

**UPSHUR COUNTY APPRAISAL DISTRICT
2023
SUMMARY REPORT**

**Introduction
Purpose**

The purpose of this report is to better inform the property owners within the boundaries of the Upshur County Appraisal District (UCAD) and to comply with Standards Rule 6 of Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 2008. Standards Rule 6 addresses a written summary report of a mass appraisal for ad valorem taxation. Mass appraisal is the process of valuing a group of properties as of a given date, using standard methods, and employing common data, which allows for statistical testing. The intended use of the appraised value is to establish a tax base upon which a property tax will be levied. Each taxing unit within UCAD boundaries will use the appraised values for ad valorem tax purposes only.

The purpose of the appraisals performed by UCAD is to estimate market value on January 1 of each year as defined by the Texas Property Tax Code (Sec. 1.04) on all taxable property within the boundaries of UCAD. Sec 1.04 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 on 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 the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

Responsibilities

The appraisal district is responsible for appraising property in the district for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on the property in the district. UCAD serves the public and 20 taxing entities of Upshur County. Taxing entities in Upshur County are composed of nine school districts, seven cities, two emergency services districts, one junior college and the County.

In 2024 the appraisal district values, certified by the ARB on July 20th, totaled \$6,105,501,139 in market value, before exemptions and timber/ag-use valuations, with a parcel count of 70,287. However, at the time of certification there were still 1,169 properties under ARB review and only 96.56% was certified. The remaining properties were completed September 7, 2023, and the certified value totaled \$6,332,313,448 in market value. The following are the final certified values by property type:

• Real, single family	\$1,787,202,656
• Real, multi-family	\$47,785,928
• Real vacant lots and small tracts	\$37,719,319
• Real, vacant acreage qualified	\$1,569,204,870
• Real, farm & ranch improvements	\$49,924,972
• Real vacant acreage non-qualified	\$1,440,733,530
• Real, commercial & industrial	\$241,999,391
• Oil, gas, and other mineral reserves	\$181,084,992
• Real & Personal, utilities	\$204,135,020
• Tangible Personal, business	\$180,516,820
• Tangible Personal, mobile homes	\$58,573,082
• Real Inventory	\$2,592,380
• Special Inventory	\$2,517,650
• Exempt	\$528,322,838

Organizational Structure

The Texas Legislature created the Upshur County Appraisal District. UCAD appraises property and prepares assessments of real and personal property taxes for 20 taxing entities in Upshur County, Texas. UCAD is a political subdivision of the State of Texas. The appraisal district is governed by a five-member board of directors elected by the taxing entities in the county. The board appoints the chief appraiser who serves at the pleasure of the board. The board also approves the budget and sets policy. The chief appraiser is the chief administrator of the appraisal district and may employ and compensate professional, clerical, and other personnel as provided by the budget. The chief appraiser may delegate authority to her employees. UCAD currently has ten full-time employees other than the chief appraiser.

All appraisers are required to be registered with the Texas Department of Licensing and Regulation (TDLR). The TDLR registration requires that each appraiser must successfully complete a three to five year educational program and pass a required number of course hours within a specified time. Additionally, all appraisers must pass review exams at levels three and four of the certification program. After successfully completing the required curriculum, an appraiser is awarded the designation of Registered Professional Appraiser (RPA). There is also a requirement of at least thirty hours of continuing education units in the 24-month period prior to the expiration of their registration in order to renew their RPA designation. UCAD currently has four full RPA's. The UCAD appraisal staff stays abreast of current trends affecting property values through review of published materials, attendance at conferences, course work and continuing education.

Appraisers are responsible for the discovery, listing, and appraisal of all types of property. Capitol Appraisal Group Inc. has been doing the appraisal of minerals, utilities, industrial and some personal property for several years. The Chief Appraiser and staff continually strive to improve the quality and performance of all appraisals. The mission of the appraisal district is to appraise all property in the district at market value equally and uniformly, and to communicate that value to each taxpayer and taxing jurisdiction.

Assumptions and Limiting Conditions

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. 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. The appraiser developing these appraisals is not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Upshur County Appraisal District.
4. All properties are appraised in fee simple interest in accordance with Texas Property Tax Code Section 25.06. (Jurisdictional exception to Standards Rule 6-4 (c) and 6-5 (c) of USPAP)
5. All sketches in the appraisal records are intended to be visual aids with rounded measurements and should not be construed as surveys or engineering reports, etc.

6. All information in the appraisal records has been obtained by members of the appraisal district's staff or other reliable sources.
7. The appraisal staff inspects, as permitted, by observation, the land and the improvements thereon; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters, unless specifically considered in an individual appraisal.
8. All interior inspections are performed at the property owner's request. All other inspections performed are external and assume the quality, condition and desirability of the interior are approximately equal to that of the exterior, unless otherwise known.
9. Agricultural land is appraised at market value using a market data model based on market sales information. Subsurface rights (mineral and oil) are not considered in making these appraisals.

Single-Family Residences

Single-family residences consist of all land and real property improvements, which by the nature of their design and/or construction are suitable for single-family use only. This includes manufactured homes, which are classified as real property when the owner of the land is also the owner of the manufactured home and personal property when the owner of the manufactured home does not own the land, or the mobile home is elected as personal property through TDHCA.

The appraisals completed by UCAD for single-family residences are subject to the following assumptions and limiting conditions:

1. The Upshur County Appraisal District's staff has physically inspected all single-family residences and commercial properties in Big Sandy, Gladewater, Union Grove, Union Hill ISDs and the portion of Pittsburg ISD that adjoins Union Hill ISD. Interior inspections are not typically done on most of the properties because (1) most residential owners are not at their residence during regular business hours, (2) permission to inspect is not always granted, (3) the safety of the appraiser may be in question, and (4) respect for privacy rights of the property owner should be exercised.
2. The opinion of value for each single-family property applies to land and improvement only. The value of personal property of an owner has not been included with the value of the real estate.
3. Residential real property inventory as defined by the Texas Property Tax Code in Section 23.12 shall be considered as inventory and the market value shall be the price for which it would sell as a unit to a purchaser who would continue the business. (Jurisdictional Exception to Standards Rule 6-4 (b) of USPAP).

Data Collection and Validation

Two basic types of data are collected: data that is specific to each property and data that is indicative of a particular class of property that has been predefined by UCAD.

Property-specific data is collected during the inspection process, through building permits, information submitted by the property owner, and through property listings. As part of the inspection process, the improvements are measured and classified. The appraiser also estimates the effective age (condition) of the improvements. Any additional or unique features are also noted at the time of the inspection. Data on individual properties is maintained on the appraisal card for that property. Data on individual properties is verified through previously existing records, published records, building permits, analysis of comparable properties, and through submission by the property owner. Appraisal data is available for review at the appraisal district office.

Data pertaining to a class of properties is grouped together according to the differing quality levels, and then used to develop valuation models for each property class. Such data is collected in a variety of ways. Cost information is obtained from nationally recognized sources and from data submitted by owners.

Market sales information is collected through a variety of sources including, but not limited to, surveys of buyers and sellers, deed records, settlement statements, and third-party sources.

Valuation Approach and Analysis of Real Property

Improvements are appraised using replacement cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. For 2023, the district updated replacement cost schedules for residential and commercial properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on public sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for physical, functional and economic obsolescence may be made if diminished utility and comparable sales are found to justify such. A comparable sales model is used when appropriate sales information is available. The model is calibrated for site values, improvement quality, living area, condition, and extra features.

Land values are based on selling prices for the appropriate highest and best use of the site, and as though it were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use and is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models and is always a statement of opinion, not a statement of fact.

Business Personal Property 2023 Summary Report

Overview

Business personal property is the tangible personal property owned by a business or by an individual for the purpose of producing income. Other tangible personal property is exempt according to Sec. 11.14 (a) of the Texas Property Tax Code.

Data Collection and Validation

Data on new and existing businesses is collected through personal inspection, newspaper articles, social media, government reports, comparisons to like businesses, renditions, and other confidential information supplied by the owner. Due to the multitude of personal property types, there is no standard for data collection or manual.

Valuation Approach and Analysis

Personal property as defined by the Uniform Standards of Professional Appraisal Practice is “identifiable, portable and tangible objects which are considered by the general public to be ‘personal’, e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment: all property that is not classified as real estate”. The Texas Property Tax Code Section 1.04(5) defines tangible personal property as “personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.” The Texas Property Tax Code Section 1.04(4) defines personal property as “property that is not real property”.

The purpose of the appraisals of business personal property is to estimate market value on January 1 of each year. A separate definition of market value for inventory is found in the Texas Property Tax Code Sec. 21.12(a): “the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business”.

Personal property is appraised using original cost less depreciation models. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization for the subject property justifies such. In the case of personal property types, such as licensed vehicles and aircraft, market data from published pricing guides is used to construct a market value estimate. In other cases, estimates are based on quality and density information available through published sources or through private sources. These estimates are typically cost based.

The District’s adopted re-appraisal plan for 2023 stated that the properties in the following areas of Region B would be inspected: Big Sandy, Gladewater, Union Grove, and Union Hill ISDs and the portion of Pittsburg ISD that adjoins Union Hill ISD. Field work began in early September 2022 and was finished in early January of 2023. The remaining school districts were to have maintenance work done starting January 2023. Maintenance and re-checks began in January 2023. Maintenance was completed in April.

Renditions were sent to Variverge on January 5th and mailed on January 9th. The end-of-year process was run, and new applications were mailed January 18th and 19th. The chief appraiser required ag/timber applications and homestead applications were mailed certified on January 9th. Also in January, the following applications and surveys were mailed: income surveys, wildlife annual report forms, special inventory declaration forms, real property inventory forms, and annual application forms.

Each property in Region B was inspected and new photographs taken where warranted. Buildings were measured and classes were corrected where required. Residential and commercial cost schedules were updated using Marshall and Swift cost guide and adjustments were made for this area.

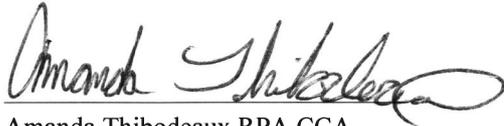
Property sales information is gathered year-round by sending letters to buyers and sellers as well as a data pull from Transunion. Sales information is used to run ratio studies of improved property after building cost schedules are updated. Land schedules were updated with the most recent land sales gathered via sales letters for every market area of the county, not just the re-inspected properties. If there were no sales for a market area, those land values did not change. However, building costs were adjusted for all areas.

Most real property notices were mailed May 1st. Mineral notices were mailed on April 26th. Any remaining real property notices and all business personal property notices were mailed May 17th. Appraisal records were submitted to the appraisal review board on April 20th and hearings began on June 5th.

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 analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is the appraisal staff's personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on the reporting of a predetermined value, or direction in value, that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The UCAD appraisal staff makes personal inspections of the property that is the subject of this report.



Amanda Thibodeaux RPA CCA
Chief Appraiser



Brandi Turnbow RPA, Appraiser



Ida Montgomery RPA, Appraiser



Peyton Varner, Appraiser