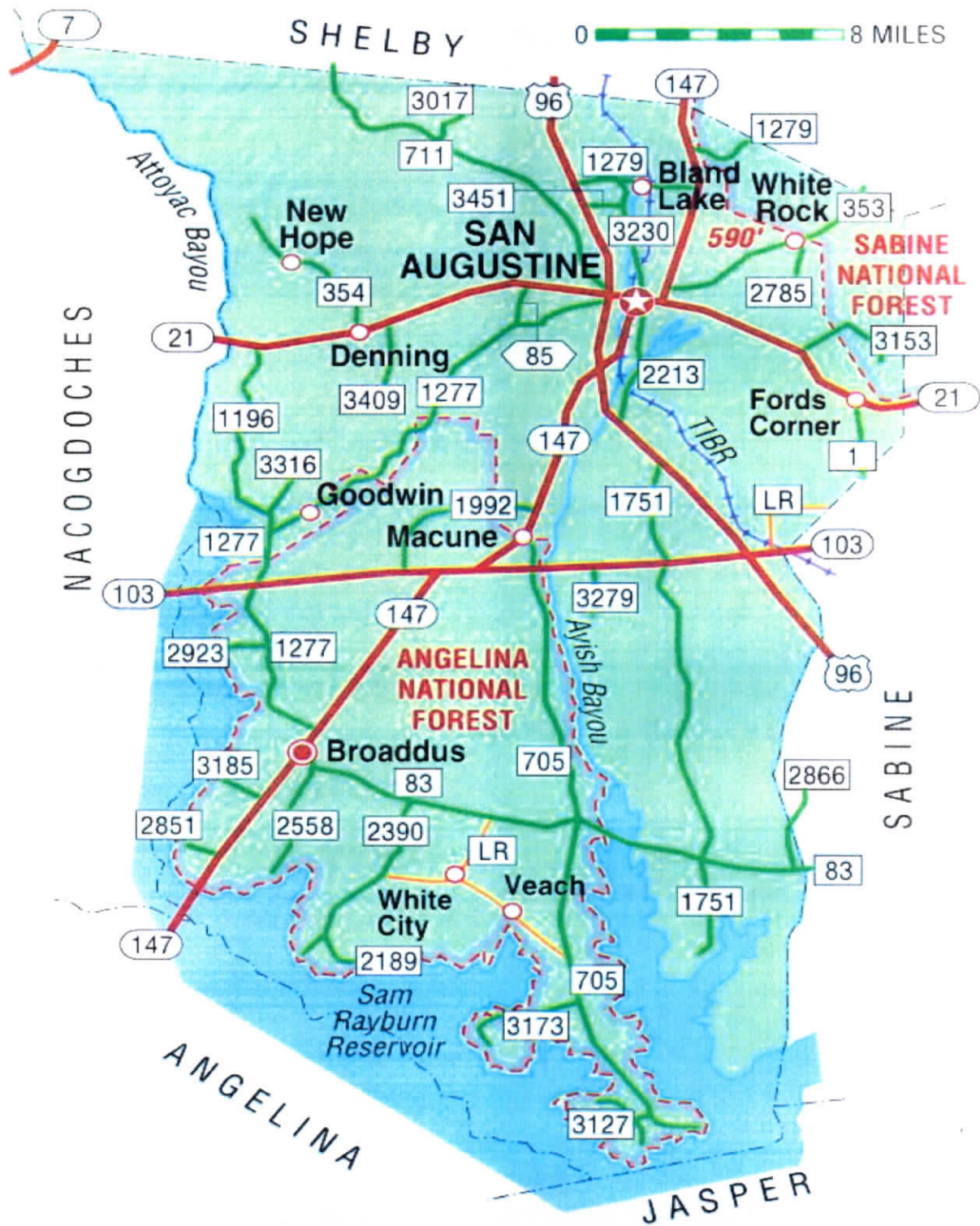


SAN AUGUSTINE COUNTY APPRAISAL DISTRICT 2021 MASS APPRAISAL REPORT



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2021 MASS APPRAISAL REPORT

INTRODUCTION

The San Augustine County Appraisal District 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 five member Board of Directors, appointed by the taxing units within the boundaries of San Augustine County, constitutes the districts governing body, plus the county tax assessor, who is a non-voting member. The chief appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district.

The appraisal district is responsible for local property tax appraisal and exemption administration for each jurisdictions or taxing units in the county. Each taxing unit, such as the county, city, school district, etc., 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 and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. We also determine eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation. The District utilizes a mass appraisal system to provide both an equitable and efficient market valuation of all taxable property in accordance with Texas Law. These appraisal constitute the appraisal roll for the taxing units with property within the boundaries of San Augustine Appraisal District.

It is the goal of San Augustine Appraisal District staff to provide the best possible service to the property owners and taxing entities. The San Augustine Appraisal District staff promotes and adheres to the professional standards and ethics as set forth by the Texas Department Of Licensing and Regulation and the Texas Association Of Appraisal Districts.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraised value estimates provided by the district are subject to the following conditions:

The appraisals are prepared exclusively for ad valorem tax purposes. The property characteristic data upon which the appraisals are based is assumed to be correct. Physical

inspections and/or inspections via aerial imagery of the property appraised were performed as staff resources and time allowed.

- 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 though under responsible, adequately capitalized ownership and competent property management.
- All engineering is assumed is assumed to be correct. Any plots plans and/or illustrative material contained with 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 government regulations and laws unless noncompliance is stated, defined, and noted in the appraisal record.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined and noted in the appraisal record.
- 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 record.
- The San Augustine County Appraisal District will not be required to give testimony or appear in court because of having produced this mass appraisal report with reference to the properties in question, unless arrangements have been previously made thereof.
- Any cause of action from this mass appraisal will be limited in damages and fees to the amount prescribed by law.
- Possession of this report or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom addressed without written consent of the San Augustine County Appraisal District and only in its entirety.
- It is assumed that the properties, the subject of this report are in compliance with American With Disabilities Act unless otherwise noted in this report.
- The San Augustine County Appraisal District appraisers have not made determinations about the existence or hazardous materials.
- The San Augustine County Appraisal District appraisers have not and will not make termite inspections.

Texas is a non-disclosure state in which buyers and sellers are not required to report sales transactions to the ad valorem property appraiser. We use great diligence in attempting to

acquire sales data but are limited in our ability to gather sales data by the current legislative scheme.

APPRAISAL DATE

The effective date for all appraisals is January 1, of the tax year unless otherwise provided by the Texas Property Tax Code. The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1st of the year preceding the tax year to which the appraisal applies by filing an application by July 31 with the chief appraiser requesting that the inventory be appraised as of September 1st.

DEFINITION OF MARKET VALUE

Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1. Under the tax code, "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

The Property Tax Code defines special appraisal provisions for the valuations of residential homestead property(Sec. 23.23), productivity(Sec. 23.41), real property inventory(Sec. 23.12), dealer inventory(Sec. 23.121, 23.124, and 23..127), nominal(Sec. 23.18), or restricted use properties(Sec. 23.83) and allocation of interstate property(sec, 23.03).

AREA ANALYSIS

San Augustine County is located in Deep East Texas bordered to the north by Shelby County, to the east by Sabine County, to the west by Nacogdoches County and to the south by Jasper County and southwest by Angelina County. The county population as of 2020 is 7,918, with San

Augustine being the largest city with a population of 1,864. There are two major highways (US Highway 96 and State Highway 21) that cross the county.

San Augustine County is rural. San Augustine is the largest city and county seat. The two main employers are San Augustine ISD and Deep East Electric Coop. The population is decreasing. The county is a retirement community.

TYPES OF PROPERTIES APPRAISED

MAJOR CATEGORIES OF PROPERTY APPRAISED BY SAN AUGUSTINE CAD:

- Real Property: Residential, Multi-Family, Commercial, Lots, Land, Improvements
- Personal Property: Commercial and Industrial Properties
- Utilities: Telephone Companies, Power Companies, Gas Companies, Cable Companies
- Minerals: Oil & Gas

The Property Tax Assistance Division of the State Comptroller's Office requires properties to be identified by using a standard identification code. The current codes are as follows:

- A: Real Property: Single-family Residential
- B: Real Property: Multifamily Residential
- C1: Real Property: Vacant Lots and Land Tracts
- C2: Real Property: Colonia Lots and Land Tracts
- D1: Real Property: Qualified Open-space Land
- D2: Real Property: Farm and Ranch Improvements on Qualified Open-Space Land
- E: Real Property: Rural Land, not qualified for open-space land appraisal and Improvements
- F: Real Property: Commercial
- F2: Real Property: Industrial and Manufacturing
- G1: Real Property: Oil and Gas
- G2: Real Property: Minerals
- G3: Real Property: Other Sub-surface Interests in Land
- H1: Tangible Personal Property: Personal Vehicles, not used for business purposes
- H2: Tangible Personal Property: Goods In Transit
- J: Real and Tangible Personal Property: Utilities
- L1: Personal Property: Commercial
- L2: Personal Property: Industrial and Manufacturing
- M1: Mobile Homes
- M2: Other Tangible: Personal Property
- N: Intangible Personal Property Only
- O: Real Property: Residential Inventory
- S: Special Inventory
- X: Totally Exempt Property and Subcategories

HIGHEST AND BEST USE ANALYSIS

“Highest and Best Use” is defined as the reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legal, financially feasible and productive to the maximum. For improved properties, highest and best use is evaluated both as if land is vacant and as improved. This assists in determining if existing improvements have transitional use, interim use, nonconforming use, multiply uses, speculative use or a different optimum use. For vacant tracts of land within this jurisdiction, the highest and best use is considered speculative and based on the surrounding land uses and on any deed restrictions or other restrictions on use. Improved properties reflect a wide variety of highest and best uses, which include: residential housing, office, retail, warehouse, light industrial, special purpose or interim uses. In many instances, the property’s current is the same as its highest and best use.

MARKET ANALYSIS

A market analysis relates directly to market forces affecting supply and demand. This study involves the effect of social, environmental, economic, governmental and site condition on the universe of property appraised by San Augustine County Appraisal District.

Examples of sources of general data include, “The Appraiser” published by Texas Association of Appraisal Districts and “The Assessor’s News” published by Texas Association of Assessing Officers. Local real estate sales listing on the internet are also very helpful in identifying market trends.

San Augustine County Appraisal District tracks all deed transactions. From this information sales letters are mailed to the buyer and seller to obtain information on the sale. Disclosure of this information is not mandatory in the State Of Texas and only a small percentage of letters are returned with useful information.

DATA COLLECTION/VALIDATION

Data collection of real property involves maintaining data characteristics of the property on CAMA(Computer Assisted Mass Appraisal). The information contained in CAMA includes site characteristics, such as land size and topography and improvement data, such as square foot of living area, year built, quality of construction and condition. Field appraisers are required to use a property classification system that establishes uniform procedures for the correct listing of real property. All properties are coded according to a classification system. The approaches to value are structured and calibrated based on this coding system and property description

and characteristics. The field appraisers use property classification references during their initial training and as a guide in the field inspection of properties. Data collection for personal property involves maintaining information on software designed to record and appraise business personal property. The type of information contained in the BPP file includes personal property such as business inventory, furniture and fixtures, machinery and equipment, with details such as cost and location. The field appraisers conducting on-site inspection use a personal property classification system during their initial training as a guide to correctly list all personal property that is taxable.

Data on individual properties is collected, compiled and analyzed. Buildings and other improvements are inspected, measured and classified. The appraiser estimates the effective age of improvements and determines the condition of the improvements. This data is used to compile depreciation (loss of value) tables and any notes pertaining to the improvements are made at this time.

Residential properties are classified for size and whether frame or brick veneer. The classifications are a numerical system, ranging from 5 (lowest) to 10 (highest). Five is the most basic of structures using the cheapest materials and workmanship while Ten (10) is the highest possible quality using only the best of materials and the highest and best quality workmanship available. Effective age for a house that is properly maintained maybe its actual or chronological age. However, if a structure suffers from deferred maintenance due to neglect, its effective age may be older than the actual age. Conversely, if a house is an older structure and has been remodeled or updated, its effective age may be more than its actual age.

Commercial properties are classified by type such as restaurant, offices, retail stores, etc., and further defined by quality of construction, from poor to excellent. Physical depreciation is calculated based on the effective age of improvements. Effective age is the age the property appears to be due to maintenance and upkeep.

Appraisers also estimate the condition of the property. Condition ranges from poor to excellent. Appraisers in the field usually inspect structures from the exterior. Unless specific information is known to the appraiser, the interior condition is assumed to be similar to the exterior. Foundation failure may occur in varying degrees and may also result in loss of value. The appraisal district makes allowance for foundation problems on a case by case basis. Additional depreciation may be estimated for a variety of reasons including functional obsolescence resulting from bad floor plans, super adequacies or out of date construction methods. Economic obsolescence results from a loss of value to a property due to adverse influences from outside the physical boundaries of the property. Examples of economic obsolescence may be proximity to a landfill or residences located near a railroad track.

The sources of data collection are through property inspection, mechanic's liens sales, validation, newspapers and publication and property owner correspondence. Sales data is acquired through sales questionnaires from buyers and sellers. Agricultural surveys of farming and ranching property owners, agricultural advisory board and ag life extension office are

helpful in calculation productivity value. The Texas Railroad Commission is the sources for mineral production data and leasing information. Improvement cost information is gathered from Marshall & Swift Valuation Service.

VALUATION ANALYSIS

Valuation schedules are divided into four main classifications: residential, commercial, land and business personal property. These schedules are based on the most appropriate data available. Depreciation tables are applied to the schedules. The schedules are calibrated from cost as well as sales data and updated as needed.

Miscellaneous special categories such as dealer's inventory and agricultural productivity valuation are appraised using different techniques.

THREE APPROACHES TO VALUE

SALES COMPARISON APPROACH

The sales comparison approach uses sales prices as evidence of the value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated and conditions have not changed greatly, a similar property would sell at approximately the same price.

COST APPROACH

The cost approach is sometimes called summation, engineering or brick and mortar approach. The cost approach is based on the idea that the value of an existing property is the value of the land plus the replacement cost of the improvements less depreciation (not accounting depreciation, deterioration, functional obsolescence or changes in the economy or neighborhood). The appraiser determines the replacement cost of a new property functionally equivalent to the subject property, not necessarily an exact replica. For example, the subject property is a large building with high ceilings and many windows placed to provide cross ventilation in hot weather, it might be replaced with a low ceiling, air conditioned building that has equal utility.

Sometimes the cost of the replacement building is determined by stick by stick, that is, by an actual engineering calculation of the cost. More often, estimates are made using tables that show the per-square foot values of constructing various types and styles of buildings. These tables may be prepared locally or purchased from firms that specialize in providing such information.

INCOME APPROACH

The income approach requires the appraiser to estimate the rental income from a property and capitalize the income into an estimate of current value. The approach recognizes that potential buyers demand property because they anticipate a future stream of income. Traditionally, appraisers have referred to this as the principle of anticipation.

STATISTICAL ANALYSIS

Statistics is a way to analyze data and study characteristics of a collection of properties. In general, it is not feasible to study the entire population, therefore, statistics are introduced into the process. San Augustine Appraisal District performs statistical analysis periodically to evaluate whether appraisal roll values are equitable and consistent with market values. Appraisal statistics of central tendency and dispersion are generated from sales ratios through the District's computer sales module. These ratio studies are conducted by neighborhood, property type and/or class for a predetermined time period. The District also evaluates Appraisal performance through individual ratio studies. Ratio studies are conducted in accordance with IAAO Standards. The District also checks against the state's ratio to check appraisal conformity.

RATIO STUDY

Sales ratio studies are used to evaluate the district's mass appraisal performance. Local assessors, supervisory agencies and others can use the studies to determine where appraisal performance meets acceptable standards and where it does not. Market-based trending factors developed from information provided by ratio studies can be used not only to measure, but also to improve performance. By providing information on current operations, ratio studies also help assessors plan, schedule and budget future activities. Another important use of ratio studies is indirect equalization, in which ratio studies are used to estimate property wealth for distributing aid payments.

A ratio study usually has six parts: (1) delineation of objectives, (2) collection and preparation of market data, (3) matching appraisal and market data, (4) stratification, (5) statistical analysis and (6) evaluation and use of results.

Sales ratio studies are usually performed annually on a county wide basis of all sales. The median ratio is compared to the desired ratio. The coefficient of dispersion is studied to indicate how tight the ratios are in relation to measures of central tendency. The median and coefficient of dispersion are good indicators that identify statistically the results of the valuation process.

APPRAISAL PERFORMANCE TESTS

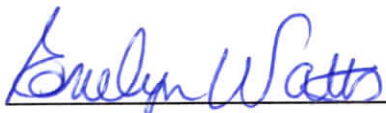
In accordance with Section 5.102 of the Texas Property Tax Code and Section 403.302 of the Texas Government Code, the Texas Comptroller of Public Accounts conducts a biannual property study value to determine the degree of uniformity of and the median level of appraisals by the appraisal district within each major category of property, as required by section 5.10, Property Tax Code.

The Comptroller of Public Accounts certifies a school district's local tax roll value to the Commissioner of Education if it is within the calculated statistical error margin. A margin of error of 5% is used for each school district.

Additionally, the PTAD conducts a biannual review of the governance of each appraisal district, taxpayer assistance provided and the operating and appraisal standards, procedures and methodology used by the district.

CERTIFICATION STATEMENT

"I, Evelyn Watts, Chief Appraiser for San Augustine Central Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included all the records 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."



Evelyn Watts, RPA-CTA-CCA
Chief Appraiser

December 6, 2021