COMAL APPRAISAL DISTRICT

ADOPTED

REAPPRAISAL PLAN

FOR

2027 & 2028 APPRAISAL YEARS

Adopted by the
Board of Directors on August 26, 2026

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INTRODUCTION

The Comal Appraisal District's Board of Directors published this reappraisal plan to provide the citizens and taxpayers of Comal County with a better understanding of the District's responsibilities and activities. This plan has several parts: a general introduction, a section describing the current resources available to the District, the appraisal and administrative activities, and finally the specific objectives over the next two years for each appraisal department.

The Comal Appraisal District (CAD) is a political subdivision of the State of Texas created January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A Board of Directors, consisting of 5 appointed members and 3 generally elected members, constitutes the District's governing body. The Chief Appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district.

The appraisal district is responsible for local property tax appraisals, exemption administration and special valuations of property for jurisdictions or taxing units in its county. Each taxing unit sets its own tax rate to generate revenue to pay for police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. The following page contains a list of all the taxing entities within the appraisal district's jurisdiction as of date this report is published:

TAXING UNIT
COMAL COUNTY
COMAL CO FARM & FLOOD
CITY OF BULVERDE
CITY OF FAIR OAKS
CITY OF GARDEN RIDGE
CITY OF NEW BRAUNFELS
CITY OF SPRING BRANCH
CITY OF SCHERTZ
CITY OF SELMA
EMERGENCY SERVICE DISTRICT #1
EMERGENCY SERVICE DISTRICT #2
EMERGENCY SERVICE DISTRICT #3
EMERGENCY SERVICE DISTRICT #4
EMERGENCY SERVICE DISTRICT #5
EMERGENCY SERVICE DISTRICT #6
EMERGENCY SERVICE DISTRICT #7
COMAL COUNTY MUD 5
CENTRAL COMAL COUNTY MUD 1
SCHOENTHAL MUD
CANYON RANCH MUD
FLYING W MUD
JOHNSON RANCH MUD
KYNDWOOD MUD
MEYER RANCH MUD
PURLSONG MUD
SKY RANCH MUD
SIMMONS VALLEY MUD
WEST COMAL COUNTY MUD 1
BOERNE I S D
COMAL ISD
NEW BRAUNFELS I S D
WIMBERLEY I S D
COMAL COUNTY WATER IMPRV DIST 1A
COMAL COUNTY WATER IMPRV DIST 1B
COMAL COUNTY WATER IMPRV DIST 1C
COMAL COUNTY WATER IMPRV DIST 1D
COMAL COUNTY WATER IMPRV DIST 1E
COMAL COUNTY WATER IMPRV DIST 1F
(WCI3) COMAL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 MASTER
(WCI3A) COMAL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3A
(WCI3B) COMAL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3B
(WCI6) COMAL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 6
LAKE DUNLAP WATER IMPROVEMENT DISTRICT
COMAL COUNTY WATER IMPRV DIST MASTER
YORK CREEK IMPROVEMENT DISTRICT

Property appraisals by the appraisal district establish the market value of each property as of January 1st of each year. Market value as defined by the Tax Code is the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- Exposed for sale in the open market with a reasonable time for the seller to find a buyer.
- Both the seller and the buyer know of all the property uses and purposes to which the property is adapted and for which it is capable of being used for and of any enforceable restrictions on the use of the property
- Both the seller and the buyer seek to maximize their gains, and neither is in a position to take advantage of exigencies of the other.

TAX CODE REQUIREMENT

The legal requirement for a reappraisal plan passed by the Texas Legislature in Senate Bill 1652 during the 2005 regular session is as follows:

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.

Subsections (a) and (b), Section 25.18, Tax Code, were 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.

UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICES (USPAP)

USPAP is a set of standards to be followed when appraising the value of a property. It does not prescribe specific methods. The rules were created by the Appraisal Foundation, and appraisers are required to follow these guidelines. Some of the standards include best practices for research, reporting, and other activities that an appraiser would go through.

<u>Standard Five & Six – Mass Appraisal</u>
A mass appraisal includes:

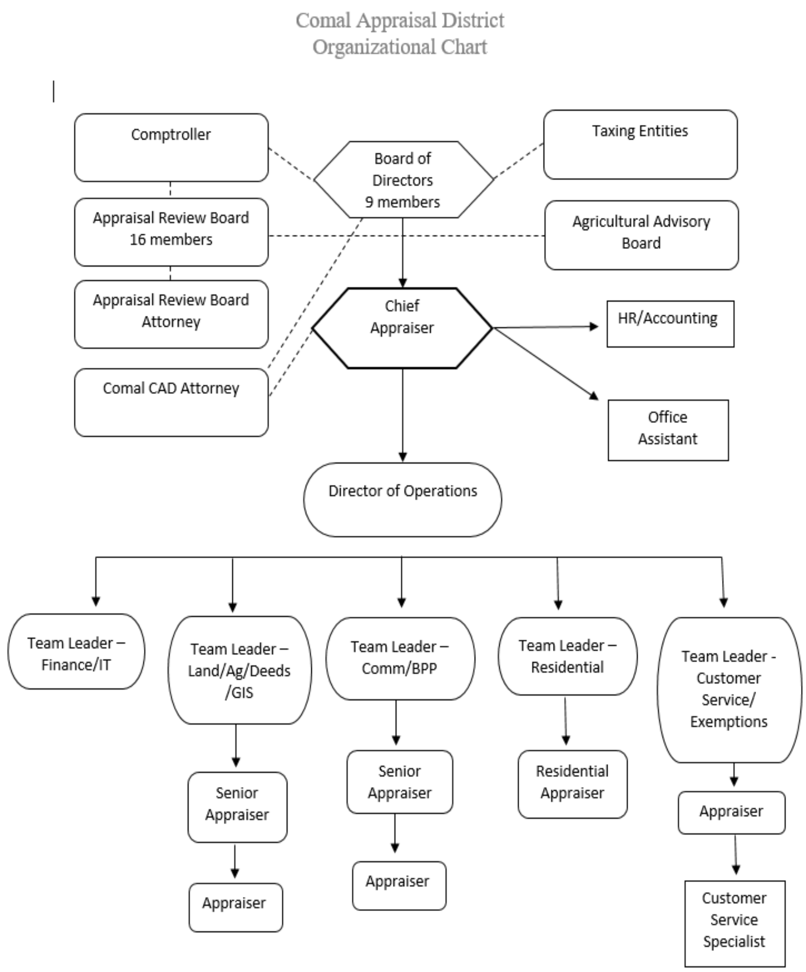
- Identifying properties to be appraised
- Defining market area of consistent behavior that applies to properties
- Identifying characteristics (supply and demand) that affect the creation of value in that market area
- Developing a model structure that reflects the relationship among the characteristics affecting value in the market area
- Calibrating the model structure to determine the contribution of the individual characteristics affecting value
- Applying the conclusions reflected in the model to the characteristics of the property (ies) being appraised; and
- Reviewing the mass appraisal results

AVAILABLE RESOURCES

The District must take stock of all its available resources. This includes staff, existing systems, maps, support, facilities, and budget.

PERSONNEL RESOURCES

The office of the Chief Appraiser is responsible for overall planning, organizing, staffing, coordinating, and controlling the district operations. Below is a chart detailing the Appraisal District's organizational structure.



STAFF LISTING & RESPONSIBILITIES

Title	#	Brief Description
Chief Appraiser	1	Strategic planning/organizing/coordinating
Director of Operations	1	Strategic planning/coordinating/reporting
HR Coordinator (SHRM-CP)/	1	New hire on boards/HR functions
Accounting		Maintain financials/prepare meeting agenda/reports
Office Assistant	1	Support admin. staff/prepare meeting agenda
Team Leader	5	Organize activities, analysis, and value correlation
Senior Appraisers	1	Data collection, analysis, and value correlation
Commercial Appraiser	3	Data collection, analysis, and value correlation
Business Personal Prop Appraiser	2	Data collection, analysis, and value correlation
Residential Appraiser	11	Data collection and update property data
Land/AG Appraiser	4	Data collection, analysis, and value correlation
Exemption Appraiser	1	Review exemptions
Deed/Mapping Appraiser	2	Update and maintain maps, ownership transfers
Customer Service Specialist	8	Assist property owners, support appraisal staff
Total	41	

STAFF EDUCATION & TRAINING

All personnel that are performing appraisal work are registered with the TDLR and are required to take appraisal courses to achieve the status of a Registered Professional Appraiser within five years of employment as an appraiser. Designated courses must be completed at the one-year, three-year, and five-year mark. After they are awarded their certification, they must receive additional training of 30 continuing education credits every two years (effective January 2011).

Pursuant to HB 3834 (86R) all District personnel, regardless of employment status, will be required to take a cybersecurity training course annually and the District is required to confirm completion by all personnel to the Texas Department of Information Resources (DIR).

Additionally, all appraisal personnel receive extensive training in data gathering processes used in fieldwork and statistical analysis of all types of property to ensure equality and uniformity. Management delivers on-the-job training for new appraisers. The Chief Appraiser, Director of Operations, and other management personnel meet regularly to identify any areas needing improvement and discuss any staff members needing additional training due to changes in the operation or the tax code. Supervisors meet with their teams to introduce new procedures and monitor appraisal activity to ensure that all personnel are following standardized appraisal procedures.

INFORMATION SYSTEM

Comal Appraisal District coordinates with the Comal County IT department who houses and maintains the server, Dell Poweredge R900 for PACS (Property Appraisal and Collection System) Databases. Harris Govern maintains the District's appraisal software. BIS manages the District's website and online appeals portal. Harris Govern provides software services for appraisal and GIS applications. Just Appraised manages our online forms and renditions portal. The geographic information system (GIS) maintains cadastral maps and various layers of data, aerial maps, topographical maps, and flood plain maps.

PACS software provides for the following capabilities:

- Add, calculate, and maintain appraisal records
- Selection of data items by specified fields
- Sorting data according to multiple criteria
- Editing existing data by adding, removing or changing property or owner characteristics individually or in mass
- Restriction of access to only authorized personnel
- Limit a user to certain functions
- Monitor system use

The District's website provides a broad range of information available for public access including information on the appraisal process, property characteristics data, certified values, protests and appeal procedures. Downloadable files of related tax information and Comptroller forms including exemption applications and business personal property renditions are also available.

The District has email and internet access provided through the county network. These services allow for inter-office communications. This service is a critical tool for research and the discovery process for both real and personal property.

Granicus provides a data retrieval system for the county clerk's office. The District has an agreement with the county clerk's office to allow access to the data retrieval system for research of the county deed records.

FACILTIES

The following briefly describes the Comal Appraisal District's facility.

<u>General</u>	
Situs	900 S. Seguin Ave., New Braunfels, TX 78130
Legal Description:	City Block 1061, Lot 1, 2, 3, pt. of 6, 14, 15, & 16
Mapsco:	458E5
<u>Land Data</u>	
Location:	Corner of Seguin Ave. and Nacogdoches
Zoning:	C3
Site (acres):	1.372 acres
Shape:	Rectangular
Topography:	Leve
Flood Plain:	None
Access	Good
Visibility:	Good
Parking Spaces:	92 spaces total, 3 handicap accessible spaces
<u>Improvement Data</u>	
Building Type:	Free standing
Gross Building Area:	10,800
No. of Buildings:	1
Year Built:	1997
Class:	S
<u>Interior Features</u>	
Restrooms:	5 restrooms total
Area 1:	Reception area, open staff area, 5 offices, 3 conference rooms, central heat/air, 2 entrances/exits
Area 2:	5 offices, central heat/air, 1 entrance/exit
Area 3:	Large storage area, unfinished floor, forced heart/air, 1 entrance/exit, 2 garage doors
Area 4:	small storage area with utility room, break room, forced heat/air, 1 entrance/exit

BUDGET

The District must review its budget annually to determine if the allocated amounts are sufficient and appropriate for all areas of the District's operations. It is imperative that the District always consider any future needs or changes that might affect the District's daily and overall operations. The Chief Appraiser must submit, by June 15th of each year, a proposed budget to each taxing unit and the District Board of Directors for their review and approval. The budget will include the following:

- list of each position with its salary and any benefits
- capital expenditure
- amount of the budget that will be allocated to each taxing unit

The District's budget must be approved by its Board of Directors before September 15th of each year.

TAX CALENDAR

The Texas Property Tax Code establishes deadlines for the reappraisal, exemption of taxation, special valuation, reporting, and tax collection. The Texas Comptroller Rules also provides deadlines for the submission of reports by the Appraisal District. These dates are an essential tool to govern and direct the District's daily, monthly and annual operations. The following is a compilation of the two sources into a calendar.

January 1	• Taxable values and qualification for certain exemptions determined (except for inventories appraised September 1) (Sec. 11.42, 23.01, 23.12). • Mail Homestead and Ag reapplications • Mail Business Personal Property renditions to new business and email rendition filing reminders to existing businesses.
January 31	• Last day for chief appraiser to deliver application for special appraisal and exemptions requiring annual applications (Secs. 11.44, 23.43). • Last day for appraisal district to give public notice of capitalization rate used to appraise property with low and moderate-income housing exemption (Sec. 11.1825). • Last date to publicize exemption requirements of 11.43 & availability of forms (Sec. 11.44b). • Deadline to file late protests.
February 1	• Last day for motor vehicle, boat, and outboard motors, heavy equipment and manufactured housing dealers to file dealer's inventory

	declarations (Secs. 23.121, 23.124, 23.1241, 23.127).
February 28	• Last day to request cooperative housing appraisal (Sec. 23.19).
March 31	• Last day for taxing units' second quarterly payment for CAD budget (Sec. 6.06). • Last day for cities to report information on reinvestment zones and tax increment financing plans to Texas Comptroller (Sec. 311.019). • Last day for qualified community housing development corporation to file listing of property acquired or sold durning past year with the Chief Appraiser (Sec. 11.182).
April 1	• Last day (or as soon as practicable) for chief appraiser to mail notices of appraised value and notices of overlapping appraisal districts (Sec. 6.025 and 25.19).
April 15	• Last day for property owners to file renditions and property information reports unless they request a filing extension in writing (Sec. 22.23).
April 30	• Last day for property owners to file these applications or reports with the CAD: o Some exemption applications (Sec. 11.43), o Notice to Chief Appraiser that property is no longer entitled to an exemption not requiring annual application (Sec. 11.43). o Applications for special appraisal or notices to Chief Appraiser that property no longer qualifies for 1-d and 1-d-1 agricultural land, timberland, restricted-use timberland, recreational-park-scenic land and public access airport property (Secs. 23.43, 23.54, 23.75, 23.84, 23.94, 23.9804). o Railroad rolling stock reports (Sec. 24.32). o Requests for separate listing of separately owned land and improvements (Sec. 25.08). o Requests for proportionate taxing of a planned unit development property (Sec. 25.09). o Requests for separate listing of separately owned standing timber and land (Sec. 25.10). o Requests for separate listing of undivided interests (Sec. 25.11); and o Requests for joint taxation of separately owned mineral interest (Sec. 25.12).
May 1-15	• Time that taxing units may file resolutions with Chief Appraiser to change CAD finance method. Three-fourths of taxing units must file for change to occur (Sec. 6.061).

	• Time that Chief Appraiser must publish notice about taxpayer protest procedures in a local newspaper with general circulation (Secs. 41.41, 41.70).
May 15	• Last day for property owners to file renditions and property information reports if they requested an extension in writing. For good cause, Chief Appraiser may extend this deadline another 15 days (Sec. 22.23). • Last day (or as soon as practicable) for Chief Appraiser to prepare appraisal records and submit to ARB (Secs. 25.01, 25.22). • Last day for property owners to file protest with ARB (or by 30th day after notice of appraised value is delivered, whichever is later) (Sec. 41.04).
May 19	• Last day for Chief Appraiser to count taxing units' resolutions to change CAD's finance method (Sec. 6.061).
May 24	• Last day for Chief Appraiser to notify taxing units of change in the CAD's finance method (Sec. 6.061).
May 31	• Last day for taxing units to file challenges with ARB (or within 15 days after ARB receives appraisal records, whichever is later) (Sec. 41.04). • Last day for religious organizations to amend charters and file new applications (or within 60 days of exemption denial, whichever is later) (Sec. 11.421).
June 7	• Last day for Chief Appraiser to certify estimate of school district's taxable value for school district to use for publishing notice of budget and proposed tax rate and adopting its budget for a fiscal year that begins July 1 (Sec. 26.01).
June 14	• Last day for Chief Appraiser to submit recommended budget to CAD board and taxing units (unless taxing units have changed CAD's fiscal year) (Sec. 6.06). CAD must publish 10 days prior to hearing date.
June 16	• Beginning date that CAD board may pass resolution to change CAD finance method, subject to taxing units' unanimous approval. Period ends August 14 (Sec. 6.061).
June 30	• Last day for taxing units' third quarterly payment for CAD budget (Sec. 6.06). • Last day to create a taxing unit to levy prior year property taxes (Sec. 26.12). • Last day for private schools to amend charters and file new applications (or within 60 days of exemption denial, whichever is

	later) (Sec. 11.422). • Last day for CADs to report formation of reinvestment zones and tax abatement agreements to the Texas Comptroller (Sec. 312.005).
July 3	• Last day for ARBs to complete review of railroad rolling stock values for submission to Texas Comptroller (or soon after) (Sec. 24.35).
July 20	• ARB must approve appraisal records but may not do so if more than 5 percent of total appraised value remains under protest (Sec. 41.12).
July 25	• Last day for Chief Appraiser to certify appraisal roll to each taxing unit (Sec. 26.01).
July 31	• Last day for property owners to apply for September 1 inventory appraisal (Sec. 23.12).
August 7	• Taxing units (other than school districts and small taxing units) must publicize effective tax and rollback rates, unencumbered fund balances, debt obligation schedule and other applicable items (or soon after) (Sec. 26.04).
August 14	• Last day for CAD board to pass and deliver resolution to change CAD finance method, subject to taxing unit's unanimous consent (Sec. 6.061).
August 31	• Last day for property owner to give correct address to CAD in writing for tax bill; penalties and interest waived if bill not sent to correct address 21 days before delinquency date (Sec. 33.011). • Last day taxing units may file resolutions with the CAD board to oppose proposed change in the CAD finance method (Sec. 6.061).
September 1	• The following year's taxable values of inventories may be determined as of this date, at property owner's written option (Sec. 23.12). • Notice of budget hearing before the board of directors must be published using a quarter-page ad (Sec. 6.062). Publication must be at least 10 days before hearing.
September 14	• Last day for CAD board to adopt upcoming year CAD budget, unless district has changed its fiscal year (Sec. 6.06).
September 15	• Last day for CAD board to approve written reappraisal plan (Sec. 6.05).
September 30	• Last day for taxing units' fourth quarterly payment for current year CAD budget (Sec. 6.06).
December	• Time when Chief Appraiser may conduct a mail survey to verify homestead exemption eligibility (Sec. 11.47).
December 31	• Last day for taxing units' first quarterly payment for current CAD budget (Sec. 6.06).

APPRAISAL ACTIVITIES

The mission of the Appraisal District is to discover, list and value all properties in its jurisdiction at market value and equitably using the staff and resources available.

REAPPRAISAL DECISION

The District staggers the periodic interval between all properties in its jurisdiction (please note the exceptions to this in special valuation property, commercial property and business personal property). The county is divided into three reappraisal areas: RA1, RA2, and RA3. These reappraisal areas generally follow the emergency services districts' boundaries and the city limits.

RA1: ESD 6 (EMS & Fire)
ESD 7 (EMS & Fire)
New Braunfels City Limits
Schertz City Limits
Garden Ridge City Limits
Selma City Limits

RA2: ESD 1 (EMS)
ESD 4 (Fire)
ESD 5 (Fire)
Bulverde City Limits
Spring Branch City Limits
Fair Oaks City Limits

RA3: ESD 2 (EMS)
ESD 3 (Fire)

Each reappraisal area has approximately the same number of parcels. Each property will be identified as RA1, RA2, or RA3 using a property group code. Each reappraisal area will be appraised every three years (please see for exceptions to this with the special valuation property, commercial property and business personal property). The division of the county into three reappraisal areas will allow for better use of resources, planning, and management, and ultimately improve the valuation and uniformity of properties.

The District will also review, field check, update data and/or change characteristics of any property outside of the reappraisal area if the property sold, was rendered, recently platted, and/or required a field inspection due to an exemption application or building permit. Any change in ownership or increase in property value will also generate a notice of appraised value.

Residential Property

All residential properties in neighborhoods within the reappraisal area will be checked by field or aerial inspection, reviewed and analyzed. Neighborhoods will be statistically analyzed to ensure that sales that have occurred in the market area during the past 12 months are within a +/-5% range of appraised value. If the sales do not indicate that range, adjustments are made to the neighborhood or market area using a process outlined in the Sales Analysis section.

Commercial Property

Commercial properties identified with a state code of F1 (commercial improved) follow the reappraisal cycle of RA1, RA2 and RA3. However, for commercial properties these reappraisal areas are based on property use. Below is a chart outlining which property uses are assigned to each reappraisal area. This allows the District to address these types of property more thoroughly throughout the three-year reappraisal cycle. All commercial properties in the reappraisal area will be reviewed and analyzed. This review may consist of a field inspection, an aerial check or review of income, cost and/or sales data.

Properties identified with a state code of F2 (industrial) will not follow this reappraisal cycle. Pritchard and Abbot have been retained by Comal Appraisal District to appraise industrial properties. Please refer to the reappraisal plan outlined by Pritchard and Abbot.

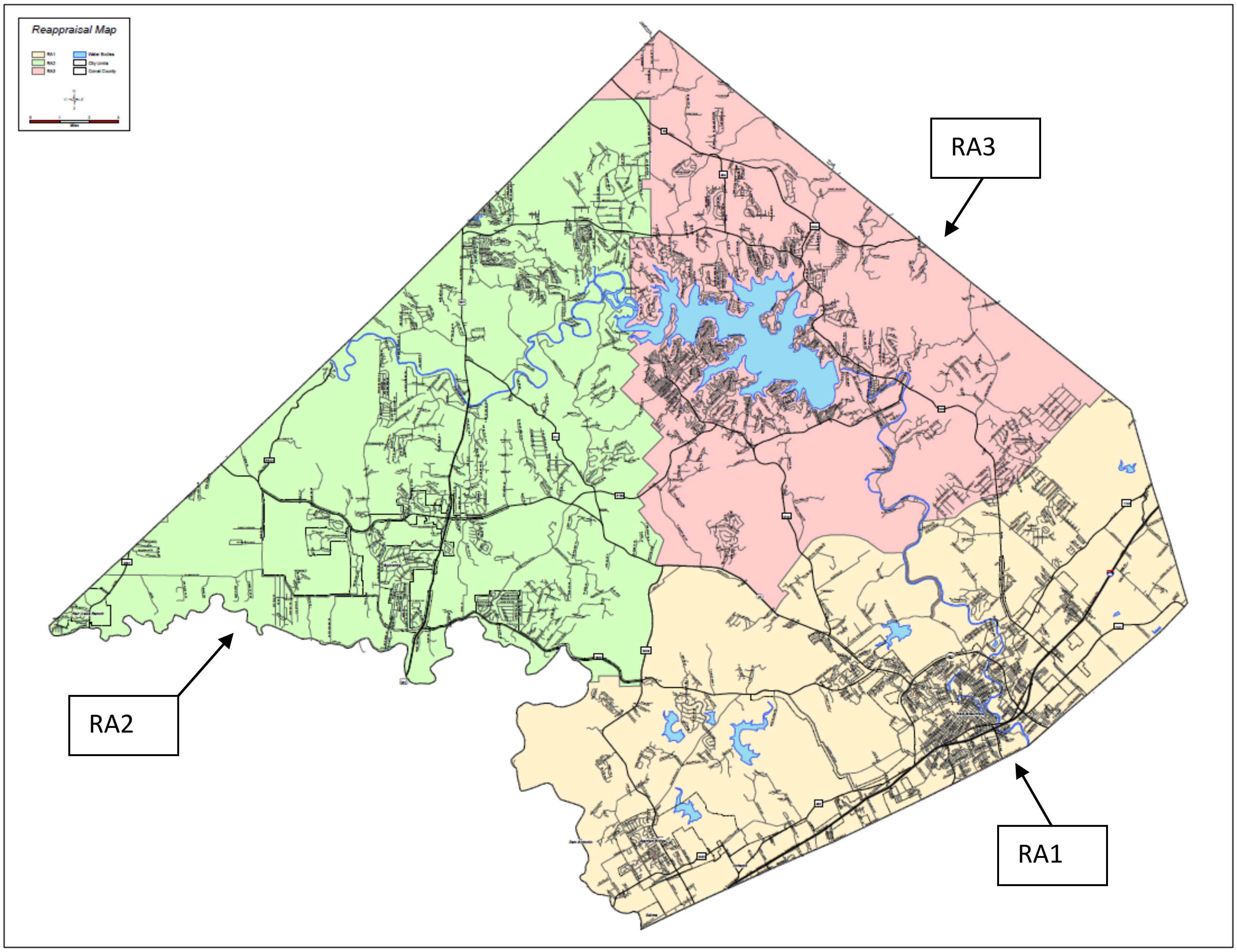
Business Personal Property

Business personal property is observed annually. Appraisers either go into new businesses to determine the type of business and its assets, research websites, and/or refer to other sources for additional information to set up accounts. Businesses are categorized using standard industrial codes (SIC). In years past, CAD has mailed renditions to all businesses. CAD mails welcome letters and renditions to new businesses stating the requirement to render annually. CAD does send reminder emails to all accounts where a valid email address has been provided. Rendition laws provide additional information on which to base values for all BPP accounts.

Land

Regardless of the type of improvements to the land or the state code assigned (A, B, C, D, E, F or J) all land will follow the appraisal cycle of RA1, RA2 and RA3.

REAPPRAISAL MAP


Reappraisal Map
RA3
RA2
RA1

Comal Appraisal District - Commercial Property Uses

Prop Use Code	Description	Category	Valuation Approach	RA	# of Accounts	Prop Use Code	Description	Category	Valuation Approach	RA	# of Accounts
000	Mixed Use / Undefined	Other	Cost	1	139	399	Quarries	Industrial	Cost	1	59
001	P&A	Other	N/A	1	80	400	Offices	Office	Income	3	115
002	Commercial Condos	Other	Cost	1	314	400M	Offices - Multi Tenant	Office	Income	3	85
003	Funeral Homes	Other	Cost	1	168	400R	Offices - Resdential Type	Office	Income	3	85
100	Public Buildings	Public	Cost	1	108	410	Medical Offices	Office	Income	3	65
105	Utility Systems	Public	Cost	1	23	410M	Medical Offices - Multi Tenant	Office	Income	3	35
115	Cemeteries	Public	Cost	1	3	410R	Medical Offices - Residential Type	Office	Income	3	11
200	Restaurants	Food & Drink	Cost	2	97	411	Urgent Care/Emergency Clinics	Office	Cost	3	6
205	Fast Food Restaurants	Food & Drink	Cost	2	72	412	Outpatient Surgical Centers	Office	Cost	3	2
206	Snack Bars, Drink Drive Thrus	Food & Drink	Cost	2	18	413	General Hospitals	Office	Cost	3	3
208	Bars/Taverns	Food & Drink	Cost	2	39	424	Mix Use Multi-Story	Office	Income	3	27
210	Landscape	Retail	Cost	2	23	440	Vet Clinics	Office	Cost	3	23
215	Drug Stores	Retail	Cost	2	12	480	Banks	Office	Cost	3	34
220	Retail Stores	Retail	Income	2	174	485	Bank Drive Thrus	Office	Cost	3	2
220M	Retail Stores - Multi Tenant	Retail	Income	2	33	500	Schools	Education	Cost	3	32
220LG	Large Retail Stores (> 30k SF)	Retail	Income	2	10	525	Day Cares	Education	Cost	3	20
220R	Retail - Residential Type	Retail	Income	2	53	540	Gymnasiums	Education	Cost	3	15
224	Strip Centers	Retail	Income	2	117	600	Bowling Alley's, Theatres, etc.	Entertainment	Cost	3	90
230	Grocery Stores	Retail	Cost	2	12	630	Assembly	Assembly	Cost	3	64
234	Convenience Stores (No Gas)	Retail	Cost	2	3	640	Neighborhood Community Centers	Assembly	Cost	3	24
235	Mini Mart (With Gas Pumps)	Retail	Cost	2	66	700	Churches	Religious	Cost	3	119
240	Discount Stores	Retail	Cost	2	15	800	Small Apartments	Residential	Income	3	44
260	Laundromats	Retail	Cost	2	6	802	Duplex, Tri-plex, 4-plex	Residential	Income	2	940
300ACW	Automatic Car Wash	Industrial	Cost	1	12	804	Independent Senior Living	Residential	Income	3	3
300DT	Drive Thru Car Washes	Industrial	Cost	1	1	805	Large Garden Apartments (1-2 Stories)	Residential	Income	3	31
300SW	Self-Wash Car Wash	Industrial	Cost	1	10	805L	Low Income Apartments	Residential	Income	3	12
304	Loft	Industrial	Cost	1	23	806	Large Apartments (3+ Stories)	Residential	Income	3	43
305	Light Industrial Buildings	Industrial	Income	1	330	820	Time Shares	Residential	Cost	3	13
305M	Light Industrial Buildings - Multi Tenant	Industrial	Income	1	71	830	Bed & Breakfasts	Residential	Cost	3	8
306	Heavy Industrial Buildings	Industrial	Cost	1	4	835	Cabins	Residential	Cost	3	18
320	Storage Warehouses	Industrial	Cost	1	10	840	Lodges	Residential	Income	3	43
325	Distribution Warehouses	Industrial	Income	1	28	845	Hotel/Motel	Residential	Income	3	34
325M	Distribution Warehouses - Multi Tenant)	Industrial	Income	1	6	850	Assisted Living	Residential	Cost	3	16
326	Mega Warehouses (> 200,000 SF)	Industrial	Income	1	16	851	Group Care Facilities	Residential	Cost	3	8
330	Transit Warehouses	Industrial	Cost	1	3	855	Nursing Homes	Residential	Cost	3	7
335	Non Climate Controlled Self Storage	Industrial	Income	1	56	970	RV Parks	Residential	Cost	3	51
335C	Climate Controlled Self Storage	Industrial	Income	1	49	980	Mobile Home Parks	Residential	Income	3	41
340	Boat & RV Storage	Industrial	Income	1	62	985	Camps Mixed Facilities	Residential	Cost	3	43
350	Auto Service Garages	Industrial	Cost	1	124						
353	Mini Lube	Industrial	Cost	1	10						
360	Auto Dealerships	Industrial	Cost	1	17						
365	Sales Lots (Cars, Boats, Trailers, MH's)	Industrial	Cost	1	25						
370	Hangars	Industrial	Cost	1	55						
380	Utility Storages	Industrial	Cost	1	63						

PLANNING AND ORGANIZATION

This is an important step in a reappraisal plan. The District creates several types of plans to accomplish its goals: operational plans, action plans, and project plans.

<u>Operational Plans</u> are created for each department. These plans set forth major goals, identify specific properties to be reappraised, any special projects and specify the time frame.

<u>Annual Objectives</u> are prepared every year for each department around August or as soon as possible after protest hearings are completed. These objectives are prepared by management for Land, Residential, Commercial, and Business Personal Property. They are submitted to the Director of Operations for review and final approval. The annual objectives are not attached to the reappraisal plan as they are prepared year by year. They are an opportunity for management to assess the prior year's results to make assumptions about the next work year. The annual objectives reflect any required changes to the reappraisal plan. These objectives will specify any plans for field work, sales analysis, income analysis, required changes and updates to any

manuals and/or reports, as well as provide detailed information about the changes to workloads, performance measures and resources required.

Action Plans are created to define activities, assign responsibilities, and identify completion dates. All recurring projects, such as conducting ratio studies, appear in the District's action plans. The District has developed action plans in the form of calendars for each department.

Project Plans are a detailed plan for specific activities. They may be attached to the reappraisal plan, but in most instances, these plans are not developed until necessary.

Disaster Plans are a detailed plan for dealing with activities during the various disaster situations which may change areas being reappraised or extend time of completion. The District will resort to this plan, if necessary, during any appraisal year.

Periodic Reappraisals that are adopted per section 25.18(c) shall be completed and delivered to the taxing unit as of the date specified in the resolution.

PILOT STUDY

A pilot study is an opportunity for the District to test new procedures on a small sample of properties in its jurisdiction. It provides for a new system to be critiqued for accuracy, efficiency and reliability, as well as allowing for editing prior to implementation to the entire population.

DATA MANAGEMENT

The District is responsible for establishing and maintaining approximately 121,000 real and personal property accounts within Comal County. This data includes property characteristics, ownership, and exemption information.

The appraisal records are comprised of the following categories:

- Ownership
- General property description (Example: legal description, situs)
- Land detail (Example: site characteristics such as size, topology)
- Improvement detail (Example: building characteristics such as square foot, year built, quality of construction, and condition)
- Value history (Example: year-by-year history of the value of the property and exemption information)

DATA SOURCES

Inspection requests (IR), building permits (BP), sales listings, renditions, plats, publications, and surveys are sources of information used by an appraiser when evaluating a property's market value. The above sources are explained below.

Inspection Requests

Property owners are one of the best sources for identifying incorrect data that generates a inspection request, also referred to as an field check. Frequently, the property owner provides reliable data to allow correction of records without having to send an appraiser on-site. As the District has increased the amount of information available on the internet, property owners can review information on their property and forward corrections via email of inaccurate data. Properties identified in this manner are added to a work file and inspected at the earliest opportunity.

Building Permits

Building permits (BP) are applied for by contractors or owners to comply with city and/or county building codes. Permits are issued by incorporated cities within Comal County. Copies of the permits are mailed or emailed monthly to the District from the City of New Braunfels, City of Bulverde, City of Garden Ridge, City of Fair Oaks Ranch, City of Schertz, City of Selma, and Comal County. After receiving the building permits, inspection requests are generated within PACS for an inspection to be completed by an appraiser.

Sales

The District gathers sales information from various sources. These sources include sales surveys, public domains, taxpayer provided information (such as MLS information, closing documents, etc.), Trepp, and Crexi. The District compares the sales data to the District's existing records. Sales checks are generated because of discrepancies between the sales information and the District's records.

Real Property Renditions

Real Property Renditions are submitted by property owners between January 1st and April 15th each year. When filling out a rendition, an owner/agent may state what type of and how many improvements exist at a specified property. The owner may also state an opinion of value. All renditions are reviewed by the District and compared to the current appraisal records. A timely filed rendition will trigger a notice of appraised value to be mailed during that tax year.

Real Property Inventory

Real Property Inventory renditions are submitted by property owners between January 1st and April 15th each year. Qualifying properties must have never been occupied as a residence, held for sale, and is not leased, rented, or produce income. The rendition may also provide an estimate of inventory value per development cost or income.

Plats & Survey Maps

Copies of plats and surveys are provided to the District and processed by the District's GIS department. Plats typically provide size and legal descriptions of the subject property.

Publications

There are several publications available to appraisers to utilize for research and discovery. A few examples of these publications are PTAD Classification Guides, Texas Rights & Remedies, Cotality Marshall & Swift Valuation Service, Texas Comptroller of Public Accounts, Vehicle Books, CoStar.

Surveys

Surveys of various types of rentals and/or leased properties are conducted to collect a sample of income streams. These surveys are typically done at the beginning of each calendar year.

County Records

All property transactions are recorded with the County Clerk's Office. The information should provide a complete legal description, as well as ownership information. If a property or group of properties such as a subdivision is platted, then a deed may specify any restrictions or limited uses for the property or subdivision.

DATA COLLECTION & VERIFICATION

The field appraisal staff is responsible for collecting and maintaining property characteristic data for classification, valuation, and other purposes. Accurate valuation of real and personal property by any method requires a comprehensive physical description of personal property, land and building characteristics. The data collection effort involves field or aerial inspection of real and personal property.

The District established procedures whereby ownership and property data information are routinely exchanged within properties split by boundary lines. Appraisers from adjacent appraisal districts discuss data collection and valuation issues to minimize the possibility of differences in property characteristics, legal descriptions, and other administrative data. Under current State law the county line is the boundary line for all appraisal districts

DATA ENTRY

All data collected from the various data sources shall be entered into PACS. Data entry is routinely updated throughout the year by appraisers as well as support staff.

QUALITY CONTROL

It is a requirement of the District to maintain accurate records of all properties within its boundaries. For the District to do this, it must employ a process where quality of work and services can be identified and evaluated. The results of these processes must highlight a certain minimum level of quality being met. If the processes identify areas that are not meeting the District's standards, then those areas will be addressed with training and communication to make sure they come to meet District standards.

Quality control as it relates to appraisers should be utilized as a learning tool by providing the opportunity for constructive feedback over the course of the appraiser's development. An appraiser's work should be monitored for understanding of the process, uniformity of procedures followed, and accuracy of work turned in. Quality control will help identify appraisers having difficulty with appraisal concepts, technical aspects of data collection, or mass appraisal techniques. End results of quality control should promote appraiser development and produce a more accurate final product.

Supervisors provide frontline quality control and are held responsible for the quality of the work done by appraisers under their direct supervision. Quality control tasks include going to the field with appraisers to ensure correct procedures are being followed and to witness interaction with property owners, random field checks of work turned in, and review of field data entered into PACS.

ORGANIZATION

The District utilizes several types of property classifications to identify and define properties. Each of these classification systems allows the District to identify market, income, and/or geographic trends. The various classification systems also enable the District to sort the data for research and equity. These property classifications include:

<u>State Property Classification</u>
The State property classification system is a guide developed by the Texas Comptroller of Public Accounts to classify property. All properties are required to have a state code.

SIC Codes

SIC codes are a numeric classification system used to identify the type of business. These codes are only used for business personal property accounts.

CAD Regions

Comal Appraisal District has established regions throughout the county. The regions are used to sort geographic data, as well as assign areas to appraisers.

Zoning

Many commercial properties exist within areas that have zoning districts. Zoning districts are set by the local city government. These zoning districts specify how properties can be developed. The zoning districts may limit property use, set lot restrictions, and establish building requirements. Zoning information is useful in determining neighborhood perimeters, identifying market trends, and selecting land tables.

Neighborhoods

A neighborhood may be characterized as an area that contains complimentary land uses. Analysis of a neighborhood is important since the various forces that affect a neighborhood may directly influence the individual properties located within its boundaries.

Property-Use Codes

All commercial properties will have a property-use code. The property-use code is a three-digit code that should identify the property's highest and best use. The property-use code not only identifies the best use for the property, but it also provides the District with the ability to sort data for market and equity.

Class & Construction Types

The District utilizes various class descriptions to define the quality of the improvements. Construction types are used to group and identify similar type buildings from others. These attributes allow for market analysis and valuation analysis to be conducted.

Subsets

Subsets are a classification system used to distinguish properties that share a unique market trait in a specific market area.

COST ANALYSIS

Cost schedules are used to develop cost value for all improvements. The District utilizes published national cost schedules to develop the residential, commercial, and rural improvement schedules.

The District reviews all existing improvement schedules within PACS annually. These schedules are checked against the published schedules to determine any necessary changes. This review generally occurs in the Fall. If changes are to be made to the schedules, then they should be completed in January.

The District follows a series of steps to develop appropriate cost schedules for all residential, commercial, and rural structures. The following steps are as follows:

- Determine Usefulness
- Define Improvement
- Determine Standards
- Determine Unit of Measure
- Determine Value per Unit
- Determine Adjustments for Variations from Standards
- Determine Modifiers

<u>Determine Usefulness</u>
The District does not create nor maintain all the various schedules outlined in most publications. The District will create and maintain cost schedules for improvements that are typically found within its jurisdiction.

<u>Define Improvement</u>
The District must recognize all improvements by use. The District has three categories of use:

- Residential
- Commercial (includes industrial)
- Rural

<u>Determine Standards</u>
To recognize the differences between structures, the District has established categories. They should be reflective of conditions within this county as determined by both physical observation and market analysis. As a result, the number of categories for an improvement type may be expanded on or limited as necessary.

Residential buildings:

- Type - category of residential building (single story, 2 story, etc.)
- Class - quality of construction
- Features - building refinements and characteristics (baths, fireplace, exterior type, etc.)
- Depreciation - estimate as to what extent the improvement has deteriorated.
- Auxiliary improvements (porches, garages, patios, etc.)

Commercial buildings:

- Method - describes the building's occupancy.
- Class - type of construction
- Subclass - quality construction.
- Features - building refinements (ceiling height, exterior type, etc)
- Depreciation - estimate as to what extent the improvement has deteriorated.
- Auxiliary improvements

<u>Determine Unit of Measure</u>

Most structures will generally be measured by square feet. However, not all improvements are measured the same. This variation is more commonly found with commercial improvements. Whatever unit of measure is selected, it must be identified in the cost schedule.

<u>Determine Value Per Unit</u>

Published cost schedules should have a value per unit for the various types of structures. The District will generally use the established price per unit.

<u>Determine Adjustments for Variations from Standards</u>

Some publications may include adjustments for variations from the standards of an improvement type. The District will determine if these adjustments are necessary or appropriate. The District typically adjusts for variations from the standard size when it applies. Other adjustments the District typically recognizes include height and plumbing.

<u>Determine Modifiers</u>

Published cost schedules identify a national value per unit for the various types of structures. These values require an adjustment to bring them in line with the current local cost. It is also important to note that not all modifiers may be necessary or appropriate. This may be especially true for tract housing. This type of construction does not always require a local modifier. The determination to include or even adjust the amount of a local modifier should be made based on the conditions in the area.

Testing Model

The District's residential cost schedules are also tested to determine if they are plus or minus 10% from the nationally recognized cost schedules. The District will also compare cost estimates developed from the publications to structures of known cost when available within its jurisdiction.

INCOME ANALYSIS

The District collects samples of income and expenses for specified markets from various sources. These sources include surveys, websites, rent rolls, and income/expense reports provided by owners or their agents before and during the appeals process. From this data, economic classes are identified and the median lease and expense rates are calculated. Schedules are created when appropriate for each economic class of properties. The schedules are tested and then applied to all properties within the specified market.

Income schedules are developed for most multi-family (apartments) and commercial properties. Income is considered for residential properties but is not generally used to determine value.

Data Collection

Surveys of various types of rentals and/or leased properties are conducted to collect a sample of income streams. These surveys are typically done at the beginning of each calendar year.
The District also incorporates all income and expenses provided by owners or their agents during the appeals process. The District also uses CoStar, Crexi, and Trepp to collect income information. This information along with publications and data collected from websites is also included to determine the various income streams.

Review

All income data will be analyzed to identify trends in the local rents and expenses. When there is sufficient income and expense data, an income schedule will be developed. This schedule will then be applied to all properties within a specified market and property use. When analyzing income data, the following steps are necessary to determine if an income schedule can be developed.

- Determine if the sample size of the income data is sufficient to draw a conclusion about that market.
- Identify the range of rents (low to high) for property uses.
- Calculate the median and mean rents for each property use and its economic classes (or submarkets) if any.
- Identify the range in expenses (low to high) for property uses.

- Calculate the median and mean expenses for each property use and its economic classes (or submarkets) if any.
- Determine the typical vacancy for each property-use.

Once the median income and expenses have been established for a specified market, then the information will be entered into PACS to create an income schedule.

Testing the Model

The income schedule will be tested with a sample of properties from the same market. This sample should include properties that were used to develop the model. The District will determine if an appropriate value is calculated for each property. If erroneous values appear as the final value, then the data entry fields may need to be checked.

SALES ANALYSIS

When sales are available, they can be used to develop cap rates, identify trends in the market, produce ratio studies, and estimate the land value component for all properties.

A series of steps must be taken to determine market values for any group of properties. The following steps are used to arrive at a value per sales approach:

- collection of sales data
- verification
- data entry
- determination of property attributes & units of comparison
- market areas defined
- ratio studies
- analysis
- reports

Collection of Sales Data

The District gathers sales information from various sources. These sources include sales surveys, public domains, taxpayer provided information (such as MLS information, closing documents, etc.), CoStar, Crexi, and Trepp.

Verification

All sales are verified to determine the accuracy of appraisal records. A field inspection is conducted on all sold properties where differences exist between the sale document and the appraisal record. Once a field check is conducted, the appraisal record is updated with any changes along with appraiser comments.

Data Entry
Sales information is stored within PACS. The sale file should be a "snapshot" of the sold property at the time of the sale (property characteristics, condition, etc.). Any remodeling, renovations, or additions after the sale should not be included in this "snapshot" because it is not an indication of what sold.

Determine Attributes & Units of Comparison
The District determines what attributes and characteristics of a property the market recognized as important or of utility. The property attributes and characteristics are used to establish the benchmark property of a market area. Correctly identifying the attributes of a property is important for developing a model that reflects what and how those characteristics relate to the market.

This information is collected and/or verified at the time of a field inspection. It should be included in both appraisal records as well as updated on the sales profiles.

The District uses the following list as a guide in identifying the residential attributes which typically affect the market.

Residential Attributes	Comments
Site –	
Land size	described in square feet or acres
Access	limited due to easements; to water
View	ex. water feature, hill, scenic view
Utility	limited or sufficient building site
Topography	flat to sloping, floodplains, etc.
Improvements -	
Building	total living area
Class	construction type and quality
Age	actual and/or effective age
Story height	single story or multi story
Condition	overall deterioration of structures (at the time of sale)
Auxiliary improvements	pools, guest houses, etc.

The District uses the following list as a guide in identifying the commercial attributes which typically affect the market.

Commercial Attributes	Comments
Site -	
Land size	described in square feet or acres
Access	limited due to easements or sufficient access
Visibility	visibility of site from road access
Excess	is there excess land for future or separate development
Improvements -	
Building	gross building area & net rentable area
Class	construction type and quality
Age	actual and/or effective age
Story height	single story or multi story, also considered is wall height
Condition	overall deterioration of structures (at the time of sale)
Number of units	multi-tenant or single

Market Areas Defined

A neighborhood is a group of properties that share characteristics and are often identified by a physical or geographical boundary or legal restrictions. A neighborhood may also be defined as a group of properties that react similarly to market influences. Regardless of how the neighborhood was outlined, it should contain a sufficient population so an adequate sample of sales may be extracted. Correctly defining the parameters of each market area is essential for developing an appraisal model which reflects the characteristics affected by the market conditions.

Once a neighborhood has been identified, the District develops a neighborhood profile for each neighborhood. The profile describes the boundaries that define it, describes the influences affecting value in the neighborhood, and identifies the benchmark property.

Ratio Studies

After the sales are verified and data entry is complete, a preliminary ratio study will be performed. A ratio study should be completed for properties with a state category of A (residential improved), B (multi-family), C (vacant land), E (residential property on more than 10 acres), and F (commercial improved) within each school district. Please note that no ratio studies are conducted by the Appraisal District on F2 (industrial improved) properties because they are valued by Pritchard & Abbott Inc. Ratio studies are also performed for each neighborhood.

The ratio studies will list all the sales within the specified category of properties. It should identify the sales price for each property and the ratio of property value to sales price. The median and co-efficient of dispersion (COD) should also be calculated in a ratio study. This sales ratio study should be conducted each quarter.

The District has created templates in PACS for sales ratio studies. Each template has been set up with specific criteria to perform a ratio study. The template allows a user to quickly and easily extract sales data from PACS.

Analysis

The District shall analyze every ratio study to first determine if the sample size is sufficient. The District prefers a 3%-5% sample size to draw conclusions about the market and make necessary adjustments to the defined market area. If the sample size is too small, then the search criteria may need to be adjusted. Either the time frame of sales may need to be expanded, or the boundaries of an area may need to change. Once the sample size is sufficient, then conclusions can be drawn from the data.

Reports

There should be a ratio study for each neighborhood that sales occurred in and for each school district. Each ratio study saved to the CAD's team drive for analysis and record-keeping. These ratio studies will be included in the annual ratio reports. The report will include when the studies were conducted as well as its results.

VALUATION SYSTEM

The final step to the mass appraisal process is to determine the best indicator of value for a group of properties. The supervisor shall decide if a group of properties should be valued via the cost, income, or market approach to value. Generally, all residential properties within a specified market or neighborhood will be valued using the same approach to value. For commercial properties, all properties within a specified market or property use will be valued using the same approach to value. However, an appraiser should always consider any qualities or characteristics about a property which differ or do not equally compare to the sample of properties.

Once the supervisor has determined the appropriate approach to value, they must select that method of valuation and apply it to each account. However, it is the Commercial Department's policy to individually review each account and then to select the valuation method for each property use.

The supervisor shall perform a quality control check for all property uses. The supervisor will select a specific property use or market area, review the values, identify any inconsistencies, add any additional remarks in the appraiser remarks for any property, and/or initiate an additional field check. Once the quality control check is completed the properties are ready for notice.

The supervisor shall prepare the annual report. The report should include a summary of the income data for each property use and/or market area, as well as a summary of sales and building activity for the county. This shall be submitted to the Director of Operations for completion and final approval.

ADMINISTRATIVE ACTIVITIES

MASS APPRAISAL REPORT

The District is required to prepare a written mass appraisal report annually. The mass appraisal report must comply with USPAP standard 6. The report is prepared by the Director of Operations and submitted to the Chief Appraiser for approval. The Chief Appraiser shall certify the mass appraisal report on or about the 15th of May of each appraisal year.

PREPARATION OF APPRAISAL ROLL

After the supervisors for residential, land/rural, and commercial real estate and personal property have reconciled the values, the system will be recalculated by Director of Operations. Any system errors are identified, checked, and corrected. A preliminary appraisal roll is prepared by Director of Operations and submitted to the Chief Appraiser for verification. Not later than April 30th, "the Chief Appraiser shall prepare and certify to the assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit" (Sect. 26.01 (e) of the Texas Property Tax Code). A letter is prepared for each of these taxing units along with the estimate of taxable value of property in that taxing unit.

Valuation notices are mailed to property owners only after the above steps have been completed. Notices of Appraised Value are required to be mailed out April 1st or as soon as practicable thereafter.

APPEALS PROCESS

The appeals process relies on the results from the valuation process, property characteristics, ratio studies, and sales reports. It is the District's policy that all property owners/agents who file protest will be offered an informal meeting with an appraiser prior to a hearing with the Appraisal Review Board. The District considers informal meetings as an opportunity to communicate with the property owners, verify records, and identify any areas of the appraisal records which may require further review. The District recognizes that informal hearings exist for both the benefit of the public and the District.

Evidence to be used by the District to meet its burden of proof for market and equity during the Appraisal Review Board hearings typically consists of market and/or equity data in either a list format or in grids. Evidence for commercial properties will depend on whether the property is valued on income or cost. Properties on cost will typically have market and equity evidence as described above. Properties on income will typically have income calculation worksheets, cap rate information, and an equity analysis.

FINAL PERFORMANCE ANALYSIS

According to Chapter 5 of the Texas Property Tax Code and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax and Assistance Division (PTAD) conducts biannual property value studies (SDPVS) of each Texas school district and each appraisal district. As part of this biannual study, the code requires the Comptroller to use sales and recognized auditing and sampling techniques; test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and, determine the level and uniformity of property tax appraisal in each appraisal district. The methodology used in the property value study includes stratified samples to improve sample representation and techniques or procedures of measuring uniformity. This study utilizes statistical analyses of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and the price-related differential (PRD) for properties overall and by state category. There are four independent school districts in Comal County for which appraisal rolls are annually developed, however Comal Appraisal District is only tested in two of those school districts – Comal ISD & New Braunfels ISD. The preliminary results of this study are released February 1 in the year following the year of appraisal. The results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) the following July of each year.

ATTACHMENTS

The following plans are developed to assist the Comal Appraisal District in its reappraisal activities. It is a guide only. The District may deviate or need to change its objectives due to changes in the tax code or out of necessity. These plans are updated and submitted every two years to the Comal Appraisal District Board of Directors.

COMMERCIAL PROPERTY PLAN

OPERATIONAL PLAN

The purpose of the appraisal district is to discover, list and value property equitably and at market value as of January 1st of each year. In the year 2027, the District will focus its field work and analysis effort on properties identified as being in RA2. In the year 2028, the District will focus its field work and analysis efforts on properties identified as being in RA3. The properties that will be part of this reappraisal will include those with a State code of B1, B2, F1, F2, and F3.

The District will also review, field check, update data and/or change characteristics of any property outside of the reappraisal area if the property sold, was rendered, recently platted, and/or requires a field inspection due to an exemption application or building permit. Any change in ownership or increase in property value will generate a notice of appraised value.

<u>Performance Objectives and Target Completion</u>

Properties with the State code of F2 will be reviewed to ensure they are categorized correctly. The property-use codes for all properties will be reviewed to ensure they are classified correctly. New property-use codes may be created to separate properties into comparable groups.

All properties with the following use types will be verified in the field and records updated for 2027:

- Review all properties in RA2.
- Research, review, and update property use codes.
- Review, research, and implement additional classes for income producing properties
- Research, review, and update cost schedules for new improvement types that are becoming more typical in Comal County
- Review value method for multi-family properties. Specifically duplex, triplex, and 4-plex properties.

All properties with the following use types will be verified in the field and records updated for 2028:

- Review all properties in RA3.
- Research, review, and update property use codes.

- Research, review, and update cost schedules for new improvement types that are becoming more typical in Comal County
- Research, review, and update market/economic areas

The cost schedules for the commercial building types will be reviewed and updated annually.

Residences with a property group code of 23.01C will be reviewed in 2027 and 2028 to verify that the properties have a current homestead exemption and verify the highest and best use. This will be completed by the Residential, Commercial, Land, and Exemptions departments.

COMMERCIAL CALENDAR

MONTH	**APPRAISER**	**TEAM LEADER**	**DIRECTOR OF OPERATIONS**
AUGUST	• Update income spreadsheets • Organize field packets	• Research listings/sales • Enter sales	
SEPTEMBER	• Field work	• Check field work for quality control • Enter sales • Assist with review of PVS	• Review PVS report and submit (odd years only) • Ratio studies by stratum
OCTOBER	• Field work	• Check field work for quality control • Monitor status of field work • Enter sales • Review & update cost schedules	• Approve cost schedule updates
NOVEMBER	• Field work • Special reappraisal projects	• Check field work for quality control • Monitor status of field work • Enter sales • Send surveys	

DECEMBER	• Field work • Special reappraisal projects	• Monitor status of field work • Enter sales • Review, update, & test cost schedules • Send survey • Update income schedules	
JANUARY through MARCH	• Finalize field work • Review data from tenant letters and surveys • Determine market rents, vacancy and expenses • Prepare assigned property-use report	• Enter sales • Field checks for all sold properties • File sales & income surveys • Review property-use report • Ratio studies	• Approve income models • Ratio studies for school districts • Approve commercial report
APRIL through JULY	• Informal meetings & formal hearings	• Informal meetings & Formal hearings	• Create hearing schedules

BUSINESS PERSONAL PROPERTY PLAN

OPERATIONAL PLAN

The purpose of the appraisal district is to discover, list and value the property equitably and at market value as of January 1st of each year. All rendered business personal property accounts are reviewed annually. The properties that will be part of this reappraisal will include those with a State code of L1. Properties coded with the State code of L2 are valued by Pritchard & Abbott Inc appraisal firm.

The District will also review, field check, and update data of any business personal property outside of the reappraisal area if the business is sold, closed or is new, as well as any property that had building permits issued.

PERFORMANCE OBJECTIVES & TARGET COMPLETION

Field check all business personal property accounts in RA2 during 2027. Field check all business personal property accounts in RA3 by 2028.

Continue to identify all new businesses in Comal County and create new accounts for those businesses. Ensure that all new businesses are sent a rendition and rendition reminder in January of each year.

Review and update all accounts that are not linked to their real property account. This should be done annually. Check for accounts without a SIC code or situs and update those accounts accordingly.

Continue to receive and process all VIT declarations and issue penalty letters when necessary.

Review depreciation schedules and update as necessary.

BUSINESS PERSONAL PROPERTY

MONTH	APPRAISER	TEAM LEADER	DIRECTOR OF OPERATIONS
AUGUST through DECEMBER	• Field inspection • Prepare tenant list • VIT/SIT: file monthly statements • Mail FR app • Mail tenant letters • Mail vit/sit declarations • Data entry	• Order vehicle registration data • Prepare data for PVS (odd years only) • Contact printer for proofs of rendition cover letter & rendition form • Approve tenant letter list • Update schedules • Monitor status of field work	• Review PVS edit report and submit (odd years only)
JANUARY through APRIL	• Renditions • Process Freeport application • Tenant letters: process & update accounts • Field check new accounts • Data entry	• Review print proofs & approve • Mail renditions • Send Notice: value & penalty for late filing • Review Freeport applications • Monitor status of field work • Review extension requests	• Review print proofs & approve
MAY through JULY	• Informal/ formal hearings • Review request for waiver of penalty	• Informal/ formal hearings	• Informal/formal hearing scheduling

RESIDENTIAL PROPERTY PLAN

OPERATIONAL PLAN

The purpose of the appraisal district is to discover, list and value the property equitably and at market value as of January 1st of each year. In the year 2027, the District will focus its field and analysis effort on properties identified as being in reappraisal area RA2. In the year 2028, the District will focus its field and analysis effort on properties identified as being in reappraisal area RA3. The properties that will be part of this reappraisal will include those with a State code of A1, A2, A5, E1, E2, and M1.

The District will also review, field check, update data and/or change characteristics of any property outside of the reappraisal area if the property sold, was rendered, recently platted, and/or requires a field inspection due to an exemption application or building permit. Any change in ownership or increase in property value will also generate a notice of appraised value.

PERFORMANCE OBJECTIVES & TARGET COMPLETION

The cost schedules for each of the residential classes will be reviewed and updated as needed for both 2027 and 2028.

There are several residential projects to be completed for the 2027 appraisal year. They include:

- Review properties in the county set to ARB in prior years.
- Review aerial imagery in RA2 to reconcile records.
- Review neighborhood boundaries and market areas.
- Review effective age.
- Run card-to-card inspections for Equal & Uniform Analysis

There are several residential projects to be completed for the 2028 appraisal year. They include:

- Review properties in the county set to ARB in prior years.
- Review aerial imagery in RA3 to reconcile records.
- Research, review, and update cost schedules for mobile homes.
- Run card-to-card inspections for Equal & Uniform Analysis

Residences with a property group code of 23.01C will be reviewed in 2027 and 2028 to verify that the properties have a current homestead exemption and verify the highest and best use. This will be completed by the Residential, Commercial, Land, and Exemptions departments.

RESIDENTIAL CALENDAR

MONTH	**APPRAISER**	**TEAM LEADER**	**DIRECTOR OF OPERATIONS**
AUGUST	• Organize individual field packets • Enter bldg. permit data • Begin field work prep • Update condo accounts per regime	• Enter sales, permits, MH installation reports • Organize field assignments • Update A1 ratio worksheet	• Prepare annual report • Prepare reappraisal plan • Review annual objectives
SEPTEMBER	• Field work prep • Field work • Arbitrations as assigned	• Monitor all arbitration requests & assign accordingly • Assist with PVS (odd years) • Enter sales & permits • Remove mkt adj • Run preliminary ratios by neighborhood	• Review PVS report and submit (odd years only) • Create project plans
OCTOBER	• Field work prep • Field work • Arbitrations as assigned	• Monitor all field & arbitration assignments • Enter sales, permits & mobile home reports • Review & update cost schedules	• Approve cost schedule updates • Assign special projects as needed
NOVEMBER	• Field work prep • Field work (round 1) & rechecks	• Run preliminary sales ratios by class & type • Enter sales & permits • Monitor status of field & arbitration assignments • Quality control check field work	• Run preliminary sales ratios by stratum per ISD
DECEMBER	• Field work prep • Field work rechecks (round 1)	• Monitor all field & arbitration assignments • Enter sales & permits • Update and test schedules • Quality control field work	
JANUARY	• Complete field work (round 1) by January 31st	• Contact city for any additional information (historical areas, annexations, etc.) • Enter sales, permit & mobile home installation report • Run sales ratios per neighborhood & update report	• Run edit reports

		• Monitor field & arbitration assignments	
MONTH	**APPRAISER**	**TEAM LEADER**	**DIRECTOR OF OPERATIONS**
FEBRUARY	• Complete field work rechecks (round 2) • Sales checks	• Enter sales & permits • Run ratios by class • Run ratios by stratum per ISD • Run end of yr report for sales • Monitor field assignments • Quality control field work	• Review neighborhood ratio studies
MARCH	• Review % change reports per neighborhood (make changes or may require additional field checks) • Sales checks	• Run end of yr report for new construction • Import updated sales • Print % change reports for appraisers • Quality control check % change reports • Cost calibration/sale profiles • Final sales ratios	• Review ratio studies on each ISD
APRIL	• Informal meetings & formal hearings	• Informal meetings & formal hearings	• Send notices of appraised value
MAY	• Informal meetings & formal hearings	• Informal meetings & formal hearings	• Informal/formal hearings scheduling
JUNE	• Informal meetings & formal hearings	• Informal meetings & formal hearings	• Informal/formal hearings scheduling

JULY	• Informal meetings & formal hearings	• Informal meetings & formal hearings	• Review hearing schedules

LAND PROPERTY PLAN

OPERATIONAL PLAN

The purpose of the appraisal district is to discover, list and value the property equitably and at market value as of January 1st of each year. In the year 2027, the District will focus its field and analysis effort on properties identified as being in area RA2. The properties that will be part of this reappraisal will include all land within a neighborhood. In the year 2028, the District will focus its field and analysis efforts in RA3. The properties that will be part of this reappraisal will include those with a State code of A3, A6, C1, D1, D2, E1, E2, E3, E4, F2, J1, and O1.

The District will also review, field check, update data and/or change characteristics of any property outside of the reappraisal area if the property sold, was rendered, recently platted, and/or requires a field inspection due to an exemption application. Any change in ownership or increase in property value will also generate a notice of appraised value.

PERFORMANCE OBJECTIVES & TARGET COMPLETION

The land schedules will be reviewed and updated for each of the residential, commercial and rural neighborhoods in the reappraisal area 2 (RA2) for 2027 and reappraisal area 3 (RA3) for 2028.

There are several land projects to be completed for the 2027 appraisal year. They include:

- Review properties in the county set to ARB in prior years.
- Review effective acres groups
- Review of agriculture intensity standards
- Review residential real property inventory discounts
- Review neighborhood boundaries for lake and river neighborhoods

There are several land projects to be completed for the 2028 appraisal year. They include the following:

- Review properties in the county set to ARB in prior years
- Review effective acres groups
- Review of agriculture intensity standards
- Review land types, influences, and influence percentage for all land tables

Residences with a property group code of 23.01C will be reviewed in 2027 and 2028 to verify that the properties have a current homestead exemption and to verify the highest and best use. This will be completed by the Residential, Commercial, Land, and Exemptions departments.

All properties with an active agricultural or wildlife special valuation will be reviewed and verified for compliance.

In 2027, this review will include those properties in RA2 with a State code of D1 that have an agricultural application that was filed prior to 2017. In 2028, the District will review those properties in RA3 with a State code of D1 that have an agricultural application that was filed prior to 2018.

Reference (or Master) accounts will be reviewed and adjusted in order to reflect accurate interest percentages on the land. Any new amendments to condo regimes will have the interest percentage amounts reviewed.

LAND PROPERTY

MONTH	**DEED/MAPPING**	**LAND ANALYST**	**TEAM LEADER**	**DIRECTOR OF OPERATIONS**
AUGUST thru DECEMBER	• Update parcel maps • Update accounts per plats, surveys • Update ownership and legal description per deeds	• Enter sales • Field inspections as necessary • Farm & ranch survey • QC splits/ combinations from exemptions & GIS • Run sales ratios by neighborhood • Review land sales in reappraisal area	• Review PVS edit report, make changes, attach docs (odd years only) • Verify preliminary neighborhood ratios • Run ratios by stratum • Sales surveys • Ag Advisory Board Meeting • Ag reapplication mailout	• Create project plans • Review PVS edit report and submit (odd years only) • Assign special projects as needed • Review ratios by stratum

		• Ag Advisory Board Meeting • Create or update land schedules		
JANUARY thru MARCH	• Update parcel maps • Update accounts per plats, surveys • Update ownership and legal per deeds	• Review land sales in reappraisal area • Create or update land schedules • Process real property inventory forms • Analyze ag leases • Set ag values • Complete sales analysis • Run final ratios by neighborhood • Update ratio report	• Review neighborhood ratio report • Run ratios by stratum • Send Notices	• Review ratios by stratum
APRIL thru - JULY	• Assist with ARB	• Informal meetings & formal hearings	• Informal meetings & formal hearings	• Informal/formal hearings scheduling

EXEMPTIONS PROPERTY PLAN

OPERATIONAL PLAN

The purpose of the appraisal district is to provide information on available exemptions, process applications, and apply qualifying exemptions to the properties.

The District strives to receive, process, and reach a determination on any exemption application within 90 days of the date in which the application for exemption was filed. Property owners may file applications for exemptions at the District office, send them through the mail/email, or online using the District's online forms portal.

The District will also be establishing and implementing a program per Section 11.43(h-1) of the Texas Property Tax Code for a periodic review of each residential homestead exemption to confirm that the exemption still qualifies. The program will require the Chief Appraiser to review each residential homestead exemption once every five years.

Residences with a property group code of 23.01C will be reviewed in 2027 and 2028 to verify that the properties have a current homestead exemption and verify the highest and best use. This will be completed by the Residential, Commercial, Land, and Exemptions departments.

Residential Neighborhoods:

Reappraisal Area	Neighborhood Code	Neighborhood Name
RA1	458D603MH	4 BUCKS PROPERTY MH PARK
RA1	459B501	ADVANTAGE SUB
RA1	459C506MH	ALVES LANE MH PARK
RA1	486F803	ARROWOOD ESTATES
RA1	425F502	ARROYO VERDE
RA1	459D301	AUGUST FIELDS
RA1	459D402DP	BARRYS ACRES (DUPLEXES)
RA1	486C201	BAT CAVE RD
RA1	458B501	BAVARIAN VILLAGE
RA1	422F601	BEAR CREEK ESTATES
RA1	458F601	BLUEBONNET/VILLA RIO
RA1	459B504	BRAUNFELS EAST MH
RA1	489C401	BRIAR MEADOWS
RA1	459A401	BROADWAY ESTATES
RA1	489E102MH	BROOKFIELD MOBILE HOME PARK
RA1	459C503DP	BROWN ROCK SPRINGS
RA1	459C402	CADDELL
RA1	459B401	CAMERON 1 & 2
RA1	458E401CD	CAMP WARNECKE PH1 & PH2 CONDOS
RA1	486A101	CANHAM RANCH
RA1	459C401	CANYON HEIGHTS
RA1	459C301	CANYON RESERVE
RA1	459C101MH	CANYON TRAIL CAMPGROUNDS
RA1	458E501	CB1000 COMM/RES
RA1	457A102	CHAMPIONS VILLAGE
RA1	457D802MH	CIRCLE C MHP
RA1	459B602	CLEAR CREEK
RA1	459C508CD	CLEAR SPRINGS CONDO
RA1	425E402	CLOUD COUNTRY
RA1	489B202MH	COASTEL BEND MH PARK
RA1	458C201CD	COMAL CONDOS
RA1	R455F201	COMAL COUNTRY ESTATES AREA
RA1	459C201MH	COMAL FARMS
RA1	458D401CD	COMAL RIVER CONDOS
RA1	RIVER-NBC	Comal River NB
RA1	489E101MH	COMAL VALLEY MH PARK
RA1	422A601	COPPER RIDGE
RA1	488A802MH	CORRIDOR OAKS MH PARK

RA1	458F104	COTTON COTTAGES
RA1	425A801	COTTON CROSSING
RA1	458C301	COUNTRY CLUB ESTATES
RA1	425D201	COUNTRY HILLS
RA1	425E101	COUNTRY HILLS NORTH
RA1	486D801	COUNTRY OAK ESTATES
RA1	457E601MH	COUNTRY VILLAGE MH PARK
RA1	459E401DP	CREEKSIDE CROSSING
RA1	425C702	CREEKSIDE FARMS
RA1	459B506	CREEKSIDE VILLAS TOWNHOMES
RA1	490B102	CROWN RIDGE
RA1	488E501	CYPRESS POINT
RA1	424F702	CYPRESS RAPIDS @ GRUENE
RA1	458D806	DAYSPRINGS CHRISTIAN FELLOWSHIP
RA1	488B301	DEER PARK
RA1	459C507MH	DOLLAR DRIVE MH PARK
RA1	489C201MH	DONAHUE MOBILE HOME PARK
RA1	459E202CD	DOVETAIL CONDOS
RA1	457D801MH	DRY CREEK MH PARK
RA1	420E601	DURST RANCH
RA1	454D402	EL SITIO
RA1	457D301	ENCLAVE AT WESTPOINTE VILLAGE 1
RA1	486B402	ENCLAVE ENCHANTED BLUFF
RA1	486E501	ENCLAVE OF GARDEN RIDGE
RA1	457E403	ESTATES AT STONE CROSSING
RA1	458A801DP	EVERGREEN VILLAGE - DUPLEX
RA1	458A802	EVERGREEN VILLAGE - SINGLE FAMILY
RA1	488B702	FAIRWAY RIDGE
RA1	488C702GC	FAIRWAYS@SCENIC HILLS
RA1	458C502CD	FIVE ON CROSS CONDO
RA1	486D802	FOREST OF GARDEN RIDGE
RA1	457F301	FOREST PARK
RA1	457D601	FOREST RDG/LORI HGHTS
RA1	486D501	FOREST WATERS
RA1	457E701MH	FOUR D MOBILE HOME PARK
RA1	521E101	FREEWAY MANOR
RA1	486A401	GARDEN OAKS
RA1	459A202	GARDEN PARK
RA1	459A202DP	GARDEN PARK DP
RA1	486F801	GARDEN RIDGE ESTATES

RA1	458D301CD	GARDEN VILLAS CONDOS
RA1	458A803GH	GARDENS OF EVERGREEN
RA1	457D201	GARDENS OF HUNTERS CREEK
RA1	425F103	GATEHOUSE
RA1	459E201CD	GENERATIONS CONDO
RA1	486D401	GEORG RANCH
RA1	459B202	GLEN BROOK NEW AREA
RA1	459B301	GLEN BROOK OLDER AREA
RA1	459F301	GRACE MEADOWS
RA1	458C801	GREEN MEADOWS
RA1	458C801DP	GREEN MEADOWS DP
RA1	458E703	GREEN VALLEY EST
RA1	425A704	GRUENE ARBOR
RA1	459A201	GRUENE COURTYARD
RA1	424F804	GRUENE COVE
RA1	425B801	GRUENE CROSSING
RA1	424F805	GRUENE GARDEN
RA1	424F807	GRUENE LEAF UNIT 2
RA1	424E701	GRUENE RD (LOOP 337 TO RIVER)
RA1	459A302DP	GRUENE RD DPLXS
RA1	424C401	GRUENE RIVER
RA1	458F103	GRUENE RIVER PLACE
RA1	424F701CD	GRUENE RIVER RESORT CONDOS
RA1	459A302	GRUENE ROAD S/D
RA1	424E701CD	GRUENE VILLAGES CONDOS
RA1	424F703	GRUENE WALD
RA1	425A602	GRUENEFIELD
RA1	458E405SP	GUADA COMA
RA1	RIVER-NBS	Guadalupe River NB- South of IH35
RA1	RIVER-NBN	Guadalupe River NB-North of IH35
RA1	391E701	HAVENWOOD
RA1	459B101	HEATHER GLEN 1
RA1	426A801	HEATHERFIELD
RA1	486B401	HEIMER ESTATES CONDO
RA1	458F604DP	HELMS TERR-DUPLEX PROP
RA1	458F605	HELMS TERR-SINGLE FAMILY
RA1	489F203	HERITAGE PARK AT MORNINGSIDE
RA1	458A809DP	HEYNIS DPLXS
RA1	455B301	HIGH CHAPARRAL
RA1	458F102	HIGH COTTON ESTATES

RA1	490B201	HIGHLAND GARDENS
RA1	490A102	HIGHLAND GROVE (CENTEX)
RA1	489B203MH	HILLSIDE MH PARK
RA1	457F502	HILLSIDE ON LANDA
RA1	489F101MH	HILLSIDE VILLAS MH PK
RA1	R391A802	HOFFMAN OAKS
RA1	423C601	HUECO SPRGS RANCHES
RA1	392D501	HUNTER
RA1	425C303	HUNTER HILLS
RA1	425F102	HUNTER OAKS
RA1	457C201	HUNTERS CREEK
RA1	458E402CD	INVERNESS CONDOS
RA1	456E201CD	JOHN NEWCOMBE TENNIS RANCH CONDOS
RA1	458B602CD	KATY CONDO
RA1	457F201	KIRKWOOD SUB
RA1	459B203	KOWALD & RICHTER LN
RA1	426A401	KYNDWOOD
RA1	459B507	LAKE FRONT HIDEAWAY
RA1	459B503	LAKEFRONT COURT AREA (RESIDENTIAL)
RA1	458C302	LANDA PARK EST.
RA1	458A305	LANDA PK HGLDS 2
RA1	458C202	LANDA PK HIGHLANDS/LAKEVIEW BLVD
RA1	458A402	LANDA WOODS
RA1	457E301	LARK CANYON
RA1	457F401	LAUREL HEIGHTS
RA1	454D801	LEWIS RANCH
RA1	489B204MH	LIGHTHOUSE MH PARK
RA1	458A603MH	LIVE OAK A MANUFACTURED HOUSING COMMUNITY
RA1	458B801	LOMA VERDE
RA1	391A801	LOST CANYON
RA1	RIVER-L1	LOWER GUADALUPE-NBHDS WELL
RA1	489A401	MAGNOLIA SPRINGS
RA1	423B801	MANOR CREEK
RA1	458A807DP	MAPLES DUPLEXES
RA1	458D403CD	MARKET AVENUE SQUARE CONDOS
RA1	426A501	MAYFAIR
RA1	458A602	MCGAR SUB
RA1	489F201	MEADOWS OF MORNINGSIDE
RA1	489E301	MEADOWS OF MORNINGSIDE UNIT 1
RA1	426E401	MELSHIR ACRES

RA1	490D101DP	MEMORIAL UNIT 1 (DUPLEX PROP)
RA1	459D202CD	MERCER
RA1	426F601	MESQUITE RANCH
RA1	459A501	MEYER ADDTION AREA
RA1	459F401	MEYERS LANDING
RA1	458B601	MILL STREET RESIDENTIAL
RA1	457E402	MISSION FOREST
RA1	457F402	MISSION HEIGHTS
RA1	457E401	MISSION HILL UNIT 1
RA1	422E801	MISSION HILLS RANCH
RA1	422E802	MISSION HILLS RANCH (GATED)
RA1	457F303DP	MISSION OAKS DP
RA1	457F302	MISSION OAKS/WILDWOOD
RA1	457F403	MISSION RIDGE
RA1	457A201	MISSION VALLEY EST
RA1	459B502DP	MISTY ACRES DUPLEXES
RA1	458B802	MOCKINGBIRD HEIGHTS
RA1	458A805	MORNING MIST
RA1	458B803	MORNINGSIDE ACRES
RA1	489D301	MORNINGSIDE TRAILS
RA1	489F202	MORNINGSTAR
RA1	424D301	MOUNTAIN LAUREL ESTATES
RA1	458C501	NB CB3000E
RA1	458D201	NB CB5000A (HOSPITAL DIST)
RA1	458D202	NB CB5000B (COMMON ST)
RA1	458E301	NB CB5000C
RA1	456F103	NEWCOMBE
RA1	456F101	NEWCOMBE TENNIS RANCH 1 & 3
RA1	458F801	NORTH PARK MEADOWS
RA1	454E301	NORTH POINT
RA1	488B701GC	NORTHCLIFF GC
RA1	488B701	NORTHCLIFF INTERIOR
RA1	425C701	NORTHGATE
RA1	459C502	NORTHVIEW
RA1	425E401	NORTHWEST CROSSING
RA1	457C101	NORTHWOODS
RA1	458D101	OAK BLUFF EST
RA1	425E603	OAK CREEK EST
RA1	424F301	OAK GROVE
RA1	423C501	OAK HILL ESTATES

RA1	486B701	OAK MEADOW ESTATES
RA1	457D101	OAK RUN
RA1	457A301	OAK VIEW
RA1	458B101	OAKWOOD ESTATES
RA1	458A101GH	OAKWOOD GARDEN HOMES
RA1	459C501	OELKERS ACRES
RA1	459C504DP	OELKERS ACRES UNIT 2
RA1	424E702CD	OLD MILL AT GRUENE CONDO
RA1	459A501CD	OLD MILL CROSSING TH CONDOS
RA1	425D601DP	ORION PARK DUPLEX
RA1	486E801	PARK AT GARDEN RIDGE
RA1	486B501	PARK LANE EST AREA
RA1	458D804GH	PARK RIDGE GARDEN HOMES
RA1	458D702	PECAN ARBOR
RA1	459B201CD	PECAN PLATZ CONDOS
RA1	459B205MH	PECAN WAY MHP
RA1	424D701	PREISS HEIGHTS
RA1	458D805	PROVIDENCE PLACE
RA1	422D701	PURLSONG
RA1	425E601	QUAIL VALLEY
RA1	458B402	R & K - PARKVIEW RESIDENTIAL
RA1	454B401	RAMBLE RIDGE
RA1	R390F701	RANCHES OF COMAL
RA1	458D402CD	RAPIDS CONDOS
RA1	487A701	REGENCY OAKS
RA1	459A301	RHINE TERRACE
RA1	424E501	RIADA
RA1	488A801	RIATA 1, 2, & 5C
RA1	458A301CD	RIDGECREST CONDOS
RA1	458E201	RIO VISTA
RA1	458E201DP	RIO VISTA DPLXS
RA1	424F809	RIVER BLUFF @ GRUENE
RA1	458F201	RIVER ENCLAVE
RA1	424E401	RIVER FOREST
RA1	390C701	RIVER OAKS
RA1	424D401	RIVER PLACE @ GRUENE
RA1	458C401CD	RIVER RUN CONDOS
RA1	458E202	RIVER TERRACE
RA1	458F101	RIVERCREST HGHTS NORTH
RA1	458F206	RIVERCREST HGHTS SOUTH

RA1	458E501CD	RIVERSIDE CONDOS
RA1	459B601	RIVERTREE
RA1	455B501	ROCKWALL RANCH
RA1	455C401	ROCKWALL RANCH GATED
RA1	455C601	ROCKWALL RANCH UNITS 6-7
RA1	425C301	ROLLING ACRES
RA1	391A701	ROLLING OAKS
RA1	458D803	ROLLING VALLEY 6, PARK RIDGE, PALACE HEIGHTS
RA1	458D801	ROLLING VALLEY UNIT 10
RA1	490C101GH	ROLLING VALLEY/MEDOW CREEK GARDEN HOMES
RA1	458A807CD	ROSEWOOD VILLAGE CONDO
RA1	RURAL1	Rural Ac. Area 1
RA1	RURAL5	Rural Ac. Area 5
RA1	489B201	RUSCH LN AREA
RA1	392B801	SADDLE PASS
RA1	458B603CD	SAN ANTONIO ST CONDOS
RA1	455B801	SCHOENTHAL RANCH
RA1	490B101	SCHUETZ SUB
RA1	424E801	SETTLEMENT AT GRUENE
RA1	457B401	SHADOW HILLS
RA1	458E702DP	SHADOW PARK DPLX
RA1	458E702GH	SHADOW PARK GARDEN HOMES
RA1	459B505MH	SHADY ACRE MOBILE HOME PK
RA1	454D401	SIESTA VILLAGE
RA1	391D201CD	SILVERLEAF CONDOMINIUMS
RA1	459C302	SOLMS LANDING
RA1	459C303CD	SOLMS LANDING CONDOS
RA1	458D501	SOPHIENBURG HILL HISTORIC
RA1	458A806	SOUTHLAND
RA1	459D403	SPRING VALLEY
RA1	355C801MH	STARTZVILLE MH PARK
RA1	489F301	STEELWOOD TRAIL
RA1	521D101MH	STONE CREEK MH & RV PARK
RA1	459D501	STONE GATE
RA1	458F301CD	SUMMERHILL CONDOS
RA1	458F303	SUMMERWOOD
RA1	458F302DP	SUMMERWOOD DUPLEX
RA1	459A203	SUMMERWOOD EAST
RA1	458F304	SUMMERWOOD GARDEN HOMES
RA1	458F305	SUMMERWOOD TOWN HOMES

RA1	458B701	SUMMIT CENTER
RA1	425C302MH	SUN VALLEY MH PARK
RA1	425C501	SUNFLOWER RIDGE
RA1	490A104	SUNSET RIDGE
RA1	457A101CD	T BAR M RANCH CONDOS
RA1	457B201	T BAR M RANCH ESTATES
RA1	458A201DP	TANGLEWOOD DUPLEXES
RA1	458A202	TANGLEWOOD FOREST
RA1	426A701	TERRITORY PASS
RA1	390E602	TEXAS COUNTRY EST UNIT 2
RA1	390E601	TEXAS COUNTRY ESTATES
RA1	458F105	THE CASINAS AT GRUENE
RA1	425F101	THE CROSSINGS @ HAVENWOOD
RA1	457E302	THE EQUINOX
RA1	460B101	THE LANDING
RA1	391C701	THE PINNACLE
RA1	456F402	THE PRESERVE
RA1	456F403	THE PRESERVE UNIT 4
RA1	490B103	THE RESERVE AT MOCKINGBIRD HEIGHTS
RA1	425A601	THORN HILL
RA1	456F401	TIMBER RIDGE
RA1	458B502	TOWN CREEK
RA1	458B503	TOWN CREEK TH & CONDOS
RA1	486F601	TROPHY OAKS
RA1	458C101CD	TUSCAN RIDGE CONDOS
RA1	458D601	UNICORN HGHTS-EICKENROHT
RA1	457E104	VERAMENDI PRECINCT
RA1	424F808CD	VILLAGE AT GRUENE CONDOS
RA1	457F501	VILLAGE ROYAL
RA1	425A702	VINEYARD @ GRUENE II
RA1	425A703GH	VINEYARD @ GRUENE II GARDEN HOMES
RA1	421E301	VINTAGE OAKS 7
RA1	423E801GTD	VISTA ALTA DEL VERAMENDI (GATED)
RA1	490A101	VISTA HILLS
RA1	458A405	VOIGHT ESTATES & FOREST PARK
RA1	458D701	WALNUT ESTATES
RA1	458D703GH	WALNUT ESTATES GARDEN HOMES
RA1	458E701	WALNUT HEIGHTS EAST
RA1	458D702MH	WALNUT MH PARK
RA1	425D501	WASSER RANCH

RA1	458E301CD	WATERWHEEL RESORT CONDOS
RA1	459B204MH	WAYSIDE MOBILE PARK
RA1	458A701	WEST END 1
RA1	458A604	WEST END 2
RA1	458B602	WEST END 3
RA1	458C601	WEST END 4
RA1	458D502	WEST END 5
RA1	459D201	WEST VILLAGE AT CREEKSIDE
RA1	459D401	WHISPERWIND
RA1	486D701	WILD WIND
RA1	425C801MH	WINDGATE MH PARK
RA1	458A302	WOODLAND HEIGHTS + EXT
RA1	486C601	WOODLANDS OF GARDEN RIDGE
RA1	458A401	WOODROW
RA1	454C501	WUEST ESTATES
RA1	490C201	WUNDERLICH
RA1	426F101	YORK CREEK ESTATES
RA2	418D301	4 S RANCH (HIDDEN TRAILS)
RA2	418C201	4 S RANCH (HT WESTFEILD COLLECTION)
RA2	417B501	ACACIA RANCH
RA2	R383E401	AHERN CREEK RANCHES
RA2	354B301	ALTO LAGO
RA2	385B601MH	AMBER CREEK MH
RA2	415A401	AMMANN OAKS
RA2	416C401MH	AMMANN RD TRL PARK
RA2	419F501	BECK RANCH
RA2	382A801	BELLE OAKS RANCH
RA2	384C701	BERRY OAKS (GATED)
RA2	318F301	BIG SKY RANCHETTES
RA2	417D201	BULVERDE ESTATES
RA2	417D701	BULVERDE GARDENS
RA2	417D601	BULVERDE HILLS
RA2	417D401	BULVERDE OAKS
RA2	416F701	BULVERDE RANCH
RA2	417F101	BULVERDE RANCHETTES
RA2	319B101	CANYON OAK ESTATES
RA2	319E101	CANYON RANCH
RA2	416A401	CANYON VIEW ACRES
RA2	319E202	CASCADA @ CANYON LAKE
RA2	383B801	CENTENNIAL RIDGE

RA2	318F601	CHERRY CREEK
RA2	453F101	CIBOLO CLIFF RANCHES
RA2	413D701	CIBOLO TRAILS
RA2	384D701	COMAL TRACE
RA2	418A801	COPPER CANYON
RA2	354C201GTD	CORDOVA BEND (GATED)
RA2	417F801	COUNTRY PLACE
RA2	352D202	COYOTE RIDGE
RA2	385A201	CREEKWOOD RANCHES
RA2	285E601	CROSS CANYON RANCH
RA2	385F501	CROSS ROADS ESTATES
RA2	317D801	CROSSING @ SPRING CREEK
RA2	317D802	CROSSING @ SPRING CREEK - CREEK LOTS
RA2	319E201	CYPRESS COVE
RA2	319E203	CYPRESS COVE 2
RA2	318E401	CYPRESS LAKE GARDENS
RA2	352A702	CYPRESS SPRINGS GUADALUPE (INTERIOR LOTS)
RA2	352A701	CYPRESS SPRINGS ON THE GUADALUPE
RA2	419B701	DAWN VIEW AC./MISTY HILLS
RA2	318F102	DEER RIVER
RA2	R420D101	DOEHNE OAKS
RA2	381B501	DRESDEN WOOD
RA2	383B501	ELM RIDGE ESTATES
RA2	418A101	ELM VALLEY AREA
RA2	386B302	ESTATES @ MTN SPRGS RNCH
RA2	385B502	ESTATES AT MITCHELL RANCH
RA2	413F502	FAIR OAKS 1
RA2	413E601	FAIR OAKS SECTIONS 1-5
RA2	352D807CD	FAIRWAYS @ RIVER CROSSING CONDOS
RA2	318F602	FINKEL/ENCINO VISTA
RA2	R354A801	FLAT CREEK (GATED)
RA2	R384B401	FLYING R RANCHES
RA2	R419F301	FORK
RA2	353C601	FOX HILL
RA2	415F101	GLENWOOD
RA2	417A401	GOLDSMITH
RA2	384C201	GUADALUPE HILLS/RODEO DRIVE
RA2	352B501	GUADALUPE RIVER ESTATES
RA2	R420E101	HERITAGE OAKS
RA2	415F301	HIDDEN OAKS

RA2	386B303	HILLS @ MTN SPRGS RNCH (GATED)
RA2	R382D501	HONEY CREEK EST/HONEY CREEK RANCHES
RA2	318D301	INDIAN & COMAL HILLS
RA2	417C301	INDIAN CREEK RIDGE
RA2	418B601	JOHNSON RANCH
RA2	418B201	JOHNSON RANCH NORTH
RA2	418B602	JOHNSON RANCH-LA CRECIENTE
RA2	384A501	KESTRAL AIR PARK
RA2	384A502	KESTRAL AIR PARK - RUNWAY LOTS
RA2	LAKE-1	Lake 1
RA2	318E101	LAKE OF THE HILLS EST
RA2	R384B201	LANGE RANCH
RA2	383E201	LANTANA RIDGE
RA2	352C201	LEANING OAKS RNCH
RA2	384D801	LOMAS ESCONDIDOS
RA2	352C801MH	MAJESTIC OAKS MANOR MH & RV PARK
RA2	353F501	MONIER RANCH
RA2	416C301	MONTEOLA
RA2	356A701	MOORWOODS RNCH AREA
RA2	386B301	MOUNTIAN SPRNGS RNCH U 1 TO 3
RA2	320C301	MYSTIC SHORES 7,9,10,11,13,15,17
RA2	320E201	MYSTIC SHORES COMMERCIAL
RA2	320C101	MYSTIC SHORES NORTH
RA2	320F601	MYSTIC SHORES PARK
RA2	320E701GTD	MYSTIC SHORES PENINSULA-GATED
RA2	286E601	MYSTIC SHORES UNIT 2
RA2	320F401	MYSTIC SHORES VIEWS
RA2	320C602GTD	MYSTIC SHORES-GATED
RA2	381D301	NORTH BARCROFT ESTATES
RA2	414A402	OAK BEND ESTATES
RA2	382E701	OAK CLIFF ACRES
RA2	351C201	OAK SPRINGS
RA2	418D501	OAK VILLAGE NORTH
RA2	383E601	OAKLAND ESTATES
RA2	352D803	OVERLOOK @ RIVER CROSSING
RA2	352D806GC	OVERLOOK GOLF COURSE LTS
RA2	383E701	PALMER HEIGHTS
RA2	354A301	PARADISE ON THE GUADALUPE
RA2	382B501	PARK VILLAGE
RA2	417B301	PERSIMMON HILL

RA2	384B503	PRESERVE AT SINGING HILLS
RA2	319C701	RAYNER RANCH & SERENITY OAKS
RA2	318D501	REBECCA CREEK ESTATES
RA2	319C601	REBECCA CREEK PARK
RA2	354A501	REBECCA CREEK RANCHES
RA2	319C602	REBECCA CRK PARK 2
RA2	417F802	RESERVE @ COPPER CANYON
RA2	386B304	RIDGE @ MTN SPRGS RNCH (GATED)
RA2	385B501	RIDGEVIEW OAKS - EAST
RA2	384C601	RIDGEVIEW OAKS WEST
RA2	419B601	RIM ROCK RANCH
RA2	352D801	RIVER CROSSING
RA2	352D804GC	RIVER CROSSING - GOLF COURSE LOTS
RA2	352D802	RIVER CROSSING UNIT 5
RA2	351D301	RIVERMONT
RA2	RURAL4	Rural ac. area 4
RA2	417F501	SADDLERIDGE
RA2	381C401	SAGE OAKS
RA2	414A501	SETTERFELD ESTATES 1
RA2	413F501	SETTERFELD ESTATES 1A
RA2	383A801	SHEPHERDS RANCH
RA2	414D101	SILVER HILLS
RA2	318D401MH	SILVER WINGS MH COMMUNITY
RA2	284C401	SIMMONS VALLEY
RA2	419D701	SKYRIDGE SUBDIVISION
RA2	419B801	SMOKEY MOUNTAIN RANCH
RA2	383B601	SPRING BRANCH ACRES
RA2	351D806	SPRING BRANCH ESTATES
RA2	318B701	SPRING BRANCH MEADOWS
RA2	383C801	SPRING OAK ESTATES
RA2	319B501	SPRINGS @ REBECCA CREEK
RA2	319B502	SPRINGS @ REBECCA CREEK GATED
RA2	284F801	STALLION ESTATES (GATED)
RA2	416C501	STONEFIELD
RA2	419E101	STONEY CREEK
RA2	419A101	STONEY RIDGE
RA2	384F301	SUN VALLEY VILLAGE
RA2	384B801MH	TEXAS 281 RV PARK
RA2	414A401	THE ENCLAVE @ FAIR OAKS RANCH
RA2	418B101	THE HIGHLANDS SUB (GATED)

RA2	419A701	TWIN CREEK
RA2	418A701	UECKER TRACT
RA2	RIVER-U2	UPPER GUADALUPE
RA2	RIVER-U1A	UPPER GUADALUPE-RURAL
RA2	318F101	VALERO ESTATES
RA2	386B305	VISTAS @ MTN SPRGS RNCH (GATED)
RA2	420D201	WALDSANGER
RA2	417F701	WEIDNER SUB
RA2	385D401	WHISPERING HILLS
RA2	353E701	WIESNER RCH/SMITH/TANAMARA
RA2	383F501	WINDMILL RANCH
RA2	383B101	WOODS@ SPRING BRANCH
RA3	357A601	ARROWHEAD/CANYON LAKE VILLAGE
RA3	355B301	ASTRO HILLS
RA3	355C502GTD	AVONLEA (GATED)
RA3	422C301	BEAR CREEK HILLS
RA3	356C601CD	BLUE WATER CONDOS
RA3	323E501	BLUFFS ON THE GUADALUPE
RA3	357C603GTD	BRADCLIFF ON THE RIVER (GATED)
RA3	422E101	BUFFALO SPRINGS/TIMBER ROCK
RA3	357A403	CAD CANYON & DEEP ACRES
RA3	357D504GTD	CANYON CORNER (GATED)
RA3	356F201	CANYON CREEK EST
RA3	LAKE-2 PKN	Canyon Lake 2 Community Park N
RA3	LAKE-2 PKS	Canyon Lake 2 Community Park S
RA3	LAKE-2 GTD	Canyon Lake 2 Gated
RA3	LAKE-2 N	Canyon Lake 2 North
RA3	LAKE-2 S	Canyon Lake 2 South
RA3	LAKE-2 S A	Canyon Lake 2 South A
RA3	322C502	CANYON LAKE ACRES UNIT 1
RA3	322B302	CANYON LAKE ACRES UNIT 2
RA3	321B401	CANYON LAKE ESTATES
RA3	355B601	CANYON LAKE FOREST UNIT 1
RA3	355B602	CANYON LAKE FOREST UNIT 2
RA3	355B603	CANYON LAKE FOREST UNIT 3
RA3	355D301	CANYON LAKE HILLS 1
RA3	355C101	CANYON LAKE HILLS 2&3
RA3	355D201	CANYON LAKE HILLS 4,5,6
RA3	321E703	CANYON LAKE ISLAND
RA3	354F401	CANYON LAKE MH ESTATES

RA3	354F402MH	CANYON LAKE MH NORTH
RA3	321A701	CANYON LAKE SHORES
RA3	356B501	CANYON LAKE VILLAGE WEST
RA3	322D701CD	CANYON LAKE VILLAS CONDOS
RA3	322D704	CANYON PARK ESTATES
RA3	387E501	CANYON RANCH @ VINTAGE OAKS (GATED)
RA3	355A201	CANYON SPRINGS RESORT 1
RA3	355A207	CANYON SPRINGS RESORT 2
RA3	355A203	CANYON SPRINGS RESORT 3
RA3	322D702CD	CANYON VISTA CONDOS
RA3	389F601CD	CASISTAS ON THE GUADALUPE CONDOS
RA3	355D801CD	CEDAR TERRACE CONDOS
RA3	356B801MH	CHAPMAN'S PARK
RA3	322F801	CLEARWATER ESTATES
RA3	389E501CD	CLIFF VIEW CONDOS
RA3	355E601CD	CORDOBA LODGE CONDOS
RA3	322D501CD	COUGAR RIDGE CONDOS
RA3	354F302	CRANES MILL LANDING
RA3	356F301	CRYSTAL HEIGHTS
RA3	387B501	DEER CREEK @ VINTAGE OAKS
RA3	354E501	DEER MEADOWS
RA3	356E701CD	DER WASSER HAUSER CONDOS
RA3	322E301	DEVILS BACKBONE
RA3	323A401	EAGLES PEAK/WILD HORSE HILLS
RA3	324D701	EDEN RANCH
RA3	322E502	EL DORADO HGTS
RA3	423C301	ELM CREEK RANCHES
RA3	357E201	EMERALD VALLEY
RA3	422E402	ENCINO HILLS
RA3	321E503GTD	ENCLAVE @CANYON LAKE (GATED)
RA3	355B608GTD	ENSENADA SHORES
RA3	355B606GTD	ENSENADA SHORES U3&4 (GATED)
RA3	323F301	ESPINAZO DEL DIABLO
RA3	388C601	ESTATES AT BEAR CREEK
RA3	288B501	ESTATES CARPERS CREEK
RA3	356D703	FIRST MOUNTAIN
RA3	254E601	FOREST VIEW NORTH
RA3	322E801CD	GARDENS @ CLEARWATER CONDOS
RA3	321C601	GLENMARE
RA3	355E602CD	GREENS @ WOODLANDS CONDOS

RA3	390F301	GRUENE HAVEN
RA3	358D101CD	GRUENE LAKE RANCH RESORT CONDO
RA3	322A401	HANCOCK OAK HILLS
RA3	387A101GTD	HERITAGE ESTATES (GATED)
RA3	255D801	HIGH RIDGE RANCH
RA3	356C701	HIGHLAND TERRACE
RA3	422E401	HOMESTEAD & LONE OAK
RA3	357C604	HORSESHOE FALLS
RA3	387B201	INLAND ESTATES
RA3	388B201	JDJ RANCH
RA3	355A302GTD	KINGS COVE (GATED)
RA3	321E702GTD	KINGS POINT (GATED)
RA3	321C401	LAKE RIDGE AT CANYON LAKE
RA3	354D301	LAKE VIEW PARK
RA3	322B301CD	LAKERIDGE TOWNHOMES
RA3	322B401	LAKESIDE DEV
RA3	321D401	LAKEVIEW RIDGE SUBD.
RA3	321C301	LAZY DIAMOND/THE VALLEY
RA3	287F801GTD	LEGENDS @ RANCHO DEL LAGO
RA3	389D205	Little Ponderosa 1
RA3	389D204	LITTLE PONDEROSA 2
RA3	RIVER-L2	LOWER GUADALUPE
RA3	RIVER-L1B	LOWER GUADALUPE-RANCHES
RA3	RIVER-L1A	LOWER GUADALUPE-RURAL
RA3	357D501	MARICOPA RANCH
RA3	421A201	MEYER RANCH
RA3	356D202	MOUNT LOOKOUT
RA3	387F101GTD	MOUNTAIN OAKS (GATED)
RA3	321A301	MYSTIC BLUFFS
RA3	387D201	NAKED INDIAN RESERVATION
RA3	357C602	NETHER HILL PLACE
RA3	322E601	NORTH LAKE ESTATES
RA3	322E802CD	OAK RIDGE VILLAS CONDOS
RA3	355B303GTD	OAK SHORES (GATED)
RA3	358E801	OAK VALLEY ESTATES
RA3	254E801GTD	OLD 32 RANCH (GATED)
RA3	387B101	OVERLOOK AT CANYON LAKE
RA3	357E701GTD	OXBOW ON THE GUADALUPE-GATED
RA3	288B301	PEALE RD
RA3	322C201	POINT @ RANCHO DEL LAGO

RA3	321D201MH	POTTERS CREEK VILLAGE
RA3	287E601	RANCHO DEL LAGO
RA3	287E501	RANCHO DEL LAGO U1&2
RA3	322C401GTD	RINCONADA HEIGHTS (GATED)
RA3	357D801CD	RIO GUADALUPE CONDOS
RA3	390E401	RIVER CHASE UNITS 1-3
RA3	390F401	RIVER CHASE UNITS 4-10
RA3	357E501	RIVER POINT
RA3	389E502CD	River Road Villas
RA3	287C701	ROCKY CREEK RANCH
RA3	354F701	ROLLING HILLS
RA3	359B701	ROYAL FOREST
RA3	RURAL2	Rural Ac. Area 2
RA3	RURAL3	Rural Ac. Area 3
RA3	355E603CD	S Y S CONDOS
RA3	389D301	SATTLER ESTATES
RA3	357C801	SATTLER VILLAGE
RA3	355A701	SCENIC HEIGHTS
RA3	389D203	SCENIC RIVER PROPERTIES
RA3	322C501	SCENIC TERRACE
RA3	322C303	SCENIC TERRACE NORTH
RA3	356C801	SENDERA VISTA
RA3	356E302	SIMON JONAS
RA3	357A701	SKYLINE ACRES
RA3	357B201	SPRING MOUNTAIN
RA3	288C701	STALLION SPRINGS
RA3	287C301GTD	SUMMIT ESTATES AT FISHER (GATED)
RA3	287B501GTD	SUMMIT NORTH (GATED)
RA3	355E801	SUN BURST RANCH
RA3	356D201	SUNNY SIDE TERRACE
RA3	322D703CD	SUNSET COVE @ THE SHORES CONDOS
RA3	322A502	TAMARACK SHORES
RA3	321D501	TANGLEWOOD SHORES
RA3	321B502	THE CEDARS
RA3	355F701	THE OAKS
RA3	422C101	THE PRESERVE AT ELM CREEK
RA3	358A801	THE SUMMIT
RA3	355A702	TOM CREEK ACRES
RA3	354F702	TOM CREEK HILLS
RA3	356C602CD	TOWN HOMES OF VILLAGE WEST CONDOS

RA3	321E301	TRANQUILITY PARK
RA3	356C603	TRIPLE PEAK/VILLAGE SHORES INTERIOR
RA3	356A801	VILLAGE OAKS
RA3	354E401GTD	VILLAS AT CRANES MILL MARINA (GATED)
RA3	421E201	VINTAGE OAKS - EAST RANCH
RA3	421D102	VINTAGE OAKS - GATED
RA3	421E302	VINTAGE OAKS - THE GROVE
RA3	421D101	VINTAGE OAKS (NON GATED)
RA3	421E202	VINTAGE OAKS (THE BLUFF/BEAR CREEK)
RA3	421D103	VINTAGE OAKS RESERVE
RA3	386F501GTD	WAGGENER RANCH (GATED)
RA3	355C501	WATERFRONT PARK
RA3	355B403GTD	WESTHAVEN (GATED)
RA3	355D701GC	WOODLANDS
RA3	355E604CD	WOODLANDS CONDOS
RA3	355D601CD	WOODLANDS CONDOS # 2

Commercial Neighborhoods:

Reappraisal Area	Neighborhood Code	Neighborhood Name
RA2	C352-H281N	Hwy 281 North
RA3	C355-STARZ	Startzville
RA3	C357-SATTR	SATTLER
RA2	C382-HWY46	Hwy 46 -W Rural areas
RA2	C384-HWY46	Hwy 46 City of Bulverde
RA2	C384-SH	SINGING HILLS
RA3	C390-RU306	HWY 306 RURAL AREAS
RA2	C417-BULV	Bulverde Rd
RA2	C418-H281S	Hwy 281 South
RA1	C424-GRN	Gruene
RA1	C425-1101	FM1101 NB/COUNTY
RA1	C425-COMM	Common St
RA1	C425-CS	IH35 Creekside
RA1	C425-FM306	FM 306 New Braunfels
RA1	C426-IH35	IH35 North rural
RA1	C457-HWY46	Hwy 46 W at Loop 337
RA1	C457-WALD	Wald Rd
RA1	C458-B35C	Business 35 Central
RA1	C458-B35N	Business 35 North

RA1	C458-CBD	CBD-Main Plaza
RA1	C458-CBD2	CBD- CASTELL,COMAL,UNION
RA1	C458-IH35	IH35 NB South
RA1	C458-IH352	IH35 NB North
RA1	C458-LANDA	Landa &SA
RA1	C458-LP337	North Loop 337
RA1	C458-RMILL	RIVER MILLS
RA1	C458-WALNT	Walnut Estates Area
RA1	C486-GR	Garden Ridge
RA1	C486-GR2	Garden Ridge City
RA1	C488-IH35	IH35 Schertz
RA1	C489-ENGEL	ENGLE RD INDUSTRIAL PARK
RA1	C489-SOLMS	SOLMS
RA1	C520-BRACK	Bracken Industrial Park
RA1	C521-SHRTZ	Schertz Industrial Park

PRITCHARD & ABBOTT, INC.
VALUATION AND IT CONSULTANTS

S.B. 1652* BIENNIAL REAPPRAISAL PLAN

FOR THE ANNUAL APPRAISAL FOR

AD VALOREM TAX PURPOSES OF

MINERAL, INDUSTRIAL, UTILITY AND

RELATED PERSONAL PROPERTY

For Tax Years:

2027 and 2028**

Originally Printed: July 2026

***This biennial reappraisal plan is largely predicated on the Scope of Work Rule in the most recent version of Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by The Appraisal Foundation's Appraisal Standards Board (ASB). The 2024 edition of USPAP has an effective start date but no end date. Because the standards have matured, the ASB now states that the need for the standards to be updated on a regular basis has decreased. Therefore, the 2024 USPAP will be effective for an indeterminate number of tax years, or until the next USPAP version is produced.*

*Senate Bill 1652 passed by the Texas Legislature, 79th Regular Session in 2005, amending Section 6.05 of the Texas Property Tax Code, adding Subsection (i) as follows:

"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 for 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."

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POLICY STATEMENT OF PRITCHARD & ABBOTT, INC., ON THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

Pritchard & Abbott, Inc., (P&A), a privately held company engaged primarily, but not wholly, in the ad valorem tax valuation industry endorses Uniform Standards of Professional Appraisal Practice (USPAP) as the basis for the production of sound appraisals. Insofar as the statutory requirement to appraise groups (or a "universe") of real and personal property within an established period of time using standardized procedures—and subjecting the resulting appraisals to statistical measures—is the definition of mass appraisal, P&A subscribes to USPAP Standards 5 and 6 (Mass Appraisal, Development and Reporting) whenever applicable in the development and defense of values. When circumstances clearly dictate the use of single property appraisal procedures, P&A adheres to the spirit and intent of the remaining USPAP Standards within all appropriate, practical, and/or contractual limitations or specifications.

A biennial reappraisal plan is, at its core, a discussion of the CAD's intended implementation of the Scope of Work Rule in USPAP. This plan provides general information about this rather comprehensive USPAP rule, as well as the specific steps P&A takes in the actual appraisal of various property types per our contractual obligations. This Biennial Reappraisal Plan should not be confused or conflated with an "appraisal manual" or other "how-to" guide which may or may not exist within P&A for any particular property type we appraise.

This reappraisal plan discusses a few other USPAP rules that interact with the Scope of Work Rule, such as the Ethics Rule, the Record Keeping Rule, and Jurisdictional Exception Rule. For further information regarding other sections of USPAP, including the Competency Rule, definitions, and appraisal reports, please reference P&A's "USPAP report" which accompanies our appraisals and supporting documentation provided to clients per Property Tax Code, Sec. 25.01(c) at the completion of each tax year. ***An appraisal season thus begins with an appraisal plan (approved by the CAD's Board of Directors) and ends with appraisal reports.*** Providing these reports is definitely part of the plan. Accordingly, much of the verbiage in the "USPAP report" is a reiteration of the Biennial Reappraisal Plan.

USPAP defines "appraisal" as the act or process of developing an opinion of value or pertaining to appraising and related functions such as appraisal practice or appraisal services. Valuation services is defined as services pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others. The USPAP definition of "appraiser" is one who is expected to perform valuation services competently and in a manner that is ***independent, impartial, and objective.*** USPAP Advisory Opinion 21: *USPAP Compliance* states that this expectation (by clients and intended users of appraisal reports) is the basis that creates an ethical obligation to comply with USPAP, even if not legally required. Advisory opinions do not establish new standards or interpret existing standards, but instead are issued to illustrate the applicability of appraisal standards in specific situations.

The majority of property types that P&A typically appraises for ad valorem tax purposes are categorized as unique, complex, and/or "special purpose" properties (mineral interests, industrial, utility, and related personal property). These categories of properties do not normally provide sufficient market data of reliable quality and/or quantity to support the rigorous use of all USPAP-prescribed mass appraisal development mandates (Standard 5: Mass Appraisal, Development), particularly with regards to some, but not all, of the *model calibration* and *statistical performance testing* confines. However, P&A does strive to employ all or most elements of mass appraisal techniques with regards to the *definition* and *identification of property characteristics* and *model specification* and application.

Per USPAP Advisory Opinion 32: *Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments,* in the interests of equity, the scope of work in mass appraisal assignments for ad valorem taxation can include consideration of appraisal level (the overall proximity between appraised values and actual prices) and the uniformity of property values (equity within groups of like properties). The appraiser is responsible for recognizing when the concepts of appraisal level and appraisal uniformity are necessary for credible assignment results in a mass appraisal assignment for ad valorem taxation.

Residential real estate property appraisers most frequently apply mass appraisal methods within the sales comparison (market) approach to value. Through the use of standardized data collection (i.e., actual market sales), specification and calibration of mass appraisal models, tables, and schedules are possible. Through ratio study analysis and other performance measures, a cumulative summary of valuation accuracy can thus be produced in order to calibrate the appraisal model(s). Where sufficient data of reliable quality exists, mass appraisal is also used for other types of real estate property such as farms, vacant lots, and some commercial uses (e.g., apartments, offices, and small retail).

Regarding mass appraisal reports due the client and other intended users per USPAP (Standard 6 (Mass Appraisal, Reporting), a written report of the mass appraisal as described in Standards 6-2 is not provided for each individual property. An individual property record or worksheet may describe the valuation of the specific property after the application of the mass appraisal model. To understand the individual property result developed in a mass appraisal requires the examination of all the information and analysis required by Standards 6-2.

P&A will clearly state or otherwise make known all extraordinary assumptions, hypothetical conditions, limitations imposed by assignment conditions, and/or jurisdictional exceptions in its appraisal reports as they are conveyed to our clients. ***Intended users of our reports are typically the client(s) for which we are under direct contract.*** Although taxpayers or their agents who own and/or represent the subject property being appraised often receive these reports either by law or as a courtesy of the client or P&A, this receipt does not mean these parties automatically become Intended Users as defined by USPAP. ***A party receiving a copy of a report in order to satisfy disclosure requirements does not become an intended user of the appraisal or mass appraisal unless the appraiser specifically identifies such party as an intended user.*** Potential other users include parties involved in adjudication of valuation disputes (review board members, lawyers, judges, etc.), governmental agencies which periodically review our appraisals for various statutory purposes (such as the Texas Comptroller's Office) and private parties who may obtain copies of our appraisals through Open Records Requests made to governmental agencies.

USPAP does not currently address communications of assignment results prior to completion of the assignment, thus such communications have no requirements other than to comply with the general requirements in the Ethics Rule, the Competency Rule, and the Jurisdictional Exception Rule. The client and all intended users should be aware that mass appraisals, as opposed to most "fee" appraisals, are somewhat inherently "limited" versus "complete" and that appraisal reports, unless otherwise contracted for by the client, will most often be of a "restricted" nature whereas explanations of appraisal methods and results are more concise versus lengthy in order to promote brevity, clarity, and transparency to the intended user(s).

Per USPAP, the appropriate reporting option and level of information in a report are dependant on the intended use and the intended users. Although the reporting verbiage in USPAP Standard 6 does not specifically offer or promulgate a "Restricted Appraisal Report" such as in Standard 2 (Real Property Appraisal, Reporting) and Standard 8 (Personal Property Appraisal, Reporting), it should be noted that: a) all mass appraisals and mass appraisal reports deal with real and personal property in some form or fashion; and b) P&A is a private consulting firm, a fact which may necessitate the withholding of certain data and/or appraisal models/techniques which are deemed confidential, privileged and/or proprietary in nature. The use of "limited" appraisals in conjunction with "restricted" reports in no way implies non-compliance with USPAP. ***The substantive content of a report determines its compliance.***

P&A believes that, with its vast experience and expertise in these areas of appraisal, all concluded values and reports thereof are credible, competent, understandable, uniform and consistent; and most importantly for ad valorem tax purposes, accomplished in a cost-efficient and timely manner.

Per previous ASB comments under Standard 6-2(b) *[scope of work... special limiting conditions]*:

> ***"Although appraisers in ad valorem taxation should not be held accountable for limitations beyond their control, they are required by this specific requirement to identify cost constraints and to take appropriate steps to secure sufficient funding to produce appraisals that comply with these standards. Expenditure levels for assessment administration are a function of a number of factors. Fiscal constraints may impact data completeness and accuracy, valuation methods, and valuation accuracy. Although appraisers should seek adequate funding and disclose the impact of fiscal constraints on the mass appraisal process, they are not responsible for constraints beyond their control."***

In any event, however, it is not P&A's intent to allow constraints, fiscal or otherwise, to limit the scope of work to such a degree that the mass appraisal results provided to our clients are not credible within the context of the intended use(s) of the appraisal.

PREAMBLE

The Uniform Standards of Professional Appraisal Practice (USPAP®) is the generally recognized ethical and performance standards for the appraisal profession in the United States. USPAP® is updated on an as needed basis by the Appraisal Standards Board (ASB). Any updates follow the release of exposure drafts of proposed changes and a public vote. The most recent update to USPAP® went into effect on January 1, 2024.

The purpose of USPAP is to establish requirements and conditions for ethical, thorough, and transparent property valuation services. Valuation services pertain to all aspects of property value and include services performed by appraisers and other professionals including attorneys, accountants, insurance estimators, auctioneers, or brokers. Valuation services include appraisal, appraisal review, and appraisal consulting. The primary intent of these Standards is to promote and maintain a high level of public trust in professional appraisal practice.

It is essential that professional appraisers develop and communicate their analyses, opinions, and conclusions to intended users of their services in a manner that is meaningful and not misleading. The importance of the role of the appraiser places ethical obligations upon those who serve in this capacity. These USPAP Standards reflect the current standards of the appraisal profession.

These Standards are for both appraisers and users of appraisal services. To maintain a high level of professional practice, appraisers observe these Standards. However, these Standards do not in themselves establish which individuals or assignments must comply. The Appraisal Foundation nor its Appraisal Standards Board is not a government entity with the power to make, judge, or enforce law. Compliance with USPAP is only required when either the service or the appraiser is obligated to comply by law or regulation, or by agreement with the client or intended users. When not obligated, individuals may still choose to comply.

USPAP addresses the ethical and performance obligations of appraisers through Definitions, Rules, Standards, Statements (if any), and Advisory Opinions. USPAP Standards deal with the procedures to be followed in performing an appraisal or appraisal review and the manner in which each is communicated. A brief description of the USPAP Standards are as follows:

- **Standards 1 and 2:** establish requirements for the development and communication of a real property appraisal.
- **Standards 3 and 4:** establishes requirements for the development and communication of an appraisal review.
- **Standards 5 and 6:** establishes requirements for the development and communication of a mass appraisal.
- **Standards 7 and 8:** establish requirements for the development and communication of a personal property appraisal.
- **Standards 9 and 10:** establish requirements for the development and communication of a business or intangible asset appraisal.

Section 23.01(b) *[Appraisals Generally]* of the Texas Property Tax Code states:

> *"The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the Appraisal District determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice...."* (underline added for emphasis)

Consequently, USPAP Standards 5 and 6 are assumed to be applicable for ad valorem tax purposes in Texas, if mass appraisal practices are in fact being used to appraise the subject property. USPAP Advisory Opinion 32 suggests several USPAP standards other than Standards 5 or 6 can apply in ad valorem tax work. It appears that an appraiser engaged in ad valorem tax work in Texas is not specifically required by law to rigorously follow USPAP standards if in fact mass appraisal practices have not been used to appraise the subject property. The Jurisdictional Exception Rule could then be invoked because of a contradiction between the requirements of USPAP and the law or regulation of a jurisdiction. Please see the P&A Policy Statement on USPAP as provided elsewhere in this report for a more detailed discussion regarding this matter.

On April 23, 2026, the Appraisal Standards Board adopted Advisory Opinion 41, Use of Technology in an Appraisal or Appraisal Review Assignment. AO-41 offers guidance on appraisers' USPAP® responsibilities when using technological tools, including automated valuation models, regression and statistical software, and generative artificial intelligence, in appraisal and appraisal review assignments across real property, personal property, and intangible property. The Advisory Opinion is available now and will be incorporated into a future edition of the USPAP Guidance and Reference Manual.

ETHICS RULE

Because of the fiduciary responsibilities inherent in professional appraisal practice, the appraiser must observe the highest standards of professional ethics. This Ethics Rule is divided into four (4) sections:

- Nondiscrimination;
- Conduct;
- Management;
- Confidentiality.

This Rule emphasizes the personal obligations and responsibilities of the individual appraiser. However, it should be noted that groups and organizations ***which are comprised of individual appraisers engaged in appraisal practice*** effectively share the same ethical obligations. To the extent the group or organization does not follow USPAP Standards when legally required, individual appraisers should take steps that are appropriate under the circumstances to ensure compliance with USPAP.

Compliance with these Standards is required when either the service or the appraiser is obligated by law or regulation, or by agreement with the client or intended users, to comply. ***Compliance is also required when an individual, by choice, represents that he or she is performing the service as an appraiser.***

An appraiser must not misrepresent his or her role when providing valuation services that are outside of appraisal practice.

Honesty, impartiality, and professional competency are required of all appraisers under USPAP Standards. To document recognition and acceptance of his or her USPAP-related responsibilities in communicating an appraisal or appraisal review completed under USPAP, an appraiser is required to certify compliance with these Standards.

NONDISCRIMINATION

An appraiser must not act in a manner that violates or contributes to a violation of federal, state, or local anti-discrimination laws or regulations. This includes the Fair Housing Act (FHAct), the Equal Credit Opportunity Act (ECOA), and the Civil Rights Act of 1866.

An appraiser must have knowledge of anti-discrimination laws and regulations and when those laws or regulations apply to the appraiser or to the assignment. An appraiser must complete an assignment in full compliance with applicable laws and regulations.

1. An appraiser, when completing a residential real property assignment, must not base their opinion of value in whole or in part on race, color, religion, national origin, sex, disability, or familial status.

2. An appraiser, when completing an assignment where the intended use is in connection with a credit transaction, not limited to credit secured by real property, must not base their opinion of value in whole or in part on race, color, religion, national origin, sex, marital status, age, source of income, or the good-faith exercise of rights under the Consumer Credit Protection Act.

3. An appraiser must not violate any state or local anti-discrimination laws or regulations applicable to the appraiser or to their assignment.

Whether or not any anti-discrimination law or regulation applies:

1. An appraiser must not develop and/or report an opinion of value that, in whole or in part, is based on the actual or perceived race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s).

2. An appraiser must not base an opinion of value upon the premise that homogeneity of the inhabitants of a geographic area is relevant for the appraisal.

3. An appraiser must not perform an assignment with bias with respect to the actual or perceived race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s).

4. An appraiser must not use or rely upon another characteristic as a pretext to conceal the use of or reliance upon race, ethnicity, color, religion, national origin, sex, sexual orientation, gender, gender identity, gender expression, marital status, familial status, age, receipt of public assistance income, or disability of any person(s), when performing an assignment.

If an assignment does not involve residential real property and the intended use is not in connection with a credit transaction, the FHAct and ECOA do not apply. If the FHAct and ECOA do not apply, and no other law or regulation prohibits the use of or reliance upon a protected characteristic,5 then the use of or reliance upon that characteristic is permitted only to the extent that it is essential to the assignment and necessary for credible assignment results.

<u>CONDUCT</u>

An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.

An appraiser:

- must not perform an assignment with bias;
- must not advocate the cause or interest of any party or issue;
- ***must not accept an assignment that includes the reporting of predetermined opinions and conclusions***;
- must not misrepresent his or her role when providing valuation services that are outside of appraisal practice;
- must not communicate assignment results with the intent to mislead or to defraud;
- must not use or communicate a report or assignment results known by the appraiser to be misleading or fraudulent;
- must not knowingly permit an employee or other person to communicate a report or assignment results that are misleading or fraudulent report;
- must not engage in criminal conduct;
- must not willfully or knowingly violate the requirements of the RECORD KEEPING RULE; and must not perform an assignment in a grossly negligent manner.

If known prior to accepting an assignment, and/or if discovered at any time during the assignment, an appraiser must disclose to the client, and in each subsequent report certification:

- any current or prospective interest in the subject property or parties involved; and
- any services regarding the subject property performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

The appraiser can agree with the client to keep the mere occurrence of a prior appraisal assignment confidential. If an appraiser has agreed with the client not to disclose that he or she has appraised a property, the appraiser must decline all subsequent assignment that fall with the three year period. In assignments is which there is no report, only the initial disclosure to the client is required.

Presumably all parties in ad valorem tax appraisal will be aware of the ongoing yearly nature of the appraisal assignments performed by valuation consulting firms like Pritchard & Abbott, Inc.—i.e., it will not be confidential—so that this particular conduct instruction is more or less a moot point (regarding the three year period discussed) if the prior service is in fact the ad valorem tax appraisals performed in previous tax years.

MANAGEMENT

The payment of a fee, commission, or a thing of value by the appraiser in connection with the procurement of an assignment must be disclosed. This disclosure must appear in the certification and in any transmittal letter in which conclusions of value are stated; however, the disclosure of the amount paid is not required. Intra-company payments to employees of groups or organizations involved in appraisal practice for business development do not require disclosure.

It is unethical for an appraiser to accept compensation for performing an assignment when it is contingent upon the reporting of a ***predetermined result, a direction in assignment results that favors the cause of the client, the amount of a value opinion, the attainment of a stipulated result,*** or the occurrence of a subsequent event directly related to the appraiser's opinions and specific to the assignment's purpose.

Advertising for or ***soliciting assignments in a manner that is false, misleading, or exaggerated*** is unethical. Decisions regarding finder or referral fees, contingent compensation, and advertising may not be the responsibility of an individual appraiser, but for a particular assignment it is the responsibility of the individual appraiser to ascertain that there has been no breach of ethics, that the assignment consulting assignment has been prepared in accordance with USPAP Standards, and that the report can be properly certified when required by USPAP Standards 2-3, 4-3, 6-3, 8-3, or 10-3.

An appraiser must affix, or authorize the use of, his or her signature to certify recognition and acceptance of his or her USPAP responsibilities in an appraisal or appraisal review assignment. An appraiser may authorize the use of his or her signature only on an assignment-by-assignment basis.

In addition, an appraiser must not affix the signature of another appraiser without his or her consent. An appraiser must exercise due care to prevent unauthorized use of his or her signature. However, an appraiser exercising such care is not responsible for unauthorized use of his or her signature.

CONFIDENTIALITY

An appraiser must protect the confidential nature of the appraiser-property owner relationship.

An appraiser must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results.

An appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment.

An appraiser must not disclose confidential factual data obtained from a property owner to anyone other than:

1. The client;
2. Parties specifically authorized by the client;
3. State appraiser regulatory agencies;
4. Third parties as may be authorized by due process of law; or
5. A duly authorized professional peer review committee except when such disclosure to a committee would violate applicable law or regulation.

An appraiser must take reasonable steps to safeguard access to confidential information and assignment results by unauthorized individuals, whether such information or results are in physical or electronic form. In addition, an appraiser must ensure that employees, coworkers, subcontractors, or others who may have access to confidential information or assignments results, are aware of the prohibitions on disclosure of such information or results.

It is unethical for a member of a duly authorized professional peer review committee to disclose confidential information presented to the committee.

When all confidential elements of confidential information are removed through redaction or the process of aggregation, client authorization is not required for the disclosure of the remaining information, as modified.

RECORD KEEPING RULE

An appraiser must prepare a workfile for each appraisal or appraisal review assignment. A workfile must be in existence prior to the issuance of any report or other communication of assignment results. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

The workfile must include the name of the client and the identity, by name or type, of any other intended users, and true copies of all written reports, documented on any type of media. (A true copy is a replica of the report transmitted to the client. A photocopy or an electronic copy of the entire report transmitted to the client satisfies the requirement of a true copy.) A workfile must contain summaries of all oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification; and all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.

A workfile in support of a Restricted Appraisal Report or an oral appraisal report must be sufficient for the appraiser to produce an Appraisal Report. A workfile in support of an oral appraisal review report must be sufficient for the appraiser to produce an Appraisal Review Report.

An appraiser must retain the workfile for a period of at least ***five years after preparation*** or at least two years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last.

An appraiser must have custody of the workfile, or make appropriate workfile retention, access, and retrieval arrangements with the party having custody of the workfile. This includes ensuring that a workfile is stored in a medium that is retrievable by the appraiser throughout the prescribed record retention period. An appraiser having custody of a workfile must allow other appraisers with workfile obligations related to an assignment appropriate access and retrieval for the purpose of:

- submission to state appraiser regulatory agencies;
- compliance with due process of law;
- submission to a duly authorized professional peer review committee; or
- compliance with retrieval arrangements.

A workfile must be made available by the appraiser when required by a state appraiser regulatory agency or due process of law.

An appraiser who willfully or knowingly fails to comply with the obligations of this Record Keeping Rule is in violation of the Ethics Rule.

SCOPE OF WORK RULE

For each appraisal or appraisal review assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results; and
3. Disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

Appraisers have broad flexibility and significant responsibility in determining the appropriate scope of work for an appraisal or appraisal review assignment. Credible assignment results require support by relevant evidence and logic. ***The credibility of assignment results is always measured in the context of the intended use.***

PROBLEM IDENTIFICATION

An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal, appraisal review or appraisal consulting problem to be solved. The assignment elements necessary for problem identification are addressed in the Standard 6-2:

- client and any other intended users;
- intended use of the appraiser's opinions and conclusions;
- type and definition of value;
- effective date of the appraiser's opinions and conclusions;
- subject of the assignment and its relevant characteristics; and
- assignment conditions.

This information provides the appraiser with the basis for determining the type and extent of research and analyses to include in the development of an appraisal. Similar information is necessary for problem identification in appraisal review and appraisal consulting assignments. Assignment conditions include:

- assumptions;
- extraordinary assumptions;
- hypothetical conditions;
- laws and regulations;
- jurisdictional exceptions; and
- other conditions that affect the scope of work.

SCOPE OF WORK ACCEPTABILITY

The scope of work must include the research and analyses that are necessary to develop credible assignment results. The scope of work is acceptable when it meets or exceeds:

- the expectations of parties who are regularly intended users for similar assignments; and
- what an appraiser's peers' actions would be in performing the same or a similar assignment.

Determining the scope of work is an ongoing process in an assignment. Information or conditions discovered during the course of an assignment might cause the appraiser to reconsider the scope of work. An appraiser must be prepared to support the decision to exclude any investigation, information, method, or technique that would appear relevant to the client, another intended user, or the appraiser's peers.

An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. In addition, the appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

DISCLOSURE OBLIGATIONS

The report must contain sufficient information to allow intended the client and other intended users to understand the scope of work performed. Proper disclosure is required because clients and other intended users may rely on the assignment results. Sufficient information includes disclosure of research and analyses performed or not performed. ***The information disclosed must be appropriate for the intended use of the assignment results.***

Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. ***The appraiser has broad flexibility and significant responsibility in the level of detail and manner of disclosing the scope of work in the appraisal report or appraisal review report.*** The appraiser may, but is not required to, consolidate the disclosure in a specific section or sections of the report, or use a particular label, heading or subheading. An appraiser may choose to disclose the scope of work as necessary throughout the report.

JURISDICTIONAL EXCEPTION RULE

If any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment. When compliance with USPAP is required by federal law or regulation, no part of USPAP can be voided by a law or regulation of a state or local jurisdiction. ***When an appraiser properly follows this Rule in disregarding a part of USPAP, there is no violation of USPAP.***

In an assignment involving a jurisdictional exception, an appraiser must:

- identify the law or regulation that precludes compliance with USPAP;
- comply with that law or regulation;
- clearly and conspicuously disclose in the report the part of USPAP that is voided by that law or regulation; and
- cite in the report the law or regulation requiring this exception to USPAP compliance.

The purpose of the Jurisdictional Exception Rule is strictly limited to providing a saving or severability clause intended to preserve the balance of USPAP if one or more of its parts are determined as contrary to law or public policy of a jurisdiction. By logical extension, there can be no violation of USPAP by an appraiser who disregards, with proper disclosure, only the part or parts of USPAP that are void and of no force and effect in a particular assignment by operation of legal authority.

It is misleading for an appraiser to disregard a part or parts of USPAP as void and of no force and effect in a particular assignment without identifying the part or parts disregarded and the legal authority justifying this action in the appraiser's report.

"Law" includes constitutions, legislative and court-made law, and administrative rules (such as from the Office of the Texas Comptroller of Public Accounts) and ordinances. "Regulations" include rules or orders having legal force, issued by an administrative agency. ***Instructions from a client or attorney do not establish a jurisdictional exception.***

A jurisdictional exception prevalent in Texas is that appraisers are seeking to establish "fair market value" as defined by the Texas Property Tax Code instead of "market value" as found in the USPAP definitions section.

USPAP STANDARDS 5 AND 6: MASS APPRAISAL, DEVELOPMENT AND REPORTING (General Discussion)

In developing a mass appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques necessary to produce and communicate credible mass appraisals.

Standards 5 and 6 apply to all mass appraisals of real and personal property regardless of the purpose or use of such appraisals. It is directed toward the substantive aspects of developing and communicating competent analyses, opinions, and conclusions in the mass appraisal of properties, whether real property or personal property. Standard 5 is directed toward the substantive aspects of developing credible analyses, opinions, and conclusions in the mass appraisal of properties, while Standard 6 addresses the content and level of information required in a written report that communicates the results of a mass appraisal. The reporting and jurisdictional exceptions applicable to public mass appraisals prepared for purposes of ad valorem taxation do not apply to mass appraisals prepared for other purposes.

A mass appraisal includes:

- identifying properties to be appraised;
- defining market areas of consistent behavior that applies to properties;
- identifying characteristics (supply and demand) that affect the creation of value in that market area;
- developing (specifying) a model structure that reflects the relationship among the characteristics affecting value in the market area;
- calibrating the model structure to determine the contribution of the individual characteristics affecting value;
- applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
- reviewing the mass appraisal results.

The Jurisdictional Exception Rule may apply to several sections of Standards 5 and 6 because ad valorem tax administration is subject to various state, county, and municipal laws.

As previously stated in the P&A Policy Statement (page 2), it may not be possible or practicable for all the mass appraisal attributes listed above to be rigorously applied to the many types of complex and/or unique properties that P&A typically appraises. Often there are contractual limitations on the scope of work needed or required. More prevalently, these types of properties do not normally provide a reliable database of market transactions (or details of transactions) necessary for statistically supportable calibration of appraisal models and review of appraisal results. Generally these two functions are effectively accomplished through annual extended review meetings with taxpayers (and clients) who provide data, sometimes confidentially, that allows for appraisal models to be adjusted where necessary. Nevertheless, and not withstanding whether P&A implicitly or explicitly employs or reports all attributes listed above, in all cases P&A at the minimum employs tenants of "generally accepted appraisal methods" which are the genesis of USPAP Standards.

Per USPAP guidelines, P&A will make known all departures and jurisdictional exceptions when invoked (if an appraisal method or specific requirement is applicable but not necessary to attain credible results in a particular assignment).

The various sections of Standard 5 (development of mass appraisal) and Standard 6 (communication of the mass appraisal results) are briefly summarized below:

- **Standard 5-1:** Establishes the appraiser's technical and ethical framework. Specifically, appraisers must recognize and use established principles, methods and techniques of appraisal in a careful manner while not committing substantial errors of fact or negligence that would materially affect the appraisal results and not give a credible estimate of fair market value. To this end appraisers must continuously improve his or her skills to maintain proficiency and keep abreast of any new developments in the real and personal property appraisal profession. This Standards does not imply that competence requires perfection, as perfection is impossible to attain. Instead, it requires appraisers to employ every reasonable effort with regards to due diligence and due care.

- **Standard 5-2:** Defines the introductory framework requirements of developing a mass appraisal, focusing on the identification and/or definition of: client(s), intended users, effective date, appraisal perspective, scope of work, extraordinary assumptions, hypothetical conditions, the type and definition of value being developed (typically "fair market value" for ad valorem tax purposes), characteristics of the property being appraised in relation to the type and definition of value and intended use, the characteristics of the property's market, the property's real or personal attributes, fractional interest applicability, highest and best use analysis along with other land-related considerations, and any other economic considerations relevant to the property.

- **Standard 5-3:** Defines requirements for developing and specifying appropriate mass appraisal data and elements applicable for real and personal property. For real property, the data and elements include: existing land use regulations, reasonably probable modification of such regulations, economic supply and demand, the physical adaptability of the real estate, neighborhood trends, and highest and best use analysis. For personal property, the relevant data and elements include: identification of industry trends, trade level, highest and best use, and recognition of the appropriate market consistent with the type and definition of value.

- **Standard 5-4:** Further defines requirements for developing mass appraisal models, focusing on development of standardized data collection forms, procedures, and training materials that are used uniformly on the universe of properties under consideration. This rule specifies that appraisers employ recognized techniques for specifying and calibrating mass appraisal models. Model specification is the formal development of a model in a statement or mathematical equation, including all due considerations for physical, functional, and external market factors as they may affect the appraisal. These models must accurately represent the relationship between property value and supply and demand factors, as represented by quantitative and qualitative property characteristics. Models must be calibrated using recognized techniques, including, but not limited to, multiple linear regression, nonlinear regression, and adaptive estimation. Models may be specified incorporating the income, market, and/or cost approaches to value and may be tabular, mathematical, linear, nonlinear, or any other structure suitable for representing the observable property characteristics such as adaptive estimation. Model calibration refers to the process of analyzing sets of property and market data to determine the specific parameters of a model.

- **Standard 5-5:** Defines requirements for collection of sufficient factual data, in both qualitative and quantitative terms, necessary to produce credible appraisal results. The property characteristics collected must be contemporaneous with the effective date of the appraisal. The data collection program should incorporate a quality control procedure, including checks and audits of the data to ensure current and consistent records. This rule also calls for an appraiser, in developing income and expense statements and cash flow projections, to weigh historical information and trends, current market factors affecting such trends, and reasonably anticipated events, such as competition from developments either planned or under construction. Terms and conditions of any leases should be analyzed, as well as the need for and extent of any physical inspection of the properties being appraised.

- **Standard 5-6:** Defines requirements for application of a calibrated model to the property being appraised. This rule calls for: the appraiser to recognize methods or techniques based on the cost, market, and income approaches for improved parcels; the appraiser to value sites by recognized methods or techniques such as allocation method, abstraction method, capitalization of ground rent, and land residual; the appraiser to develop value of leased fee or leasehold estates with consideration for terms and conditions of existing leases, and, when applicable by law, as if held in fee simple whereas market rents are substituted for actual contract rents; the appraiser to analyze the effect on value, if any, of the assemblage of the various parcels, divided interests, or component parts of a property; the appraiser to analyze anticipated public or private improvements located on or off the site, and analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions.

- **Standard 5-7:** Defines the reconciliation process of a mass appraisal. Specifically, appraisers must analyze the results and/or applicability of the various approaches used while ensuring that, on an overall basis, standards of reasonableness and accuracy are maintained with the appraisal model selected (underline added for emphasis). It is implicit in mass appraisal that, even when properly specified and calibrated models are used, some individual value conclusions will not meet standards of reasonableness, consistency, and accuracy. Appraisers have a professional responsibility to ensure that, on an overall basis, models produce value conclusions that meet attainable standards of accuracy.

- **Standard 6-1:** Defines general requirements of a mass appraisal report which is required to be in writing; no option exists for oral reports. This standard addresses the level of information required so that the report is clearly understood (i.e., not misleading) and sufficiently qualified with any assumptions and conditions (elements of which are further detailed in the next three sections of this report that discuss P&A appraisal procedures with regards to specific categories of property).

- **Standard 6-2:** Defines specific content required to be included in a mass appraisal written report.

- **Standard 6-3:** Defines the certification of the mass appraisal written report.

The following sections of this report discuss in more detail the various elements of the development of P&A's mass appraisals and associated written reports as required by USPAP Standards 5 and 6, with regards to P&A appraisal of Mineral Interests, Industrial, Utility, Related Personal Property, and Real Estate.

USPAP STANDARDS 5, 6-1, 6-2: MASS APPRAISAL OF MINERAL INTERESTS

INTRODUCTION

Definition of Appraisal Responsibility (Scope of Effort): The Mineral Valuation Department of Pritchard & Abbott, Inc. ("P&A" hereinafter), is responsible for developing credible values for mineral interests (full or fractional percentage ownership of oil and gas leasehold interest, the amount and type of which are legally and/or contractually created and specified through deeds and leases, et.al.) associated with producing (or capable of producing) leases. Mineral interests are typically considered real property because of their derivation from the bundle of rights associated with original fee simple ownership of land. Typically all the mineral interests that apply to a single producing lease are consolidated by type (working vs. royalty) with each type then appraised for full value which is then distributed to the various fractional decimal interest owners prorata to their individual type and percentage amount.

P&A's typical client is a governmental entity charged with appraisal responsibility for ad valorem tax purposes, although other types of clients (private businesses, individuals, etc.) occasionally contract for appraisal services which are strictly for various non-ad valorem tax purposes so that no conflicts of interest are created with P&A's core ad valorem tax work.

P&A hereby makes the **assumption** that, in all appraisal assignments performed for governmental entities in satisfaction of contractual obligations related to ad valorem tax , the client does not wish to or cannot legally request the appraisal report not identify the client.

Intended users of our reports are typically the client(s) for which we are under direct contract. Although taxpayers or their agents who own and/or represent the subject property being appraised often receive these reports either by law or as a courtesy of the client or P&A, this receipt does not mean these parties automatically become Intended Users as defined by USPAP. **A party receiving a copy of a report in order to satisfy disclosure requirements does not become an intended user of the appraisal or mass appraisal unless the appraiser specifically identifies such party as an intended user.** Potential other users include parties involved in adjudication of valuation disputes (review board members, lawyers, judges, etc.), governmental agencies which periodically review our appraisals for various statutory purposes (such as the Texas Comptroller's Office) and private parties who may obtain copies of our appraisals through Open Records Requests made to governmental agencies.

This section of P&A's USPAP report is not applicable to any mineral or mineral interest property that an appraisal district appraises outside of P&A's appraisal services, in which case the appraisal district's overall USPAP report should be referenced.

P&A makes the **Extraordinary Assumption** that all properties appraised for ad valorem tax purposes are marketable whereas ownership and title to property are free of encumbrances and other restrictions that would affect fair market value to an extent not obvious to the general marketplace. If and/or when we are made aware of any encumbrances, etc., these would be taken into account in our appraisal in which case the extraordinary assumption stated above would be revoked.

P&A is typically under contract to determine current market value or "fair market value" of said mineral interests. Fair market value is typically described as the price at which a property would sell for if:

- exposed in the open market with a reasonable time for the seller to find a purchaser;
- both the buyer and seller know of all the uses and purposes to which the property is, or can be, adapted and of the enforceable restrictions on its use; and

- both the buyer and seller seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other. [Exigencies are pressing or urgent conditions that leave one party at a disadvantage to the other.]

For ad valorem tax purposes the effective date is usually legislatively specified by the particular State in which we are working - for example, in Texas the lien date is January 1 per the Texas Property Tax Code. For ad valorem tax purposes, the date of the appraisals and reports are typically several months past the effective date, thereby leaving open the possibility that a <u>retrospective</u> approach is appropriate under limited and prescribed circumstances (information after the effective date being applicable only if it confirms a trend or other appraisal condition that existed and was generally known as of the effective date).

P&A believes this section of this report, in conjunction with any attached or separately provided P&A-generated report(s), meets the USPAP definition of "typical practice"; i.e., it satisfies a level of work that is consistent with:

- the expectations of participants in the market for the same or similar appraisal services; and
- what P&A's peers' actions would be in performing the same or similar appraisal services in compliance with USPAP.

<u>Legal and Statutory Requirements</u>: In Texas, the provisions of the Texas Property Tax Code and other relevant legislative measures involving appraisal administration and procedures control the work of P&A as an extension of the Appraisal District. Other states in which P&A is employed will have similar controlling legislation, regulatory agencies, and governmental entities. P&A is responsible for appraising property on the basis of its fair market value as of the stated effective date (January 1 in Texas) for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on property in the contracted Appraisal District. All mineral properties (interests) are reappraised annually. The definition of Fair Market Value is provided and promulgated for use in ad valorem tax work in Texas by the Texas Property Tax Code, and therefore as a **Jurisdictional Exception** supercedes the definition of "market value" as found in USPAP definitions.

> NOTE: IN TEXAS, P&A BELIEVES THE PROPERTY BEING APPRAISED AND PLACED ON THE TAX ROLL IS THE <u>INTEREST</u> AND NOT THE OIL OR GAS MINERAL ITSELF, PER PROPERTY TAX CODE SECTION 1.04(2)(F) IN LIEU OF 1.04(2)(D). WHILE OIL AND GAS RESERVES CERTAINLY HAVE VALUE, THE FACT IS THAT IT IS THE *INTERESTS* IN THESE MINERALS THAT ARE BOUGHT AND SOLD, NOT THE MINERALS THEMSELVES. THE SALE OF MINERALS AS THEY ARE EXTRACTED FROM THE SUBSURFACE OF THE LAND WHERE THEY RESIDE AS MINERALS IN PLACE "MONETIZES" THE INTEREST AND THUS GIVES THE INTEREST ITS VALUE. WHENEVER P&A REFERS TO "MINERAL PROPERTIES" IN THIS REPORT OR IN ANY OTHER SETTING, IT IS THE MINERAL INTEREST, AND NOT THE MINERAL ITSELF, THAT IS THE IMPLIED SUBJECT OF THE REFERENCE.

<u>Administrative Requirements</u>: P&A endorses the principals of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures. P&A also endorses, and follows when possible, the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP). In all cases where IAAO and/or USPAP requirements cannot be satisfied for reasons of practicality or irrelevancy, P&A subscribes to "generally accepted appraisal methods and techniques" so that its value conclusions are credible and defendable. P&A submits annual or biannual contract bids to the Appraisal District Board of Directors or the Office of the Chief Appraiser and is bound to produce appraisal estimates on mineral properties within the cost constraints of said bid. Any appraisal practices and procedures followed by P&A not explicitly defined or allowed through IAAO or USPAP requirements are specified by the Texas Property Tax Code or at the specific request or direction of the Office of the Chief Appraiser.

Appraisal Resources

Personnel: The Mineral Valuation Division staff consists of competent Petroleum Engineers, Geologists, and Appraisers. All personnel are Registered Professional Appraisers with the State of Texas, or are progressing towards this designation within the allowable time frames prescribed by the Texas Department of Licensing and Regulation (TDLR) and/or other licensing and regulatory agencies as applicable.

Data: For each mineral property a common set of data characteristics (i.e. historical production, price and expense data) is collected from various sources and entered into P&A's mainframe computer system. Historical production data and price data is available through state agencies (Texas Railroad Commission, Texas Comptroller, et al.) or private firms who gather, format and repackage such data for sale commercially. Each property's characteristic data drives the computer-assisted mass appraisal approach to valuation.

Information Systems: The mainframe systems are augmented by the databases that serve the various in-house and 3rd-party applications on desktop personal computers. In addition, communication and dissemination of appraisals and other information is available to the taxpayer and client through electronic means including internet and other phone-line connectivity. The appraiser supervising any given contract fields many of the public's questions or redirects them to the proper department personnel.

VALUATION APPROACH (MODEL SPECIFICATION)

Concepts of Value: The valuation of oil and gas properties is not an exact science, and exact accuracy is not attainable due to many factors. Nevertheless, standards of reasonable performance do exist, and there are usually reliable means of measuring and applying these standards.

Petroleum properties are subject to depletion, and capital investment must be returned before economic exhaustion of the resource (mineral reserves). The examination of petroleum properties involves understanding the geology of the resource (producing and non-producing), type of reservoir energy, the methods of secondary and enhanced recovery (if applicable), and the surface treatment and marketability of the produced petroleum product(s).

Evaluation of mineral properties is a continuous process; the value as of the lien date merely represents a "snapshot" in time. The potential value of mineral interests derived from sale of minerals to be extracted from the ground change with mineral price fluctuation in the open market, changes in extraction technology, costs of extraction, and other variables such as the value of money.

Approaches to Value for Petroleum Property

Cost Approach: The use of cost data in an appraisal for market value is based upon the economic principle of substitution. The cost approach typically derives value by a model that begins with replacement cost new (RCN) and then applies depreciation in all its forms (physical depreciation, functional and economic obsolescence). This method is difficult to apply to oil and gas properties since lease acquisition and development may bear no relation to present worth. Though very useful in the appraisal of many other types of properties, the cost approach is not readily applicable to mineral properties. [Keep in mind that the property actually being appraised is the mineral interest and not the oil and gas reserves themselves. Trying to apply the cost approach to evaluation of mineral interests is like trying to apply the cost approach to land; it is a moot point because both are real properties that are inherently non-replaceable.] **As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., does not employ the cost approach in the appraisal of mineral interests.**

Market Approach: This approach may be defined as one which uses data available from actual transactions recorded in the market place itself; i.e., sales of comparable properties from which a comparison to the subject property can be made. Ideally, this approach's main advantage involves not only an opinion but an opinion supported by the actual spending of money. Although at first glance this approach seems to more closely incorporate the aspects of fair market value per its classical definition, there are two factors that severely limit the usefulness of the market approach for appraising oil and gas properties. First, oil and gas property sales data is seldom disclosed (in non-disclosure states such as Texas); consequently there is usually a severe lack of market data sufficient for meaningful statistical analysis. Second, all conditions of each sale must be known and carefully investigated to be sure one does have a comparative indicator of value per fair market value perquisites.

Many times when these properties do change hands, it is generally through company mergers and acquisitions where other assets in addition to oil and gas reserves are involved; this further complicates the analysis whereby a total purchase price must be allocated to the individual components - a speculative and somewhat arbitrary task at best. In the case of oil and gas properties, a scarcity of sales requires that every evidence of market data be investigated and analyzed. Factors relative to the sale of oil and gas properties are:

- current production and estimated declines forecast by the buyer;
- estimated probable and potential reserves;
- general lease and legal information which defines privileges or limitation of the equity sold;
- undeveloped potential such as secondary recovery prospects;
- proximity to other production already operated by the purchaser;
- contingencies and other cash equivalents; and
- other factors such as size of property, gravity of oil, etc.

In the event that all these factors are available for analysis, the consensus effort would be tantamount to performing an income approach to value (or trying to duplicate the buyer's income approach to value), thereby making the market approach somewhat moot in its applicability. **As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., rarely employs a rigorous application of the market approach in the appraisal of mineral interests.**

<u>Income Approach</u>: This approach to value most readily yields itself to the appraisal of mineral interests. Data is readily available whereby a model can be created that reasonable estimates a future income stream to the property. This future income may then be converted (discounted) into an estimate of current value. Many refer to this as a capitalization method, because capitalization is the process of converting an income stream into a capital sum (value). As with any method, the final value is no better than the reliability of the input data. The underlying assumption is that people purchase the property for the future income the property will yield. If the land or improvements are of any residual value after the cessation of oil and gas production, that value should also be included (if those components are also being appraised).

The relevant income that should be used is the expected future net income. Assumptions of this method are:

- Past income and expenses are not a consideration, except insofar as they may be a guide to estimating future net income.
- That the producing life as well as the reserves (quantity of the minerals) are estimated for the property.
- Future income is less valuable than current income, and so future net income must be discounted to make it equivalent to the present income. This discount factor reflects the premium of present money over future money, i.e., interest rate, liquidity, investment management, and risk.

As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., relies predominantly on the income approach to value in the appraisal of mineral interests.

DATA COLLECTION/VALIDATION

Sources of Data: The main source of P&A's property data is data from the Railroad Commission of Texas as reported by operators. As a monthly activity, the data processing department receives data tapes or electronic files which have updated and new well and production data. Other discovery tools are fieldwork by appraisers, financial data from operators, information from chief appraisers, tax assessors, trade publications and city and local newspapers. Other members of the public often provide P&A information regarding new wells and other useful facts related to property valuation.

Another crucial set of data to obtain is the ownership of these mineral interests. Typically a mineral lease is fractionated and executed with several if not many owners. This information is typically requested (under a promise of confidentiality concerning owners' personal information) from pipeline purchasers and/or other entities (such as operators) who have the responsibility of disbursing the income to the mineral interest owners. Another source of ownership information is through the taxpayers themselves who file deeds of ownership transfer and/or correspond with P&A or the appraisal district directly.

Data Collection Procedures: Electronic and field data collection requires organization, planning and supervision of the appraisal staff. Data collection procedures for mineral properties are generally accomplished globally by the company; i.e., production and price data for the entire state is downloaded at one time into the computer system. Appraisers also individually gather and record specific and particular information to the appraisal file records, which serves as the basis for the valuation of mineral properties. P&A is divided into four district offices covering different geographic areas. Each office has a district manager, appraisal and ownership maintenance staff, and clerical staff as appropriate. While overall standards of performance are established and upheld for the various district offices, quality of data is emphasized as the goal and responsibility of each appraiser.

VALUATION ANALYSIS (MODEL CALIBRATION)

Appropriate revisions and/or enhancements of schedules or discounted cash flow software are annually made and then tested prior to the appraisals being performed. Calibration typically involves performing multiple discounted cash flow tests for leases with varying parameter input to check the correlation and relationship of such indicators as: Dollars of Value Per Barrel of Reserves; Dollars of Value Per Daily Average Barrel Produced; Dollars of Expense Per Daily Average Barrel Produced; Years Payout of Purchase Price (Fair Market Value). In a more classical calibration procedure, the validity of values by P&A's income approach to value is tested against actual market transactions, if and when these transactions and verifiable details of these transactions are disclosed to P&A. Of course these transactions must be analyzed for meeting all requisites of fair market value definition. Any conclusions of this analysis are then compared to industry benchmarks for reasonableness before being incorporated into the calibration procedure.

INDIVIDUAL VALUE REVIEW PROCEDURES

Individual property values are reviewed several times in the appraisal process. P&A's discounted cash flow software dynamically generates various benchmark indicators that the appraiser reviews concurrent with the value being generated. These benchmarks often prompt the appraiser to reevaluate some or all of the parameters of data entry so as to arrive at a value more indicative of industry standards. Examples of indicators are dollars of value per barrel of oil reserve, years payout, etc. In addition to appraiser review, taxpayers are afforded the opportunity to review the appraised values, either before or after Notices of Appraised Value are prepared. Operators routinely meet with P&A's appraisers to review parameters and to provide data not readily available to P&A through public or commercial sources, such as individual lease operating expense and reserve figures. And of course, all property values are subject to review through normal protest and Appraisal Review Board procedures, with P&A acting as an extension of the Office of the Chief Appraiser.

PERFORMANCE TESTS

An independent test of the appraisal performance of properties appraised by P&A is conducted by the State of Texas Comptroller's Office through the annual Property Value Study for school funding purposes. This study determines the degree of uniformity and the median level of appraisal for mineral properties. School jurisdictions are given an opportunity to appeal any preliminary findings. After the appeal process is resolved, the Comptroller publishes a report of the findings of the study, including in the report the median level of appraisal, the coefficient of dispersion around the median level of appraisal and any other standard statistical measures that the Comptroller considers appropriate.

USPAP STANDARDS 5, 6-1, 6-2: MASS APPRAISAL OF INDUSTRIAL, UTILITY AND RELATED PERSONAL PROPERTY

INTRODUCTION

Definition of Appraisal Responsibility (Scope of Effort): The Engineering Services Department of Pritchard & Abbott, Inc. (P&A) is responsible for developing fair and uniform market values for industrial, utility and related personal properties. Personal property is often referred to as "business personal property" (or BPP), as tangible non-income producing personal property in Texas (personal property not held to produce income related to a business purpose) is generally exempt.

P&A's typical client is a governmental entity charged with appraisal responsibility for ad valorem tax purposes, although other types of clients (private businesses, individuals, etc.) occasionally contract for appraisal services which are strictly for various non-ad valorem tax purposes so that no conflicts of interest are created with P&A's core ad valorem tax work.

P&A hereby makes the **assumption** that, in all appraisal assignments performed for governmental entities in satisfaction of contractual obligations related to ad valorem tax , the client does not wish to or cannot legally request the appraisal report not identify the client.

Intended users of our reports are typically the client(s) for which we are under direct contract. Although taxpayers or their agents who own and/or represent the subject property being appraised often receive these reports either by law or as a courtesy of the client or P&A, this receipt does not mean these parties automatically become Intended Users as defined by USPAP. **A party receiving a copy of a report in order to satisfy disclosure requirements does not become an intended user of the appraisal or mass appraisal unless the appraiser specifically identifies such party as an intended user.** Potential other users include parties involved in adjudication of valuation disputes (review board members, lawyers, judges, etc.), governmental agencies which periodically review our appraisals for various statutory purposes (such as the Texas Comptroller's Office) and private parties who may obtain copies of our appraisals through Open Records Requests made to governmental agencies.

This section of P&A's USPAP report is not applicable to any Industrial, Utility, or related Personal Property that an appraisal district appraises outside of P&A's appraisal services, in which case the appraisal district's overall USPAP report should be referenced.

P&A makes the **Extraordinary Assumption** that all properties appraised for ad valorem tax purposes are marketable whereas ownership and title to property are free of encumbrances and other restrictions that would affect fair market value to an extent not obvious to the general marketplace. If and/or when we are made aware of any encumbrances, etc., these would be taken into account in our appraisal in which case the extraordinary assumption stated above would be revoked.

P&A is typically under contract to determine current market value or "fair market value" of said industrial, utility, and related personal property. Fair market value is typically described as the price at which a property would sell for if:

- exposed in the open market with a reasonable time for the seller to find a purchaser;
- both the buyer and seller know of all the uses and purposes to which the property is, or can be, adapted and of the enforceable restrictions on its use; and

- both the buyer and seller seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other. [Exigencies are pressing or urgent conditions that leave one party at a disadvantage to the other.]

For ad valorem tax purposes the effective date is usually legislatively specified by the particular State in which we are working - for example, in Texas the lien date is January 1 per the Texas Property Tax Code. For ad valorem tax purposes, the date of the appraisals and reports are typically several months past the effective date, thereby leaving open the possibility that a retrospective approach is appropriate under limited and prescribed circumstances (information after the effective date being applicable only if it confirms a trend or other appraisal condition that existed and was generally known as of the effective date).

P&A believes this section of this report, in conjunction with any attached or separately provided P&A-generated report(s), meets the USPAP definition of "typical practice"; i.e., it satisfies a level of work that is consistent with:

- the expectations of participants in the market for the same or similar appraisal services; and
- what P&A's peers' actions would be in performing the same or similar appraisal services in compliance with USPAP.

Legal and Statutory Requirements: The provisions of the Texas Property Tax Code and relevant legislative measures involving appraisal administration and procedures control the work of P&A as a subcontractor to the Appraisal District. P&A is responsible for appraising property on the basis of its market value as of January 1 for ad valorem tax purposes for each taxing unit that imposes ad valorem taxes on property in the contracted Appraisal District. All industrial, utility and personal properties are reappraised annually. The definition of Fair Market Value is provided and promulgated for use in ad valorem tax work in Texas by the Texas Property Tax Code, and therefore as a **Jurisdictional Exception** supercedes the definition of "market value" as found in USPAP definitions.

Administrative Requirements: P&A follows generally accepted and/or recognized appraisal practices and when applicable, the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures. P&A, when applicable, also subscribes to the standards promulgated by the Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practice (USPAP). In all cases where IAAO and/or USPAP requirements cannot be satisfied for reasons of practicality or irrelevancy, P&A subscribes to "generally accepted appraisal methods and techniques" so that its value conclusions are credible and defendable. P&A submits annual or biannual contract bids to the Office of the Chief Appraiser and is bound to produce appraisal estimates on industrial, utility and personal properties within the cost constraints of said bid. Any appraisal practices and procedures followed by P&A not explicitly defined through IAAO or USPAP requirements are specified by the Texas Property Tax Code and/or at the specific request or direction of the Office of the Chief Appraiser.

Appraisal Resources

Personnel: The Engineering Services Department and P&A's appraisal staff consists of appraisers with degrees in engineering, business and accounting. All personnel are Registered Professional Appraisers with the State of Texas, or are progressing towards this designation as prescribed by the Texas Department of Licensing and Regulation (TDLR).

Data: A set of data characteristics (i.e. original cost, year of acquisition, quantities, capacities, net operating income, property description, etc.) for each industrial, utility and personal property is collected from various sources, often including personal inspection (in-person observation of the subject property performed as part of the scope of work, not to be confused with an inspection performed by a home inspector, structural engineer, or the like). This data is maintained in either hard copy or computer files as part of the appraiser's work file (documentation necessary to the support the appraiser's analyses, opinions, and conclusions). Each property's characteristic data drives the appropriate computer-assisted appraisal approach to valuation.

Information Systems: P&A's mainframe computer system is composed of in-house custom software augmented by schedules and databases that reside as various applications on personal computers (PC). P&A offers a variety of systems for providing property owners and public entities with information services.

VALUATION APPROACH (MODEL SPECIFICATION)

Concepts of Value: The valuation of industrial, utility and personal properties is not an exact science, and exact accuracy is not attainable due to many factors. These are considered complex properties and some are considered Special Purpose properties. Nevertheless, standards of reasonable performance do exist, and there are reliable means of measuring and applying these standards.

The evaluation and appraisal of industrial, utility and personal property relies heavily on the discovery of the property followed by the application of recognized appraisal techniques. The property is subject to inflation and depreciation in all forms. The appraisal of industrial and personal property involves understanding petroleum, chemical, steel, electrical power, lumber and paper industry processes along with a myriad of other industrial processes. Economic potential for this property usually follows either the specific industry or the general business economy. The appraisal of utility properties involves understanding telecommunications, electrical transmission and distribution, petroleum pipelines and the railroad industry. Utility properties are subject to regulation and economic obsolescence. The examination of utility property involves the understanding of the present value of future income in a regulated environment.

The goal for valuation of industrial, utility and personal properties is to appraise all taxable property at "fair market value". The Texas Property Tax Code defines Fair Market value as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

Approaches to Value for Industrial, Utility, and Personal Property

Cost Approach: The use of cost data in an appraisal for market value is based upon the economic principle of substitution. This method is most readily applicable to the appraisal of industrial and related personal property and some, but not all, utility property. Under this method, the market value of property equals the value of the land plus the current cost of improvements less accrued depreciation. An inventory of the plant improvements and machinery and equipment is maintained by personally inspecting each facility every year. **As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., relies predominantly on the cost approach to value in the appraisal of industrial, utility, and related personal property. Exceptions exist for core operating property of rate-regulated utility property - see discussion of Income Approach below.**

Market Approach: This approach is characterized as one that uses sales data available from actual transactions in the market place. There are two factors that severely limit the usefulness of the market approach for appraising industrial, utility and personal properties. First, the property sales data is seldom disclosed; consequently there is insufficient market data for these properties available for meaningful statistical analysis. Second, all conditions of sale must be known and carefully investigated to be sure one does have a comparative indicator of value. Many times when these properties do change hands, it is generally through company mergers and acquisitions where other assets and intangibles in addition to the industrial, utility and personal property are involved. The complexity of these sales presents unique challenges and hindrances to the process of allocation of value to the individual components of the transaction.

In the case of industrial, utility and personal properties, a scarcity of sales requires that all evidence of market data be investigated and analyzed. Factors relative to the sale of these properties are:

- plant capacity and current production; terms of sale, cash or equivalent;
- complexity of property;
- age of property;
- proximity to other industry already operated by the purchaser; and
- other factors such as capital investment in the property.

As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., rarely employs a rigorous application of the market approach in the appraisal of industrial, utility, and personal property.

Income Approach: This approach to value most readily yields itself to all income generating assets, especially utility properties. Data for utility properties is available from annual reports submitted to regulatory agencies whereby future income may be estimated, and then this future income may be converted into an estimate of value. The valuation of an entire company by this method is sometimes referred to as a Unit Value. Many refer to this as a capitalization method, because capitalization is the process of converting an income stream into a capital sum (value). As with any method, the final value estimate is no better than the reliability of the input data. The underlying assumption is that people purchase the property for the future income the property will yield.

The relevant income that should be used in the valuation model is the expected future net operating income after depreciation but before interest expense (adjustments for Federal Income Taxes may or may not be required). Assumptions of this method are:

- Past income and expenses are a consideration, insofar as they may be a guide to future income, subject to regulation and competition.
- The economic life of the property can be estimated.
- The future production, revenues and expenses can be accurately forecasted. Future income is less valuable than current income, and so future net income must be discounted to make it equivalent to the present income. This discount factor reflects the premium of present money over future money, i.e., interest rate, liquidity, investment management, and risk.

As a general rule, and for the reasons stated above, Pritchard & Abbott, Inc., employs the income approach in the appraisal of industrial and utility property only when quantifiable levels of income are able to be reliably determined and/or projected for the subject property. P&A does not routinely employ the income approach in the appraisal of personal property, other than for core operating business personal property of rate-regulated utility companies where "unitary methodology" is the widely accepted norm.

DATA COLLECTION/VALIDATION

Sources of Data: The main source of P&A's property data for industrial and personal property is through fieldwork by the appraisers and commercially/publicly available schedules developed on current costs. Data for performing utility appraisals is typically provided by the taxpayer or is otherwise available at various regulatory agencies (Texas Railroad Commission, Public Utilities Commission, FERC, et. al.). Other discovery tools are financial data from annual reports, information from chief appraisers, renditions, tax assessors, trade publications and city and local newspapers. Other members of the public often provide P&A information regarding new industry and other useful facts related to property valuation.

Data Collection Procedures: Electronic and field data collection requires organization, planning and supervision of the appraisal staff. Data collection procedures have been established for industrial and personal properties. Appraisers gather and record information in the mainframe system, where customized programs serve as the basis for the valuation of industrial, utility and personal properties. P&A is divided into multiple district offices covering different geographic zones. Each office has a district manager and field staff. While overall standards of performance are established and upheld for the various district offices, quality of data is emphasized as the goal and responsibility of each appraiser. Additionally, P&A's Engineering Services Department provides supervision and guidance to all district offices to assist in maintaining uniform and consistent appraisal practices throughout the company.

VALUATION ANALYSIS (MODEL CALIBRATION)

The validity of the values by P&A's income and cost approaches to value is tested against actual market transactions, if and when these transactions and verifiable details of the transactions are disclosed to P&A. These transactions are checked for meeting all requisites of fair market value definition. Any conclusions from this analysis are also compared to industry benchmarks before being incorporated in the calibration procedure. Appropriate revisions of cost schedules and appraisal software are annually made and then tested for reasonableness prior to the appraisals being performed.

INDIVIDUAL VALUE REVIEW PROCEDURES

Individual property values are reviewed several times in the appraisal process. P&A's industrial, utility, personal property programs and appraisal spreadsheets afford the appraiser the opportunity to review the value being generated. Often the appraiser is prompted to reevaluate some or all of the parameters of data entry so as to arrive at a value more indicative of industry standards. Examples of indicators are original cost, replacement cost, service life, age, net operating income, capitalization rate, etc. In addition to appraiser review, taxpayers are afforded the opportunity to review the appraised values either before or after Notices of Appraised Value are prepared. Taxpayers, agents and representatives routinely meet with P&A's appraisers to review parameters and to provide data not readily available to P&A through public or commercial sources, such as investment costs and capitalization rate studies. And of course, all property values are subject to review through normal protest and Appraisal Review Board procedures, with P&A acting as a representative of the Office of the Chief Appraiser.

PERFORMANCE TESTS

An independent test of the appraisal performance of properties appraised by P&A is conducted by the State of Texas Comptroller's Office through the annual Property Value Study for school funding purposes. This study determines the degree of uniformity and the median level of appraisal for utility properties. School jurisdictions are given an opportunity to appeal any preliminary findings. After the appeal process is resolved, the Comptroller publishes a report of the findings of the study, including in the report the median level of appraisal, the coefficient of dispersion around the median level of appraisal and any other standard statistical measures that the Comptroller considers appropriate.