



MASS APPRAISAL  
SUMMARY REPORT

2023 APPRAISAL YEAR

HOCKLEY COUNTY  
APPRAISAL DISTRICT

Lorie Marquez  
Chief Appraiser

## INTRODUCTION

The purpose of this summary report is to aid the property owner in understanding the methods and techniques utilized by the Hockley County Appraisal District in the valuation and revaluation of property within Hockley County. This report attempts to comply with Standard 6 of the Uniform Standards of Professional Appraisal Practice. Hockley County Appraisal District maintains a more detailed operations manual for appraisal use.

Hockley County Appraisal District was formed by the Texas Legislature in 1979 and is charged with the appraisal of all taxable property within the taxing entities in the Districts' boundaries. Currently these taxing entities are as follows:

- Hockley County
- City of Levelland
- Levelland ISD
- South Plains College
- Hi-Plains Water District
- City of Anton
- Anton ISD
- Whitharral ISD
- City of Ropesville
- Ropes ISD
- City of Sundown
- Sundown ISD
- City of Smyer
- Smyer ISD
- Frenship ISD
- Whiteface CISD
- South Plains Water District

The Chief Appraiser is the chief administrative and executive officer of the appraisal district. The Chief Appraiser employs and directs the district's staff, oversees all aspects of the appraisal district's operations and performs either directly or through the district staff a variety of operations.

The Chief Appraiser's responsibilities are as follows:

1. Discover, list and appraise taxable property
2. Determine exemption and special use requests
3. Organize periodic reappraisals

4. Notify property owners, taxing units and the public about matters that affect property values

The District employs the services of Pritchard and Abbott, Inc, an appraisal firm, to appraise all minerals, industrial plants, pipelines, industrial personal property and utilities within the boundaries of the appraisal district.

### **Scope of Responsibility**

Hockley County Appraisal district's responsibilities are to discover certain types of property, to inspect the subject properties, and to appraise the properties. An owner name and address record are also maintained for each property that is appraised. Appraisal techniques and model types used by the Appraisal District are from techniques and model types found in Mass Appraisal Texts and Mass Appraisal Courses.

### **Types of Property**

Hockley County Appraisal District appraises the following types of property:

Residential

Commercial

Land

Business Personal Property

Attached to this report are individual revaluation reports for each type of property that Hockley County Appraisal District appraises.

### **Personnel Resources**

The Hockley County Appraisal District maintains a staff that is skilled in appraisal and information services. All staff members participating in appraisal assignments are involved in a program of continuously improving his or her mass appraisal skills. All appraisal staff members hold designations as Registered Professional Appraisers by the Texas Department of Licensing and Regulation. The Texas Department of Licensing and Regulation requires a total of seventy-five hours of Continuing Education every five years. Each appraiser, designed to fulfill this requirement, and to supplement their knowledge and abilities, attends various classes and conferences.

The appraiser assigned to appraise a particular property is responsible for inspecting the property, analyzing it for characteristics that have a significant impact on value, gathering

appropriate data, model calibration, and arriving at an opinion of value. Centering these functions in the same appraiser tends to ensure that data that would have a material or significant effect on the resulting opinions or conclusions are correctly identified. The individual appraiser is involved in calibrating model structures to determine the contribution of the individual characteristics affecting value, applying the conclusion reflected in the model to the characteristics affecting value, applying the conclusions reflected in the model to the characteristics of the properties being appraised, and reviewing his or her results. The list of properties assigned to each individual appraiser is maintained in the appraisal files at the Hockley County Appraisal District.

The table below gives the number of parcels for each property type and its associated value. Market values noted below are 2023 Certified appraisal totals.

<b>Code</b>	<b>Property Type</b>	<b>Parcel Count</b>	<b>Market Value</b>
A	Single Family Homes	7,980	\$798,130,354
B	Multi Family Homes	43	\$14,647,583
C	Vacant Lot	2,662	\$44,493,197
D1	Qualified Open Space Land	4,172	\$385,011,951
D2	Improvements on Qualified Open space	794	\$5,778,971
E	Rural Land, Non-Qualified Open Space	2,464	\$225,716,074
F1	Commercial Real Property	1,092	\$135,607,919
F2	Industrial Real Property	95	\$349,228,080
G	Oil & Gas	22,634	\$1,631,674,060
J	Utilities	1454	\$189,461,140
L1	Commercial Personal Property	754	\$122,446,680
L2	Industrial Personal Property	995	\$157,452,300
M1	Tangible Personal Mobile Home	330	\$8,257,910
O	Residential Inventory	50	\$1,566,080
S	Special Inventory	8	\$8,195,720
X	Total Exempt Property	2827	\$246,476,129

# Valuation Approach

## MARKET VALUE

The definition of market value as established by the Texas Property Tax Code differs from the definition established by USPAP; therefore, a JURISDICTIONAL EXCEPTION applies.

The following definition of market value, § 1.04 of the Texas Property Tax Code, is the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

1. Exposed for sale in the open market with a reasonable time for the seller to find a purchaser.
2. Both the seller and the purchaser know all of the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its uses.
3. 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.

The effective date of appraisals is January 1 with the exception of inventory, which may be appraised at its market value as of September 1. To receive the September 1 appraisal date, property owners must file an application by July 31.

The purpose of and intended use of the appraisal performed by the Hockley County Appraisal District is to estimate market value for ad valorem tax purposes for the taxing entities located within the boundaries of the Hockley County Appraisal District. It is the goal of the Hockley County Appraisal District staff to provide the best possible service to the public and the taxing entities. The Hockley County Appraisal District staff promotes and adheres to the professional standards and ethics as set forth by the Texas Association of Appraisal Districts and the Texas Association of Assessing Officers.

## **AREA ANALYSIS**

The universe of properties appraised by the Hockley County Appraisal District falls within the physical boundaries of Hockley County; Hockley County is located in West Texas and is bordered on the north by Lamb County, on east by Lubbock County, on the west by Cochran and on the south by Terry County.

Agriculture and minerals contributed the largest portion of economic wealth to the county. The majority of the land in the county is farming along with some ranching.

With the unstable prices of oil and gas, a large number of oil and gas-based businesses have gone with the minerals. Various companies in the area provide some work and wage base for the county. Most of the county's wage base is in either local business or federal government employment.

The closest city of any size from Hockley County is Lubbock, Texas, located 25 miles east of Levelland.

## **OVERVIEW OF TYPES OF PROPERTIES APPRAISED**

There are four major categories of property appraised by the Hockley County Appraisal District. These categories are:

1. Real Properties: Residential, Multi-Family, Commercial, Vacant Lots, Farm/Ranch Land and Farm/Ranch Improvements
2. Personal Properties: Business Personal Properties and Industrial Personal Properties
3. Utilities: Telephone companies, Television Cable, Gas Companies, etc.
4. Minerals: Oil and Gas Production

The Property Tax Assistance Division of the State Comptroller's office requires properties to be identified by type by using a standard identification code. The codes currently used by the Hockley County Appraisal District are as follows:

<b>Code</b>	<b>Type of Property</b>
1. A1	Real Residential Single Family
2. A2	Real Residential Mobile home-Land/Mobilehome Owned by Same Person
3. A2	Mobile Home Permanently Attached to The Land
4. B1	Real Residential Multi-family
5. C1	Vacant Lots and Land Tracts
6. C2	Vacant Lots -Colonia and land tracts
7. C3	Vacant Lots (Out of City Limits)
8. D1	Rural Qualified Agricultural Land
9. D2	Rural Improvements on Qualified Agricultural Land
10. E1	Farm and Ranch non-qualified for open space land & Improvements
11. F1	Real Property: Commercial
12. F2	Real Property: Industrial
13. G	Minerals
14. H	Tangible Personal Property: Non-Business Vehicles
15. I	Banks
16. J	Real and Tangible Personal Property: Utilities
17. L1	Personal Property: Commercial
18. L2	Personal Property: Industrial
19. M3	Mobile Homes
20. M4	Other Personal Property
21. N	Intangible Personal Property
22. O	Real Property: Residential Inventory
23. X	Totally Exempt Property

### **HIGHEST AND BEST USE ANALYSIS**

The highest and best use of real estate is defined as the most reasonable and profitable use of the land that will generate the highest return to the property owner over a period of time. This use must be legal, physically possible, economically feasible and most profitable of the potential uses. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

In order to complete the highest and best use analysis of a property, an appraiser must estimate its highest and best use as if the land were vacant. This estimate ignores the value of improvements and the restrictions created by them. It is the highest value the land could have if it were available for any legal, physically possible and economically feasible kind of development.

In determining highest and best use, preliminary judgements are made in the field by appraisers. The appraisers are normally aware of zoning regulations within the physical boundaries of the city.

The Hockley County Appraisal District property cards contain information regarding lot size and frontage; therefore, appraisers normally make judgements on physically possible uses of sites in the field. Economically feasible and most profitable uses are determined by observing surrounding property. However, changes in property use require a more detailed and technical highest and best use analysis. These studies are usually performed in the office.

## **MARKET ANALYSIS**

Economic trends, national, regional and local trends affect the universe of property appraised in Hockley County. An awareness of social, economic, governmental and environmental conditions is essential in understanding, analyzing and identifying local trends that affect the real estate market.

Market analysis is performed throughout the year. Both general and specific data is collected and analyzed.

Examples of sources of general data include "Trends" issued by The Real Estate Center at Texas A&M University, "The Statement" published by the State Comptroller's Office, and "The Appraiser" published by The Texas Association of Appraisal Districts. When possible local sources such as lending institutions and the Chamber of Commerce are used to obtain financing information, demographics and labor statistics. Sales information is received from various sources. Asking prices are gathered from the local paper and realtor listings. Information is also gathered from conversations with local real estate appraisers, agents and brokers.

The Hockley County Appraisal District office receives copies of all recorded instruments from the Hockley County Clerk's Office on a weekly basis and tracks all deed transactions, deed of trusts and other pertinent information. From this information, sales letters are mailed to the seller and purchaser to obtain information on the sale. This information is not mandatory in the State of Texas and only a small percentage of letters are returned with useful information. This is a serious problem in that there is usually inadequate sales data to perform a thorough analysis of sales data, as USPAP would require. However, every effort is made to use what data is available. The Property Tax Assistance Division also sends out sales letters and that data is made available to the Hockley Appraisal District at least once a year.

The Hockley County Appraisal District currently does revaluation on a two-year rotation by property location. In one year, one half of the county and one of the towns are re-appraised, in the next year, the other half of the county and the other town is re-appraised.



Property class G, H, J, L, M, N, and O are re-appraised every year due to the constant change of these properties

The revaluation includes the inspection of properties and the updating of all information on the properties. Sales and market analysis are performed each year on residential properties, as information is available. Each year new properties are inspected, measured and added to the roll. In addition, building permits within the City of Levelland are obtained and changes to accounts are made as indicated. Individual properties are also re-appraised with changes to the condition as the property warrants; for example, fire, remodeling, or an addition or demolition of a portion of the improvement. Appraisers will perform detailed field inspections of properties if requested by the owner.

The appraisers performing revaluation in the field have property record cards that contain specific information regarding the property being appraised. These cards contain legal descriptions, ownership interest, property use codes, property addresses, land size, sketches of improvements as well as any available detailed information of the improvements.

Revaluation field inspections require the appraisers to check all information on the property record cards and to update if necessary. If a physical inspection of the property indicates changes to improvements, the appraiser notes these changes in the field. Examples of types of changes may be condition or effective age of the improvements as well as additions to the improvements. The classification of residential properties is also reviewed during the revaluation process. New improvements are also added at this time.

## **DATA COLLECTION / VALIDATION**

### **DATA COLLECTION AND SOURCES**

The Hockley County Appraisal District's cost and valuation schedules include land and residential improvements. Commercial schedules come from sales, Marshall and Swift Valuation Service and personal property schedules come from the Property Tax Assistance Division appraisal manual or Marshall and Swift. Personal property renditions provided by property owners are also used in the valuation of business personal and personal property. Marshall and Swift Valuation Service is a national-based cost manual and is generally accepted throughout the nation by the real estate industry. The cost manual is based on cost per square foot and also the unit-in-place method. The unit in place involved the estimated cost by using actual building components. This national-based cost information service provides the base price of buildings as per classification with modifications for equipment and additional items. The schedule is modified for time and location.

Renditions are confidential sources and cannot be used for specific information. However, data from renditions may be compared with data from cost manuals and used to test for their accuracy.

The Hockley County Appraisal District's schedules are then formulated from a combination of each of these sources. Schedules may also be modified by use of local market data (sales information) to further ensure the accuracy of the cost and value schedules.

Data on individual properties is also collected from the field, compiled and analyzed. Buildings and other improvements are inspected in the field, measured and classified. The appraiser estimates the 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.

Currently, single family dwellings are classified for quality and type of construction, whether frame or brick veneer. The classifications range from a class 10 to a class 80. Class 10 being the most basic of structures using the poorest quality materials and lowest workmanship while class 80 structures are of the highest quality using only the best materials and the highest and best quality of workmanship available.

Age of buildings is used to estimate depreciation and based on effective age of improvements. Effective age is the age the property appears to be due to maintenance and upkeep. The effective age for a house that is properly maintained may be 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. In contrast, if a house is an older structure and has been remodeled or updated, its effective age may be less than its actual age.

Depreciation is also estimated by observed condition of the improvements. Condition ranges from unsound to excellent. Appraisers in the field usually inspect structures from the exterior perspectives. The interior condition is assumed to be similar to the exterior. However, the property owner may request an interior inspection of their property.

Foundation failure may occur in varying degrees and may also result in loss of value. The Hockley County Appraisal District makes allowances 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 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 correctional facilities, location of residential outside city limits with no access to city amenities, residences located on farm and ranch land, etc.

## VALUATION ANALYSIS

Hockley County Appraisal District's valuation schedules are divided into three main classifications, residential, commercial and personal property. These schedules are based on the most appropriate data available. Miscellaneous special categories such as mobile homes, special inventory and agricultural land are appraised using different techniques, which will be discussed later in this report. Depreciation tables/schedules (loss of value schedules) are also included within these schedules. These tables are calibrated from cost as well as sales data and updated as needed.

### RESIDENTIAL SCHEDULES

Residential valuation schedules are cost based tables modified by actual sales data from the county. That is, the cost reflects actual replacement cost new of the subject property. Market research indicates that the common unit of comparison for new residential construction as well as sales of existing housing is the price paid per square foot. The value of extra items is based on their contributory value to the property. This value may be estimated by the price per square foot or a value of the item as a whole. This data is extracted from the market by paired sales analysis and conversations with local appraiser and brokers.

The residential schedule is based on the size, age and condition of structure, quality of construction, contributory value of extra items and land value. Each of these variables has a direct impact on the cost as well as the property. The following is an example of each of the variable and how they may affect market value.

1. **Quality of construction.** Residential construction may vary greatly in quality of construction. The type of construction effects the quality and cost of material used, the quality of the workmanship as well as the attention paid to detail. The cost and value of residential property will vary greatly depending on the quality of the construction. As stated above, the Hockley County Appraisal District residential schedules currently class houses based on quality of construction from 10 to 80. This classification schedule is based on the Property Tax Assistance Divisions definitions of residential classes of dwelling with modifications for local markets.
2. **Size of structure.** The size of a structure also has a direct impact on its cost as well as value. The larger the structure, the less the cost per square foot. The Hockley County Appraisal District's schedules are graduated in size increments from 100 to 200 square feet, depending on market conditions. The Property Tax Assistance Division and Marshall and Swift also support the size factor.
3. **Condition of improvements.** The Hockley County Appraisal District rates conditions from unsound to excellent. Properties that in the opinion of the appraiser

are unlivable may be taken off schedule and given a fair market value or salvage value.

4. **Age of structure.** The Hockley County Appraisal District residential depreciation schedule groups age categories from 0 to 4, 4 to 8 and in increments of 5 years up to 38 years and 39 to 50 in increments of 10 years. Age 51 and over is given the maximum amount of depreciation. As stated above effective age and chronological age may be the same or different depending on the condition of the structure.
5. **Extra items.** As stated above, extra items are valued according to their contributory value to the whole. Examples of extra items include storage buildings, swimming pools, fireplaces, etc.
6. **Land value.** The Hockley County Appraisal District values land based on market transactions when possible. As there is not always market transactions available, other recognized methods of land valuation may be used. The two most common methods are the land residual method and the land ratio method. Land schedules are available at the appraisal district office.

## COMMERCIAL SCHEDULES

Commercial properties are valued using sales and Marshall and Swift Valuation schedules for commercial property. Replacement cost new is determined and then adjusted for location. Depreciation is then applied using physical observation of the property.

## PERSONAL PROPERTY SCHEDULES

Business personal property values are derived from several sources. Business owners are required by Texas Law to render their business personal property each year. It is the experience of the district that we receive less than one half (1/2) of business renditions each year. Rendered values are used on business personal property if the value is reasonable for the type of business and is within acceptable ranges when compared to the PTD or Marshall and Swift personal property schedules for the type of business rendered. Should the rendered values not be acceptable then PTD or Marshall and Swift schedules are applied to establish a value. Value on all business personal property not rendered is established using PTD or Marshall and Swift schedules for the type of business being valued. Depreciation is determined by the age of the property and its expected life. Schedules are available in the appraisal district office.

Business vehicles are valued based on N.A.D.A. Used Car Guide trade-in value for the particular make, model, and age of the vehicle. The appraisal district uses a report obtained from Texas Vehicle Information and Computer Services which list vehicles

registered in Hockley County on January 1, of each year. This report uses the vehicle identification number to determine make, model, and vehicle characteristics to determine N.A.D.A. trade in value. This report along with renditions, physical observations and city reports are used to discover and list vehicles that are taxable within the county and city. When adverse factors such as high mileage are known then the appropriate adjustments are made to value.

## **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.

The Hockley County Appraisal District's statistical analysis of real estate is based on measures of central tendency and measures of dispersion. The measure of central tendency determines the center of a distribution. The measure of central tendency utilized, with the aid of computer-based programs are the mean, median, mode and weighted mean.

The measure of dispersion calculated is the coefficient of dispersion. This analysis is used to indicate the spread from the measure of central tendency. Statistical bias is measured by the Price Related Differential (PRD). The PRD indicates how high price properties are appraised in relation to low price properties.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

In order for comparable sales data to be considered reliable it must contain a sales date, sales price, financing information, tract size, and details of the improvements. Sales data is gathered by sending sales letters to both the buyer and seller of properties that the district knows changed ownership. Commercial sales are confirmed from the direct parties involved whenever possible. Confirmation of sales from local real estate appraisers is also considered a reliable source.

Sales data is compiled and the improved properties are physically inspected and photographed. All data listed on the property record card is verified and updated as needed including classification, building size, additions or added out buildings, condition of structures and any type change in data or characteristics that would affect the value of the property.

Individual sales are analyzed to meet the test of market value. Only arms length transactions are considered. Examples of reasons why sales may be deleted or not considered are:

1. Properties are acquired through foreclosure or auction.
2. Properties are sold between relatives.
3. The buyer or seller is under duress and may be compelled to sell or purchase.
4. Financing may be non-typical or below or above prevailing market sales.
5. Considerable improvements or remodeling have been done since the date of the sale and the appraiser is unable to make judgement on the property's condition at the time of the transaction.
6. Sales may be unusually high or low when compared with typical sales located in the market area. Some sales may be due to relocation or through divorce proceedings.
7. The property is purchased through an estate sale.
8. The sale involves personal property that is difficult to value.
9. There are value-related data problems associated with the sale; i.e., incorrect land size or square footage of living area.
10. Property use changes occurring after the sale.

Due to the population size and nature of Hockley County, it is extremely difficult to obtain sufficient sales data to meet USPAP standards for analysis of sales and an exception is taken to USPAP Standard Six in this area.

## **PERFORMANCE TESTS**

Sales ratio studies are used to evaluate the districts mass appraisal performance. These studies not only provide a measure of performance but also are an excellent means of improving mass appraisal performance. The Hockley County Appraisal District uses ratio studies not only to aid in the revaluation of properties, but also to test the Comptroller's Property Tax Assistance Division annual value study results.

Sales ratio studies are usually performed year-round to test cost schedules. At this time individual properties which have sold are reviewed for accuracy in their data. Property record cards indicating the results of the field inspections are used to further aid in the analysis and decision making.

Ratio studies are usually done on a countywide base of all residential sales in the county and then by residential classification. The median ratio within each classification is then compared to the desired ratio to determine if schedule adjustments should be made. The

coefficient of dispersion is also studied to indicate how tight the ratios are in relation to measures of central tendency. The median and coefficient of dispersion are good indicators of the types of changes, if any, that need to be made.

**Certification Statement:**

**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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions or are the impartial and unbiased professional analyses, opinions, and conclusions of the other appraiser who are appraising the property for Hockley County Appraisal District to which this report is submitted. A list of the appraisers who are appraising property for the Hockley County Appraisal District is attached. Based on my personal knowledge of the education, background, and experience of the appraisers listed in this report I believe that those appraisers are competent and that their work is credible.**

**I have no bias or interest with respect to any property that is the subject of this report, and have no personal interest with respect to the parties involved.**

**My engagement in this assignment was not contingent upon developing or reporting predetermined results.**

**My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the UNIFORM STANDARDS OF PROFESSIONAL PRACTICE.**

**Lorie Marquez, Chief Appraiser  
Ryan Noland, Appraiser  
Roxann Gonzales, Appraiser  
Doug Sahli, Pritchard & Abbott**



**Lorie Marquez, Chief Appraiser**