine market trends. It is this team's responsibility to make an intensive search for sales information and to verify each sale for validity and accuracy. This information will then be used to perform the market approach to value using the PACS Neighborhood Profiling system.

Land Schedules

The Nueces County Appraisal District uses GIS maps and viewer to create its land schedules. To do this, the GIS Department has developed a system which color codes each property based on its assigned value on per acre or per square foot basis. Anyone viewing the maps can see if the values in an area are uniform. Any properties appraised outside the norm show up as a different color. Each property also shows the price per unit amount on the map so that comparable areas can be checked to see if values are similar in like neighborhoods.



Statistical Analysis

The Residential and the Market Analyze department meets frequently to analyze, identify, discuss, and adjust for local market trends, ratio studies, and plotted stratified data within each neighborhood and subdivision. Ratio Studies are performed to measure the appraisal level, which is the relationship and comparison of appraised values to sales prices. This relationship is commonly referred to as the 'ratio' and is calculated by the following equation:

$$R = AV/SP$$

Whereas, the ratio (R) equals appraised value (AV) divided by the sales price (SP). For example if a property is appraised for \$100,000 and it sold for \$105,000, then the ratio would be .95 or 95%. The District's target median ratio is 1 or 100%. The median ratio is the middle ratio of arrayed ratios in an ascending or descending order. As previously mentioned, the Cost and Market Approach are used for the valuation of residential properties. Both approaches are used in a hybrid method. The following equation denotes the hybrid model used:

$$MV = (\text{IRCN} - D) * \text{INBHD Mod} + (LV * \text{LNBHD Mod})$$

↓ ↓ ↓
Cost Market Market

Whereas, the market value (MV) equals improvement replacement cost new (IRCN) less depreciation (D) times improvement neighborhood modifier (INBHD Mod) plus land value (LV) times land neighborhood modifier (LNBHD Mod). This hybrid method allows for adjustments at the neighborhood level to reflect market influences not captured in the cost pricing tables. The neighborhood modifiers (adjustments) are from ratio studies within stratified properties based on location, size, age, condition, and class of property.

Notification of Value

The appraisal notice is the property owners' first contact with the protest process. The protest process is a taxpayer's right that can be exercised in a timely manner if in disagreement with their property's appraisal value. Every county has an appeal process mandated by law. Instructions on protest procedures, rules and regulations are introduced to property owner/taxpayer's when the District mails a notice of appraised value letter. The District requires a protest to be filed, then recommends property owners to attend an informal meeting with the appraisal staff, sometimes over the phone or by visiting our office to discuss their appraisal concerns. During an informal meeting, property owners may review property characteristics such as, lot size, square footage, number of stories, and condition of property and ensure the District's appraisal record is correct. Upon conclusion of the informal meeting, they may proceed to a formal hearing if they are not satisfied with the District's determination. The deadline to file a protest with the Appraisal Review Board (ARB) is thirty (30) days after the District mailed the notice of appraised value or June 1st whichever is sooner. Property owners may learn more about the protest process, rights and remedies by visiting the Texas State Comptroller's website at www.window.state.tx.us/taxinfo/proptax or write to:

State Comptroller of Public Accounts
Property Tax Assistance Division
P.O. Box 13528
Austin, Texas 78711 3528

For more information, visit our Website: www.ncadistrict.com

The screenshot shows the homepage of the Nueces County Appraisal District. At the top is a blue header with the district's logo and name. Below the header is a navigation menu with links for Home, Organization, Forms, Tax Information, Resources & Downloads, Property Search, Online Appeals (E-File), and Contact Us. The main content area features a large 'Welcome to Nueces County Appraisal District' heading, a photo of Chief Appraiser Ramiro 'Ronnie' Canales, and a collage of images showing local scenery and buildings. A news article snippet is visible, mentioning Governor Greg Abbott's statement on property appraisals. A video player is embedded with the title 'A message from our Chief Appraiser Ramiro "Ronnie" Canales'. A prominent banner at the bottom of the main content area reads 'CORONAVIRUS/COVID-19'. On the right side, there is a sidebar with sections for Office Information (including contact details for the Chief Appraiser), Employment Opportunities, and Holidays (listing dates for 2020). At the bottom of the sidebar are social media links for Facebook and a survey link titled 'How are we doing?'. A 'Site Map' link is also present at the very bottom of the sidebar.

For additional copies write:

Nueces County Appraisal District
PO Box 2688
Corpus Christi, Texas 78403