ANNUAL REPORT FOR

2026 APPRAISAL YEAR

FOR

CRANE COUNTY APPRAISAL DISTRICT

INTRODUCTION

The purpose of this summary report is to aid the taxpaying public in better understanding the methods and techniques utilized by the Crane County Appraisal District in the valuation and revaluation of property within Crane County. This report attempts to comply with Standard 6 of the Uniform Standards of Professional Appraisal Practice, effective January 1, 2026 - December 31, 2026 Crane County Appraisal District maintains a more detailed operations manual for appraisal use.

Crane 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 within the district's boundaries. Beginning with the 2015 tax year the Crane County Water District was added. In tax year 2022, the Emergency Services District #1 was added. The taxing entities are as follows:

1. Crane County
2. Crane Independent School District
3. City of Crane
4. Hospital District
5. Crane County Water District
6. Emergency Services District #1

There are no school districts that overlap into Crane County Appraisal District. Current state law requires that overlapping jurisdictions to match values in the overlapping areas, none are necessary.

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 districts 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
2. Determine exemption and special use requests
3. Organize periodic reappraisals
4. Notify taxpayers, taxing units and the public about matters that affect property values

Crane County Appraisal District employs a Chief Appraiser and 2 full time employees. The Appraisal District employs the services of Pritchard & Abbott, Inc., an appraisal consulting firm, to appraise all real estate and Thomas Y. Pickett to appraise all minerals, industrial plants, pipelines, industrial personal property and utilities within the boundaries

of the Appraisal District. The Appraisal District uses the services of Pritchard & Abbott, Inc. and Thomas Y. Pickett Inc. for its data processing of all appraisal records.

The 2026 certified tax roll for Crane County indicates a total of 51,797 parcels. The breakdown of these parcels is as follows:

1.	Residential	1,744
2.	Mobile homes	392
3.	Vacant lots	276
4.	Vacant acreage	1,732
5.	Rural Improvements	1,186
6.	Commercial	295
7.	Minerals	45,194
8.	Utilities	124
9.	Personal property	710
10.	Exempt	144
	Total	51,797

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, a taxpayer must file an application by July 31.

The purpose of and intended use of the appraisal performed by the Crane County Appraisal District is to estimate market value for ad valorem tax purposes for the taxing entities located within the boundaries of the Crane County Appraisal District. It is the goal of the Crane County Appraisal District staff to provide the best possible service to the public and the taxing entities. The Crane 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 Crane County Appraisal District falls within the physical boundaries of Crane County and does not extend into any other school district. Crane County is located in west Texas and is bordered to the north by Ector County, to east by Upton County, to the west by Ward County and to the south by Pecos County.

Crane County is a rural county with one city, Crane being the county seat.

Oil & Gas production continue to be the economic base for the County, with Oil & Gas Service Companies comprising most of the workforce within the City of Crane.

The closest major city to Crane County is Odessa in Ector County located 32 miles north of Crane. The closest urban area is Odessa-Midland, also known as the Petro-plex, with a population of over 250,000.

OVERVIEW OF TYPES OF PROPERTIES APPRAISED

There are four major categories of property appraised by the Crane 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/Pipelines: Telephone companies, Oil/Gas Transmission pipelines, Gas Companies, etc.

4. Minerals: Oil and Gas Production

The Property Tax 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 Crane County Appraisal District are as follows:

Code	Type of Property
A1	Real Residential Single Family
A2	Real Residential Mobile Home-Land/Mobile home Owned by Same Person
B1	Real Residential Multi-family
C1	Vacant Lots
C2	Vacant Lots (Commercial-In the City)
C3	Vacant Lots (Out of City Limits)
D1	Rural Qualified Agricultural Land
D2	Rural Non-Qualified Agricultural Land
E1	Farm and Ranch Improvements
F1	Real Property: Commercial
F2	Real Property: Industrial
G	Minerals
J	Real and Tangible Personal Property: Utilities
L1	Personal Property: Commercial
L2	Personal Property: Industrial
M1	Mobile Homes
O	Real Property: Residential Inventory
S	Special Inventory
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 Crane 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 Crane 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 preformed throughout the year. Both general and specific date is collected and analyzed.

Examples of sources of general date include" Trends" issued by The Real Estate Center at Texas A&M University, "The Statement" published by the State Comptroller's Office, and "The Appriser" 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 Crane County Appraisal District office receives copies of all recorded instruments from the Crane County Clerk's Office on a monthly basis and tracts 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. The Property Tax Division also sends out sales letters and that data is made available upon legal request.

The Crane County Appraisal District currently does revaluation on a yearly basis by property classification.

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 Crane 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 appraisal cards with specific information regarding the property being appraised, such as 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. If physical inspection of the property indicates changes to improvements, the appraiser makes 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 Crane County Appraisal District's cost and valuation schedules include land and residential improvements. Commercial schedules come from Marshall and Swift Valuation Service and person property schedules come from the Property Tax 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 then modified for time and location.

The Crane 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 compile depreciation (loss of value) tables, and any notes pertaining to the improvements are made at this time.

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. Effective age for a house that is properly maintained may be actual or

chronological age. However, if a structure suffers from deferred maintenance due neglect, its effective age may be older than the actual age. In contrast, if a house is an older structure and has bee remodeled or updated, its effective age may be less than its actual age.

Depreciation is also estimated by 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, if the taxpayer requests, an interior inspection will be made by appointment.

Foundation failure may occur in varying degrees and may also result in loss of value. The Crane 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.

VALUATION ANALYSIS

Crane 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. 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 appraisers 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 market value of the property. The following is an example of each of these variables 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 Crane County Appraisal District residential schedules currently class houses based on quality of construction. This classification schedule is based on the Property Tax 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 Crane County Appraisal District's schedules are graduated in size increments from 100 to 200 square feet, depending on market conditions. The Property Tax Division and Marshall and Swift also support the size factor.

3. **Condition of improvements.** The Crane 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 contributory value or salvage value.

4. **Age of structure.** The Crane 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 Crane 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 Marshall and Swift Valuation schedules for commercial property. Replacement cost new is determined and then adjusted for location. Depreciation is the 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. 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.

The appraisal district uses a report obtained from Just Texas Commercial Vehicle Guide which list vehicles registered in Crane 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 Crane 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 Crane 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 Crane County Appraisal District uses ratio studies not only to aid in the revaluation of properties, but also to test the Comptroller's Property Tax 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.

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