

THE MASS APPRAISAL REPORT-2024

The appraisal of a universe or large number of real and personal properties within an established period of time using standardized procedures and subjecting the resulting appraisals to statistical testing is the definition of mass appraisal.

The mass appraisal report is a report prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem appraisal calendar. The purpose of this report is to summarize the methods and techniques utilized by Cass Cad. The certification of the appraisal roll concludes the appraisal phase of the appraisal calendar, normally July 25th of each year. This report is reflective of the values which do not have outstanding protest and represent 95% or more of the appraisal roll with final determinations on protested properties brought before the Appraisal Review Board. Since the majority of ad valorem real property appraisal in Cass County is accomplished using mass appraisal techniques, the general standard for appraisal should reflect compliance with USPAP Standard 6. The signed certificate is compliant with the Standard Rule 6-9 of USPAP. The values generated by the appraisal district are reviewed annually by the Property Tax Division of Comptroller of Public Accounts in order to finalize a Value Study biannually for the purpose of the use in TEA state funding calculation.

SCOPE OF THE WORK

The scope of work for a mass appraisal includes the following:

1. Identifying properties to be appraised
2. Defining market areas
3. Identifying characteristics that affect the market value
4. Developing a benchmark property that reflects the relationship of characteristics affecting value
5. Calibrating the benchmark
6. Calculate the conclusion of the property being appraised
7. Reviewing the mass appraisal results

The purpose and scope of the mass appraisal completed by Cass County Appraisal District is to estimate fair market value for ad valorem tax purposes with an effective date of January 1 of each year. The ultimate test on value hinges on the passing of the Property Value Study which is performed by the Comptroller's Office. The results of this test determine the amount of state funding which is disbursed to the school districts. These values are used by the taxing jurisdictions in the county. The entities include Cass County and Cass County Road District, City of Atlanta, City of Avinger, City of Bloomburg, City of Domino, City of Hughes Springs, City of Linden, City of Queen City, Atlanta ISD, Avinger ISD, Bloomburg ISD, Hughes Springs ISD, Linden-Kildare CISD, McLeod ISD, Pewitt CISD, Queen City ISD, Emergency Services Districts 1, 2,3 & 4.

Each of the above units adopts 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, indigent health care, and many other public services.

LEGAL AND STATUTORY REQUIREMENTS

The Texas Property Tax Code governs the legal, statutory, and administrative requirements of the appraisal district. The appraisal district is governed by a board of directors appointed by the taxing units within its boundaries. The Chief Appraiser, appointed by the board of directors, is the chief administrator and chief executive officer of the appraisal district.

Through its Chief Appraiser, the district promotes and adheres to the professional standards and ethics as set forth by:

- The Texas Department of Licensing and Regulation (TDLR)
- The Property Tax Assistance Division of the Texas State Comptroller's Office (PTAD)
- The Uniform Standards of Professional Appraisal Practices (USPAP), and
- The International Association of Assessing Officers (IAAO)

MARKET VALUE DEFINED

The definition of market value as established by the State Property Tax code differs from the definition established by USPAP, therefore, a jurisdictional exception applies.

Market value as defined in Sec. 1.04 (7) of the property Tax code states:

“Market value is the price at which a property would transfer for cash or its equivalent under prevailing market conditions if exposed for sale on the open market with a reasonable time for the seller to find a buyer; both buyer and seller know of all of 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; 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.”

* Ad valorem equates to tax based on value and maintains a consistent appraisal date of January 1 of each year with the exception of some inventories. Inventory owners may request a September 1 value determination if the property owner files an application by July 31.

Cost Approach, Market Approach, and the Income Approach will be used to develop, analyze, calculate, and develop a final conclusion of market value on all real and personal properties. Dependable data can be collected to use each of the approaches to value. All information is reviewed for accuracy and reliability; information that does not meet the prescribed standards is not used in the compilation of the appraisal schedules. Exclusion of an approach will occur only if there is not enough creditable data that can be verified.

AREA ANALYSIS

Properties appraised by Cass County Appraisal District are located in the 960 square mile area which creates the boundaries of Cass County. The county is located in Northeast Texas along primary transportation routes.

The largest contributors to the economic stability of the county are the top ten industries which include Graphic Packaging Intl LLC., Rose City Resources LLC, AEP Southwestern Elec Power Co., Graphic Packaging, Gulf South Pipeline Co., Union Pacific Railroad Co., Midcontinent Express, Natural Gas Pipeline Co. of Am., Barrow-Shaver Resources Co. and Kansas City Southern Railway.

Natural resources have brought industry to Cass County. Agricultural and Timber both are thriving businesses. Timber production has been recognized as the largest agricultural business in the county. Cass County is an area that is heavily forested with a great variety of timber, especially pine, oak and cedar. The poultry industry and other manufacturing such as the paper mill and railroad are also recognized industries in Cass County.

Primary employers include the above referenced properties, as well as local government and school districts.

The population of Cass County for 2023 was 28,622.

More than ½ of the acreage in Cass County is used for timber production. The soil in this area is sandy and loamy with an elevation of 200 to 632 feet above sea level. The topography of the area is nearly level to hilly. The drainage pattern is well defined, and many streams dissect the area mainly draining into the Sulphur River and Cypress Creek.

Various types of structures are located in Cass County. These include single family residences, multi-family residences, mobile homes, commercial buildings with personal property, and farm and ranch buildings (sheds, barns, etc.).

A table below reports the certified market and taxable values of properties located in each taxing jurisdiction of Cass County:

2023 VALUE TABLE

JURISDICTION	MARKET VALUE	TAXABLE VALUE	PARCEL COUNT
CASS COUNTY	\$5,362,960,244	\$2,693,453,835	41,654
CITY OF ATLANTA	\$592,642,808	\$418,520,466	4,351
CITY OF AVINGER	\$32,931,774	\$22,197,089	424
CITY OF BLOOMBURG	\$24,962,615	\$17,567,973	370
CITY OF DOMINO	\$30,820,730	\$18,745,744	320
CITY OF HUGHES SPRINGS	\$149,653,806	\$100,677,694	1,256
CITY OF LINDEN	\$149,979,840	\$106,567,837	1,641
CITY OF QUEEN CITY	\$128,697,181	\$83,715,236	1,174
ATLANTA ISD	\$1,559,964,314	\$687,243,136	12,270
AVINGER ISD	\$301,243,831	\$152,667,192	2,377
BLOOMBURG ISD	\$179,113,638	\$70,684,083	1,545
HUGHES SPRINGS ISD	\$637,040,337	\$253,437,315	4,973
LINDEN-KILDARE CISD	\$1,261,231,639	\$489,282,851	11,189
MCLEOD ISD	\$136,625,925	\$42,996,454	2,150
PEWITT CISD	\$309,951,064	\$100,576,224	2,774
QUEEN CITY ISD	\$981,661,675	\$587,213,940	5,271
EMERGENCY SERVICE DIST #1	\$301,622,188	\$123,267,737	4,272
EMERGENCY SERVICE DIST #2	\$1,131,274,058	\$789,955,348	6,156
EMERGENCY SERVICE DIST #3	\$213,636,330	\$121,152,164	1,775
EMERGENCY SERVICE DIST #4	\$163,146,496	\$58,545,684	1,466
CASS COUNTY ROAD DIST	\$5,362,960,244	\$2,771,288,092	41,654

THE PLAN FOR PERIODIC REAPPRAISAL

Section 25.18 of the Tax code (a) and (b) implements the following:

- (a) “Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:

- (1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps and property sketches;
- (2) Identifying and updating relevant characteristics of each property in the appraisal records;
- (3) Defining market areas in the district;
- (4) Identifying property characteristics that affect property value in each market area
 - (A) The location and market area of the property;
 - (B) Physical attributes of the property such as size, age, and condition;”
 - (C) Legal and economic attributes; and
 - (D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;
- (5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determining the contribution of individual property characteristics;
- (6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
- (7) Reviewing the appraisal results to determine value.

The Cass County Appraisal District makes a determination as to the timing of all re-evaluation on an annual basis. This determination will dictate the re-appraisal of all property located in the CAD or determine re-appraisal of areas or categories of property located within the CAD such as subdivision, geographical areas, rural areas, commercial areas, residential, vacant lots, etc. Regional divisions of the county ensure the CAD reinspects and re-evaluates properties as required by the Property Tax Code on the three-year cycle as described in this plan. The endorsement of the appraiser validates the action taken on each property appraisal or reappraisal. If a property does not change in value this action does not invalidate an action of re-appraisal if the value is endorsed by the appraiser. Any property that has not been reappraised in the previous year or in the above-described scenario will fall into the category of annual determination of re-evaluation by region.

The Chief Appraiser submitted a proposed reappraisal plan to the board of directors and conducted a public hearing on September 4, 2024 and the plan was adopted for 2025 and 2026.

The reappraisal plan for Cass County Appraisal District is:

1. Incorporate the application of proven and professionally acceptable techniques and procedures;
2. Provide for the compilation of complete and accurate data and the processing of that data into an indication of value approximating the prices actually being paid in the market place;
3. Provide the necessary standardization measures and quality controls essential to promoting and maintaining uniformity throughout the jurisdiction;
4. Provide the appropriate production controls necessary to execute each phase of the operation in accordance with a carefully planned budget and work schedule, and
5. Provide techniques especially designed to streamline each phase of the operation, eliminating functions, and reducing the complexities inherent in the appraisal process to more simplified but equally effective procedures.

PLAN PERFORMANCE

The Chief Appraiser and staff were able to complete the appraisal assignment as required by the re-appraisal plan as adopted or as amended by the board of directors.

During the re-appraisal on site property inspections, appraisers validated all information and property characteristics listed on the property record and updated any missing characteristics.

The final result accomplished with this plan is every property being reappraised by law at least once in every three years.

APPRAISAL RESOURCES

Personnel:

The ability to fund an appropriate number of qualified employees willing to work to complete the task of each reappraisal is one of the major resources each chief appraiser faces. The appraisal district staff's classifications consist of administrative, appraisal, deed processors and research. The staff which performs the functions of the reappraisal process must be registered or certified by Texas Department of Licensing. The employees which helped with the process for the 2024 reappraisal year were:

2024 LIST OF EMPLOYEES INVOLVED IN THE PLAN

EMPLOYEE	TDLR REGISTRATION	LICENSE TYPE
LACY HICKS	73379	RPA/CCA
LESLI LEE	74835	RPA
SANDY HAMPTON	76746	LEVEL 4 APPR
TABITHA MCCAIN	77497	LEVEL 3 APPR
JOHN MOORE	77660	LEVEL 3 APPR
CHARLIE MAULDIN	78168	LEVEL 3 APPR

INFORMATION SYSTEMS

Personal computer workstations are networked into a Dell EMC Power edge server. This server stores all data generated material, as well as forms received from the property owners. The computer assisted mass appraisal system has been developed using the software provided and developed by Harris Govern, better known as True Automation. This system provides access to all the data collected and processed. The software has been designed to house and provide the calculation for age and condition tables, current cost schedules, photographs, mapping, deed information, and other

documents related to each property in the Cass County Appraisal District.

This software, along with the aeriels, provides for digital mapping storage for the mapping software. This provides the appraiser viewing capabilities for pasturelands, timberlands, croplands, orchards, wildlife habitats, and structures. The mapping is available for public view on the website of the appraisal district. www.casscad.org

DATA COLLECTION

Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific cycle. The specific cycle will be determined annually after appropriate documentation on sales activity, replacement cost new data, and or any other economic catalyst that affects a sufficient number of properties that indicate a complete reappraisal is necessary.

The principal source of data collection on new construction and remodeling are field inspections and by building permits and mechanic liens filed with the city and the county. Mobile home installation reports, utility connection reports, septic permits, advertisements, and renditions are all utilized in an effort to locate and update property within the county. A field effort of driving the county also generates a constant watchful eye on any new construction or additions that may be added to the property.

Data surveys included in the buyer and seller questionnaire when returned is helpful in identifying characteristics that are needed to correctly appraise property and gives the cad the current sales data. Identifying these characteristics with the sales information aides in the model calibration of properties included in that class or category and identifies problematic areas. Quality of data is emphasized as the goal and responsibility of each appraiser. Sales information is verified by sources such as new owner, seller, deed information and closing paperwork.

Field appraisers perform field activities to ensure the data they have entered into the computer-based system has been maintained and is correct. Data updates and file modifications for property descriptions and input accuracy is conducted as the responsibility of the field appraiser.

Capital Appraisal is responsible for our mineral appraisals.

Personal Property rendition forms are the source of data for commercial property inventories, furniture and fixtures and machinery and equipment. Assumed names filed with county also generate additional check points for new business personal property. Inspections for personal property included the classification of inventories, furniture and fixtures, machinery and equipment and verification of the renditions submitted for processing.

Land records in the scheduled re-appraisal area were reviewed by utilization of the most recent versions of aerial photography available from the processed GIS maps. Land records were updated for soil classification, timber productivity, and agriculture productivity.

PRELIMINARY ANALYSIS

Calculation of preliminary values enables the district to use the market analysis of comparable sales and gathered cost data to ensure that the ratio study performed in each category of property, neighborhood, and defined market areas generates an acceptable ratio in each segment of property or grouped segment of properties. Properties in selected market areas are updated in non-reappraisal years as well as in reappraisal years if the ratio results reflect the need for a change. Therefore, the need for reappraisal year is made on an annual basis and determined by market areas. Every property is reappraised at least once every three years. A change may or may not occur depending on the cost data gathered, sales information gathered, or other pertinent information pertaining to the individual property or property characteristics. After the survey of similar segments or jurisdictions of properties, a determination was made which may have included neighborhood adjustment factors, schedule changes, land schedule changes, and depreciation adjustments for the various locations.

Final model calibration was performed in late March prior to the preparation of notices of appraised values.

Exemptions and special use valuation applications were mailed to property owners in January with explanations regarding the need to re-file applications or submit a first-time application. Throughout the year, properties with ownership changes are flagged for the removal of the exemptions or special valuation methods and removed or reset with the processing of the year end process and mailing of additional applications to new owners.

Applications received by the district were reviewed for qualifications by staff appraisers. Property owners were notified by certified mail when the application was denied or modified.

The mapping department was responsible for obtaining necessary documents to make ownership changes to the maps and appraisal records. This information was obtained from Cass County Clerk's Office on a weekly basis.

VALUATION APPROACH

While the universe of market areas is considered to be Cass County, subsets of market areas can be broken out by school districts, cities, rural areas and neighborhoods. Market areas are refined to reflect category of properties such as real property with a total of 39,045 parcels, business personal property with 1,497 parcels, commercial properties with 984 parcels, industrial, manufacturing and utility property with 285 parcels and mineral property with 5,778 parcels. This count of parcels reflects historical data because the parcel count will change on a regular basis in the normal course of business by adding new property and deleting removed property.

All properties must be analyzed and appraised at its highest and best use. Highest and best use is defined as the most reasonable and probable use of the land generating the highest return to the property owner over a period of time. The use must be legal, physically possible, economically feasible, and the most profitable of the potential uses. Identification of the property's highest and best use should be considered a statement of opinion made by the appraiser and never a statement of fact.

An appraiser must estimate its highest and best use as if the land were vacant, ignoring the value and restrictions created by existing improvements. Value in use is the value a specific property has for a specific use. In estimating use value, the appraiser's focus is the value the real estate contributes to the enterprise of which it is a part, without regard to the highest and best use of the property or the monetary amount that might be realized from its sale. Real property has both a use value and a highest and best use value which may or may not be the same. The prime example of this type of use value relates to farming, ranching or timber production, or what is known as special productivity value.

State law requires the appraisal district to appraise the land and improvements of residence homestead property based on the use as a residence homestead regardless of the actual highest and best use. This generates another exception from the USPAP standard when applied to residential properties.

Values are determined by the application of a series of schedules for replacement cost and depreciation that have been tested against current market data. The district's appraiser may consider the most appropriate of the three approaches to value when determining a property's value. The three approaches are Cost, Market, and Income.

All three approaches to value will be considered on all types of properties. The appraiser will determine and select the method that gives the greater weight of market value. Below is an itemization of which approach is common for each type of property and why the other approaches may not generate a representative market value.

PROPERTY TYPES

RESIDENTIAL REAL PROPERTY

Sales comparison method is the most frequently used method of appraisal for this property.

Cost approach will be used for this property if sufficient sales data cannot be collected or on special use properties.

The income approach will be considered if rental income may be a better indication of value.

SPECIAL INVENTORY RESIDENTIAL PROPERTY

Cost approach to value is the most common usage in this category of property. Developers have the same benefits and rights as individuals with other types of inventories in which they are entitled to have their property grouped as if it were to be sold as a whole. This method is based on the use of cost or market, whichever is the lowest.

Sales approach is not used until the developer sells the property and the category changes to a category other than inventory.

Income approach to value is not used on this property because it is not income producing.

MULTIFAMILY RESIDENTIAL PROPERTY

Due to the limited number of sales in this type of property it is not feasible to use the sales comparison approach to value, but is always considered if the data is available.

The cost approach would be used as a comparison to the income approach which would be the best approach to value considering the evidence of income and expense information for properties of this type in this county. The inability to collect income and expense information determines whether the cost approach will be the reliable approach for this county.

Income approach may not be feasible because of the inability to receive documented evidence on true income and expense information in this subject area. Efforts and attempts to collect income data along with maintaining the income data will continue.

COMMERCIAL REAL PROPERTY

Sales comparison approach to value is a limited resource and is not a reliable approach for this group of property when sales are limited in number. Sales data may or may not include a documented value for goodwill without this measure the sales approach may generate a distorted value. The infrequency of sales activity limits the measure in this approach.

Cost approach to value is the most reliable approach to market for this type of property in this county.

Income approach is not used as this approach is for income producing properties. Income approach will be used if data collected can be stored and updated and the property is income producing such as apartments, hotels, motels, mini storage warehouse etc.

VACANT REAL PROPERTY OR LAND

Sales comparison approach is the best approach for this type of property and is the most common used approach for this type of property.

Cost approach is not feasible.

Income approach could be used only on those properties that were generating a rental income. This is not the most common used approach in this type property.

INDUSTRIAL REAL PROPERTY

Sales comparison approach is the best approach for this type of property but because of the limited sale activity in the area information may or may not be readily available.

Cost approach is a valid and sometimes the most effective process to generate a market value.

Income approach is not a common approach to value for this type of property but is always considered.

UTILITIES

Sales comparison approach is not used in this type of property appraisal because of the limited sales activity in the type property.

Cost approach can and will be considered.

Income approach is the most common approach to value for this type of property.

MINERAL INTEREST

Sales comparison approach is not used in this type of appraisal because of the limited sales activity associated with this type of property.

Cost approach cannot be considered in this type of property.

The income approach is the most reliable approach to value.

SPECIAL VALUATION PROPERTIES OR AG/TIMBER LAND

Sales comparison approach is not used in this type of appraisal. This property is appraised based on its ability to generate income.

Cost approach is not used on this type of property. There is no effective or feasible way to use a cost approach on this type property.

Income approach is the correct approach used on this type of property because it is an income producing property and is based on the land's ability to generate income.

INDUSTRIAL TANGIBLE PERSONAL PROPERTY

Cost approach to value is the most reliable approach with the aid of renditions that are prepared by the owner giving the historical cost of the items and with the use of indexing the historical value to generate an in use current value.

Income approach is not used as the personal property is not normally used nor produces rental income.

Sales approach is not used due to the limited number of sales activities in this type of property.

COMPUTER FORMULAS AND MODELS

Basic model for Real Property:

$$MV = IV + LV$$

MV = Market Value

IV = Improvement or structure value

LV = Land Value

Expanded model:

$$MV = [(IUNIT \times ISIZE) + OR -ADDITIVES \times \% GOOD \times INF] + [(LUNIT \times LSIZE) \times LNF]$$

MV = MARKET VALUE

IUNIT = REPLACEMENT COST NEW PER SQ FT

ISIZE = IMPROVEMENT SQ FT LIVING AREA

ADDITIVES = IMPROVEMENT AMENITIES CONTRIBUTORY VALUES

%GOOD = ALLOWED OR ALLOWABLE DEPRECIATION

INF = IMPROVEMENT NEIGHBORHOOD FACTOR IF MEASUREABLE

LUNIT = LAND VALUE FROM SCHEDULES

LSIZE = LAND PARCEL PER SQ FT, ACREAGE OR FRONT FOOTAGE

LNF = LAND NEIGHBORHOOD FACTOR IF MEASUREABLE

Basic model for personal property:

$$MV = PVF \times HC \times DF$$

MV = MARKET VALUE

PVF = PRESENT VALUE FACTOR

HC = HISTORICAL COST

DF = DEPRECIATION FACTOR

CALIBRATION METHODS OR PERFORMANCE TESTING

Sales ratio studies are conducted each tax year by category and market areas to evaluate the district's mass appraisal performance. The statistical data generated to determine changes in models are provided by the median, mean, weighted mean, and the standard deviation. The models not performing satisfactorily are refined and retested. Discovery of necessary adjustments will be disbursed among the market areas to correctly reflect market conditions in those market areas as described above in valuation approaches. These procedures used for model specification and model calibration are in compliance with Uniform Standards of Professional Appraisal Practice, and Standard Rule 6.

Each neighborhood is reviewed annually by the district through sales data gathered and sales ratio analysis performed after the sales data is entered into the computer system and reports generated to determine the sales to appraisal ratios as mentioned above.

After this review, neighborhood factors to reach market value are developed and implemented to those areas which are falling below the tested measures. The districts use a hybrid cost-sales approach to value residential properties. This type of approach accounts for neighborhood market influences.

Comparative appraisal analysis or market analysis tells you what comparable homes are selling for on the market, how long it takes, and what the sales price is. This comparative analysis is performed by generating reports from data gathered from sales letters mailed to sellers and buyers, MLS data, and fee appraisal reports. The data gathered is compared to the appraisal the appraisal district has on the property and then a comparison report is generated by taking the appraisal value divided by the sales data to develop what is called an individual sales ratio comparison. This ratio has a direct relationship to the appraisal activity of the appraisal district.

ASSUMPTIONS AND LIMITING CONDITIONS

Appraisals completed by the appraisal district office are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable as fee simple and the legal description correct.
2. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. All sketches in the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering report unless otherwise specified.
4. All information in the appraisal documents has been obtained by members of the appraisal district staff or other reliable sources.
5. The opinion of value for each property applies to land and improvements. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
6. The appraisals were prepared exclusively for ad valorem tax purposes.
7. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisal, unless directed by, employed by and provided legal counsel by the Cass County Appraisal District.
8. Subsurface rights (minerals and oil) were not considered in making the appraisals.
9. The appraisers have inspected, as far as possible, by observation, the land and the improvements, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. No representation of this matter is made unless specifically detailed by the owner or approval for inside inspection by the owner.
10. Highest and Best use determinations on residential properties are an exception to the standard because of state law.
11. Definition of market value as established by the State Property Tax code differs from the USPAP definition

CERTIFICATION STATEMENT;

"I, Lacy Hicks, Chief Appraiser for the Cass County Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry and search 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 which, to the best of my knowledge and belief, was determined as required by law."

Lacy Hicks
Chief Appraiser

Date