ANNUAL REPORT

2024

SHACKELFORD

COUNTY APPRAISAL DISTRICT

GENERAL INFORMATION

The Shackelford County Appraisal District (the "District") was formed January 1, 1981, by acts of the Texas Legislature. State law requires one appraisal district per county to appraise all property within that county.

In 2024, the District appraised 18,252 parcels of property with a total value of $2,072,452,047. Real estate and business personal property was appraised by internal staff. Minerals, utilities, and some industrial business personal property were appraised by contract with Capital Appraisal Group.

DEFINITION OF PROBLEM AND SCOPE OF WORK

The District is charged by law to appraise all property at market value as required by the Texas constitution and property tax law. Exceptions to the market value standard are authorized in the constitution such as agricultural value and are considered jurisdictional exceptions under the Uniform Standards of Professional Appraisal Practice. (USPAP)

The values derived by the District are used to assess property taxes for the eight tax units in Shackelford County. Those include Shackelford County, Shackelford County Hospital District, City of Albany, City of Moran, Albany ISD, Clyde CISD, Lueders-Avoca ISD, and Moran ISD.

Clayton Snyder was the chief appraiser as 2024 began. James Musselman was the district's field appraiser. In May of 2024, Richard Petree was hired by the Board of Directors as Interim Chief Appraiser. He was charged with completing all required functions of a chief appraiser. He works at the District as needed, usually at least one day a week. In June, 2024, Mr. Musselman was terminated as the district appraiser. In November of 2024, Adam Ray was hired to be an appraiser and trained to take over the chief appraiser position as soon as he completes required training. Mr. Ray came from the fee appraisal profession and before that was a land man for oil interests.

For 2024, very little appraisal work was done. The 2024 portion of the reappraisal plan called for the re-inspection and re-classification of all improvements in the City of Albany. $5,125,804 in value was added to the roll in new construction and additions to property.

Values are developed using mass appraisal methods. All properties are categorized based upon national cost schedules and depreciated using observation of each parcel every other year. The primary method used in appraising property is the cost approach. It is adjusted to market value based on sales data gathered from various sources utilizing statistical measures typically used in mass appraisal.

PROPERTY VALUES IN SHACKELFORD COUNTY

Below is a schedule of the 2024 property values as appraised and certified within the district's jurisdiction, by state category.

2024 Summary of Values-Shackelford County

Type of Property	Accounts		Value
Single Family Residential	1091	$	129,639,065
Multifamily Residential	8	$	1,072,206
Vacant Lots	505	$	2,909,608
Qualified Open Land	2980	$	1,383,933,925
Improvements on Ag Land	308	$	6,341,334
Land not Qualified as Ag	1366	$	146,946,624
Commercial Property	277	$	17,614,804
Industrial Property	68	$	9,026,249
Oil and Gas Interests	10154	$	32,779,447
Utilities and Pipelines	293	$	133,434,526
Business Personal Property	138	$	141,919,278
Mobile Home	32	$	1,234,035
Exempt Property	343	$	32,956,199
	17563	$	2,039,807,300

RESIDENTIAL APPRAISAL PROCESS

Homes are reappraised every three years by staff appraisers. The basis of the appraisal is a cost approach utilizing Marshall Valuation Service as a basis for that cost and then adjusted for market sales. Various classes are used to develop the different values for different qualities of original construction. Any additions or new construction were picked up by an on-site visit and measurement and classing on the additions. If the ratio study yields a ratio below 95% or above 105%, the data is analyzed to determine if economic or any other modification to the models are needed to fall within the state standards. Individual towns and areas of the county may be adjusted differently to accurately reflect current market value.

MULTI-FAMILY APPRAISAL

Apartments, duplexes and other types of multi-family parcels are initially appraised using a classification system based on Marshall Valuation Service. The appraiser notes the condition of the property and records this information. If a taxpayer provides the income to the property, it is considered in making appropriate adjustments. Appropriate capitalization rates are derived from the rural West Texas market.

VACANT LOTS

Lots are appraised using comparable sales when those sales are available. Similar prices per square foot are placed on all parcels within a neighborhood. When sales are not available, the abstraction method of land value is used removing the contributory value of the improvement from sales price to yield land value. The allocation method is also used which states that the land should be approximately 10-15% of total sales price. Care is taken to ensure that similar prices per foot are placed on all parcels with similar characteristics and similar location.

RURAL LAND APPRAISAL

Market sales are the primary method used in apprising agricultural land. Sales are gathered from multiple sources and the characteristics of that land are noted such as if it is tillable or pasture and the soil quality. Size of tracts sold is also noted to develop tables for the various types of land and the location of that property in the county.

For most agricultural land in the county, an alternate method of appraisal is used which reflects the agricultural value of each parcel. It is developed from surveys, Agricultural Advisory Board member meetings, and discussions with farmers and ranchers in Shackelford County. Typical net-to-land income is capitalized using a state mandated 10% cap rate. For example, if net to land for good farmland is $25/acre, that income is divided by the 10% cap rate yielding an agricultural value of $250/acre. Significantly lower net to land is earned by pastureland. For qualifying farmers and ranchers, this method of taxation yields a much lower tax bill than paying on the market value of the same land. Hunting income is also considered as an income source and is often near the lease price for pastureland. Property owners that first qualify for the net to land valuation also have the option for the same valuation under wildlife management.

COMMERCIAL APPRAISAL

Commercial real estate is appraised beginning with Marshall Valuation Services cost data. Different types of commercial property are categorized by the appraiser. The appraiser also notes condition of the property. The basic costs are then adjusted based on the comparisons of the initial values with sales that have occurred. Again, the 95%-105% ratio set by the state is utilized in making appropriate adjustments to the cost to arrive at those ratios.

OIL AND GAS APPRAISAL

The values of oil and gas production are developed using production history of a well. With that production history, a decline curve is developed which accurately estimates the economic life of the well. This is the amount of oil and/or gas that will be recovered ultimately. The price of oil used in the computer model is based on prior year prices as mandated by state law. Future income is discounted based on current economic conditions. The appraiser also utilizes production expense typical for the area and that expense is considered for the operator value of the lease. Once the lease is valued, the total value is allocated to individual royalty owners based on their individual percentages of ownership. The net value of the operator may also be allocated to operator interests.

UTILITIES AND PIPELINES

Utilities and pipelines are appraised typically by a unit method. The entire company is appraised most often using the net income to the company. The total value of the company is allocated to each tax unit based on how many of the company's assets are within that tax jurisdiction. Miles of line, meters, etc. are typical methods of allocation.

BUSINESS PERSONAL PROPERTY

State law requires every business owner to render a listing of their assets to the appraisal districts in which they have property. The District utilizes the information provided to estimate a market value for those assets. If the rendition value does not look reasonable compared to similar types of property, the appraiser may set a higher value.

MISCELLANEOUS PROPERTY

Mobile homes not on owned land are in this category and are appraised using Marshall Valuation Services costs. Adjustments to those costs are made based on the condition of the mobile home. The information on mobile homes is gathered by the appraiser as he/she canvasses each neighborhood in the County. Sales of mobile homes are also considered in the appraisal process.

TAXPAYER APPEALS

Notices of appraised value were mailed to taxpayers in the May and early June time frame. Most questions were handled by staff. Only a handful of formal appeals were heard by the Appraisal Review Board.

GENERAL VALUE TRENDS

Oil related business personal property appears to mostly flat year over year, while oil and gas production has decreased significantly due to Railroad Commission ordnances that cause wells to be plugged. Industrial properties remain slightly lower to comparable when evaluation historic levels. The windfarm properties represent a large concentration of taxable value county-wide and depreciation coupled with aggressive agent and litigation efforts continues to negatively affect valuations. Litigation with one windfarm property that included 2022-2023 valuations was finalized near the end of 2023. Real property market conditions continue to grow at roughly the same rate as the prior year mostly due to low inventory and the continued population flight to rural areas from urban areas. Aggressive interest rate increases are beginning to slow the volume of real property transactions but have not slowed valuations. Vacant lot values began climbing in 2023 due to the same trends seen in other real property categories. The construction of an artificial intelligence facility on the southwestern corner of Shackelford has spurred sales activity throughout the county with prices of large tracts increasing dramatically.

INTERNAL AND STATE RATIO STUDIES

The State Comptroller does a biennial ratio study. The last ratio study finalized was in 2023. The State Comptroller is performing a ratio study in 2024 and the preliminary data will be released in early 2026. The internal ratio study indicated a ratio of 97%.

LIMITING CONDITIONS

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

1. The appraisals were prepared exclusively for ad valorem tax purposes.
2. The property characteristic data upon which the appraisals are based is assumed to be correct. Exterior inspections of the property appraised were performed as staff resources and time allowed.
3. Validation of sales transactions was attempted through questionnaires to buyer and seller, and from confidential sources. In the absence of such confirmation, residential sales data obtained from vendors was considered reliable.
4. I have attached a list of staff providing significant mass appraisal assistance to the person signing this certification.

Certification Statement:

"I, Richard Petree, Chief Appraiser for the Shackelford County Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by law."

Richard Petree

Richard Petree, RPA
Chief Appraiser

STAFF PROVIDING SIGNIFICANT
MASS APPRAISAL ASSISTANCE

NAME	TITLE	BTPE NUMBER	TYPE OF ASSISTANCE
Richard Petree, RPA	Int Chief Appraiser	16308	Appraisal of real property, business personal property, and commercial real property
Adam Ray	Registered Appraiser	78356	Appraisal of agricultural special valuation land, and residential real property.