

AUSTIN COUNTY
APPRAISAL DISTRICT



REAPPRAISAL PLAN
TAX YEARS 2023 & 2024

APPROVED BY THE BOARD OF DIRECTORS
September 15, 2022

TABLE OF CONTENTS

<u>Executive Summary</u>	3
<u>Scope of Responsibility</u>	3
<u>Proposed Reappraisal Plan</u>	3
<u>Tax Code Requirement</u>	3
<u>Revaluation Policy (Reappraisal Cycle)</u>	5
<u>Annual Activities</u>	5
<u>Reappraisal Plan Detail</u>	7
<u>Appraisal Analysis & Delivery of Notices</u>	7
<u>Performance Analysis</u>	7
<u>Analysis of Available Resources</u>	7
<u>Planning and Organization</u>	7
<u>Geographic Regions</u>	8
<u>Determination Of Market Areas</u>	9
<u>Mass Appraisal System</u>	11
<u>2021 – 2022 Time Action Schedule</u>	11
<u>Real Property Valuation</u>	13
<u>Personal Property Valuation</u>	13
<u>Appraisal Notices</u>	13
<u>Hearing Process</u>	14
<u>Identifying & Updating Relevant Property Characteristics</u>	14
<u>New Construction/Remodeling/Demolition</u>	14
<u>Re-inspection of Problematic Market Areas</u>	14
<u>Market Area Delineation</u>	14
<u>Re-inspection of the Universe of Properties</u>	15
<u>Field or Office Verification of Sales Data and Property Characteristics</u>	15
<u>Legal Attributes Affecting Value</u>	15
<u>Pilot Study</u>	15
<u>Valuation Methods by Property Type</u>	16
<u>Residential Real Property</u>	16
<u>Inventory Residential Property</u>	18
<u>Commercial Real Property</u>	18
<u>Mineral, Industrial, utility and related personal property</u>	21
<u>Business Tangible Personal Property</u>	22
<u>Mobile Homes</u>	23
<u>Special Use Property Valuation – Agricultural/Wildlife Property</u>	24
<u>The Mass Appraisal Report</u>	24
<u>Value Defense</u>	24
<u>Certification Statement</u>	255
<u>Appraisal Staff Time Action Schedule</u>	26
<u>Addendum</u>	322

Notice to the Public

It has been the practice of the Austin County Appraisal District, hereinafter referred to as Austin CAD, to annually appraise the market value of all properties in our district.

The adoption of this reappraisal plan does not change this practice. The practical effect of this plan to you, the taxpayer, remains unchanged.

EXECUTIVE SUMMARY

SB 1652, which requires the adoption of this plan, uses “reappraisal” in a broad sense to mean the activities that the district undertakes every year – inspecting property, updating models, and appraising the property. Under SB 1652, a property is reappraised when these activities are done, even if its value does not change. Accordingly, this plan describes Austin CAD’s activities as an annual reappraisal.

SCOPE OF RESPONSIBILITY

Except as otherwise provided by the Texas Property Tax Code, all taxable property is appraised at “market value” as of January 1. Under the Texas Property Tax Code, Sec. 1.04(7), “market value” means 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

PROPOSED REAPPRAISAL PLAN

TAX CODE REQUIREMENT

S. B. 1652 enacted in 2005 by the Texas Legislature, amended the Tax Code to require a written biennial reappraisal plan. The following details the changes to the Tax Code:

The Written Plan

Section 6.05, Tax Code, is amended by adding Subsection (i) to read as follows:

- (i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

Plan for Periodic Reappraisal

Subsections (a) and (b), Section 25.18, Tax Code, are amended to read as follows:

- (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, including:
 - (A) The location and market area of the property;
 - (B) Physical attributes of 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 determines 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.

REVALUATION POLICY (REAPPRAISAL CYCLE)

In each year covered by the plan, Austin CAD will conduct a complete appraisal analysis of all properties in the district and will update property values as necessary. The chief appraiser will provide a notice of appraised value for each property in compliance with section 25.19 of the Tax Code. The activities involved in the appraisal analysis are described below.

ANNUAL ACTIVITIES

1. Performance Analysis – the values from the previous Tax Year will be analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies will be conducted in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), pertaining to mass appraisal techniques.
2. Available Resources – staffing and budget requirements for Tax Year 2023 are presented in the 2023 budget, as proposed to the board of directors. The district’s appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with The Texas Department of Licensing and Regulation. The appraisal district staff will consist of seventeen full time employees with the following classifications:
 - a. Chief Appraiser
 - b. Personal Property and Field Appraisers
 - c. Administrative support, customer service, clerical and other
3. Mass Appraisal System – Austin CAD’s Computer Assisted Mass Appraisal system is from a contracted vendor that specializes in providing such services to appraisal districts.
4. Data Collection Requirements – field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each Tax Year include new construction, demolition, remodeling, re-inspection of problematic market areas. Re-inspection of the universe of properties is performed through field review that is prioritized, and field or office

verification of sales data and property characteristics. Re-inspection of properties will be completed using 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.

5. Pilot study by Tax Year – new and revised mass appraisal models will be tested each Tax Year. Ratio studies, by market area, will be conducted on proposed values each Tax Year. Proposed values on each category will be tested for accuracy and reliability in selected market areas. Pilot modeling and ratio studies will be conducted in accordance with the *Uniform Standards of Professional Appraisal Practice (USPAP)*.
6. Valuation by Property Type – using market analysis of comparable sales, locally tested cost data, and income analysis, valuation models will be specified and calibrated in compliance with supplemental standards from USPAP. The calculated values will be tested for accuracy and uniformity using ratio studies.
7. The Mass Appraisal Report – each Tax Year the Tax Code required mass appraisal report will be prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15th). The mass appraisal report is completed in compliance with USPAP Standard Rule 6–8. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6–9.
8. Value Defense – evidence to be used by the appraisal district to meet its burden of proof for market value and equity in formal appraisal review board hearings will be developed and made available.

2023 & 2024 REAPPRAISAL PLAN DETAIL

APPRAISAL ANALYSIS & DELIVERY OF NOTICES

In each year covered by the plan, Austin CAD will conduct a complete appraisal analysis of all properties, including Categories A, B, C, D, E, F, G, J, L and M (with Pritchard & Abbott appraising those properties according to the District's contract) in the District and will update property values as necessary. The chief appraiser will provide a notice of appraisal for each property in compliance with section 25.19 of the Tax Code. Market areas that have existing values consistent with the market and demonstrate uniformity may be noticed at current year value levels. The activities involved in the appraisal analysis are described below.

PERFORMANCE ANALYSIS

For each Tax Year, the previous year's equalized values will be analyzed with ratio studies to determine appraisal accuracy and overall appraisal uniformity by market area within state property reporting categories. Ratio studies will be conducted in compliance with USPAP. Descriptive statistics, such as mean, median, and weighted mean ratios will be calculated for properties in each reporting category to measure the level of appraisal accuracy, and the coefficient of dispersion (COD) will be calculated to measure appraisal uniformity by property reporting category. This analysis will be used to develop the starting point for establishing the accuracy and uniformity of appraisal performance.

ANALYSIS OF AVAILABLE RESOURCES

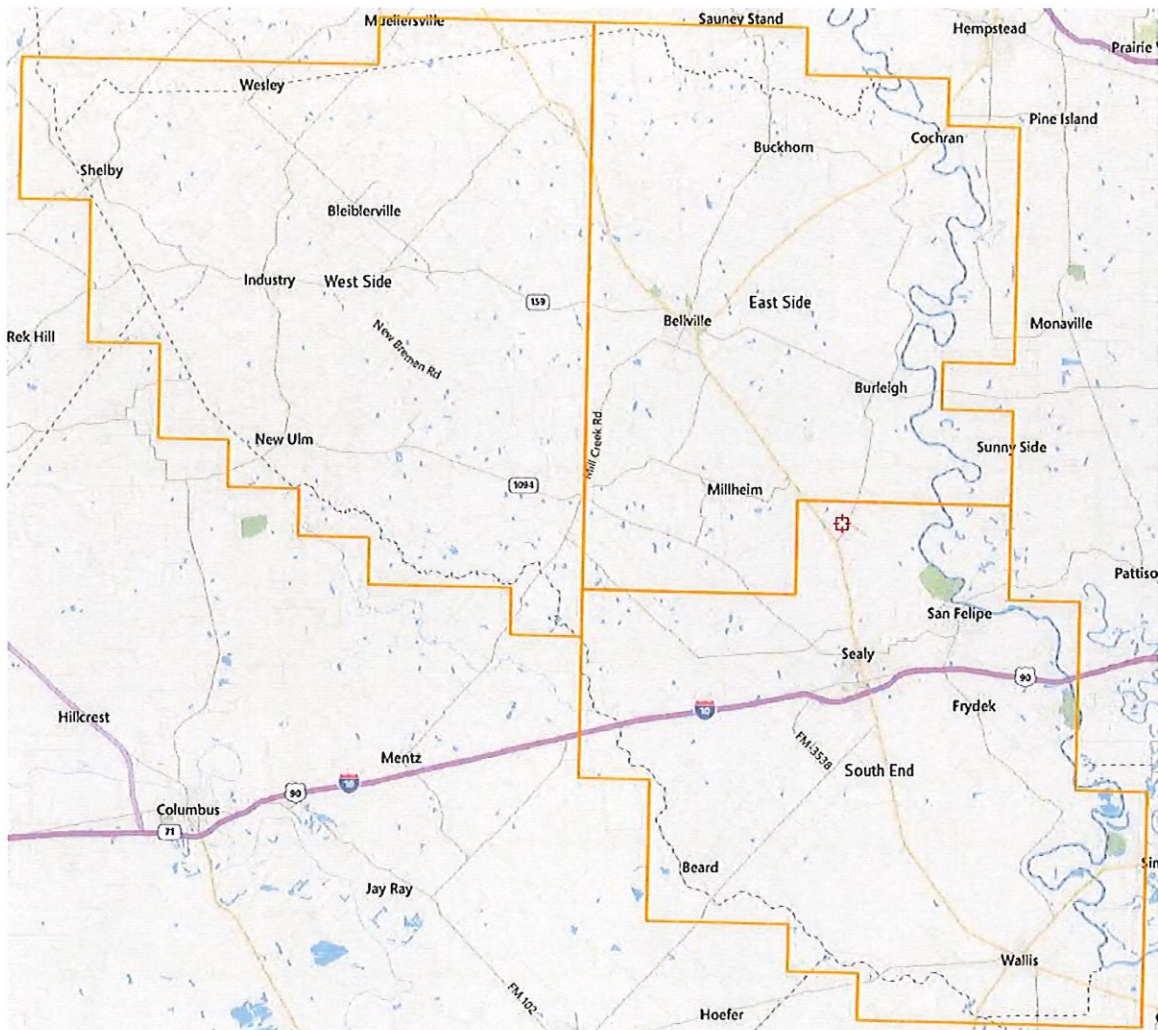
Staffing and budgetary requirements for Tax Year 2023 are presented in the district's 2022 budget, as proposed to the board of directors. This reappraisal plan reflects the available staffing in Tax Year 2023 and the anticipated staffing for Tax Year 2024. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2023-2024 time period.

PLANNING AND ORGANIZATION

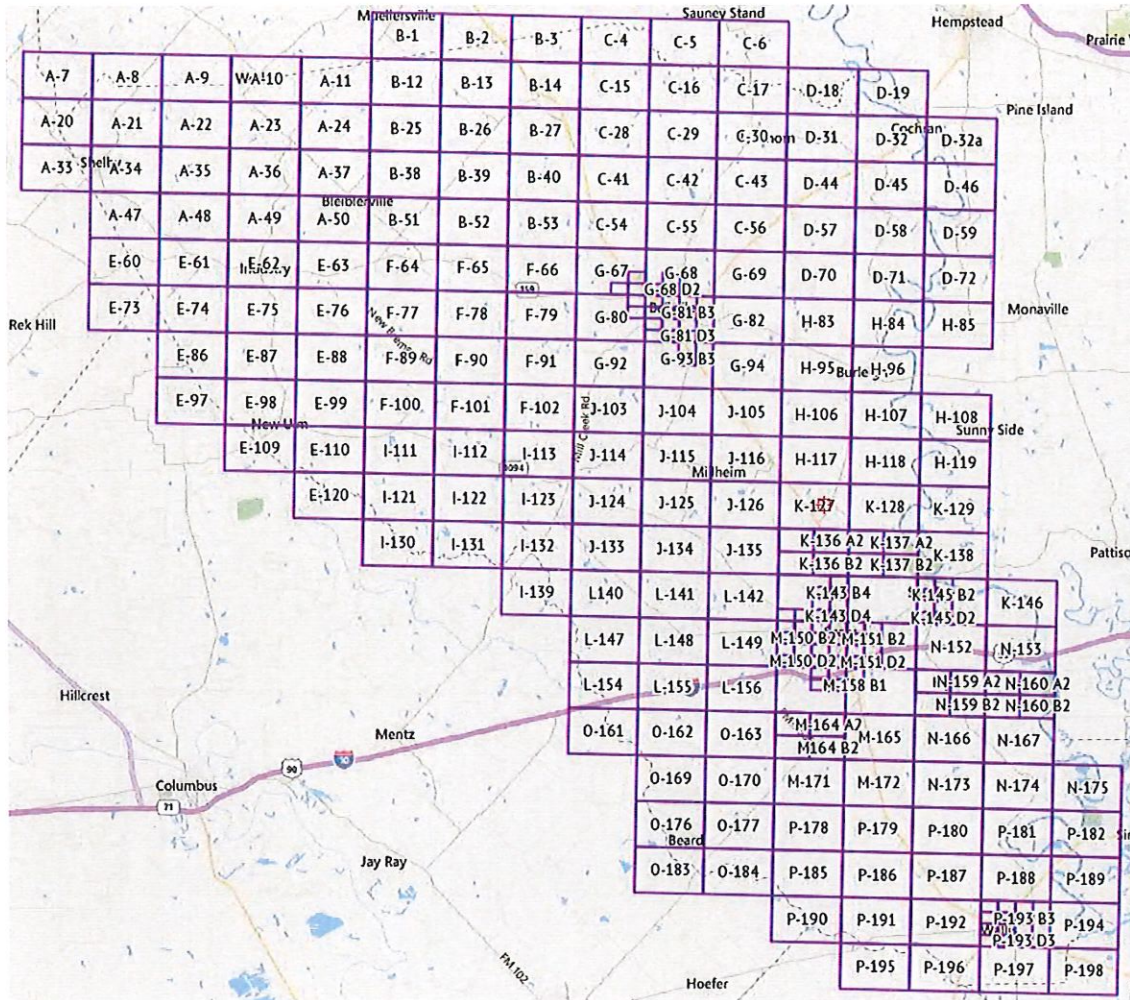
Production standards for field and office activities will be established and incorporated in the scheduling process. The scope of work, available time frame, staffing resources, and any budgetary constraints have been considered in the development of this reappraisal plan. To the extent that circumstances require revision to this plan, amendments to the plan will be reviewed by the chief appraiser, typically between June and August of each year. The chief appraiser will report to the board of directors any changes made.

GEOGRAPHIC REGIONS

The Austin County Appraisal District's three major geographic regions include: EAST (which includes the city of Bellville), WEST, and SOUTH (which includes the city of Sealy, the town of San Felipe, and the cities of Brazos Country and Wallis)



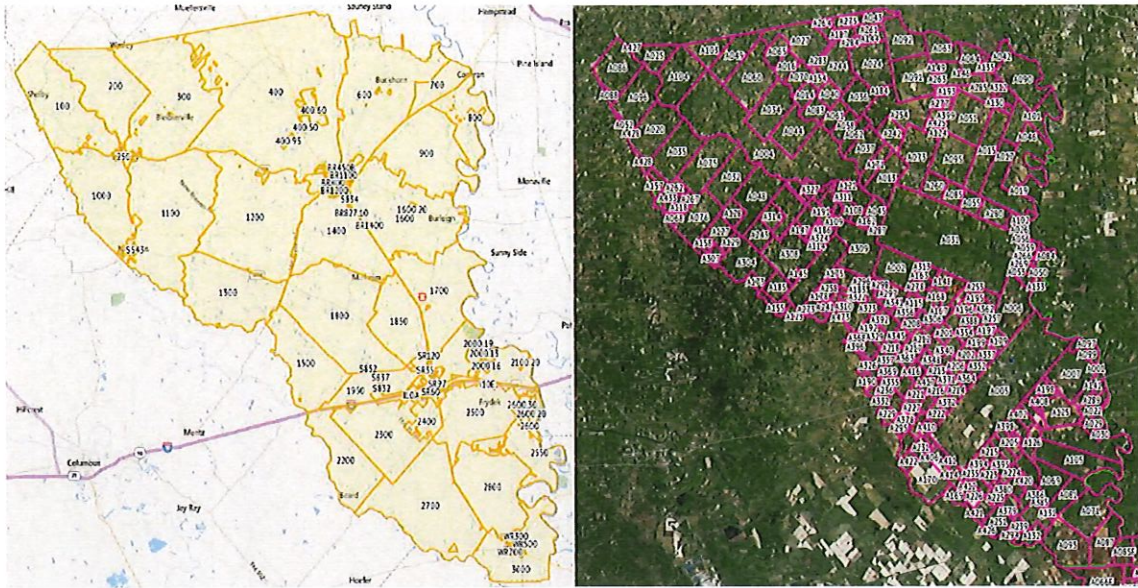
These Regions are further broken down by Map Grid.



Different “zones” may be determined and utilized for physical inspection from year to year.

DETERMINATION OF MARKET AREAS

The Austin County Appraisal District’s market areas are divided into rural geographic regions by Bellville ISD, Sealy ISD, and Brazos ISD for Categories A, B, C, D, E and F. The District uses the market areas of the cities of Bellville, Sealy, San Felipe, Brazos Country, and Wallis for Categories A, B, C and F. Market areas are reviewed annually for presence of competing property characteristics. Within each of the defined market areas are smaller areas represented by “neighborhoods”. Within these neighborhoods, smaller areas of neighborhoods, such as subdivisions, exist.



Neighborhood analysis involves the examination of how physical, economic, governmental, and social forces and other influences affect the property values. The effects of these forces are also used to identify, classify, and stratify comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. Neighborhood analysis is conducted on various market areas within each of the geographic regions / school districts. Analysis of comparable market sales forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area, neighborhood, abstract or school district. Market sales indicate the effects of these market forces and are interpreted by the appraiser into an indication of market price ranges and indications of property component change considering a given time period relative to the date of appraisal.

A neighborhood for analysis purposes is defined as the largest grouping of properties where the property's physical, economic, governmental, and social forces are generally similar and uniform. Geographic stratification accommodates the local supply and demand factors that vary across a jurisdiction. Once a neighborhood with similar characteristics has been identified, the boundaries are defined. This market area or neighborhood delineation includes factors such as location, sales price range, lot size, age of dwelling, quality of construction and condition of dwellings, square footage of living area, and story height. Part of a neighborhood analysis is the consideration of discernible patterns of growth that influence a neighborhood's individual market.

Neighborhood delineation is periodically reviewed to determine if further delineation is warranted. Whereas neighborhoods involve similar properties in the same location, a neighborhood group is simply defined as similar neighborhoods in similar locations.

All market areas in the District are reviewed annually.

MASS APPRAISAL SYSTEM

Computer Assisted Mass Appraisal (CAMA) system revisions and enhancements will be specified and prioritized by our outside firm under contract with Austin CAD. Legislative mandates will be addressed and implemented into the necessary system applications. All computer-generated forms, letters, notices, and orders will be reviewed annually and revised as required. The following details the procedures as they relate to the 2023 and 2024 Tax Years.

2023 – 2024 TIME ACTION SCHEDULE

August to December 2022

Resolve any outstanding protests or ARB issues. Complete the reappraisal of the any remaining properties assigned for 2022. Inspect properties coded for agricultural review, rollback review and any 2022 non-rendered business personal property. Begin preparations to complete the reappraisal of accounts in Map Grids H, I, J, K, and accounts with an inspection date less than 2015. Conduct field inspections of these accounts which would include all properties in Category A, B, C, D, E, F, L and M (except for those properties appraised according to the District's contract with Pritchard & Abbott). Begin process to verify sales data and input into CAMA system.

December 2022 to January 2023

Gather current sales data from confirmation letters, deed records, listing service data and other resources for properties located in Austin CAD. Begin running sales ratio reports for all regions. Compare with CAD values and sales information. Establish ratios for increase or decrease as neighborhood adjustments warrant in mass for all geographic regions. Gather information such as building permits, mechanics liens and owner's requests to re-inspect. Begin field inspections of new construction, demolition, additions, building permits and agriculture use compliance. Review mobile home parks for new and/or removed mobile homes from the various parks throughout the CAD.

February to April 2023

Continue running sales ratio reports and fine-tune mass appraisal and sales analysis functions. Begin mass maintenance changes of all reappraisal areas. Assist field staff with reappraisal functions as needed. Utilize GIS and aerial imagery to assist field staff with duties. Prepare for mailing of 2023 Notices of Appraised Value.

May to July 2023

Respond to property owners' inquiries, protests, and questions from notice mailing. Conduct informal reviews with property owners and prepare for ARB hearings. Participate and defend CAD values in ARB hearings. Certify appraisal roll on or before July 25th.

August to November 2023

Resolve any outstanding protests or ARB issues. Complete the reappraisal of the any remaining properties assigned for 2023. Inspect properties coded for agricultural review, rollback review and any 2023 non-rendered business personal property. Begin preparation to complete the reappraisal of accounts in Map Grids L, M, N, O, P and all accounts with an inspection date of less than 2017. Conduct field inspections of these accounts which would include all properties in Category A, B, C, D, E, F, L and M (except for those properties appraised according to the District's contract with Pritchard & Abbott). Begin process to verify sales data and input into CAMA system.

December 2023 to January 2024

Gather current sales data from confirmation letters, deed records, listing service data and other resources for properties located in Austin CAD. Begin running sales ratio report for all regions. Compare with CAD values and sales information. Establish ratios for increase or decrease as neighborhood adjustments warrant in mass in all geographic regions. Gather information such as building permits, mechanics liens and owner's requests to re-inspect. Begin field inspections of new construction, demolition, additions, building permits and agriculture use compliance. Review mobile home parks for new and/or removed mobile homes from the various parks throughout the CAD

February to April 2024

Continue running sales ratio reports and fine tune mass appraisal and sales analysis functions. Begin mass maintenance changes of all reappraisal areas. Assist field staff with reappraisal functions as needed. Utilize GIS and aerial imagery to assist field staff with duties. Prepare for mailing of 2024 Notices of Appraised Value.

May to July 2024

Respond to property owner inquiries, protests and questions from notice mailing. Conduct informal reviews with property owners and prepare for ARB hearings. Participate and defend CAD values in ARB hearings. Certify appraisal roll to entities on or before July 25th.

August to December 2024

Resolve any outstanding protests or ARB issues. Complete the reappraisal of the any remaining properties assigned for 2024. Inspect properties coded for agricultural review, rollback review and any 2024 non-rendered business personal property. Begin preparations to complete the reappraisal of accounts in Map Grids A, B, E, F, and all accounts with an inspection date of less than 2018. Conduct field inspections of these accounts which would include all properties in Category A, B, C, D, E, F, L and M (except for those properties appraised according to the District's contract with Pritchard & Abbott). Begin process to verify sales data and input into CAMA system.

See a more detailed schedule included – Appraisal Staff Time Action Schedule.

REAL PROPERTY VALUATION

Revisions to valuation models will be specified, updated, and tested each Tax Year. In each year, cost schedules will be tested with market data to ensure that the appraisal district is in compliance with Section 23.011 of the Tax Code. Replacement cost new tables as well as depreciation will be tested for accuracy and uniformity through ratio studies and comparison with cost data from *Marshall & Swift Services*, which is a nationally recognized cost estimator service.

Land tables will be updated using current market data and then tested with ratio studies. Restrictions, covenants, and other factors influencing value will be identified and analyzed. Value modifiers will be developed for property categories by market area as required and tested with ratio studies.

PERSONAL PROPERTY VALUATION

Derive appropriate values of all Personal Property annually by means of required Personal Property Renditions, physical inspection and by prevailing value for similar properties in the district. New accounts will be added by discovery from local publications, field inspections and owner notification to the district. Personal Property Renditions as prescribed by Sec. 22.01 of the Texas Property Tax Code will be mailed to all businesses annually.

APPRAISAL NOTICES

Appraisal notices will be reviewed for legal sufficiency and correctness. Enclosures will be updated, including the latest version of the comptroller's *Property Taxpayer Remedies*. All property notices will be mailed by April 15th or as soon thereafter as practical.

HEARING PROCESS

Training of staff will be conducted in May of each Tax Year to ensure preparedness for informal and formal hearings, which generally begin in June of each tax year. Revisions and enhancements to existing hearing scheduling procedures for formal appraisal review board hearings will be reviewed and updated to ensure efficiency and timely certification of the appraisal roll.

IDENTIFYING & UPDATING RELEVANT PROPERTY CHARACTERISTICS

Field and office procedures will be reviewed and revised as required for data collection and verification of value-related and descriptive property characteristics for each property. Activities scheduled for each Tax Year include inspection of new construction, demolition, and remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties through prioritized field reviews, and verification of sales information.

NEW CONSTRUCTION/REMODELING/DEMOLITION

Field and office review procedures for inspection of new construction will be reviewed and revised as required. Building permits will be received from the cities and county in paper form and by way of Mechanics Liens from the County Clerk's office. CAMA system uploads and data entry will both be used to input the data into the database. The process of verifying demolition of improvements will be specified. Areas with extensive improvement remodeling will be identified and on-site inspections will be scheduled to verify property characteristic data. Updates to valuation procedures will be tested with ratio studies before they are finalized in valuation modeling

RE-INSPECTION OF PROBLEMATIC MARKET AREAS

Real property market areas, stratified by property classification, will be tested for low or high sales ratios and high coefficients of dispersion. Market areas that fail any or all of these tests will be determined to be problematic. Field reviews will be scheduled to verify and correct property characteristics data. Additional sales data will be researched and verified in order to assess whether the market area is correctly defined. In the absence of adequate market data, neighborhood boundary lines may need to be redrawn and neighborhood clusters, representative of the overall market area will be established.

MARKET AREA DELINEATION

Market areas are defined by the physical, economic, governmental and social forces that influence property values. The effects of these forces were used to identify, classify, and stratify or delineate similarly situated properties into smaller, more comparable and manageable subsets for valuation purposes. Delineation can involve the physical drawing of neighborhood boundary lines on a map or, it can also involve statistical separation or

stratification based on attribute analysis. These homogeneous properties have been delineated into valuation neighborhoods for residential property or economic class for commercial property, but because there are discernible patterns of growth that characterize a neighborhood or market segment, Austin CAD staff will annually evaluate the neighborhood boundaries or market segments to ensure homogeneity of property characteristics.

RE-INSPECTION OF THE UNIVERSE OF PROPERTIES

The Texas Property Tax Code, Section 25.18 (b) requires the performance of several reappraisal activities at least once every three years. Re-inspection of properties will be completed using a combination of field inspections and office review. Office review of property for the 2023 and 2024 tax years will include the examination of aerial photography, property sketches and existing property characteristics. The International Association of Assessing Officers (IAAO) Standard on Mass Appraisal of Real Property suggests that a physical review including an on-site verification of property characteristics be conducted every 4 – 6 years. Approximately one-half of the existing property base will be inspected during 2023 and 2024.

FIELD OR OFFICE VERIFICATION OF SALES DATA AND PROPERTY CHARACTERISTICS

Sales information will be verified and property characteristics data originating during the same time as with the date of sale will be captured. Since Texas does not require full disclosure of sale price, the district will obtain sales prices through deeds, voluntarily disclosed closing statements or fee appraisals usually submitted as evidence in a protest hearing, buyer and seller mail questionnaires, or third-party sources, such as, real estate agents and market data vendors.

LEGAL ATTRIBUTES AFFECTING VALUE

The district will identify and describe elements of recorded conveyances that will affect the use or value of the property, such as easements, covenants, reservations, and declarations. The district will also monitor the enactment or changes of governmental restrictions affecting property value, such as zoning, health ordinances, special assessments, and other legal restrictions. Where leases and other possessory interests are of a nature and duration that they affect value, they will be considered in the individual valuation of the property to which they apply.

PILOT STUDY

New or revised mass appraisal models will be tested on randomly selected market areas. Sales ratio studies will be used to test the models. Actual test results will be compared against anticipated results and those models not performing satisfactorily will be refined and retested. The procedures used for model specification and model calibration will comply with USPAP Standard Rule 6, for the applicable year.

VALUATION METHODS BY PROPERTY TYPE

For each Tax Year, valuation models will be specified and calibrated in compliance with the supplemental standards from USPAP. The calculated values will be tested for accuracy and uniformity using ratio studies. Performance standards will be in compliance with the guidelines as set forth by USPAP. Property values in all market areas will be analyzed and updated each reappraisal year as required for level and uniformity of value.

RESIDENTIAL REAL PROPERTY

Ratio studies will be conducted on all of the residential valuation neighborhoods in the district to judge the two primary aspects of mass appraisal accuracy level and uniformity of value. The valuation process for residential property historically begins by September. Land analysis, sales outlier review, neighborhood sales analysis, and finalization of proposed estimates of value will likely occur from September to April.

Valuation Method Used

Cost Approach

The district will use a hybrid cost-market approach when valuing single-family and multi-family residential properties. The comparative unit method will be used to develop the “base” cost of a structure. These costs will vary depending on quality, size and construction type. Also, amenities of each improvement will be recorded and entered into the CAMA system. Consideration will then be given for age and condition as well as external factors like location. Table-driven cost factors taken from *Marshall & Swift* will be adjusted for local or regional differences in construction and labor costs. Neighborhood or location adjustment factors will be developed from appraisal statistics provided by ratio studies to ensure that estimated values reflect both the supply and demand side of the market. The following equation denotes the hybrid model used:

$$MV = MA [RCN - D] + LV$$

The market value (MV) equals the market adjustment factor (MA) applied to the replacement cost new less depreciation (RCNLD), plus the land value (LV). Market adjustments will be applied uniformly within neighborhoods to account for location variances between market areas or across a jurisdiction.

Residential land values will be estimated using the base lot method, which establishes the value of the standard, or “base” parcel within each stratum or delineated neighborhood through sales comparison analysis. The analysis assumes that the major factors causing variations among land values within a neighborhood are location, traffic, and size. In areas where insufficient vacant land sales exist, the abstraction method, also known as the land residual method and the allocation method, known as the land ratio method, will be used to establish base lot values within a neighborhood. The analysts will develop a base lot and primary rate and assign each unique neighborhood to one of the land tables. The land table is designed to systematically value the primary and residual land based on a specified percentage of the primary rate. A computerized land table stores the land information

required to consistently value individual parcels within neighborhoods. Land adjustments will be applied on individual properties, where necessary, to adjust for such influences as shape, size, and topography, among others.

If a neighborhood is to be updated, the analyst will run a ratio study that compares recent sales prices of properties appropriately adjusted for the effects of time and stratified geographically by neighborhood with the property's value. The calculated ratio derived from the sum of the sold properties' value divided by the sum of the sales prices indicates the neighborhood level of value based on the unadjusted value for the sold properties. This cost-to-sale ratio will be compared to the appraisal-to-sale ratio to determine the market adjustment factor for each neighborhood. This market adjustment factor is needed to trend the values obtained through the cost approach closer to the actual market evidenced by recent sales prices within a given neighborhood. The sales used to determine the market adjustment factor will reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values. The market adjustment factor calculated for each updated neighborhood will be applied uniformly to all properties within a neighborhood and a second set of ratio studies will be generated that compares recent sale prices with the proposed market values for these sold properties. From this set of ratio studies, the analyst will judge the appraisal level and uniformity in both update and non-update neighborhoods, and finally, for the school district as a whole.

An extensive review and revision of the residential cost schedules will be performed before each reappraisal year. Samples of newly constructed sold properties of varying construction quality in Austin CAD will be reviewed. The property characteristics of these sampled properties will be verified, and photographs will be taken. Austin CAD dwelling costs will be compared against *Marshall & Swift*. This process includes correlation of quality of construction factors from Austin CAD and *Marshall & Swift*. The results of this comparison will be analyzed using several measures, including stratification by quality and review of estimated building costs, as well as land value to sales prices.

Sales Comparison Approach

In the absence of a sale of the subject, sales prices of comparable properties are usually considered the best evidence of market value. The sales comparison approach models the behavior of the market by comparing the properties being appraised with comparable properties that have recently sold. Their sales prices will then be adjusted for differences from the subject and a market value for the subject is estimated from the adjusted sales prices of comparable properties.

The district currently develops estimates of value for single-family properties using the traditional sales comparison approach.

Income Approach

The income approach is based on the principle that the value of an investment property reflects the quality and quantity of the income it is expected to generate over its life. In

other words, value is the estimated present value of future benefits, namely income and proceeds from the sale of the property. The appraiser must estimate income from a property and capitalize the income into an estimate of current value.

The model used to estimate the present value of income expected in the future is represented by the following formulas known as IRV.

$$\text{Value} = \text{Income}/\text{Rate or, Income} = \text{Rate} \times \text{Value or, Rate} = \text{Income}/\text{Value}$$

The income approach is most suitable for types of properties frequently purchased and held for the purpose of producing income, such as apartments, commercial buildings, and office buildings. It is not conducive to the valuation of single-family residential properties that are seldom rented, or where market demand factors such as personal preferences or location unduly influence the market.

However, in Austin CAD income information is generally either nonexistent or not available to validate its accuracy. So therefore, the income approach usually is not employed but is considered when information is provided by the property owner.

INVENTORY RESIDENTIAL PROPERTY

Residential improved and vacant property is appraised in compliance with the Texas Property Tax Code, Section 23.12 (a). Developers of residential real property have the opportunity to have developed, unsold, residential property held on January 1 of each year appraised at a special valuation as provided by the Texas Administrative Code Section 9.4013.

COMMERCIAL REAL PROPERTY

The valuation period will begin in September and last until the end of April. Once proposed values are calculated, a ratio study will be performed to test the level and uniformity of appraisal within property use and among various classes. Commercial properties will be valued by the cost approach, the income approach, or the market approach as deemed most appropriate pursuant to Section 23.0101.

Valuation Methods Used

Cost Approach

The cost approach to value will be applied using the comparative unit method. This methodology involves the use of national cost data reporting services as well as actual cost information on comparable properties whenever possible. Cost models are typically developed based on *Marshall & Swift Services*. Cost models include the use of replacement cost new (RCN) of all improvements. The replacement cost will be used because it values the cost of a property that is a utility equivalent of the property being appraised using

current construction methods and materials. This method is alternative to using the reproduction cost, which is the cost to construct an exact duplicate of the property being appraised. These costs include comparative base rates, per unit adjustments and lump sum adjustments. Because a national cost service is used as a basis for our cost models, local modifiers will be applied to adjust the base costs specifically for Austin County.

Depreciation schedules are used based on what is typical for each property type of that specific age. Depreciation schedules have been implemented for what is typical of each major class of commercial property by economic life categories. These schedules will be tested every other year to ensure they will be reflective of current market conditions. The actual age of improvements will be noted in the CAMA software when available.

Adjustment factors such as external and functional obsolescence will be applied, if warranted. A depreciation factor will be applied if the condition or effective age of a property is warranted. This depreciation is indicated by appropriately noting the physical condition and functional utility on the property data characteristics. These adjustments will typically be applied to a specific property type or location and will be developed through ratio studies or other market analyses.

Sales Comparison Approach

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized not only as a primary method for estimating land value but also in comparing sales of similarly improved properties to each parcel on the appraisal roll. Pertinent data from actual sales of properties, both vacant and improved, will be obtained throughout the year in order to analyze relevant information, which is then used in all aspects of valuation. Sales of similarly improved properties can provide a basis for the depreciation schedules in the cost approach, rates and multipliers used in the income approach, and as a direct comparison in the sales comparison approach. Improved sales will also be used in ratio studies, which afford the analyst an excellent means of judging the present level and uniformity of the appraised values.

Based on the market data analysis and review discussed in the cost, income and sales approaches, the models will be calibrated annually. The calibration results will be keyed to the schedules and models in our CAMA system for utilization on all properties in the district.

Income Approach

The income approach to value will be applied to those real properties that are typically viewed by market participants as “income producing”, which are bought and sold based on the property’s ability to produce income, and for which the income methodology is considered a leading value indicator. The first step in the income approach pertains to the estimation of market rent. This is derived primarily from actual rent data furnished by property owners and from local market study publications. This per unit rental rate

multiplied by the number of units results in the estimate of potential gross rent.

A vacancy and collection loss allowance is the next item to consider in the income approach. The projected vacancy and collection loss allowance is established from actual data furnished by property owners and on local market publications. This allowance accounts for periodic fluctuations in occupancy, both above and below an estimated stabilized level. The market derived stabilized vacancy and collection loss allowance is subtracted from the potential gross rent estimate to yield an effective gross rent. A secondary income or service income is calculated as a percentage of stabilized effective gross rent. Secondary income represents parking income, escalations, reimbursements, and other miscellaneous income generated by the operations of real property. The secondary income estimate is derived from actual data collected and available market information. The secondary income estimate is then added to effective gross rent to arrive at an effective gross income or EGI.

Allowable expenses and expense ratio estimates will be based on a study of the local market, with the assumption of "prudent management". An allowance for non-recoverable expenses such as leasing costs and tenant improvements will be included in the expenses. A non-recoverable expense represents costs that the owner pays to lease rental space. Different expense ratios will be developed for different types of commercial property based on use. For instance, retail properties are most frequently leased on a triple-net basis, whereby the tenant is responsible for his pro-rata share of taxes, insurance and common area maintenance. In comparison, a general office building is most often leased on a base year expense stop. This lease type stipulates that the owner is responsible for all expenses incurred during the first year of the lease. However, any amount in excess of the total per unit expenditure in the first year is the responsibility of the tenant. Under this scenario, the total operating expense in year one establishes the base rate. Any increase in expense over the base rate throughout the remainder of the lease term would be the responsibility of the tenant. As a result, expense ratios will be implemented based on the type of commercial property.

Another form of allowable expense is the replacement of short-lived items, such as, roof or floor coverings, air conditioning or major mechanical equipment, or appliances requiring expenditures of large lump sums. When these capital expenditures are analyzed for consistency and adjusted, they may be applied on an annualized basis as stabilized expenses. When performed according to local market practices by commercial property type, these expenses when annualized are known as replacement reserves. Subtracting the allowable expenses (inclusive of non-recoverable expenses and replacement reserves) from the effective gross income yields an estimate of net operating income.

Rates and multipliers will be used to convert income into an estimate of market value. These include income multipliers, overall capitalization rates, and discount rates. Each of these is used in specific applications. Rates and multipliers also vary between property types, as well as by location, quality, condition, design, age, and other factors. Therefore, application of the various rates and multipliers must be based on a thorough analysis of the market.

Capitalization analysis will be used in the income approach models. This methodology involves the capitalization of net operating income as an indication of market value for a specific property. Capitalization rates, both overall (going-in) cap rates for the direct capitalization method and terminal cap rates for discounted cash flow analyses will be derived from the market. Sales of improved properties from which actual income and expense data are obtained provide a very good indication of what a specific market participant is requiring from an investment at a specific point in time. Additionally, overall capitalization rates can be derived from the built-up method, band-of-investment, debt coverage ratio, and published sources for similar properties, as well as results from verified sales. The capitalization rates relate to satisfying the market return requirements of both the debt and equity positions of a real estate investment. This information is obtained from real estate and financial publications, as well as cap rate studies conducted by the district using verified sales and income information for that specific property.

Rent loss concessions will be made on specific properties with known vacancy problems. A rent loss concession accounts for the impact of lost rental income while the building is moving toward stabilized occupancy. The rent loss will be calculated by multiplying the rental rate by the percent difference of the property's stabilized occupancy and its actual occupancy. Build out allowances (for first generation space or retrofit/second generation space) and leasing expenses will be added to the rent loss estimate. A leasing expense necessary to bring the property to a stabilized level is also included in this adjustment. The total adjusted loss from these real property operations will be discounted using an acceptable risk rate. The discounted value, inclusive of rent loss due to extraordinary vacancy, build out allowances and leasing commissions, becomes the rent loss concession and will be deducted from the value estimate of the property at stabilized occupancy. A variation of this technique allows that for every year that the property's actual occupancy is less than stabilized occupancy a rent loss deduction may be estimated. Conversely, if a property were above the stabilized occupancy level as of the appraisal date, the market would pay a premium for this situation. In this instance, the present value of the excess income over the stabilized level will be added to the value of the property.

As stated earlier the income approach is usually not employed by Austin CAD but is considered when the information is provided by the property owner.

MINERAL, INDUSTRIAL, UTILITY AND RELATED PERSONAL PROPERTY

The Austin County Appraisal District historically contracts with an appraisal firm for the annual appraisal for ad valorem tax purposes of mineral, industrial, utility and related personal property. Austin CAD is presently under contract with Pritchard & Abbott, Inc. Valuation Consultants through the tax years 2022, 2023, and 2024 for their appraisal of the above categories of property.

S.B. 1652 Biennial Reappraisal Plan for the annual appraisal for ad valorem tax purposes of mineral, industrial, utility and related personal property for the Tax Years 2023 and 2024, prepared by Pritchard and Abbott Inc. Valuation Consultants, is included as the

attached addendum and incorporated as part of the Austin County Appraisal District's Reappraisal Plan for the Tax Years 2023 and 2024.

BUSINESS TANGIBLE PERSONAL PROPERTY

These property types will be valued each Tax Year by district appraisal staff and contract appraisal firms. Generally, estimates of value developed by the appraisal firms will be provided to Austin CAD in mid-May of each Tax Year. The notices of appraised value for business and industrial personal property are generally mailed in mid-May or as soon as practical.

Valuation Method Used

Cost Approach

The primary approach to the valuation of business and industrial personal property will be the cost approach.

Valuation models will be created and refined using actual original cost data to derive the replacement cost new per square foot (or applicable unit) for a specific category of assets. Individual accounts will be selected as a sample to be field checked. Models will be built and adjusted using internal software. These models will be tested against the prior year's data. The typical RCN per applicable unit is determined by a statistical analysis of the available data.

These model values will be used to estimate the value of new accounts for which no property owner's rendition is filed. They also establish parameters for testing the valuation of property for which prior years' data exist or for which current year rendered information is available. If the value being tested falls within an established acceptable range of the model value, the account passes that range check and moves to the next valuation step. If the account fails, it is flagged for individual review. These tolerances may be adjusted for the current year depending on the analysis of the results of the prior year. This approach uses RCN, which is developed from property owner reported historical cost or from existing valuation models. The trending factors used to develop RCN help establish a base year against which price increases or decreases are measured and reflected as a percentage of the base year. RCN is calculated as follows:

$$\text{RCN} = \text{HISTORICAL COST} \times \text{INDEX FACTOR}$$

The percent good depreciation factors will be based on the depreciation schedules for furniture, fixtures, and equipment as published in various valuation services. This mass appraisal percent good depreciation schedule is used to ensure that estimated values are uniform and consistent within the market. RCN and percent good depreciation factors will be utilized to develop value estimates using the following formula:

$$\text{MARKET VALUE ESTIMATE} = \text{RCN} \times \text{PERCENT GOOD FACTOR}$$

Leased and multi-location assets may be valued using original costs and the index factors and percent good depreciation schedules mentioned above. When these assets are valued using Present Value Factor (PVF) schedules, PVF will be calculated as follows:

$$\text{PVF} = \text{PERCENT GOOD FACTOR} \times \text{INDEX FACTOR}$$

Sales Comparison Approach

Business personal property is typically sold as part of the business as a whole and not by itself, which makes this approach unsuitable for valuing most personal property. This approach is only suitable for the valuation of certain types of vehicles and heavy equipment. Value estimates for vehicles will be provided by an outside vendor and are based on data furnished by National Market Reports. An appraiser using published market guides such as NADA book values will appraise these types of properties.

Income Approach

The income approach has limited use in the appraisal of machinery, equipment, furniture, fixtures, and leasehold improvements because of the difficulty in estimating future net benefits; except in the case of certain kinds of leased equipment. When reliable data on equipment leases is available, the income approach may be used to estimate fair market value of the equipment.

MOBILE HOMES

Real and personal property mobile homes will be valued using the cost approach. Austin CAD cost and depreciation schedules will be compared against *N.A.D.A. Guides*, a nationally recognized pricing service and *Marshall & Swift. N.A.D.A. Guides* will be used primarily to update cost schedules for used mobile homes and *Marshall & Swift* will be used to update cost schedules for new mobile homes.

The district will obtain from the Texas Department of Housing and Community Affairs a list of transferred mobile homes to input into our CAMA system. Clerical staff will then generate questionnaires seeking information on sales price, serial and HUD numbers, make and model, and ownership. Master lists identifying mobile home parks will be generated annually and used by appraisal staff to verify situs.

According to Section 25.08(e), Tax Code, a manufactured home placed on land owned by the same person will not be considered as real property unless the owner has filed a "Statement of Ownership and Location" with the county clerk or county tax assessor. Unless this statement is filed, the manufactured home will be carried in our records as personal property.

SPECIAL USE PROPERTY VALUATION – AGRICULTURAL/WILDLIFE PROPERTY

The appraisal district values agricultural land in compliance with the Property Tax Code's *Manual for the Appraisal of Agricultural Land*, which states that the cash lease method and the share lease method of appraisal are appropriate.

Since most properties are leased by the owners to lessee for various agricultural purposes, Austin CAD will use the cash lease method of appraisal. The cash lease method is a modified income approach using the lease amount (income per acre) minus expenses (landowner) to give us the "net-to-land" value per acre. "Net-to-land" values will be averaged for a five-year period to give an average "net-to-land" factor that will be divided by the capitalization rate for the year to give a value per class of agricultural production. The agriculture appraisal staff will collect lease data from the lessee on a yearly basis.

Wildlife management appraisal is revenue neutral, so whatever the previous agricultural use was prior to converting to wildlife management will be the value used.

THE MASS APPRAISAL REPORT

Each Tax Year, the mass appraisal report is prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15th). The mass appraisal report is completed in compliance with USPAP Standard Rule 6-8. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6-9.

VALUE DEFENSE

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearings will be developed and provided to the property owner or agent in compliance with HB 201. After a protest is received and verified, hearing evidence will be generated and be made available.

CERTIFICATION STATEMENT

I, Gregory Cook, Chief Appraiser for the Austin County Appraisal District, certify that I have made or caused to be made 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.

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 my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of this report, except for those properties that are personally owned, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My compensation is not contingent upon 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 may not have made a personal inspection of each and every property subject of this report.



Gregory Cook, Chief Appraiser
Austin County Appraisal District

APPRAISAL STAFF TIME ACTION SCHEDULE
Tax Years 2023 – 2024

August 1, 2022

- Generate and mail sales letters
- Generate sales ratio reports
- Complete 2022 ARB Hearings by August 31st or soon thereafter

September 1, 2022

- Generate data and prepare for inspection of (*completion expected on or around December 31, 2020*)
 - 2022 inspections not completed
 - Agricultural reviews – TASKS – AG 2023 & Rollback Review
 - Business personal property accounts not rendered for 2022
- Generate data and prepare for reappraisal of all accounts within map areas H, I, J, K (aerial review prior to physical inspection) (*completion expected on or around March 31, 2023*)
- Generate data and prepare for inspections of all accounts with an inspection date < 2016 (aerial review prior to physical inspection) (*completion expected on or around March 31, 2023*)
- Generate and mail sales letters
- Generate sales ratio reports

October 1, 2022

- Generate and mail sales letters
- Generate sales ratio reports

November 1, 2022

- Generate data for inspection of accounts in Mobile Home Parks (*completion expected on or around December 31, 2022*)
- Generate and mail sales letters
- Generate sales ratio reports

December 1, 2022

- Generate and mail sales letters
- Generate sales ratio reports
- Generate data for and assign accounts coded TASKS – FIELD 2023 which includes requests, permits, mechanic liens, new construction, demolitions and prepare for field work
- Generate and mail annual mobile home park questionnaires
- Generate and mail special inventory declaration letters

December 26, 2022

- Generate and prepare 2023 business personal property renditions

January 2, 2023

- Obtain final building permits filed for 2022 from all cities and Austin County
 - Assign TASKS – FIELD 2023 to accounts for inspection
- Mail business personal property renditions
- Generate and mail income and expense questionnaires to income producing properties
- Generate and mail questionnaires regarding ag lease rates
- Generate and mail AG letters
- Generate and mail sales letters
- Generate sales ratio reports
- Generate and mail all state mandated exemption applications

February 1, 2023

- Continue with the reappraisal of all accounts within map areas H, I, J, K (aerial review prior to physical inspection) (*completion expected on or around March 31, 2023*)
- Continue with the inspections of all accounts with an inspection date < 2015 (aerial review prior to physical inspection) (*completion expected on or around March 31, 2023*)
- Continue with 2023 inspections TASKS – Field Check 2023 (*completion expected on or around March 31, 2023*)
- Generate and mail Wildlife Report Requests
- Generate and mail sales letters
- Generate sales ratio reports
- Begin mass maintenance changes

March 1, 2023

- Generate and mail sales letters
- Continue with ratio reports and mass maintenance changes
- Generate and mail AG letters

April 1, 2023

- Generate and mail sales letters
- Continue with ratio reports and mass maintenance changes
- Begin process of generating Notices of Appraised Value

April 15, 2023 or soon thereafter

- Mail Notices of Appraised Value
- Respond to property owner inquiries, protests and questions from Notices of Appraised Value
- Conduct informal review with property owners

May 1, 2023 thru July 31, 2023

- Respond to property owner inquiries, protests and questions from Notices of Appraised Value
- Conduct informal review with property owners
- Prepare for and participate in ARB hearings
- Complete 2023 ARB Hearings by July 25, 2023 or soon thereafter
- Appraisal Review Board to approve appraisal records by July 20, 2023 for the Chief Appraiser to Certify to the entities by July 25, 2023

August 1, 2023

- Review Reappraisal Plan for amendments to Appraisal Staff Time Action Schedule; Inform Board of Directors
- Generate and mail sales letters
- Generate sales ratio reports

September 1, 2023

- Generate data and prepare for inspection of (*completion expected on or around December 31, 2023*)
 - 2023 inspections not completed
 - Agricultural reviews – TASKS – AG 2024 & Rollback Review
 - Business personal property accounts not rendered for 2023
- Generate data and prepare for reappraisal of all accounts within map areas L, M, N, O, P (aerial review prior to physical inspection) (*completion expected on or around March 31, 2024*)
- Generate data and prepare for inspections of all accounts with an inspection date < 2017 (aerial review prior to physical inspection) (*completion expected on or around March 31, 2024*)
- Generate and mail sales letters
- Generate sales ratio reports

October 1, 2023

- Generate and mail sales letters
- Generate sales ratio reports

November 1, 2023

- Generate data for inspection of accounts in Mobile Home Parks (*completion expected on or around December 31, 2023*)
- Generate and mail sales letters
- Generate sales ratio reports

December 1, 2023

- Generate and mail sales letters
- Generate sales ratio reports

- Generate data for and assign accounts coded TASKS – FIELD 2024 which includes requests, permits, mechanic liens, new construction, demolitions and prepare for field work
- Generate and mail annual mobile home park questionnaires
- Generate and mail special inventory declaration letters

December 26, 2023

- Generate and prepare 2024 business personal property renditions

January 2, 2024

- Obtain final building permits filed for 2023 from all cities and Austin County
 - Assign TASKS – FIELD 2024 to accounts for inspection
- Mail business personal property renditions
- Generate and mail income and expense questionnaires to income producing properties
- Generate and mail questionnaires regarding ag lease rates
- Generate and mail AG letters
- Generate and mail sales letters
- Generate sales ratio reports
- Generate and mail all state mandated exemption applications

February 1, 2024

- Continue with the reappraisal of all accounts within map areas L, M, N, O, P (aerial review prior to physical inspection) (*completion expected on or around March 31, 2024*)
- Continue with the inspections of all accounts with an inspection date < 2017 (aerial review prior to physical inspection) (*completion expected on or around March 31, 2024*)
- Continue with 2025 inspections TASKS – Field Check 2024 (*completion expected on or around March 31, 2024*)
- Generate and mail Wildlife Report Requests
- Generate and mail sales letters
- Generate sales ratio reports
- Begin mass maintenance changes

March 1, 2024

- Generate and mail sales letters
- Continue with ratio reports and mass maintenance changes
- Generate and mail AG letters

April 1, 2024

- Generate and mail sales letters
- Continue with ratio reports and mass maintenance changes
- Begin process of generating Notices of Appraised Value

April 15, 2025 or soon there afterwards

- Mail Notices of Appraised Value
- Respond to property owner inquiries, protests and questions from Notices of Appraised Value
- Conduct informal review with property owners

May 1, 2024 thru July 31, 2024

- Respond to property owner inquiries, protests and questions from Notices of Appraised Value
- Conduct informal review with property owners
- Prepare for and participate in ARB hearings
- Complete 2024 ARB Hearings by July 25, 2024,

August 1, 2024

- Reappraisal Plan for 2025 – 2026; Inform Board of Directors
- Generate and mail sales letters
- Generate sales ratio reports

September 1, 2024 *(completion expected on or around December 31, 2024)*

- Generate data and prepare for inspection of *(completion expected on or around December 31, 2024)*
 - 2024 inspections not completed
 - Agricultural reviews – TASKS – AG 2024 & Rollback Review
 - Business personal property accounts not rendered for 2024
- Generate data and prepare for reappraisal of all accounts within map areas A, B, E, F (aerial review prior to physical inspection) *(completion expected on or around March 31, 2025)*
- Generate data and prepare for inspections of all accounts with an inspection date < 2018 (aerial review prior to physical inspection) *(completion expected on or around March 31, 2025)*
- Generate and mail sales letters
- Generate sales ratio reports

October 1, 2024

- Generate and mail sales letters
- Generate sales ratio reports

November 1, 2024

- Generate data for inspection of accounts in Mobile Home Parks *(completion expected on or around December 31, 2024)*
- Generate and mail sales letters
- Generate sales ratio reports

December 1, 2024

- Generate and mail sales letters
- Generate sales ratio reports
- Generate data for and assign accounts coded TASKS – FIELD 2025 which includes requests, permits, mechanic liens, new construction, demolitions and prepare for field work
- Generate and mail annual mobile home park questionnaires
- Generate and mail special inventory declaration letters

December 26, 2024

- Generate and prepare 2025 business personal property renditions

ADDENDUM