

MARTIN COUNTY APPRAISAL DISTRICT

2024 SUMMARY/MASS APPRAISAL REPORT

INTRODUCTION

Purpose

The purpose of this report is to better inform the property owners within the boundaries of the Martin County Appraisal District (MCAD) and to comply with Standards Rule 6-7 of Uniform Standards of Professional Appraisal Practice (USPAP), effective January 1, 1998. Standards Rule 6-7 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 values is to establish a tax base upon which a property tax will be levied. Each taxing unit within MCAD boundaries will use the appraised values for ad valorem tax purposes only.

The purpose of the appraisals performed by MCAD 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 MCAD. "Market Value" is defined by Sec. 1.04 as 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 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
- 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. MCAD serves the public and nine taxing entities. Taxing entities in Martin County are composed of four school districts, being Klondike ISD, Grady ISD, Stanton ISD, and Sands ISD, City of Stanton, Martin County, two water districts, being Martin County Fresh Water District and Permian Basin Underground Water District, and Martin County Hospital, and an area in which the City of Midland has jurisdiction. MCAD has three school districts that extend into three neighboring counties, being Howard, Dawson and Borden Counties. In 2024, the appraisal district certified a total of 174,945 mineral and real estate parcels with a total market value of \$ 25,227,903,240. The following are those parcels and values by property type:

- Residential, single family (A, A1) 908 \$ 72,951,520

• Mobile homes (A2, E2, M1)	617	32,087,110
• Residential, multi-family (B)	7	900,720
• Vacant Lots (C)	445	2,311,740
• Ag qualified Acreage (D1)	2,839	337,967,640
• Farm Imp on Open-space Land (D2)	473	20,675,460
• Non-Ag Land & Rural Residential (E*)	3,907	203,679,380
• Commercial (F1)	151	24,115,490
• Industrial (F2)	64	743,308,400
• Oil & Gas (G*)	159,937	21,931,559,540
• Personal Vehicles	0	0
• Utilities (J*)	2,484	1,318,039,100
• Commercial (L1)	154	9,867,120
• Industrial & Manufacturing (L2)	507	518,179,360
• Special Inventory (S)	6	3,610,870
• Exempt Properties (X*)	4,696	17,886,030

Organizational Structures

The Martin County Appraisal District was created by the Texas Legislature and is considered a political sub-division of the State of Texas. The MCAD is governed by a eight member board of directors, each appointed by the entity for which they represent, and the County Tax Assessor/Collector as a non-voting member. The board sets policy and appoints the chief appraiser who serves at the pleasure of the board. Martin CAD operates under the budget which is approved each year by the board of directors. 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 his/her employees.

Martin CAD currently has four full-time employees, the Chief Appraiser, Deed Clerk/Collector, Mineral Clerk/Collector, Bookkeeper/Collections Supervisor. In June 2024, the Martin County Commissioners Court voted to merge the county collections with the CAD, and beginning July 1, 2024 Martin CAD became the only collecting tax office in the county.

The Chief Appraiser is required to be registered with the Texas Department of Licensing & Regulation (TDLR). The TDLR registration requires that each appraiser must successfully complete a 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 and approval of a demonstration appraisal, 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 every two years in order to recertify the RPA designation. The continuing education must include:

- 3.5 hours of USPAP
- A state laws and rules update course
- 2 hours of chief appraiser ethics

- 15 hours in one or more of the topics listed in (j)(1)(3)(4)(5) or (6)

Currently, the Chief Appraiser of Martin CAD has met all requirements of certification. One staff member is currently working on certification. MCAD staff stays abreast of current trends affecting property through review of published materials, attendance at conferences, course work, and continuing education.

The Chief Appraiser is responsible for the discovery, listing and appraisal of all types of property within Martin County.

Philosophy Statement

The Martin County Appraisal District believes that the most important asset of the District is its employees. Every employee is important and deserves to be treated fairly with consideration and respect. MCAD believes in providing good working conditions, a safe, clean, and friendly work place to help each employee do his or her job effectively, we also believe that every employee has an obligation to develop his or her talents to the fullest.

The Martin CAD exists for the purpose of providing services to the property owners and taxing units within our jurisdiction. It is important that we recognize our responsibility to provide quality services on a cost effective basis. Every property owner should be approached in a respectful, positive, and friendly manner. Property owners should be assisted in a timely and courteous fashion. MCAD employees have an obligation as public servants to promote goodwill toward all property owners, not only in manner but by example.

Because of the nature of our work, not every property owner will be pleased with the outcome of their contact with Martin CAD. What is important is that everyone who comes in contact with our office should have reason to feel that their matter was handled in a fair and equitable manner by a knowledgeable and qualified person.

Assumptions and Limiting Conditions

1. Title to a 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 appraisers developing these appraisals are 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 Martin CAD.
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 has inspected, 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 by appointment. 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. However, it may also be subject to appraisal using an income model specified in Section 23, Sub-chapters C, D and E of the Texas Property Tax Code. (Jurisdictional Exception to 6-4 (b) of USPAP)
10. Subsurface rights (minerals and oil) are not considered in making these appraisals.
11. Due to the lack of zoning the highest and best use for a property is normally considered to be its current use.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. Ratio studies are performed and are the preferred method for measuring performance. The results of the performance measures used indicate the validity of the appraisal models used. The Chief Appraiser performs ratio studies using county-wide data.

Appraisal results are also attested bi-annually by the Property Tax Division of the Texas Comptrollers' Office. Appraisal methods and procedures are also reviewed by the Property Tax Division.

The Martin County Appraisal District staff does the annual reappraisal of real properties, both improved and unimproved in Martin County. These properties include single-family residences, multi-family properties, commercial properties, and business personal property.

Martin County Appraisal District contracts with Pritchard & Abbott, Inc for annual reappraisal of all mineral, industrial, mineral related personal property, utilities properties, and Ag properties in Martin County. The CAD subscribes to Marshall & Swift Residential Cost Handbook and also Marshall & Swift Commercial Appraisal Handbook and uses the handbooks to assist in annual review of schedules for updates when performing ratio studies for appraisal purposes.

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 analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are 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 analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of all of the property that is the subject of this report. Personal inspections are also made by the contract appraisal firm listed in the contents of this document.
- Persons providing significant professional assistance to the person signing this report are listed below:

Staff of Pritchard & Abbott, Inc

Certification Statement:

"I, Marsha Graves, Chief Appraiser for the Martin County 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 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."



Marsha Graves, RPA, RTA, RTC, CTA

December 4, 2024

Circuit Breaker Limitation

Property Tax Code Section 23.231

Beginning 2024, real property valued at \$5,000,000 or less will benefit from a 20% limitation on the net appraised value of the property used to calculate your taxes, with the exclusion of land receiving the agriculture-use specie appraisal and homestead properties that could qualify for the 10% homestead limitation.

The circuit breaker provision limits the amount the appraisal district can increase the appraised value of a property. The appraised value of qualifying real property is limited to an increase of no more than 20% per year unless new improvements, excluding ordinary maintenance, have been made. This limitation takes effect on January 1 of the tax year following the first tax year in which the owner owns the property. The Texas Legislature has currently only authorized the circuit breaker limitation for the 2024, 2025, and 2026 tax years. The appraised value that the circuit breaker applies to is set at \$5,000,000 or less for 2024, however the State Comptroller can increase or decrease the appraised value limit for 2025 and 2026 based on the consumer price index.