

LA SALLE COUNTY APPRaisal DISTRICT



2019-2020 Reappraisal Plan

*Amended
December 2018*

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Executive Summary

The La Salle County Appraisal District hereby adopts the amended 2019-2020 Reappraisal Plan (The Plan) in accordance with the Sections 6.05 and 25.18 of the Texas Property Tax Code (TPTC). Section 6.05(i) requires the development of a biennial written plan for the reappraisal of properties, and Section 25.18 requires implementation of the plan as approved by the Board of Directors under Section 6.05(i). The Plan serves as a guide to ensure current, accurate, fair, equal, and uniform appraisals within La Salle County. Listed below are the TPTC sections noted above:

The Written Reappraisal Plan

TPTC Section 6.05, Subsection (i) reads as follows:

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

Plan for Periodic Reappraisal

TPTC Section 25.18, Subsections (a) and (b) reads as follows:

- (a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the Board of Directors under Section 6.05(i).
- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the District at least once every three years:
 - (1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
 - (2) Identifying and updating relevant characteristics of each property in the appraisal records;
 - (3) Defining market areas in the District;

- (4) Identifying property characteristics that affect property value in each market area, including:
 - (A) The location and market area of property;
 - (B) Physical attributes of property, such as size, age, and condition;
 - (C) Legal and economic attributes; and
 - (D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;
- (5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
- (6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
- (7) Reviewing the appraisal results to determine value.

Reappraisal Year Activity – Steps in a Reappraisal

1. **Performance Analysis** – Certified values from the previous appraisal year are analyzed through the application of ratio studies to determine overall appraisal accuracy and uniformity by market area, neighborhood, subdivision, or jurisdiction within certain property categories. Ratio studies are performed in compliance with the current Standard on Ratio Studies of the International Association of Assessing Officers.
2. **Revaluation Decision** – Pursuant to Section 23.01(a) of the Texas Property Tax Code, “all taxable property is appraised at its market value as of January 1.” Therefore, both years (2019 – 2020) covered by this plan are reappraisal years.
3. **Analysis of Available Resources** – Staffing and budgeting requirements for appraisal year 2019 will be detailed in the 2019 budget. Existing appraisal practices, Geographical Information Systems (GIS) support, and Information Systems (IS) support are reviewed, analyzed and modified as necessary by District Administration.
4. **Planning and Organization** – In order to ensure timely certification of the appraisal roll, a calendar of events with corresponding completion dates for appraisal years 2019 and 2020 is prepared by the District. Production standards are established and incorporated in the planning and scheduling process to ensure that the mandates outlined in the Texas Property Tax Code and the objectives established by District Administration are met.

5. **Mass Appraisal System** – The District's Computer Assisted Mass Appraisal (CAMA) system, computer forms, and procedures are reviewed by the Chief Appraiser and the District's software vendor and revised as required.
6. **Pilot Study by Appraisal Year** – New and / or revised mass appraisal models and schedules are tested each appraisal year. Ratio studies by market area, neighborhood, subdivision, or jurisdiction are conducted using proposed values each appraisal year. Proposed values in each category are tested for accuracy and reliability using standardized testing procedures and ratio study statistics.
7. **Data Collection Requirements** – Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each appraisal year include but are not limited to: new construction, demolition, remodeling, re-inspection of problematic market areas, re-inspection of all properties within La Salle County on a specific 3-year cycle, and field or office verification of sales data and property characteristics.
8. **Valuation by Appraisal Year** – Using market analysis of comparable sales and locally tested cost data, valuation models 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.
9. **The Mass Appraisal Report** – Each appraisal year the District prepares a "Mass Appraisal Report" 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 prepared in compliance with STANDARD 6 of the Uniform Standards of Professional Appraisal Practice. The certification by the Chief Appraiser is in compliance with STANDARD RULE 6-3 of USPAP.
10. **Value Defense** – Evidence to be used by the Appraisal District to meet its burden of proof for market value and appraisal equity in both informal and formal hearings is specified and tested as applicable.

Introduction

Reappraisal Plan Purpose

The La Salle County Appraisal District (District) hereby adopts the amended 2019-2020 Reappraisal Plan (The Plan) in accordance with Sections 6.05(i) and 25.18 of the Texas Property Tax Code. In addition, The Plan is prepared in compliance with Standard 5 – Mass Appraisal Development, of the Uniform Standards of Professional Appraisal Practice (USPAP). The District prepares and publishes The Plan to provide the Board of Directors, participating taxing entities and property owners with a better understanding of the District's responsibilities and appraisal activities. The District utilizes The Plan as a guide to ensure that the District's property values are current (reflect the market), accurate, fair, uniform and equitable.

In coordination with the Plan, District Management establishes goals and objectives to ensure operational efficiency and maximize the use of existing resources.

Appraisal District Responsibilities

The La Salle County Appraisal District ("District") is a Political Subdivision of the State of Texas which was established through legislation passed in the 66th Texas Legislature. The Appraisal District is governed by a board of five directors, who are responsible for setting policy, approving the annual budget, reviewing and approving all financial transactions, and hiring the Chief Appraiser. The Chief Appraiser is responsible for establishing a budget, hiring personnel, managing District operations, and appraising all taxable property located in La Salle County as of January 1st of each year. Various provisions of the Texas Property Tax Code (TPTC) govern the legal, statutory and administrative requirements of the District. The District is responsible for developing current, accurate, fair, uniform and equitable market values for all taxable property within its boundaries.

The District utilizes a mass appraisal system to appraise all taxable property at its fair market value as of January 1st of each year. Mass appraisal, as defined by the Dictionary of Real Estate Appraisal, 3rd Edition, is "the process of valuing a universe of properties as of a given date utilizing standard methodology, employing common data and allowing for statistical testing". The mass appraisal system, as identified in the IAAO textbook, PAAA on page 305, has four subsystems that integrate the valuation process. These subsystems are: 1) Data Management, 2) Sales Analysis, 3) Valuation, and 4) Administrative.

Data Management consists of property record data collection and updates through fieldwork, correspondence and communication with property owners. It also includes data entry and editing of data gathered. Data backup is performed on a routine basis and this information is stored offsite for both security and disaster recovery purposes.

Sales Analysis consists of the collection of sales data through sales surveys, collaboration with real estate agents and third-party data vendors. Data collected is screened and processed for accuracy and reliability. Thereafter, ratio studies are performed to establish a level of uniformity and accuracy of appraisals. This system provides for sales reports, valuation models, and value adjustment determinations.

Valuation consists of mass appraisal application of the three approaches to value being market, income and cost. The District's current software application was developed by True Automation and is known as Property Appraisal and Collection System (PACS). PACS facilitates the use of the three approaches to value as part of the valuation system. The valuation system indicates which data items are required to support effective valuation methods and models.

Administrative consists of budgeting, scheduling and planning, inquiry and reporting, appraisal notices, appraisal rolls, and appeals. The administrative system provides the resources needed by the other three subsystems. In turn, it also relies on and utilizes the data from the other subsystems to budget, plan, report, and process appeals.

In addition to the four subsystems detailed above, a mass appraisal system, as identified in IAAO textbook, PAAA on page 308, has three (3) main functions; reappraisal, data maintenance, and value updates. **Reappraisal** consists of the periodic re-inspection of all properties within the jurisdiction. **Data Maintenance** is the process of capturing and valuing new construction, new subdivisions, and any changes due to building permits. **Value Updates** is the process of adjusting property values through the use of neighborhood and subdivision modifiers, which are developed through the analysis of market data over the preceding months.

The District is responsible for implementing the three (3) functions of the mass appraisal system in La Salle County.

The reappraisal and data maintenance functions of a mass appraisal system are performed through physical inspections and / or the review of property through *PICTOMETRY*, an aerial imagery tool that provides a 360-degree view of a given property. *PICTOMETRY* allows appraisers to measure the improvement within +/- one-foot accuracy, review for any new additions and view property characteristics. Reappraisal and data maintenance includes identifying and updating relevant characteristics and images of each property into their respective appraisal records in the CAMA system. Throughout the inspection process and / or the analysis phase, appraisers are tasked with recording notes of property characteristics which may impact a property's value. These characteristics may include location, economic influences, and physical attributes of a given property.

The District will be working toward developing a functioning Geographic Information System for purposes of identifying residential, commercial, industrial and rural areas as well as personal property, such as mobile homes and business personal property accounts, which are scheduled for either reappraisal or data maintenance in their respective year.

In addition to establishing and executing appraisal related functions, the District is also responsible for administering and providing exemption services to property owners. Currently, the Chief Appraiser administers exemptions for six (6) taxing jurisdictions within La Salle County. An exemption reduces the taxable value of a property, which in turn reduces the property owner's tax burden. District staff is responsible for ensuring that all applicants meet any and all legal requirements in determining eligibility for various types of property tax exemptions such as those for homeowners, owners 65 years of age and over, disabled persons, disabled veterans, and charitable and religious organizations as allowed under Chapter 11 of the Texas Property Tax Code. The District provides an opinion of a property's market value and administers the exemptions accordingly. The governing body of each taxing unit, such as the County Commissioners, City Council and School District Board of Trustees, is responsible for establishing exemption benefits and adopting tax rates for its respective jurisdiction in order to generate the revenue to fund government services such as police and fire protection, public education, street maintenance, judicial systems, water and sewer systems, and other public services.

The purpose and intended use of the appraisals performed by the District is to estimate market value for "*ad valorem*" tax purposes for the taxing jurisdictions served. All taxable property is appraised at its market value as of January 1st of each year, except as otherwise provided by the Texas Property Tax Code. The District's market value appraisals are considered acceptable when the median sales ratio in a ratio study is within plus or minus five percent (+/- 5%) of one-hundred percent (100%) of market value.

Section 1.04(7) of the Texas Property Tax Code defines "market value" as 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 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;
- c) Both the seller and buyer seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

As noted above, TPTC allows for exceptions to market value appraisals. Section 23.23 establishes a ten percent (10%) limitation on appraised value increases of residential homestead properties. Sections 23.12, 23.121, 23.124, 23.1241, 23.127 establish provisions for the appraisal of inventory such as residential, dealer's motor vehicle, dealer's vessel and outboard motor, retail manufactured housing, and dealer's heavy equipment. Chapter 23, Subchapters C and D, establish provisions for the appraisal of land designated for agricultural use.

The District complies with applicable USPAP standards promulgated by the Appraisal Foundation as well as the standards published by the International Association of Assessing Officers (IAAO).

The District utilizes these resources for staff education, development of appraisal procedures, and application of appraisal methods. Below is a list of the IAAO Standards and books referenced and utilized:

Guide to Assessment Administration Standards
Standard on Assessment Appeal
Standard on Automated Valuation Models
Standard on Contracting for Assessment Services
Standard on Digital Cadastral Maps and Parcel Identifiers
Standard on Facilities, Computers, Equipment and Supplies
Standard on Manual Cadastral Maps and Parcel Identifiers
Standard on Mass Appraisal of Real Property
Standard on Oversight Agency Responsibilities
Standard on Professional Development
Standard on Property Tax Policy
Standard on Public Relations
Standard on Ratio Studies
Standard on Valuation of Personal Property
Standard on Valuation of Property affected by Environmental Contamination
Standard on Verification and Adjustment of Sales
The Appraisal for Real Estate, 13th Edition
The Dictionary of Real Estate Appraisal, 3rd Edition
Property Assessment Valuation, 3rd Edition
Property Appraisal & Assessment Administration, 1990
Fundamentals of Mass Appraisal, 2011
Assessment Administration, 2003
Mass Appraisal of Real Property, 1999

Performance Analysis

Ratio Study

Appraisal performance is measured through ratio studies which provide a statistical representation of *the relationship between appraised and market value*. At the beginning of each appraisal year, certified values from the previous year are analyzed by market area and state category to determine the overall appraisal accuracy and appraisal uniformity. Ratio studies are conducted in compliance with the International Association of Assessing Officers “*Standard on Ratio Studies*”. Mean, median, and weighted mean ratios are calculated as measures of central tendency for properties in each reporting category to measure the level of appraisal (appraisal accuracy). However, the median ratio is the primary measure utilized in mass appraisal for “ad valorem” purposes. In each reappraisal year this analysis is used to develop the starting point for establishing the level and accuracy of appraisal performance. The District also calculates the coefficient of dispersion (COD) and price related differential (PRD) in each market area to indicate the uniformity or equity of existing appraisals. The aforementioned statistical measures are calculated for analysis purposes for residential sales in a stratified format. The stratifications include school district, appraised value range, living area range, year-built range, construction quality classification, neighborhood, appraisal to sale ratio range, number of sales by month, and sale price by month.

Independent Performance Test

In Accordance with Texas Property Tax Code (TPTC), Chapter 5, and/or the Government Code, Title 4, Subtitle A, Chapter 403, Subchapter M, Section 403.302, the Comptroller of Public Accounts is responsible for conducting a biennial Property Value Study (PVS) for each school district and a biennial review entitled Methods and Assistance Program (MAP) for each appraisal district in Texas. Both the PVS and the MAP review are performed by the Property Tax Assistance Division (PTAD) of the Comptroller’s office at least once every two years and are on staggered years.

The primary purpose of the PVS is to ensure equitable distribution of state funding for public education. In conducting the study, the PTAD is required to;

- Utilize comparable sales,
- Incorporate recognized auditing and sampling techniques,
- Test the validity of a school district’s taxable values within each appraisal district,
- Determine the level and uniformity of property tax appraisal in each appraisal district, and
- Make a determination to accept the appraisal roll values as correct and valid.

The methodology used in the PVS includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analyses of sold properties and appraisals of unsold properties as a basis for reporting assessment ratios. For appraisal districts, the reported measures include median level of appraisal, COD, the percentage of properties within 10% of the median, the percentage of properties within 25% of the median, and PRD for properties overall and by state category. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) in July of each year. The state's PVS provides additional assistance to the CAD in determining areas of market activity or changing market conditions. Preliminary PVS results are released on or before February 1st, in the year following the appraisal year under review.

The PTAD office released the 2017 Final Property Value Study (PVS) results for all Texas Counties and School Districts. The report identifies the degree of uniformity and the median level of appraisal performed by the La Salle County Appraisal District (District) as required by TPTC, Section 5.10. The District received an overall local value assignment of 103% of market value. The two (2) independent school districts in La Salle County, Cotulla I.S.D., and Dilley I.S.D., received a market value designation of 100% for the 2017 appraisal year. The District's goal is to achieve market value annually so the school districts are ensured maximum state funding in their related finance formula. PVS final results can be found at: <http://comptroller.texas.gov/taxinfo/proptax/pvs.html>.

The PTAD's scope of the MAP review includes governance, taxpayer assistance, operating standards and procedures, and appraisal standards, procedures and methodology. The comptroller by rule may establish procedures and standards for conducting and scoring the review. Upon conclusion of the review, the comptroller is required to deliver a written report to the chief appraiser, CAD board of directors, each superintendent and Board of Trustees in school districts served by the CAD concerning the CAD's performance in the review.

La Salle CAD was selected for the MAP review in 2018. The results of this MAP review can be found at: <http://comptroller.texas.gov/taxinfo/proptax/map/index.html>. The 2016 MAP review ratings are found in Exhibit "C". The 2018 MAP review results are expected to be published in December 2018. A copy of the 2018 Preliminary Recommendations for La Salle CAD is attached as part of "Exhibit C".

Revaluation Decision

Texas Property Tax Code Requirements

Pursuant to Texas Property Tax Code:

Section 21.01 Real Property

Real property is taxable by a taxing unit if located in the unit on January 1, except as provided by Chapter 41, Education Code.

Section 23.01 Appraisals Generally

(a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.

(b) The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of the property shall be taken into account in determining the property's market value.

(c) Notwithstanding Section 1.04(7)(C), in determining the market value of a residence homestead, the chief appraiser may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead being appraised and would otherwise be considered in appraising the residence homestead because the other residential property:

(1) was sold at a foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood; or

(2) has a market value that has declined because of a declining economy.

(d) The market value of a residence homestead shall be determined solely on the basis of the property's value as a residence homestead, regardless of whether the residential use of the property by the owner is considered to be the highest and best use of the property.

(e) Notwithstanding any provision of this subchapter to the contrary, if the appraised value of property in a tax year is lowered under Subtitle F, the appraised value of the property as finally determined under that subtitle is considered to be the appraised value of the property for that tax year. In the following tax year, the chief appraiser may not increase the appraised value of the property unless the increase by the chief appraiser is reasonably supported by substantial evidence when all of the reliable and probative evidence in the record is considered as a whole. If the appraised value is finally determined in a protest under Section 41.41(a)(2) or an appeal under Section 42.26, the chief appraiser may satisfy the requirement to reasonably support by substantial evidence an increase in the appraised value of the property in the following tax year by presenting evidence showing that the inequality in the appraisal of property has been corrected with regard to the properties that were considered in determining the value of the subject property. The burden of proof is on the chief appraiser to support an increase in the appraised value of property under the circumstances described by this subsection.

Pursuant to the aforementioned TPTC sections, the Chief Appraiser must reflect market value of all properties on an annual basis except as identified within the sections noted above. **Therefore, both 2019 and 2020 are reappraisal years.**

Analysis of Available Resources

Personnel Resources

The Chief Appraiser, as Chief Executive Officer of the Appraisal District, employs and directs District staff, oversees all aspects of District operations, and performs either directly or through the District staff, a variety of legal operations. The Chief Appraiser may contract legal services, consulting services, outsource appraisal services, and / or employ temporary services as needed, to perform the District's duties and responsibilities. The Chief Appraiser, personally or through delegation of duties, is responsible for the overall planning, organizing, staffing, coordinating, and directing of all District operations.

The Chief Appraiser's responsibilities are as follows:

- Discover, list and appraise all taxable property
- Determine exemption and special appraisal requests
- Reappraise property pursuant to TPTC Section 25.18
- Establish market value for each property as of January 1st of each year
- Notify taxpayers, taxing units, and the public about matters which affect property values, and
- Other duties as identified in the Appraisal District Director's Manual, by contract and / or as assigned by the Board of Directors.

The amended 2018 Appraisal District budget accounts for six (6) full time positions. For the year 2019 and 2020 annual budget(s), the Chief Appraiser shall ensure adequate staffing for the implementation of the 2019-2020 Reappraisal Plan. Appraisal District functions are broken out into two (2) primary categories which are all supervised by the Appraisal/Real Property Operations Coordinator: 1.) Appraisal Personnel and 2.) Clerical Staff. Please refer to Exhibit "B" for the District's Organizational Chart.

Appraisal Personnel is responsible for establishing a market value for all residential, commercial, business personal property, and rural acreage accounts. Appraisers are subject to provisions of the Property Taxation Professional Certification Act as passed by the 68th Legislature and must register with the Texas Department of Licensing and Regulation (TDLR). Appraisers must follow an educational curriculum that is discussed later in this report.

Clerical Staff is responsible for administering and providing exemption services to property owners, and to ensure that all applicants meet the legal requirements in order to qualify for various types of property tax exemption such as; Homestead, Over-65, Disability, and Disabled Veterans. Additionally, these individuals are responsible for the Appraisal Review Board (ARB) process which includes, but is not limited to, record keeping, scheduling protests, mailing notification of hearings to property owners,

rescheduling cases, recording ARB hearings, and mailing ARB determinations. Other critical duties include updating ownership information based on conveyance documents which are usually filed with La Salle County Clerk's office and creating new accounts when a property is converted into a subdivision or splits from a larger property.

Staff Education and Training

All personnel involved in appraisal activities are required to register with the Texas Department of Licensing and Regulation (TDLR) and take appraisal courses in order to achieve designation as a Registered Professional Appraiser (RPA). This process may be completed in as little as three (3) years but cannot exceed five (5) years from the date of registration as an appraiser. Upon certification, an additional 30 hours of Continuing Education credit (CE) must be earned every two (2) years in order to qualify for recertification. As part of this recertification, RPA's must successfully complete 2 hours in Ethics, 3.5 hours in USPAP and a State Laws and Rules update course which is set by the Legislature.

Additionally, all appraisal personnel will receive extensive training in data gathering processes, field work and statistical analyses of all categories of properties to ensure equality and uniformity of appraisal. On-the-job training is provided by Management and regular staff meetings are held to introduce new procedures and monitor appraisal activity to ensure that standardized appraisal procedures are being followed by all team members.

District staff is provided with additional training such as customer service techniques, GIS functionality, field safety, and management planning programs in order to ensure proper staff development.

Proposed Budgets

The Chief Appraiser prepares and presents an annual budget to the Board of Directors which ensures that staffing and other operational resource requirements are adequately budgeted for carrying out the District's operations effectively and efficiently. The budget is reviewed and approved by the Board of Directors.

Existing Practices

District procedures identify existing appraisal practices and processes which are reviewed and updated annually for the standardization of the three approaches to value. Cost Approach: appraisal cost and depreciation tables are updated based on data obtained from the Marshall Valuation Service manual (also known as Marshall and Swift). Sales Approach: the preliminary values produced by the Cost approach are tested against verified sales data and adjustments are made as necessary. The District's objective is to reflect local market conditions. Income Approach: The District reviews all income and expense information for the most typical income producing commercial property types, and adjustments are made accordingly to reflect the local market. This review includes a study of economic rents, analysis of capitalization rates, data gathering through the

Appraisal Review Board (ARB) hearing process, surveys, and information from published sources. Business personal property density schedules are currently not employed; however, the District will be working toward implementing such a method in the coming years by analyzing and testing information based on cost data gathered through renditions and ARB hearing documentation.

Information Systems

The Operations Coordinator, with the assistance of the Webb CAD GIS Director, is responsible for administering and maintaining the District's computers, servers, software applications, website, network infrastructure, Voice over Internet Protocol (VoIP) telecommunication system, and GIS systems. The District utilizes a client server technology-based software application known as the "Property Appraisal and Collections System (PACS)", provided by Harris Govern, True Automation. The District's database requirement for PACS will be handled by two servers; including one database/application server, and one job server. The District's computer system and network architecture is designed to handle current and future appraisal and GIS needs.

Existing Maps and Data

The District is responsible for establishing and maintaining approximately 11,245 real property, 46,985 mineral, and 2,331 business personal property accounts, which includes mobile homes, oil & gas related personal property, as well as business personal property accounts of local businesses. Currently, District maps are not a reliable source of identification given that approximately thirty percent (30%) of La Salle County is not identified on a digital map. Proper maintenance of the Geographic Information System (GIS), which includes existing layers such as parcels, street center lines, building footprints, aerial imagery, etc. has not been maintained, which has resulted in a number of issues pertaining to the District's mapping system. Beginning with Appraisal Year 2019, the District will initiate development of a functioning GIS platform in an effort to properly identify parcels utilizing GIS.

The District's existing data includes property characteristics, ownership, and exemption information. Property characteristics for new construction are established through an annual field effort, and existing property data is updated through a field and office review. Comparable sales data is validated through an office review and a separate field effort as needed. General trends in employment, interest rates, new construction, cost, and market data are acquired through various sources. These sources include real estate publications and services, and internally generated questionnaires. The information contained in the questionnaires is considered confidential as per TPTC.

Public Access

The District's website provides a broad range of information for public access and use. This includes detailed information of the appraisal process, property characteristics, certified values, protest and appeal procedures, list of taxing entities, interactive mapping system, and links to other government agencies. The website also provides all major

forms and applications pertaining to the District for the public to download. This includes exemption applications, business personal property renditions, the agricultural use application, and the rendition of real property residential inventory application, among others. Additionally, the District has designated an area with computers for public use. Property owners can access, retrieve and/or print property information/records including appraisal cards through these computers either by themselves or with the assistance of District staff.

Public Relations

The purpose of the Public Relations program at the La Salle County Appraisal District is to create and sustain a strong and positive image of the District. Maintaining an open line of communication with the public and the taxing entities and keeping all parties well informed of their rights and responsibilities is part of the District's mission, vision, and purpose.

The Deputy Chief Appraiser is responsible for organizing and coordinating public outreach activities for the District. These activities include, but are not limited to, community outreach programs, public meetings, press releases and advertisements of upcoming events or important dates, and provide property owners with information requested under the Texas Public Information Act.

Additionally, to help achieve an optimum level of transparency, the District encourages property owners to provide their feedback (positive/negative) which they feel might help the District improve their services. Survey/feedback forms can be obtained either in person from District staff from the District's website.

Resource Constraints

Lack of mandatory sales disclosure constrains the effectiveness of all appraisal districts in Texas to appraise property at a fair market value. The lack of mandatory sales price disclosure restricts appraisal districts when utilizing both the sales comparison and income approach. The provision of this information will result in more accurate and equitable property values.

Planning and Organization

A calendar of key events with important dates for Appraisal Years 2019 and 2020 is listed below. This calendar establishes the timelines for District operations in order to facilitate the certification of the appraisal roll by July 25th of each appraisal year. Production standards for field activities have been calculated and incorporated in the planning and scheduling process. This plan encompasses the normal processes carried out for each year by the District. The occurrence of any catastrophic events or significant legislative action may adversely impact District operations thereby requiring changes to the calendar.

2019 CALENDAR OF KEY EVENTS			
Event Description	Start Date	End Date	
Personal Property – September 1 st Inventory – Application Deadline	07-31-2018	07-31-2018	
Process Ag Rollbacks – Based on “change of use” per plats and inspection	08-01-2018	12-15-2018	
Field Operations / Real Property – Mass Reappraisal (Physical Inspection / PICTOMETRY Review)	08-01-2018	03-31-2019	
Field Operations / Next Inspections Flag Rechecks	08-01-2018	03-31-2019	
Field Operations / Business Personal Property (Physical Inspection)	08-01-2018	02-28-2019	
Employee Performance Evaluations	08-01-2018	09-15-2018	
Create 2019 Appraisal Year Layer in CAMA (PACS) System	08-08-2018	08-12-2018	
Comptroller’s Office – final PVS results; address deficiencies	08-15-2018	08-31-2018	
Personal Property – Inventory Appraisal Date (if requested timely)	09-01-2018	09-01-2018	
Process New Plats (Create Accounts and Apply Land Schedules)	09-01-2018	01-31-2019	
Education Courses / Management Training Program	09-01-2018	01-31-2019	
Board of Directors – Approve 2019-2020 Reappraisal Plan	09-15-2018	09-15-2018	
Board of Directors – Approve 2019 Budget	09-15-2018	09-15-2018	
Begin improvement cost data collection (local and vendors)	09-15-2018	10-15-2018	
Ratio Study – Prior Year Final Performance Review and Identify Problematic Areas for Reappraisal	09-15-2018	09-30-2018	
Comptroller’s Office – PVS State Auditor (CAD visit)	09-15-2018	10-15-2018	
Test / Update improvement cost and depreciation schedules	10-10-2018	12-31-2018	
Field Operations / Inspect New Plats (Land Development Phase)	11-01-2018	12-31-2018	
Field Operations / Real Property – New Construction Inspection	12-01-2018	03-31-2019	
Dealer Declarations – mail out (if applicable)	12-12-2018	12-16-2018	
Field Operations / (high-valued permits – percent complete)	12-15-2018	01-15-2019	
Field Operations / (commercial properties – record occupancy)	12-15-2018	01-15-2019	
Statutory Appraisal / Assessment / Tax Lien Date	01-01-2019	01-01-2019	
Comptroller’s Office – Chief Appraiser’s Eligibility Submission	01-01-2019	01-01-2019	
Business Personal Property Rendition Period	01-01-2019	05-15-2019	
Annual Applicants Abatements Historical – mail-out	01-16-2019	01-20-2019	
Residential Inventory Applications – mail-out (if applicable)	01-16-2019	01-20-2019	
Letter to Entities - New Abatements, Historical, and Annexations	01-16-2019	01-20-2019	
AAAB – Meeting to discuss and collect agricultural data	01-16-2019	01-20-2019	
BPP Rendition and Freeport Application – mail out (if applicable)	01-16-2019	01-20-2019	
Income & Expense Commercial Data Survey – mail out	01-16-2019	01-20-2019	

Ratio Study – Post Schedule Changes – Performance Review	01-23-2019	01-31-2019
Publish / Post Internet – Capitalization Rate (Low Income Housing)	01-23-2019	01-31-2019
Comptroller's Office – Electronic Property Transaction Submission (EPTS)	01-23-2019	01-31-2019
Agricultural Survey – Data Collection for Ag Use Valuations	01-23-2019	01-31-2019
Comptroller's Office – Preliminary PVS results – address deficiencies	01-31-2019	02-15-2019
VIT – Dealer's Inventory Declaration Deadline (if applicable)	01-31-2019	01-31-2019
Field Operations / Ag Application Inspections	02-01-2019	06-28-2019
Field Operations / Building Permits, Inquiries, Re-inspection of Problematic Market Areas, and Mobile Home Inspections	02-01-2019	03-13-2019
Publish Public Notices / Residential Inventory / BPP	02-01-2019	02-10-2019
Property Annexations	02-01-2019	02-10-2019
AAAB – Meeting to review agricultural value calculations	02-06-2019	02-10-2019
New Residential Owners – mail post card to explain homestead process	02-06-2019	02-10-2019
Abatements & Historical Deadline for processing	02-16-2019	02-28-2019
Residential Inventory Applications – mail-out reminder	02-16-2019	02-28-2019
Annual Applicants, Abatements, Historical (2 nd notice)	02-16-2019	02-28-2019
Agricultural Land Schedules – Deadline to update	03-01-2019	03-10-2019
Field Operations / All projects should be completed	03-01-2019	03-10-2019
Data Changes Submission Deadline – (ownership, schedules, new accts)	03-01-2019	03-10-2019
Ratio Study – Final adjustments to schedules and modifiers	03-01-2019	03-10-2019
Neighborhood Profile Reports – Review and Approve Valuations	03-01-2019	03-10-2019
Ratio Study – Final Report	03-01-2019	03-10-2019
Comptroller Office – PVS Appeals Deadline	03-01-2019	03-10-2019
Data Entry Deadline – PACS Lockdown	03-15-2019	03-15-2019
Comptroller Office – ARB Seminar	03-16-2019	04-15-2019
PACS Recalculation, Error Checks and SQL-Checks (make corrections)	03-16-2019	03-23-2019
Run Edit list of accounts to be noticed. (codes 25.19A and X25.19A)	03-16-2019	03-23-2019
Personal Property Rendition Deadline and Request for Extension	04-01-2019	04-01-2019
Mail Out of Appraisal Notices – SFR Homestead Properties	04-01-2019	04-01-2019
Staff In-service – Protest Period Preparations	04-01-2019	04-01-2019
Notice to Entities – Appraisal Roll Form (Sec. 26.01)	04-01-2019	04-01-2019
ARB – Staff Informal Meetings w/ Property Owners	04-03-2019	07-20-2019
Residential Inventory Applications Deadline	04-17-2019	04-17-2019
Personal Property Rendition Deadline (30 Day Extension Expires)	05-01-2019	05-01-2019
Application Deadline – Exemption, Freeport, Ag-use, Pollution Control,	05-01-2019	05-01-2019
Certify Estimate Taxable Values to Entities	05-01-2019	05-01-2019
Mail Out of Appraisal Notices – Other than SFR Homestead Properties	05-01-2019	05-01-2019
Publish Notice about Taxpayers Protest Procedures	05-01-2019	05-15-2019
Mail Out of Mineral Appraisal Notices	05-01-2019	05-05-2019
Import Preliminary Mineral Roll	05-01-2019	05-05-2019
Mail Out of Business Personal Property Appraisal Notices	05-08-2019	05-15-2019
Protest Filing Deadline for initial mass mail out	05-15-2019	05-15-2019
Personal Property Rendition Deadline (Additional 15 Day Extension)	05-15-2019	05-15-2019
Update La Salle-site with 2019 Preliminary Values	05-15-2019	05-19-2019
2019 Preliminary Appraisal Rolls Submission to ARB	05-15-2019	05-20-2019
Appraisal Review Board (ARB) Protest Hearings – (first hearing date)	05-15-2019	05-30-2019
Appraisal Review Board (ARB) Protest Hearings	05-30-2019	07-20-2019
Taxing Unit Challenge Deadline (Sec 41.04)	06-01-2019	06-01-2019
Mineral and Personal Property Protest Filing Deadline		30 days after mail out
Present 2020 Proposed Budget to Board of Directors	06-15-2019	06-15-2019
Import Certified Mineral Roll	07-10-2019	07-13-2019
Process and Close Protests Determined by ARB	07-14-2019	07-20-2019

PACS Recalculation, Error Checks and SQL-Checks (make corrections)	07-14-2019	07-24-2019
ARB meets 95 % and Approves Appraisal Roll	07-20-2019	07-20-2019
Chief Appraiser Certifies Appraisal Roll to Entities	07-25-2019	07-25-2019
Comptroller Office – EARS Submission & Sales Data Submission	08-01-2019	08-01-2019
Appraisal Review Board (ARB) – (monthly meeting September thru May)	3 rd Thursday of each month	

2020 CALENDAR OF KEY EVENTS		
Event Description	Start Date	End Date
Personal Property – September 1 st Inventory – Application Deadline	07-31-2019	07-31-2019
Process Ag Rollbacks – Based on “change of use” per plats and inspection	08-01-2019	12-15-2019
Field Operations / Real Property – Mass Reappraisal (Physical Inspection / PICTOMETRY Review)	08-01-2019	03-31-2020
Field Operations / Next Inspections Flag Rechecks	08-01-2019	03-31-2020
Field Operations / Business Personal Property (Physical Inspection)	08-01-2019	02-28-2020
Employee Performance Evaluations	08-01-2019	09-15-2019
Create 2018 Appraisal Year Layer in CAMA (PACS) System	08-07-2019	08-11-2019
Comptroller’s Office – final PVS results; address deficiencies	08-15-2019	08-31-2019
Personal Property – Inventory Appraisal Date (if requested timely)	09-01-2019	09-01-2019
Process New Plats (Create Accounts and Apply Land Schedules)	09-01-2019	01-31-2020
Education Courses / Management Training Program	09-01-2019	01-31-2020
AAAB – Meeting to discuss and collect agricultural data	09-11-2019	09-15-2019
Board of Directors – Approve 2020 Budget	09-15-2019	09-15-2019
Begin improvement cost data collection (local and vendors)	09-15-2019	10-15-2019
Ratio Study – Prior Year Final Performance Review and Identify Problematic Areas for Reappraisal	09-15-2019	09-30-2019
Comptroller’s Office – MAP State Auditor (CAD visit)	09-15-2019	10-15-2019
Test / Update improvement cost and depreciation schedules	10-09-2019	11-10-2019
AAAB – Meeting to discuss and collect agricultural data	10-09-2019	10-13-2019
Field Operations / Inspect New Plats (Land Development Phase)	11-01-2019	12-31-2019
AAAB – Meeting to discuss and collect agricultural data	11-06-2019	11-10-2019
Field Operations / Real Property – New Construction Inspection	12-01-2019	03-31-2020
AAAB – Meeting to discuss and collect agricultural data	12-11-2019	12-15-2019
Dealer Declarations – mail out (if applicable)	12-11-2019	12-15-2019
Field Operations / (high-valued permits – percent complete)	12-15-2019	01-15-2020
Field Operations / (commercial properties – record occupancy)	12-15-2019	01-15-2020
Statutory Appraisal / Assessment / Tax Lien Date	01-01-2020	01-01-2020
Comptroller’s Office – Chief Appraiser’s Eligibility Submission	01-01-2020	01-01-2020
Business Personal Property Rendition Period	01-01-2020	05-15-2020
Annual Applicants Abatements Historical – mail-out (if applicable)	01-15-2020	01-19-2020
Residential Inventory Applications – mail-out (if applicable)	01-15-2020	01-19-2020
Letter to Entities - New Abatements, Historical, and Annexations	01-15-2020	01-19-2020
AAAB – Meeting to discuss and collect agricultural data	01-15-2020	01-19-2020
BPP Rendition and Freeport Application – mail out (if applicable)	01-15-2020	01-19-2020
Income & Expense Commercial Data Survey – mail out	01-15-2020	01-19-2020
Ratio Study – Post Schedule Changes – Performance Review	01-22-2020	01-31-2020
Publish / Post Internet – Capitalization Rate (Low Income Housing)	01-22-2020	01-31-2020
Comptroller’s Office – Electronic Property Transaction Submission (EPTS)	01-22-2020	01-31-2020
Agricultural Applications – mail out for new and reapply ag-use	01-22-2020	01-31-2020
Agricultural Survey – Data Collection for Ag Use Valuations	01-22-2020	01-31-2020
Comptroller’s Office – Preliminary PVS results – address deficiencies	01-31-2020	02-15-2020

VIT – Dealer's Inventory Declaration Deadline	01-31-2020	01-31-2020
Field Operations / Ag Application Inspections	02-01-2020	06-29-2020
Field Operations / Building Permits, Inquiries, Re-inspection of Problematic Market Areas, and Mobile Home Inspections	02-01-2020	03-13-2020
Publish Public Notices / Residential Inventory / BPP	02-01-2020	02-09-2020
Property Annexations	02-01-2020	02-09-2020
AAAB – Meeting to review agricultural value calculations	02-05-2020	02-09-2020
New Residential Owners – mail post card to explain homestead process	02-05-2020	02-09-2020
Abatements & Historical Deadline for processing	02-15-2020	02-28-2020
Residential Inventory Applications – mail-out reminder	02-15-2020	02-28-2020
Annual Applicants, Abatements, Historical (2 nd notice)	02-15-2020	02-28-2020
Agricultural Land Schedules – Deadline to update	03-01-2020	03-09-2020
Field Operations / All projects should be completed	03-01-2020	03-09-2020
Data Changes Submission Deadline – (ownership, schedules, new accts)	03-01-2020	03-09-2020
Ratio Study – Final adjustments to schedules and modifiers	03-01-2020	03-09-2020
Neighborhood Profile Reports – Review and Approve Valuations	03-01-2020	03-09-2020
Ratio Study – Final Report	03-01-2020	03-09-2020
Comptroller Office – PVS Appeals Deadline	03-01-2020	03-09-2020
Data Entry Deadline – PACS Lockdown	03-15-2020	03-15-2020
Comptroller Office – ARB Seminar	03-16-2020	04-16-2020
PACS Recalculation, Error Checks and SQL-Checks (make corrections)	03-16-2020	03-22-2020
Run Edit list of accounts to be noticed. (codes 25.19A and X25.19A)	03-16-2020	03-22-2020
Personal Property Rendition Deadline and Request for Extension	04-01-2020	04-01-2020
Mail Out of Appraisal Notices – SFR Homestead Properties	04-01-2020	04-01-2020
Staff In-service – Protest Period Preparations	04-01-2020	04-01-2020
Notice to Entities – Appraisal Roll Form (Sec. 26.01)	04-01-2020	04-01-2020
ARB – Staff Informal Meetings w/ Property Owners	04-03-2020	07-20-2020
Residential Inventory Applications Deadline	04-16-2020	04-16-2020
Application Deadline – Exemption, Freeport, Ag-use, Pollution Control,	04-30-2020	04-30-2020
Certify Estimate Taxable Values to Entities	04-30-2020	04-30-2020
Personal Property Rendition Deadline (Request 30 Day Extension)	05-01-2020	05-01-2020
Mail Out of Appraisal Notices – Other than SFR Homestead Properties	05-01-2020	05-01-2020
Publish Notice about Taxpayers Protest Procedures	05-01-2020	05-15-2020
Mail Out of Mineral Appraisal Notices	05-01-2020	05-04-2020
Import Preliminary Mineral Roll	05-01-2020	05-04-2020
Mail Out of Business Personal Property Appraisal Notices	05-08-2020	05-15-2020
Protest Filing Deadline for initial mass mail out	05-15-2020	05-15-2020
Personal Property Rendition Deadline (Additional 15 Day Extension)	05-15-2020	05-15-2020
Update La Salle-site with 2020 Preliminary Values	05-15-2020	05-18-2020
2020 Preliminary Appraisal Rolls Submission to ARB	05-15-2020	05-20-2020
Appraisal Review Board (ARB) Protest Hearings – (first hearing date)	05-15-2020	05-30-2020
Appraisal Review Board (ARB) Protest Hearings	05-30-2020	07-20-2020
Taxing Unit Challenge Deadline (sec 41.04)	06-01-2020	06-01-2020
Mineral and Personal Property Protest Filing Deadline	30 days after mail out	
Present 2021 Proposed Budget to Board of Directors	06-15-2020	06-15-2020
Import Certified Mineral Roll	07-09-2020	07-12-2020
Process and Close Protests Determined by ARB	07-19-2020	07-20-2020
PACS Recalculation, Error Checks and SQL-Checks (make corrections)	07-19-2020	07-24-2020
ARB meets 95 % and Approves Appraisal Roll	07-19-2020	07-20-2020
Chief Appraiser Certifies Appraisal Roll to Entities	07-25-2020	07-25-2020
Comptroller Office – EARS Submission & Sales Data Submission	08-01-2020	08-01-2020
Appraisal Review Board (ARB) – (monthly meeting September thru May)	3 rd Thursday of each month	

Mass Appraisal System

Introduction

The District purchased its Computer Assisted Mass Appraisal (CAMA) software “Property Appraisal and Collections System (PACS)” from True Automation, Inc. (TAI) in 2018. This software package has undergone numerous updates and releases since creation, and has evolved into a multifunctional and robust appraisal software in the mass appraisal industry.

This software allows the appraisal district to consolidate and centralize their appraisal database, thereby enabling efficient data storage, retrieval, management, and maintenance. Additionally, it facilitates the process of data entry and updates, and allows for data audits and queries. Furthermore, this software also allows for data imports and exports to / from third party software applications such as Access, Excel, Crystal Reports, and Query Analyzer.

CAMA System Revisions as Required

Computer Assisted Mass Appraisal (CAMA) system revisions are specified by District Management and scheduled with District staff and the District’s software vendor. The appraisal district is currently contracted with True Automation, Inc. for software services (**PACS**). All automated forms and IT procedures are reviewed routinely and revised as required. A detailed description of these procedures in regards to the 2019 and 2020 appraisal years are noted throughout this report.

Real Property Valuation

Revisions to cost, income, and market models are specified, updated, and tested each appraisal year. Market area boundaries are reviewed and adjusted as indicated by growth patterns and market preferences. Cost schedules are tested with market data (sales) to ensure that the appraisal district is in compliance with Section 23.011 of the Texas Property Tax Code. Replacement cost new tables and depreciation tables are based on data from the Marshall Valuation Service publication. The resulting schedules are tested for accuracy and uniformity using ratio studies.

Land schedules are updated using current market data (sales) and then tested with ratio studies. Value modifiers are developed for property categories by market area and tested for applicability on improved property ratio study.

Income, expense, and occupancy data is updated in the income models for commercial property categories and market areas. Property use categories are reviewed to ensure their continued applicability. Capitalization rate studies are performed utilizing published

sources and current sales data, when available. The resulting models are then tested using ratio studies.

Personal Property Valuation

Quality and Density schedules will be developed beginning with Appraisal Year 2020 using renditions and Appraisal Review Board (ARB) hearing data received from prior appraisal year(s). Valuation procedures will be reviewed, modified, and tested as necessary.

Notification Process

Appraisal notice forms under Section 25.19 of the Texas Property Tax Code (TPTC), are reviewed and edited for updates by District Management. These revisions include updates from the Comptroller's Property Tax Division and any specific legislative changes as required. Additionally, the appraisal notice includes a copy of the "Taxpayer's Rights, Remedies, and Responsibilities", a notice of protest, a homestead application for residential properties, and important property owner's information (10-point list).

Additional requirements established by TPTC Section 25.19 for mailing out notices of appraised value include properties with a value change, new properties, and properties with values greater than the rendered value. The District, through the Board of Directors, has adopted a policy to mail a notice of appraised value to all properties with a change in value including a reduction in appraised value. In accordance with House Bills 3496 and 3036 passed by the 80th Legislature, the District is scheduled to mail out all real property notices by April 1st or soon thereafter of each year. Notices for business personal, mineral, and agricultural-use properties under review are scheduled for mail out by mid-May.

Hearing Process

Appraisal Review Board (ARB) hearing schedules are reviewed and updated based on the volume of protests received. The District's goal is to certify the appraisal roll by July 25th, according to law. Standards of documentation to be used by District staff for informal and formal hearings are reviewed and amended as required to reflect current valuation processes.

Pilot Study

New and / or revised mass appraisal models are tested on randomly selected market areas. These model tests (sales ratio studies) are conducted each appraisal year. Actual test results are reviewed to determine the effectiveness and accuracy of the mass appraisal model. Those models not performing satisfactorily are refined and recalibrated to produce accurate and reliable market values. The procedures used for model specification and model calibration are in compliance with Uniform Standards of Professional Appraisal Practices.

Data Collection Requirements

Identification and Update of Relevant Characteristics Affecting Value

Field and office procedures are reviewed and updated as needed for the data collection process. Activities scheduled for each appraisal year include; definition of market areas, identification of new construction, demolitions, re-models, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific three (3) year cycle, as per TPTC Section 25.18. Real property site characteristics include, but are not limited to, land size and topography. Improvement characteristics include, but are not limited to, square footage of living area and other improvement amenities, year built, construction quality, and building condition.

Defining Market Areas

According to The Dictionary of Real Estate Appraisal, 3rd Edition, a market area is defined as "*the geographic or locational delineation of the market for a specific category of real estate; i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users*". District staff groups property by market area (neighborhoods/subdivisions) for the purposes of valuation and analysis. Additionally, in consideration of market characteristics and the specific life cycle of the neighborhood in compliance with USPAP Standards, District staff assigns neighborhood and subdivision codes to comparable properties conforming to the definition of a market area.

Currently, the La Salle County Appraisal District has not established a defined structure for neighborhood and/or subdivision areas. Beginning with Appraisal Year 2019, The District will establish market areas for various types of properties, which will be utilized to establish equity and uniformity within each established market area. This enables the District to recognize and appropriately adjust the physical, social, economic, and governmental factors affecting each property type.

Neighborhood codes will be created in the City of Cotulla, City of Encinal, Gardendale, Fowlerton and Los Angeles based on subdivision groups with common characteristics and economic forces.

The county's rural area will be delineated into two (2) sections in order to manage the number of accounts. Please refer to the attached exhibits for a map of the two (2) rural sections which have been established.

The above market areas are referenced within "Exhibit A" of this report.

New Construction

Field and office procedures for new construction are identified and revised as needed in order to complete the data collection phase. New subdivision plats, building permits, and vacant lot listings are used to identify and appraise new construction. Building permit data received from the City of Laredo is confirmed and uploaded into PACS. Appraisal staff identifies and links the permit data to their respective real property parcel. Building plans and / or blueprints are obtained when necessary, and dimensions collected in the field are verified and data entered into PACS by appraisal staff. Subdivisions recognized as under development or growth are assigned for physical inspection through the vacant lot listing for a "lot by lot" review to ensure all new structures are appraised. Based on new construction projections, annual appraisal activities are scheduled and entered into the calendar of key events for each appraisal year. New construction is scheduled to be appraised between December 1st and February 28th.

Remodeling

Market areas identified as experiencing revitalization due to a high number of building permits for improvement additions and remodeling are scheduled for field inspections.

Upon completing the update of the property records, appraised values are tested with ratio studies for accuracy and uniformity. These field activities are also posted in the calendar of key events and are monitored carefully to meet the established deadlines. Building permits for additions and remodeling are scheduled to be inspected between February 1st and March 15th.

Re-inspection of Problematic Market Areas

Market areas with high or low protest volumes, high or low sales ratios, or high coefficients of dispersion are identified as potentially problematic areas and are scheduled for reappraisal accordingly. Additional sales data is researched and verified as applicable. In the absence of adequate market data, clusters of comparable neighborhoods are identified and linked for use in valuation and defense. These activities are also posted in the calendar of key events and are monitored carefully to meet the established deadlines. Problematic market areas are scheduled to be appraised between February 1st and March 15th.

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 4 - 6 years; however, the TPTC mandates that appraisal districts re-inspect properties at least once every three years. The District, through this reappraisal plan, abides by this mandate. The District utilizes *PICTOMETRY* and *Google Maps* to review the property characteristics and measurements thereby facilitating desktop appraisal. Field inspections are performed as needed to verify condition and measurements. Field production standards are established, and procedures are monitored and tested to meet all field review deadlines. Properties identified on the maps within "Exhibit "A" will be scheduled for review and / or re-inspection in Appraisal Years 2019 and 2020 which will be completed between August 1st and March 30th. These dates are also noted on the calendar of key events as part of the field operation. The re-inspection of the universe of properties is also known as mass appraisal.

All property located in La Salle County will be inspected on a three (3) year cycle, with the exception of Business Personal Property and Mobile Homes which will be re-inspected on a two (2) year cycle.

Field and Office Verification of Sales Data and Property Characteristics

District staff follows the International Association of Assessing Officers Standard on Ratio Studies and Standard on Verification and Adjustment of Sales to verify, screen, and capture sales data. Sales not meeting the definition of "arms-length-transactions" are identified as "disqualified sales" in order to be excluded from ratio studies. The District maintains all sales data in PACS and utilizes a sales coding system that identifies the sales as residential, commercial, or vacant land. This coding system is used to perform ratio studies by market area and property types. Additionally, the District uses Structured Query Language (SQL) scripts to audit the sales data to ensure accuracy and reliability.

Valuation

Valuation models are specified and calibrated in compliance with the supplemental standards from the International Association of Assessing Officers and the Uniform Standards of Professional Appraisal Practice using market analysis of comparable sales and locally tested cost, income and expense data, and information gathered from renditions. Calculated property values are tested for accuracy and uniformity using ratio studies by market area and property type each appraisal year to reflect local market conditions. Performance standards utilized are those established by the IAAO Standard on Ratio Studies.

Below are the details of the planned valuation methods by department and / or property type:

Residential Real Property

Cost Approach

The District uses a hybrid cost-market approach when valuing residential properties. The comparative unit, also known as the square-foot method, is used to develop a basic cost of a structure. Adjustments are then made for additional amenities on each individual property based upon characteristics that affect value in the market. The District's cost tables are based upon national cost data obtained from the Marshall Valuation Service. This national cost data is then appropriately adjusted to reflect current local labor and material costs. Market area adjustment factors are developed from appraisal statistics provided by ratio studies to ensure that estimated values reflect both the supply and demand side of the market in each specific neighborhood and subdivision. The following equation is the hybrid model used by the District:

$$MV = [LV * MAF] + [RCNLD * MAF]$$

In applying the calculations to the aforementioned model, District staff values the land as though vacant and adjusts accordingly with market adjustment factors (MAF). Staff also considers the land's highest and best use (with few exceptions as identified within the TPTC). The replacement cost new less depreciation (RCNLD) of the improvements is multiplied by the appropriate market adjustment factor (MAF) to arrive at a current improvement value. The current improvement value is then added to the land value (LV) to arrive at an estimated market value (MV). MAFs are applied uniformly within market areas to account for market preferences affecting value in each location throughout the District.

Residential land is appraised using the square foot or acreage method of appraisal. The individual method utilized in each neighborhood is designed to mirror the market in that area. As such, the chosen method for each individual neighborhood is selected based upon the way properties are being sold or based upon the method that best accounts for the perceived differences among the universe of properties. There are six accepted methods for land valuation; the comparable sales approach, allocation by abstraction, allocation by ratio, the capitalization of ground rent, land residual technique, and anticipated use / development method. The District utilizes elements from all of these land valuation methods depending upon market area and availability of market data. The District employs the allocation methods to establish land values in a neighborhood where vacant land sales are insufficient. Land value adjustments are made when uniformity standards are not realized or land-to-building ratios become disproportionate. The appraisers will develop and / or assign land tables to each market area. Land characteristic adjustments are applied to individual properties, as necessary, to adjust for such influences as view, shape, size, topography, and any other characteristics that affect value in a market area.

The sales used to determine the MAFs reflect the market influences and conditions for the specified market areas, thus producing more representative values. The MAF calculated for each market area is applied uniformly to all properties within that area. A second set of ratio study statistics is generated to compare the appraisal level and uniformity of values in the neighborhood.

Sales Comparison Approach

Property Appraisal and Assessment Administration (published by IAAO, 1990) indicates that in the absence of a confirmed sales price of the subject property, sales prices of comparable properties are considered as the best indicator to establish market value. The sales comparison approach reflects the market behavior by comparing the appraised property with comparable properties that have recently sold within the same or similar neighborhood. These comparable property's sales prices are then adjusted for differences to reflect the subject property's characteristics. Market value for the subject property is estimated from the adjusted sales prices of comparable properties.

At present, while appraising single family residential properties via mass appraisal techniques, the District does not develop market value estimates using the traditional sales comparison approach. The District's software package allows for the creation of sales comparison grids that facilitates adjustments for differences in characteristics. These sales grids are generated and utilized most frequently during the appeal process.

Income Approach

The income approach is based on the principle that the value of an investment property reflects the quality and quantity of the income it is expected to generate over its economic life. In other words, current market value is the estimated present value of future benefits. The appraiser must estimate the income a property is capable of generating, deduct allowable expenses, and convert the net operating income into an estimate of current market value. Under the income approach model the current market value is calculated by dividing the income by the capitalization rate as shown in the formula below:

$$\text{Value} = \text{Income} / \text{Rate}$$

The income approach is most suitable for property types that are purchased and held for the purpose of producing income, such as apartments, commercial buildings, and office buildings. This approach is not conducive in the valuation of single-family residential properties, as these properties are purchased for personal usage and therefore, neither routinely nor predictably generate an income stream.

Inventory Residential Property

Residential property (vacant or improved) held as inventory is appraised in compliance with TPTC Section 23.12 (a).

In general, the District uses its land value estimates and the actual itemized construction, labor, and material costs, plus other soft or indirect costs to estimate market value of the inventory as of the appraisal date. The market values of improved inventory are reviewed annually and inventory adjustments are updated when ownership transfers from the developer or builder.

Vacant residential lot inventory is valued using a discounted cash flow formula that considers value relative to the income or cash flow derived from the sale of the lots, an appropriate discount rate, and the amount of time it takes to sell the lots.

District staff mails residential inventory renditions to developers and builders. TPTC establishes the deadline to file a residential inventory application as April 15th. However, since there is penalty for developers or builders to render their inventory timely, most of the inventory discounts are applied as a result of an Appraisal Review Board (ARB) protest process.

Commercial and Multifamily Real Property

Cost Approach

The cost approach to value is applied using the comparative unit, or square foot method of estimating cost. The following is the basic model that the District utilizes when employing the cost approach:

$$MV = LV + RCNLD$$

Where MV = Market Value, LV = Land Value and RCNLD = Replacement Cost New less Depreciation. This methodology involves the use of national sources of cost data as well as actual cost information gathered from the local market whenever possible. Cost models utilized by the District are based on data obtained from Marshall & Swift Valuation Service. These costs include comparative base rates, per unit adjustments, and lump sum adjustments as appropriate and necessary to account for the specific factors affecting value. Time and location modifiers are applied as necessary to adjust cost data to reflect specific market conditions and changes in costs over a period of time. A cost estimate is generated by appraisal staff by applying cost schedules to the specific characteristics of the subject property.

Depreciation schedules are based on the expected economic life and present conditions of each major class of commercial property. These schedules are developed using data referenced in Marshall and Swift publications. These schedules are tested annually to ensure that they reflect the current market conditions in La Salle County. The actual and effective age of improvements are judged by an appraiser and recorded for future reference. Effective age of improvements is estimated based on their use, remaining economic life, present condition, and competitive position in the marketplace. These adjustments are generally determined during the mass appraisal process.

Adjustment factors such as external and / or functional obsolescence are applied to properties as needed, based on market data studies. Using these ratio studies and market data analysis, adjustment factors are established and applied to a specific property type or location. Accuracy in the development of the cost schedules, condition ratings, and depreciation schedules usually minimizes the necessity of these types of adjustment factors. The total depreciation, also expressed as the loss in value from all causes, is subtracted from the replacement cost new of the improvement to arrive at a replacement cost new less depreciation (RCNLD).

The cost approach requires the District to appraise land using one of the six acceptable methods of land valuation: the comparable sales approach, allocation by abstraction, allocation by ratio, the capitalization of ground rent, land residual technique, and anticipated use / development method. Once the land is appraised using the most appropriate method, the resulting land value is added to the RCNLD of the improvements to yield an estimate of market value via the cost approach. Any estimate of value computed by the cost approach is made in compliance with TPTC Section 23.011.

Sales Comparison Approach

Pertinent data from actual sales is obtained throughout the year and appraisal staff analyzes the information gathered. This data is utilized in all aspects of the appraisal process.

Sales of similar properties provide a basis for the test of depreciation schedules used in the cost approach, rates and multipliers used in the income approach, and as a direct comparison in the sales comparable approach. Sales data is also used in ratio studies, which provides the appraiser a means of judging the present appraisal level and uniformity of the appraised values. The ratio studies conducted on commercial properties are in compliance with the current IAAO Standard on Ratio Studies.

In compliance with TPTC Section 23.013, market data is gathered and analyzed by appraisal staff. The cost and income models are calibrated annually and applied to all commercial properties in the District as appropriate.

Income Approach

The income approach to value is applied to real property that is typically viewed by market participants as income producing. Thus, the price paid for a property is directly related to the amount of income the property is capable of producing. Commercial appraisal staff utilizes income and expense data furnished by property owners, data collected by staff, and information from local market study publications. Income models by property use and market area are developed for use in valuation.

The following model is the basis for commercial property valuation by the income approach:

$$\text{PGR} - \text{V \& C} = \text{EGR}$$

$$\text{EGR} + \text{SI} = \text{EGI}$$

$$\text{EGI} - (\text{Allowable EXP} + \text{Reserves for Replacement}) = \text{NOI}$$

$$\text{NOI} / \text{Capitalization Rate} = \text{Estimate of Value}$$

This income model is the process of capitalizing Net Operating Income (NOI) to an estimate of value, known as Direct Capitalization, and is used in the above income approach model.

The process involves estimating the Potential Gross Rent (PGR) of the subject property under prudent management. Market derived vacancy and collection (V&C) losses are subtracted from PGR to arrive at Effective Gross Rent (EGR). Any Secondary Income (SI) from other sources within the property such as; vending machines, laundry equipment, parking space fees, etc. are added to the EGR to yield an estimate of Effective Gross Income (EGI). Allowable expenses (EXP) and reserves for replacement are then subtracted from the EGI to yield Net Operating Income (NOI).

Allowable expenses (EXP) are the annual expenses necessary to operate the property effectively to achieve the projected level of EGI. These expenses vary by property type and are researched by the commercial appraisal staff. Reserves for replacement are estimated by amortizing the cost of replacing building components whose economic lives are shorter than overall economic life of the improvement (carpets, roof cover, air conditioning, etc.). Generally, these reserves are calculated by either dividing the replacement cost new of the item by its economic life, a flat reserve amount per unit justified by the market, or a percentage of EGI; whichever is deemed appropriate.

The resulting NOI is then divided by a capitalization rate to convert the income stream into an estimate of market value. Capitalization rates vary by property types, location, quality, condition, design, age, etc. Capitalization rates are derived from the market using one of the following methods; summation method, band-of-investment method, or debt coverage ratio method. These capitalization rates can also be obtained from published sources for similar properties.

In valuing property via the income approach, the District considers the income characteristics of all properties as data becomes available. Adjustments are made as necessary and the models, schedules, and value indications developed are made in compliance with TPTC, Section 23.012.

Utilities, Railroads, And Pipelines

The La Salle County Appraisal District contracts an appraisal firm with the expertise necessary for the valuation of utility, railroad, and pipeline properties. These properties are reappraised annually by the firm using recognized methods and techniques as required by the Uniform Standards of Professional Appraisal Practice. The appraisal models considered in the valuation of these properties are:

MV = RCNLD

And

Allocated Unit Appraisal

Values produced by these models are selected based upon the method that is deemed most appropriate by property type; and the property value is then allocated to the taxing entities.

The appraisal firm considers all factors affecting value, conducts physical inspections as necessary, researches information from published sources, and receives copies of renditions from property owners in the development of their appraisal. Based on the information gathered in these processes, data characteristics of these properties are updated annually in compliance with TPTC requirements.

Mineral Interests

The La Salle County Appraisal District contracts an appraisal firm with the expertise necessary for the appraisal of oil and gas properties. The appraisal firm reappraises these properties annually.

The appraisal firm utilizes a form of yield capitalization of the income approach called Discounted Cash Flow (DCF) analysis in order to accurately value these interests. The factors affecting the value of mineral interests include reserve estimates, production volume and pattern, product prices, operator expenses, and the discount rates applied to discount future income into an indication of present worth.

The subsurface nature of mineral reserves makes physical inspection unfeasible to collect data. The appraisal firm thus collects data from the Texas Railroad Commission, Comptroller of Public Accounts, renditions from owners, published sources, and data services to identify characteristics affecting value. All of the information gathered is considered while estimating the value of mineral interests.

Special Valuation Properties

The La Salle County Appraisal District appraises agricultural and wildlife management land in compliance with the Comptroller's Manual for the Appraisal of Agricultural Land. This manual prescribes that the cash lease and the share lease appraisal methods are most appropriate when developing productivity value estimates.

The cash lease method is a modified income approach method using the lease amount (income per acre) minus expenses of the land owner to yield the "net-to-land" value per acre. "Net-to-land" values are averaged for a five-year period to give an average "net-to-land" factor that is then divided by an appropriate capitalization rate for the year to give a value per class of agricultural production. These classes are determined from field inspections, applications, and agricultural activity. Agricultural appraisal staff collects lease data from owners and lessees on an ongoing basis in order to develop "net-to-land" figures by agricultural classification.

Business and Industrial Tangible Personal Property

Business and Industrial Personal Property is appraised each year by the District appraisal staff. The District identifies new businesses to be added to the roll, processes relocated and closed businesses, and reviews property characteristics through field inspections. Once pertinent data is updated in the system, property rendition forms are mailed to owners to allow them to declare their taxable personal property in compliance with State law. The information obtained from renditions is utilized by the District to develop an estimate of market value. Generally, estimates of value developed for industrial and personal property are produced by early May of each appraisal year. The appraisal notices for these property types are mailed mid-May for each year.

Cost Approach

The cost approach method is most appropriate to appraise business and industrial personal property. Beginning with Appraisal Year 2020, cost schedules (models) will be developed, updated, and maintained annually by District staff, using actual cost data obtained from renditions. These schedules reflect a replacement cost new (RCN) per applicable unit for a specific category of assets and are applied to businesses based on a Standard Industrial Classification (SIC) code system. The schedules are tested in accordance with the accepted methods and techniques and revised as needed.

The schedules are used specifically to estimate the value of new accounts for which the property owner failed to file the rendition. Furthermore, schedules are also utilized to test renditions filed by property owners and / or their agents. In the event property rendition information deviates significantly from the schedule, further review of the property may be conducted.

Beginning with Appraisal Year 2020, depreciation schedules for furniture, fixtures, and equipment will be developed by District staff in accordance with Marshall and Swift and State Schedules and used to ensure that estimated values are uniform and consistent with the market. RCN and depreciation factors are utilized to develop value estimates using the following formula:

$$MV = RCN \times \text{Depreciation Factor}$$

Leased equipment and multi-location assets are also valued using original costs and depreciation schedules mentioned above.

Inventory is always appraised at cost; however typical depreciation for shrinkage and obsolescence can be applied upon request once reviewed and approved.

Sales Comparison Approach

Business personal property is typically sold as part of the overall business, which makes this approach less suitable for valuing furniture, fixtures, equipment, and inventory. This approach is generally suitable for the valuation of certain types of vehicles and heavy equipment based on data derived from recognized sources such as NADA and Infonation. All personal property sales are considered, and appropriate weight is given based upon the individual characteristics of a property.

Income Approach

Considering the difficulty in estimating future net benefits, the income approach has limited use in the appraisal of machinery, equipment, furniture, fixtures, and leasehold improvements, with the exception of leased equipment. If reliable data on equipment leases is available, the income approach may be used to estimate the fair market value of the equipment.

Mass Appraisal Report

This reappraisal plan specifies the scope of work planned by the La Salle County Appraisal District in order to develop the appraisal roll for the 2019 – 2020 appraisal years. For each appraisal year the District prepares the Mass Appraisal Report, as required by USPAP, which gets 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 complies with STANDARD 6 of the Uniform Standards of Professional Appraisal Practice, and the signed certification by the Chief Appraiser complies with STANDARD RULE 6-3 of USPAP.

Value Defense

The appeals process starts with the mailing of notices of appraised value to property owners. The property owner has the right to appeal any item on the notice. Once an appeal is filed with the District, a case number is assigned and is scheduled for a formal hearing before the Appraisal Review Board (ARB). District staff is assigned the case and prepares the evidence packet supporting the appraisal. Staff contacts the property owner requesting an informal visit prior to the formal hearing date.

During the informal meeting, the property owner presents their concerns over the property under appeal. The owner reviews the property characteristics such as living area, lot size, improvement quality, and condition with staff, and District staff in turn considers the owner's data, if provided, and discusses the packet in support of appraisal. The property owner may elect to proceed to a formal hearing, settle the appeal based on value adjustment and / or withdraw the appeal without any change in value.

If the property owner elects to appear before the ARB, the setting at the hearing is considered informal and amicable in nature. The property owner is allowed to present evidence, and the District will present their evidence. The ARB makes a determination based on the evidence presented concluding the formal hearing.

Pursuant to TPTC Section 41.43, the appraisal district has the burden of establishing market value of the property by a preponderance of the evidence. 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 (ARB) hearings is identified and tested.

Depending on the type of property under protest, different types of evidence are used by the District during informal and formal hearings. Additionally, the District updates the types of evidence provided to an owner, agent, and / or the Appraisal Review Board (ARB) to be in compliance with the valuation procedures utilized. Some examples of the evidence that may be used include, but are not limited to:

1. Limited property sales information in support of value defense
2. Summaries/Conclusions of sales analysis
3. Property sales adjustment grids
4. Property equity adjustment grids
5. Gross Rent / Income Multiplier data
6. Pro forma and actual income data
7. Property characteristics data including photos as applicable
8. Aerial photography
9. Cost approach reports as applicable
10. Property renditions as applicable
11. Published reports regarding cost, market, or income data
12. Schedules and / or models utilized
13. Any other non-confidential information collected by the District

Summary

The 2019-2020 Reappraisal Plan identifies the District's scope of responsibilities, reappraisal cycles, procedures and processes to meet the District's annual appraisal requirements.

Disclaimer: *Failure to identify a process or a property type within this report does not prevent, nullify, limit or affect the District's scope and procedure to appraise the property. This plan is subject to updates and modifications as needed. Any modification necessary prior to the end of appraisal year 2020 will be reported to the Board of Directors at the next scheduled meeting date.*

Below is a list of activities identified within this report that the District will be performing in the mass appraisal process for the 2019 and 2020 appraisal years.

- All properties are appraised at market value
- Inspect properties with building permits
- Inspect new subdivisions
- Inspect areas identified for annual inspection
- Update property characteristics within 3-yr cycle
- Analyze the real estate market annually
- Perform ratio studies (September, February, March)
- Test and update appraisal schedules
- Reappraise problematic areas identified
- Update appraisal value to reflect current market
- Process renditions and agricultural use applications
- Identify and appraise new businesses

Limiting Conditions

The appraised value estimates provided by the La Salle County Appraisal District are subject to the following conditions:

- The appraisals are prepared exclusively for ad valorem tax purposes.
- The property characteristics data upon which the appraisals are based are assumed to be correct and are updated based on this reappraisal plan.
- Sales transaction validations are attempted; however, sales data is obtained through different sources and is considered reliable.
- Mass appraisal involves the division of tasks therefore significant mass appraisal assistance will be provided by departmental appraisal staff identified within this report

Certification Statement

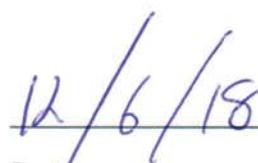
This amended reappraisal plan complies with Section 25.18 of the Texas Property Tax Code and with Standard 6 of the Uniform Standards of Professional Appraisal Practice.

I, Robert J. Peregoy, Deputy Chief Appraiser for the La Salle County Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by department staff, which has been included in this reappraisal plan to the best of my knowledge and belief.



Robert J. Peregoy, PHR, SHRM-CP, RPA

Deputy Chief Appraiser



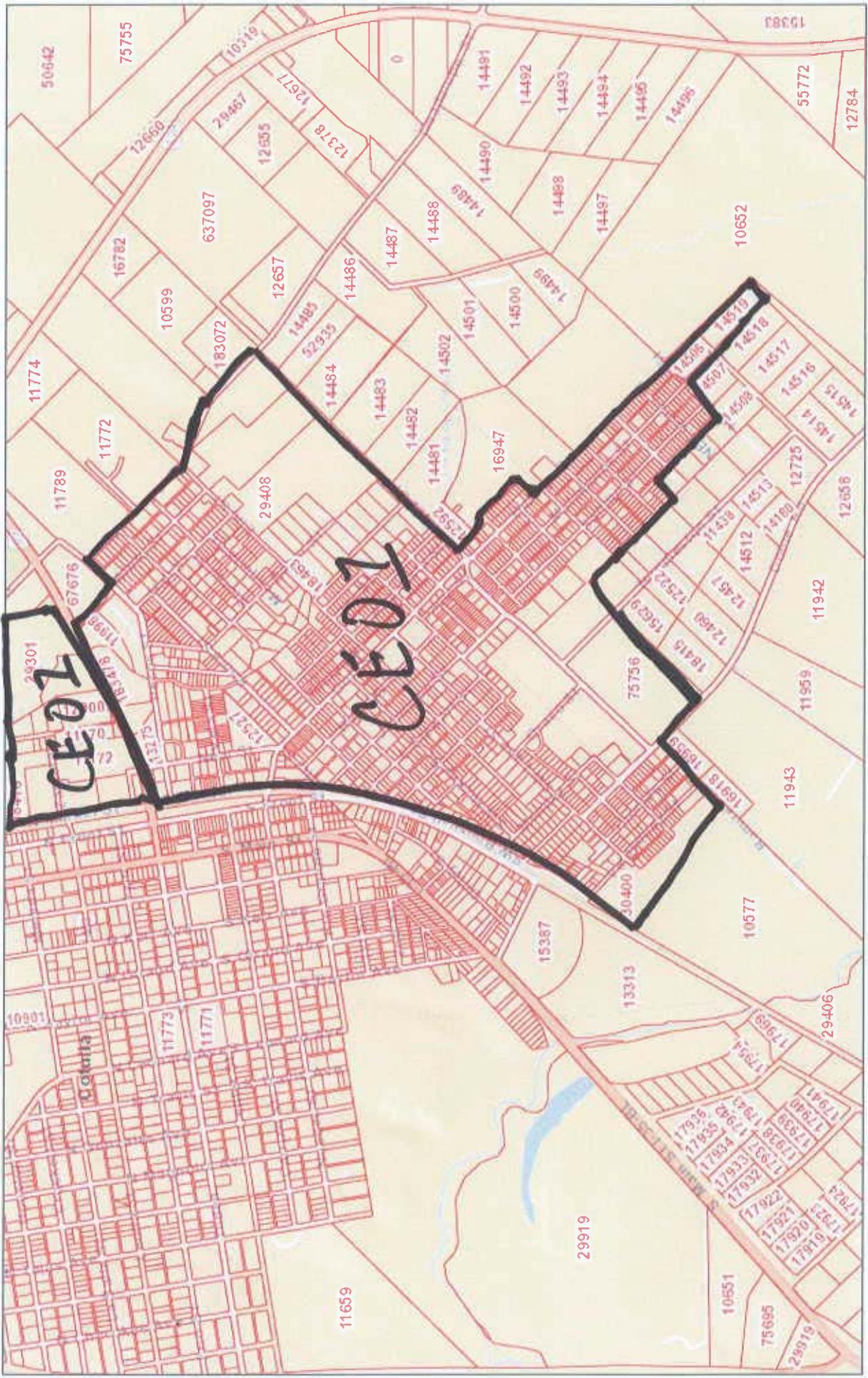
Date

LA SALLE COUNTY APPRaisal DISTRICT



Exhibit A - Maps of Target Appraisal Areas

Cotulla East (CE01)



December 6, 2018

Parcels

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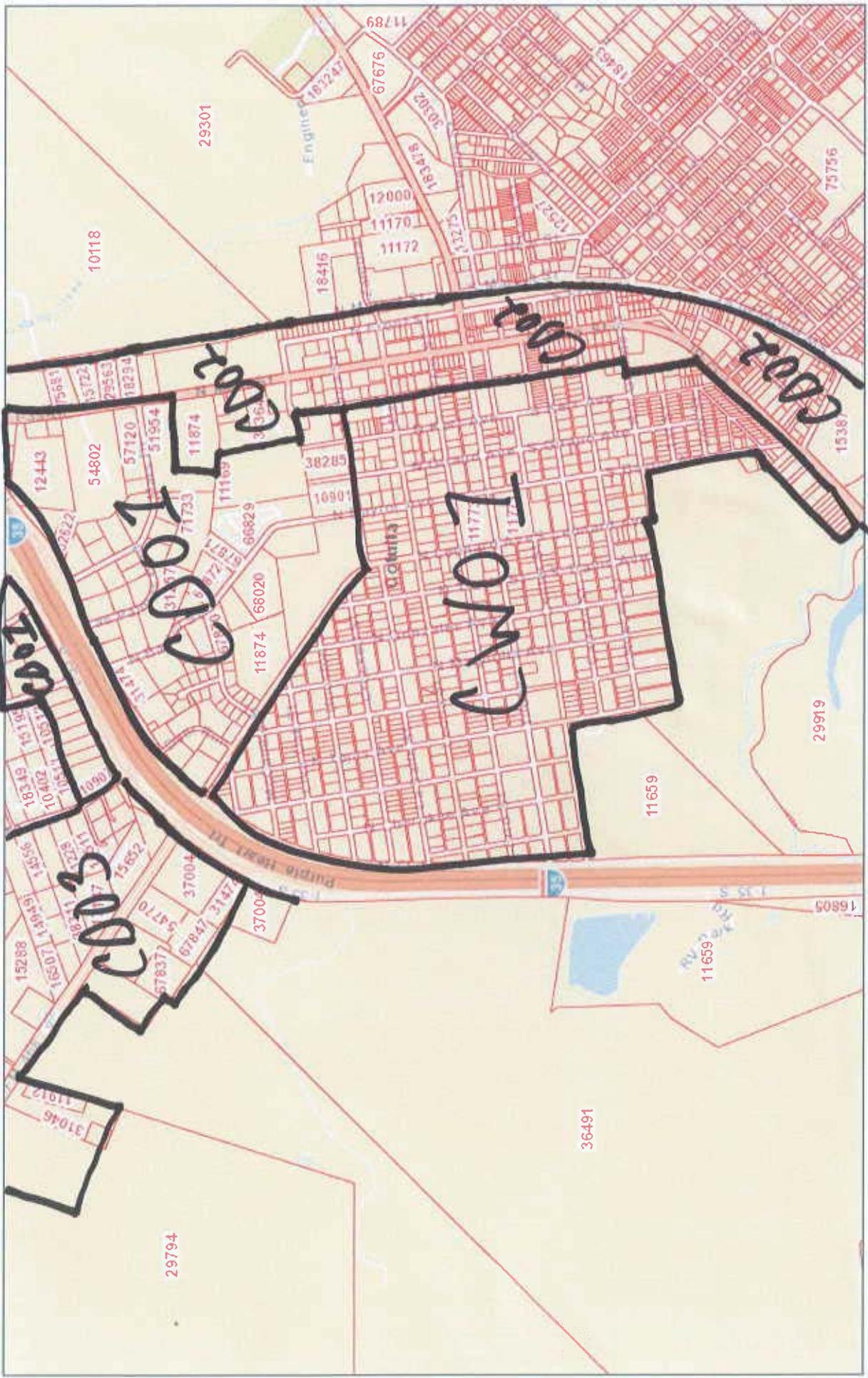
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0 0.15 0.25 0.3 0.4 0.5 0.6 mi
0 0.25 0.5 1 km

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand).

LaSalle Central Appraisal District; BIS Consulting - www.bisconsultants.com
Esri, HERE, Garmin, INCREMENT P, NGA, USGS | Esri, HERE |

Cotulla West #1 (CW01)



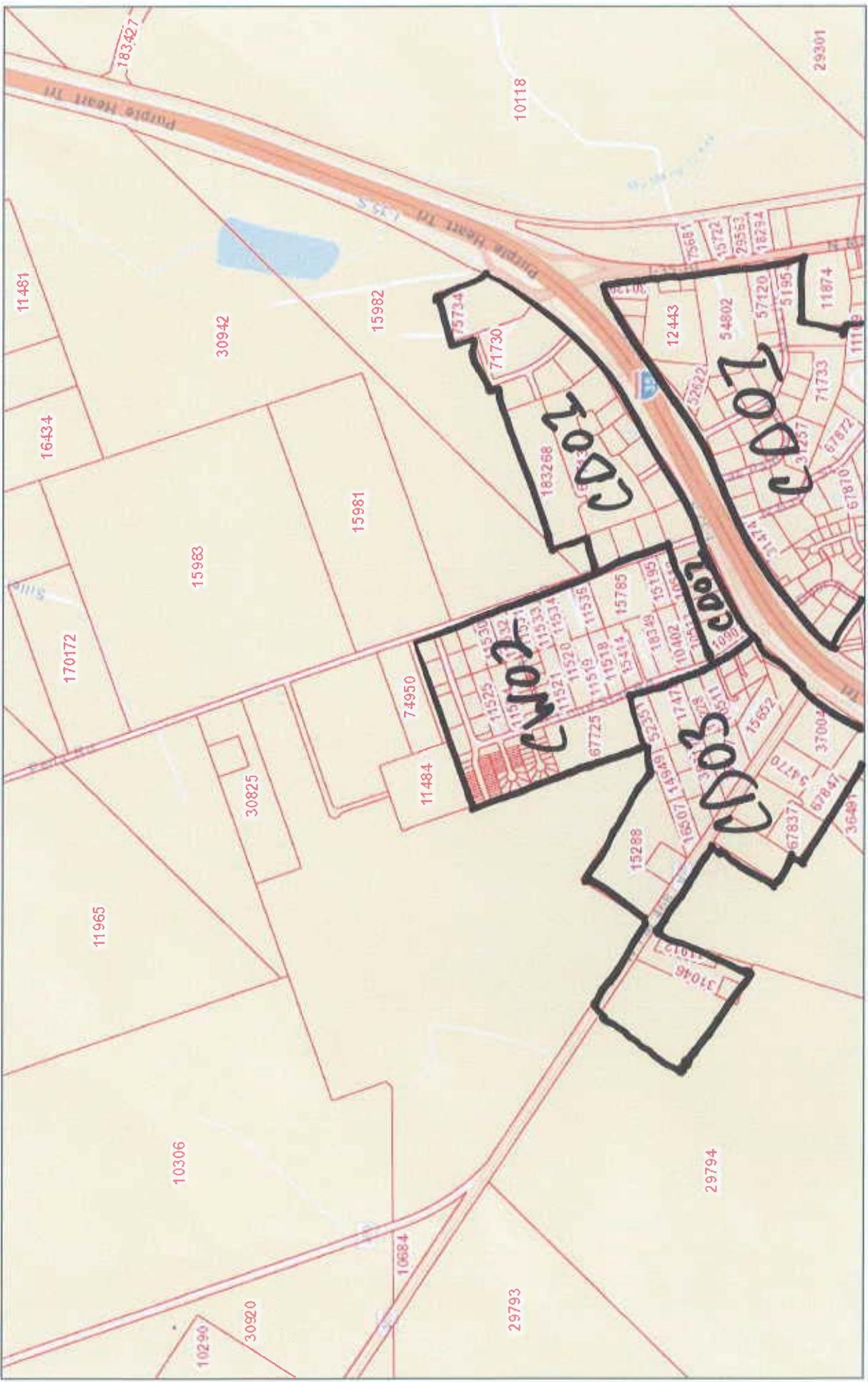
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0 0.25 0.5 1 km

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCAN, Esri Japan, MEI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),

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Cotulla West #2 (CW02)



December 6, 2018

Parcels

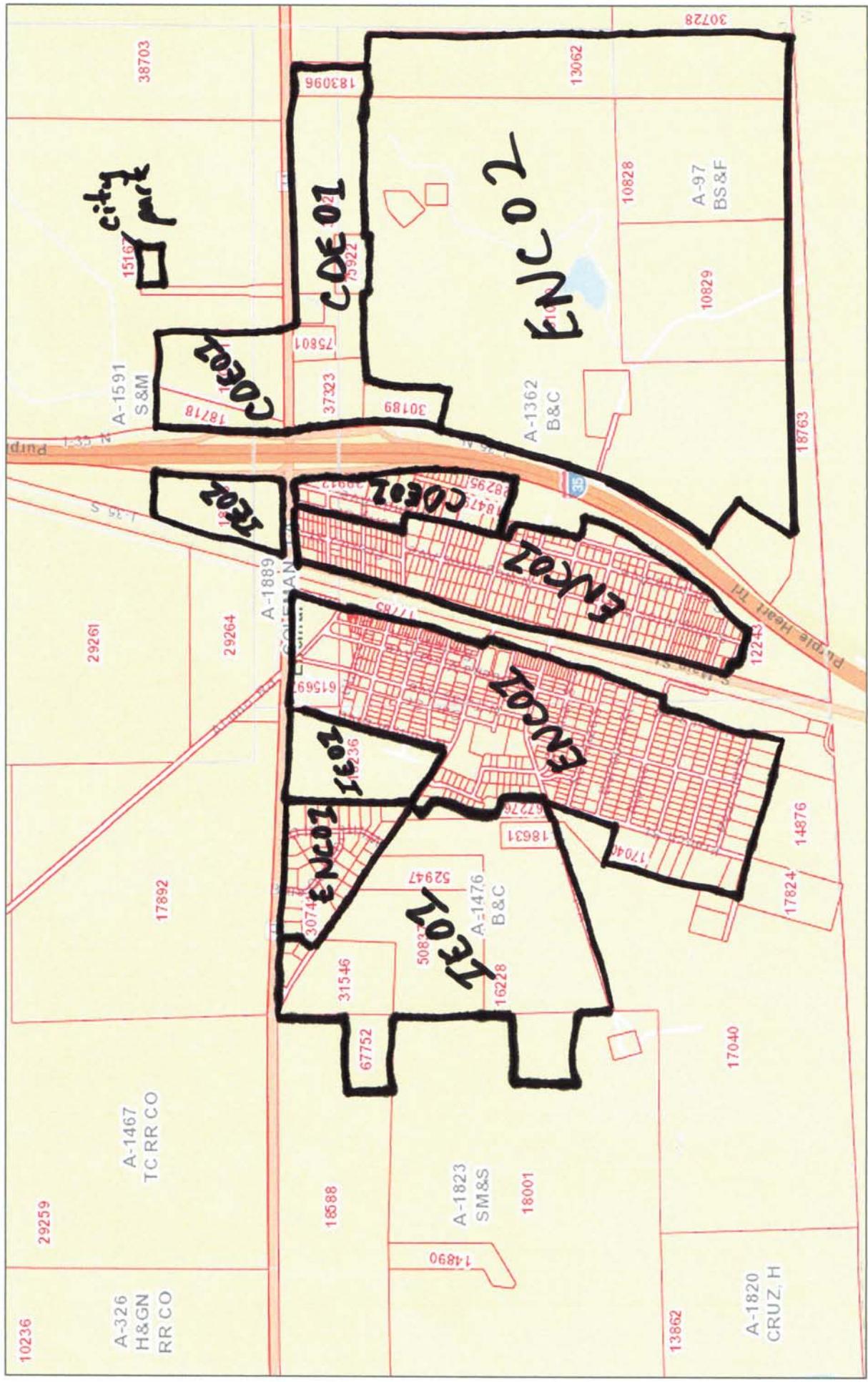
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A horizontal number line representing distance in miles. The line starts at 0 and ends at 0.6 mi. It is marked with tick marks every 0.05 mi, starting from 0.00 and ending at 0.60. The labels 0, 0.15, 0.3, 0.45, and 0.6 mi are placed above the line.

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI Esri China (Hong Kong), Esri Korea Esri (Thailand)

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Encinal



December 12, 2018

- Parcels
- Abstracts

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1:18,056
0 0.15 0.3 0.5 0.6 mi
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Sources: Esri, HERE, Garmin, USGS, Intertop, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand).

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Esri, HERE | Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

Gardendale (GAR01)



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December 6, 2018

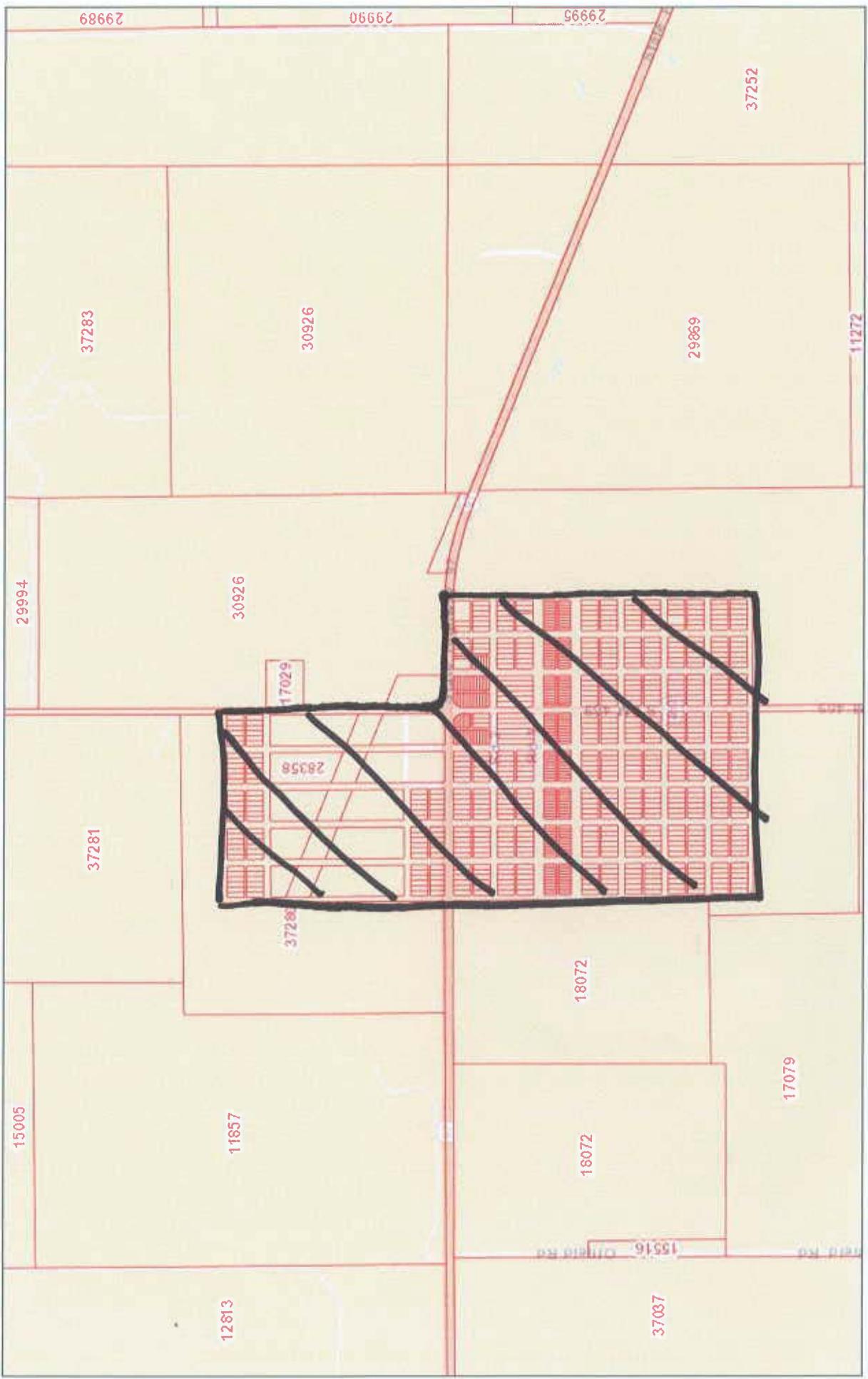
Parcels

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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand).

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Los Angeles (LA01)



December 6, 2018

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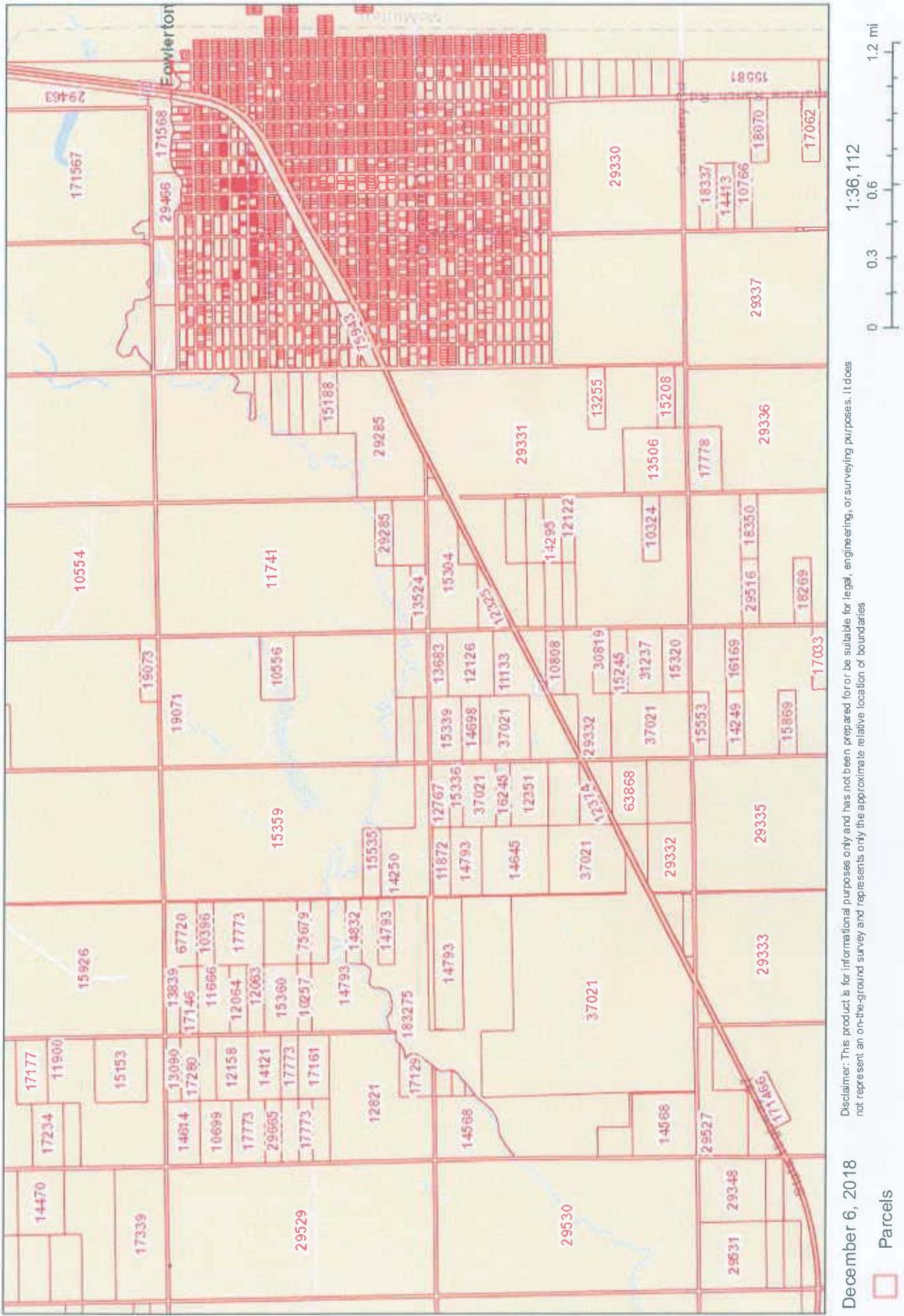


0 0.15 0.3 0.45 0.6 mi
0 0.25 0.5 1 km

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), LaSalle Central Appraisal District, BIS Consulting - www.bisconsultants.com

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Fowlerton (FOW01)



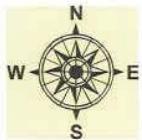
December 6, 2018

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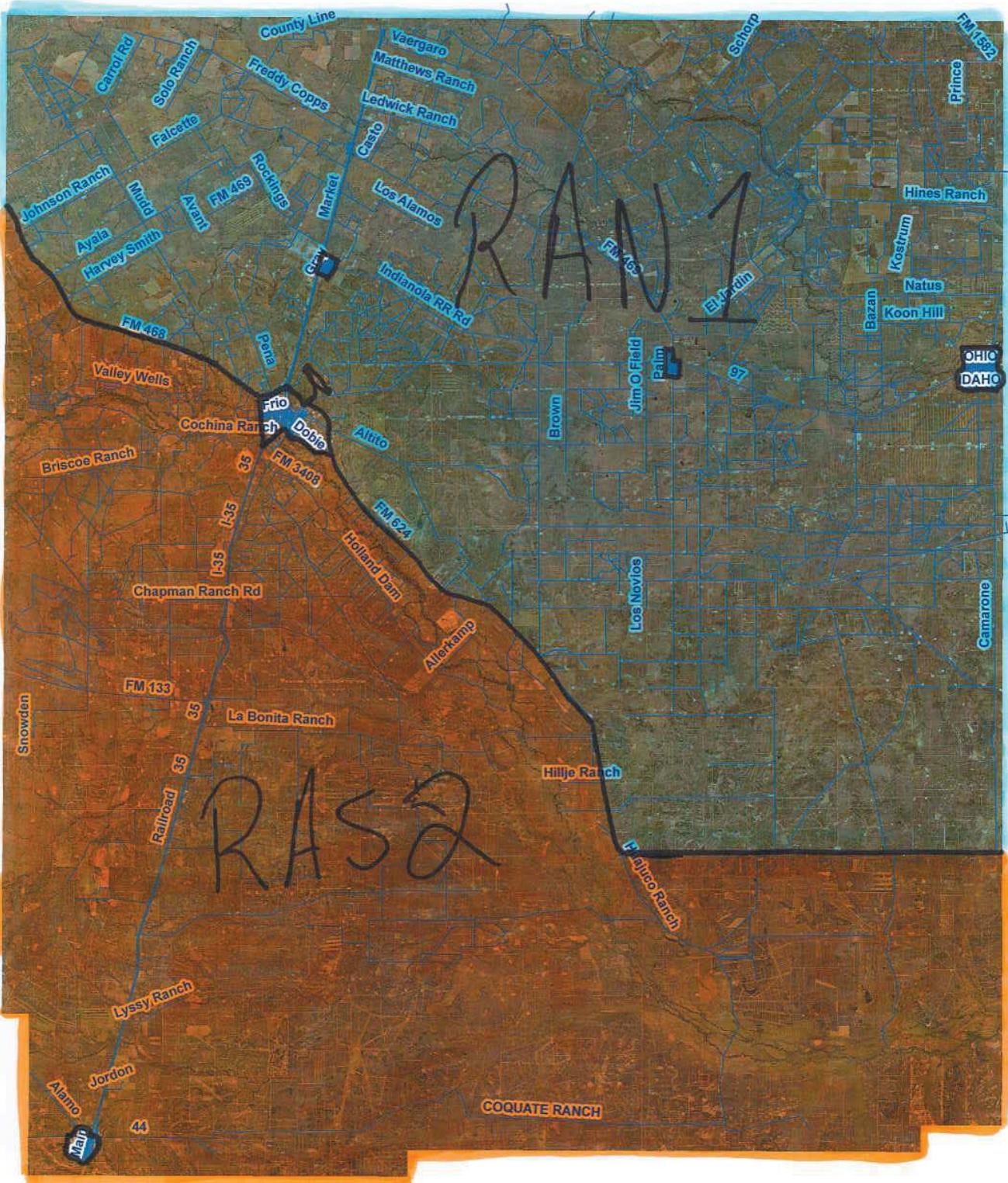
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Esri HERE, Garmin, INCREMENT P, NGA, USGS | Esri, HERE |



La Salle County

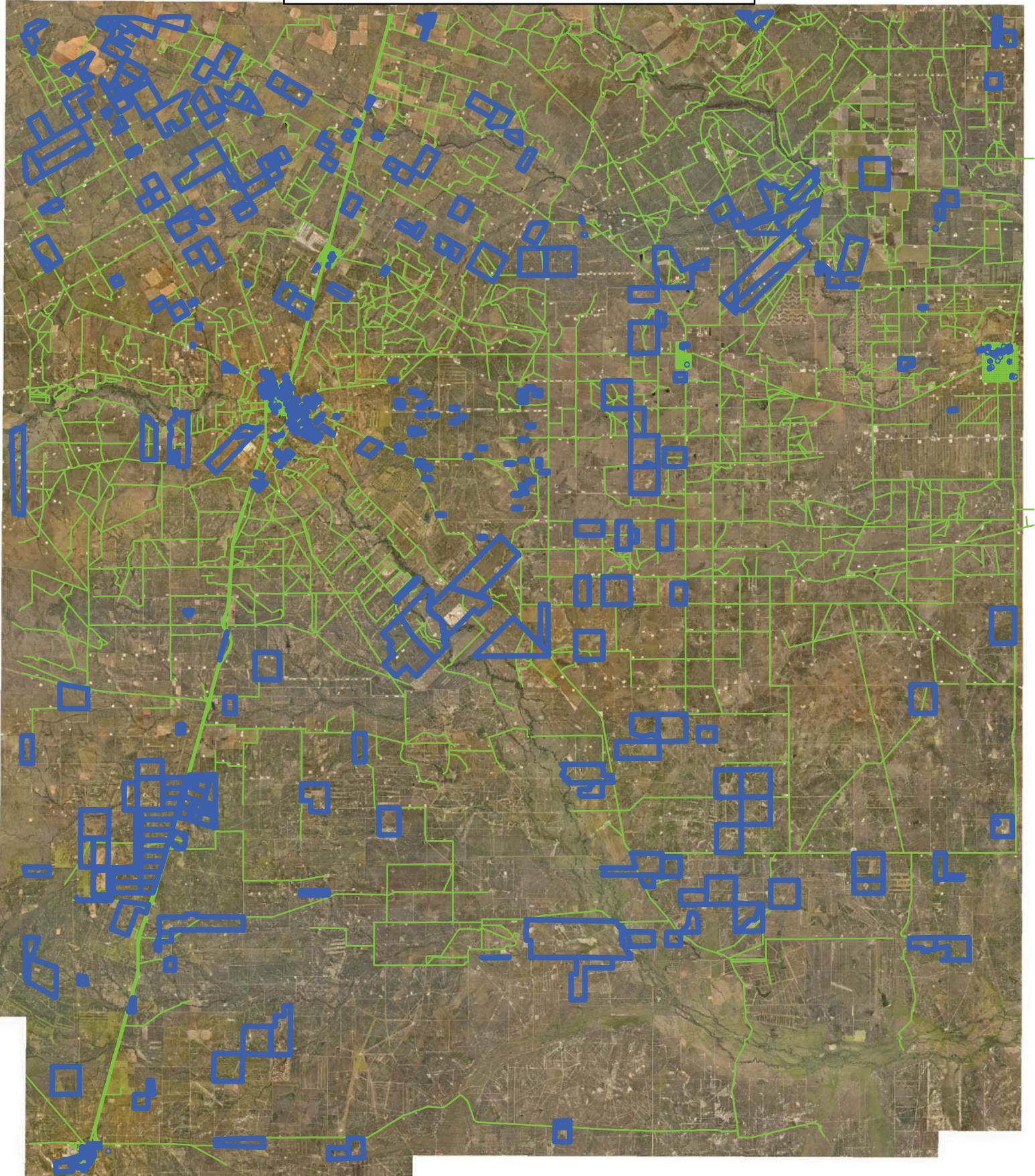
1 inch = 18,926 feet

Note: Aerials as of Dec 2016



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Map Showing Accts with Flat Value for Land



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Drafted By: RAVINDER RAWAT
Date: 11/9/2018
Note: Aerials (December 2016 - January 2017)

NOT TO SCALE



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Map Showing Accts with Flat Value for Land and Land Value Inequality Issue



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Map Showing Price per sq ft for Land Value - Inequality Issue



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Map Showing Land Value with Zero sq ft



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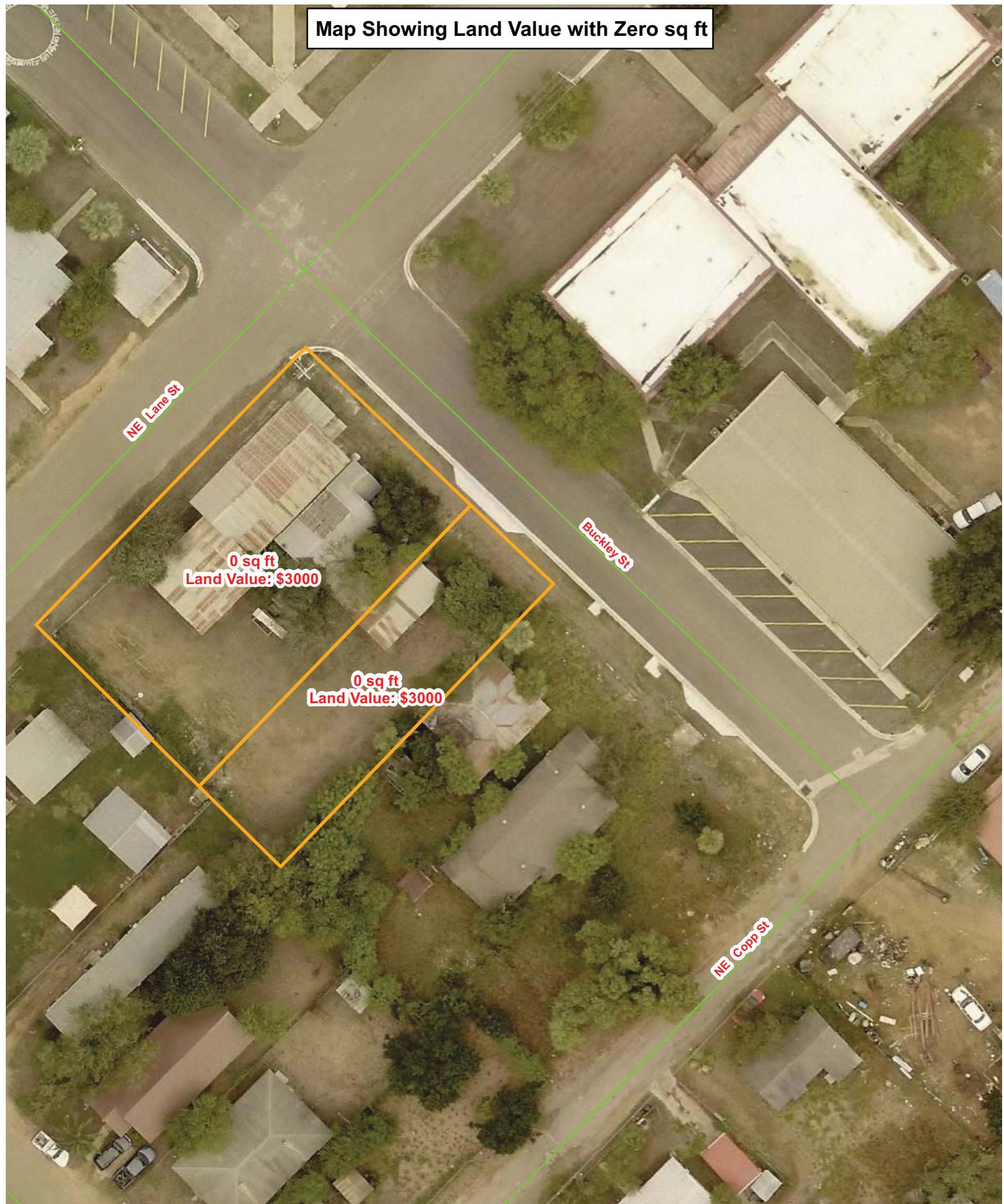
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Map Showing Land Value with Zero sq ft



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Map Showing PACS Land Sq ft versus GIS Sq Ft



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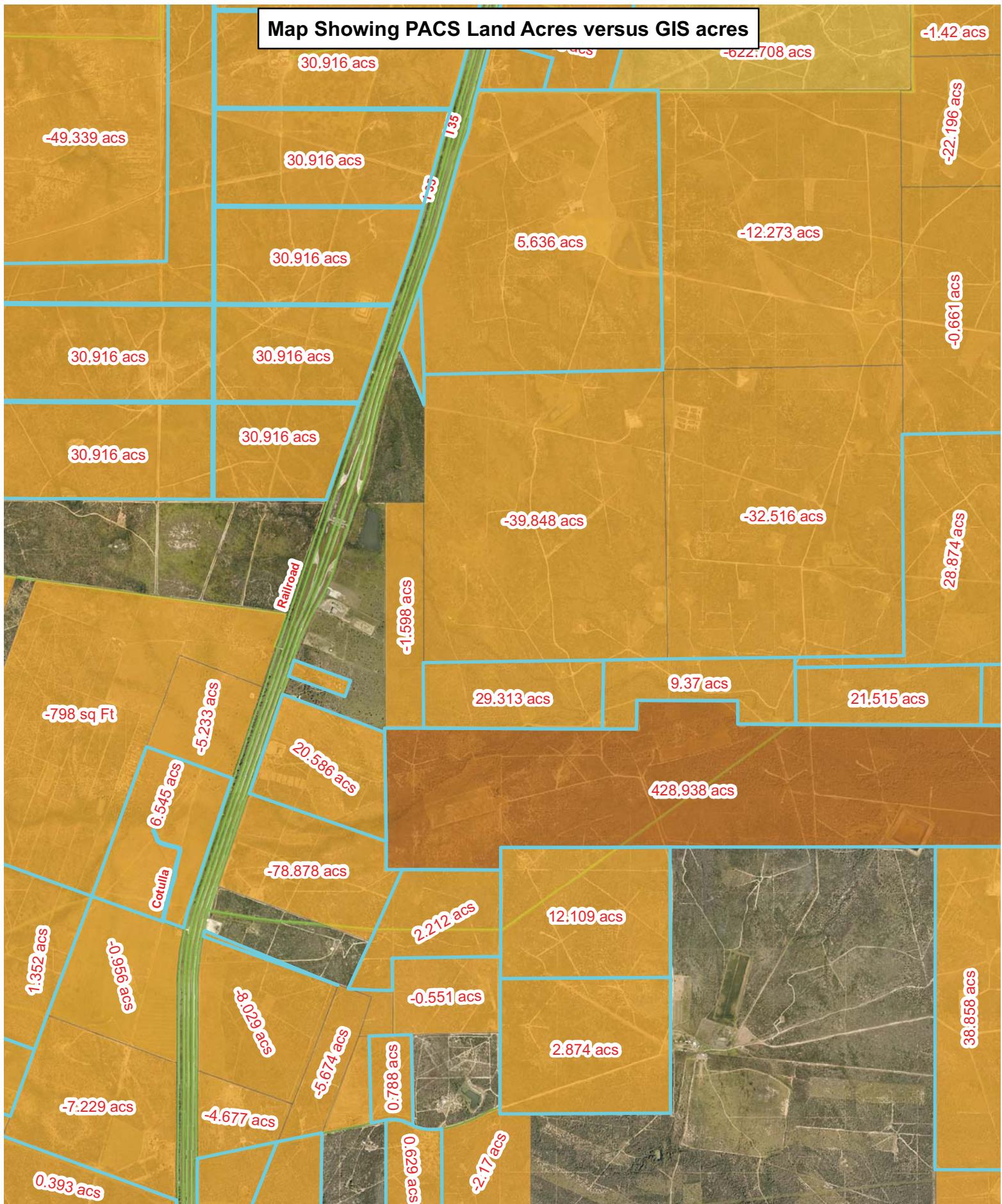
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Map Showing PACS Land Acres versus GIS acres



Map Showing PACS Imp Value with Zero sqft Main Living Area



La Salle County Appraisal District
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Drafted By: RAVINDER RAWAT
Date: 11/13/2018
Note: Aerials (December 2016 - January 2017)

NOT TO SCALE



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Map Showing PACS Imp Value with 0 Main Living Area

IMP Value: \$ 203,920
Main Area: 0sq ft

IMP Value: \$ 5,990
Main Area: 0sq ft

IMP Value: \$ 38,410
Main Area: 0sq ft

IMP Value: \$ 77,800
Main Area: 0sq ft

IMP Value: \$ 158,620
Main Area: 0sq ft

IMP Value: \$ 13,400
Main Area: 0sq ft

IMP Value: \$ 56,150
Main Area: 0sq ft

IMP Value: \$ 50
Main Area: 0sq ft

IMP Value: \$ 55,280
Main Area: 0sq ft

IMP Value: \$ 8,260
Main Area: 0sq ft

North St

S Main St

Tilden St

STHY 97

N Front St

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Map Showing Ag Designated Land with Possible Rollback



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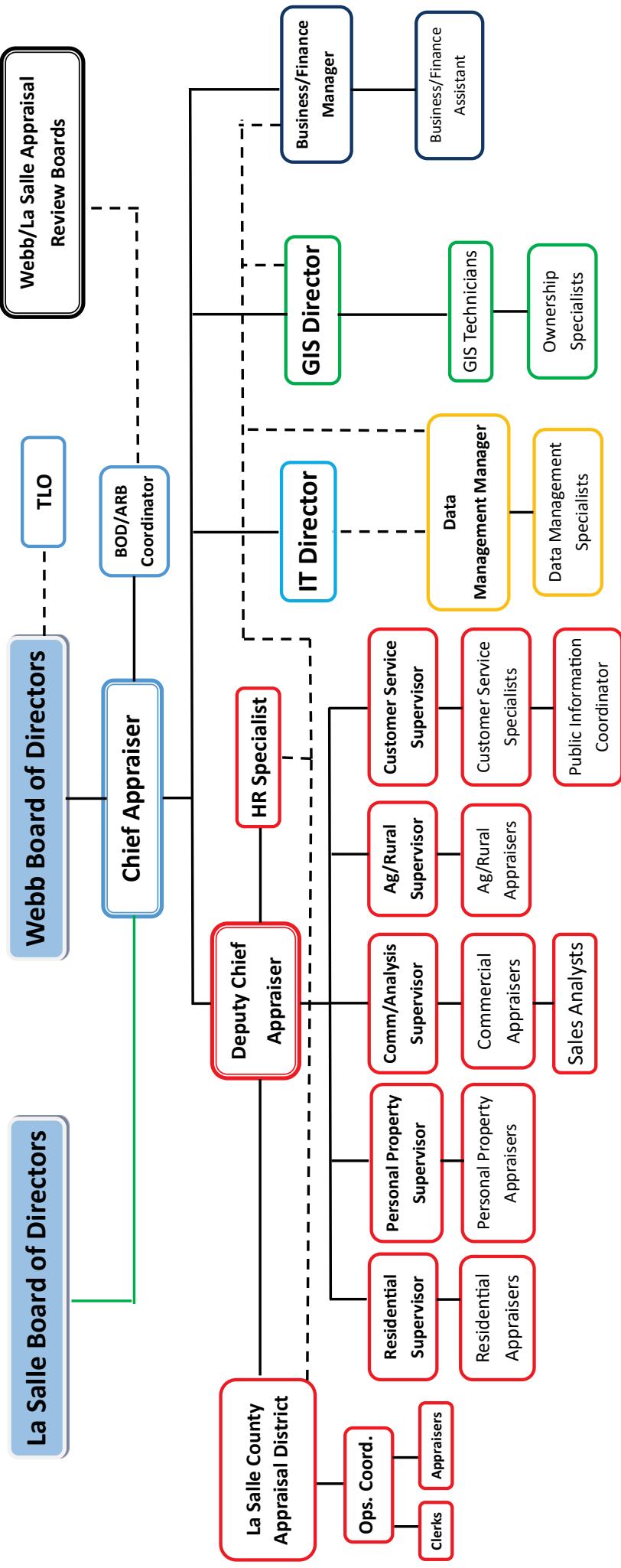
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LA SALLE COUNTY APPRaisal DISTRICT



Exhibit B - Organizational Chart

Webb County Appraisal District / La Salle County Appraisal District Organizational Chart



LA SALLE COUNTY APPRaisal DISTRICT



Exhibit C - MAP Reviews

La Salle CAD 2018 Preliminary Recommendations

QUESTION	REASON FOR RECOMMENDATION	REMEDY
Mandatory 2 - Step 5. Did the appraisal district board of directors provide notice of and host a public hearing for the 2017-18 reappraisal plan by September 15, 2016 or the 2019-20 reappraisal plan by September 15, 2018 pursuant to Tax code Section 6.05(i)?	Documentation to show that the BOD notified the entities was not presented during onsite visit.	See Question 7
Mandatory 3 - Step 5. Does the appraisal district have Yes or Not Applicable answers to the question relating to appraisal cards as required by Comptroller Rule 9.3001?	Question 50 - NO	See Question 50
Mandatory 4 - Step 1. Are the inspection dates in the appraisal records more than six years old?	Two accounts in the sample selection did not have inspection dates within the previous 6 years.	See Question 49

Mandatory 4 - Step 2. Do the MAP reviewer calculated values match the appraisal district values?	<p>Some of the accounts in the sample do not match reviewer calculated values.</p> <p>ACCT 11239 - FLAT VALUED AT \$100. CAD DOES NOT HAVE SIZE OF LOT ON CAMA SYSTEM. NO PICTURES, NO APPRAISER NOTES, NO INSPECTION DATE. STAFF MEASURED LOT ON AERIAL FOR AN ESTIMATE OF DIMENSIONS - PROPERTY IS APPROXIMATELY 10 ACRES.</p> <p>ACCT 15418 - WAS A PERSONAL PROPERTY ACCOUNT. SHOULD HAVE BEEN A REAL PROPERTY ACCOUNT. LAND VALUE FLAT VALUED AT \$0, ERRONEOUSLY, THE LAND IS CODED "CVB" WHICH IS AN OLD CONVERSION CODE THAT IS NO LONGER UTILIZED. NO SEPARATE LAND ACCOUNT PER STAFF</p>	<p>Will change when a new sample is pulled and reviewer calculated values match district values</p> <p>Provide appraisal cards from sample selection</p>
Mandatory 4 - Step 4. Does the variance of five or fewer properties exceed 10 percent?	<p>Some of the accounts in the sample do not match reviewer calculated values.</p>	<p>Provide appraisal cards from sample selection</p>
Governance 7. Did the appraisal district board of directors provide notice of and host a public hearing for the 2017-18 reappraisal plan by September 15, 2016 or the 2019-20 reappraisal plan by September 15, 2018 pursuant to Tax Code Section 6.05(i)?	<p>Documentation to show that the BOD notified the entities was not presented during onsite visit.</p>	<p>Deliver notices of the public hearing to consider the reappraisal plan as required by Tax Code Section 6.05(i). Provide most recent notice of the public hearing to approve reappraisal plan</p>

Governance 10. Did the appraisal district board of directors provide notice of and host a public hearing for the most recent budget and approve a budget before September 15 according to the requirements of Tax Code Section 6.06(b)?	Letter or email send to notify the entities of the most recent budget meeting was not presented during the onsite visit.	Deliver notices of the public hearing to consider the proposed budget as required by Tax Code Section 6.06(b).
Governance 11. Has the chief appraiser appointed a qualified agricultural appraisal advisory board and has that board met at least once within the previous year, as required by Tax Code Section 6.12?	Date of most recent Ag Advisory Board Meeting not presented during onsite visit.	Ensure that the agricultural appraisal advisory board meets at least once per year as required by Tax Code Section 6.12. Provide meeting minutes for the most recent agricultural advisory board meeting if available, or provide documentation showing the date of the most recent ag advisory board meeting,
Governance 12. Did the appraisal district deliver a copy of the CADs most recent financial audit report to each taxing unit as described in Tax Code Section 6.063(b)?	Documentation that the audit was given to each taxing unit was not presented during onsite visit.	Deliver the financial audit to the governing body of each taxing unit as required by Tax Code Section 6.063(b).
Governance 13. Do the current appraisal district board of director members meet the criteria listed in Tax Code Section 6.03(a) and 6.035(a)(2)?	One of the members of the Board of Directors owed taxes at the time of the onsite inspection.	Ensure BOD members are qualified to serve on the Board of Directors in accordance with Tax Code Section 6.03(a). Provide names of current members of Board of Directors, and documentation to show that delinquent taxes are not owed.

Governance 15. Are allocation statements sent to each taxing unit as described in Tax Code Section 6.06(e)?	Entities did not make all payments timely. CAD did not apply penalty and interest to delinquent payments.	Ensure allocations statements are sent to each taxing unit at the first day of the last month of each quarter for the next quarterly payment. Ensure penalty and interest is applied to delinquent tax payments if not waived per Tax Code Section 6.06(k).
Operating Procedures 31. Did the chief appraiser prepare and certify the two most recent appraisal rolls to the assessor for each taxing unit participating in the district as described in Tax Code Section 26.01(a)?	Copy of the written notification that was sent to the entities of the form in which the appraisal roll will be delivered not presented during onsite visit.	Ensure that written notifications of the form in which the appraisal roll will be provided are sent to the assessors of each taxing unit participating in the appraisal district by the date listed in Tax Code Section 26.01(a).
Operating Procedures 32. For changes made to the appraisal roll under Tax Code Section 25.25, are the changes coded by the appropriate subsection that authorizes the change?	THE CAD IS CURRENTLY CHANGING CAMA SYSTEM AND SOME INFORMATION DID NOT TRANSFER. List of appraisal roll changes not presented during onsite visit.	Code appraisal roll changes in accordance with the section of the code that authorizes the change. Provide listing of appraisal roll changes for the previous two years.
Operating Procedures 33. Are corrections of the appraisal roll presented to the appraisal district's board of directors and appraisal review board as described in Tax Code Section 25.25(b)?	THE CAD IS CURRENTLY CHANGING CAMA SYSTEM AND SOME INFORMATION DID NOT TRANSFER. List of appraisal roll changes not presented during onsite visit.	Present corrections of the appraisal roll that decrease the tax liability of property owners to the appraisal review board and board of directors as required by Tax Code Section 25.25(b). Provide board of directors' meeting minutes for the previous two years.

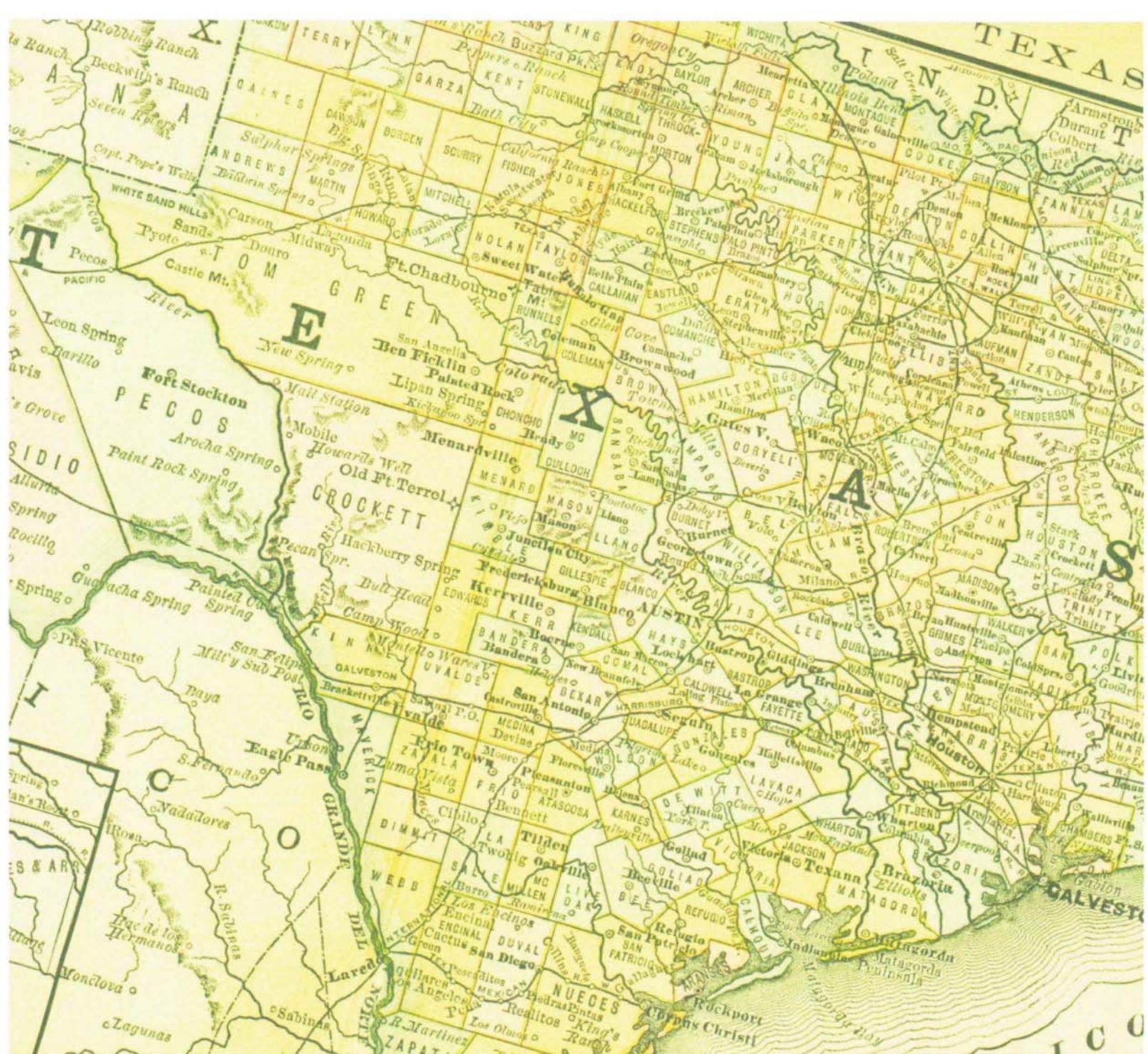
<p>Operating Procedures 34. When the appraisal roll is changed according to Tax Code Section 25.25(d), does the appraisal district notify the tax assessor-collector that a 10 percent penalty should be charged to the property owner and, if the appraisal district also performs collection functions, is a 10 percent penalty assessed according to the requirements of Tax Code Section 25.25(d)?</p>	<p>THE CAD IS CURRENTLY CHANGING CAMA SYSTEM AND SOME INFORMATION DID NOT TRANSFER. Copies of motions filed with the appraisal review board to change the appraisal roll to correct an error that resulted in an incorrect appraised value for a property if the appraised value exceeded the correct appraised value by more than one-third for the current and previous year</p>	<p>Assess the 10 percent late-correction penalty as described in Tax Code Section 25.25(d). Ensure that the appraisal district notifies the tax assessor-collector that a 10 percent penalty should be charged according to the requirements of Tax Code Section 25.25(d).</p>
<p>Operating Procedures 35. Has the appraisal district's records retention schedule that is on file with the State Library and Archives Commission, as described in Local Government Code Section 203.041, been implemented?</p>	<p>The Records Management Officer listed in the records retention schedule is no longer employed at the CAD.</p>	<p>Ensure that the current version of the records retention plan is on file with the Texas State Library and Archives Commission.</p>
<p>Operating Procedures 38. Do the appraisal review board's orders of determination comply with the requirements of Tax Code Sections 41.47(c)(1) and (2) and the Comptroller's model hearing procedures as they relate to Tax Code Section 5.103(b)(2)?</p>	<p>UNABLE TO PROVIDE ARB ORDER DOCUMENTS. CAD RECENTLY SWITCHED CAMA SYSTEMS, ARB DOCS DID NOT TRANSFER. SELECTED 2 ACCOUNTS, NEITHER ACCOUNT HAD DOCS IN THE ARB TAB.</p>	<p>Comply with Tax Code Section 41.47(c) (1) and (2) and the Comptroller's model hearing procedures as they relate to Tax Code Section 5.103(b) (2).</p> <p>Provide list of properties that received an order of determination in 2018</p>
<p>Operating Procedures 39. Does the appraisal district provide evidence during the appeals process?</p>	<p>UNABLE TO PROVIDE ARB ORDER DOCUMENTS. CAD RECENTLY SWITCHED CAMA SYSTEMS, ARB DOCS DID NOT TRANSFER. SELECTED 2 ACCOUNTS, NEITHER ACCOUNT HAD DOCS IN THE ARB TAB.</p>	<p>Ensure evidence is presented in each case by the appraisal district during the appeals process.</p>
<p>Operating Procedures 42. Are exempt properties correctly categorized in accordance with the PTAD Property Classification Guide?</p>	<p>SELECTED A SAMPLE OF 10 EXEMPT PROPERTIES, 3 OF THE ACCOUNTS WERE NOT CATEGORIZED IN ACCORDANCE WITH THE PTAD PROPERTY CLASSIFICATION GUIDE.</p>	<p>Provide list of properties that received an order of determination in 2018</p>
		<p>Listing of all Category X properties</p>

Operating Procedures 43. Did the appraisal district send copies of the most recent reappraisal plan to the presiding officers of the governing body of each taxing unit participating in the district and to the Comptroller by the date described in Tax Code Section 6.05(i)?	Do cumentation to show the date that the most recent reappraisal plan was sent to the taxing entiies and comptroller's office was not located during the onsite visit.	Send copies of the approved reappraisal plan to the governing bodies of each taxing unit participating in the appraisal district and to the Comptroller's office within 60 days of the approval date, as required by Tax Code Section 6.05(i).
Operating Procedures 46. Did the appraisal district submit the two most recent electronic appraisal rolls to the Comptroller timely?	The 2017 EARS was submitted late.	Submit the electronic appraisal roll submissions to the Comptroller by the required due date.
Operating Procedures 48. Are sales provided in the most recent electronic property transaction submission valid sales?	Some sale information was set per amount listed on the deed record.	Ensure valid sales are submitted in EPTS submissions.
Appraisal Standards 49. Have the inspection dates in the appraisal records been updated within the previous six years as discussed in IAAO's <i>Standard on Mass Appraisal of Real Property</i> ?	Two accounts in the sample selection did not have inspection dates withing the previous 6 years.	Will select a sample from the most recent EPTS.
Appraisal Standards 50. Do the appraisal district's appraisal cards contain all of the information as required by Comptroller Rule 9.3001?	THE CAD SWITCHED TO A NEW CAMA SYSTEM SHORTLY BEFORE THE ONSITE VISIT. THE CARDS DO NOT SHOW "(2) separate sections indicating the type of construction for the foundation, floor, exterior walls, and roof".	Ensure appraisal cards contain items listed in Comptroller Rule 9.3001
Appraisal Standards 51. Did the appraisal district complete and produce written mass appraisal reports in the previous two years as required by USPAP Standard 6?	CAD did not produce a Mass Appraisal Report in 2016.	Provide appraisal cards for sample selection
		Complete and produce annual mass appraisal reports that are in compliance as required by USPAP Standards Rule 6-8.

Appraisal Standards 52. Do the appraisal district's contracts contain the items described in IAAO's <i>Standard on Contracting for Assessment Services?</i>	BIS Contract and Chief Appraiser contract are missing some requirements. The Harris Govern contract provided is only a draft and does not include signatures.	Provide copy of current appraisal services and mapping contracts
Appraisal Standards 65. Are net-to-land calculations for agricultural use land designated as dry and irrigated cropland reproducible from the appraisal district's records and is the appraisal district following their dry and/or irrigated cropland schedule?	The 2017 dry and/or irrigated cropland schedule is not being followed.	Use current dry and/or irrigated cropland schedule as calculated by the appraisal district. Provide listing of properties with land on dry and/or irrigated cropland schedule
Appraisal Standards 66. Are net-to-land calculations for agricultural use land designated as native pasture reproducible from the appraisal district's appraisal records and is the appraisal district following their native pasture schedule?	The 2017 native pasture schedule is not being followed.	Use current native pasture schedule as calculated by the appraisal district. Provide listing of properties with land on dry and/or irrigated cropland schedule
Appraisal Standards 68. Does the appraisal district perform inspections of properties as a result of receiving wildlife management use appraisal applications?	Two out of four new wildlife applications were not inspected.	Perform inspections of properties as a result of receiving wildlife management use appraisal applications. Provide list of all wildlife management use appraisal applications received within the previous two years
Appraisal Standards 69. Does the appraisal district perform inspections of properties as a result of receiving agricultural use appraisal applications?	Five of five new ag use appraisal applications were not inspected.	Perform inspections of properties as a result of receiving agricultural use appraisal applications. Provide list of all agricultural use appraisal applications received within the previous two years

Appraisal Standards 70. For properties that have been granted agricultural use appraisal, are completed applications and required documentation on file?	Ag use application for 1 account was not available.	Ensure that the appraisal district maintains completed applications and required documentation for all properties that have been granted agricultural use appraisal.
Appraisal Standards 71. Have agricultural appraisal intensity-of-use standards been evaluated or updated within the previous five years?	Ag appraisal intensity-of-use standards not evaluated since 2010.	Evaluate or update the appraisal district's intensity-of-use standards on a regular basis.
Appraisal Standards 72. Is the appraisal district following their current guidelines for degree of intensity standards when granting special valuation appraisal for agricultural and/or timber use?	Ag appraisal intensity-of-use standards not evaluated since 2010. Provide listing of special valuation applications received within the previous 2 years	Ensure that approved special valuation applications meet the appraisal district's degree of intensity standards Provide listing of special valuation applications received within the previous 2 years
Appraisal Standards 73. Does the appraisal district make an entry on the appraisal records when agricultural applications are received after April 30 and deliver written notice of imposition of the penalty as described in Tax Code Section 23.431?	There were 3 late ag use appraisal applications for 2017. The CAD did not assess a penalty for any of the accounts.	Make entry in the appraisal records and provide written notification of the imposition of penalty in accordance with Tax Code Section 23.431 Provide listing of agricultural applications received after the April 30 deadline for the previous two years

TEXAS



METHODS AND ASSISTANCE PROGRAM 2016 REPORT

La Salle County Appraisal District



Glenn Hegar Texas Comptroller of Public Accounts

Glenn Hegar
Texas Comptroller of Public Accounts
2016-17 Final Methods and Assistance Program Review

La Salle County Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required by statute to review appraisal district governance, taxpayer assistance, operating procedures and appraisal standards.

Mandatory Requirements	PASS/FAIL
Does the appraisal district have up-to-date appraisal maps?	FAIL
Is the implementation of the appraisal district's most recent reappraisal plan current?	PASS
Are the appraisal district's appraisal records up-to-date and is the appraisal district following established procedures and practices in the valuation of property?	PASS
Are values reproducible using the appraisal district's written procedures and appraisal records?	PASS

Appraisal District Activities	RATING
Governance	Meets
Taxpayer Assistance	Meets All
Operating Procedures	Meets All
Appraisal Standards, Procedures and Methodology	Meets All

Appraisal District Ratings:

Meets All – The total point score is 100

Meets – The total point score ranges from 90 to less than 100

Needs Some Improvement – The total point score ranges from 85 to less than 90

Needs Significant Improvement – The total point score ranges from 75 to less than 85

Unsatisfactory – The total point score is less than 75

Review Areas	Total Questions in Review Area (excluding N/A Questions)	Total "Yes" Points	Total Score (Total "Yes" Questions/Total Questions) x 100
Governance	12	11	92
Taxpayer Assistance	11	11	100
Operating Procedures	20	20	100
Appraisal Standards, Procedures and Methodology	19	19	100

Glenn Hegar
Texas Comptroller of Public Accounts
2016-17 Final Methods and Assistance Program Tier 3 Review
La Salle County Appraisal District

This review is conducted in accordance with Tax Code Section 5.102(a) and related Comptroller Rule 9.301. The Comptroller is required to review appraisal districts' governance, taxpayer assistance, operating procedures and appraisal standards, procedures and methodology. Each appraisal district is reviewed every other year. This report details the results of the review for the appraisal district named above.

GOVERNANCE

Governance Review Question	Answer	Recommendation
1. By Jan. 1 of the current year, did the chief appraiser notify the Comptroller in writing that he or she is eligible to be appointed or serve as the chief appraiser, as described in Tax Code Section 6.05(c)?	YES	No Recommendation
2. Does the appraisal district board of directors regularly evaluate the chief appraiser?	YES	No Recommendation
3. Has the chief appraiser completed a chief appraiser ethics course within the previous two years as required by TDLR Rule 94.25?	YES	No Recommendation
4. Has the current chief appraiser completed open meetings training as described in Government Code Section 551.005 and open records training as described in Government Code Section 552.012?	YES	No Recommendation
5. Has the appraisal district's investment officer attended investment training as required by Government Code Section 2256.008?	YES	No Recommendation
6. Has the chief appraiser calculated the number of votes to which each taxing unit is entitled and delivered written notice of the voting entitlement by Oct. 1 of the most recent odd-numbered year as described in Tax Code Section 6.03(e)?	YES	No Recommendation
7. Did the board of directors meet at least quarterly with a quorum in the previous year as required by Tax Code Section 6.04(b)?	YES	No Recommendation
8. Do the appraisal district's board of directors' meeting agendas match what was discussed in the meetings?	YES	No Recommendation

Governance Review Question	Answer	Recommendation
9. Was the appraisal district's most recent preliminary budget produced and delivered to the taxing units according to the requirements of Tax Code Section 6.06(a)?	NO	Ensure that the appraisal district's preliminary budget contains the items listed in Tax Code Section 6.06(a) and is delivered to the entities by June 15th.
10. Did the appraisal district prepare and post the most recent budget notice according to the requirements of Tax Code Section 6.062?	YES	No Recommendation
11. Did the appraisal district board of directors provide notice of and host a public hearing for the most recent budget according to the requirements of Tax Code Section 6.06(b)?	YES	No Recommendation
12. Has the chief appraiser appointed a qualified agricultural appraisal advisory board and has that board met at least once within the previous year, as required by Tax Code Section 6.12?	YES	No Recommendation

TAXPAYER ASSISTANCE

Taxpayer Assistance Review Question	Answer	Recommendation
13. Is the information on the appraisal district's website up-to-date?	YES	No Recommendation
14. Does the appraisal district report, and make available to the public, the metered amount of electricity, water or natural gas consumed for which it is responsible to pay and the aggregate costs for those utility services as required by Government Code Section 2265?	YES	No Recommendation
15. Has the appraisal district developed an annual report in each of the previous two calendar years, and is it made available to the public as described in IAAO's Standard on Public Relations?	YES	No Recommendation
16. Are the written documents provided by the appraisal district to property owners, which explain how residential property is appraised, specific to the county in which the appraisal district is located and are those documents made available to the public?	YES	No Recommendation
17. Are the written complaint procedures for the appraisal district made available to the public?	YES	No Recommendation

Taxpayer Assistance Review Question	Answer	Recommendation
18. Does the appraisal district notify property owners when denying, modifying or cancelling exemptions as described in Tax Code Sections 11.43(h) and 11.45(d)?	YES	No Recommendation
19. For residence homestead exemptions cancelled after Sept.1, 2015, did the appraisal district follow the procedure described in Tax Code Section 11.43(q) for individuals who are 65 years of age or older?	YES	No Recommendation
20. Did the appraisal district publicize the notices required by Tax Code Sections 11.44(b), 22.21, 23.43(f), 23.54(g) and 23.75(g) in a manner designed to reasonably notify all property owners?	YES	No Recommendation
21. Does the appraisal district include, with each notice sent under Tax Code Section 25.19 to an eligible property owner, instructions for accessing and using the electronic protest system as described in Tax Code Section 41.415?	YES	No Recommendation
22. Has the appraisal district implemented a system that allows the owner of a property that has been granted a homestead exemption to electronically receive and review comparable sales data and other evidence that the chief appraiser intends to use at the protest hearing before the appraisal review board, as required by Tax Code Section 41.415(b)(2)?	YES	No Recommendation
23. Did the appraisal district include an application form for a residence homestead exemption with the most recent notice of appraised value if the property did not qualify for a residence homestead exemption in that year, as described in Tax Code Section 25.19(b-2)?	YES	No Recommendation

OPERATING PROCEDURES

Operating Procedures Review Question	Answer	Recommendation
24. Did the appraisal district accurately and timely complete the Comptroller's most recent appraisal district operations survey?	YES	No Recommendation
25. If anyone in the appraisal district calculates and prepares tax bills, agricultural appraisal rollbacks, corrected or supplemental tax bills, tax ceilings or ported percentage tax bills, is someone on staff a registered tax assessor-collector?	N/A	No Recommendation
26. Do the exemption applications for homestead exempt properties match the appraisal records for those properties?	YES	No Recommendation
27. Did the appraisal district compile a partial exemption list as described in Tax Code Section 11.46 and Comptroller Rule 9.3010 and was the most recent list made available to the public?	YES	No Recommendation
28. Does the appraisal district maintain documentation for deferrals as required by Tax Code Section 33.06(b)?	YES	No Recommendation
29. Not later than April 30 of the most recent year, did the appraisal district prepare and certify to the assessor for each county, municipality and school district participating in the appraisal district an estimate of the taxable value of property in that taxing unit as described by Tax Code Section 26.01(e)?	YES	No Recommendation
30. Did the chief appraiser prepare and certify the two most recent appraisal rolls to the assessor for each taxing unit participating in the district as described in Tax Code Section 26.01(a)?	YES	No Recommendation
31. Are corrections of the appraisal roll presented to the appraisal district's board of directors and appraisal review board as described in Tax Code Section 25.25(b)?	YES	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
32. When the appraisal roll is changed according to Tax Code Section 25.25(d), does the appraisal district notify the tax assessor-collector that a 10 percent penalty should be charged to the property owner and, if the appraisal district also performs collection functions, is a 10 percent penalty assessed according to the requirements of Tax Code Section 25.25(d)?	N/A	No Recommendation
33. Has the appraisal district's records retention schedule that is on file with the State Library and Archives Commission, as described in Local Government Code Section 203.041, been implemented?	YES	No Recommendation
34. Does the appraisal district have comprehensive and workable written procedures concerning disaster recovery and mitigation?	YES	No Recommendation
35. Does the chief appraiser submit the completed appraisal records to the appraisal review board for review and determination of protests as described in Tax Code Section 25.22?	YES	No Recommendation
36. Did all members serving on the appraisal review board in the previous two years attend the training and complete the statement required by Tax Code Sections 5.041(b) , (b-1), (e) and (e-1)?	YES	No Recommendation
37. Do the appraisal review board's orders of determination comply with the requirements of Tax Code Sections 41.47(c)(1) and (2) and the Comptroller's model hearing procedures as they relate to Tax Code Section 5.103(b)(2)?	YES	No Recommendation
38. Did the appraisal review board hear and determine all or substantially all timely filed protests; determine all timely filed challenges; submit a list of approved changes in the records to the chief appraiser; and approve the appraisal records by the deadline established in Tax Code Section 41.12 in the previous year?	YES	No Recommendation
39. Was the most recent written reappraisal plan adopted by the appraisal district's board of directors by the Sept. 15 deadline listed in Tax Code Section 6.05(i)?	YES	No Recommendation

Operating Procedures Review Question	Answer	Recommendation
40. Did the appraisal district send copies of the most recent reappraisal plan to the presiding officers of the governing body of each taxing unit participating in the district and to the Comptroller by the date described in Tax Code Section 6.05(i)?	YES	No Recommendation
41. Does the appraisal district's written reappraisal plan define the market areas in the county as required by Tax Code Section 25.18?	YES	No Recommendation
42. Does the appraisal district's written reappraisal plan identify the properties to be appraised in each year covered by the plan and have those been reappraised as identified in the plan as required by Tax Code Section 25.18?	YES	No Recommendation
43. Does the appraisal district's written reappraisal plan reference or include a work schedule, calendar, timeline or other means to determine work completion dates?	YES	No Recommendation
44. Did the appraisal district submit the two most recent electronic appraisal roll and electronic property transaction submissions to the Comptroller timely?	YES	No Recommendation
45. Are properties identified as sales in the most recent electronic property transaction submission correctly coded as sales?	YES	No Recommendation

APPRAISAL STANDARDS, PROCEDURES AND METHODOLOGY

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
46. Have the inspection dates in the appraisal records been updated within the previous six years as discussed in IAAO's <i>Standard on Mass Appraisal of Real Property</i> ?	YES	No Recommendation
47. Does the appraisal district add previously omitted real property to the appraisal roll for the previous five years as described in Tax Code Section 25.21?	N/A	No Recommendation
48. Did the appraisal district complete and produce a written mass appraisal report in the previous two years as required by USPAP Standard 6?	YES	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
49. Do the appraisal district's contracts contain the items described in IAAO's <i>Standard on Contracting for Assessment Services</i> ?	YES	No Recommendation
50. Does the appraisal district follow a procedure or process for reviewing, verifying or evaluating the work of their appraisal services and mapping contractors?	YES	No Recommendation
51. Does the appraisal district use ratio studies effectively?	YES	No Recommendation
52. Did the appraisal district use discovery techniques for personal property accounts in the current or previous year, as discussed in IAAO's <i>Standard on Valuation of Personal Property</i> ?	YES	No Recommendation
53. Does the appraisal district apply the rendition penalty for taxpayers who do not render timely according to Tax Code Section 22.28 and are penalties waived when necessary, as described in Tax Code Section 22.30?	YES	No Recommendation
54. Does the appraisal district perform multiple quality control steps to ensure the accuracy and uniformity of property valuations?	YES	No Recommendation
55. Does the appraisal district gather income and expense data and calculate values using the income approach for warehouse properties?	YES	No Recommendation
56. Does the appraisal district collect land sales and maintain a verified land sales file?	YES	No Recommendation
57. Does the appraisal district collect residential property sales and maintain a verified residential sales file?	YES	No Recommendation
58. Does the appraisal district adjust land sales?	N/A	No Recommendation
59. Does the appraisal district adjust residential property sales?	N/A	No Recommendation
60. Does the appraisal district perform inspections of properties as a result of receiving wildlife management use appraisal applications?	YES	No Recommendation
61. Does the appraisal district perform inspections of properties as a result of receiving agricultural use appraisal applications?	YES	No Recommendation
62. For properties that have been granted agricultural use appraisal, are completed applications and required documentation on file?	YES	No Recommendation

Appraisal Standards, Procedures and Methodology Review Question	Answer	Recommendation
63. Have agricultural appraisal intensity-of-use standards been evaluated or updated within the previous five years?	YES	No Recommendation
64. Did the appraisal district use information obtained from the sources listed in Tax Code Section 23.51(3) to establish subcategories for agricultural use appraisal, as described in that section?	YES	No Recommendation
65. Are net-to-land calculations for agricultural use land designated as native pasture reproducible from the appraisal district's appraisal records?	YES	No Recommendation
66. Are net-to-land calculations for agricultural use land designated as dry and irrigated cropland reproducible from the appraisal district's records?	YES	No Recommendation
67. Does the appraisal district notify the tax assessor-collector that an agricultural use appraisal change of use has occurred according to the Comptroller's Manual for the Appraisal of Agricultural Land and, if the appraisal district also performs collection functions, are rollback taxes calculated according to the requirements of Tax Code Section 23.55?	YES	No Recommendation

LA SALLE COUNTY APPRaisal DISTRICT



**Exhibit D
2019-2020 Reappraisal Plan
Wardlaw Appraisal Group**

WARDLAW APPRAISAL GROUP

CLIENT APPRAISAL DISTRICT

Reappraisal Plan 2019 – 2020

Contract Valuation Support

Appraisal Responsibility

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

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

Appraisal Calendar

Wardlaw adheres to the property tax calendar as established by the State of Texas Property Tax Code. The Wardlaw appraisal calendar generally follows this schedule:

<u>November – June:</u>	Field Inspections of Properties
<u>January 1:</u>	Beginning of the Tax Year
<u>Prior to January 31:</u>	Rendition Request Letters mailed
<u>January 31:</u>	Last day for receipt of 25.25 protests from prior year
<u>April 1st, 15th or 30th:</u>	Renditions due (dates dependent on County and property type)
<u>Around May 1:</u>	Mail Notices of Appraised Value
<u>May 1:</u>	Begin Equalization Process. Work with property owners to explain appraisals and work on formal and informal protests
<u>Around June 1:</u>	Mail Notices of Appraised Value for properties with an Extension
<u>Late June – Early July:</u>	ARB Hearings
<u>Mid-July:</u>	Deliver totals and Certified Rolls to CADS
<u>August – November:</u>	Process Property Supplements, Additions & Deletions
<u>November:</u>	Begin Field Appraisals for coming Tax Year

Equalization Period

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

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

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

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

Minerals (Oil and Gas Reserves) Valuation Process

Appraisal Responsibility

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

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

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

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

Appraisal Resources

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

Data - A common set of production data for each mineral property account in each CAD is collected from the Texas Railroad Commission Records and data entered to the appraisal firm's computer. The property characteristic data is gleaned from the production data and drives the computer-assisted mineral property appraisal system. Railroad Commission records are searched to discover new leases as of January 1 of each year and descriptive information is gathered to determine the location of the lease within the CAD jurisdictional boundaries.

Records are also reviewed for changes in production for existing wells, for abandoned wells, and for non-producing wells with salvage value for the equipment, tanks, and tubular goods. Production history for each mineral lease is gathered from HPDI, Drilling Info, Petroleum Information, and from the Texas Railroad Commission. Division Orders on each lease are requested annually from lease operators and checked against the existing division orders for changes as well as for accuracy of owner name, address, and ownership percentage interest. To help determine operating expense information on each active lease, lease-specific operating expenses are requested annually. A Confidential Lease Operating Expense Detail request letter is e-mailed or mailed, to the operators or agents representing operators requesting lease-specific operating expenses.

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

VALUATION AND STATISTICAL ANALYSIS (model calibration)

Pricing, Operating Expenses and Reserve Analysis

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

Value Review Procedures

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

Ratio studies are a source of comparison to evaluation level and uniformity of appraisal. When market sales are available the ratio study is based on a comparison of the appraised value to the sale price. For mineral property, which lacks available market sales, a ratio study is a

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

Utility, Industrial & Commercial Property Valuation Process

Appraisal Responsibility

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

Appraisal Resources

Personnel – Wardlaw provides adequate personnel to meet all contract appraisal requirements. Data - A common set of data characteristics for each utility, industrial and commercial property account in each CAD is collected from the various government regulatory agency records, field inspections, data resources, and property owner renditions. This data is entered to the appraisal firm's computer. Individual company financial information is gathered through industry specific governmental filings such as Federal Energy Regulatory Commission Reports, Securities and Exchange Commission 10-k filings, Railroad Commission and Public Utility Commission publications. Other company information is gathered from annual reports, internal appraisals, and other in-house and industry publications. Property owner renditions are requested in order to document and list property owned and located in our particular jurisdictions (ie: track mileage, number of meters, pipeline size and mileage, substation and

transmission capacity, etc.). The property characteristic data drives the computer-assisted appraisal of the property.

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

VALUATION AND STATISTICAL ANALYSIS (model calibration)

Approaches to Valuation, Reconciliation

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

Value Review Procedures

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

equity concerns on valuation rather than the full recognition of a market level certainty about appraisal level. Of course, the estimated value is based on recognized methodology for considering the valuation of these tangible assets, but true market confirmation of these factors may not be possible due to minimal market knowledge and experience.

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

STAFF PROVIDING SIGNIFICANT MASS APPRAISAL ASSISTANCE

PROPERTY TAX APPRAISER CERTIFICATION		
<i>TDLR #</i>	<i>NAME</i>	<i>TYPE</i>
74200	CRAIN, MALLORY M.	APPRAISER, RPA
73616	MCFARLANE, KATHLEEN M.	APPRAISER, RPA
74717	SHERWIN, PROCTOR	APPRAISER, RPA
66026	WARDLAW, PEGGY A.	APPRAISER, RPA
70182	WILLIAMS, CHARLES R.	APPRAISER, RPA
71700	WILLIAMS, HAZIEL M.	APPRAISER, RPA

PROFESSIONAL ENGINEERING CERTIFICATION		
<i>PE#</i>	<i>NAME</i>	<i>BRANCH</i>
76914	WARDLAW, PEGGY A.	PETROLEUM
77254	WILLIAMS, CHARLES R.	PETROLEUM

PROFESSIONAL ENGINEERING FIRM CERTIFICATION	
<i>FIRM #</i>	<i>FIRM NAME</i>
5194	WARDLAW APPRAISAL GROUP LC

LA SALLE COUNTY APPRaisal DISTRICT



**Exhibit E
Staff Providing Significant
Mass Appraisal Assistance**

La Salle County Appraisal District

NAME	TITLE	
MARTIN VILLARREAL	CHIEF APPRAISER	
ROBERT PEREGOY	DEPUTY CHIEF APPRAISER	
RAVINDER RAWAT	GIS DIRECTOR	
PETER A. GONZALES, JR.	DATA MANAGEMENT SUPERVISOR	
ISMAEL RAMIREZ, JR.	ANALYSIS/COMMERCIAL PROPERTY SUPERVISOR	
THOMAS GONZALEZ	APPRAISER	
ISABEL RAMIREZ	APPRAISER	