



DENTON CENTRAL APPRAISAL DISTRICT

2025 - 2026

REAPPRAISAL PLAN

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As we progress into the actual reappraisal process, we reserve the right to modify the plan as required in order to meet the requirements for this office as set forth in the Texas Property Tax Code.

EXECUTIVE SUMMARY

Denton Central Appraisal District has prepared and published this reappraisal plan to provide the Board of Directors, taxing units, citizens and taxpayers with a better understanding of the District's responsibilities and reappraisal activities.

The Denton Central Appraisal District (DCAD) is a political subdivision of the State of Texas created on January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A 9 member Board of Directors constitute the DCAD governing body. The Chief Appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district. Appendix A contains a list of Board of Directors members.

Denton Central Appraisal District is responsible for local property tax appraisal and exemption administration for the taxing units in Denton county. These jurisdictions are located in Appendix B. Each taxing unit sets its own tax rate to generate revenue to pay for services such as police and fire protection, public schools, road and street maintenance, recreational facilities, water and sewer systems, and other public services. Property appraisals are values established by the appraisal district and used by the taxing units to distribute the annual tax burden. Appraisals are based on each property's market value.

DCAD also administers and determines eligibility for various types of property tax exemptions that are authorized by state and local governments; such as homestead, over-65, disabled persons, disabled veterans, and charitable organizations, and religious exemptions.

A reappraisal plan is required by the Texas Property Tax Code section 6.05(i) and 25.18. A summary of the reappraisal activities which fulfill these requirements is included in this report.

TEXAS PROPERTY TAX CODE REQUIREMENT

The Reappraisal Plan

Section 6.05(i) of the Texas Property Tax Code 2023 Edition, is 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 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.

Section 25.18(a) and (b) of the Texas Property Tax Code 2023 Edition, reads 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 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.

REAPPRAISAL ACTIVITIES

As required by Section 25.18 of the Texas Property Tax Code, Denton Central Appraisal District performs the following reappraisal activities:

1. Identifying properties to be appraised through physical inspection or by other reliable means of identification.

Accurate ownership and legal description data is maintained by processing recorded deeds and plats that are accessed through the County Clerk's website. The deeds are read and entered onto the computer assisted mass appraisal (CAMA) software system by the Mapping & Ownership Department. Information entered includes the grantor, grantee, date of recording, volume, and page. Property identification numbers are assigned to each parcel of property and remain with the property for its life. Maps have been developed that show ownership lines for all real estate in the county. The maps are stored electronically using ESRI software and are integrated with the CAMA software to provide staff and appraiser significant analysis capabilities. Aerial photography is purchased on a biannual basis and provides mapping staff and appraisal staff additional capability to review and identify property characteristics. Oil and gas wells are discovered using Texas Railroad Commission records. Business personal property is located by using data sources such as sales tax permit holder lists, business listings, commercial publications and by canvassing the county.

2. Identify and update relevant characteristics of each property in the appraisal record.

Real estate is reviewed annually. The property data related to new construction and other building permit activity is collected through an annual field review effort. Cities within DCAD's jurisdiction frequently provide permit information either electronically or in paper form. Comparable sales data is routinely verified as part of the building permit field review and reappraisal activities. Appraisers drive to market areas and gather data on houses, commercial buildings, and vacant land tracts, based on building permit information. Additional information is gathered during protests, from taxpayers, sales activity, and sales ratio analysis. The appraisers review property noting its condition, observing and noting any changes to the property since its last inspection. A picture of the property is taken and a sketch of the improvements is made, if there is none on the records. Characteristics such as bathrooms, fireplaces, air conditioning, type of roof, type of exterior, type of foundation and quality of construction are recorded or validated. All data is stored in the CAMA software and assists the appraiser in making value decisions when they return to the office. Business personal property is inspected and the appraiser makes notations of the type of business and the quality and density of both the inventory and furniture and fixtures.

3. Define market areas in the district.

Market areas are defined by the physical, economic, governmental and social forces that influence property values. A list can be found in Appendix E. The effects of these forces are used to identify, classify, and stratify or delineate similarly situated properties into smaller, more comparable and

manageable subsets for mass valuation purposes. Market sales are examined to confirm which areas are similar.

4. Identify property characteristics that affect property value in each market area.

Each parcel of property has detailed information recorded into the CAMA system. Each improvement may show the sketch and dimensions, the quality of construction, the year of construction, the exterior covering, the number of baths, fireplaces, air conditioning type, fences, pools and other attributes, and the overall condition of the improvement. For land, the legal description, size, and special characteristics are noted and can be used when comparing to other land parcels.

5. Develop an appraisal model that reflects the relationship among the property characteristics affecting value in each market area.

General demographic, economic and financial trends, construction cost, market sales and income data are acquired through various sources. These may include internally generated questionnaires to buyer and seller, public and university research centers, private market data vendors, real estate related publications and telephone contact with buyers, sellers, brokers and fee appraisers, as well as information collected from property owners and agents during the informal protest and Appraisal Review Board process.

Revisions to cost models, income models, and market models are specified, updated and tested each appraisal year. Market area boundaries are reviewed and adjusted as indicated by growth patterns and market preferences and other factors.

The CAMA system begins with the cost approach to value to estimate the original cost of each improvement. That cost is based on local modifiers to information from national publications such as Marshall Valuation Service (Marshall & Swift) and also on local construction surveys. Components measured in the cost include the size of the structure, the exterior covering, the quality of construction, the number of stories, air conditioning and other special amenities.

The market sales are then studied for value contributions in each market area and adjustments to cost are applied to each market area in the form of a market adjustment.

6. Apply the conclusions reflected in the model to the characteristics of the properties being appraised.

By utilizing the age, quality, conditions, construction components and other variables, the model is developed and applied to all parcels within the market area.

7. Review the appraisal results to determine value.

After completing the process of assigning value to all parcels within a market area using the CAMA software, sales ratio reports are run for each market area to determine if the values that have been assigned are within acceptable ranges.

REAPPRAISAL PLAN DEVELOPMENT

Revaluation Policy - The Texas Property Tax code under section 25.18 requires each appraisal district to implement a plan to update the appraised values for real property at least once every three years. DCAD's current policy is to conduct a general reappraisal of real and business personal property value annually.

Performance Analysis - The certified values from the previous tax year will be analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies will be conducted in compliance with current *Standards on Ratio Studies* of the International Association of Assessing Officers.

Analysis of Available Resources – Staffing and budget requirements for tax year 2025 are detailed in the 2025 budget, as adopted by the board of directors. Staffing requirements for each operation and production activity will be identified and allocated accordingly to meet mandatory timelines. Aerial and oblique images and map layers will be updated according to available funding and contract specifications. Staffing and budget requirements for the 2026 tax year will be handled in a similar manner and detailed in the 2026 budget, as adopted by the board of directors no later than September 15, 2025.

Planning and Organization – A calendar of key events with critical completion dates is located in Appendix D.

Mass Appraisal System – Computer Assisted Mass Appraisal (CAMA) system revisions required are specified and scheduled with the Information Technology division and the district's software vendor. All computer forms and IT procedures are reviewed and revised as required.

Data Collection – Field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each tax year include, discovery and listing of new construction, demolition, and remodeling; re-inspection of problematic market areas and the universe of properties on a three year cycle, as feasible; and verification of sales data and property characteristics. Re-inspection of properties will be completed by physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial and oblique imagery, street-level photographs, surveys, maps, and property sketches.

Analysis- Current market data will provide guidelines for the revision of mass appraisal models. These revised models will be tested using ratio studies conducted by property type and market areas. Ratio studies will be conducted in accordance with IAAO standards. The ratio studies determine the accuracy, uniformity, and reliability of estimated values.

Valuation by tax year – Valuation models are specified and calibrated in compliance with supplemental standards from IAAO and the Uniform Standards of Professional Appraisal Practices (USPAP) using market analysis of comparable sales, comparable income data, and locally tested cost data. Calculated values are tested for accuracy and uniformity using ratio studies.

Mass Appraisal Report - Each tax year the Texas Property Tax Code required mass appraisal report will be prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar. The mass appraisal report will be completed in compliance with USPAP Standard 6. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6-3.

Final Performance Analysis – Value defense evidence to be used by the district to meet its burden of proof for market value and appraisal equity in both informal and formal hearings is specified and tested as applicable. In addition, Section 5.10 of the Texas Property Tax code requires the State Comptroller Property Tax Assistance Division to conduct a property value study of each school district within the state at least once every two years. This study utilizes statistical analysis of sold properties and appraisals of unsold properties as a basis for assessment ratio reporting.

PLAN REVIEW, AMENDMENTS and ALTERATIONS

The Board of Directors, acting on a request from the Chief Appraiser, may review, amend or alter this plan, if:

1. The Chief Appraiser's request is made during a public Board of Directors meeting and is properly listed on the agenda for the Board meeting; and
2. The Chief Appraiser identifies the portion of the plan to be altered or amended and substantiates the need to alter or amend the plan.

Calendar Amendments and Alterations – The Chief Appraiser is authorized to administratively amend or alter the 2025-2026 Calendar of key events, shown in Appendix D, as deemed necessary. Calendar changes can be made periodically and will not be considered alterations or amendments to the plan and do not require action by the Board of Directors.

2025-2026 REAPPRAISAL PLAN

SCOPE OF RESPONSIBILITIES

Historical Estimated number of accounts

	2020	2021	2022	2023	2024
MH	5,802	5,833	5,863	5,910	5,947
MN	152,586	98,204	96,997	98,459	67,327
P	19,475	21,676	21,616	23,017	23,356
R	313,319	327,978	337,422	346,289	360,347
Grand Total	491,182	453,691	461,898	473,675	456,977

*2020-2021 loss in mineral accounts due to consolidation.

*2023-2024 loss in mineral accounts recorded due to circuit breaker zero values

REVALUATION POLICY

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. Denton Central Appraisal District's current policy is to conduct a general reappraisal of real and business personal property value annually, meaning that a property's appraised value is established and reviewed for equality and uniformity each year. The district conducts an onsite field review of real property in a portion of the county annually as part of a reappraisal cycle. Business personal property is verified on an annual basis through various means, including onsite field review, property owner rendition submissions, and district initiated owner questionnaires.

The Chief Appraiser will provide a notice of appraised value for each property in compliance with Section 25.19, Texas Property Tax Code.

Appraisal Frequency and Method Summary

Land Appraisal - Vacant rural land is valued using comparable sales. Lot values in subdivisions are computed by market sales, or if unavailable, as an allocated percentage.

Residential Appraisal - Residential new construction is physically examined as part of an annual building permit data collection process. Appraisers determine size, class, year built, effective year of construction and other property characteristics and features that are used in the cost and sales comparison valuation methods. Improved residential properties are delineated by market areas as defined later in this document. On an annual basis, the residential department performs statistical analysis to evaluate whether values are equitable and consistent with the market. Based on analysis of the sales activity, market adjustment factors are developed and applied to adjust the appraised values in market areas or specified geographic areas on comparable properties.

Commercial Appraisal - Commercial real estate is verified by attempting to field observe and photograph each property at least once every three years to confirm class, condition and other property data. Properties are also reviewed as part of an annual building permit inspection process. The appraisers determine highest and best use. Economic units are delineated by improved market areas. On an annual basis, commercial market values are established using generally accepted appraisal methods and techniques. Land values are generally determined using comparable sales. For improved properties, appraisers consider the cost, sales comparison and income approaches and then reconcile the final value, based on the quality and availability of the most accurate and credible data for each valuation approach.

Business Personal Property – Business Personal Property is observed annually by appraisers to identify and document business personal property quality and density. A rendition is mailed annually to each business. Comparable businesses are analyzed to determine consistency of appraisal values per square foot or unit. Businesses are categorized using Standard Industrial Codes. Rendition laws provide additional information on which to base values of all business personal property accounts.

PERFORMANCE ANALYSIS

In each appraisal year, the previous appraisal year's equalized values are analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall. In its annual procedures, the district tests values by market area within state property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies from the IAAO. Mean, median, and weighted mean ratios are calculated as measures of central tendency for properties in each reporting category to measure the level of appraisal (appraisal accuracy). In each reappraisal year this analysis is used to develop the starting point for establishing the level of accuracy of appraisal performance.

ANALYSIS OF AVAILABLE RESOURCES

Staffing and budget requirements for appraisal year are detailed in the appraisal district budget, as adopted by the Board of Directors. This reappraisal plan is adjusted to reflect the expected available staffing in appraisal year and the anticipated staffing for appraisal year. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in this time period. (See Appendix C for listing of key appraisal staff)

Changes in legislation involving appraisal districts may occur when the legislature is called into session. These new laws may require adjustments to the budget, staffing, and programming.

Existing appraisal practices, which are continued from year to year, are identified in procedure manuals and district staff are appropriately trained in order to keep their skills current. Real property appraisal cost new tables and depreciation tables are reviewed and updated as necessary based upon cost data obtained from national publications such as Marshall Valuation Service (Marshall & Swift) and local market data. The preliminary values produced by these updates are tested against verified sales data and independent fee appraisal reports, and adjustments are made as necessary to fit the local market area. Income studies by commercial real property use type are conducted and models are updated from current market data. This includes a review of economic rents and capitalization rates from the local market, data obtained through ARB hearing process, and information from published sources. Personal property density schedules are analyzed, tested and updated based on cost data obtained by rendition and ARB hearing documentation.

Information Technology support is detailed with year specific functions identified by management and system upgrades are scheduled with the district's software vendor. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and also tested through coordination between the district's IT department and its software vendor. Existing maps and data requirements are developed and updates coordinated between the district's GIS and IT departments in order to make the tools available to appraisal staff.

PLANNING AND ORGANIZATION

A calendar of key events with critical completion dates is prepared for the district. This calendar identifies the key events for developing the appraisal roll (See Appendix D for Calendar of Events.) This plan encompasses the normal processes carried out for each year by the district, therefore catastrophic events or significant legislative action may have a detrimental effect to the district's operations and require changes to this plan.

MASS APPRAISAL SYSTEM

Information Technology (IT) maintains Denton Central Appraisal District's information technology infrastructure. The various Management Information Support functions include technical support, computer operations, applications systems development and support, internet support functions, data communications, network and personal computer workstation support, data management, geographic information systems in support of mapping, and multiple layers of GIS related intelligence and digital photography for utilization by all operating departments of the organization. Multiple network servers are in place to support the access through the internal and external networks for use by individuals. The DCAD data structures reside and are supported by multiple database tables accessible through the computer workstation and network structure. These systems provide direct support for all operating departments involved in appraisal functions, customer service, exemption administration and the Appraisal Review Board support activities. The server data is also utilized to fulfill all the reporting requirements for the taxing units and the State Comptroller's Property Tax Assistance Division.

Computer Assisted Mass Appraisal (CAMA) system revisions are specified by the district management team and scheduled with IT and the district's software vendor. Legislative mandates will be addressed and implemented into the necessary systems applications. All computer generated forms, letters, notices and orders will be reviewed annually and revised as necessary.

The district's website makes a range of information available for public access, including information on appraisal district operations. The site also provides links to connect users to related websites for taxing units, other appraisal districts and state government resources. Property owners can access additional online information from Denton CAD's website (www.dentoncad.com) that includes property characteristics, preliminary and certified values, protests and appeal procedures, and property maps.

Real Property Valuation

Revisions to cost models, income models, and market models are specified, updated and tested each appraisal year. Market area boundaries are reviewed and adjusted as indicated by growth patterns and market preferences and other factors. Deeds are processed on an ongoing basis to transfer ownership, establish the basis for land size, and assign account numbers to newly platted lots as an addition to the appraisal roll. The district will also update and process exemptions and special use appraisal applications as necessary and applicable.

Cost schedules are tested with market data (sales) to ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are based on cost data from national publications such as Marshall Valuation Service (Marshall & Swift) and from local market data. The resulting schedules are tested for accuracy and uniformity using ratio studies.

Land tables are updated using current market data (sales) and then tested with a ratio study.

Income Schedules are tested to ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.012. Income, expense, and occupancy data is updated in the income models for each property use category and market area. Property categories are reviewed to ensure their continued applicability. Capitalization rate studies are completed using current sales data when available, and published sources are also utilized. The resulting models are tested using ratio study tools.

Market Models are tested to ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.01. Market data such as sales are gathered, entered into the system, and analyzed. They are then tested with sales ratio reports.

Personal Property Valuation

Density schedules are updated using data received during the previous appraisal year from renditions and hearing documentation. Valuation procedures are reviewed, modified as necessary, and tested.

Appraisal Notices

Appraisal Notices will be sent in accordance with Texas Property Tax Code, Section 25.19. Appraisal notices will be reviewed for legal sufficiency and correctness. Enclosures will be updated, including the latest version of the comptroller's *Taxpayer Assistance Pamphlet*. Real property notices will generally be mailed in early April and personal property notices will be mailed in mid-May for each year covered by the plan.

Hearing Process

Appraisal directors & supervisors will conduct training for staff in early April of each appraisal year to ensure preparedness for informal and formal hearings, which will generally begin in mid-April of each year covered by the plan. Logistical staff will attend the stated mandated training for ARB members typically held in March.

Revisions and enhancements to existing hearing scheduling procedures for informal and formal appraisal review board hearings will be reviewed and updated to ensure efficiency and timely certification of the appraisal roll. Standards of documentation and the appraisal districts hearing evidence will be reviewed and updated to reflect the current valuation methods and practices. Production of evidence will be tested and compliance with Tax Code requirements will be ensured.

PILOT STUDY

New or revised mass appraisal models will be tested on randomly selected market areas. Sales ratio studies will be used to test the models. Actual test results will be compared against anticipated results and those models not performing satisfactorily will be refined and retested. The procedures used for model specification and model calibration will comply with USPAP Standard 5 ,Mass Appraisal Development.

DATA COLLECTION

IDENTIFYING PROPERTY

The Mapping department will gather information from deeds, plats, replats, and other documents filed of record at the Denton County Courthouse. The department will input & update information into the CAMA system.

IDENTIFYING & UPDATING PROPERTY CHARACTERISTICS

Field appraisers are currently provided with standardized field collection devices in order to verify existing property characteristics or record new property data. The work assignments are based on the geographic area that is delineated for reappraisal. Existing appraisal data is displayed on a field device used by the appraiser to record new or modified data during an on-site inspection. Each parcel of property has detailed information recorded into the CAMA system. Each improvement shows the sketch and dimensions, the quality of construction, the year of construction, the exterior covering, then number of baths, fireplaces, air conditioning type, fences, pools and other attributes, and the overall condition of the improvement. For land the legal description, size, and special characteristics are noted and can be used when comparing to other land parcels.

Other field inspection resources for all departments may include sales and income data, fire damage reports, building permits, certificates of occupancy, building plans, site plans, recorded deeds and plats, photos, published articles and actual cost information.

Field and office procedures are reviewed and revised as required for the data collection process. Activities scheduled for each appraisal year include market area delineation, new construction and demolitions, remodeling, re-inspection of problematic areas, re-inspection of the universe of properties, verification of sales data, and quality control.

Departmental Calendar Year Overview

Residential	Commercial	Personal Property
<u>2025</u>	<u>2025</u>	<u>2025</u>
Review residential cost schedules & consider available vendors	Review commercial cost Schedules & consider available vendors	Procedure manual update and review
Procedure manual update and review	Procedure manual update and review	BPP network drive cleanup and archiving
Residential network drive cleanup and archiving	Commercial network drive cleanup and archiving	Review and remove unused & obsolete codes
Review and remove unused & obsolete codes	Review and remove unused & obsolete codes	Inspections for tagged properties
Inspections for tagged properties	Inspections for tagged properties	Drive all areas annually for new or adjusted BPP accounts and business closures.
Land Schedule Review & Evaluation	Consider creating an income model for all commercial property types	Properties that were not rendered in the last two years will be reviewed with an onsite field inspection.
Improvement Schedule Review & Evaluation	Review land adjustments	Continue audit of exemptions
Neighborhood Code Review & Evaluation	Review Economic unit groups	
<u>2026</u>	<u>2026</u>	<u>2026</u>
Consider reassigning appraiser regions to maximize productivity, staff knowledge, and continued development.	Consider reassigning appraiser regions & property types to maximize productivity, staff knowledge, and continued development.	Consider reassigning appraiser regions to maximize productivity, staff knowledge, and continued development.
Inspections for tagged properties	Inspections for tagged properties	Inspections for required tagged properties
	Review and automate commercial equity and sales grids	Drive all area for new, existing, moved, and/or closed accounts
	Collect financing data to calculate a “typical” loan to value ratio	Inspection of non-rendered accounts that have not rendered in the past two years.
	Review all commercial property values	Review the possibility of the CAMA system to direct by situs in the field for each area.
	Review and cleanup market area codes for uniformity	Software system to develop Online rendition submission

Market Area Delineation

Market areas are defined by the physical, economic, governmental and social forces that influence property values. The effects of these forces are used to identify, classify, and stratify or delineate similarly situated properties into smaller, more comparable and manageable subsets for valuation purposes. Delineation can involve the physical drawing or the market area boundary lines on a map or, it can also involve statistical separation or stratification based on attribute analysis. These homogeneous properties have been delineated into valuation market areas for residential & commercial property, as well as property use & submarket for commercial property, but because there are discernible patterns of growth that characterize a market area, analyst staff will annually evaluate the market area boundaries or market segments to ensure homogeneity of property characteristics.

New Construction/Demolition

Field and office review procedures for inspection of new construction will be reviewed and revised as required in order to complete the data collection phase. Field production standards are established and procedures for monitoring tested to meet field review deadlines. Sources of building permit data is confirmed and system input procedures are identified in the procedures adopted by the department.

Remodeling

Market areas with extensive remodeling will be identified through permits and on-site inspections will be planned to verify property characteristic data. Reappraisal of significantly changed properties will take place and values will be tested with ratio studies before they are finalized.

Re-Inspection of Problematic Market Areas

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

Re-Inspection of the Universe of Properties

Texas Property Tax Code, Section 25.18(b) requires the re-inspection of the universe of properties at least once every three years. The district's re-inspection activity is dictated by availability of staff, which is dependent on the completion of current year protests and certification. Re-inspection of properties will be completed using a combination of field inspections and office review. Office review of property will include the examination of aerial photography using the DCAD's most recently flown oblique and orthographic imagery provided by Pictometry Inc., property sketches, existing property characteristics, and existing street-view images captured by district staff.

Gathering & Verification of Sales Data and Property Characteristics

Sales information will be gathered by the Mapping department & inputted into the CAMA system. Sales information will be reviewed & verified by the appraisers. Property characteristics data contemporaneous with the date of sale will be captured. Since Texas does not require full sales disclosure of sales transactions, the district will obtain sales prices through deeds, voluntarily disclosed closing statements or fee appraisals (usually submitted as evidence in a protest hearing) buyer and seller mail questionnaires, or third party sources such as real estate agents and market data vendors.

Quality Control

Appraisal department directors and data management employees conduct on-going quality control of the entire data entry process. Supervisors and directors verify the accuracy of collected data with periodic on-site field reviews. The review process may pinpoint areas where additional appraiser training is required.

VALUATION METHODS BY PROPERTY TYPE

RESIDENTIAL PROPERTY VALUATION

Scope of Responsibility

The Residential Appraisal staff is responsible for developing equal and uniform market values for residential properties.

Residential assignments are delineated from commercial assignments on the basis of property use type codes. Generally, the staff values residential single family, all multifamily housing other than apartments, and mobile homes. The Residential Division is responsible for appraising vacant residential lots and tracts in neighborhoods.

State Code	Code Description	
A1	REAL, RESIDENTIAL, SINGLE-FAMILY	Residential
A2	REAL, RESIDENTIAL, MOBILE HOME	Residential
A3	REAL, RESIDENTIAL, WATERFRONT	Residential
A4	REAL, RESIDENTIAL, CONDOS	Residential
A5	REAL, RESIDENTIAL, TOWNHOMES	Residential
A6	REAL, RESIDENTIAL, GOLF COURSE	Residential
B2	REAL, RESIDENTIAL, DUPLEXES	Residential
C1	VACANT PLATTED RESIDENTIAL LOT	Residential
C3	VACANT LOT OUTSIDE CITY	Residential
C5	VACANT LOT WATERFRONT	Residential
M1	MOBILE HOME	Residential
E1	LAND AND IMPROVEMENTS (NON AG QUALIFIED)	Land/Res/Ag
E3	MOBILE HOMES ON NON AG QUALIFIED LAND	Land/Res/Ag
E4	VACANT NON QUALIFIED NON HOMESITE LAND	Land/Res/Ag
D1	QUALIFIED AG LAND	Land/Ag
D2	FARM AND RANCH IMPSS ON QUALIFIED OPEN-SPACE	Land/Ag
OA1	INVENTORY, RESIDENTIAL SINGLE FAMILY UNDER 5	Land
OA4	INVENTORY, CONDOS	Land
OA5	INVENTORY TOWNHOMES	Land
OB2	INVENTORY, DUPLEX	Land
OC1	INVENTORY, VACANT PLATTED LOTS/TRACTS	Land
OC3	INVENTORY, VACANT LOTS, OUTSIDE CITY	Land

Appraisal Resources

Personnel - The Residential Appraisal staff currently consists of 30 staff members, including one director, and four supervisors. A detailed count may be found in the adopted budget.

Data gathering - A common set of data characteristics for each residential dwelling in Denton County is collected in the field and data entered to the CAMA System. Land data resources include property-specific (view attributes, topography, site plan approvals, sales, listings, and zoning, *e.g.*) and general (neighborhood trends, investment criteria, *e.g.*) data, acquired from field inspection, aerial imagery, public records, owner survey, as well as contract services that report sale and listing information, general market trend and investment criteria, *etc.* Denton CAD uses personal field devices to make data entry more efficient in the field work. These PFD's will enable the appraiser to enter data as it is gathered, thus limiting errors and saving time due to not re-writing the gathered data and another employee interpreting the data. This property-specific data drives the DCAD computer-assisted mass appraisal (CAMA) approaches to valuation. Residential appraisal also requires verified sales data, actual construction cost data, and other real estate sources and data. Appraisers also review various real estate related publications to determine patterns and trends in the market data.

Specific Valuation Objectives

Each year, new land accounts are created by subdivision, condominium declaration, or by split/merge activity. Field inspections ascertain land characteristics for these new accounts, for the development status of subdivision / condominium developments that were partially complete in the previous year, and for existing individual properties or land market areas targeted for review. On an annual basis, in cooperation with Residential and Commercial real property appraisal divisions, existing land values are compared with recent market data within designated land market areas. All qualifying D1 properties are reappraised annually as to their productivity values, as are qualifying "O" property inventory values.

In addition to properties identified by building permits, sales, protests, and administrative review, Denton Central Appraisal District proposes to review information as outlined in the [Departmental Calendar Year Overview](#).

New construction/demolition - New construction and office review procedures are identified and revised as needed. Building permits provided by the cities are a main source of discovering construction or demolition properties. This data is acquired periodically from the cities and used in identifying properties for annual inspection.

Sales data is researched and verified – Sales with a sales ratio of 75% below or 25% above the Denton CAD market value must be verified and property characteristics data gathered with the date of sale captured. The sales ratio formula is Denton CAD appraisal of the property divided by the sales price.

Highest and Best Use Analysis – Highest and best use of property is the reasonable and probable use that supports the highest present value as of the appraisal date. The highest and best use of residential property is normally its current use. This being due to the fact that residential development, in most areas, through deed restrictions and zoning preclude other land uses. Residential valuation reassessment is used in transition areas and areas of mixed residential and commercial use. In transition areas with ongoing renovations of neighborhoods no longer prosperous, the appraiser would review the residential property use and determine the highest and best use. Once the conclusion is made that the highest and best use remains residential, further highest and best use analysis is done to decide the type of residential use on a neighborhood basis. As an example, it may be determined in a transition area that older, non-remodeled homes are not the most productive or profitable use, and the highest and best use of such property is

to demolish the old homes and construct new dwellings. In areas of mixed residential and commercial use, the appraiser reviews properties on a periodic basis to determine if changes in the real estate market require reassignment of the highest and best use of a select category of properties. DCAD also complies with the Texas Property Tax Code Section 23.01(d) regarding a property's value for a residence homestead.

VALUATION AND STATISTICAL ANALYSIS (Model Calibration)

Cost Schedules

Geographically adjusted, from national publications such as Marshall Valuation Service (Marshall & Swift) cost schedules utilized are reviewed and adjusted periodically in order to consistently reflect market costs or any changing economic trends. These are costs compared with sales of new improvements and evaluated from year to year and indexed to reflect the local residential building and labor market. Costs may also be adjusted for market area factors and influences that affect the total replacement cost of the improvements in a smaller market area based on evidence taken from a sample of market sales. The cost schedules are reviewed regularly and any variation greater than a range of plus or minus 10% from nationally recognized cost schedules is documented.

Tables are also produced in order to uniformly apply value for added amenities as determined by the marketplace. Examples may include pools, bathhouses, outbuildings, boathouses, tennis courts, and other market driven value items.

The District considers all three approaches to value and recognizes the cost approach as an acceptable approach. Generally for residential property the district considers the market approach a more viable and accurate indicator due to it's being more sensitive to economic, social and physical characteristics of a given property.

Income Models

The income approach to value may be useful to those real properties that are typically viewed as "income producing" when sufficient income data is available and where comparable sales are not present. In the current residential market, the income approach is not generally used.

Sales Information

A sales file for the storage of "snapshot" sales data for vacant and improved properties at the time of sale is maintained for residential real property. Residential improved and vacant sales are collected from a variety of sources, including: district survey letters sent to buyers and sellers, field discovery, protest hearings, sales vendors, builders, realtors and brokers.

A system of type, source, validity and verification codes has been established to define salient facts related to a property's purchase or transfer and to help determine relevant market sale price information. The effect of time as an influence on price can be considered by paired sales analysis and applied in the ratio study to the sales as indicated within each market area. Market area sales reports are generated as an analytical tool for the appraisers in the development and estimation of market price ranges and property component value estimates. Abstraction and allocation of property components based on sales of similar property is an important analytical tool to interpret market sales under the cost and market approaches to value. These analysis tools help determine and estimate the effects of change, with regard to price, as indicated by sale prices for similar property within the current market.

Statistical Analysis

The residential appraisal staff performs statistical analysis annually to evaluate whether values are equitable and consistent with the market. Ratio studies are conducted on residential market areas in the district to judge the two primary aspects of mass appraisal: accuracy and uniformity of value. Appraisal statistics of central tendency and dispersion generated from sales ratios are available for each market area and are summarized by year. These summary statistics including, but not limited to, the weighted mean, median, standard deviation, coefficient of variation, and coefficient of dispersion provide the directors a tool by which to determine both the level and uniformity of appraised value on a market area basis. The level of appraised value is determined by the weighted mean for individual properties within a market area, and a comparison of market area weighted means reflect the general level of appraised value between comparable market areas. Review of the standard deviation, coefficient of variation, and coefficient of dispersion discerns appraisal uniformity within and between market areas.

The appraisers, through the sales ratio analysis process, review market areas annually. The first phase involves market area ratio studies that compare the recent sales prices of market area properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. Based on the sales ratio statistics and designated parameters for a valuation update, a preliminary decision is made as to whether the value level in a market area needs to be updated in an upcoming reappraisal, or whether the level of appraised value is acceptable. The residential appraisers perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market.

Market Area and Market Analysis

Market area analysis of market sales to achieve an acceptable sale ratio or level of appraisal is also the reconciliation of the market and cost approaches to valuation. Market factors are developed from appraisal statistics provided from market analyses and ratio studies and are used to ascertain that estimated values are consistent with the market and to reconcile cost indicators. The district's primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for market area influences not particularly specified in a purely cost model.

The following equation denotes the hybrid model used:

$$MV = LV + ((CN - D) MA)$$

$$\text{Market Value} = \text{Land Value} + ((\text{Cost New} - \text{Depreciation}) \text{Market Adjustment})$$

In accordance with the cost approach, the estimated market value (MV) of the property equals the land value (LV) plus the replacement cost new of property improvements (CN) less depreciation (D) times the market adjustment factor (MA). The MA is only applied to the improvement value, not the land value. As the cost approach separately estimates both land and building contributory values and uses depreciated replacement costs, which reflect only the supply side of the market, it is expected that adjustments to the cost values may be needed to bring the level of appraisal to an acceptable standard as indicated by market sales. Thus, demand side economic factors and influences may be observed and considered. These market, or location adjustments, may be abstracted and applied uniformly within market areas to account for location variances between market areas or across a jurisdiction.

Market Adjustment

Market Area adjustment factors are developed from appraisal statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. The district's primary approach to the valuation of residential properties is the market or sales comparison approach.

Statistical analysis of present appraised value as compared with recent sales determines the appropriate market adjustment for a market area. Statistical programs developed by the DCAD Residential Department staff are used to study market trends and to develop appropriate market adjustments.

Special Appraisal Provisions

Appraisal of Residential Homesteads

Article VIII, Sec. 1(i) of the Texas constitution allows the legislature to limit the annual percentage increase in the appraised value of residence homestead to 10% under certain conditions. This limitation is commonly referred to as a Homestead "Capped Value". Sec.23.23 of the Tax Code implements the cap on increases in value. The limited value begins in the second year the property owner qualifies for a residential homestead exemption. The appraised value of a qualified residence homestead will be the LESSER of:

- the market value; or
- the preceding year's appraised value PLUS 10 percent PLUS the value of any improvements added since the last re-appraisal.

The appraised value of a homestead increases 10% annually or until the appraised value is equal to the market value. If a limited homestead property sells, the cap automatically expires as of January 1st of the year following the sale of the property and the property is appraised at its market value. The market value of a limited homestead is maintained, as well as the limited appraised value.

DCAD also complies with the Texas Property Tax Code Section 23.01(d) regarding a property's value for a residence homestead.

Residential Inventory

Section 23.12 of the Texas Property Tax Code provides the definition of market value for inventory. Inventory includes residential real property that has never been occupied as a residence and is held for sale in the ordinary course of business, if the property is unoccupied, is not leased or rented, and produces no revenue.

Residential inventory is appraised at market value. The market value of residential inventory is the price at which it would sell as a unit to a purchaser who would continue the business. The land appraisal staff applies the same generally accepted appraisal techniques to determine the market value of residential real property inventory.

INDIVIDUAL VALUE REVIEW PROCEDURES

Field Review

The appraiser identifies individual properties in need of field review through examples such as: sales ratio analysis, ARB hearings, building permits, property owner's requests, aerial photography and other sources.

Sold properties are reviewed on a regular basis to check for accuracy of data characteristics before they are used in reappraisal analysis.

Increased sales activity can result in a more substantial field effort on the part of the appraisers to review and resolve sales that fall outside acceptable ranges. Additionally, the appraisers frequently field review subjective data items such as quality of construction, condition, and physical, functional and economic obsolescence, factors contributing significantly to the market value of the property.

Office Review

Office reviews are performed in compliance with the International Association of Assessing Officer standards, and with the guidelines required by the existing classification system. The appraiser may utilize aerial photography as a means to verify building characteristics and location without an on-site inspection.

Appraisers conduct a routine valuation review of all properties as outlined in the discussion of ratio studies and market analysis. Previous values resulting from protest hearings, informal negotiation, or litigation are individually reviewed to determine if the value remains appropriate for the current year.

Once an appraisal Director is satisfied with the level and uniformity of value for each area, the estimates of value are prepared for a notice of proposed value.

PERFORMANCE TESTS

Sales Ratio Studies

The primary analytical tool used by the appraisal Director to measure and improve performance is the ratio study. The district ensures that the appraised values produced meet the standards of accuracy in several ways. Overall sales ratios are generated for each ISD to allow the appraiser to review general market trends within their area of responsibility, and provide an indication of market appreciation over a specified period of time. In addition to the sales ratios by school district and market area, sales ratios statistics are also generated.

Management Review Process

Once the proposed value estimates are finalized, the appraisal supervisors review the sales ratios by market area and present pertinent valuation data, such as weighted sales ratio and pricing trends to the Director of Residential Appraisal. This review includes comparison of level of value between related market areas within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values have met preset appraisal guidelines appropriate for the tax year in question.

COMMERCIAL PROPERTY VALUATION

Appraisal Responsibility

Commercial Appraisal operates within the Commercial Department of Denton Central Appraisal District which is responsible for the valuation of all commercial real property, including land and improvements, located within the boundaries of Denton Central Appraisal District's jurisdiction. Commercial real property types generally include multi-family, office, retail, warehouse/manufacturing and various other categories of business related facilities. In general terms, the commercial appraisal staff is responsible for establishing market value on any real property for which the highest and best use is determined to be non-residential.

Commercial appraisal assignments are delineated from residential assignments on the basis of state use code guidelines established by the State Comptroller. Generally the commercial staff values all commercially improved properties including apartments, retail, office and industrial. Non-Homestead residential properties located in areas of transition to commercial, known as interim-use properties, are also valued by the commercial division. Property data and valuation models for commercial accounts are stored in the CAMA System.

State Code	Code Description	
B1	REAL, RESIDENTIAL, APARTMENTS	Commercial
C2	VACANT LOT COMMERCIAL	Commercial
F010	COMMERCIAL BUILDER PLANS - REFERENCE ONLY	Commercial
F1	REAL, COMMERCIAL	Commercial
F2	REAL, INDUSTRIAL	Commercial
F3	REAL - COMMERCIAL MH PARKS	Commercial
F4	REAL - COMMERCIAL OFFICE CONDO'S	Commercial
D1	QUALIFIED AG LAND	Land/Ag
D2	FARM AND RANCH IMPSS ON QUALIFIED OPEN-SPACE	Land/Ag
E1	LAND AND IMPROVEMENTS (NON AG QUALIFIED)	Land/Res/Ag
E3	MOBILE HOMES ON NON AG QUALIFIED LAND	Land/Res/Ag
E4	VACANT NON QUALIFIED NON HOMESITE LAND	Land/Res/Ag

Appraisal Resources

Personnel – The Commercial Appraisal Division is currently staffed with 11 staff members including the Commercial Director and the Supervisor. Appraisal duties and responsibilities are divided by commercial property type and include Multi-family, Industrial, Office and Retail.

Commercial Appraisal - The Commercial Appraisal Division is responsible for valuing all commercial improved real property within Denton Central Appraisal District. Appraisers are responsible for all aspects of data collection, valuation, and valuation appeal (protests).

The assignment of the exact area of responsibility is reviewed and assigned each appraisal year by the Director of Commercial Appraisal. Appraisers are also given the task of completing field reviews for all permits issued in their designated appraisal areas. Appraisers are consistently cross trained so they are knowledgeable and competent to

appraise any/all commercial property types within DCAD's jurisdiction, even when those properties fall outside of their assigned area or property type.

Research - Appraisers are responsible for collecting, processing, and maintaining income information that is used in the valuation process. After the information is processed and verified, the information is entered into the database. Income information may also be maintained in databases outside of the CAMA system for use during the appeals season. Sales are collected and processed by the Mapping department.

The commercial appraisal staff is responsible for updating and maintaining the commercial data. This includes the periodic review and calibration of various cost and depreciation tables.

Data - A standardized set of data characteristics for each commercial property in Denton County is collected and data entered by the commercial appraisal staff into the CAMA system. This property-specific data drives the three valuation models. Additional required data includes verified sales of vacant land and improved properties and the pertinent data obtained from each (sales price levels, capitalization rates, income multipliers, equity dividend rates, marketing period, etc.). Other data used by the appraisers includes sale listings, fee appraisals, actual income and expense data (typically obtained through the appeals process), actual contract rental data, leasing information (commissions, tenant finish, length of terms, etc.), and actual construction cost data. In addition to the actual data obtained from specific properties, market data publications and published market surveys are also reviewed to provide additional support for market trends.

Specific Valuation Objectives

Each year, new land accounts created by subdivision, condominium declaration, or by split/merge activity are appraised based on recent market data. Field inspections ascertain land characteristics for these new accounts, for the development status of subdivision/condominium developments that were partially complete in the prior year, and for existing individual properties or land market areas targeted for review. On an annual basis, in cooperation with Residential and Commercial real property appraisal divisions, existing land values are compared with recent market data within designated land market areas.

In addition to properties identified by building permits, sales, protests, and administrative review, Denton Central Appraisal District proposes to review information as outlined in the [Departmental Calendar Year Overview](#).

PRELIMINARY ANALYSIS & DATA COLLECTION

Prior to beginning the valuation activities for an appraisal year, the appraisal department management team completes a review of the results of the preceding year. Budget, calendar issues, and resource availability are all considered. Appraisal activities must be coordinated between DCAD departments to avoid conflicts and ensure availability of personnel. Appraisal Review Board activity and value changes during the appeals process are analyzed. DCAD takes a proactive approach to create organizational efficiencies by reviewing prior year activities and refining internal processes.

Area Analysis

Data on regional economic forces such as demographic patterns, regional location factors, employment and income patterns, general trends in real property prices and rents, interest rates, discount rates, and financing trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources. More detailed analysis is then completed to determine what appraisal area market changes will need to occur during the upcoming valuation cycle.

Market Area Analysis

A commercial market area, submarket or economic area consists of land and the commercial properties located within the boundaries of a specifically defined area. A market area consists of a wide variety of both competing and complementary property types including residential, commercial, industrial and governmental. Market area delineations can be based on man-made, political, or natural boundaries.

The effects of these forces are used to determine the highest and best use for a property, and to select the appropriate sale, income, and cost data in the valuation process.

Area identification and delineation by major property use type is a key component in a mass-appraisal, commercial valuation system. Areas are periodically reviewed to determine if a revised delineation is required.

Highest and Best Use Analysis

The highest and best use is the most reasonable and probable use that generates the highest present value of the real estate, as of the date of valuation. The highest and best use of any given property must be physically possible, legally permissible, financially feasible, and maximally productive. It is that use that will generate the highest net return to the property over a period of time. For vacant tracts of land within a jurisdiction, the highest and best use is considered speculative but market-oriented, and is based on the surrounding land uses in a competing land market area. The appraiser must consider the most probable use that is permitted under local administrative regulations and ordinances. While its current zoning regulation may restrict a property's use, the appraiser may also consider the probability that the zoning could be changed, based on activity in the area and a city's propensity for approving zoning change requests.

For improved properties, highest and best use is evaluated as currently improved and as if the site were still vacant. In many instances, the property's current use is the same as its highest and best use. However, the appraiser may determine that the existing improvements have a transitional use, interim use, nonconforming use, multiple uses, speculative use, excess land, or a different optimum use, if the site were vacant. Improved properties reflect a wide variety of highest and best uses which include, but are not limited to: office, retail, apartment, warehouse, light industrial, special purpose, or interim uses. Proper highest and best use analysis ensures that the most accurate estimate of market value can be derived.

Market Analysis

A mass-appraisal market analysis relates directly to economic market forces affecting supply and demand that affect a group of similar or "like" properties. This study involves the relationships between social, economic, environmental, governmental, and site conditions. Appraisers consider such general market data as submarket supply and demand, zoning and code restrictions, municipal services, school district characteristics, job growth patterns, population trends, transportation issues, investment patterns and a myriad of other factors that influence the

local real estate market. Specific market data is gathered and analyzed including sales of commercial properties, new construction and other building permit activity, new leases, lease rates, absorption rates, vacancies, typical property expenses (inclusive of replacement reserves, if recognized by the market), expense ratio trends, and capitalization rate indicators. This data is used to determine market ranges in price, operating costs and investment return expectations.

DATA COLLECTION VALIDATION

Data Collection Procedures/Field Inspections

Data collection of commercial real property involves maintaining data characteristics of the property into the CAMA system. The information contained for each property includes site characteristics, such as land size and topography, and improvement data such as square footage of the building, actual and effective years of construction, quality of construction, condition and all of the miscellaneous details. The appraisers are required to use a property classification system that establishes uniform procedures for the correct listing of real property. All properties are coded according to a classification system. The appraisers use property classification references during training and as a guide in the field inspection of property and when adding new properties to the appraisal roll.

When the appraisers are doing field inspections, they review all characteristics of the property and make changes where there are discrepancies. They review items such as building class, quality of construction, condition, and physical, functional and economic obsolescence factors contributing to the market value of the property. All comments, changes, date of inspection are added to the property records.

Commercial Building Permits

Cities within DCAD's jurisdiction have a system of issuing building permits to property owners in order to ensure that building code standards are followed for all new construction or major remodeling projects. Permits may also be issued for repair or replacement of plumbing, electrical, HVAC, roofing, foundations, canopies, interior or exterior finish, parking lots, and ancillary structures. On a regular basis, copies of those permits are either forwarded to DCAD or downloaded by a DCAD employee from various city websites. Permits are matched to a corresponding commercial account and pertinent permit data is entered into the CAMA system.

Comparable Sales Data

Commercial sales data is collected and processed by the Mapping department. The sale data is reviewed and verified by appraisers to determine reliability of the content and the source. Sale details are compiled to create a "snapshot" of the sold parcels as of the time of sale. A commercial appraiser may conduct a field inspection to verify the accuracy of the existing property characteristics data.

Income and Expense Data

Income and expense data consists of property rent rolls and income statements and is generally provided by property owners during the appeals process. The appraisal staff scans the information into the CAMA system or forwards the data to the support section where it is immediately scanned into the property. The data can be retrieved by appraisers and processed into the CAMA system income and expense tables. The district also subscribes to several real estate publications, such as CoStar, Real Capital Analytics and Axiometrics that provide individual summarized income data within each specified submarket or improved market area. Pertinent income data includes contract and market

rental rates, asking rental rates, physical and economic vacancies, tenant reimbursements, operating expenses, capitalization rates, discount rates, lease up projections, and finish out costs.

Sources of Commercial Data

Property specific data is gathered as part of an on-site field inspection. The majority of cost related data is compiled by subscribing to national publications such as Marshall Valuation Service (Marshall & Swift) and from local market data. Closing statements, actual cost documents, rent rolls and income statements provided by owners or agents during the protest and ARB process are considered the most reliable sources of property data. DCAD should receive all copies of the deeds recorded in Denton County that convey commercially classed properties located within the DCAD jurisdiction. When a deed involving a change in commercial property ownership is entered into the DCAD system, data mining techniques are employed to gather as much sale and sale related appraisal information as possible. Denton Central Appraisal District subscribes to CoStar, a vendor of commercial sale and property data, and other subscription based data sources. Other sales sources are contacted such as the brokers involved in the sale, property managers, commercial real estate vendors, Fannie Mae, the Texas State Comptroller's Property Tax Division and other knowledgeable parties. The commercial appraisal staff attempts to confirm and verify data from secondary sources. Unlike the majority of states, Texas laws do not require mandatory disclosure of sale prices. DCAD Commercial sales data is provided by voluntary disclosure or purchased from third party vendors.

VALUATION APPROACH

The commercial appraisal system, developed and maintained in the CAMA system, consists of mass appraisal applications of the sales comparison, cost, and income approaches to value. Each approach to value represents a specific model or formula that defines property characteristics and their relationships in an effort to arrive at an indication of market value for a given property.

Cost Approach

The very basic valuation model is:

$$V = LV + (RCN - D)$$

(Value = Land Value + (Replacement Cost New – Depreciation)

This model represents the formula for the cost approach to value. The formula for a cost driven valuation model begins with an estimate of replacement cost new (RCN) for all improvements (buildings, fencing, paving etc.) on a parcel of land. Three forms of depreciation are considered and subtracted from the RCN to result in an estimate of value for the improved portion of the real estate. The sales comparison approach is typically the most reliable method to value the underlying land. An overall value is then computed by adding the depreciated value of the improvements to the value of the land.

Improvement Valuation

Cost model specification involves categorizing or grouping commercial improvements by construction type or use. The Commercial Department uses a numerical coding system of building classes that represent commercial property construction. For each building class, key characteristics are used to describe a typical or benchmark property. The characteristics may include construction quality, plumbing, interior, flooring, roof type, roof materials,

heating/cooling, exterior, foundation, story height, and number of stories. The Appraisal Manual contains a description and a list of these specific characteristics for each property class. Additional site improvements for each building class, such as concrete paving, canopies, garages, and storage buildings are also specified and valued using the cost approach.

Other key data necessary for cost valuation includes gross building area, year built and effective year of construction, percent and quality of finish-out, percent of completion, and property condition. A base cost rate is associated with each commercial building class. An improvement value or replacement cost is then computed by multiplying the base rate times the structure's gross building area. An improvement can have more than one building class.

The total improvement value for an account represents the sum of the depreciated improvement value of all taxable improvements plus any value for the additional site improvements associated with the account.

Depreciation

Accrued depreciation is the sum of all forms of loss affecting the contributory value of the improvements. It is the measured loss against replacement cost new taken from all forms of physical deterioration, functional and economic obsolescence. Accrued depreciation is estimated and developed based on losses typical for each property type at that specific age. Physical depreciation is expressed as a percentage that is computed and subtracted from estimated replacement cost value. This percentage rate is extracted from depreciation tables and is dependent on the class, condition, effective age and economic life of each improvement. Individual determinations are made for functional and economic depreciation rates based on property specific conditions. The sum of the three rates is utilized in the CAMA application to compute a depreciated improvement value.

Land Valuation

On an annual basis, commercial land values are analyzed by the Commercial Department. The Commercial Department will review, update and adjust any land parcels.

Sales Comparison Approach

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized for estimating land value and also in comparing sales of similarly improved properties to parcels on the appraisal roll. Sales of similarly improved properties can also provide a basis for the depreciation schedules in the Cost Approach, rates and multipliers used in the Income Approach, and as a direct comparison in the Sales Comparison Approach. Improved sales are also used in ratio studies, which afford the appraiser an excellent means of judging the present level and uniformity of the appraised values.

The formula for the sales comparison approach is:

Market Value = Sale Price of Comparable Properties adjusted for differences between the comparables and the subject.

In this model, market value is a total amount without a separation for improvement and land values. The sales comparison approach requires an adequate amount of sales data to be accurate. Some commercial property categories cannot be valued with this technique because of a limited amount of verifiable sales data.

Commercial mass appraisal using sales is specified or defined based on several standardized property characteristics or comparison fields. Sales within market areas are used to more accurately define market value for that specific type of property. For commercial properties valued using the Market or Sales method a sales ratio report is conducted by the market area. The sales ratio report allows the commercial appraiser to determine the market adjustment necessary by calculating the mean for sales during a given time frame.

Before the market adjustments are defined, the appraisers study and analyze the sales in each market segment. This market analysis aids in revealing patterns in value that vary due to location, size, age, etc. The appraiser then determines what market areas have enough credible sales data to make market adjustments based on sales.

Income Approach

The income approach to value is applied to those real properties which are typically viewed by market participants as "income producing", and for which the income methodology is considered a leading value indicator. The basic formula for the income approach is:

Market Value = Net Operating Income Divided By Overall Cap Rate.

This is also known as "Direct Capitalization", which is a generally accepted appraisal technique used to convert one year's stabilized income into an indication of market value. The income approach module provides the mechanism to capture and specify a property's income characteristics for levels or variable situations known as "Pro Forma", "Direct Cap" (actual) and "Schedule" (market). These income calculations are under Income Value in separate tabs in the CAMA income module. A thorough analysis of actual market data is performed by the commercial appraisal team. The "Direct Cap" allows the appraiser to use actual income characteristics that are property specific to create an income model individual to the property.

The income approach formula includes gross potential income, economic vacancy, secondary income, total operating expenses, net operating income and capitalization rate.

The income approach formula is generally expressed the following way. A brief definition of each component of the formula is listed below.

Gross Potential Rent
Plus
Secondary Income
Minus
Vacancy & Collection Loss
Equals
Effective Gross Income
Minus
Operating Expenses
Equals
Net Operating Income
Then
Net Operating Income/Overall Cap Rate = Value

Gross Potential Rent (GPR) - Total economic or market rent at 100% occupancy; usually expressed as an annual amount on a per square foot or per unit basis.

Secondary or Other Income - Income, other than rent, such as; laundry rooms, parking, storage area rental, electronic communication roof space rental, and other sources related to ordinary operation of a property. Can be expressed as a percentage of GPR or EGR or dollar amount per unit of measure.

Vacancy and Collection (V&C) - Loss in rental income because of economic vacancy, bad debt or economic rental concessions; often expressed as a percent of GPR; based on market cycles and trends.

Effective Gross Rent (EGR) - Rental Income after subtracting vacancy & rental loss from gross potential rent.

Effective Gross Income - Amount of actual income received from rent and secondary sources.

Operating Expenses - Expenses necessary to maintain a cash flow from the real property (not from the business). Typical expenses include management, utilities, property insurance, property taxes, repairs and maintenance, etc. This dollar amount can also be expressed as a percentage or ratio that represents total expenses divided by effective gross income.

Net Operating Income (NOI) - Income remaining after subtracting operating expenses from Effective Gross Income. This amount is income before debt service, property depreciation, personal income taxes, amortization, or interest payments.

Overall Capitalization Rate (OAR) - Rate used to convert income into value. An overall rate represents the requirements of discount (return), recapture and effective tax rates for the whole property. This is expressed as cap rate plus tax rate. If the tax rate is "loaded" into the cap rate, then the amount of real estate taxes is removed as an expense item.

VALUATION PROCESS

Valuation involves the process of estimating and periodically adjusting the mass appraisal formulas, tables, and schedules to reflect current local market conditions. Three valuation models are utilized in the mass appraisal process; cost, income and sales comparison models. These are represented as separate options for commercial valuation in the CAMA system. The CAMA software is developed to create valuation models specified according to appropriate Uniform Standards of Professional Appraisal Practices and International Association of Assessing Officers mass appraisal standards and techniques.

Cost & Depreciation Schedules

The cost approach to value is applied to all improved real property utilizing the comparative unit or square foot method to determine replacement cost new. Replacement cost new should include all direct and indirect costs, including materials, labor, supervision, architect and legal fees, overhead and a reasonable profit. Development of a comparative cost unit for each building class involves the utilization of national cost data reporting services as well as consideration of actual cost information on comparable properties. A base cost rate has been developed for each building class and represents the replacement cost per unit for a benchmark property for each class.

Accrued depreciation is estimated and developed based on losses typical for each property type at that specific age. Physical depreciation is the loss in value due to wear and tear and exposure to natural forces. For each major class of

commercial property, standardized physical depreciation tables have been developed based on physical condition and the building life expectancy. Effective age estimates are based on the utility of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the marketplace.

A depreciation calculation override can be used if the condition or effective age of a property varies from the standard. These adjustments are typically applied to a specific property in the form of physical adjustment, economic adjustment or functional adjustment.

Final Valuation Summary and Reconciliation

Based on the market data analysis and the methodology described in the cost, income and sales approaches values are determined by the appraiser for each commercial property. The cost approach mass appraisal model is applied to every improved property. The final valuation is applied using the cost, sales comparison, or income approach, depending on the property type and availability of data.

Statistical and Capitalization Analysis

The Commercial Appraisers perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market. Appraisers review every commercial property type annually through the sales ratio analysis process. Ratio studies are conducted on commercial properties to judge the two primary aspects of mass appraisal accuracy – level and uniformity of value. Appraisal statistics of central tendency generated from sales ratios are evaluated and analyzed for the market areas. The level of appraised values is determined by the weighted mean ratio for sales of individual properties, and a comparison of weighted means reflect the general level of appraised values.

Potential gross rent estimates, occupancy levels, secondary income, allowable expenses (inclusive of non-recoverable and replacement reserves), net operating income and capitalization rate and multipliers are continuously reviewed. Income model estimates and conclusions are compared to actual information obtained on individual commercial properties during the appeal and protest hearings process, as well as with information received from published sources and area property managers and owners.

Special Appraisal Provisions

Appraisal of Residential Homesteads

Article VIII, Sec. 1(i) of the Texas constitution allows the legislature to limit the annual percentage increase in the appraised value of residence homestead to 10% under certain conditions. This limitation is commonly referred to as a Homestead "Capped Value". Sec.23.23 of the Tax Code implements the cap on increases in value. The limited value begins in the second year the property owner qualifies for a residential homestead exemption. The appraised value of a qualified residence homestead will be the LESSER of:

- the market value; or
- the preceding year's appraised value PLUS 10 percent PLUS the value of any improvements added since the last re-appraisal.

The appraised value of a homestead increases 10% annually or until the appraised value is equal to the market value. If a limited homestead property sells, the cap automatically expires as of January 1st of the year following the sale of

the property and the property is appraised at its market value. The market value of a limited homestead is maintained, as well as the limited appraised value.

DCAD also complies with the Texas Property Tax Code Section 23.01(d) regarding a property's value for a residence homestead.

INDIVIDUAL VALUE REVIEW PROCEDURES

Field Review

The appraiser identifies individual properties in critical need of field review through sales ratio analysis. All properties are periodically reviewed to check for accuracy of property characteristics. Field Reviews of selected market areas are conducted on an annual basis.

Office Review

Office reviews are conducted on all properties. As authorized by the International Association of Assessing Officer standards, on properties subject to field inspection and are performed in compliance with the guidelines required by the existing classification system. The appraiser may utilize aerial photography as a means to verify building characteristics and location without an on-site inspection.

Valuation reports comparing the previous year's values against proposed and final values are generated for all commercial properties. Previous values from protest hearings are reviewed to determine if the value remains the same for the current year based on sales and market conditions. The percentage of value differences are noted for each property within a delineated market segment allowing the appraiser to identify, research and resolve value anomalies before final appraised values are determined. Each appraiser's review is limited to properties in their area of responsibility or by property type.

Once the appraiser and Director are satisfied with the level and uniformity of value for each commercial property within the appraiser's area of responsibility, the estimates of value are prepared to send a notice of proposed appraised value.

PERFORMANCE TESTS

Sales Ratio Studies

The primary tool to measure appraisal performance is a ratio study. A ratio study compares appraised values to market values. Sales ratio studies are an integral part of estimating equitable and accurate market values, and ultimately property assessments for the taxing jurisdictions.

Ratio studies generally have six basic steps: (1) determination of the purpose and objectives, (2) data collection and preparation, (3) comparing appraisal and market data, (4) stratification, (5) statistical analysis, and (6) evaluation and application of the results.

BUSINESS PERSONAL PROPERTY VALUATION

General Overview

Business Personal Property Appraisal of Denton Central Appraisal District is responsible for developing fair and uniform market value appraisal procedures for business personal property (BPP) located within the district. BPP account categories: standard business personal property consisting of merchandise, supplies, furniture, fixtures machinery, equipment and vehicles; leased assets; commercial aircraft and boats; utilities; special inventory for dealers selling autos, boats and boat trailers, manufactured homes, and heavy equipment; and mineral properties.

State Code	Code Description	
L1	BPP TANGIBLE COMMERCIAL PROPERTY	BPP
L2	BPP TANGIBLE INDUSTRIAL PROPERTY	BPP
L3	BPP TANGIBLE COMMERCIAL LEASED EQUIPMENT	BPP
L5	AIRCRAFT	BPP
S	SPECIAL INVENTORY	BPP

State Code	Code Description	
G1	OIL AND GAS	Wardlaw
J1	REAL & TANGIBLE PERSONAL, UTILITIES, WATER SY	Wardlaw
J2	REAL & TANGIBLE PERSONAL, UTILITIES, GAS COMP	Wardlaw
J3	REAL & TANGIBLE PERSONAL, UTILITIES, ELECTRIC	Wardlaw
J4	REAL & TANGIBLE PERSONAL, UTILITIES, TELEPHONE	Wardlaw
J5	REAL & TANGIBLE PERSONAL, UTILITIES, RAILROAD	Wardlaw
J6	REAL & TANGIBLE PERSONAL, UTILITIES, PIPELINE	Wardlaw
J7	REAL & TANGIBLE PERSONAL, UTILITIES, CABLE TV	Wardlaw
J8	REAL & TANGIBLE PERSONAL, UTILITIES, OTHER	Wardlaw
J9	UTILITIES, RAILROAD ROLLING STOCK	Wardlaw / Texas Comptroller

Appraisal Resources

Personnel –BPP staff consists of 11 staff members, including one director and one supervisor..

Data – A common set of data characteristics for each account in the district are collected by appraisers in the field, by phone, and other pertinent sources and are entered into the DCAD computer files by both the appraisal and support staff. These assigned property characteristics produce a computer-assisted personal property appraisal (CAPP) used for comparison purposes when working renditions to determine whether an account’s rendered value or CAPP value will be selected by the category appraiser. The category appraisers also utilize the CAPP system during the review of their SIC code assignments to value accounts that fail to render.

Specific Valuation Objectives

For the upcoming cycle, Denton Central Appraisal District proposes to identify all new businesses needing to be set up for appraisal year, track all existing business closures and business relocations within Denton County. Staff will utilize all available resources to research whether identified businesses have opened, closed or moved to a new location within Denton County. Staff will re-drive roads to review and update, close and/or pick up new accounts not currently on the appraisal roll. In addition to properties identified by building permits, sales, protests, and administrative review, Denton Central Appraisal District proposes to review information as outlined in the Departmental Calendar Year Overview.

BPP utilizes indicators to highlight account questions or reasons of concern. All such indicators require specific actions by the appraisers to be notated on the field card.

Criteria for upcoming year’s field inspections and/or indicators requiring action by the appraisers:

1. All new BPP setups.
2. Unrendered properties > \$20,000.
3. Relocations/Ownership changes

Review building permits and certificate of occupancy issuances prior to field work to assist field appraisers in flagging new accounts. The BPP support staff will also assist the field appraisers with researching whether the businesses have closed or moved to a new location within Denton County.

Adjustment of Criteria for upcoming year’s field inspections and/or indicators requiring action by the appraisers will vary depending on what results are found from the prior year field work results.

VALUATION APPROACH

SIC Code Analysis

Standard Industrial Classification (SIC) codes were created in the 1930s to develop a plan of business classification by the Federal Government. These four digit numeric codes are used as the basis for classifying and valuing business personal property accounts. The North American Classification System (NAICS) was released in 1998 to replace SIC codes, but the software system used by DCAD has not yet been converted to accept the six digit NAICS code. Until that conversion is made, SIC codes will continue to be utilized.

SIC code identification and delineation is the cornerstone of the business personal property valuation system in the district. All of the analysis work done in association with the valuation process is SIC code specific. DCAD uses SIC codes to classify local business categories. SIC code delineation is periodically reviewed to determine if further refinements are necessary.

Highest and Best Use Analysis

The highest and best use of property is the most reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive. The highest and best use of business personal property is normally its current use.

DATA COLLECTION/VALIDATION

Data Collection Procedures

Appraisal and data collection procedures are maintained in the Business Personal Property Manual and supplemented with departmental memorandums as needed. Procedures are reviewed and revised to meet the changing requirements of field data collection. Business personal property appraisers reappraise all businesses each year through various discovery means and resources.

Sources of Data

Standard Business Personal Property Accounts

Before the field appraisers begin their new-year field work in August/September, a comparison is done between DCAD active field accounts, internally created reports and third party data providers to assist the appraisal staff with identifying accounts that are given priority for inspection/re-inspection.

Various discovery publications are utilized which include, but are not limited to, the Texas Department of Motor Vehicles website, Comptroller's sales tax permits listings, Texas Secretary of State business organizations website for corporations, and the County Clerk's assumed name filings records. This data may be accessed by the field appraisers during the discovery period from various external and internal databases, and printed data may be filed with the appropriate field card.

Leased Asset/Special Property at Multiple Locations Accounts

The primary source of discovery for these accounts is the owner renditions submitted in either hard copy or electronic format by the lessors, or lease companies. BPP renditions have a section requesting information on leased assets from the lessee. This data is reviewed by the staff to verify the lessor is on the appraisal roll.

Commercial and Business Aircraft & Boat Accounts

The Federal Aviation Administration's (FAA) website provides DCAD with the commercial aircraft registered in Denton County. In addition, local airport/airfield management submit listings of commercial and business aircraft having situs in this district. Commercial boats are identified via renditions.

Special Inventory Accounts

Monthly statements and annual declaration dealer forms for motor vehicles, boats outboard motors and boat trailers, heavy equipment, and manufactured homes (as defined by Section 23 of the Texas Property Tax Code) are used for the discovery and valuation of special inventory accounts. To verify all special inventory dealers are on the appraisal roll, BPP staff checks with the state agencies responsible for licensing these dealers: Texas Department of Transportation for motor vehicle dealers, Texas Parks and Wildlife for boat dealers, and the Texas Department of Housing and Community Affairs for manufactured home dealers. Heavy equipment dealers are not licensed.

Utility, Pipeline and Mineral Accounts

Denton Central Appraisal District contracts with a third party appraisal firm, Wardlaw Appraisal Group, L.C. (WAG) for the appraisal of the categories identified with G, J, and some L2 State Codes. Uniform Standards of Professional Appraisal Practices, or USPAP, certification and reappraisal plan information on these properties are maintained at Wardlaw Appraisal Group offices.

VALUATION AND STATISTICAL ANALYSIS (model calibration)

Cost Schedules

The BPP staff develops the cost schedules (CAPPA grids) specific to the related SIC codes. Cost data is analyzed from property owner renditions, Settlement and Waiver of Protest documentation, and Appraisal Review Board (ARB) hearing evidence to produce SIC grids specifically from these sources only when the value data has been accepted by the appraisal staff. The computation of the SIC grids involves using min, max, mean and percentile functions on the population of accepted accounts. Schedules are reviewed as necessary to reflect changing market conditions and are presented exclusively in a reproduction-cost new (RCN) per square foot format.

Statistical Analysis

Summary statistics such as the median, weighted mean, and standard deviation provide appraisers analytical tools by which to determine both the level and uniformity of appraised value by SIC code. Review of standard deviation can distinguish appraisal uniformity within SIC codes.

Depreciation Schedule and Other Factors

Although all three approaches to value are considered, Denton Central Appraisal District's primary approach to the valuation of business personal property is the cost approach. Factors used by DCAD in the development of the depreciation schedule are based on IAAO standards. Price Indexes and Utilization factors from the Bureau of Labor and Statistics, and other local factors are used to calculate the current present value factors (PFV) that are applied to the rendered cost data to calculate the fair market value (FMV) of the fixed assets.

Depreciation and schedules are reviewed and adjusted as needed. Studies of rendered fixed assets provide guidance for establishing conventions related to specific SIC codes. Any revisions are then adopted and their use is reflected in all of the calculations for that SIC coded business category. Consistent application of this schedule ensures that market values are uniform and equal. All rendered assets are initially valued using rendered costs calculated by the adopted PVF tables, or rendered good faith estimates.

Computer Assisted Personal Property Appraisal (CAPP) Valuations

The two main objectives of the CAPP valuation process are to: (1) analyze and adjust existing SIC models and (2) develop new models for business classifications not previously integrated into CAPP. The delineated sample is reviewed for accuracy of SIC code, square footage, field data, and original cost information. Models are created and refined using actual original cost data to derive a typical per square foot value for a specific category of assets.

The data sampling process is conducted in the following order: 1) Prioritizing SIC codes for model analysis. 2) Compiling the data and developing the reports. 3) Field inspecting the selected samples. The models are built and adjusted using internally developed software. The models are then tested against the previous year's data. The typical cost per square foot is determined by a statistical analysis of the available data using the percentile function of the population of rendered indexed costs per square foot.

Standard Business Personal Property Account

CAPP model values are used in the general business personal property valuation program to estimate the value of new and/or existing accounts for which a property owner's rendition has either not been received or not used to estimate a value based on comparable properties. The calculated current year value is compared to the indicated CAPP model value by the category appraiser. All rendered accounts are analyzed and the rendition's appraised value is selected by the assigned category appraiser.

Exemption Application Processing

Freeport Goods (Sec. 11.251) and Goods-In-Transit (Sec. 11.253) annual exemption applications are reviewed by the BPP Department and either approved, disallowed, or denied as per Section 11.43. The review consists of an audit of supporting worksheet documents and an analysis of the exemption applications to verify the form's accuracy. If no supporting worksheet documents are provided, the application is disallowed and written requests for omitted documentation are made. Upon the receipt of the worksheet documents, the exemptions are either approved, modified and approved, disapproved with a written request for additional documentation to support the application's claim, or denied with a written letter detailing the status of the application. The BPP department also reviews Pollution Control exemptions (Sec. 11.31) and abatements.

Certain vehicles specified under Sec. 11.254 that are used for both the production of income and personal use may receive an exemption for a single vehicle. The exemption applications are reviewed by the appraisal staff and use the same approval or denial procedures as stated for freeport goods and goods- in-traffic above. A vehicle that has been granted this exemption is not required to file an annual exemption application unless requested by the chief appraiser or in cases where there is a vehicle replacement or an ownership change.

Leased Asset/Special Property at Multiple Locations Account

Leased and multi-location assets are valued using the depreciation schedules mentioned earlier. If the asset to be valued in this category is a vehicle, either the NADA published "trade-in" values or a DCAD depreciation schedule developed for motor vehicles is used.

Commercial and Business Aircraft

Valuation for commercial aircraft designated as a certified air carrier, and business aircraft used for business purposes is processed through the utilization of pricing guides as the Aircraft Blue Book Price Guide. The Texas

Property Tax Code has specific methodology for the valuation and/or allocation of all aircraft used both inside and outside this state; Sec. 21.05 states the method for valuing commercial aircraft and Sec. 21.055 refers to the valuation of business aircraft.

Special Inventory

The Texas Property Tax Code provides special valuation procedures for the appraisal of this category of property consisting of dealer motor vehicles, boats outboard motors and boat trailers, manufactured homes, and heavy equipment. Annual Dealer Inventory Declaration forms filed by the property owner on or before February 1st are the basis for the appraisal of special inventory. The declaration form details the dealer's previous year's Texas sales (used as the numerator) and divided by either a factor of 12 or the number of months the dealer was open the prior year (the denominator). This establishes a monthly basis consistent with the owner's tax payment requirements. In the absence of an annual declaration, comparable dealers that have filed declarations are identified and adjusted to the subject property to establish an estimated market value.

Dealer's Inventory Tax Statement forms that are filed monthly beginning February 10th and ending January 10th of the following year detail the current year sales for the previous month. Dealers file these forms with both the appraisal district and the assessor-collector's office and make monthly property tax payments to the assessor-collector based on the prior month's sales.

INDIVIDUAL VALUE REVIEW PROCEDURES

Rendered BPP Accounts Review

Standard Business Personal Property Account

A BPP smartlist reporting rendered accounts that have been imaged into the system identifies accounts ready to be processed by the support staff, and after their entry of the rendered information, an additional query alerts the category appraiser of the rendered accounts ready for their review and value selection. This report also flags accounts that require special review procedures: accounts that have either increased or decreased their total area from the prior year; accounts that had a prior year ARB decision thereby compelling the appraiser to analyze that decision to determine if DCAD has substantial evidence to alter the prior year's ARB determination for the current year's appraisal per Sec. 23.01(c); newly established business accounts; and revisions to SIC cost tables.

Leased Assets

Leased Asset/Special Property accounts that have a high volume of assets and/or vehicles have the highest percentage of rendered accounts of any BPP category. These renditions are commonly filed by the property owner in an Excel compatible format via email or CD. The property owner's spreadsheet is copied over to a template that also contains a present value factor lookup table. The appraiser assigns taxing entities based on asset/vehicle situs, the life class is assigned by asset description, and the value is then calculated. After sorting assets by common taxing entities, a property ID number is assigned to each entity set of assets and the appraiser assigns the value for that account onto the system. Accounts that are rendered by hardcopy must be manually entered into the template by support staff or the appraiser.

Commercial and Business Aircraft

The commercial and business aircraft account's renditions are simultaneously reviewed and valued utilizing a third party market value appraisal guide.

Special Inventory

Special inventory dealers with a current declaration on file are reviewed by the assigned appraiser to assess their validity and value based on the prior year's sales divided by 12 or the total number of months doing business in the prior year.

Un-Rendered BPP Accounts Review

Standard Business Personal Property Account

BPP accounts that fail to render are scrutinized by the field appraiser during their field work and the category appraiser prior to 25.19 Notice of Appraised Values are mailed to the property owner. The field appraiser is responsible for assigning the business category SIC code, the total area of the business, the Quality/Density grid factors and any comments detailing specific information picked up during field reviews. The category appraiser will review all un-rendered accounts by SIC code to determine the value in comparison with rendered properties.

Leased Assets

The appraiser responsible for processing the leased asset accounts will contact properties that have failed to render to determine the reason why a rendition was not received.

Commercial and Business Aircraft

Un-rendered commercial and business aircraft accounts are valued the same as rendered properties of the same category, through the utilization of pricing guides such as the Aircraft Blue Book Price Guide with year and model numbers identified based on the aircraft's N number.

Special Inventory

Special inventory dealers that fail to render are reported to the State licensing agency responsible for issuing licenses, in accordance with the State Property Tax Code. The appraiser will compare un-rendered special inventory accounts with comparable sized dealers of the same category and value the property based on that comparison.

PERFORMANCE TESTS

Ratio Studies

Each year the Property Tax Division of the State Comptroller's Office conducts a Property Value Study (PVS). The PVS is a ratio study used to measure appraisal district performance. Results from the PVS play a part in school funding. Rather than a sales ratio study, the personal property PVS is a ratio study using state cost and depreciation schedules to develop comparative personal property values. These values are then compared to DCAD's personal property values and ratios are determined.

MASS APPRAISAL REPORT

Each tax year the Texas Property Tax Code required mass appraisal report will be prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar . The mass appraisal report will be completed in compliance with USPAP Standard Rule 6. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6-3.

FINAL PERFORMANCE ANALYSIS

Value Defense

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearing is specified and tested annually.

A variety of evidence is utilized by the district depending on the property type of the subject of the protest. In addition, the district updates the evidence supplied to an owner, an agent, or the Appraisal Review Board to be contemporaneous with the valuation procedures utilized. Some examples of evidence that may be used include, but are not limited to:

1. Property sales information
2. Property sales adjustment grids
3. Property equity adjustment grids
4. Gross rent/ income multiplier data
5. Proforma and actual income data
6. Property characteristics data including photos, as applicable
7. Aerial photography
8. Cost approach reports, as applicable
9. Property renditions, as applicable
10. Published reports regarding cost, market or income data
11. Schedules and or models utilized
12. Any other information collected by the district

Independent Performance Test

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 Division (PTD) conducts a property value study (PVS) of each Texas school district within each appraisal district at least once every two years. As a part of this study, the Code also requires the Comptroller to: use sales and recognized auditing and sampling techniques; review each appraisal district's appraisal methods, standards and procedures to determine whether the district used recognized standards and practices (MAP review); 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 representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analysis 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 price-related differential (PRD) for properties overall and by state category (i.e., categories A, B, C, D and F1 are directly applicable to real property).

The preliminary results of this study are released in January of the year following the year of appraisal. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) in the following July of each year for the year of appraisal.

This outside (third party) ratio study provides additional assistance to Denton Central Appraisal District in determining areas of market activity or changing market conditions. Results from Property Value Studies will be reviewed and analyzed by appraisal managers. Areas or property categories with unsatisfactory ratio results will be added to the next work plan and next reappraisal cycles.

LIMITING CONDITIONS

The appraised value estimates provided by Denton Central Appraisal District are subject to the following conditions:

1. The appraisals were prepared exclusively for ad valorem tax purposes.
2. The property characteristic data upon which the appraisals are based is assumed to be correct. Exterior inspections of the property are performed as staff resources and time allows. Some interior inspections of properties are performed at the request of the property owner and required by the district for clarification purposes and to correct property descriptions.
3. Validation of sales transactions was made using sales letters, telephone calls to buyer, seller or realtor, and field review. Sales data obtained from vendors is also considered to be a reliable source.
4. Our analyses, opinions, and conclusions were developed in conformity with the Uniform Standards of Professional Appraisal Practices (USPAP) of the Appraisal Foundation, Code of Professional Ethics, as well as the requirements of the state of Texas.
5. Appendix B has a list of staff providing significant assistance to the person signing this certification.
6. The goal of the Appraisal District is to analyze and estimate market value of each property located in Denton County and in no way were the results or conclusions predetermined or biased.

Certification Statement:

“I, Don Spencer, Chief Appraiser for the Denton Central Appraisal District, solemnly swear that I have made or caused to be made a reappraisal plan for Denton Central Appraisal District as required by law.”

Don Spencer, RPA, RTA

Chief Appraiser

Appendix A -Board of Directors

Denton Central Appraisal District Board of Directors

Roy Atwood	Chairman
Charles Stafford	Vice Chairman
Ann Pomykal	Secretary
Alex Buck	Member
Angie Cox	Member
Michelle French	Member
Rick Guzman	Member
Lisa McEntire	Member
David Terre	Member

Appendix B - Entities

Entities

August 2024

Schools

Taxing Unit	Taxing Unit Name
S01	ARGYLE ISD
S02	AUBREY ISD
S03	CARROLLTON-FB ISD
S04	CELINA ISD
S05	DENTON ISD
S06	FRISCO ISD
S07	KRUM ISD
S08	LAKE DALLAS ISD
S09	LEWISVILLE ISD
S10	LITTLE ELM ISD
S11	NORTHWEST ISD
S12	PILOT POINT ISD
S13	PONDER ISD
S14	SANGER ISD
S15	ERA ISD
S16	SLIDELL ISD
S17	PROSPER ISD

Cities

Taxing Unit	Taxing Unit Name	Taxing Unit	Taxing Unit Name
C01	AUBREY CITY OF	C26	ARGYLE TOWN OF
C02	CARROLLTON CITY OF	C27	COPPER CANYON TOWN OF
C03	THE COLONY CITY OF	C28	TROPHY CLUB TOWN OF
C04	CORINTH CITY OF	C29	PLANO CITY OF
C05	DENTON CITY OF	C30	DOUBLE OAK TOWN OF
C07	FLOWER MOUND TOWN OF	C31	BARTONVILLE TOWN OF
C08	HIGHLAND VILLAGE CITY OF	C32	FRISCO CITY OF
C09	JUSTIN CITY OF	C33	NORTHLAKE TOWN OF
C10	KRUM CITY OF	C34	SHADY SHORES TOWN OF
C11	LAKE DALLAS CITY OF	C35	CROSS ROADS TOWN OF
C12	LEWISVILLE CITY OF	C36	FORT WORTH CITY OF
C13	LITTLE ELM TOWN OF	C37	SOUTHLAKE CITY OF
C14	PILOT POINT CITY OF	C38	HASLET CITY OF
C15	PONDER TOWN OF	C39	GRAPEVINE CITY OF
C16	SANGER CITY OF	C42	DISH TOWN OF
C17	ROANOKE CITY OF	C44	WESTLAKE TOWN OF
C18	KRUGERVILLE CITY OF	C45	NEW FAIRVIEW CITY OF
C19	HICKORY CREEK TOWN OF	C47	CORRAL CITY
C20	DALLAS CITY OF	C48	PROSPER TOWN OF
C21	COPPELL CITY OF	C49	CELINA CITY OF
C22	HACKBERRY CITY OF	C50	HEBRON CITY OF
C24	OAK POINT CITY OF	C51	PROVIDENCE VILLAGE TOWN
C25	LAKESIDE VILLAGE TOWN		

Special Districts

Taxing Unit	Taxing Unit Name
CAD	DENTON CENTRAL APPRAISAL DISTRICT
DESD1	DENTON CO EMERGENCY SERVICE DIST 1
DESD2	DENTON CO EMERGENCY SERVICE DIST 2
PID55	WILDRIDGE PID IA 3
PID56	CONSTELLATION LAKE PID
PID57	CONSTELLATION LAKE IMP AREA 1
PID58	CONSTELLATION LAKE FTR IMP
PID59	HUNTER RANCH IMPROVEMENT DISTRICT 1 OF DENTON COUNTY
PID60	COLE RANCH IMPROVEMENT DISTRICT
PID73	VALENCIA PID 2
PID74	LAKESIDE VILLAGE O&M PID 1
PID75	LAKESIDE VILLAGE PID 1
PID76	FOREE RANCH PID
PID77	MOBBERLY PID MIA
PID78	MOBBERLY PID IA1
PID79	MOBBERLY PID IA2
PID80	CREEKVIEW PID ZONE A IA 1
PID81	CREEKVIEW PID ZONE B IA 1
PID82	CREEKVIEW PID ZONE A REMAINDER AREA
PID83	OAK POINT 720 PID
PID84	LAKESIDE CROSSING PID
PID85	PARVIN PID
PID86	TIMBERBROOK PID NO 2
PID87	DUCK POINT PID
PLAN	BUILDER HOME PLANS
TIF30	PILOT POINT TIRZ 2
TIF31	CELINA TIRZ 4
TIF32	CELINA TIRZ 14
TIF33	CELINA TIRZ 12
TIF34	CELINA TIRZ 8

TIF35	THE COLONY TIRZ 2
TIF36	FLOWER MOUND TIRZ NO 2
TIF37	OAK POINT TIRZ 1
TIF38	PILOT POINT TIRZ 3
TIF39	PILOT POINT TIRZ 4
TIF40	PILOT POINT TIRZ 5
TIF41	PILOT POINT TIRZ 6
TIF42	PILOT POINT TIRZ 7
TIF43	PILOT POINT TIRZ 8
TIF44	NORTHLAKE TIRZ 2
TIF45	NORTHLAKE TIRZ 3
W68	DENTON CO MUD 16
W69	LEGENDS RANCH MUD OF DENTON COUNTY
W70	ROCKY TOP RANCH MUD OF DENTON COUNTY
W71	PONDER FARMS MUD
W72	RIBBONWOOD MUD NO 1 OF DENTON COUNTY
W73	TRADITION MUD 1 OF DENTON COUNTY 1
W74	HIGH POINTE RANCH MUD 1
W75	SANCTUARY MUD 1
W76	SANCTUARY MUD 2
W77	TRADITION MUD OF DENTON COUNTY 2C
W78	TRADITION MUD OF DENTON COUNTY 2D
ESD2	TROPHY CLUB PID NO 1 EMERGENCY SERVICE
G01	DENTON COUNTY
L01	DENTON CO LEVY IMP DIST
MMD1	HIGHWAY 380 MUNICIPAL MANAGEMENT DISTRICT 1
MMD3	NORTHLAKE MUNICIPAL MANAGEMENT DISTRICT 1
MMD4	NORTHLAKE MUNICIPAL MANAGEMENT DISTRICT 2
PID1	LEWISVILLE PID 1
PID10	VALENCIA ON THE LAKE PID
PID11	RAYZOR RANCH PID 1
PID13	THE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT
PID14	RIVENDALE BY THE LAKE PID 1
PID15	THE CREEKS OF LEGACY PID
PID16	RIVERWALK PUBLIC IMPROVEMENT DISTRICT 1

PID19	HACKBERRY PUBLIC IMPROVEMENT DISTRICT 3
PID2	CROSS ROADS PID 1
PID20	JOSEY LANE PID
PID22	THE COLONY PID 1
PID23	RIVENDALE BY THE LAKE PID 2
PID24	JACKSON RIDGE PID
PID26	PONDER PID 1
PID27	CARROLLTON CASTLE HILLS PID 1
PID28	SHAHAN PRAIRIE ROAD PUBLIC IMPROVEMENT DISTRICT 1
PID29	LAKESIDE ESTATES PID 2 (FKA LAKESIDE ESTATES PID)
PID30	RUDMAN TRACT PID
PID31	HILLSTONE POINTE PID 2
PID32	WATERBROOK OF ARGYLE PID
PID33	WINN RIDGE SOUTH PID
PID35	CARROLLTON CASTLE HILLS PID 2
PID36	THE HIGHLANDS OF ARGYLE PID 1
PID37	SUTTON FIELDS II PID
PID38	RIVENDALE BY THE LAKE PID 3
PID4	TROPHY CLUB PID 1
PID40	OAK POINT PID 2
PID41	WILDRIDGE PID IA 2
PID42	WILDRIDGE PID 1 O&M
PID43	SHAHAN PRAIRIE RD PID 1 O&M
PID44	TIMBERBROOK PID IA 1
PID45	TIMBERBROOK PID 1 MIA
PID46	PRAIRIE OAKS PID 1 - O&M
PID48	PRAIRIE OAKS PID 1 - PHASE 1
PID49	PRAIRIE OAKS PID 1 - MIA
PID5	BRIARWYCK PUBLIC IMPROVEMENT DISTRICT
PID50	RIVENDALE POINTE PID
PID51	WILDRIDGE IA #5
PID52	WILDRIDGE PID IA 1
PID53	PRAIRIE OAKS PID 1 - PHASE 1C & PHASE 2
PID54	HICKORY FARMS PID
PID6	HACKBERRY HIDDEN COVE PUBLIC IMPROVEMENT DISTRICT 2

PID61	EDGEWOOD CREEK PID
PID62	SPIRITAS RANCH PID
PID63	WILDRIDGE PID IA 4
PID64	TIMBERBROOK PID IA 2A
PID65	TIMBERBROOK PID IA 2B
PID66	SUTTON FIELDS EAST PID
PID67	SPIRITAS EAST PID
PID68	MOSAIC PID
PID69	RESERVE AT HICKORY CREEK PID
PID7	NORTHLAKE PID 1
PID70	MOBBERLY PID
PID71	CREEKVIEW PID
PID72	AUBREY PID 1
PID8	HICKORY CREEK PID 1
PID9	HICKORY CREEK PID 2
R01	DENTON CO RECLAMATION, RD & UTL DIST
T01	SPEEDWAY TIF 1
T02	SPEEDWAY TIF NUMBER 2
T03	FLOWER MOUND TIRZ 1
TIF1	LEWISVILLE CITY TIRZ 1
TIF10	VALENCIA ON THE LAKE TIRZ 4
TIF11	CORINTH TIRZ 14-1
TIF12	LITTLE ELM TIRZ 5
TIF13	NORTHLAKE TIRZ 1
TIF15	NORTHLAKE TRZ 2
TIF16	NORTHLAKE TRZ 3
TIF17	LITTLE ELM TIRZ 6
TIF18	WATERBROOK OF ARGYLE TIRZ 1
TIF19	JACKSON RIDGE TIRZ 1 - CITY OF AUBREY
TIF2	LEWISVILLE CITY TIRZ 2
TIF20	LEWISVILLE CITY TIRZ 3
TIF21	PILOT POINT TIRZ 1
TIF22	CORINTH TIRZ 1
TIF23	LEWISVILLE CITY TIRZ 4
TIF24	CORINTH TIRZ 2

TIF25	CORINTH TIRZ 3
TIF26	FRISCO TIRZ 1
TIF27	FRISCO TIRZ 7
TIF28	AUBREY TIRZ 2
TIF29	AUBREY TIRZ 3
TIF3	LITTLE ELM TIRZ 3
TIF6	DENTON CITY DOWNTOWN TIRZ 1
TIF8	THE COLONY TIRZ 1
TIF9	DENTON CITY TIRZ 2 (Westpark)
W02	LAKE CITIES MUA
W03	TROPHY CLUB MUD 1
W04	CLEARCREEK WATERSHED AUTHORITY
W13	DENTON CO FWSD 6
W17	ELM RIDGE WCID OF DENTON COUNTY
W18	DENTON CO FWSD 8-A
W19	DENTON CO FWSD 8-B
W20	DENTON CO FWSD 11-A
W21	DENTON CO FWSD 7
W22	DENTON CO MUD 4
W23	DENTON CO MUD 5
W24	FRISCO WEST WCID OF DENTON COUNTY
W25	DENTON CO FWSD 11-B
W26	DENTON CO FWSD 4-A
W27	OAK POINT WCID 1
W28	OAK POINT WCID 2
W29	OAK POINT WCID 3
W30	SMILEY ROAD WCID 1
W32	DENTON CO FWSD 11-C
W33	NORTH FORT WORTH WCID 1
W37	BROOKFIELD WCID 1 OF DENTON COUNTY
W38	ALPHA RANCH FRESH WCID OF DENTON AND WISE COUNTIES
W39	BELMONT FWSD 1
W41	THE LAKES FWSD
W42	CANYON FALLS WCID 2
W43	OAK POINT WCID 4

W44	CANYON FALLS MUD 1
W45	BELMONT FWSD 2
W47	DENTON CO MUD 6
W49	DENTON CO MUD 9
W50	DENTON CO MUD 7
W54	DENTON CO MUD 10
W55	BIG SKY MUD
W56	RANCH AT FM 1385 MUD
W57	DENTON CO MUD 8
W59	TRADITION MUD OF DENTON COUNTY 2B
W60	LA LA RANCH MUD
W61	DECHERD RANCH MUD 1
W62	CIRCLE "T" MUD 3
W63	CLEAR SKY MUD
W64	STONEHILL RANCH MUD 1 OF DENTON COUNTY
W65	NORTHWEST DENTON COUNTY MUD 1
W66	TALLEY RANCH WCID 1
W67	PRAIRIE OAKS MUD OF DENTON COUNTY
X01	TRIBUTE AT THE COLONY - PD18
X02	TRIBUTE AT THE COLONY - PD23

Appendix C - Key Personnel

Denton Central Appraisal District

List of Key Personnel

Name	Title
Don Spencer	Chief Appraiser
Chris Littrell	Deputy Chief of Appraisal
Jeanne Ashlock	Deputy Chief of Administration
Kim Collins	Director of Business Operations
Matt Fitch	Director of Residential Appraisal
Mike Jones	Director of Training and Development
Michelle Landberg	Director of Business Personal Property
Bea Lorne	Director of Appeals
Jon Martin	Director of Mapping
Chuck Saling	Director of Commercial Appraisal
David Steele	Director of Information Technology
Rebecca Townsend	Director of Exemptions and Assistance

Appendix D- Calendar of Events

2025 CALENDAR OF EVENTS

January <u>2025</u>	Appraisal Date (except for properties appraised under Sec 23.12(f)) BPP renditions and exempt property applications mailed
March <u>2025</u>	Field work for real property to be completed PTAD ARB Training for new members Oil & Gas Orientation PTAD ARB Training for existing members
April <u>2025</u>	Meeting with the City Managers of Denton County Meeting with the Superintendents and Denton County Judge Estimates of taxable value sent to entities (sent weekly until certification) BPP Rendition deadline (without extension request) Deadline for appraisers to turn work in for data entry Process real property appraisal notices Deadline for exemption applications including Ag, Freeport and Pollution Mail real property appraisal notices
May <u>2025</u>	Turn records over to the ARB ARB hearings begin Mineral notices mailed BPP rendition deadline (with extension) Process BPP appraisal notices Mail BPP appraisal notices Protest deadline for real property
June <u>2025</u>	Protest deadline for BPP Mineral hearings
July <u>2025</u>	ARB approves records Chief Appraiser certifies roll
August <u>2025</u>	EPTS & EARS reports submitted to PTAD Field work begins for next appraisal year
September <u>2025</u>	Appraisal date for Sec 23.12(f) properties

**Actual day is tentative.

2026 CALENDAR OF EVENTS

January <u>2026</u>	Appraisal Date (except for properties appraised under Sec 23.12(f)) BPP renditions and exempt property applications mailed
March <u>2026</u>	Field work for real property to be completed PTAD ARB Training for new members Oil & Gas Orientation PTAD ARB Training for existing members
April <u>2026</u>	Meeting with the City Managers of Denton County Meeting with the Superintendents and Denton County Judge Estimates of taxable value sent to entities (sent weekly until certification) BPP Rendition deadline (without extension request) Deadline for appraisers to turn work in for data entry Process real property appraisal notices Deadline for exemption applications including Ag, Freeport and Pollution Mail real property appraisal notices
May <u>2026</u>	Turn records over to the ARB ARB hearings begin Mineral notices mailed BPP rendition deadline (with extension) Process BPP appraisal notices Mail BPP appraisal notices Protest deadline for real property
June <u>2026</u>	Protest deadline for BPP Mineral hearings
July <u>2026</u>	ARB approves records Chief Appraiser certifies roll
August <u>2026</u>	EPTS & EARS reports submitted to PTAD Field work begins for next appraisal year
September <u>2026</u>	Appraisal date for Sec 23.12(f) properties

**Actual day is tentative.

Appendix E - Neighborhood Codes

08/2024

100	DS01026	DS01009MH	RE55S05B	SE10G01	DS05034	DC08099
MF02S05B1N	DS01013B	DC26053	DC08082	DS10012	DC12146	DS05034
MF02S09B2	DS05010	DS05204	DC07044	DC07066	DC07227	DC12146
MF05G01C1	DS11073	DS05205	DC07241	DC04056	DC03083	DC07227
MF02C5S05T	DS11073MH	DS05203	DS05923	DS10020	DC30022	DC03083
DC13022B2	DS0510B	DS05202	DS05923N	DC07274	DC32013	DC30022
DC16019	DS0510F	DS05201	RE10AA001	DC31051	DC32013A	DC32013
DC07285	DS01006	DS05200	RE10G01B	DS05924	DC32013TH	DC32013A
DC05281	DC05320	DS17010N	RE10G01BL	FL15S10BB	DC07143	DC32013TH
OF01A1S05O	DC34023MH	DS17010	RE10G01	DS07013MH	DC08081	DC07143
DC19020L	DS02004	DC04087	RE10G01D	DS07013	DC33012	DC08081
OF01A1C03P	DS05331B	DC28042	RE10G01R	DS05330	DC07937	DC33012
RE30S11C	DC26013	DS02049	SP20G01B	DC03010	DC33006	DC07937
DC05948	DS02005	DC10031	DC05008	DC13007	DS14044	DC33006
DS07004	DC36009	DS02051	DS05936	DC05355	DS05155	DS14044
OF01C1S09A	DS11067MH	DS02045	DC31044	DC05011	DC27018	DS05155
OF01B2S05F	AA001HS	DS02003	DC31002MH	DC34023	DC07058	DC27018
OF01A2S09L	AA01G01	DS02012	DS07030	DC33002	DC02006	DC07058
FL15S02FS	AA01LAND	DS02014	DC13031	DS01001	DS05329	DC02006
DC26055	AA01PAVING	DS02002MH	DS09005	DC08002	DC11001	DS05329
RE55S05A	AA01%	DS02043	DC05013	DC17017	DC05375	DC11001
OFA2S05P	DC19016	DS02013	DC11024	DS05319	DC07014	DC05375
OFA2S05PW	DC26017	DC01001	DC07273	DR07KR01B	DC12275	DC07014
DC05016	DC07840	DS0212EQU	DC36006	DR07KR03B	DC05003	DC12275
DC37001	DS11055	DC07013	DC07845	DR07KR02B	OF02C02B	DC05003
DC05278B2	WH60S10A	DC05108	DC07140	DR14KS01B	DC30018	OF02C02B
DC05278	WH60S14A	DC05160	DS05335	DR14SA04B	DS10005L	DC30018
DC12050	DC27010	DC05941	DC12090	DR14SA05B	SP20G01CT	DS10005L
DC05342	DC09001	DC05373	DC12003	DR07KR03BL	DS09003	SP20G01CT
DC05545DP	DC34017	DC02161A	DC05102	DR07KR02BL	DS09013	DS09003
DS10015	DC05296	DC32105	DC05064	DR07KR01BL	DS09020	DS09013
DC19001	EX23.93	DC03071T	DC05452	DR05DS03BH	DS09023	DS09020
DC26001	DC05300	DC03002	DS05015	DR05DS03B	DS09024	DS09023

DS05031	FL00GO1	DC02160T	DC07302	DS10051	DS09004	DS09024
DS10021	DC22001	DC02160	DC12541	DC07271	DS09001	DS09004
DS05110	DS01MH	DC02160A	DC05951	DC05012	DS09002	DS09001
DS0511MH	DC31007	DC02160PH	DC07242	DC10034	DS09011	DS09002
DC05303	DC26026	RE01G01AB	DC05349	DC07243	DS09014	DS09011
DC24005	DC04084	RE01G01AC	DC05114	DC12252	DS09009	DS09014
DC24005L	MF01S05A1	RE01G01AA	DC05204	DC32029	DS09015	DS09009
DS01011	MF01S09A1	RE05G01A	DC05204B2	DC12195	DS09017	DS09015
DS105000	MF16G01A1	RE05AS05	DS07060	DC07245	DS09018	DS09017
DS11074	DC130555	RE05AS09	DC20004	DC12281	DS09019	DS09018
DC12283	DC02001	RE05AS10	DC07006	DC12308	DS09021	DS09019
DS05019	DC02003	RE05AS11	DC05205	DC05293	DS09022	DS09021
DS05317	DC34012	RE05G01B	DC12004	DC07244	DS09026	DS09022
DC04012	DC29001	RE05BS05	DC05005	DC09005	DS09012	DS09026
DS14035MH	DC07272	RE05BS09	DC05005TH	DS12021	DS09023TH	DS09012
DC05277	DC127074	RE05G01C	DS07059	DC12029B	DC12087	DS09023TH
DS14001	DC26026F	RE05CS05	DS02044	DC12001B2	DC13022	DC12087
DC05318	DC26026BH	RE05CS09	0	DC12001B	DC08084	DC13022
DC05308F	DC26026BL	RE05AA01	DC12226	DC12001F	DC08085	DC08084
DC05955	DC26026MH	WH05G01	DC36017	DC12400	DC07016	DC08085
DC19010RV	OF01A1S05A	RE20G01TL	SP11G01	DC12012	DC07843	DC07016
DS05011	DS01034	RE20G01T	DS14002	DC12001	DC02063	DC07843
DC04074	DS01003MH	DC26064	DC07007	MF01C4S05	WH10G01	DC02063
DS01012	DS01009	DS11080	DC02004	DC13040	DC02059HB2	WH10G01
DC15012	DS01009BH	DC05085	DC02141	DC05358	DC05944	DC02059HB2
DS05012	DS01009B	DS05333	DC27033	DC02054	DC36007	DC05944
DC19018MH	DS01009F	DS05934	FL15S10BC	DC05208	DC27005	DC36007
DC27005	DC03030	DS17003	MHPARKS	DS09PASTUR	DC32211	DS01031
DC08099	MF01G01CO	DC02060	DC26049	DS10PASTUR	DS14084	DC05600
DC08206	COMN-AREAS	DC02061	DC05214	DS11PASTUR	DC27008	FL20G01A
DC12034	SC01G01A1	WH25G01	DC13885	DS13PASTUR	DC30007	FL020G01B
DC12300	SC01G01B1	DC07032	OF02S05B2	DS14PASTUR	DC07280	FL20G01C
DC12300A	SC01G01C1	DC07246	OF02S05M	DS16PASTUR	DC02155	DC07045
DC07017	SC01G01C2	DC02148	OF02S05B3	DC05382	DC02167	DC07011

DC05164	WH60C02C	DC02148GC	OF02S05B1	DC05377N	DC02155A	DC07010
DS07021	WH60C03C	DS14081	DS05DS03	DC05377	DC02166	DC07080
DC32050	WH60S05C	DC12009	WH01S05M	DC04064	DC07043	DC07403
DC07018	WH60S09C	DC04072	DS14027MH	DC31053	DC32058	OFA3S09
DC27006	DC05331A	DS14051	DS14027F	DS02034	SP20G01	DC07402
DC30023	DS05919	DS02035	DC0535NBL	DC10028	DC05039	DS08003
DS05041	OF02S11	DC07033	DC0535SBL	DC24001L	EX11.23	DC51002
DS14052	OF02S14	DC02010	DC0535SBH	DC24001	EX11.21	DC04068
DC32090	RE25G01	DC49002	DC0535NF	DC28001	EX11.11CTY	DS05002
DC32091	RE25G01G1	DC05046	DC0535SF	ESMT	EX11.11CNY	DC35002
DC32100	RE25G01G2	DC07060	DC0535NMH	DC05122	EX11.11FWD	DC05456
DS14078	RE25G01G3	DC02027	DC05331	DC05104	EX11.11ISD	DC07047
DC07021	RE25G01G4	DC07036	SC05G01B	DC05084	EX11.11STT	DC07846
DC28045	RE25G01G5	DC07037	SC05G01C	DS13006MH	EX11.11UNV	DC04008
DC34009	RE25AA001	DC07847	OF01A2C02D	DS14035EF	EX11.12FED	DC05170
DC01012MH	DC05089	DC12210	DC07305	DS14035EB	EX11.17CEM	DC05094
DC01012L	DC27019	DS01035	DC12213	DS14035EBL	EX11.18	DC10032
DC32098	DC21001	DC26057	DC32111	DC05123	EX11.184ML	DC12194
DC13053	DC27032	DC12010	DC02011	OF01B1C03E	EX11.19YSM	DC34013
DC15013	DC05065	DS05326	DC02062	DC05384	EX11.20REL	DC28035
DC37002	DC05075B	DC12197	SC10G013A	DC32118	EX11.23MIS	DC07048
MF03G01A	DC27275	DC24006	SC10G011	DC07938	EX11.231ED	DS05318
OF030G01A	DC08287	DC24004	SC10G013B	DC49004	EX11.30WTR	DC14012F
MF03G01B	DC04015	DS14014	SC10G013B1	OF01C1S09E	EX11.31PC	DC05CD07F
OF030G01B	DC04042	DC05120	SC10G012	MF06S09C1	EX11.181	DR07KR01F
OF030G01C	DC04066	DS14022	WH15A1C36	DC14009	EX11.20REO	DR07KR02F
DS05922	DC04066C	DS05556	WH15B1C02	OF01A2S10E	DS05039	DR07KR03F
DC08009L	DC04061	DS05555	WH15A1C02	DC13021	DC18003	DR14KS03F
HC05G01E	OF01A1S05C	DS05557	WH15A1C12	DC130601	DC04003	DR14SA01F
HC05G01C	DC04017	DC30004	WH15A1C05	DC32051	DC04004	DR14SA04F
DC32092	DC04001	DC04085	WH15A1C07	OF01A2ELD	OF01B1C02F	DR05DS03F
DC14035	DC04018	DC05166	WH15NEW	DS11090	DS01016	DC02065
DC05119	OF025G01A	DS05001	WH15BS05	DC12018	DC04035	DC20008
DS11003	OF025G01B	DC04062	DC07040	DC05087	DC17020	OF01A2C02M

DC03001	OF025G01C	DC04019	DC05338	OF01A1S10E	DC28002	DC07049
DC03004	OF05G01	DS05314	MF05G01A1	DC07279	DC04020	DC34030
DC03005	DC32214	FL01G01D	DC12214	DC24007	DC11049	MF07G01
DC03007	DC12088	RE30AC02	DS11005	DC24007L	DC45001	RE55G01A
DC03003	DC13907	RE30BC02	DC10009	DC32116	DC05095	RE55G01H
DC03019	DC13011	RE30AC03	DC10005	DC33022	DS14038	RE55S05C
DC03014	DC07026	RE30BC03	DS13041	DC19017	RE40AA01	RE55S05C1
DC03017	DC17004A2	RE30AS05	RE35G01	DC32213	RE40G01S	RE55S05C2
DC03018	DC17004	RE30BS05	DS14013	DC12229	RE40C02	SC05G01A
DC03020	DC32049	RE30BS051	DC14012B2	OF01A1S06E	RE40C03	RE55G01D
DC03021	DC05603	RE30AS09	DS01PASTUR	DS0126EQU	RE40S05	RE55G01DC
DC03022	DC05604	RE30BS09	DS02PASTUR	DS15001	RE40S10	RE55G01L
DC03022B	DC05288	RE30BS091	DS03PASTUR	DC10035	RE40S08	RE55S09
DC03023	DC18001	RE30AS10	DS05PASTUR	DC02320	RE40S09	DC10026
DC03024	DC05540N	RE30BS11	DC07PASTUR	DC05147	RE40S11	DC32106
DC03024B	DC05540	RE30BS14	DS06PASTUR	DC26035	RE40OT	DC32077CL
DC03025	DC26041	RE30BS141	DS17PASTUR	DC07003	RE40S14	DC32077CL2
DC03026	DC07028	RE30A1G01	DS07PASTUR	DC07041	SC45G01AR	DC32077CO
DC03027	DC19025	DC23001MH	DS08PASTUR	DC02064	SC45G01BR	DC32077E
DC13024	RE90G0190	DC02079A	DC01005	DC12041	DC08289	DC12542
DC32075	RE90G01S	DC02079	DC02024	DC12044	DC11010	DC12053
RE45G01	DS11040	DC07057	DC48008	DC12042	DC04009	DC122051
DC34021	DS05040	DS02001	DC32102C	DS14012	DC07071	DC25001
DS05018	DC13017L	DC34016	DC32102E	DC02077	DC22003	DC25001L
FL15S11GT	DC10010	OF01B2C02H	DC12013	DS07056	DC19015	DC25003L
RE50G01	DS02040	DC02069	DC07056	SE36G01	DC11026	DC25002
DC12021	DS11065MH	DC02017	DC13033	DC05078	DC07073	DC25002L
DC12207	DS11065	DC02019	DS14032	OF01B1S14R	DC07076	DC14012
DC12025	DC05144	DC02020	DC07065	DS05043	DC07078	DC07118
DC12027	DC19009	DS02055	DS01032	DC34022	DC28005	DC08288
OF01A1S05G	DC12031	DC07936	DC02074	DC05271	DC32054	DS05315
DS05929	DC07053	DC02021	DS10003MH	DC11004	DC12199	DC04065
DC11003	DS02037	DS05926	DS10003	DC13014	DC12099	DC05024
DC03034	DC11015F	DC15007	DS10003B2	DC26019	DC12081B2	DS05038

DC03034A	DC11015B	DS07048	RE85S05	DC26019N	DS14010	DS02007
DC03034MH	DC09008	DS11011	RE85S09	OF01B2C02J	DS14042	DC05103
DC02012	DC36001	DC14003	RE85S11J	OF01A2C02J	DC03036	DC34026
DC16006	DS01015	DC02022	RE85S11P	DS05933	DC16071	DC05025
DC08015	DS01015A	DC05242	RE85S11R	DC09024	DC12276	OF01A2S10C
RE055G01	DS11008N	DC05240	RE85S14A	FL15S11JIP	DC04052	DC11043
RE55G01	DS11008	DC05241	RE85S14K	DC01002	DC04052N	DC12580
DS05020	DS01015N	DC05018	RE85S14P	DS05016	DC34019	DC09021
DC04073	DS01015R	DC07942	RE85S14S	OF035G01K	DC34027	OF01A2S10R
DC13027	DC02014	DC08080	EX23.18	DC04021	DS06010MH	OF01A2S10W
DC01012	DC02015	DC08008	DC08016	DC07070	DC08006	DC03057
DC32119	DS01015TH	DC12032	DC05019	DC02316	DC11009	DC03055
DC48001	DS01015T	DC08024	DC32117	DC05537	DC11007	DC03060
DC17021	DC31052	DC07063	DC02075	DC30008	DC08042L	DC03056
DC19012	DS05021	DC08207	DC10013	DC13060	DC19016LF	DC03067
DC07050	DC07933	DC02071	DC02150	DC13904	DC12052	DC07935
DC05606	DC05015	DC28041A	DC02150L	DC32062	DC12008	DC19034
DC05946	SE30G01	DC32016	DC02154	DC29004	DC12054	DC05176
OF01A2C02G	DC32059	DC08033	DC05066	DC12575	DC07298	DC12006
SE20G01	OF01A1C02H	DC08046	DC10018	DC11005	OF01B1S09L	OF02S09B2
DC11046	OF01A2C02H	DC08047LF	DS12035	OF01A1S06K	DC48009	DS09016
DC07051	DC12216	DC08048	DC15003	DC30001	DC28006G	DC12057
DC02023	DC32060	DC08047	HC25G01	DC29018E	DC28006	DC12059
DC32052	DC32060A	DC08086	HC35G01	DC29018A	DC07035	DC12058
DC05059CO	DC32027	DC08051L	HC15G01	DC29018	DC34038	DC12060
DC12309	DC32074	DC08029	HS02G01B	DC05607	DC32047	DC12061
DC07052	DS05322	DC08030	HS20G01C	DC29018D	DC28009	DC12063
DS04007	DC05278TH	DC08032	HS05G01FS	DC29018C	DC07934L	DC12183
DC31009	DC12267	DC08034	HS01G01LS	DC29018B	DC07934TH	DC07235
DC05345MH	DC12312	DC08035	HS25G01R	DC05215	DC12051	DC07838
DC02067	DC32061C	DC08042	HS15G01ES	DC05551	DS051906	DC05534
DS05014	DC32061	DC08045	DC17006	DC02080	DC13003MH	DS02032
DC48010	DC07311	DC08039	DS14073	DC02081	DC13003	DC20009
DC05923	DC19019	DC08026L	DC02025	DC02080A	DC13010	DC07030

DC12046	DC19028	DC08052	DC07027	DC05228B2	DC07934D	DS11903
DC12029	DC05222	DC12581	DC12038	DC05228	DC07934	SC15G01A1
OF01C1S05G	DC05172	OF01S09A1H	DS01019	DC05023	DC11044	SC15G01B1
DC05014	DS07005	DC17019	DC24011	DC11016	DC19008	DS12015MH
DC32053A	DC26005	DC02070	DC05173	DC32113	DC07084	DS05050
DC32053C	DC19002	DS02555	DS11012	RE25G01K	DC14034	DS07009
DC32053D	DC12264GB	DC11011	OF01A1S11I	DS01002	DC05175	OF01A1S10L
DC32053	DC12264	DC12033	DC07234	DS10006	DC08010	DC13004B
DC32053B	DS10602	DC12196	DC29015GC	DC04014	DC08056	SP20G01LMH
RE90G0120	DS10603	DC07089	DC37003	DC32094	DC13010N	DC04006
RE90G0180	DC27029	DS13008	DC02028	DC13016	DC19003	OF01A2S09P
DC42001MH	DC17007	MF25A4S05	MF01A3S11	SC20G01A3	DS11082A	OFB2S09
DC07087	DC10025	MF25B1S05	MF01A2S11	SC20G01B1	DS13003	OFB1S11
DC07086	DC34034	MF25B2S05	MF01A1S05	SC20G01B2	DC09006F	OFB1S14
MF15USDA	DS04002	MF25B3S05	MF01A3S08	SC20G01C1	DC09006B	OFB2C07A
DC27024BL	DC05233	MF25B4S05	MF01A1C02	SC20G01C2	DC07103	OFB1C2
FL15S05LGT	DC19021	MF25B5S05	MF01A1C03	SC20G01A_A	DC35007	OFB1C03
OF01B2S09L	DC09012	MF25C1S05	MF01A2C03	SC20G01B1A	DS02006G	OFB2C07F
DC11041B	DC05292	MF25C3S05	MF01A2C02	SC20G01B2A	DC12538C	OFBS10
DS10014	DC07092	MF25C4S05	MF01A1S11	SC20G01C_A	DC07104	OFB2C08
DS10014MH	DC05002	MF25C5S05	MF01A3S09	SC60G01A1	DC02031	OFM2S05
DC05283	DC04036	MF25S05B3W	MF01A1S10	DC05935	DC36015	OFB1S09
OF01A2S09V	DC04010	DC35001MH	MF01A3S05	NEW COMM	DC13910	OFB2S05
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DC05026	DC10004	DC14012MH	MF01A2S05	DC02804	DC05179	OFB2C07T
DC05027	OFA1C03	DS05033MH	MF01A2S09	DC30016	DS05340	OFC1S11
DC36019	OF01A2C02P	DS11014MH	MF01A1S09	DC32101L	DC02033	OFC3S09
DC36019N	DS05328	DR05DS03MH	MF01B11C03	DC32101PA	DC11006	OFC1S14
DS05925	DC15004	DC20013	MF01B13C02	DC32101C	DC11020	OFC4S05
DS05327	DC05177	DC20015	MF01B13S14	DC32101LC	DC12538LC	OFC1C02
DC07290	DC05001A	DS07055	MF01B13S11	DC32101TH	DC07106	OFC1C03
DC07034	WH60C02S	DS05303	MF01B12C03	DC02085	DC05071	OFC2C08
DC12262	WH60C03S	DC02083	MF01B11S11	RE30G01	DC35010	OFM1S05
SC35G01	WH60S05SL	OF01C1S09M	MF01B12S05	DC05032	DC12078	OFC1S09

DC12064	WH60S05S	WH40G01A	MF01B12S11	DC29002	DC02092	OFC1S05
DC12577	WH60S08S	WH40G01B	MF01B13S05	DC26004	DC12315	OFC3S05
SP20G01MS	WH60S09S	WH40G01C	MF01B11C02	DC12307	DC07248	OFC2S05
WH25G01F	WH60S10S	WH01G01M	MF01B11S09	DC26049A	DC12079	OFC2S09
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DS04CE01	MF02B1S05T	MF020G01A	MF01B13S09	DC07096	DC04023	OFM1S09
DC05549CO	MF02B1S05U	MF020G01B	MF01B14S09	DC07095	DC04037	OFM1C02
DC05932	MF02B2S05U	MF020G01C	MF01B13C03	DC05237	DC05180	OFB1S09OT
DS05930	MF02B3S05T	DC22001MH	MF01B12S09	DC48004	DC12085	OFS09
DC13006	MF02B3S05U	DR07KR01MH	MF01B22S05	DC10001	DC11031	OFA1C16
SP10G01	MF02B4S05T	DR07KR02MH	MF01B21S05	DS11076	DC04077	OFB1S05S
DC13005	MF02B4S05U	DC05536	MF01B23S08	DC12230	DC08064	RE06G01
OF01A1S09M	MF02B5S05T	SP20G01MI	MF01B21S09	DC05033	DC07109	DC05156
DC23003	MF02B5S05U	DC07004	MF01B24S09	DC05033B2	DC05181	DC08001
DC12284	MF02C1S05U	DC08060	MF01B22S09	DC04045	DC07110	DC20001
DC11041F	MF02C3S05T	DC05143	MF01B22C02	DC33005	DC37006	DC05548
DC05230	MF02C2S05U	DC05079	MF01B21C02	DC07100	DC02040	OF02S09B1
DC07091	MF02C4S05T	DC02156	MF01B23S05	DS051905	OFB2C07	DC34014
DC05546	MF02C3S05U	DC02084	MF01B23C02	DC05335	OFA1S14	DC07111
DC30002	MF02C5S05U	DC20017	MF01B23S09	DC05388	OFA1S11	DC07029
DC26002	MF02C4S05U	DC20019	MF01C1S05	DC03037	OFA1C02	DC12092
DC32055	MF02G01CO	DS10013MH	MF01C2S05	DC10012	OFA2C07C	DC12095
DC32055A	MF06A1U	DS10013	MF01C3S05	DC32041	OFA2S09	HC25G010
DC20010	MF06B1U	DS02010	MF01AA01	DC07102	OFA1C07	DC26006
DC12068	MF06B2U	SE40G01	MF01A3C01	DC02088	OFA2C07	DC01020B2
DC12070B2	MF06B3U	DC05030	DC14033	WH01S11NW	OFA1C07F	DC01020F
DC12070	MF06B4U	MF01B24C02	DC34015	DC05130	OFA1S10	DC01020B
DC20012	MF06A2U	WH60S05M	DC02802	DC05035	OFA2S10	OF01C1S05O
DC02082	MF06C2U	WH60S09M	DC02802TH	DC04051	OFA1S09	DC10002
DC12074	MF06C1U	WH60S10M	OF01A1C02M	DC05063	OFA2C08	DC10002F
DC12075	MF06C4U	WH60S11M	DS11PAST03	OF01B1S05N	OFA2S091	DC10002MH
DC05029	MF06C3U	MF01A2S08	DS02042	DC32215	OFM3S05	DC10002B
DC05931	MF06S05A1U	MF01A3S10	DS05036	DC02090	OFA2S05	DC15002B

DC05931B2	MF25A1S05	MF01A1S14	SC20G01B_A	DC05131	OFA1S05	DC15002MH
DC05057	MF25A2S05	MF01A3S14	SC20G01A1	DS11082C	OFA2C07W	DC15002
DC02029	MF25A3S05	MF01A3C02	SC20G01A2	DS11082	OFB4S09	DC17012
DC17012MU	DS12016MH	DS14056	OF01B1S09R	DC32064	DS11901	DC13026
DC16005B	DS12016B	DC12105	DC12271	DC32064B	OF01A1S06S	RE01G01SP
DC16005F	DS12016F	DS09001C	DC26007	DC07944	DC13008	DC13061
DC16005	DS12016	DC27020	DC08203	DC05390	DS10004	DS07002
SC25G01A	DC12256	DC05269	DS05009	DC12265	DC32115	DC32212
DC08051	MF25AA001	DC02005	DC02098	OF01B1S05S	DC05601	DS14054
DS14050	MF02AA001	DC02005TH	DC02098TH	DC07844	DC05188	DC05306
DC05106	MF25S11H	DC15011	DC08066	DS05939	DC29007	DS10007
DS05017	MF25S14H	DC16026	FL15S10RL	DS05938	DC29008	DC08101
DS051900	MF25S05H	DC05386	DC02045	DS05035	DC19006	DC07150
DS051902L	MF25S05B1	DS05044	DC02105	DC05450	DS05013	DC48011
DS051904	MF25S05C1	DC09019	DC02110	DC16073DUP	DS10050	DC33011
DS051902	DC19022	DC09019N	DC02111	DC16069	DS02048	DC13030
DS05931	DS13006BL	DC07123	DC02112	DS14035E	DS02048N	DC05360
DS051903B	DS13006F	DC19007	DC02113	DS14035W	DC32218	DC32048
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DC45002	DC07292	DS14005MH	DC02050	DC16073	DC16008	DC32008
DC12310	DC04013	DS0514MH	DC02104	DC16073N	DC05045	DC17015
DC12065	DC04070	DS0514F	DC12303	DS10001	SE50G01	DS01005
DC12066	SC30G01A1	WH35G01	DC05133	DC05100	DS11051	DS01017
DC32104	SC30G01A2	DC05184	DC05133DP	DS05920	DS16002MH	DC07152
DC12100	SC30G01A3	DC07297	DC12320	DS05917	DS16001B	DC19005N
DC12103	SC30G01B1	DC07125	DC07130	DC27027	DS16001BL	DC19005
DC02093	SC30G01B2	DC15009N	DS12003	DS02047	DS16001F	DC32065
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DC12318	DC07119	DC08103	DC0535WBH	RE20G01SS	MF02S05A1	DC03049
DC07160	DC13908	RE70G01A	DC0535WF	RE20C01SS	MF02S05B1	DC03070
DS05022	DS05055	RE70G01B	DS14035EMH	DC36004A	MF02S05B2N	DC03044
DC07940	OF01A1S09P	RE70G01C	DR14SA01	DC36004NU	MF02S05B2S	DS14072MH
DC04082	DC33009	RE70G01	DR07KR01	HC01G01B	MF02S05C1S	DC07153

DC29005	DC48007	DC05113	DR11NW03BH	HC01G01C	MF02S05C1U	DC07156
DC05357	OF01A2S05P	DC03042	DR11NW03BL	HC01G01A	MF02S09C1	DC02115
DC12005	FL15S09PP	DC03046	DR11NW03F	HC10G01	MF02S14A1	DC32066
DC29020	FL15S09PO	DC03047	DR11NW03MH	HC20G01	MF02S14B1	DS14076
OF01A1PCR	SP30G01	DC12231	DR11NW02B	HC30G01C	MF02S14B2	DC07237
DC32081	DC05929	DC09017	DR11NW01B	HC30G01B	MF02S14C1	DS02039
DC32082	DC05929N	DC02094	DR11NW01F	HC30G01A	SC30G01ASM	DS13034
DC32080	DC07012	ROW	DR11NW01MH	MF10G01A	SC30G01BSM	DC32056
DC121701	DC31019	DC02042	DS14035WF	DC05044	SC30G01CSM	DC32001
DC07115	DS11060	DC22005	DS14035WB	DC04053	RE02G01	DC32007
DC04024	DC48003	DC22007	DS14035WBL	DC16025	DC12203	DC32011
DC07266	DC48003A	DC02044	DS14035WMH	DC12109	DC05105B2	DC32108
DC07117	DS17013B	DC11033	DC07131	RE75G01	DC05246	DC03077
DC33020DRP	DS17013F	DC05157	DC07134	DC26009	DC05332TH	DS14077
DC33020C	DS17013L	DC07015	MF021G01A	DC12268	DC16001	DC32103
DC33020	DS17001MH	DC36014	MF021G01B	DC26003	DS1017	DC31001
DC33020TH	DC04005	DC36014N	MF021G01C	DC36010	EX11.27	DS07001
DC07404	DC11047	DC07129	DC29022	DC32079	DC04025	RE80G01
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DC19010	DS05600	DC17022	DC05305	DC05922	DS11022	SC45G01A2
EXPPV	DS05032	DC07263	DC05942	DC19026	DS11022MH	SC45G01A3
DC32107	DC31050	DC05344	DS12036	DC07137	DS05316	SC45G01A4
DC14067N	DC04911	DC130900	DS05937	DC07138	DS10606	SC45G01BCS
DC14045	DC02159PH	OF01B1S05R	DS11014	DC07139	DS11PAST01	SC45G01B1
DC14067	DC02157	DC05317	DC16072	DC34004	DC12259	SC45G01B2
DC14123	DC02158	DC05317P	DC16072N	OF02S05S	DC05329	SC45G01B3
DC14089	DS05003	DC05317INV	DC07282	DC34032	DC05249	SC45G01CCS
DS12011	DC32063	DC05317PN	DC10029	DS05005	DC05249DP	SC45G01C1
DS12012	DS14006	DC05317DP	DC31006	DC34005	DC05151	SC45G01C2
DS12023	DC01018	DC07303	DC37007	DS10009	DC12111	SC45G01C3
DS05940	DC07161	DC05362	DC02121	DC05280B2	DC32032	DC13004
MF15G01A1	DC24016	DC02803	DC02122	DC05247	DC07206	DC07224
MF15G01A2	DC02153	DC33021	DC12137	DC05248	DC07207	DC05091
MF15G01B1	DC28041N	DC33021N	DC12138	DC05245	DC03081	DC48005TH

MF15G01B2	DC12116	DC05070	DC07194	FL15S11UG	DS08002	DC05093
MF15G01C1	DC28041	DC02063TH	DC07195	FL025G01	OF01A2S10L	DC48005P
MF15G01C2	DC33008	DC32078	DC07183	WH55G01	DC19027	DC48005N
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DC05250	DC12118	DC28010	DS12038	DS05006	DC07064	DC48005TH2
DC05190	DC12285	DC12124	DC07196B	DS05006MH	DC07208	DC05928
DC12112	DC12122B2	DC32019A	DC07196	DC04027	DS10601	DC07233
DC02116	DC29012	DC32019	DC07198	DC13019	DC12273	DC05206
DC07240	DC29013	DC32038	DC07405	DC13019LS	OF01A1S10W	DC05055
DC08071	DC14042	DC32037	SC55G01B	DC12143	OF01A2S10P	DC07225
OF01B2S10S	DC29015	DC32071	SC55G01C	DC12144	DC30021	DC32044
DC05112	DC29014	DC32072	DC05943TH	DC12261	DC07212	DC04041
DC05251	DC05052	DC32073	DC05050	DC12148	DC32026	DC05198
DC13012	DC30009	DC03072	DC07257	DC12002	DC32031	DC04029
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DS01015MH	DC28039	DC03080	DC0214TH	OF035G01L	DC05146	DC01023
DC13899	DC04026	DC03073	DC07031	DC05934	DC05139	DC01023N
DC07406	DC26062	DC03075	DC05365	DC05934N	DC05933	DC05145
DC13900	DC13001	DC03075A	DC05001	DC27024	DC21006	DS05321
DC13901	DC34006	DC03074	DC36018	DC12151	DC12160	DC31014
DS14003	DC32017	DC03079	DC24019	OF01A2S10V	DC42004	OF01A1C02W
DC05047	DC32018	DC03079N	DC07941	DC07930	DC03038	DC31004
DC07157	DS020038	DC02170	DC05307	DC02046G	DC05334CO	DC05544A
DC49003	DC32084	DC07169	DC13015	DC29023	DC12166	DC02124
DC49003DR	DC12279	DC05253B2	DC05351	DC03065	WH55G01L	DC02125
SE055G01	DS07050	DC07170	DS14074	DC08074	DC05535	DC02139
DC19032	DC05191	DC13002	DS02015	DC08007	DC07247	DC13045
DC12113	DC01022	DC07059	DC28023	DC32095	DC04011	DC27013
DC12114	DC01022B2	DC05938	DC28025	OF01A2S10T	DC12173	DC05380
WH01S11TH	DC05455	DC20025	DC28026	DC35005	DC12174	DC24012
DS05008	DC30010	DC07264	DC28047	DC05934TH	DC30014	DC24010
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DC26049MH	DC26052	DC32083	DC28014E	DC02046	DC07218	DC24013
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DC30020	DC05074	DS02800	DC28032	DC32110	DC07128	DS02053
DC05136	OF01A1S6SC	DC05031	DC28014W	DC21004	DC08018	DC07278
DC04067	DC34029	DC28013	RE95G01	DC21005	DS14021	DC11022
DC07158	DC02117	DC04069	WH50G01	DC04040	DS11091	DC12201
DC05311	DC02119	DC05192	DC03078	DC32210	DS10016	DC13009
DC05099	DC48006	DC01006	DC19018	DC05090	DC07220	DS10002
DS05037	DC04063	DC05048	DC05213	DC26047	DC05194	DS10002L
DC08105	DC17016	DC07174	DC28034	DC34028	DC08078	DC05158
DC34033	DC07166	DC30011	DC20002	DC05367	DS11083	DC14040
DC04007	DC07945	DC11008	DC20002B2	DC05295	DC12178	DC24008
DC07042	DS06005	DC07306	DC20003	DC05058	DC12179	DS12002
DC19030	DC09023	DC07175	DC20027	DC05058TH	DC07222	DC05931DP
DC05550B2	DC07077	DC12180	DC32114	DC12305	DS11061-MH	
DC04079	DC05939	DC12097	DS12034	DC12149	DS04003	
DC03068GH	DC05264	DC12188	DC30012	DC12150	DC12578	
DC03068TH	DC05940	DC18005	DC05244	DC12579	DC05141	
DS10605	DC12200	DC04002	DC05243	DC12014	DC16007	
DC51001	DC20024	DC12129	OF01A2S05U	DC07205	DC05054	
DS01004	DC07255	DC09022	DC05945	DC04086	DS05334	
DC28037	DC07168	DC12131	DC13884	WH60G01	DC05142	
DC32068	DC07929	DC12136	DC13888	DC02801	DC05949	
DC32042	DC12301	DC07183B2	DC13886	DC12156	DC12543	
DC32093	DC02804TH	DC02145	DC12140	DC26063	DC02123	

Appendix F - Wardlaw Reappraisal Plan 2025-2026

WARDLAW APPRAISAL GROUP CLIENT APPRAISAL DISTRICT

Reappraisal Plan 2025 – 2026

Contract Valuation Support

Appraisal Responsibility

Wardlaw Appraisal Group, LC (Wardlaw) provides complex property appraisal support services for client County and Central Appraisal Districts (CAD). Client CADs contract with Wardlaw because we have specialized expertise which the CADs may not have in appraising these complex properties. The complex properties Wardlaw appraises are generally referred to as mineral, utility, industrial, commercial and real properties and fall under the Texas Property Tax Classification Categories F, G, J, and L.

The specific contract between Wardlaw and each client CAD specifies appraisal responsibilities. Generally, those responsibilities include discovering, inspecting, appraising, maintaining and providing ownership and valuation records for the specific properties that are the subject of the contract. The contracts establish that Wardlaw acts as an agent of the CAD to provide many of the appraisal and support services required under the Texas Property Tax Code and the Uniform Standard of Professional Appraisal Practices (USPAP). This document details the reappraisal practices that Wardlaw performs on behalf of CADs and is intended to be incorporated by CADs into their own Reappraisal Plan.

<u>Convert to New Year Database:</u>	~ October 1
<u>October – March:</u>	Field Inspections of Properties for upcoming tax year
<u>January 1:</u>	Beginning of the Tax Year
<u>Prior to January 31:</u>	Mail Rendition Request Letters & Operator Data Requests
<u>January 31:</u>	Last day for receipt of 25.25 protests from prior year
<u>April 15th to May 15th:</u>	Renditions due (dates dependent property type)
<u>Around April 15:</u>	Send out Preliminary Mineral Appraisals
<u>Around May 1:</u>	Mail Initial Notices of Appraised Value
<u>May 1:</u>	Begin Equalization Process. Work with property owners to settle formal and informal protests
<u>By June 1:</u>	Mail Remaining Notices of Appraised Value
<u>Late June – Early July:</u>	Informal and Formal ARB Hearings
<u>Mid-July:</u>	Deliver Totals and Certified Rolls & Export to CADs
<u>August – November:</u>	Process Property Supplements, Additions & Deletions
<u>Ongoing:</u>	New Property Discover

Equalization Period

The equalization period begins when the Chief Appraiser submits the appraisal records to the Appraisal Review Board (ARB) for review. Preliminary values established by the 25.19 Notices of Appraised Value are subject to change during this period. These changes can be initiated by property owner formal or informal protests. The changes can also be initiated by Wardlaw if new information regarding a property becomes available. Formal and informal protests on the mineral, utility, industrial, commercial and real properties are handled directly by Wardlaw, within the appropriate timetables established by the Property Tax Code. Wardlaw attempts to contact protesting taxpayers so that we can;

- 1) Provide the taxpayer an opportunity to explain the reason for their protest,
- 2) Explain the appraisal methodology and appraisal parameters used on each protested property.
- 3) Consider whether the preliminary appraisal should be adjusted considering taxpayer evidence, and
- 4) Provide settlement and withdrawal paperwork to the taxpayer if appropriate.

Wardlaw directly responds to taxpayer requests for appraisal information and supporting appraisal documentation by providing the requested information in a timely manner. Wardlaw then goes on to represent the CAD before the ARB to justify appraised values for all protested properties that fall under the mineral, utility, industrial, commercial and real contract.

Documentary evidence of formal and informal changes is then provided to the CAD and ARB in the form of Withdrawal of Protest Settlement waivers on formally protested accounts. The final values are then delivered for certification.

Minerals (Oil and Gas Reserves) Valuation Process

Appraisal Responsibility

Minerals-in-place (oil and gas reserves) are real property classified as Category G property under the Texas Property Tax Code. As a commodity, minerals-in-place are part of a national market so there is no local market area to consider. Wardlaw performs an appraisal as of January 1 each year on every producing mineral property in the CAD to determine the market value of the oil and gas mineral reserves for ad valorem tax purposes.

DCF analysis is the primary method used for appraising mineral properties. The Market Data Comparison Method of Appraisal (Section 23.013) can be used when appropriate and when the necessary data is available. However, because the sales and purchase prices of oil and gas properties are not generally disclosed, the Market Data Comparison method is seldom used. The Cost Method of Appraisal (Section 23.011) does not estimate the market value as defined in Section 1.04 of the Texas Property Tax Code

and since the cost of drilling a well has no relationship to the value of the production, the cost method is not valid.

Discounted Cash Flow (DCF) analysis is the Income Method of Appraisal (Section 23.012 of the Texas Property Tax Code) and is used as the most appropriate technique for determining the market value of mineral properties. WAG uses DCF analysis to appraise every producing lease in the appraisal districts we support. The appraised value of each lease is distributed to each working interest, royalty interest, and overriding royalty interest owner based upon their decimal interest in the lease.

Mineral interests are commonly divided into property ownership interests known as working interests, overriding interest, and royalty interests. The valuation of each type of interest begins with the valuation of the producing well on the mineral lease. That value is then allocated to the property ownership interests based on the decimal ownership value identified in the division orders for each lease. It is the goal and purpose of the CAD to identify every producing mineral property within the district and estimate the market value of each property listed on the roll.

Appraisal Resources

Personnel – Wardlaw provides adequate personnel to meet all contract appraisal requirements.

Data - A common set of production data for each mineral property account in each CAD is collected from the Texas Railroad Commission Records and data entered to the appraisal firm's database. The property characteristic data is gleaned from the production data and drives the computer-assisted mineral property appraisal system. Railroad Commission records are searched to discover new leases as of January 1 of each year and descriptive information is gathered to determine the location of the lease within the CAD jurisdictional boundaries. Records are also reviewed for changes in production for existing wells, for abandoned wells, and for non-producing wells with salvage value for the equipment, tanks, and tubular goods. Production history for each mineral lease is gathered from HPDI, Drilling Info, Petroleum Information, and from the Texas Railroad Commission. Division Orders on each lease are requested annually from lease operators and checked against the existing division orders for changes as well as for accuracy of owner name, address, and ownership percentage interest. To help determine operating expense information on each active lease, lease-specific operating expenses are requested annually. A Confidential Lease Operating Expense Detail request letter is e-mailed or mailed, to the operators or agents representing operators requesting lease-specific operating expenses.

To assist with the economic parameters influencing these properties, general economic data is gathered for the valuation process. The method of appraisal for minerals-in-place is the discounted cash flow analysis which looks at the net present value of the future income that is derived from operating the lease. Current interest rates, market rates of return and levels of discounting the investment are factors to consider when evaluating the returns necessary to attract investment capital for this type property. The annual capitalization rates are calculated using the "Manual for Discounting Oil and Gas Income" as developed by the Texas Comptroller's Office. Data is obtained from Ibbotson's SBBI Valuation Edition, Wall Street Journal, Standard & Poor's Bond Guide, and Value Line Investment Survey "Ratings and Reports".

VALUATION AND STATISTICAL ANALYSIS (model calibration)

Pricing, Operating Expenses and Reserve Analysis

Crude oil and natural gas prices are required information in the valuation of mineral property because these prices are necessary to determine income to the lease and the economic life of the production from the lease. The crude oil sales price and natural gas sales price used for the first year of the appraisal analysis is based on the previous year's average price multiplied by the Price Adjustment Factor (PAF). The prices are then escalated or de-escalated for five (5) years according to the Texas Property Tax Code Sec. 23.175 Section (a). Lease operating expenses are estimated based on rendered information, actual operating cost and expenses, and from surveys of lease operators in the CAD. The January 1 production starting rate is based on the actual production rate or upon a projection of past average production. The past oil and gas production history of the lease is analyzed to estimate the future rate of production decline of the lease. Other considerations include past lease expenses and recent operating parameters such as water production, workover operations, and secondary recovery efforts. Current operating income and expenses for the lease are calculated in a discounted cash flow model used by the appraiser to evaluate and estimate the net present value of producing oil and gas income from the lease. Discount rates established for each lease based upon the particular risks inherent with production of oil and gas from that property. The discounted cash flow model allows the appraiser to establish current market value of the lease based on the discounted value of the future estimated recoverable reserves. This methodology is approved and recommended by the Property Tax Division of the Comptroller's Office and is a recognized method of appraisal by industry standards. The appraisal firm has utilized the discounted cash flow model to estimate the market value of each lease located in each CAD.

Value Review Procedures

The method of value review for this type of property is based on the review of the factors estimated within the discounted cash flow analysis methodology such as the discount rate, product prices, and operating expenses. Evaluation and verification of these economic factors as to their validity within current economic times and based on current capital requirements for investment in this type property is re-confirmed and reviewed for reasonableness. Sales of mineral properties are considered but adequate sale data is usually not available due to difficulty in confirming sales. The market for this type of property is neither an active nor an efficient market, there are very few participants and pricing information is mostly confidential. There is no source for tracking these transactions and property owners are reluctant to reveal market information concerning prices paid or terms of the transaction. Because of a lack of market sales on mineral property, appraised values are regularly compared to similar properties within the

same production field, field of exploration, strata of formation, or production history and expense level.

Ratio studies are a source of comparison to evaluation level and uniformity of appraisal. When market sales are available the ratio study is based on a comparison of the appraised value to the sale price. For mineral property, which lacks available market sales, a ratio study is a comparison of another appraisal opinion with the opinion of the district to determine level and uniformity of appraisal. The Property Tax Assistance Division of the Comptroller's Office conducts biennial ratio studies of selected mineral properties to gauge the districts appraisal performance. The PTAD utilizes the same valuation methodology as the CAD to appraise individual mineral properties. This opinion of value is then utilized as market evidence with the same significance as if the property sold for that value. The estimated value of the property in each CAD is compared to the appraisal by the PTAD to calculate the ratio and the indicated level of appraisal. This study indicates the median and mean levels of appraisal for mineral property and is considered reliable as a review and evaluation tool.

Utility, Industrial & Commercial Property Valuation Process

Appraisal Responsibility

Utility, Industrial and Commercial properties are the tangible assets of various businesses including electric production, transmission, and distribution companies, railroads, petroleum product gathering and delivery pipelines, telephone and communication providers and others. Utility properties are identified in the Texas Property Tax Code as Category J property. Industrial properties are identified under the Texas Property Tax Codes as categories L2 (Industrial, Personal), F2 (Industrial, Real) and L1 (Commercial). The valuation of these properties is considered to be complex due to the involvement of both tangible and intangible property elements that comprise these businesses and due to the size of some of the utilities that are regional and national companies. The appraisal of these companies becomes complex when considering the valuation of the property as a unit in place, evaluating the property by the approaches to value at the company level. The appraisal district does not have personnel qualified to perform this type of appraisal. An appraisal firm is employed to provide the expertise to perform this type of appraisal. Once the estimated value of the unit is determined by the appraisal firm, that estimated market value is allocated based on the tangible property assets that are located within each CAD.

Appraisal Resources

Personnel – Wardlaw provides adequate personnel to meet all contract appraisal requirements.

Data - A common set of data characteristics for each utility, industrial and commercial property account in each CAD is collected from the various government regulatory agency records, field inspections, data resources, and property owner renditions. This data is entered to the appraisal firm's computer. Individual company financial information is gathered through industry specific governmental filings such as Federal Energy Regulatory Commission Reports, Securities and Exchange Commission 10-k filings, Railroad Commission and Public Utility Commission publications. Other company information is gathered from annual reports, internal appraisals, and other in-house and industry publications. Property owner

renditions are requested in order to document and list property owned and located in our particular jurisdictions (ie: track mileage, number of meters, pipeline size and mileage, substation and transmission capacity, etc.). The property characteristic data drives the computer-assisted appraisal of the property.

The appraisal of utility and industrial property utilizes three-approach analysis to form an opinion of value for the property. Financial and capital market information is pertinent to understanding factors affecting valuation of complex property. It is necessary to gather financial data to attempt understanding investor and corporate attitudes for capital return expectations and to give consideration to return components such as current interest rates, capital debt structure, bond market rates, and capital supply and demand trends. These financial factors result in overall return rates and capital structure for these companies and affects capitalization rates. The weighted average cost of capital is the most commonly used method of estimating capitalization rates for utility properties. Capitalization rates are estimated using capital return expectations from various publications: Duff & Phelps Valuation Handbook, Wall Street Journal, Emergent Bond Record, Moody's Corporate Bond Yield Averages, Standard & Poor's Capital IQ. Industry specific information is also gathered from web sites, publications, periodicals, and reference manuals. Wardlaw then estimates the capitalization rate for utility appraisal under the income approach.

VALUATION AND STATISTICAL ANALYSIS (model calibration)

Approaches to Valuation, Reconciliation

Valuation of tangible assets for utility and industrial companies relies primarily on indications of value based on the cost and income approaches to value under the unit value approach. This methodology involves developing and estimating market value considering the entirety of the company's tangible assets and resolving an allocated value for that portion of specific tangible assets located in particular tax jurisdictions. The valuation opinion is based on three approach analysis utilized for the indicated unit appraisal of all company tangible assets, then an estimated allocation of unit value for only assets located in the district and particular jurisdictions. This methodology is approved and recommended by the Property Tax Assistance Division of the Comptroller's Office and is an accepted standard within the industry and appraisal community.

Value Review Procedures

Review of the valuation of utility property is based on verifying economic and financial factors utilized in the methodology as relevant to current capital markets and that these factors reflect current return expectations. Market sales of utility properties do occur and are a good source for comparison and review when the price of the tangible assets can be abstracted or allocated from the selling price. Typically, the sale of utility companies involve significant intangible property assets such as customer base, goodwill, favorable contracts, name recognition, etc. and the contributory value and allocation of these assets is subjective and unknown. In Texas, intangible property assets are exempt from taxation and must not be included on the appraisal roll as taxable property. Therefore, because of the lack of specific market

information on sales of utility properties, appraised value is regularly compared to the valuation of similar property within the same set of property characteristics, business type and size. More of comparison for equity concerns on valuation rather than the full recognition of a market level certainty about appraisal level. Of course, the estimated value is based on recognized methodology for considering the valuation of these tangible assets, but true market confirmation of these factors may not be possible due to minimal market knowledge and experience.

Ratio studies are also a method of review for relevance of appraisal valuation to market value. Again, in the absence of full disclosure of prices paid and without the abstraction of prices paid for the tangible asset components from recent utility property acquisitions or sales, market based analysis and review is not possible. Ratio studies for utility property must rely on a comparison of one appraisal opinion as the basis for the reasonable property valuation with the district's appraised value to determine the ratio for level and uniformity of appraisal. The PTAD conducts the annual ratio study of selected utility properties to gauge the appraisal district's performance. The PTAD utilizes the same valuation methodology to estimate appraisal valuations of utility properties and the results, when compared to the appraisal valuation estimated by the appraisal firm for these properties yield ratios. This ratio study of certain utility properties indicates the level and uniformity of appraisal for this category of property.

STAFF PROVIDING SIGNIFICANT MASS APPRAISAL ASSISTANCE

Attachment A

Wardlaw Appraisal Group Personnel

PROPERTY TAX APPRAISER CERTIFICATION		
TDLR #	NAME	TYPE
74200	CRAIN, MALLORY M.	APPRAISER, RPA
74717	SHERWIN, PROCTOR	APPRAISER, RPA
66026	WARDLAW, MARGARET A.	APPRAISER, RPA
67635	VILLARREAL IV, MARTIN	APPRAISER, RPA
68139	WARDLAW, MALCOM	APPRAISER, 2
77317	MADDIN, ELIZABETH	APPRAISER, 2
77412	CAMARILLO, AILEEN	APPRAISER, 2
78046	MCGINNIS, CLAIRE	APPRAISER, 1
77854	CASTRO, AMANDA	APPRAISER, 1
PROFESSIONAL ENGINEERING CERTIFICATION		
PE#	NAME	BRANCH
76914	WARDLAW, MARGARET PEGGY ANNE	PETROLEUM
PROFESSIONAL ENGINEERING FIRM CERTIFICATION		
FIRM #	FIRM NAME	
5194	WARDLAW APPRAISAL GROUP LC	

Appendix G - Special Appraisal Procedures

SPECIAL APPRAISALS

TYPES OF SPECIAL APPRAISALS

Agricultural Use (Section 1-d)

Eligibility

To qualify for an agricultural use (1-d) designation, the land must have been devoted exclusively to or developed continuously for agriculture for the three years proceeding the current year. The property owner must be using and intends to use the land for agriculture as an occupation or a business venture for profit during the current year. Further, agriculture must be the primary occupation and source of income for the property owner.

PTC Sec 23.42(a)

Open-Space Land (Section 1-d-1) and Timber Land

Eligibility

To qualify for an open-space (1-d-1) or timber land designation, the land must be currently devoted principally to agriculture use or the production of timber or forest products to the degree of intensity generally accepted in the area and must have been devoted principally to agriculture use or to production of timber or forest products for five of the preceding seven years. An open-space land designation includes all appurtenances to the land.

PTC Sec 23.51(1)

PTC Sec 23.72

Land Ineligible for Qualification as Open-Space or Timber

Land that is located inside the city limits is ineligible for qualification as open-space or timber land unless the land has been devoted principally to agriculture or timber use for the preceding five years.

Further, land that is owned by a nonresident alien, foreign government, corporation, partnership, trust, or other legal entity is ineligible for qualification as open-space or timber land unless the treaty between the United States and a foreign government includes a non-discrimination clause.

PTC Sec 23.56

PTC Sec 23.77

Restricted-Use Timber Land Eligibility

To qualify for restricted-use timber land, the land must be in an aesthetic management zone, critical wildlife habitat zone, or streamside management zone.

PTC Sec 23.9802(a)

In addition, the land qualifies under this section if timber was harvested from the land in a year which the land was appraised as timber land in accordance with Section 23, Subchapter E of the Property Tax Code, and the land has been regenerated for timber production to the degree of intensity generally accepted in the area for commercial timber land and with intent to produce income. However, land ceases to qualify for special appraisal under this circumstance on the 10th anniversary of the date the timber was harvested. This does not disqualify the land from qualifying for appraisal under Chapter 23 of the Property Tax Code in a tax year following that anniversary based on the circumstances existing in that subsequent tax year.

PTC Sec 23.9802(b, c)

APPLICATION PROCEDURES

Publicizing Requirements

General Provisions

Each year the chief appraiser shall publicize, in a manner reasonably designed to notify residents of the district, the guidelines and requirements and availability of application forms.

The publication is requested in an area OTHER than the legal section of the publication, approximately 6” x 8” in size, in bold frame. (sample attached)

Denton County publications generally run during the months of Feb-April (in the center of the filing period, we have found this to be more effective) and include the following sources of publication:

1. Denton Record Chronicle

PTC Sec 23.43(f)

PTC Sec 23.54(g)

PTC Sec 23.75(g)

PTC Sec 23.9804(h)

Documents Required

Application

In order to qualify for a special appraisal, a property owner must file an application using the appropriate form with the Appraisal District.

(State Model Forms 50-165 for 1-d, 50-129 for 1-d-1, 50-167 for timber)

PTC Sec 23.43(a)

PTC Sec 23.54(a)

PTC Sec 23.75(a)

PTC Sec 23.9804(a)

Supporting Documentation

Every property owner filing an application for special appraisal of agricultural land is also requested to file a lease report form to gather lease/use/cost data used to develop agricultural appraisal schedules (sample attached).

Failure to file these forms will not result in an automatic denial of an application; however, if the information provided in the application is not sufficient for the appraiser to make a determination as to eligibility, the property owner will then be required to submit other necessary forms such as receipts for feed, chemicals, sales of products, stock sales or purchase records, income/expense evidence, etc.

Filing Deadline

Deadline Date

A property owner must file an application for special appraisal before May 1st. For good cause shown, the Chief Appraiser may extend the deadline by written order for a single period not to exceed 60 days (a 15 day extension is allowed for restricted-use timber land).

PTC Sec 23.43(b)

Sec 23.54(d)

Sec 23.75(d)

Sec 23.9804(e)

Late Application Allowed

If a property owner files an application after the deadline for filing but prior to the date the Appraisal Review Board approves the appraisal records, the application shall be accepted, approved, modified or denied (This section does not apply to restricted-used timber land.)

PTC Sec 23.431(a)

Sec 23.541(a)

Sec 23.751(a)

Late Application Penalty

If an application that has been filed late is approved, the property owner is liable for a penalty of 10 percent of the difference between the amount of tax imposed on the property under the special appraisal and the amount of tax that would have been imposed if the property were taxed at market value. (This section does not apply to restricted-use timber land.)

PTC Sec 23.431(b)
Sec 23.541(b)
Sec 23.751(b)

An entry is made on the appraisal records to indicate a property owner's liability for any penalties imposed, and the property owner is notified in writing of the penalty.

PTC Sec 23.431(c)
Sec 23.541(c)
Sec 23.751(c)

Late Application Disallowed

If a property owner files an application after the date the ARB approves the appraisal records, the land is ineligible for special appraisal in that year. (This section does not apply to restricted-use timber land.)

PTC Sec 23.43(c)
Sec 23.54(e)
Sec 23.75(e)

Late Application Disallowed – Restricted-Use Timber Land

If a property owner fails to file a valid application for restricted-use timber land on time, the land is ineligible for special appraisal for that year.

PTC Sec 23.9804(f)

Application Renewal Procedures

Annual Application - 1-d

A property owner claiming an agriculture-use designation (1-d) on his property must apply for the designation on an annual basis.

PTC Sec 23.43(a)

Before February 1 of each year, an application form as well as any other documents required by this section must be mailed to each property owner whose land was designated for agriculture-use (Section 1-d) in the preceding year. A brief explanation of the requirements for obtaining the agriculture-use designation must also be mailed.

PTC Sec 23.43(e)

One-Time Application - 1-d-1, Timber Land, and Restricted-Use Timber land

Once property has been designated as open-space (1-d-1) or timber land, the property shall continue to be eligible for special appraisal. A new application is not required unless the ownership of the land changes or its eligibility ends.

PTC Sec 23.54(e)

PTC Sec 23.75(e)

Once property has been designated as restricted-use timber land, the property shall continue to be eligible for special appraisal. A new application is not required unless the ownership of the land changes, the standing timber is harvested, or the land's eligibility ends.

Currently, Denton County does not have any qualifying timber use land, conducting regular timber harvest, milling, plantation operation, thinning, selection of specialty woods, pest control, replenishment schedules, etc. Most timber production land is found in east Texas where hardwoods thrive. Information may be obtained from the National Forestry Service.

PTC Sec 23.9804(f)

Verification of Eligibility

If the Chief Appraiser has good cause to believe that the land currently receiving an open-space (1-d-1) or timber appraisal is no longer eligible, a new application is mailed to a property owner in order to confirm the land's eligibility.

PTC Sec 23.54(e)

Sec 23.75(e)

Sec 23.9804(f)

Periodic Inspections

Periodically, the District may inspect properties currently receiving a special appraisal to determine their continuing eligibility.

Applications Reviewed and Confirmed

Field Inspection Made

If an application is being filed for a special appraisal for the first time or if a re-inspection is necessary to determine continuing eligibility, the appraiser inspects the property to determine if the land is currently devoted to agriculture use, if the required past history exists, and if the land has been properly managed. The condition of fences, barns, corrals, etc. is also noted. As well as the type of crop, type and number of livestock, orchard, hay production, etc.

Land for which a timber use designation is applied for is inspected to determine if marketable timber exists on the land and if a proper management program has been implemented and adhered to.

Test of Eligibility Worksheet Completed

Once the appraiser has completed the inspection of the land, the field inspection for agricultural use form is completed.

Action on Applications

Action on the application is taken as follows:

1. The application is approved and the land is granted the special appraisal
2. The application is denied, or
3. The application is denied and additional information is requested from the property owner in support of the claim.

If additional information is requested, the property owner must furnish it within 30 days after the date of the request or the application is denied.

PTC Sec 23.44(a ,b)

Sec 23.57(a, b)

Sec 23.79(a, b)

Sec 23.9805(a, b)

Notification Requirements on Denials

If an application is denied, the property owner must be mailed a written notice of the denial by certified mail within five days after the date of denial. The notice must include a brief explanation of the procedures for protesting the denial and full explanation of reasons for denial of application.

PTC Sec 23.44(d)

Sec 23.57(d)

Sec 23.9805(d)

Protest Procedures

In order to file a protest on a denial of an application for special appraisal, a property owner must file a written protest within 30 days of the date the notice of the denial was mailed.

PTC Sec 41.44(1)

Application Confidential
Agriculture-Use (1-d) Application

An application for agriculture-use designation (1-d) is confidential and not open to public inspection. The application and the information it contains about a specific property or a specific property owner may not be disclosed to anyone other than an employee of the Appraisal District who appraises property.

PTC Sec 23.45

Supporting Documentation

The Real Property Report Confidential Ag-Use Questionnaire and Lease Verification Affidavit report form discussed in this manual are confidential and not open to public inspection.

PTC Sec 22.27(a)

APPRAISAL PROCEDURES

Compilation of Appraisal Schedules

Information Gathered

Information concerning price data is obtained from the Agricultural Stabilization Conservation Service, State Crop Reporting Service, and the Production Credit Union to determine the values for agriculture lands.

Information concerning price data is obtained from Timber Mart-South to determine the values of timber lands.

Values Computed

Based on the information gathered when compiling the appraisal schedules, the values for agriculture lands are computed based on the five-year average net-to-land values for the following categories of property:

1. Irrigated Cropland
2. Dryland Cropland
3. Orchard
4. Improved Pasture
5. Native Pasture
6. Minimal Use Land
7. Wasteland

The values for timber lands are computed based on the five-year average net-to-land values.

Field Work Completed

Ag-Use Field Record Maintained

The appraiser updates the Ag-Use Field Record for all accounts receiving the special appraisal designation. The Ag-Use Field Record is maintained. The account is updated for the following information:

1. Current year valuation information
2. Lease information
3. Last year valuation information

Tax Master Maintained

The appraiser makes a printout of the Ag-Use Field Records and submits a copy to the Data Department. Using this report, the data entry operator updates the appraisal record with the special appraisal information, date stamps the copy of the report with the identification number of the data entry operator, and files it.

Applications Filed

Once the necessary action on the application has been taken, the application is scanned into the appraisal record, filed in a central location by year/alphabetical and stored for retention.

CHANGE IN USE PROCEDURES

Agriculture-Use Land (1-d)

Change in Use Occurs

If land that has been designated for agriculture use in any year is sold or diverted to a non-agriculture use, the total amount of rollback taxes for the preceding three years plus interest at the rate provided for delinquent taxes becomes due.

PTC Sec 23.46(c)

Notice to Property Owner

A notice of the determination of change in use is mailed by certified mail to the property owner as soon as possible after making the determination. The notice includes an explanation of the owner's right to protest the determination.

PTC Sec 23.46(c)

Protest Procedures

A property owner may protest the determination of change in use not later than the 30th day after the date the notice of determination is mailed to the property owner.

Open-Space (1-d-1) and Timber Land

Change in Use Occurs

If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years, plus interest at an annual rate of five percent calculated from the dates on which the differences would have become due. For purposes of this subsection, the chief appraiser may not consider any period during which land is owned by the state in determining whether a change in the use of the land has occurred.

PTC Sec 23.55

General Provisions

The same provisions for protest, notification to the property owner, and notification to the taxing entities are followed as provided by sections one (1) and two(2) of this manual.

Restricted-Use Timber Land

Change in Use to Other Qualifying Special Appraisal

If the use of the land changes to a use that qualifies under Subchapter C, D, or H of this chapter, the sanctions provided by Subsection (a) of this section do not apply.

PTC Sec. 23.76(g)

Change in Use to Non-Qualifying Use

If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the three years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years.

PTC Sec. 23.76(a)

General Provisions

The same provisions for protest, notification to the property owner, and notification to the taxing entities are followed as provided by this manual.

AGRICULTURAL ADVISORY BOARD

Appointment Procedures

Board Appointed

The Chief Appraiser, with the approval of the Board of Directors, appoints the Agricultural Advisory Board.

PTC Sec 6.12(a)

Membership Size

The Board must have at least three members; however, with the approval of the Board of Directors, the Chief Appraiser may appoint more than three members.

PTC Sec 6.12(a)

Eligibility Requirements

Two members of the Board must be owners of qualified agriculture or timber land and must have resided in the District for at least five years. One member must be a representative of the Agricultural Stabilization and Conservation Service in the District.

PTC Sec 6.12(b)

Members of the Appraisal District staff and Board of Directors are ineligible to serve on the Board

PTC Sec 6.12(e)

Terms of Office and Compensation

Board members serve two-year, staggered terms of office.

PTC Sec 6.12(c)

Members do not receive compensation for service on the Board.

PTC Sec 6.12(f)

Duties of the Board

Duties Outlined

The Board's function is to advise the Chief Appraiser on major issues dealing with the valuation and use of land that may be designated for agricultural use, open space use, or timber land within the district. Such as; net to land, degree of intensity standards, and other agricultural use and appraisal issues.

PTC Sec 6.12(g)

Authority Limited

The Board has no decision-making authority or responsibility. The Board shall not become involved in matters dealing with individual properties or in approving applications for agricultural appraisal.

Meetings of the Board

Meetings Called

The Board shall meet at the call of the Chief Appraiser at least three times a year or as deemed Necessary.

PTC Sec 6.12(d)

Conduct of Business

Since the composition of this Board does not fall under the constraints of the Open Meetings Act, it is not required to post agendas and keep formal minutes. If requested by the Board, committee minutes will be maintained.

The Board shall conduct its business in an informal fashion, with a majority of the Board present.

MISCELLANEOUS SPECIAL APPRAISALS

Types of Miscellaneous Special Appraisals

Recreational, Park, and Scenic Land

Recreational, park, and scenic land is described as land used for individual or group sporting activities; park or camping activities; development of historical, archaeological, or scientific sites; or the conservation and preservation of scenic areas.

PTC Sec 23.81

Public Access Airport Property

Public access airport property is described as privately owned land that is regularly used by the public for or regularly provides service to the public in connection with airport purposes, including the landing, parking, shelter, or takeoff of aircraft and the accommodation of individuals engaged in the operation, maintenance, or navigation of aircraft or of aircraft passengers in connection with their use of aircraft or of airport property.

PTC Sec 23.91

Wildlife Management Use

Wildlife management means actively using land that at the time the wildlife-management use began was appraised as qualified open-space land in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:

1. habitat control
2. erosion control
3. predator control
4. providing supplemental supplies of water
5. providing supplemental supplies of food
6. providing shelter
7. making of census counts to determine population

Wildlife Management Plan

Any property owner seeking a special appraisal under Property Tax Code, Chapter 23, Subchapter D, based on wildlife management use must meet the following minimum standards for qualification effective January 1, 2002:

- Stand Alone Properties: 92% of land must be devoted to wildlife use.
- Properties within Wildlife Management Property Association: 91% land must be devoted to wildlife use.
- Properties designated as Habitat for Species of Concern: 91% of land must be devoted to wildlife use.

Wildlife management property associations are defined by State Comptroller Rule 9.4003(b)(6).
Species of Concern as defined by State Comptroller Rule 9.4003(f)(3).

Properties that qualified for special appraisal as wildlife management prior to January 1, 2002 are not required to meet these minimum standards providing the tract contains the same or a greater amount of qualifying acreage as contained in the tract prior to January 1, 2002 and continues to satisfy all other qualification requirements.

A property owner who demonstrates by clear and convincing evidence that the unique characteristics of their habitat and/or management species makes it possible to effectively manage for wildlife at a ratio less than the minimum standards shall receive the special appraisal providing the property meets all other standards outlined in Property Tax Code Chapter 23, Subchapter D and State Comptroller Rule 9.4003.

PTC Chap 23, Sub D
Comptroller Rule 9.4003

Eligibility

Deed Restriction Requirements

To qualify for either special appraisal, the land must contain a minimum of five acres and must be restricted for the intended purpose by filing a deed restriction with a minimum period of 10 years with the County Clerk.

PTC Sec 23.82

PTC Sec 23.92

Intended Use Requirements

The land must also have been devoted exclusively to its intended use for the preceding year, and there must be intent to use the land exclusively for this same use in the current year.

PTC Sec 23.83(a)

PTC Sec 23.93(a)

Miscellaneous

Further, in order to qualify for the recreational, park, and scenic special appraisal, the land must also be used in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain.

PTC Sec 23.83(a)

Application Procedures

Application

In order to qualify for either special appraisal, a property owner must file an application form before May 1 in the first year the property would qualify. For good cause shown, the Chief Appraiser may extend the deadline by written order for a single period not to exceed 60 days.

PTC Sec 23.84(a, b)

PTC Sec 23.94(a, b)

The Chief Appraiser must take action on the application in the same manner as outlined in section two (2) of this manual.

PTC Sec 23.85

PTC Sec 23.95

Late Application

If a property owner fails to timely file an application, the land is ineligible for special appraisal.

PTC Sec 23.84(c)

PTC Sec 23.94(c)

Application Renewal Procedures

Once property has been designated for a special appraisal, the property shall continue to be eligible for special appraisal without a new application being filed for the duration of the deed restriction unless the ownership of the land changes or its eligibility ends.

If the Chief Appraiser has good cause to believe that the land is ineligible, a new application may be mailed to a property owner in order to confirm the land's eligibility.

PTC Sec 23.84(c)

PTC Sec 23.94(c)

Additional Taxes Imposed

Land Not Principally Devoted to Intended Use

If land receives a special appraisal in any given year, at the end of that year the Chief Appraiser must determine if the land was devoted principally to its intended use.

If it is determined that the land was not used exclusively for its intended use, an additional tax equal to the difference in the amount of tax actually imposed with benefit of the special appraisal and the amount of tax that would have been imposed without benefit of the special appraisal is charged. This amount of additional tax plus interest is included on the next tax statement sent on this property by the tax assessor-collector.

PTC Sec 23.83(d)

PTC Sec 23.93(d)

Special Appraisal Applied Erroneously

If it is discovered that the special appraisal was granted in error in any one of the five (5) preceding years, the difference between the appraised value of the land with benefit of the special appraisal and the market value of the land without benefit of the special appraisal will be added to the appraisal roll.

PTC Sec 23.84(e)

PTC Sec 23.94(e)

Change in Use Occurs or Deed Restriction Not Applicable

If it is discovered that the land receiving a special appraisal is no longer subject to a deed restriction or is diverted to a use other than its intended purpose, an additional tax is imposed equal to the difference between the actual taxes imposed with benefit of the special appraisal for each of the five preceding years and the tax that would have been imposed without benefit of the special appraisal, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due for each year.

PTC Sec 23.86(a)

PTC Sec 23.96(a)

Penalty for Violating Deed Restriction

If land designated for special appraisal is used for a purpose other than the intended purpose before the term of the deed restriction expires, a penalty is imposed on the land equal to the difference between the taxes actually imposed with benefit of the special appraisal for the year in which the violation occurred and the amount of taxes that would have been imposed without benefit of the special appraisal.

An entry must be made in the appraisal records indicating the amount of penalty and written notification of the imposition of the penalty must be delivered to the property owner along with a brief explanation of the procedures for protesting the penalty.

PTC Sec 23.87

PTC Sec 23.97

Taxing Authority Notified

The Chief Appraiser notifies the taxing authority of any additional taxes or penalties that are to be imposed in order that they may issue tax statements to the property owner.