



MAVERICK COUNTY APPRAISAL DISTRICT

**2015-2016
REAPPRAISAL PLAN**

Table of Contents

Item:

Executive Summary
Plan for Periodic Reappraisal Requirement

Revaluation Decision

Tax Year 2015
Tax Year 2016

Performance Analysis

Ratio Study Results
Appraisal Accuracy
Appraisal Uniformity

Analysis of Available Resources

Staffing for Reappraisal Year
Proposed Budget for 2015
Existing Practices
Information Systems Support
Existing Data and Maps

Planning and Organization

Calendar of Key Events – 2015
Calendar of Key Events – 2016
Performance Objectives
Target Completion Dates – 2015
Target Completion Dates – 2016
Production Standards for Field Activities

Mass Appraisal System

Forms and Procedures
CAMA System Revisions as Required
Real Property Valuations
Personal Property Valuations
Noticing Process
Hearing Process

Data Collection Requirements by Tax Year

New Construction
Remodeling
Reinspection of Problematic Markets

Reinspection of Universe of Properties on Specific Cycles
Field or Office Verification of Sales Data and Property Characteristics

Pilot Study by Tax Year

Test New/Revised Mass Appraisal Methods
Ratio Studies by Market Areas
Test Accuracy and Reliability in Market Areas

Valuation by Tax Year

Market Analysis
Model Development
Model Calibration
Calculation of Preliminary Values
Test Values for Accuracy and Uniformity
Description of Valuation Methods by Property Type
Approaches to Value
Special Valuation Process

The Mass Appraisal Report by Tax Year

Scope of Work
Compliant with STANDARD RULE 6-8 of USPAP
Signed Certification by Chief Appraiser as Required

Value Defense

Informal Appeals
Formal Appeals
Burden of Proof Evidence for Market Value and Equity

Computer Assisted Mass Appraisal

ARB Appeal Procedures

Written Reappraisal Plan

Planning a Reappraisal
Steps in a Reappraisal
Implementing the Re-Appraisal Plan

Residential, Commercial, Rural, & Personal Property 2015/2016 Reappraisal Plan

Defined Market Areas:
Annual Ratio Reports
Organization

2015 Reappraisal Schedule
Scope of Work Schedule 2015 & 2016
2016 Reappraisal Schedule

EXHIBITS

- A. City Groups 1, 2 and 3
- B. Ranches Groups 1, 2 & 3
- C. Oil & Gas Reserves 2015-2016 Appraisal Procedures and Reappraisal Plan

EXECUTIVE SUMMARY

TAX CODE REQUIREMENT:

Passage of Senate Bill 1652 amended Section 6.05 of the Texas Property Tax code by adding Subsection (i) to read as follows:

- (i) To ensure adherence with generally accepted appraisal practices, the board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place of the hearing. Not later than September 15 of each even-numbered year, the board shall complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the Comptroller within sixty (60) days of the approval date.

Plan for Periodic Reappraisal Requirement:

Senate Bill 1652 amends Section 25.18, Subsections (a) and (b) to read as follows:

- (a) Each appraisal office shall implement the Plan for Periodic Reappraisal of property approved by the board of directors under Section 6.05(i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
 1. identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
 2. identifying and updating relevant characteristics of each property in the appraisal records;
 3. defining market areas in the district;
 4. identifying property characteristics that affect property value in each market area, including:
 - a. the location and market area of 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.

SCOPE OF RESPONSIBILITY

The Maverick County Appraisal District has prepared and published this reappraisal plan and appraisal report to provide the Board of Directors, taxing entities, and taxpayers with a better understanding of the district's responsibilities and activities.

The Maverick County Appraisal District is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. The Board of Directors, elected by the taxing units within the boundaries of Maverick County, constitutes the district's governing body. The chief appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district.

The appraisal district is responsible for local property tax appraisal and administration for all taxing entities in the county. The taxing entities are as follows:

**Eagle Pass I.S.D.
County of Maverick
Maverick County Hospital District
City of Eagle Pass**

Each taxing unit sets its own tax rate to generate revenue to pay for such things as police and fire protection, public schools, road and street maintenance, courts, water and sewer systems, and other public services. Property appraisals and estimated values by the appraisal district allocate the year's tax burden on the basis of each taxable property's market value. The appraisal district also determines eligibility for various types of property tax exemptions such as those for homeowners, the elderly, disabled veterans, charitable or religious organizations and agricultural productivity valuation.

Except as otherwise provided by the Property Tax Code, all taxable property is appraised at its "market value" as of January 1 of the tax year. Under the tax code, "market value" is defined as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

- both the seller and the buyer know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use, and;
- both the seller and buyer seek to maximize their gains and neither is in a position to take advantage of the other.

The Texas Property Tax Code defines special appraisal provisions for the valuation of residential homestead property (Sec. 23.23), productivity (Sec. 23.41), real property inventory (Sec. 23.12), dealer inventory (Sec. 23.121, 23.124, 23.1241, nominal (sec. 23.18) or restricted use properties (Sec. 23.83) and allocation of interstate property (Sec. 23.03). The owner of real property inventory may elect to have the inventory appraised at its market value as of September 1st of the year preceding the tax year to which the appraisal applies by filing an application with the chief appraiser requesting that the inventory be appraised as of September 1st.

The Texas Property Tax Code, under Section 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. The district's policy is to conduct a general reappraisal of taxable property every year. Appraised values are reviewed annually and are subject to change. All properties are appraised every year. Tax year 2015 and tax year 2016 are reappraisal years.

The appraised value of real estate is calculated using specific information about each property. Using computer-assisted mass appraisal programs and recognized appraisal methods and techniques, the appraisal district compares that information with the data for similar properties and with recent cost and market data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures, and subscribes to the standards promulgated by the Appraisal Foundation, known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable.

PERSONNEL RESOURCES

The office of the Chief Appraiser is primarily responsible for overall planning, organizing, staffing, coordinating, and controlling of the appraisal district operations.

The district's appraisers are subject to the provisions of the Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulations.

The appraisal district staff consists of 13 employees with the following classifications:

- * Administration (4)
- * Appraisers (6)
- * Cartographer (1)
- * Data Entry (2)

All personnel that are performing appraisal work are registered with the Texas Department of Licensing and Regulation and are required to take appraisal courses to achieve the status of Registered Professional Appraiser within five years of employment as an appraiser. After they are awarded their license, they must receive additional training as required to maintain certification. Failure to meet these minimum standards results in termination of employment.

Additionally, the chief appraiser ensures that personnel receives on-the-job training to ensure quality and uniformity of appraisals of all types of property and monitors appraisal activity to ensure that standardized appraisal procedures are being followed by all personnel.

REVALUATION DECISION (REAPPRAISAL CYCLE):

The Maverick CAD, by policy adopted by the Board of Directors and the Chief Appraiser, reappraises one third of the properties located within the city limits, these areas are identified as, Group 1, Group 2, and Group 3, these groups are described in Exhibit A. Other properties where a building permit was issued are also reappraised, regardless of the group they are in. Ranch properties are also divided into three different groups, also identified as, Group 1, Group 2, and Group 3 (see Exhibit B). Because the County does not issue building permits, all rural subdivisions are appraised every year. All mineral and utilities accounts are reappraised every year by Thos Y. Pickett & Co., which is contracted by the Maverick County Appraisal District, their reappraisal plan is attached, (see Exhibit C). The reappraisal may consist of field inspections, CAMA, or both. The reappraisal year is a complete appraisal of all properties in the district. Tax year 2015 is a reappraisal year and tax year 2016 is a reappraisal year. Each year, Notices of Appraised Value are mailed to all property owners in the District whose value increased by one thousand dollars or more.

Additionally, every tax year the District inspects and appraises new construction and adds those properties to the appraisal roll. The district also inspects and reappraises properties that have been remodeled or demolished, properties with additions, properties with fire damage, or properties with any change or damage. These changes are found through building permits issued by the city. However, since building permits are not required for properties outside the city limits, District field appraisers inspect all the properties in the County. The field appraiser will also conduct detailed field inspections of properties if requested by the owner and reappraise these properties as necessary.

The Maverick County Appraisal District compiles all valid sales. Problematic areas are further researched and may indicate the use of market modifiers. The use of these modifiers is the predominant method of adjusting sales for location and time. Values throughout the county may be adjusted by use of market modifiers during the reappraisal year.

PERFORMANCE ANALYSIS:

Performance Analysis – the equalized values from the previous tax year are analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies are conducted in compliance with the current *Standard on Ratio Studies* of the International Association of Assessing Officers. Mean, median, and weighted ratios are calculated for properties in reporting categories to measure the level of appraisal accuracy. The mean ratio is calculated in each reappraised category to indicate the level of appraisal accuracy by property reporting category. In 2015, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In 2016, the reappraisal year, this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. In 2015 and 2016, any reporting category that may have been excluded from reappraisal due to lack of data to support reappraisal will be tested and analyzed to arrive at an indication of uniformity or equity of existing appraisals.

Sales ratio studies are used to evaluate the District's mass appraisal performance. These studies not only provide a measure of performance, but also are an excellent means of improving mass appraisal performance. The District uses ratio studies not only to aid in the reappraisal of properties, but also to test the State Comptroller's Property Tax Division Annual Property Value Study results.

The Maverick CAD usually begins ratio studies in late January or early February, with all sales reports being compiled by the district. Within the boundaries of the district, the ratios are analyzed to identify comparable neighborhoods. Outliers and questions that were not identified in the field are reviewed and analyzed. Field cards indicating the results of field inspections of the sold properties are available for each individual sale to further aid in making decisions regarding outliers.

Outliers are characterized as having low or high ratios. They can result from an erroneous or unrepresentative sale price, an error in the appraisal, or a mismatch between the property sold and the property appraised.

Remaining sales are then correlated to indicate comparable neighborhoods within the district. The sales from each comparable neighborhood are grouped (stratified) according to classification. The median ratio indicated by the sales is then compared to the desired ratio. The coefficient of dispersion is also studied to indicate how tight the ratios are in relation to the measures of central tendency. The median and coefficient of dispersion are good indicators of the types of changes to be made if any are necessary. The use of market modifiers is the predominant method of adjusting sales for location and time to indicate market

values. Market modifiers are methods of adjusting property to equal the market without changing the schedules.

ANALYSIS OF AVAILABLE RESOURCES:

Staffing and budget requirements for tax year 2015 are detailed in the 2016 budget, as adopted by the Board of Directors of the Maverick County Appraisal District, and attached to the written biennial plan by reference. This reappraisal plan is adjusted to reflect the available staffing in tax year 2014 and anticipated staffing for tax year 2015 or tax year 2016. Budget restraints can impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in the 2015-2016 time period.

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current. In the reappraisal year, real property appraisal depreciation tables are tested against verified sales data to ensure they represent current market data. Personal property density schedules are tested and analyzed based on renditions and prior year documentation. Due to lack of sales of personal property in the district, the Comptroller's Guide is utilized to appraise personal property and for testing and analysis purposes.

Information Systems (IS) support is detailed and system upgrades are scheduled. Existing maps and data requirements are continually updated and kept current.

The Texas Legislature amended the appraisal review board appeal process by allowing arbitration in addition to filing suit in District Court with certain limitations. It is anticipated that the number of arbitration requests will increase as the public becomes more informed of this option. Time and effort expended on arbitration cases is a good indicator that additional recourses as well as an increase in staffing may become necessary as the arbitration process evolves.

Existing appraisal practices, which are continued from year to year, are identified and methods utilized to keep these practices current are specified. Current cost schedules for residential and commercial real properties are derived and updated from Marshall and Swift Valuation Service. Marshall and Swift Valuation Service is a national based cost manual and is generally accepted throughout the nation by the real estate appraisal industry. In a reappraisal year, real property appraisal depreciation tables and cost new tables are tested against verified sales data to ensure they represent current market data. Personal property density schedules are tested and analyzed based on rendition and prior year protest hearing documentation.

Changes in legislation involving appraisal districts may occur in 2015 when the legislature is called into session. These new laws may require adjustments to the budget, staffing, and programming.

PLANNING AND ORGANIZATION:

A calendar of key events with critical completion dates is prepared for each area of work. This calendar identifies key events for appraisal, clerical, customer service, and information systems. A calendar is prepared for tax years 2015 and 2016. Production standards for field activities are calculated and incorporated in the planning and scheduling process.

The Maverick County Appraisal District will begin the field inspections in October 2014 and will complete all inspections and schedules by April 1, 2015 for the 2015 tax year.

The Maverick County Appraisal District will begin the field inspections in October of 2015 and will complete all inspections and schedules by April 1, 2016 for the 2016 tax year.

MASS APPRAISAL SYSTEM:

Computer Assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider. Maverick County Appraisal District contracted with the firm of True Automation for these services.

Appraisal information for each area of work, maps for each area of work, and appraisal cards showing sketches and pictures of the properties included in the area of work will be provided by the District to the field appraisers.

The District anticipates devoting some programming time to allow for the development of new reports to help manage and edit the information provided by the field appraisers.

Real Property Valuation

Revisions to cost models, income models, and market models are specified, updated, and tested each tax year.

Cost schedules are tested with market data (sales) to insure 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 tested for accuracy and uniformity using ratio study tools and compared with cost data from recognized industry leaders, such as Marshall & Swift.

Land schedules are updated using current market data (sales) and then tested with ratio study tools. Value schedules are developed and tested on a pilot basis with ratio study tools.

Personal Property Valuation

Density schedules are tested using data received during the previous tax year from renditions and hearing documentation. Valuation procedures are reviewed, modified as needed, and tested. The latest edition of the Comptroller's Guide is utilized heavily in the appraisal of personal property in the district.

Noticing Process

25.19 appraisal notice forms are provided by the IS Provider. The Provider reviews and edits for updates and changes required by legislative mandates. The district publishes, in the local newspaper, information about the notices and how to protest. The district makes available the latest copy of the Comptroller's pamphlet *Taxpayer's Rights, Remedies, and Responsibilities*.

Hearing Process

Protest hearing scheduling for informal and formal Appraisal Review Board hearings is reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district hearing documentation is reviewed and updated to reflect the current valuation process and requirements. Compliance with House Bill 201 is insured.

District staff conducts the initial informal hearing with a protesting property owner. If the protest cannot be settled within the guidelines set out for District staff, and valuation issues are not agreed upon at this level, the protesting property owner may elect to proceed to a formal hearing.

Evidence in compliance with HB 201 may be requested by the property owner or the property owner's agent and will be made available at least 14 days prior to the scheduled protest hearing.

DATA COLLECTION REQUIREMENTS:

Maverick County Appraisal District cost and value schedules include land, residential improved, commercial improved, and personal property. Data sources currently used by the District include cost information from Marshall and Swift Valuation Service, cost data obtained from local contractors, and renditions provided by the property owners. Marshall and Swift Valuation Service is a national based cost manual and is generally accepted throughout the nation by the real estate appraisal industry. This cost manual is based on cost per unit or square foot and also uses the unit in place method. The unit in place method involves the

estimated cost by using actual building components. This national based cost information service provides the base price of buildings by classification with modifications for equipment and additional items. The District's schedule is then modified for time and location.

Field and office procedures are reviewed and revised as required for data collection. Activities for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of the universe of properties on a specific cycle, and field or office verification of sales data and property characteristics. On properties that have transferred ownership, the District will verify the sales price and individual property characteristics as of the date of the sale through field inspection and office research.

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

Data on individual properties is also collected from the field, compiled, and analyzed. Buildings and other improvements are inspected in the field, measured, and classified. The appraiser estimates the age and condition of the improvements. This data is used to compile depreciation tables. Any notes pertaining to the improvements are made during inspection.

Land Analysis

Residential land valuation analysis is conducted prior to neighborhood sales analysis. The value of the land component to the property is estimated based on available market sales for comparable and competing land under similar usage. A comparison and analysis of comparable land sales is conducted based on a comparison of land characteristics found to influence the market price in the neighborhood. Computerized land tables store the information required to consistently value individual parcels within neighborhoods given known land characteristics. Specific land influences are considered, where necessary, and depending on neighborhood and individual lot or tract characteristics, to adjust parcels outside the neighborhood norm for such factors as access, view, shape, size, and topography. The appraisers use abstraction and allocation methods to insure that estimated land values best reflect the contributory market value of the land to the overall property value.

Area Analysis

Data on regional economic forces such as demographic patterns, regional locational factors, employment and income patterns, general trends in real property prices and rents, interest rate trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources and provide the filed appraiser a current economic outlook on the real estate market. Information is gleaned from real estate publications and sources such as continuing education in the form of IAAO classes and other approved classes.

Neighborhood and Market Analysis

Neighborhood analysis involves the examination of how physical, economic, governmental and social forces and other influences affect property values. The effects of these forces are also used to identify, classify, and stratify comparable properties into smaller, manageable subsets of the universe of properties known as neighborhoods. Residential valuation and neighborhood analysis is conducted on various market areas within the district. Analysis of comparable market sales forms the basis of estimating market activity and the level of supply and demand affecting market prices for any given market area.

Highest and Best Use Analysis

The highest and best use of property is the 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, legal, financially feasible, and productive to its maximum. The highest and best use of residential property is normally its current use. This is due, in part, to the fact that residential development, in many areas, through use of deed restrictions and zoning, precludes other land uses. Residential valuation undertakes reassessment of highest and best use in transition areas and areas of mixed residential and commercial use. In transition areas with ongoing gentrification, the appraiser reviews the existing residential property use and makes a determination regarding 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. In areas of mixed residential and commercial use, the appraiser reviews properties in these areas on a periodic basis to determine if changes in the real estate market require reassessment of the highest and best use of a select population of properties.

New Construction/Demolition

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

Appraisal field inspections require the appraisers to check all information on the field cards and to update the information when necessary.

New construction field and office review procedures are identified and revised as required. Sources of building permits are confirmed. The City of Eagle Pass provides a listing of permits issued during the previous year. The County of Maverick does not issue permits. The local newspaper's articles are kept throughout the year for reference purposes.

Local contractors and builders are another source of cost data utilized by the District. Local contractors provide cost data on new structures that is compared to cost information obtained from Marshall Swift Valuation.

Remodeling

Properties with extensive improvement remodeling are identified and field inspections are scheduled to update property characteristic data. Permits issued by the city and visual sightings by District staff are key components in this area. Copies of permits are provided by the District to the field appraiser. Notes made throughout the year as remodeling projects are observed are provided by the District to the field appraiser.

Re-inspection of Problematic Market Areas

Real property market areas, by property classification, are tested for low or high ratio sales and/or high coefficients of dispersion. Market areas that fail any or all of these tests are determined to be problematic. Field inspections are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified.

Re-inspection of the Universe of Properties

The International Association of Assessing Officers' *Standard on Mass Appraisal of Real Property*, specifies that the universe of properties should be re-inspected on a cycle of 3 years. The re-inspection includes physically viewing the property, photographing, and verifying the accuracy of the existing data. The field

appraiser has an appraisal card of each property to be inspected and makes notes of changes, depreciation changes, remodeling, additions, etc. The annual re-inspection requirements for tax years 2015 and 2016 are identified and scheduled in the written reappraisal plan.

Field or Office Verification of Sales Data and Property Characteristics

Sales information is received from various sources. These sources include conversations with local real estate appraisers, agents, and brokers. Also, from deed transactions, the District mails out sales confirmation letters to sellers and purchasers in an effort to obtain additional sales information that may not be otherwise discovered.

These sales are compared to the existing data on the field cards and changes are made as indicated. These changes include age and condition as well as any improvements made to the property before the sale takes place. When sales information indicates a difference in the improvement's square footage, the buildings are remeasured.

Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid.

PILOT STUDY BY TAX YEAR:

New and/or revised mass appraisal models are tested each tax year. Ratio studies, by market area, are conducted on proposed values each tax year. Proposed values on each category are tested for accuracy and reliability. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. The procedures used for model specification and calibration are in compliance with USPAP, STANDARD RULE 6.

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

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

1. Quality of construction: Residential construction may vary greatly in quality of construction. The type of construction affects the quality and cost of the material used, the quality of the workmanship, as well as the attention paid to detail. The cost and value of residential property will vary greatly, depending on the quality of construction. The District's Appraisal Manual contains an expanded description of classifications used and is attached by reference.
2. Size of structure: The size of a building also has a direct impact on its cost as well as its value. The larger the building, the less the cost per square foot. The District's schedules are graduated in size increments, depending on market conditions. Marshall and Swift Valuation Service also supports this size factor. The District's Appraisal Manual contains an expanded description of size increments and square footage breakdown's and is attached by reference.
3. Condition of improvements: The District rates conditions as poor, fair, average, good and excellent. Upon physical inspection appraisers, using their own judgment of age and condition of the structure, applies a depreciation factor. This factor is based generally on one (1) percent for each two years of age. Properties that, in the opinion of the appraisers, are unlivable are not appraised according to the schedule. Rather, they are appraised at salvage value or are marked as no value at all.
4. Age of Structure: The District's field appraiser assigns an approximate effective age. This method is supported by conversations with local appraisers and builders who estimate the economic life of residential properties to be approximately 50 years. Properties in the age 51 and over bracket are given the maximum amount of depreciation unless remodeling or very good upkeep has allowed the structure to maintain a longer life. The effective age and chronological age may or may not be the same depending on the condition of the structure. This depreciation factor is generally based on one (1) percent for each two years of age.
5. Extra items: Extra items are valued according to their contributory value to the whole. Examples of extra items include covered porches, patios, screened or enclosed porches, storage buildings, swimming pools, etc. The District's Appraisal Manual contains more specific information regarding extra items and is attached by reference.
6. Land Value: The District values land based on market transactions. Units of comparison depend on how the property is purchased and marketed. Large acreage tracts are usually purchased based on the price per acre. Commercial tracts are purchased based on the price per square foot, and residential properties are purchased based on price per front foot. Depth

factors are used to modify values according to market indicators. Land prices vary throughout the District, therefore, their values are dependent upon homogenous areas. Land schedules for residential, commercial, agricultural, and industrial properties are available upon request from the District.

Inspections of property are made by exterior perspective, so the interior finish as well as interior components are assumed and are not adjusted. All financing for comparable sales is considered typical to the market. The final estimate of value is a correlation of the comparable sales after net adjustments have been deducted from the sales price to equal the subject property, The value by this method is estimated by the appraiser and is not a function of the computer.

VALUATION BY TAX YEAR:

Using market analysis of comparable sales and locally tested cost data, market area specific income and expense data, valuation models (Cost Per Square Foot Schedules) are specified and calibrated in compliance with supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice. The calculated values are tested for accuracy and uniformity using ratio studies. Performance standards are those as established by the *IAAO Standard on Ratio Studies*. Property values in all market areas are updated each reappraisal year. Properties in selected market areas are updated in non-reappraisal years. Tax year 2015 is a reappraisal year. Tax year 2016 is a reappraisal year. *Note: The district will describe its valuation methods by property types.*

SALES COMPARISON APPROACH TO VALUE

The sales comparison approach to value is utilized by grouping or clustering sales within the specified neighborhoods and classification of properties. The sales are then tested against appraised values to indicate a ratio for the neighborhood. A neighborhood is a grouping of complementary land uses affected equally by the four forces that influence property value: social trends, economic circumstances, governmental contracts and regulations, and environmental conditions. These factors have an impact on the value of properties within this grouping and in turn on properties being appraised.

Individual neighborhood boundaries within the District vary according to market indications and the type of property being appraised. The boundaries of these neighborhoods may be physical, geographical, or political in nature. Generally, residential neighborhoods consist of individual subdivisions or clusters of subdivisions that contain similar properties located within the same school district. Commercial neighborhoods may be smaller areas within a city, an entire

city, or rural area. Industrial neighborhoods may include the entire District. Defining neighborhood boundaries depends on the subject of the appraisal assignment.

If sufficient sales are not found, then sales from competing neighborhoods are found and appropriate adjustments are made in the form of market modifiers. These modifiers are applied to cost schedules to indicate mass appraisal values for a given neighborhood. Therefore, the sales comparison approach is actually blended with the cost approach to create a hybrid of these two approaches to value.

COST APPROACH TO VALUE:

The District uses a hybrid cost model developed from Marshall and Swift Valuation Service. The cost model categorizes and values property by class, age, condition, and extra items. Depreciation is derived by age/condition and any additional depreciation that may be necessary. Land value is added to indicate a preliminary market value for like properties within the subject neighborhoods. After cost schedules, depreciation, and land values are applied, then a market modifier may be necessary to adjust the values to actual market conditions. These modifiers apply to improvements only and do not adjust land values. Therefore, the cost approach to value is actually a hybrid of the sales comparison and cost approaches to value.

INCOME APPROACH TO VALUE:

The income approach to value or rent multipliers are currently not a reliable indicator of value for residential mass appraisal reports unless rents are specified. Databases or data sources for income producing residential properties are not available in the Maverick County area. Therefore, the income approach to value is not used in the **residential** mass appraisal report but is used for other types of properties.

Additional information concerning approaches to value for specific types of properties, such as minerals, utilities, industrial, railroads, pipelines, industrial personal property, etc. may be found in the Plan provided by the Appraisal Company that performs those appraisals and is attached to this plan by reference.

MARKET AND COST RECONCILIATION AND VALUATION

The replacement cost new of property improvements (RCN) less accrued depreciation (AD) plus land value (LV) equals market value (MV). As the cost approach separately estimates both land and building value. Neighborhood analyses of market sales are used to achieve an acceptable sale ratio or level of appraisal. Market factors are developed from appraisal statistics provided from market analyses and ratio studies are used to ensure that estimated values are consistent with the market and to reconcile cost indicators. The district's primary approach to the valuation of properties uses a hybrid cost-sales comparison approach. This type of approach accounts for neighborhood market influences not particularly specified in a purely cost model.

The following equation denotes the hybrid model used:

$$\mathbf{MV = LV + (RCN - AD)}$$

Whereas, in accordance with the cost approach, the estimated market value (MV) of the property equals the land value (LV) plus 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 neighborhoods to account for location variances between market areas or across a jurisdiction. Whereas, in accordance with market approach, the estimated market value (MV) of the property equals the basic unit of property, under comparison, times the market price range per unit for sales of comparable property. For residential property, the unit of comparison is typically the price per square foot of living area or the price indicated for the improvement contribution. This analyses for the hybrid model is based on both the cost and market approaches as a correlation of indications of property valuation. A significant unknown for these two indications of value is determined to be the rate of change for the improvement contribution to total property value. The measure of change for this property component can best be reflected and based in the annualized accrued depreciation rate. This cost related factors is most appropriately measured by sales of similar property. The market approach, when improvements are abstracted from the sale price, indicates the depreciated value of the improvement component, in effect, measuring changes in accrued depreciation, a cost factor. The level of improvement contribution to the property is measured by abstraction of comparable market sales which is the property sale price less land value. The primary unknown for the cost approach is to accurately measure accrued depreciation affecting the amount of loss attributed to the improvements as age increases and condition changes. This evaluation of cost results in the depreciated value of the improvement components based on age and condition. The evaluation of this market and cost information is the basis of reconciliation and indication of property valuation under this hybrid model.

When the appraiser reviews a neighborhood, the appraiser reviews and evaluates a ratio study that compares recent sales prices of properties, appropriately adjusted for the effects of time, within a delineated neighborhood, with the value of the properties' based on the estimated depreciated replacement cost of improvements plus land value. The calculated ratio derived from the sum of the sold properties' estimated value divided by the sum of the time adjusted sales prices indicates the neighborhood level of appraisal based on sold properties. This ratio is compared to the acceptable appraisal ratio, 95% to 105% to determine the level of appraisal for each neighborhood. If the level of appraisal for the neighborhood is outside the acceptable range of ratios, adjustments to the neighborhood are made.

If reappraisal of the neighborhood is indicated, the appraiser analyzes available market sales, appropriately adjusted for the apparent effects of time, by market abstraction of property components. This abstraction of property components allows the appraiser to focus on the rate of change for the improvement contribution to the property by providing a basis for calculating accrued depreciation attributed to the improvement component. This impact on value is usually the most significant factor affecting property value and the most important unknown to determine by market analysis. Abstraction of the improvement component from the adjusted sale price for a property indicates the effect of overall market suggested influences and factors on the price of improvements that were a part of this property, recently sold. Comparing this indicated price or value allocation for the improvement with the estimated replacement cost new of the improvement indicates any loss in value due to accrued forms of physical, functional, or economic obsolescence. This is a market driven measure of accrued depreciation and results in a true and relevant measure of improvement marketability, particularly when based on multiple sales that indicate the trending of this rate of change over certain classes of improvements within certain neighborhoods. Based on this market analysis, the appraiser estimates the annual rate of depreciation for given improvement descriptions considering age and observed condition. Once estimated, the appraiser recalculates the improvement value of all property within the sale sample to consider and review the effects on the neighborhood sale ration. After an acceptable level of appraisal is achieved within the sale sample, the entire neighborhood of property is recalculated utilizing the indicated depreciation rates taken from market sales. This depreciation factor is the basis for trending all improvement values and when combined with any other site improvements and land value, brings the estimated property values through the cost approach closer to actual market prices as evidenced by recent sale prices available within a given neighborhood. Therefore, based on analysis of recent sales located within a given neighborhood, estimated property values will reflect the market influences and conditions only for the specified neighborhood, thus producing more representative and supportable values. The estimated property values calculated for each update neighborhood are based on market indicated factors applied uniformly to all properties within a neighborhood. Finally, with all the market-trend factors applied, a final ratio study

is generated that compares recent sales prices with the proposed appraised values for these sold properties. From this set of ratio studies, the appraiser judges the level and uniformity in both update and non-update neighborhoods and verifies appraised values against overall trends as exhibited by the local market, and finally, for the school as a whole.

SPECIAL VALUATION PROCESS:

Agricultural Use: Market value for agricultural property is established by acceptable appraisal methodology.

The District also values agricultural property by the income approach as set forth in the Texas Property Tax code. This is a special valuation process as there are parameters set forth in the Code regarding capitalization rates. Income and expenses for each different category of agricultural use is estimated from surveys, actual rental data obtained by property owners as well as conversations with local governmental agencies. The formula used is set out by the Texas Property Tax Code and is as follows: $\text{net-to-land (all ag related income streams - all ag related expenses) / cap rate = ag value}$

THE MASS APPRAISAL REPORT:

Each tax year, the required Mass Appraisal Report is prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15th). The Mass Appraisal Report is completed in compliance with STANDARD RULE 6 – 8 of the *Uniform Standards of Professional Appraisal Practice*. The signed certification by the Chief Appraiser is compliant with STANDARD RULE 6 – 9 of *USPAP*. This written reappraisal plan is attached to the report by reference.

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 hearings is specified and tested. *Note: The appraisal district identifies the evidence to be used in informal and formal hearings by property type and the steps to be taken to insure compliance with House Bill 201.*

**RESIDENTIAL PROPERTY
SPECIAL INVENTORY RESIDENTIAL PROPERTY
MULTIFAMILY RESIDENTIAL PROPERTY**

**COMMERCIAL REAL PROPERTY
VACANT REAL PROPERTY
INDUSTRIAL REAL PROPERTY
UTILITIES
MINERAL INTEREST
SPECIAL VALUATION PROPERTIES
BUSINESS TANGIBLE PERSONAL PROPERTY
INDUSTRIAL TANGIBLE PERSONAL PROPERTY**

Informal hearings are conducted by phone, mail, or in person by District appraisers. Appraisers may present sales data or data specific to the property in defense of the District values. If the taxpayer wishes to pursue a dispute further, the appraiser or District staff will guide them through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings, they receive an ARB procedures pamphlet and a copy of the *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to make its evidence regarding value disputes available. Information provided, as appropriate, may include but is not limited to: comparable sales and applicable schedules, depreciation tables, a copy of the discount cash flow model developed to calculate the current inventory value, income and expense information derived from the market that has been accumulated and developed into charts containing general data, applicable appraisal reports and research data applicable to the property, etc. **At no time, except as provided by the Texas Property Code, will any confidential income, expense, sales, or other information received from taxpayers on specific accounts be released.**

COMPUTER ASSISTED MASS APPRAISAL SYSTEM

The Maverick County Appraisal District field appraisers will submit appraisal cards reflecting changes and notes made during the field inspection to appraisal district staff for data entry. Pictures will also be taken by the field appraiser and downloaded.

Appraisal district staff will be responsible for entering all name and address changes received by phone, letter, or from the front counter. Staff will also be responsible for entering any exemption changes, as well as any supplemental changes. Staff is responsible for backing up computer files and maintaining changes to the maps.

The software providers are responsible for providing training and assisting appraisal district staff concerning use of existing and new programs.

ARB APPEAL PROCEDURES:

After the Appraisal Review Board hears and determines all timely filed protests, the District mails, by certified mail with return receipt, the ARB orders containing the Board's decision on the protest to the property owners. Property owners have 45 days after receiving a Board Order to either file suit in District Court or to file a request for arbitration. Information on procedures for appealing an ARB order is included in the order along with a Request for Binding Arbitration form.

PLANNING A REAPPRAISAL

Variation in reappraisal requirements requires Maverick County Appraisal District to carefully plan its work before beginning any reappraisal. Although the planning process may vary in specifics, it should involve five (5) basic steps:

1. Assess current performance.
2. Set reappraisal goals.
3. Assess available resources and determine needs.
4. Re-evaluate goals and adjust as necessary.
5. Develop a work plan.

STEPS IN A REAPPRAISAL

The International Association of Assessing Officers (IAAO) textbook, Property Appraisal and Assessment Administration, lists ten steps in a reappraisal. These steps outline those activities performed by Maverick County Appraisal District for the completion of periodic reappraisals. Activities are listed below in the order in which they occur:

1. Performance Analysis:
 - A. ratio study
 - B. equity of existing values
 - C. consistency of values with market activity
2. Revaluation Decision:
 - A. statutory – at least once every three years
 - B. administrative policy
3. Analysis of Available Resources:
 - A. staffing
 - B. budget
 - C. existing practices
 - D. information system support

- E. existing data and maps
- 4. Planning and Organization
 - A. target completion dates
 - B. identify performance objectives
 - C. specific action plans and schedules
 - D. identify critical activities with completion dates
 - E. set production standards for field activities
- 5. Mass Appraisal System:
 - A. forms and procedures revised as necessary
 - B. CAMA (computer assisted mass appraisal) system revisions as required
- 6. Conduct Pilot Study
 - A. test new/revised appraisal methods as applicable
 - B. conduct ratio studies
 - C. determine if values are accurate and reliable
- 7. Data Collection
 - A. building permits and other sources of new construction
 - B. check properties that have undergone remodeling
 - C. reinspection of problematic properties
 - D. reinspection of universe of properties on a cyclic basis
- 8. Valuation:
 - A. market analysis (based on ratio studies)
 - B. schedules development
 - C. application of revised schedules
 - D. calculation of preliminary values
 - E. tests of values for accuracy and uniformity
- 9. The Mass Appraisal Report
 - A. establish scope of work
 - B. compliance with Standards Rule 6 - 7 of USPAP
 - C. signed certification by the chief appraiser as required by Standards Rule 6-8 of USPAP
- 10. Value Defense:
 - A. prepare and deliver notices of value to property owners
 - B. hold informal hearings
 - C. schedule and hold formal appeal hearings

Note—the burden of proof (evidence) of market values and equity falls on the appraisal district.

Maverick County Appraisal District

Residential, Commercial, Rural, and Personal Property 2015/2016 Reappraisal Plan

This plan for reappraisal was written by Maverick County Appraisal District is in compliance with USPAP requirements.

Pursuant to Section 25.18 of the Texas Property Tax Code, the Maverick County Appraisal District has established the following physical inspection plan to provide for the inspection of all property within the district at least once every three (3) years. all income producing personal property within the CAD is appraised on an annual basis, regardless of its location.

IMPLEMENTING THE RE-APPRAISAL PLAN

For 2015 the CAD will begin the reappraisal process in October in the North end of the county alongside US Hwy. 277 working on all rural land, both small large acre tracts classified as being "agricultural use" properties, including unincorporated city of Quemado, Texas, and progress south to the Maverick County Radar Base finishing this area around December. Then to the rural subdivisions located on the north side of the county progressing to the city limits of the City of Eagle Pass, this should be completed in the month of January with three different appraisers working these areas.. Then to the City of Eagle Pass, reappraising all subdivisions located within Group 2 for the 2015 re-appraisal year, this will be ongoing until the month of February. It will continue with the South part of the county with three appraisers working this section of the county, this will include all rural subdivisions and small acre tracts. The rural appraiser will continue the re-appraisal of all rural land including both small and large acre tracts of land which are classified as "agricultural use" properties, including the unincorporated city of El Indio, Texas located on the North end of the county. All properties which were issued a "building permit" will be visited in the months of January and February. Finally, all ranches will be inspected by the rural appraiser starting on the month of October thru March of 2015. All ranch on-site inspections will be done by appointment. For 2016, the same schedule will be followed, with the exception that only "Group 3" of the "City" will be reappraised.

All mineral and utilities accounts are reappraised every year by Thos Y. Pickett & Co., which is contracted by the Maverick County Appraisal District, their reappraisal plan is attached, (see Exhibit C).

DEFINED MARKET AREAS

Commercial Property Market Area:

Covers all commercial property in Maverick County.

Residential Market Areas:

1. North Part of County
2. City of Eagle Pass
3. South Part of County.

Rural Land Market Areas:

1. Small acre areas county wide
2. All ranches county wide

This approach will insure not only that all residential and commercial property within the CAD is reappraised at least once every three years, but also that all other categories within the CAD are reviewed annually so that the appraisal district stays current with respect to market value in those areas where residential and/or commercial property values appear to be changing rapidly.

Annual Ratio Reports: In addition to the two year cycle, ratio studies shall be performed annually to determine areas or categories of properties within the CAD which need to be reappraised within the current year based on sales ratios. Any areas or categories whose ratios are above or below statutory requirements shall be reappraised in the current year regardless of the area in which they are located.

Organization

Field inspections are carried out by the field appraiser as directed by the chief appraiser. The field appraiser physically inspects areas required by the reappraisal cycle, checks all existing data, works building permits, takes photographs of improvements, draws plans of new improvements for entry into computer, rechecks any property on which a question or problem has arisen. Other duties may be required and will be executed upon direction of the chief appraiser.

Data entry of field work notes and sketches is performed by the data entry clerk.

The senior appraiser performs market analysis. Sales data is gathered throughout the year from deed records, sales confirmation letters from property owners, and other sources. The market data is analyzed, sales data is confirmed, outliers are identified,

existing classification system is reviewed, market schedules are reviewed and updated as necessary, and final market schedules are applied to the universe of properties.

2015 Reappraisal Schedule

October , 2014:

Begin on-site inspections

Mid December, 2014:

1. Begin planning sales ratio studies for all areas within the CAD.
2. Gather current sales data from sales confirmation letters deed records, and other sources.

January to March, 2015:

1. Mail homestead applications, special-use valuation applications, personal property renditions, exemption applications, and any other required forms.
2. Complete field inspections as provided by the reappraisal plan area.
3. Begin running sales ratio report Compare with CAD values and sales information.
4. Continue working with the Comptroller's Office regarding the ratio study.
5. Identify necessary schedule adjustments.
6. Begin update of the USPAP report (Mass Appraisal Report).
7. Begin working renditions.

March through April, 2015:

1. Continue running sales ratio reports.
2. Refine sales analysis and mass appraisal schedules.
3. Statistically test schedules.
4. Complete data entry of all reappraisal and maintenance changes.
5. Assist field appraiser with reappraisal functions as needed.
6. Finalize all field work and data collection activities.
7. Execute mass appraisal/maintenance activities as required.
8. Prepare for mailing 2013 Notices of Value.
9. Mail appropriate letters concerning homesteads, special-use appraisals, etc.
10. Continue working renditions.

May through June, 2015:

1. Mail notices of value.

2. Hold informal hearings.
3. Respond to property owners' inquiries, protests, and questions from notice mailings.
4. Mail notices of ARB hearing appointment letter.
5. Mail protest hearing reminder letters.
6. Provide certified estimated values to taxing units.
7. Hold ARB hearings.
8. Mail ARB certified change/no change orders.
9. Mail appropriate ARB pending decision letters.
10. Mail appropriate penalty letters on non-rendered personal property.

July, 2015:

1. Complete the process of mailing certified ARB orders.
2. Enter into computer all changes as ordered by ARB.
3. ARB approval of appraisal records by July 20th.
4. Certification of appraisal records and values to taxing units by July 25th.

As needed throughout the year 2015:

1. Handle any outstanding protests by scheduling ARB hearings.

Additionally, work outside of the appraisal process must be completed on a timely basis. Maverick County Appraisal District is a small district with limited staff, therefore departments are not designated. District staff must complete, in a timely manner, the work assigned by the chief appraiser, senior appraiser, or office/business manager. The work schedule, in addition to the above scheduled calendar, is as follows:

Daily:

1. Back up daily data entries.
2. Tax master maintenance (name, address, legal, value, etc.) data entry.
3. Drawing maintenance data entry.
4. Maintain prorated accounts.
5. Maintain exempt frozen accounts.
6. Mobile home changes data entry.
7. Residential, commercial, personal property, industrial, mineral changes data entry.
8. Agricultural changes data entry.
9. Send appraisal roll changes/tax roll changes to appropriate taxing units, if the changes affect the current tax roll.
10. Download pictures provided by the field appraiser.

Weekly:

1. System backup.
2. PC servers backup.

As Needed:

1. Make changes for supplemental accounts and update tax master.
2. Update previous years' tax masters.
3. Programming changes.
4. Create new reports.
5. Mail letters on properties receiving over-65 exemption where the property owner is now deceased.
6. Homestead letters.
7. Notices of change.
8. Maintain records retention (scan, store, etc.)

While the scope of work is not limited to the scheduled tasks, the District has endeavored to identify the **main** yearly tasks. To further pinpoint scheduled tasks, the following calendar has been implemented for District staff, but the work is not limited to the tasks contained in this calendar:

January, 2015 and 2016:

1. All personal property renditions are mailed.
2. Obtain building permits issued by city and code the appropriate parcel for inspection by a field appraiser.
3. Continue with data entry of completed field work cards.
4. Prepare and key in data on all splits and combines.
5. Prepare monthly reports.
6. Prepare renditions to be mailed.
7. Maintain records management program.
8. Mail various applications.
9. Mail new special-use (agricultural) applications due to change of ownership.
10. Notify the tax assessor/collector of each taxing unit of any changes which require a refund.
11. Hold an ARB meeting to receive the supplemental records, complete the Statement of Officer form, administer Oaths of Office, elect officers, etc.
12. Prepare and have available for inspection by the BOD and the ARB the 25.25b change reports.
13. Publish the quarter-page ad on availability of exemptions, rendition requirements, special appraisals, and tax deferrals.
14. Publicize the uniform procedure to appraise inventory.
15. Approve or ratify contracts with vendors.
16. Enter data on new abatements.
17. Schedule BOD meeting and include executive session if necessary.

18. Notify appropriate tax units and other persons of any completed abatements and provide preliminary estimates of value in order for them to determine abatement percentages.
19. Obtain “cap rate” to be used in 2015 appraisals.
20. Request license information from Texas DPS to obtain birth date information to automatically grant over-65 homestead exemptions.
21. Submit updated current year appraisal roll to each tax unit.
22. Continue data entry of name/address changes, splits and combines, subdivision information, and personal property into the current file.
23. Complete “end-of-year clean-up” in the computer and set the computer to accept current year information.
24. Train District staff on the use of any changes to computer programs.
25. Develop new reports as needed.
26. Continue to obtain deed changes and key in ownership changes and parcel boundary changes and create new accounts as needed.
27. Continue to provide assistance to property owners and the general public by answering phone calls and assisting with walk-in customers, real estate agents, landmen, etc.
28. Update and maintain maps.
29. Process and sell digital parcel data as requested.
30. Maintain website.
31. Send sales information and deed transfer information to State Comptroller’s Office by February 1.
32. Determine possible dates for Ag Advisory Council meetings and set those meetings up.

February, 2015 and 2016:

1. Continue keying in recheck notes.
2. Continue downloading pictures provided by field appraiser.
3. Proof changes keyed in.
4. Continue data entry of sketches/drawings.
5. Set up new business accounts.
6. Research returned mail.
7. Maintain records management program.
8. Prepare all changes for the ARB meeting.
9. Start ordering process for appraisal notices and other forms.
10. Prepare for possible appeal of Comptroller’s ratio study. Begin accumulating sales information to prepare appeal.
11. Notify tax assessors/collectors of any changes which require refunds.
12. Maintain website and update it with any new forms, schedules, deadlines, etc.
13. Set up ARB meeting to approve all changes, approve supplemental accounts, and hold hearings on substantial error motions.
14. Review revisions needed for ARB programs and documents and order necessary supplies.
15. Submit updated current year appraisal roll to each taxing unit.

16. Continue data entry of changes and updates.
17. Prepare for annual mailouts.
18. Continue to obtain deed records and make changes to appropriate parcels.
19. Continue with customer service (phone calls, walk-ins, etc.).
20. Continue to maintain maps.

March, 2015 and 2016:

1. Continue work on appeal of Comptroller's ratio study, if necessary.
2. Continue updating USPAP (Mass Appraisal Report).
3. Continue data entry of field work.
4. Continue downloading pictures by field appraisers.
5. Continue to research returned mail.
6. Maintain records management.
7. Prepare recap of values for supplemental accounts for the ARB and prepare supplemental logs for the ARB.
8. Prepare and key-in new tax agent codes and update changes to existing agent codes.
9. Prepare and mail reminders to those who failed to return homestead applications and/or agricultural applications.
10. Order envelopes for bulk mail-outs.
11. Notify tax assessors/collectors of changes that require refunds.
12. Prepare and mail-out letter to agents requiring them to update the accounts they represent and inform them of fiduciary requirements to protest.
13. Be sure that new ARB members are signed up for the mandatory training course.
14. Process rendition extension requests and print and mail letters granting or denying those requests.
15. Submit updated appraisal roll to each tax unit.
16. Continue to obtain and process deed records.
17. Continue to provide customer service assistance.
18. Continue to maintain maps.

April, 2015 and 2016:

1. Complete data entry of changes.
2. Begin preparation of Notices of Value.
3. Mail Notices of Value by May 1.
4. Begin compiling information for evidence packets for property owners filing protests and requesting evidence.
6. Continue data entry processes.
7. Continue to research returned mail.
8. Continue to maintain records management.
9. Prepare change logs for the ARB and BOD.
10. Purchase sufficient postage for mailing Notices of Value.
11. Continue to obtain sales information.
12. Notify each tax assessor/collector of changes that require a refund.

13. Update website to include new information and current year protest forms.
14. Continue to receive and process rendition extension requests and prepare and mail letters granting or denying the requests.
15. Mail letters to taxing units requesting new abatement contracts/TIF Zones for the current year. (This information is to be sent to the Comptroller's Office before July 1.)
16. Submit updated appraisal roll information to each tax unit.
17. Print Notices of Value.
18. Print edits before notices are mailed.
19. Continue to develop reports as needed.
20. Continue to obtain deed records and make changes as indicated.
21. Continue to provide customer service to the general public.
22. Continue to maintain maps.

May, 2015 and 2016:

1. Mail Notices of Value.
2. Continue to work renditions and new personal property accounts.
3. Begin working with property owners regarding proposed values and protests filed.
4. Appraisers hold informal hearings with protesting property owners.
5. Provide evidence to property owners submitting evidence requests for protest hearings.
6. Prepare monthly reports.
7. Continue to research returned mail.
8. Continue to maintain records management.
9. Notify taxing units' tax assessors/collectors of appraisal roll changes that require refunds.
10. Process and determine requests for additional 15 days to file renditions (May 30th deadline) and mail determinations.
11. By May 15th, submit preliminary estimates of value to taxing units.
12. By May 1st or soon thereafter, submit appraisal records to ARB.
13. Ensure that all new ARB members have attended mandatory training course and that certificates of completion are on file.
14. Publicize protest procedures and deadlines in 1/4 page ad in local newspaper.
15. Update parcel information on new improvement values due to expired abatements and percent changes.
16. Begin scheduling protest hearings and mail Notice of Protest letters and reminder letters as necessary.
17. Provide updated appraisal roll information to each taxing unit.
18. Mail, as necessary, preliminary ARB change letters, no change letters, unable to contact letters, and homestead letters.
19. Prepare new reports as needed.
20. Obtain deed records and process changes.
21. Update maps to reflect changes of ownership, splits, combines, etc.
22. Continue to provide customer service to general public.

June, 2015 and 2016:

1. Mail penalty letters on non-rendered personal property accounts.
2. Continue working with property owners regarding proposed values and appraisers continue to hold informal hearings.
3. Continue to provide evidence to property owners submitting evidence requests for protest hearings.
4. Prepare monthly reports.
5. Continue to research returned mail.
6. Continue to maintain records management.
7. Notify taxing units' tax assessor/collectors of any appraisal roll changes that require refunds.
8. ARB hearings to begin or continue as needed.
9. Mail ARB certified orders on change, no change determinations.
10. Ensure that school districts have a certified estimate of value and that all units have an estimate of value.
11. Submit abatement contracts executed and reinvestment zones established by taxing units in prior year to the Property Tax Division (must be done by July 1st).
12. Prepare proposed AD Budget for the following year and submit to BOD.
13. Continue to schedule protest hearings and mail letters and reminder letters as necessary.
14. Prepare folders for hearings.
15. Post hearing agendas as necessary.
16. Submit appraisal roll changes to each taxing unit.
17. Submit sales information to State Comptroller's Officer by June 1.
18. Obtain deed records and process ownership changes, splits, combines, etc. and ensure that maps are updated to reflect these changes.
19. Continue to provide customer service to the general public.

July, 2015 and 2016:

1. Mail all approvals/denials on rendition penalty waiver requests, ARB certified orders and any other necessary correspondence.
2. Continue ARB hearings if necessary until all protests have been heard.
3. Prepare monthly reports.
4. Continue to research returned mail.
5. Continue to maintain records management.
6. Ensure that all ARB changes have been keyed into computer.
7. By July 20th, ARB approves the appraisal records for the current year.
8. Check appraisal roll and values for substantial errors.
9. Provide certified values and recaps to all taxing units by July 25th and print certified rolls for each unit.
10. Notify taxing units' tax assessor/collectors of appraisal roll changes that require refunds.
11. Prepare and submit 25.25(b) quarterly reports to BOD and ARB.
12. Begin working on the reappraisal calendar for the following year.

13. Obtain deed records and make ownership changes, splits and combines, and update parcels and maps to reflect the changes.
14. Continue to provide customer service to the general public.

August, 2015 and 2016:

1. Prepare appraisal cards for the appropriate reappraisal area for the field appraisers, attaching permits and recheck notes.
2. Prepare reports for the State Comptroller's Office.
3. Prepare monthly reports.
4. Continue to maintain records management.
5. Re-check appraisal roll for substantial errors.
6. Generate report of sales information on sales that occurred January 1 through the end of July.
7. Field examinations continue through April of the following year.
8. Notify taxing units' tax assessors/collectors of appraisal roll changes that require refunds.
9. After certification of rolls, send to Texas Department of Economic Development a listing of all sites with values greater than or equal to \$100 million, in compliance with Section 23.23 of the Texas Property Tax code.
10. Contact entities on primarily charitable organization exemptions to see if renewal of exemption is needed.
11. Have BOD schedule the budget hearing.
12. Publicize the budget and budget hearing date.
13. Submit updated appraisal roll to each taxing unit.
14. Compile all necessary information for the calculating of tax rates and begin calculation process.
15. Obtain deed records and make ownership changes, splits and combines and update parcels and maps to reflect changes.
16. Continue to provide customer service to the general public.

September and early October, 2015 and 2016:

1. Complete tax rate calculations, publish effective rates, and assist taxing units in adopting tax rates.
2. Order or print tax rolls.
3. Ensure that sufficient envelopes, forms, paper, postage, etc. are on hand for printing and mailing statements.
4. Field appraisers will begin field work.
5. Begin working on any arbitration cases.
6. Begin working on September 1 inventory parcels.
7. Prepare Property Value Reports for State Comptroller's office.
8. Begin data entry of changes made by field appraisers and download new pictures taken by field appraisers.
9. Prepare monthly reports.
10. Continue to maintain records management.

11. Run listing of all category A1s where mailing address and physical address are the same, but no homestead exemption is granted in order to mail property owners a homestead application in the following year.
12. Notify each taxing units' tax assessor/collector of changes to the appraisal roll that require a refund.
13. BOD must adopt the following year's budget by September 15.
14. Send State Reports to the Property Tax Division.
15. Obtain deed records and make ownership changes, splits and combines, and ensure that parcels and maps are updated to reflect the changes.
16. Continue to provide customer service to the general public.

October, 2015 and 2016:

1. Field appraisers will continue field inspections.
2. Begin working with the Comptroller's office regarding the ratio study.
3. Mail completed Reports of Property Value to the State Comptroller's office.
4. Continue to key in changes made by field appraisers.
5. Field appraisers continues to download new pictures taken.
6. Prepare monthly reports.
7. Continue to maintain records management.
8. Notify each taxing units' tax assessor/collector of appraisal roll changes that requires a refund.
9. Prepare and submit 25.25(b) change report to BOD and ARB.
10. Notify appropriate taxing units of any current year lawsuits.
11. Obtain deed records and make ownership changes, splits and combines and update parcels and maps to reflect those changes.
12. Continue to provide customer service to the general public.

November, 2015 and 2016:

1. Field Appraisers will continue field work.
2. Continue working with the Comptroller's office regarding the ratio study.
3. Continue keying in changes made by field appraisers.
4. Prepare monthly reports.
5. Continue to maintain records management.
6. Prepare new homestead exemption applications for mail-out during the first part of January.
7. Prepare renditions for mail-out during the first part of January.
8. Notify each taxing units' tax assess/collector of appraisal roll changes that require a refund.
9. BOD appoints the following year's Ag Advisory Council at a regular meeting.
10. BOD appoints ARB members for the following year at a regular meeting.
11. Submit updated appraisal roll information to each taxing unit.
12. Obtain deed records and make ownership changes, splits and combines, and update parcels and maps to reflect those changes.
13. Continue to provide customer service to the general public.

December, 2015 and 2016:

1. Field appraisers will continue field work.
2. Continue to key in changes provided by the field appraisers.
3. Continue to work on arbitration cases and lawsuits, if any.
4. Continue working with the Comptroller's office regarding the ratio study.
5. Prepare monthly reports.
6. Prepare all homestead exemption applications to surviving spouse of deceased for mail out on January 1st.
7. Notify each taxing units' tax assessor/collectors about any changes to the appraisal roll that requires refunds.
8. Submit updated appraisal roll information to the taxing units.
9. Obtain deed records and make ownership changes, splits and combines and update parcels and maps to reflect those changes.
10. Continue to provide customer service to the general public.
11. Continue to maintain records management.

2016 Reappraisal Schedule

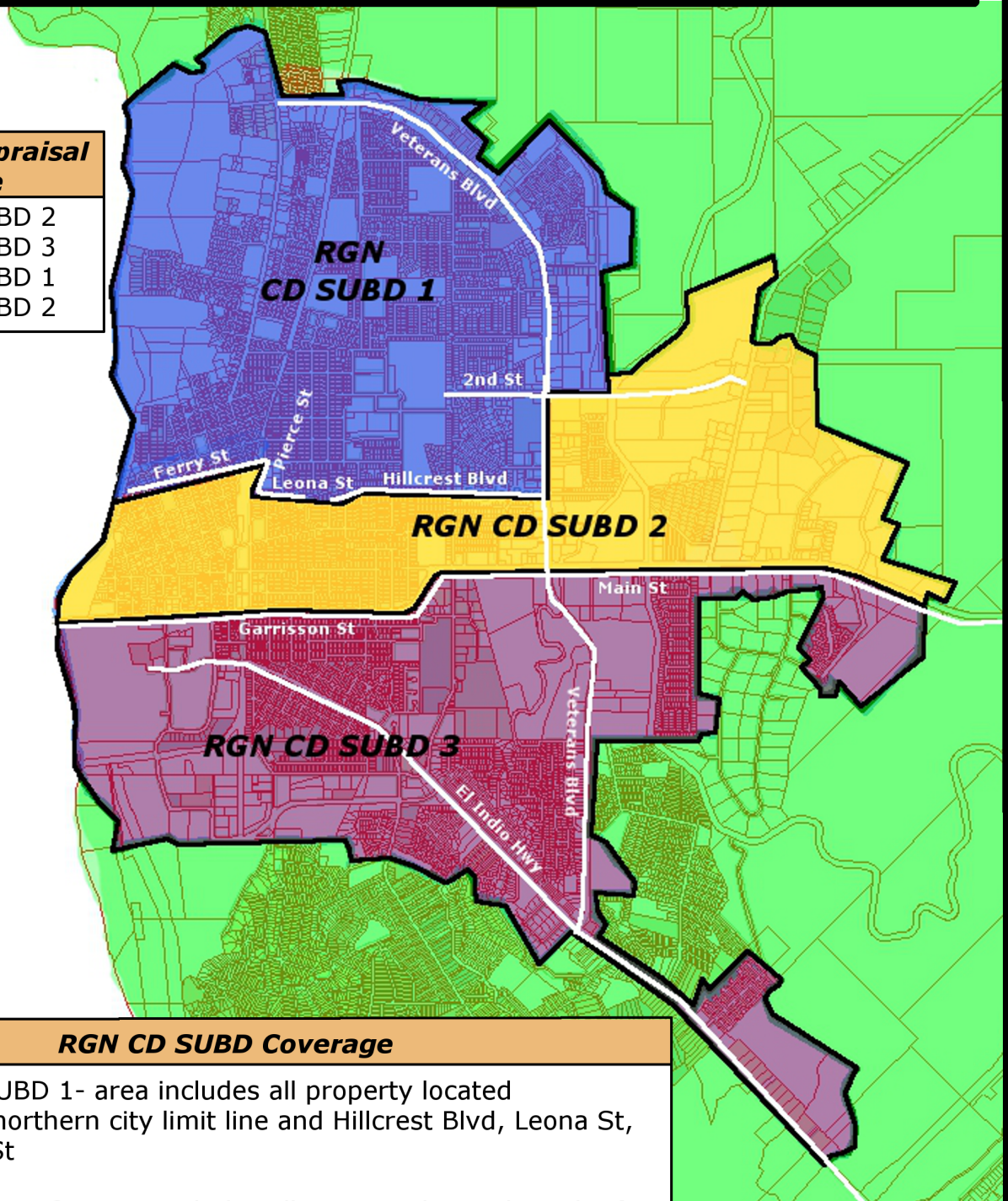
The same timetable and duties apply in each year. The chief appraiser and CAD staff shall continue to complete the same duties and reappraisal steps as outlined for 2015. The field appraisers shall physically inspect all property in the County since the County does not issue building permits, along with physically inspecting 1/3 of ranch and farm property and 1/3 of subdivision in the City and all building permits issued



Eagle Pass City Limit Central District Subdivision Zones

CD Subd Re-Appraisal Schedule

2015 - CD SUBD 2
2016 - CD SUBD 3
2017 - CD SUBD 1
2018 - CD SUBD 2



RGN CD SUBD Coverage




-  RGN CD SUBD 1- area includes all property located within the northern city limit line and Hillcrest Blvd, Leona St, and Ferry St
-  RGN CD SUBD 2 - area includes all property located south of Ferry St, Leona St, Hillcrest Blvd, the extension of 2nd St. and within Garrison St and Main St.
-  RGN CD SUBD 3 - area includes all property between Garrison St. & Main St and the southern city limit boundary line.

EXHIBIT "A"

CITY SUBDIVISIONS IN GROUP 1

ADAMS SUBDIVISION

ARROW POINT SUBDIVISION

BLUFF NORTH HEIGHTS

BUENA VISTA

BUENA VISTA UNIT 1

BUENA VISTA UNIT 2

BUENA VISTA UNIT 3

BUENA VISTA UNIT 4

BUENA VISTA UNIT 5

BUENA VISTA UNIT 6

CASTLE ROCK SUBDIVISION

CENIZO PLAZA II SUBD.

CENIZO PLAZA SUBD.

CROWN RIDGE SUBDIVISION UNIT # 1

CROWN RIDGE SUBDIVISION UNIT # 2

CROWN RIDGE SUBDIVISION UNIT # 3

DE BONA ESTATES UNIT 1

DE BONA ESTATES UNIT 2

DE BONA ESTATES UNIT 3

DE BONA ESTATES UNIT 4

DE BONA ESTATES UNIT 5

DE BONA HEIGHTS

DEL RIO HWY COMPLEX

EL AGUILA SUBD. #1

EL AGUILA SUBD. #2

ELLA HEIGHTS

ENCHANTED RIDGE UNIT 1

ENCHANTED RIDGE UNIT 2

ENCHANTED RIDGE UNIT 3

ENCHANTED RIDGE UNIT 4

ENCHANTED RIDGE UNIT 5

ENCINO PARK

ENCINO PARK UNIT 2

ENCINO PARK UNIT 3

FALCON CREST UNIT 1

FALCON CREST UNIT 2

FALCON CREST UNIT 3

FALCON CREST UNIT 4

FALCON INTERNATIONAL BANK

GARDEN HILL SUBDIVISION

**GROFF LAND EAGLE PASS
KINGSTOWNE TOWNHOUSES
LA ENCANTADA RIDGE BLDG.
LADNAR ESTATE SUBD
LAGUNA SUBDIVISION
LOOP 431 CENTER
LOS PINOS SUBD
MAVLAND SUBDIVISION
MEDICAL CENTER SUBD.
NORTH HEIGHTS EAST UNIT 1
NORTH HEIGHTS EAST UNIT 2
NORTH HEIGHTS EAST UNIT 3
NORTH HEIGHTS EAST UNIT 4
NORTH HEIGHTS EAST UNIT 5
NORTH HEIGHTS UNIT 1
NORTH HEIGHTS UNIT 2
NORTH HEIGHTS UNIT 3
NORTH HEIGHTS UNIT 4
NORTH HEIGHTS UNIT 5
NORTH HEIGHTS UNIT 6
NORTH HILLS COMMERCIAL SUBD.
NORTH RIDGE
OCA SUBDIVISION
PASO DEL RIO
PHOENIX SUBD
RAUL F. TREVINO SUBD.
RICKS ADDN
RICKS UNIT 2
RICKS UNIT 2A
RICKS UNIT 2B
RICKS UNIT 3
RICKS UNIT 4
RICKS UNIT 5
RIO VISTA SUBD
RIVERVIEW PARK
RIVERVIEW PARK UNIT 2
RIVERVIEW PARK UNIT 3
ROYAL RIDGE UNITS #1-5
SECOND STREET OFFICE PLAZA
STONE RIDGE UNIT 1
STONE RIDGE UNIT 2
STONE RIDGE UNIT 3
STROMAN HEIGHTS**

SUNSET RIDGE SUBDIVISION
SWTJC SUBD. UNIT #1
TIMBER CREEK SUBD
TIMBER CREEK SUBD UNIT 2
TREASURE HILLS II, UNIT 1
TREASURE HILLS II, UNIT 2
TREASURE HILLS II, UNIT 3
TREASURE HILLS II, UNIT 4
TREASURE HILLS II, UNIT 5
TREASURE HILLS II, UNIT 6
TREASURE HILLS UNIT 1
TREASURE HILLS UNIT 2
VISTA HERMOSA ESTATES
VISTA HERMOSA UNIT 1
VISTA HERMOSA UNIT 10
VISTA HERMOSA UNIT 11
VISTA HERMOSA UNIT 12
VISTA HERMOSA UNIT 13
VISTA HERMOSA UNIT 2
VISTA HERMOSA UNIT 3
VISTA HERMOSA UNIT 3A
VISTA HERMOSA UNIT 3B
VISTA HERMOSA UNIT 4
VISTA HERMOSA UNIT 5
VISTA HERMOSA UNIT 6
VISTA HERMOSA UNIT 7
VISTA HERMOSA UNIT 8
VISTA HERMOSA UNIT 9
WILLOW RIDGE UNIT 1
WILLOW RIDGE UNIT 2
WILLOW RIDGE UNIT 3
WILLOW RIDGE UNIT 4
WILLOW RIDGE UNIT 5
WINCHESTER HEIGHTS
WINCREST SUBDIVISION UNIT 1

CITY SUBDIVISIONS IN GROUP 2

A & S TRADING INC SUBD
AMISTAD PLAZA CONDOMINIUS (NEW FOR 2008)
BEN ROD SUBDIVISION (NEW FOR 2005)
BLUFF RANGE
BORDER HOSPITALITY SUBD
BRPARK
CASARES HEIGHTS
CARYVILLE SUBD
CENTRAL SUBDIVISION UNIT 1
CHITTIM INDUSTRIAL SUPPLIES SUBD
CHULA VISTA HEIGHTS UNITS #1-7
COLLEGE HILLS SUBDIVISION UNIT 1
DNS HOSPITALITY SUBDIVISION (NEW FOR 2014)
E M SANDOVAL SUBD
EAGLE PASS DEA LLC SUBDIVISION (NEW FOR 2004)
EAGLE PASS INDUASTRY CENTER UNIT 1
FALCON INTERNATIONAL BANK
FIFTY- SEVEN HEIGHTS UNIT # 1-2
57 INDUSTRIAL PARK (NEW FOR 2011)
FABRICA
FOX BOROUGH SUBDIVISON UNITS # 1&2
G & S ESTATE
GARRISONST
H.E.B./EAGLE PASS #2 SUBDIVISION
HECTORRDZ
HILLCREST ADDN
HOLLY APARTMENTS SUBDIVISION
HOLLY PARK UNITS #1-6
HORRISON HILL SUBDIVISION
HWY 57A
HWY 277EA
LANE
LAS CIMAS SUBDIVISION
LEGACY VILLA SUBDIVISION UNIT 1
LEGACY (NEW FOR 2014)
M & A SUBDIVISION (NEW FOR 2005)
MAIN & HWY57
MARDON II SUBD (NEW FOR 2009)
MEDICAL PLAZA BUILDING
MORALES LANDS UNIT ALL

NEUTZE PROPERTIES LTD SUBDIVISION
NEW RANGE UNITS # 1-4
NICCI-SP SUBD
OAK HILLS MEDICAL CENTER SUBDIVISION (NEW FOR 2013)
PRIMO SUBD
RAILROAD ROW IMP ONLY
RESIDENCE OF EAGLE PASS SUBD (NEW FOR 2010)
RESIDENCE OF EP (NEW FOR 201 ABSTRACT LOCATED BY RESIDENCE
RIVERSIDE ACRES
ROAD & BRIDGE DEPT SUBD
R M SALINAS SUBD
SALEM CARRIER SUBDIVISION UNIT 1
SANDOVAL SUBDIVISION
SECURITY PHASE II SUBDIVISION
SOUTHMOST MARINE UNIT 1
TRANFER STATION SUBD UNIT 1
RANGE UNITS # 1-5
RIVER PLAN
UNIVERSITY ACRES
WINN
WENDY'S
WENDYS (ABSTRACTS BY MAIN STREET)

CITY SUBDIVISIONS GROUP 3

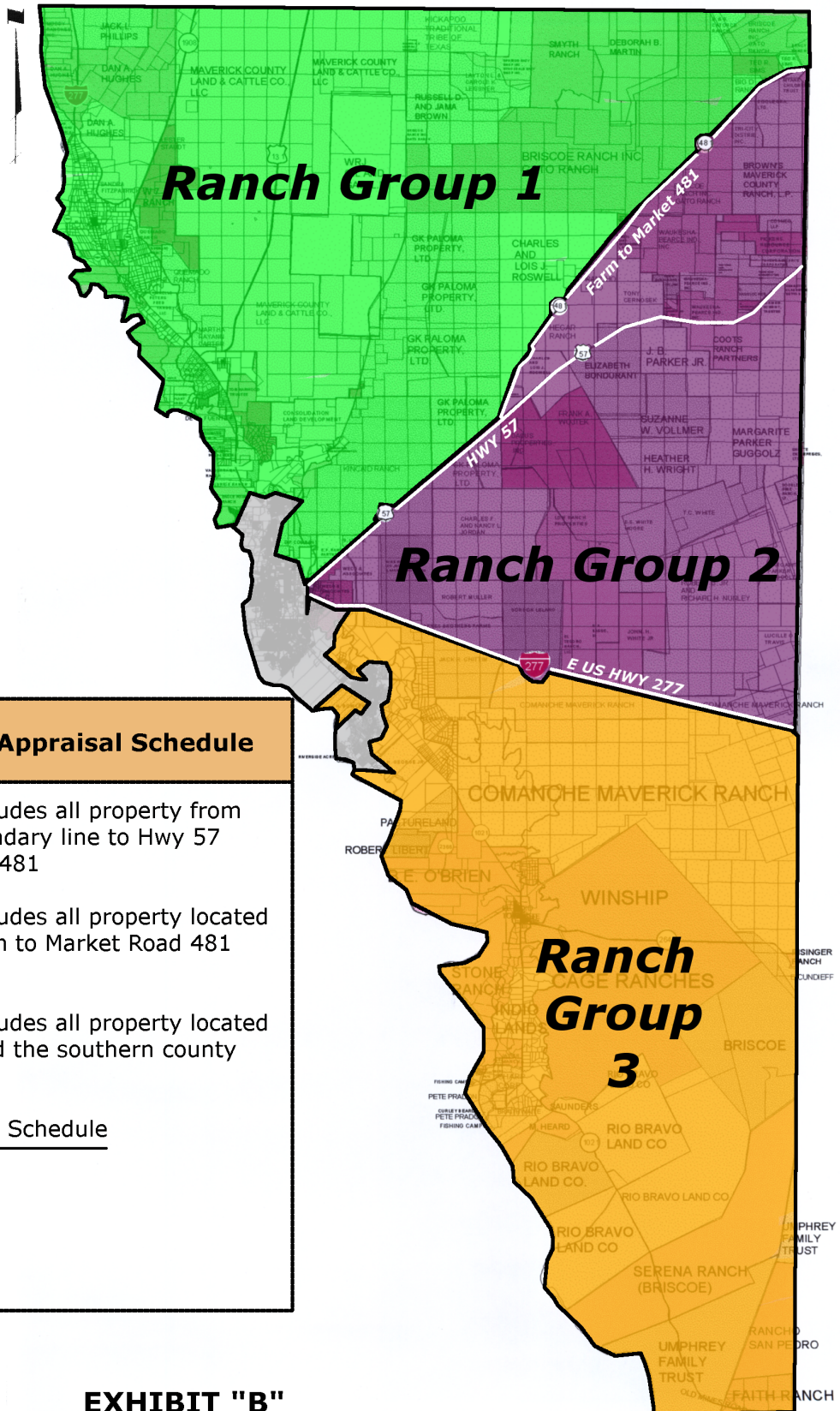
**BORDER PATROL STATION
EAGLE PASS INDUSTRIAL PARK #1
FORT DUNCAN INDUSTRIAL PARK
FORT DUNCAN WEST SUBDIVISION
MCDC SUBDIVISION
MCDC SUBDIVISION UNIT #2
MCDC SUBDIVISION UNIT #3
BELLA VISTA
BLOCKBUSTER VIDEO ADDITION
CARTHAGE PLACE UNIT #1
CARTHAGE PLACE UNIT #2
CARTHAGE PLACE UNIT #3
CARTHAGE PLACE UNIT #4
CARTHAGE PLACE UNIT #5
CARTHAGE PLACE UNIT #6
CHORGAS FOSTER
CHORGAS FOSTER UNIT #2
CRESTVIEW
CUATRO ESQUINAS
EAGLE CANAL
EAGLE PASS REALTY UNIT #2
EAGLE PASS REALTY UNIT #3
EAGLE PASS TRAILER PARK SUBD.
FM 375 5.953 ACRE TRACT SUBD.
GAROUFALIA SUBDIVION
GUVA'S STEAK & GRILL SUBDIVION
HILLCREST TERRACE UNIT #1
HILLCREST TERRACE UNIT #2
HILLCREST TERRACE UNIT #3
HILLCREST TERRACE UNIT #4
HILLCREST TERRACE UNIT #5
HILLCREST TERRACE UNIT #6
HILLCREST TERRACE UNIT #7
HILLCREST TERRACE UNIT #8
HILLCREST TERRACE UNIT #9
HILLCREST TERRACE UNIT #10
LEWIS FARM ESTATES UNIT #1
LEWIS FARM ESTATES UNIT #2
LEWIS FARM ESTATES UNIT #3**

**TEXAS STATE BANK
US HWY 277 3.677 ACRE TR
WAL-MART SUBD.
YOTA TOWNHOUSES
NBC BANK SUBD.
RIOJAS SUBD.
WESTLAKES UNIT #1
WESTLAKES UNIT #2
WESTLAKES UNIT #3
WESTLAKES UNIT #4
WESTLAKES UN`
WESTLAKES UNIT #6
WESTLAKES UNIT #7
WESTLAKES UNIT #8
WINCREST UNIT #1
HIGHLAND PARK
VISTA HERMOSA COMM
CARTHAGE PLACE #7
CARTHAGE PLACE #8
CARTHAGE PLACE #9
CARTHAGE PLACE #10
CARTHAGE PLACE #11
CARTHAGE PLACE #12
CARTHAGE PLACE #13
CARTHAGE PLACE #14
CARTHAGE PLACE #15
CARTHAGE PLACE #16
CARTHAGE PLACE #17
CARTHAGE PLACE #18
CARTHAGE PLACE #19
CARTHAGE PLACE #20**

LEWIS FARM ESTATES UNIT #4
LOS ANGELES HEIGHTS
LOS ANGELES HEIGHTS UNIT #1
LOS ANGELES HEIGHTS UNIT #2
LOS ANGELES HEIGHTS UNIT #3
LOWES OF EAGLE PASS
MALL DE LAS AGUILAS SUBD
PALOMA PARK
PETER PIPER PIZZA SUBD.
RANCHO ESCONDIDO
RANCHO ESCONDIDO MH PARK
RANCHO ESCONDIDO #2 UNIT #1
RANCHO ESCONDIDO #2 UNIT #2
RICHLAND ESTATES UNIT #2
RICHLAND ESTATES UNIT #3
SOUTH HEIGHTS
SOUTH HEIGHTS UNIT #1
SOUTH HEIGHTS UNIT #2
SOUTH HEIGHTS UNIT #3
SOUTH HEIGHTS UNIT #4
SOUTH HEIGHTS UNIT #5
SOUTH HEIGHTS UNIT #6
SOUTH TEXAS NATIONAL BANK
SOUTH TEXAS PLAZA



Maverick County Ranch Group Boundaries



Ranch Group Coverage & Appraisal Schedule

- Ranch Group 1 - area includes all property from the northern county boundary line to Hwy 57 and Farm to Market Road 481
- Ranch Group 2 - area includes all property located between Hwy 57 and Farm to Market Road 481 to E US Hwy 277
- Ranch Group 3 - area includes all property located between E US Hwy 57 and the southern county boundary line.

Ranch Group Re-Appraisal Schedule

- 2015 - Ranch Group 2
- 2016 - Ranch Group 3
- 2017- Ranch Group 1
- 2018 - Ranch Group 2

2015 RANCH GROUP 1

FILE NAME

ALDRIDGE, H.C. III
ALDRIDGE, ROSELLA
DAVIS, THOMAS G JR, NANCY C EVRIDGE
LUTES, CAROL ANN
STATE OF TEXAS
AMISTAD CATTLE COMPANY
BAGGETT, JERRELL DAVID & LINDA B WATERS
RODOLFO CAROLINA PROPERTIES, LLC
BORDERS, NOWELL
BOULWARE & ANSONS FAMILY, LTD
HOWARDS HRR HOLDINGS LTD
BRACY RANCH, LTD
BROWN, CLINTON J & CJB TRUST
BROWN, SCOTT J & SJB TRUST
DE LEON, EMILY B & EEB TRUST
MAVERICK COUNTY LAND & CATTLE CO LLC
UNITED STATES OF AMERICA
MAVERICK COUNTY LAND & CATTLE CO LLC
TRI-CITY DISTRIBUTORS, LP
CARTER, CARSON L
THE COLUMBUS CLUB ASSOC OF
MYANE, GEOFFREY JR, CAROLYN & JERRY
RESERVE COAL PROPERTIES COMPANY
COOLLEGRA, LTD TEXAS LIMITED PARTNERSHIP
CUNNINGHAM, CHARLES E & KATHRYN
DEBONA, JEAN DULLING (INDEPENDENT EXECUTRIX)
STATE OF TEXAS
DE LA PEÑA, CARLOS E & VERONICA G
HUGHES RANCHES, LTD
HUGHES, WILLIAM HILTON TRUSTEE
SASSER, KRISTEN LEIGH 2000 TRUST
SASSER, MICHAEL FORD 2000 TRUST
SASSER, MILTON S JR TRUST
DIP COMPANY
RHODES, JEREMIAH N
UNION PACIFIC RR CO
KICKAPOO TRADITIONAL TRIBE OF TEXAS

RANCHO CHIQUITO, LLC
KYPUROS, JAIME R & TERESA
FITZPATRICK, SANDRA JOYCE
FOSTER, CHAD & CLAYTON BROWN
VALDES, HERMENEGILDO & DORA ELENA
EAGLE POINT RANCH
AGGREGATE HAULERS, LP
BRISCOE RANCH INC
BRISCOE RANCH, INC
CENTRAL POWER & LIGHT COMPANY
HEINE, RAYMOND
HUDSON, RANDALL III
WEST, GEORGE
BRISCOE RANCH INC
G K PALOMA PROPERTY LTD
DANSBY, RICHARD F & CAROLYN G
CLINGINSMITH, CURTIS
PALOMA ICE, LLC
GONZALEZ, DIANA TERESA G
GONZALEZ, FRANCISCA OLINDA
GONZALEZ, LAURA ELENA G
GONZALEZ, LEOPOLDO G
GONZALEZ, LUIS GONZALEZ
GONZALEZ, MARIA ANGELICA G
GONZALEZ, PURA MARGARITA G
3 HIJOS RANCH, LLC
CENIZO CATTLE COMPANY # 2
GUTIERREZ, DAVID
HARPER, MICHAEL D
MAV-277-99
SCHLADOER, ERNEST M
CARTER, CARSON L
CINCO K, INC
HOLLOWAY, CAROLYN C
INTERNATIONAL BANK OF COMMERCE
HUGHES, DAN A
GARZA, RICHARD & ROSA M
JUNFIN, FRANK G & ADELE

RANCH GROUP 2

FILE NAME

APRIL RAIN, LLC
MCGRAW MINERALS, LTD
WINN EXPLORATION CO INC
WINN EXPLORATION CO
BONDURANT ELIZABETH W
BRANAN, WAYLAN J JR.
EAT 2006 - 039 LLC
LDW RANCH PROPERTIES LLC
RABA, WILLIAM L
WOJTEK FRANK A
RABA, WILLIAM L
SCRIPT RANCH, LLC
DOUBLE DIME RANCH, L.P
GROFF LAND ENTERPRISE, L P
BUENA VISTA INTEREST, LTD
MURSKI, MIKE
HASSLOCHER RANCHES LTD
HASSLOCHER, G
HEGAR, FRANK & ETAL
RIPPLE, JUDY
SBA STRUCTURES, INC
HEGAR, LAWRENCE F JR & JUDA V
NBJ INDIAN CREEK RANCH LTD
LELAND GORDON C JR
KRESTA, RONNIE
MAVERICK RANCH, L.P.
COOTS RANCH PARTNERS LP
ALTA MIRA LAND & CATTLE, LP
DOS CHIMENEAS RANCH LTD
NEWFIELD EXPLORATION COMPANY
NICKEL, MICHAEL WAYNE
NUNLEY, ROBERT B JR & RICHARD H

ALTA MIRA LAND & CATTLE, LP
DISHMAN, JIM
STEINHAGEN, MARK
PICKENS RESOURCE CORP
RANCHO RICO LLC
LDW RANCH PROPERTIES LLC
MULA CREEK RANCH
DRIFTWOOD LAND COMPANY, LTD
DOUBLE DIME RANCH, L.P
SCRIPT RANCH, LLC
BROWN'S MAVERICK CNTY RANCH, LP
KENNETH W SUTTON RANCH
EL TESORO RANCH LLC
AT&T- NREA
ROCKING O HEADQUARTERS, LTD
VOLLMER, ALEXANDER WRIGHT
HUNTER, KEVIN
WAUKESHA- PEARCE IND INC
TWC MAVERICK RANCH LTD
WHITE, JOHN H JR
7 SHOOTING CREEKS HOLDINGS, LLC
WINN EXPLORATION CO
WINN EXPLORATION CO INC
STATE OF TEXAS
WINN EXPLORATION CO
WINN EXPLORATION CO INC
WECO & ASSOCIATES LTD
WINN EXPLORATION CO
WOJTEK FRANK A
DTB INVESTMENTS LP
WOJTEK FRANK A
MULLER, ROBERT, LTD
JANECKA, DANNY
HELLOER, MIKE
WRIGHT HEATHER H
SCHMIDT, LORINE M TRUSTEE

2015 RANCH GROUP 3 CONT.

FILE NAME

FUENTES, CLAUDIO M
GALINDO, JUAN
GARCIA, EDUARDO P JR & CRUZELIA V
GARCIA, EDUARDO Z & JUANITA P
GARCIA, FERNANDO & NORA ELISA
GARCIA, GABRIEL P & LORENA R
GILL, A T
GLOVER, BILLY JACK
GOMEZ, JOSE M JR
GONZALEZ, ERNESTO R
IRUEGAS, CLAUDIA AMOR
LAFRANCE, FLOYD I & JUDITH
LAFRANCE, FLOYD IKE & JUDITH A
MARTINEZ, ANA LUISA
MARTINEZ, EPIGEMIO R & NORMA
MAVERICK COUNTY (SHERIFF OFFICE)
MAVERICK COUNTY WC & ID #1
MOLINA, JAVIER & ERMELINDA J
MONRREAL, JUAN
NAVEJAS, RICARDO
O'BRIEN & SANCHEZ
OCA, GUADALUPE
OCA, GUADALUPE JR & GUADALUPE H
PEREZ, HECTOR S
PEREZ, JOSE ALBERTO & ARACELY
PERRY, ELSA M
PURCELL, GLENNA
RIOJAS, JAVIER & IRASEMA E
RODRIGUEZ, ARNOLDO
RODRIGUEZ, EDUARDO M & SONIA S
RODRIGUEZ, EFRAIN & BERTHA ALICIA
RODRIGUEZ, RICARDO
SALINAS, MIGUEL A
SALINAS, ROBERTO & LYDIA M
SALINAS, ROBERTO, JR. & SIBONEY GONZALEZ-SALINAS
SHANKLIN, SUE MANER & WILLIAM S WHITWORTH FAMILY TRUST
STANKEWICZ, GREGORY K & SANDRA

THRASH, DIANNE
TOVAR, MARIO A & ANA B
TREVINO, MARIO ANDRES & GUADALUPE
UNITED SURFACE & MINERALS, LLC
VOLTZ, PHILLIP W JR & JUNE
FLORES, ELISANDRO A & ELMA AND
CINCO 1994 FAMILY LIMITED PARTNERSHIP LTD
KICKAPOO TRADITIONAL TRIBE OF TEXAS
UNITED STATES OF AMERICA FOR
PADILLA, VICTOR & MARIA CRISTINA
LEIJA, RUBEN & MARTHA S
PADILLA, VICTOR & CRISTINA
LEIJA, JOSE M & ESPERANZA
LEIJA, RIGOBERTO & LUCY T
PADILLA, VICTOR & CRISTINA
JP MORGAN CHASE BANK, TRUSTEE
LEWIS BROTHERS
LEWIS, HOMER I
CINCO 1994 FAMILY LIMITED PARTNERSHIP
FLORES, ROGELIO
GALINDO, JESUS G
GARCIA, JOSE N & ROSARIO
HENRICH, DON
IBARRA, EFRAIN
JIMENEZ, ISMAEL & ELSA
MUZA, JUAN JAIME
RAMOS, HORACIO II
RAMOS, MARIA
RAMOS, SUSAN
THE HECTOR RAUL VILLASEÑOR
TRUJILLO, NASH E & GUADALUPE
MANCHA, JAVIER & ETAL
GARCIA, GABRIEL P & LORENA R
MAVERICK COUNTY
RIOJAS, JAVIER & IRASEMA E
NOWLIN, JERRILL C
PARTS SERVICE SUPPLY COMPANY
MAVERICK COUNTY WC & ID #1
GUTIERREZ, LUIS DR
BORDER RANCHES LLC
DE LA GARZA, OSCAR & JOSE LUIS
NATIONAL SURFACE & MINERALS, LLC &
SEIB, FRANCIS & LOURDES

BEARD, CURLEY
PRADON RENTALS, LTD
PRADON RENTALS, LTD & CURLEY BEARD
PRADON RENTALS, LTD
QUIRK LAND & CATTLE CO
STATE OF TEXAS
RIO BRAVO LAND CO
KING, ELIZABETH RISINGER
GARCIA, GABRIEL P & LORENA R
RODRIGUEZ, MARTIN S & ARACELI G
PARTS SERVICE SUPPLY COMPANY
PADILLA, VICTOR & MARIA CRISTINA
DE LOS SANTOS, ISIDRO JR
1812 PARTNERS, LTD
PALO VERDE RANCH PARTNERS LTD
SANTOS LIMITED PARTNERSHIP
SAUNDERS, ROBERT E & ROBERT E JR
AA SHARP INVESTMENTS LTD
VILLASEÑOR, HECTOR & TAMARA
SOWELL, CHARLES LEE III
STATE OF TEXAS
UNITED SURFACE & MINERALS, LLC
THE HECTOR RAUL VILLASEÑOR
TOVAR, JESUS & SANDRA
TOVAR, JESUS H
UNITED SURFACE & MINERALS, LLC
COMANCHE MAVERICK RANCH INVESTMENTS, L.P.
INDIO FAITH LAND CO LLC
RIO BRAVO LAND CO
THE HECTOR RAUL VILLASEÑOR
QUEMADO RANCH LLC
RUSH, BENNIE & MARTEE
THAMES, MICHAEL & DEBBIE
WINSHIP SISTERS ENTERPRISES LLC

Maverick County Appraisal District
Oil and Gas Reserves
2015-16 Appraisal Procedures and Reappraisal Plan

August 27, 2014

by

Thos. Y. Pickett & Company, Inc.

APPRAISAL PROCEDURES & REAPPRAISAL PLAN

OIL AND GAS RESERVES

Executive Summary

- Thos. Y. Pickett & Co., Inc. (“Thos. Y. Pickett” or “Pickett”) annually reappraises all producing mineral leases within the CAD’s boundaries using a Discounted Cash Flow (“DCF”) methodology;
- Thos. Y. Pickett uses the Comptroller’s Manual for Discounting Oil and Gas Income pursuant to Tax Code Section 23.175;
- Thos. Y. Pickett determines oil and gas prices in accordance with Tax Code Section 23.175;
- Thos. Y. Pickett’s written procedures for identifying new properties are included herein.

Overview

Oil and gas reserves consists of interests in subsurface mineral rights. Thos. Y. Pickett & Co. is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

The appraisal results will be used as the tax base upon which a property tax will be levied. Each mineral interest is listed on the appraisal roll separately from other interests in the mineral in place in conformance with the Texas Property tax Code Sec. 25.12. A listing of the oil and gas

properties appraised by Pickett for the appraisal district shall be made available at the appraisal district office. Subsurface mineral rights are not susceptible to physical inspection. This condition creates the need to invoke the Departure Provision as required by the Standards Rule 6-7 (f) comment of the Uniform Standards of Professional Practice. However, the inability to physically examine the property does not affect the appraisal process or the quality of the results. The appraisal district is aware of this limiting condition and agrees that it is appropriate.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; the Texas Comptroller's Manual for Discounting Oil and Gas Income; other reports described in the Texas Property Tax Code; and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts and the Texas Property Tax Code.

Pickett's oil and gas appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Oil and gas appraisal staff stays abreast of current trends affecting oil and gas properties through review of published materials, attendance at conferences, course work and continuing education. All oil and gas appraisers are registered with the Texas Department of Licensing and Regulation, (formerly, the Texas Board of Tax Professional Examiners).

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not inspect every property every year.

5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.

Property Discover and Data Collection Process

Mineral properties are identified and appraised based on their Railroad Commission Identification Number (RRCID). Upon completion of a new well, a Completion Report must be submitted to the Railroad Commission (RRC). The RRC then issues a RRCID. Production from that property is reported by RRCID. Periodically, wells are completed and start producing prior to being issued a RRCID. The production from these wells still must be reported to the RRC and are usually reported by Drilling Permit Number (DP). Since mineral properties are appraised using a Discounted Cash Flow analysis, production data is required to do the analysis. The RRC is the primary source of that data.

Procedure:

1. At the beginning of the year, the RRC database is searched for new wells that started producing prior to January 1 of the appraisal year. These wells are identified by RRCID or Drilling Permit (DP) number and added to the mineral appraisal database for the county. A well is considered to have value as of January 1 if it has reported production prior to that date, has filed a completion report showing completion prior to that date, or was perforated into a producing formation which showed the presence of oil or gas prior to January 1.
2. Completion reports and plats are retrieved from the RRC to identify the location of the producing wells. These locations are cross-referenced with jurisdictional maps to establish situs.
3. Division of Interest (DOI) statements are requested from the operator of the well to establish working and royalty interests.

4. Additional reviews of the RRC database are done periodically during the year to identify any wells that may have been added to the RRC database after the first of the year, but were completed prior to January 1 of the appraisal year. New producing wells identified after the appraisal period are supplemented, going back up to five years.

Other appraisal data on the subject properties are collected from required regulatory reports from the Texas Railroad Commission and the Texas Comptroller of Public Accounts and by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data are verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties, if any. Due to the unique nature of many oil and gas properties there is no standard data collection form or manual.

Valuation Approach and Analysis

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

Cost Approach

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

Income Approach

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

Market Approach

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

All oil and gas interest values are arrived at through an appraisal of the whole property. Each fractional interest is then assigned a value on the basis of its relative share of expenses, income and the value of the operating equipment. Multiple producing zones in the same well may be treated as separate properties.

Oil and gas properties are principally appraised through the income approach to value. Specifically, the discounted cash flow (DCF) technique is used almost exclusively. The almost exclusive reliance on income approach methods, adjusted for risk and market conditions, is typical of the oil and gas industry in dealings between buyers and sellers as well as in single-property appraisals. A mineral property's intrinsic value is derived from its ability to generate income by producing oil and/or gas reserves.

Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected revenue stream to reflect the individual characteristics of the subject property. The DCF model is also calibrated through the use of lease operating expenses that reflect the individual characteristics of the subject property.

A jurisdictional exception to the DCF model, as this process is described in the Statement on Appraisal Standards No. 2 of the Uniform Standards of Professional Appraisal Practice, must be taken. Section 23.175 (a) of the Texas Property Code specifies that the price of oil and gas used for the first year of the DCF analysis must be the monthly average price of the oil and gas received from the interest for the preceding year multiplied by a market condition factor as promulgated by the Texas Comptroller's office. Furthermore, the prices used for succeeding years are based upon escalation factors also stipulated by the Texas Comptroller's office.

Highest and best use analysis of the oil and gas reserves is based on the likelihood of the continued use of the reserves in their current use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Review of appraisals is performed through a comparison of income indicators and compliance with Section 23.175 of the Texas Property Tax Code. A review of property values with respect

to year-to-year changes and with respect to industry-accepted income indicators is conducted annually. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent and often the sales conditions are not made public for the sales that do occur. Furthermore, market transactions normally occur for multiple sites and include real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Finally, Pickett's mineral appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

THOS. Y. PICKETT & COMPANY, INC.

VALUATION TIMELINE - MAVERICK COUNTY APPRAISAL DISTRICT 2015 - 2016

	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
EVENT	2014	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016
Industrial Property Inspections																		
Personal Property Inspections																		
New Discovery Property Inspections																		
Mineral Property Valuations																		
Industrial/Personal Valuations						15th												
Copy of Renditions to *TYP/Review All					15th	15th												
Late/Extended Renditions to *TYP/Review All																		
Notices Generated by Thos. Y. Pickett & Co., Inc.						15th	(Or as required to meet the time frame of agreed ARB date)											
Informal Meetings With Owners/Agents						15th												
Appraisal Review Board Hearings on *CAD Selected Date																		
Certified Values to CAD On or Before								20th	(Unless otherwise specified by Chief Appraiser)									
Address Any 25.25 Correction Filings as Required																		
Submit Data for Property Valuation Study											15th							
Review Initial *Category G Ratios/Informal Hearing if Necessary																		
Review Utility *Category J Ratios/Informal Hearing if Necessary																		
File Formal Value Study Protest as Required																	10th	
Category J and G Ratios/Hearing Before *Adm. Law Judge																		

NOTE: Same timeline for 2015 and 2016 valuation projects unless revisions required by changes in statutes for CAD policies.

Shaded areas indicate time span unless specific date identified.

* "TYP" will mean Thos. Y. Pickett & Co., Inc.

* "CAD" will mean Maverick County Appraisal District

* "Category G" will mean Oil and Gas Mineral Reserves as described by the Property Tax Division of the State of Texas Comptroller's Office

* "Category J" will mean Utility Property as described by the Property Tax Division of the State of Texas Comptroller's Office

* "25.25 Corrections" will mean Section 25.25 Correction of Appraisal Roll as described in the Texas Property Tax Code

* "Adm." will mean Administrative

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Maverick County Appraisal District
Industrial Property
2015-16 Appraisal Procedures and Reappraisal Plan

August 27, 2014

by

Thos. Y. Pickett & Company, Inc.

SUMMARY REVALUATION PROGRAM REPORT

INDUSTRIAL PROPERTY

Overview

Industrial property consists of processing facilities and related personal property. Thos. Y. Pickett & Co., Inc. (“Thos Y. Pickett” or “Pickett”) is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to the Standards Rule 6-5 (c) Comment of the Uniform Standards of Professional Appraisal Practice. A listing of the industrial properties appraised by

Pickett for the appraisal district is available at the appraisal district office. Industrial properties are re-appraised annually. Properties are inspected annually where necessary and at least bi-annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property Tax Code; asset lists and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey and Hempstead; and the Texas Property Tax Code.

Pickett's industrial appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Industrial appraisal staff stays abreast of current trends affecting industrial properties through review of published materials, attendance at conferences, course work and continuing education. All industrial appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.

8. The appraisers have inspected as far as possible, by observation, the improvements being appraised; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

Discovery Process and Procedures

Data is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties, if any. Due to the unique nature of many industrial properties there is no standard data collection form or manual.

Valuation Approach and Analysis

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

Cost Approach

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

Income Approach

The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

Market Approach

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different.

As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

Industrial properties are generally appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties adjusted for typical changes in cost over time. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A market data model based on typical selling prices per unit of capacity is also used when appropriate market sales information is available.

Because cost information is the most readily available type of data, the cost approach model is almost always considered and used. If sufficient data is available, either or both of the other two models are considered and may be used. The market data and income approach models must be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

In reconciling multiple model results for a property, the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood

of the continued use of the improvements in their current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Finally, Pickett's industrial appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

Maverick County Appraisal District
Utilities Property
2015-16 Appraisal Procedures and Reappraisal Plan

August 27, 2014

by

Thos. Y. Pickett & Company, Inc.

APPRAISAL PROCEDURES AND REAPPRAISAL PLAN

UTILITY, RAILROAD AND PIPELINE PROPERTIES

Overview

Utility, railroad, and pipeline properties consists of operating property, excluding land, owned by utility, railroad and pipeline companies and related personal property and improvements. Thos. Y. Pickett & Co., Inc. (“Thos. Y. Pickett” or “Pickett”) is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). “Market value” means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

The effective date of the appraisals is January 1 of the year for which this report is submitted.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to the Standards Rule 6-5 (c) Comment of the Uniform Standards of Professional Appraisal Practice 2004. A listing of the utility, railroad and pipeline properties appraised by Pickett for the appraisal district is available at the appraisal district office. All properties are reappraised annually. Such utility, railroad and pipeline properties that are susceptible to inspection (e.g. compressor stations, pump stations, buildings and power plants) are normally re-inspected at least every three years.

Pickett's utility, railroad and pipeline appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. The appraisal staff stays abreast of current trends affecting utility, railroad and pipeline properties through review of published materials, attendance at conferences, course work and continuing education. All appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents have been obtained by members of Thos. Y. Pickett's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised; however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

Discovery Procedures and Data Collection

Data is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes that require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports and through analysis of comparable properties. Due to the varied nature of utility, railroad and pipeline properties there is no standard data collection form or manual.

Valuation Approach and Analysis

The three generally accepted approaches used in determining the Market Value of assets are the cost, income, and market approaches. The following is a brief description of the three general approaches to value.

Cost Approach

The cost approach considers the replacement cost of an asset as an indicator of value. The cost approach is based on the assumption that a prudent investor would pay no more for an asset than the amount for which he could replace or recreate the asset. The cost approach is sometimes performed by estimating the replacement cost of an asset functionally similar to the subject. Often, historical cost data can be used to indicate the current cost of reproduction or replacement. Adjustments are made for physical deterioration and the functional and economic obsolescence of the appraised asset.

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The income approach measures the present worth of anticipated future net cash flows generated by the subject assets. The net cash flows are forecast for an appropriate period, or capitalized in the case of a single period model, and then discounted to present value using an appropriate discount rate.

Market Approach

The market approach is performed by observing the price at assets comparable to the subject asset are bought and sold. Adjustments are made to the data to account for capacity differences and other relevant differences between the subject asset and the comparable assets.

Depending on the facts and circumstances of a particular appraisal, applying the three approaches independently of one another can yield conclusions that are substantially different. As the appraisal is performed, the strengths of the individual approaches are considered and the influence of each approach in the appraisal process is weighed according to its likely accuracy.

For all pipelines a value is calculated using a Replacement Cost New Less Depreciation (RCNLD) model. This involves first calculating the cost of building a new pipeline of equal utility using current prices. The Replacement Cost New (RCN) is a function of location, length, diameter and composition. Depreciation is then subtracted from RCN to produce the final value estimate. Depreciation is defined as the loss of value resulting from any cause. The three common forms of depreciation are physical, functional and economic. Physical depreciation is accounted for on the basis of the age of the subject pipeline. Functional and economic obsolescence (depreciation) can be estimated through the use of survivor curves or other normative techniques. Specific calculations to estimate abnormal functional and/or economic obsolescence can be made on the basis of the typical utilization of the subject pipeline.

After deductions from RCN have been made for all three forms of depreciation, the remainder is the RCNLD or cost approach model indicator of value.

In addition to the RCNLD indicator, a unit value model may also be used for those pipelines for which appropriate income statements and balance sheets are also available. Generally, this model is used for those pipelines that by regulation are considered to be common carriers. The unit value model must be calculated for the entire pipeline system.

The unit value model typically involves an income approach to value and a rate base cost approach. The income approach is based on a projection of expected future typical net operating income (NOI). The projected NOI is discounted to a present worth using a current cost of capital that is both typical of the industry and reflective of the risks inherent in the subject property. The unit value model cost approach is typically an estimation of the current rate base of the subject pipeline (total investment less book depreciation allowed under the current form of regulation). An additional calculation is made to detect and estimate economic obsolescence. Any economic obsolescence is deducted from the rate base cost less book depreciation to achieve a final cost indicator. The unit value model may also include a stock and debt approach in lieu of a market data approach. The stock and debt approach involves finding the total value of the owner's liabilities (equity and debt) and assuming that they are equal to the value of the assets. The two (or three, if the stock and debt approach is included) unit value indicators are then reconciled into a final unit appraisal model indicator of value. The unit value must then be reconciled with the RCNLD model indicator of value for the entire pipeline system being appraised. The final correlated value of the system can then be allocated among the various components of the system to determine the tax roll value for each pipeline segment.

Utility and railroad properties are appraised in a manner similar to pipeline except the RCNLD model is not used. For all three types of property (utility, railroad and pipeline) the appraiser must first form an opinion of highest and best use. If the highest and best use of the operating property is the current use under current regulation, the unit value model is considered highly appropriate. If the highest and best use is something different, then the RCNLD model may be more appropriate.

Compressor stations, pump stations, improvements and related facilities are appraised using a replacement cost new less depreciation model.

Model calibration in the RCNLD model involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Model calibration in the unit value cost approach involves the selection of the appropriate items to include in the rate base calculation and selection of the best measure of obsolescence, if any. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the stock and debt approach involves allocating sales prices of debt and equity to reflect the contribution to value of the operating property of the subject property.

In reconciling multiple model results for a property, the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for utility and pipeline properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Railroad corridor land is included in the appraisal of the operating property. The highest and best use of railroad corridor land is presumed to be as operating property. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The rate-base cost approach, stock and debt approach and income approach models must be reduced by the value of the land in order to arrive at a value of improvements, personal property and other operating property.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an

experienced appraiser also contributes to the review process. A statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review, as well as comparisons with single-property appraisals, indicates the validity of the models and the calibration techniques employed.

MAVERICK COUNTY APPRAISAL DISTRICT

RESOLUTION 2014-04

*RESOLUTION COMPLYING WITH STATE COMPTROLLER'S
OFFICE PROPERTY TAX DIVISION RULING TO APPROVE
REAPPRAISAL PLAN 2015-2016*

WHEREAS, it has come to the attention of the Board of Directors of the Maverick County Appraisal District that Sec. 25.18 of the Property Tax Code requires each appraisal office to implement a plan for periodic reappraisal of property; and,

WHEREAS, the Board of Directors of the Maverick County Appraisal District finds that the District has timely complied with the hearing and notice procedures described in Section 6.05 (i) of the Property Tax Code.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors for the Maverick County Appraisal District hereby finally approved, for the 2015 and 2016, the biennial written plan, dated September 10, 2014 for the periodic reappraisal of all property within the boundaries of the District;

AND BE IT FURTHER RESOLVED that the above – described reappraisal plan to be attached to this Resolution as Exhibit A.

Upon duly seconded, the above resolution was passed at the meeting of the Maverick County Appraisal District Board of Directors held on 10th day of September, 2014.

READ, PASSED AND APPROVED THIS 10TH DAY OF SEPTEMBER, A.D., 2014.

ATTEST:


Chairperson, Board of Directors