2027-2028

BIENNIAL REAPPRAISAL PLAN

Parker County Appraisal District

Adopted by the Board of Directors

Updated XX/XX/2026

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Biennial Reappraisal Plan for Tax Year(s) 2027-2028

Introduction

The Parker County Appraisal District (PCAD) has prepared this Biennial Reappraisal Plan in accordance with Sections 6.05(i) and 25.18 of the Texas Property Tax Code. This plan establishes the procedures and methodology the District uses to periodically reappraise all taxable real and personal property within its jurisdiction in compliance with applicable law and generally accepted appraisal practices.

The purpose of this plan is to provide the Texas Comptroller of Public Accounts, the taxing units served by the District, property owners, and other interested parties with a general description of the District's reappraisal program, appraisal responsibilities, and valuation procedures. The plan also serves as the District's written scope of work for the periodic reappraisal of property and promotes the equitable and uniform appraisal of taxable property at market value.

Scope of Responsibility

The Parker County Appraisal District (PCAD) is a political subdivision of the State of Texas created under the Texas Property Tax Code to appraise all taxable property within Parker County for ad valorem tax purposes. The District is governed by a Board of Directors and administered by the Chief Appraiser, who serves as the chief executive officer of the appraisal district.

PCAD appraises property for each taxing unit participating in the District. The District is responsible for determining the market value of taxable property, administering exemptions and special appraisals authorized by law, and maintaining accurate appraisal records. Each taxing unit independently adopts its tax rate and is responsible for the assessment and collection of property taxes.

The District performs appraisals using generally accepted mass appraisal methods and techniques in accordance with the Texas Property Tax Code, the Uniform Standards of Professional Appraisal Practice (USPAP), and applicable standards of the International Association of Assessing Officers (IAAO).

The District maintains an ongoing program of property discovery, field inspections, data collection, market analysis, valuation model calibration, and quality assurance to ensure the equitable and uniform appraisal of taxable property.

The District's biennial reappraisal program supports the Chief Appraiser's statutory duty under Section 23.01 of the Texas Property Tax Code to appraise property at its market value as of January 1.

Assumptions and Limiting Conditions

This Biennial Reappraisal Plan describes the Parker County Appraisal District's general appraisal policies, procedures, and reappraisal activities. It is based on the Texas Property Tax Code, generally accepted appraisal practices, applicable Uniform Standards of Professional Appraisal Practice (USPAP), recognized International Association of Assessing Officers (IAAO) standards, and the operational resources available at the time of adoption.

The following assumptions and limiting conditions apply:

1. Purpose. Appraisals and value estimates developed under this Plan are intended solely for ad valorem tax purposes in accordance with the Texas Property Tax Code.
2. Property Data. Property characteristics, ownership records, legal descriptions, and other appraisal data maintained by the District are developed from field inspections, aerial imagery, recorded deeds and plats, building permits, taxpayer renditions, public records, and other reliable sources. While reasonable efforts are made to verify property information, the District cannot guarantee that all records are complete or free from error.
3. Property Inspections. Exterior inspections are conducted in accordance with the District's adopted reappraisal cycle and as otherwise warranted by new construction, remodeling, property changes, taxpayer requests, market activity, or other appraisal needs. Interior inspections are conducted only with the property owner's permission or as otherwise authorized by law.
4. Market Analysis. Market values are developed using generally accepted mass appraisal techniques and are supported by verified market information obtained from buyers, sellers, property owners, brokers, fee appraisers, public records, commercial data providers, and other reliable sources. Market data is analyzed and verified whenever practicable, recognizing that the availability and reliability of market information may vary by property type and market area.
5. Mass Appraisal. This Plan describes the District's general mass appraisal policies and methodologies. Individual properties may require additional inspection, analysis, or adjustment when unique characteristics, market influences, or credible evidence indicate that such action is appropriate. Appraisal decisions are made in accordance with applicable law and the professional judgment of the Chief Appraiser and appraisal staff.
6. Model Calibration. Appraisal models are calibrated using verified market data available as of the applicable appraisal date. Values are not predetermined but are developed through market analysis, model calibration, ratio studies, and the application of accepted mass appraisal techniques.

Legal Authority

The Parker County Appraisal District performs its duties under the authority of the Texas Constitution and the Texas Property Tax Code. Property is appraised as of January 1 of each year unless otherwise provided by law.

The District appraises all taxable property at market value in accordance with Section 23.01 of the Texas Property Tax Code. Market value is determined through the application of generally accepted appraisal methods and techniques while considering the individual characteristics of each property and all available evidence relevant to its value.

Where authorized by law, the District applies special appraisal provisions for qualifying properties, including but not limited to agricultural land, open-space land, residential homesteads, dealer inventories, mineral interests, low-income housing, and other property classifications provided by the Texas Property Tax Code.

District Boundaries

Parker County encompasses approximately 900 square miles. While certain taxing units served by the District have jurisdictional boundaries that extend into adjoining counties, PCAD's appraisal jurisdiction is limited to the portion of those taxing units located within Parker County. Likewise, adjoining appraisal districts are responsible for appraising property located within their respective county boundaries.

When parcels or taxing unit boundaries extend across county lines, PCAD coordinates with neighboring appraisal districts, as appropriate, to promote the accurate administration of property taxes and the consistent assignment of taxable value within each county's jurisdiction.

Taxing Units served by the District

The Parker County Appraisal District provides appraisal services for the following taxing units:

- Parker County
- Parker County Lateral Road
- Parker County Hospital District
- Weatherford College
- Aledo ISD
- Azle ISD
- Brock ISD
- Garner ISD
- Granbury ISD
- Lipan ISD
- Millsap ISD
- Mineral Wells ISD
- Peaster ISD
- Perrin-Whitt ISD
- Poolville ISD
- Springtown ISD
- Weatherford ISD
- City of Aledo
- City of Azle
- City of Millsap
- City of Mineral Wells
- City of Reno
- City of Sanctuary
- City of Springtown
- City of Weatherford
- City of Willow Park
- Emergency Service District No. 1
- Emergency Service District No. 3
- Emergency Service District No. 6
- Emergency Service District No. 7
- Emergency Service District No. 8
- Emergency Service District No. 9
- Morningstar Municipal Utility District No. 1
- Morningstar Municipal Utility District No. 2
- Eagle Ridge Municipal Utility District
- Cresson Crossroads Municipal Utility District No. 2
- City of Hudson Oaks PID No. 1

Property Types and Classification

The Parker County Appraisal District appraises approximately 123,000 parcels and accounts representing the property classifications listed below. Property classifications are based on the Texas Comptroller of Public Accounts' Property Classification Guide and are used to organize appraisal, ratio study, quality assurance, and reporting activities.

Real Property

- Category A – Single-Family Residential
- Category B – Multifamily Residential
- Category C1 – Vacant Lots and Tracts
- Category C2 – Colonia Lots and Land Tracts
- Category D1 – Qualified Open-Space Land
- Category D2 – Farm and Ranch Improvements on Qualified Open-Space Land
- Category E – Rural Land and Residential Improvements
- Category F1 – Commercial Real Property
- Category F2 – Industrial Real Property
- Category G – Oil and Gas, Minerals, and Other Subsurface Interests
- Category O – Residential Inventory

Personal Property

- Category H – Personal Vehicles (Not Used for Business Purposes)
- Category J – Utilities
- Category L1 – Commercial Personal Property
- Category L2 – Industrial and Manufacturing Personal Property
- Category M – Mobile Homes and Other Tangible Personal Property
- Category S – Special Inventory

Exempt Property

- Category X – Exempt Property

Overview of District Operations

Personnel Resources

The Office of the Chief Appraiser is responsible for the overall planning, organization, staffing, coordination, and management of all appraisal district operations.

The Business Services Division provides business support services, including human resources, budgeting, finance, purchasing, fixed asset management, facilities maintenance, and mail services.

The Customer Support Division serves as the primary point of contact for property owners. The division is responsible for customer service, exemption administration, and the collection of current and delinquent property taxes on behalf of participating taxing units.

The Support Services Division provides operational support for the District's appraisal and Appraisal Review Board (ARB) functions. Responsibilities include deed processing, records management, appraisal support services, clerical support, and coordination and administration of the ARB process.

The Information Technology Division is responsible for maintaining the District's information technology infrastructure, computer systems, network operations, cybersecurity, and geographic information systems (GIS).

The Appraisal Division is responsible for the valuation of all taxable real property and business personal property within Parker County. The division consists of Residential, Commercial, and Business Personal Property appraisal staff. PCAD contracts with Pritchard & Abbott, Inc. to appraise mineral, industrial, utilities, and related business personal property.

All appraisal staff are subject to the Property Taxation Professional Certification Act and must be registered with the Texas Department of Licensing and Regulation (TDLR). TDLR administers the statewide program for registration, education, experience, examination, and certification of property tax professionals. The Texas Comptroller of Public Accounts, Property Tax Assistance Division (PTAD), approves the required appraisal coursework. Appraisers are required to comply with all TDLR standards governing professional practice, conduct, education, and ethics. TDLR may deny, suspend, or revoke the registration of an appraiser who fails to meet these standards or violates applicable law.

Staff Education and Training

Appraisal district employees who perform appraisal functions are subject to the requirements of the Texas Constitution, the Texas Property Tax Code, and the Property Taxation Professional Certification Act (Texas Occupations Code, Chapter 1151). All appraisal personnel must be registered with the Texas Department of Licensing and Regulation (TDLR), which regulates property tax professionals through standards for education, experience, examination, certification, and professional conduct.

The Texas Comptroller of Public Accounts, Property Tax Assistance Division (PTAD), is responsible for approving the appraisal coursework required for certification. Appraisers must complete the prescribed education, successfully pass the required examinations, and meet all experience requirements to obtain the Registered Professional Appraiser (RPA) designation. To maintain certification, appraisers are required to complete continuing education and comply with all applicable TDLR standards of professional practice, conduct, and ethics.

In addition to state-mandated education, Parker County Appraisal District is committed to providing ongoing professional development for all employees. Newly hired appraisal staff receive structured, on-the-job training in property inspection, data collection, valuation methodology, appraisal software, customer service, and applicable laws and procedures. Standardized procedures and manuals are used to promote consistent and accurate appraisal practices throughout the District.

Supervisors and managers provide continuous coaching, conduct periodic performance appraisals, and monitor appraisal activities to ensure compliance with generally accepted appraisal practices, the Uniform Standards of Professional Appraisal Practice (USPAP), the Texas Property Tax Code, and district policies. Employees are encouraged to participate in professional development opportunities, including courses and seminars offered by PTAD, TDLR-approved education providers, and professional organizations.

The District supports employee development through continuing education, cross-training, and specialized instruction designed to improve technical knowledge, customer service, leadership, and operational effectiveness. Training is provided as needed to ensure employees remain knowledgeable about changes in laws, administrative rules, appraisal methodology, technology, and best practices applicable to their job responsibilities.

Data

The Parker County Appraisal District (PCAD) is responsible for establishing and maintaining real property, business personal property, and mineral accounts covering approximately 900 square miles within Parker County. The District maintains comprehensive property records that include ownership, legal descriptions, property characteristics, exemptions, appraisal data, and other information necessary for the equitable administration of the property tax system.

Ownership and legal description information is maintained through the timely processing of recorded deeds, plats, and other conveyance documents received from the Parker County Clerk. Exemption information is administered in accordance with the Texas Property Tax Code and applicable local options adopted by the taxing units served by the District.

Property characteristic data is collected and maintained through field inspections, aerial imagery, building permits, taxpayer renditions, surveys, and other generally accepted appraisal practices. Information related to new construction, remodeling, demolitions, and other property changes is verified through field inspections and permit information provided by cities and other governmental entities within Parker County.

Market information is obtained from a variety of sources, including verified sales, fee appraisals, property owners, buyers, sellers, brokers, commercial data providers, public records, and information obtained during the informal appeal and Appraisal Review Board (ARB) processes. Cost, income, expense, capitalization rate, demographic, and economic data are also collected and analyzed to support the development, calibration, and validation of appraisal models.

The District maintains a Geographic Information System (GIS) that integrates cadastral mapping with aerial imagery, ownership boundaries, taxing unit boundaries, floodplain information, and other geographic data. GIS supports appraisal operations, data maintenance, quality assurance, and public access to property information.

PCAD's website (www.parkercad.org) provides property owners and taxing units with convenient online access to a wide range of information and services. Available resources include property records, appraisal values, ownership and exemption information, interactive maps, protest and appeal procedures, important deadlines, tax calendars, forms, and general information regarding District operations. Property owners may also submit online protests, file eligible applications electronically, and download commonly used forms and data products made available by the District.

Information Technology Support

The Information Technology Division is responsible for managing and maintaining the District's information technology infrastructure, computer systems, network operations, cybersecurity, telecommunications, software applications, website, and Geographic Information System (GIS).

The District utilizes an enterprise GIS platform based on Esri technology to maintain cadastral maps, aerial imagery, ownership boundaries, and other geographic data used in the appraisal process. GIS data is shared and coordinated with Parker County, cities, emergency services, and other governmental entities, as appropriate, to improve data accuracy and operational efficiency.

Southwest Data Solutions provides the District's computer-assisted mass appraisal (CAMA) and tax collection software, including software maintenance, enhancements, technical support, and periodic system updates. The Information Technology Division works closely with Southwest Data Solutions and other technology partners to ensure the security, reliability, and availability of the District's information systems.

Texas Property Tax Code Requirements

The Texas Property Tax Code requires each appraisal district to adopt and implement a written biennial reappraisal plan. Sections 6.05(i) and 25.18 establish the statutory framework for the development, adoption, and implementation of the District's reappraisal program.

Pursuant to Section 6.05(i), the Board of Directors shall adopt a written plan for the periodic reappraisal of all property within the District after conducting the public hearing and notice requirements prescribed by law. Once adopted, the Parker County Appraisal District shall implement the plan in accordance with Section 25.18.

Section 25.18(b) requires the reappraisal plan to provide for the following activities 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.

Chief Appraiser's Operational Authority

In accordance with Texas Property Tax Code §25.18(a), nothing in this Biennial Reappraisal Plan shall include a standard or timeline that prevents the Chief Appraiser from appraising property as necessary to comply with the requirements of §23.01(a).

The Chief Appraiser may modify appraisal priorities, work schedules, inspection schedules, valuation models, appraisal procedures, or other administrative aspects of the District's reappraisal program when necessary to comply with applicable law, changing market conditions, or other circumstances affecting the District's statutory responsibilities.

When a material operational deviation from this Biennial Reappraisal Plan occurs, the Chief Appraiser shall document the reason for the deviation, its scope, and the effective date of implementation and shall report those actions to the Board of Directors.

Reappraisal Cycle

The Parker County Appraisal District maintains a continuous reappraisal program designed to ensure that all taxable property is appraised in accordance with the Texas Property Tax Code, Uniform Standards of Professional Appraisal Practice (USPAP), and generally accepted mass appraisal practices. The District's biennial reappraisal program is implemented through a Comprehensive Reappraisal conducted during odd-numbered years and a Maintenance Reappraisal conducted during even-numbered years. Annual reappraisal activities for certain property types occur throughout both years of the reappraisal cycle.

Comprehensive Reappraisal

During odd-numbered years, the District conducts a Comprehensive Reappraisal of all taxable property. This cycle generally coincides with the Texas Comptroller's School District Property Value Study (SDPVS), during which each Parker County school district is subject to review.

Comprehensive reappraisal activities include:

- identifying taxable property through field inspections and other reliable sources, including aerial imagery, building permits, deeds, plats, GIS, and other available records;
- identifying, verifying, and updating property characteristics maintained in the appraisal records;

- identifying and defining market areas and analyzing the physical, legal, economic, and location characteristics that influence value within each market area;
- collecting, verifying, and analyzing market sales, income, cost, agricultural, and other valuation data;
- developing, reviewing, calibrating, and testing land schedules, cost schedules, depreciation schedules, agricultural productivity schedules, and mass appraisal models that reflect current market conditions;
- reviewing ratio study results and other market analyses to determine whether appraisal model revisions or market adjustments are warranted;
- applying calibrated appraisal models and valuation schedules to estimate market value for taxable property;
- conducting ratio studies and other quality assurance analyses to evaluate appraisal accuracy, uniformity, and equity; and
- reviewing appraisal results, including appraisals subject to Section 23.01(e) of the Texas Property Tax Code, and implementing adjustments necessary to maintain compliance with the Texas Property Tax Code, USPAP, and recognized IAAO standards.

The objective of the Comprehensive Reappraisal cycle is to ensure that appraisal records, valuation schedules, and mass appraisal models accurately reflect current market conditions throughout Parker County.

Maintenance Reappraisal

During even-numbered years, the District conducts a Maintenance Reappraisal program. This cycle generally aligns with the Texas Comptroller's Methods and Assistance Program (MAP) review cycle and focuses appraisal resources on properties, market areas, valuation schedules, and appraisal models exhibiting measurable market change, while maintaining current appraisal records throughout the District. The Maintenance Reappraisal also validates the results of the preceding Comprehensive Reappraisal, incorporates lessons learned through ratio studies and quality assurance activities, and refines valuation schedules and appraisal models in preparation for the next Comprehensive Reappraisal cycle.

Maintenance reappraisal activities include:

- identifying new construction, omitted property, demolitions, ownership changes, splits, combinations, property damage, and other changes affecting the appraisal records;
- verifying and updating property characteristics through field inspections, aerial imagery, permit review, renditions, and other reliable sources;
- collecting, verifying, and analyzing market sales, income, agricultural lease, and other valuation data;
- reviewing market areas and property characteristics affected by rapidly changing market conditions;

- reviewing ratio study results and other market analyses to determine whether appraisal model revisions or market adjustments are warranted;
- recalibrating land schedules, cost schedules, depreciation schedules, agricultural productivity schedules, and mass appraisal models for properties and market areas affected by rapidly changing market conditions, as warranted by market analysis and ratio study results;
- applying updated valuation schedules and appraisal models to properties and market areas affected by rapidly changing market conditions;
- conducting ratio studies, quality assurance reviews, and performance analyses to evaluate appraisal accuracy, uniformity, and equity;
- reviewing appraisal results, including appraisals subject to Section 23.01(e) of the Texas Property Tax Code, and implementing adjustments necessary to maintain compliance with the Texas Property Tax Code, USPAP, and recognized IAAO standards.

The objective of the Maintenance Reappraisal cycle is to maintain current and equitable appraisals by updating appraisal records, responding to changing market conditions, validating appraisal performance through ratio studies and quality assurance activities, and refining valuation schedules and mass appraisal models in preparation for the next Comprehensive Reappraisal cycle.

Annual Reappraisal Activities

Certain property types and rapidly changing market areas are monitored and appraised annually, regardless of the Comprehensive or Maintenance Reappraisal cycle, due to the frequency of market activity, the specialized nature of the property, or to ensure compliance with the market value requirements of Section 23.01(a) of the Texas Property Tax Code. These include:

- Business Personal Property;
- Agricultural and Open-Space Land;
- Mineral Interests;
- Industrial Property;
- Utility Property;
- Railroad Property;
- Pipeline Property; and
- Market areas experiencing significant market activity or development, including major transportation corridors, mixed-use developments, and rapidly changing commercial markets.

These properties and market areas are monitored through field inspections, building permits, aerial imagery, GIS mapping, market analysis, taxpayer information, and other reliable data sources. Valuation schedules and appraisal models are updated as necessary to maintain current and equitable appraisals.

If the Texas Comptroller's School District Property Value Study (SDPVS) determines that a Parker County school district falls outside the acceptable confidence interval, the District may conduct a

Comprehensive Reappraisal or other appropriate appraisal activities within the affected school district, market areas, or property types, as necessary to ensure compliance with the Texas Property Tax Code.

Plan Review and Amendments

This Biennial Reappraisal Plan shall remain in effect until superseded by a subsequently adopted plan or amended by the Board of Directors.

The Board of Directors may review, amend, or modify this plan upon the recommendation of the Chief Appraiser. Any proposed amendment shall:

1. Be presented during a properly posted public meeting of the Board of Directors in accordance with applicable law;
2. Clearly identify the section or provisions of the plan proposed for amendment; and
3. Include a description of the operational, legal, or administrative basis supporting the proposed amendment.

Administrative Calendar Revisions

The calendar of key appraisal activities included in the appendices is intended to serve as a planning and administrative tool. The Chief Appraiser may revise calendar dates, deadlines, sequencing of activities, staffing assignments, or other administrative details as operational needs require.

Administrative revisions to the calendar that do not materially alter the policies, procedures, or statutory requirements described in this Biennial Reappraisal Plan shall not constitute an amendment to the plan and do not require approval by the Board of Directors.

Appraisal Notification

The Parker County Appraisal District provides notice of appraised value in accordance with the Texas Property Tax Code.

Appraisal notices are mailed when required by law, including but not limited to newly created accounts, ownership changes, increases in appraised value of $1,000 or more, rendered accounts, business personal property accounts, mineral accounts, canceled or reduced exemptions, and other circumstances requiring notice under the Property Tax Code.

Appraisal information, notices, and protest information may be accessed through the District's website.

Appraisal Resources

The Parker County Appraisal District (PCAD) maintains the personnel, technology, data, and professional resources necessary to administer a comprehensive mass appraisal program. Appraisal activities are performed by registered property tax professionals and supported by appraisal support staff, geographic information systems (GIS), computer-assisted mass appraisal (CAMA) software, aerial imagery, market data, and other valuation resources.

Appraisers utilize information maintained within the District's CAMA system, including property characteristics, ownership records, valuation schedules, sketches, photographs, GIS mapping, sales information, building permits, taxpayer renditions, and other relevant market data. Additional information is obtained from property owners, governmental agencies, public records, commercial data providers, and other reliable sources to support the valuation process.

The District continually updates appraisal records through field inspections, permit reviews, deed processing, sales verification, taxpayer correspondence, aerial imagery, and other generally accepted appraisal practices. Appraisal resources are allocated based on workload, market activity, statutory requirements, and the priorities established by the Chief Appraiser.

Annual Mass Appraisal Report

The Chief Appraiser shall ensure that an Annual Mass Appraisal Report is prepared following each appraisal cycle. The report documents the District's mass appraisal methodologies, model calibration, quality assurance activities, and appraisal results in accordance with USPAP.

Appraisal Methodology by Property Type

The Parker County Appraisal District applies generally accepted mass appraisal techniques appropriate for each property type. Valuation models are developed, calibrated, tested, and validated using verified market information, ratio studies, statistical analysis, and other accepted appraisal methods to produce accurate, equitable, and uniform appraisals.

Residential Property

Residential property is monitored continuously through field inspections, sales verification, building permits, aerial imagery, and other market information. Residential valuation models are developed using the cost and sales comparison approaches to value. Neighborhood and market area analyses, supported by ratio studies, are performed to calibrate valuation schedules and maintain appraisal uniformity.

Commercial Property

Commercial properties are periodically inspected to verify property characteristics, occupancy, condition, and highest and best use. Appraisers consider the cost, sales comparison, and income approaches to value, as appropriate, based on the type of property and the availability of reliable market data. Valuation schedules and income models are reviewed and updated as market conditions warrant.

Business Personal Property

Business personal property is reviewed annually through field inspections, taxpayer renditions, discovery efforts, and other available information. Valuation is primarily developed using the cost approach with depreciation schedules, valuation models, and market information appropriate for the type of business and property being appraised.

Mineral, Industrial, Utility, and related Business Personal Property

Mineral interests, industrial property, utility systems, railroad property, and pipeline property are appraised annually using generally accepted appraisal methods appropriate to each property type. Parker County Appraisal District contracts with Pritchard & Abbott, Inc. to provide specialized appraisal services for these property types. Valuation methodologies may include the cost, sales comparison, and income approaches, together with unit valuation and allocation methods, as applicable.

Property Discovery and Identification

The District maintains an ongoing property discovery program to identify all taxable property within Parker County. Properties are identified through field inspections, recorded deeds and plats, building permits, aerial imagery, Geographic Information System (GIS) mapping, taxpayer renditions, surveys, public records, and other reliable sources. New construction, omitted property, ownership changes, splits, combinations, demolitions, and other changes affecting appraisal records are identified and processed throughout the year.

Property Characteristics

Relevant property characteristics are identified, verified, and maintained within the District's Computer-Assisted Mass Appraisal (CAMA) system. Property records include ownership information, legal descriptions, land characteristics, improvement data, exemptions, and other physical, legal, and economic attributes necessary to develop equitable and uniform appraisals. Property records are updated through field inspections, permit reviews, taxpayer submissions, deed processing, aerial imagery, and other reliable sources.

Market Areas

The District defines market areas as geographic areas containing properties with similar economic, physical, legal, and market characteristics that influence value. Market areas are established and periodically reviewed through the analysis of verified sales, neighborhood characteristics, land use patterns, development trends, zoning, transportation corridors, school district boundaries, utility availability, and other factors affecting market value. The District also establishes neighborhoods to group properties exhibiting similar market influences, development patterns, property characteristics, and buyer behavior. Neighborhood boundaries are periodically reviewed and revised as necessary to improve appraisal model calibration, ratio study analysis, and appraisal uniformity. Market area and neighborhood boundaries are revised as necessary to reflect changing market conditions and support accurate and equitable mass appraisal.

Characteristics Affecting Value

Appraisal models consider the characteristics that influence market value within each market area. These characteristics include, but are not limited to:

- Location and market area;
- Physical characteristics, including size, age, quality, condition, construction class, and improvements;
- Legal characteristics, including ownership interests, easements, covenants, leases, deed restrictions, reservations, contracts, special assessments, ordinances, and other legal restrictions affecting value; and
- Economic characteristics, including market trends, supply and demand, income potential, construction costs, capitalization rates, and other factors influencing market value.

Appraisal Model Development and Application

The District develops and calibrates appraisal models using verified market sales, cost information, income and expense data, ratio studies, statistical analysis, and other accepted appraisal methods appropriate for each property type. Appraisal models incorporate market-derived adjustment factors applied to replacement cost new less depreciation and land value (MV = MA (RCN – D) + LV), while sales comparison and income models are applied where appropriate. Appraisal models are designed to reflect the relationship between relevant property characteristics and market value within each market area.

The conclusions developed through the appraisal models are applied to the characteristics of individual properties maintained within the District's appraisal records. Valuation schedules, depreciation tables, land schedules, income models, market adjustment factors, and other appraisal model components are reviewed and recalibrated as necessary to reflect current market conditions.

Properties Subject to Texas Tax Code §23.01(e)

Properties subject to Section 23.01(e) of the Texas Property Tax Code are identified within the District's appraisal system following the final determination of a protest or appeal under Subtitle F. During each reappraisal cycle, the District reviews the applicable market areas, neighborhoods, appraisal models, and market adjustments to determine whether sufficient market evidence exists to support revisions to appraised values in accordance with Section 23.01(e). When revised appraisal models or market adjustments are applied to a market area or neighborhood, affected properties are reappraised in accordance with applicable law.

Reconciliation of Value

The Parker County Appraisal District applies the valuation approach or combination of approaches that produces the most credible indication of market value for each property type. The applicability and relative weight assigned to the cost, sales comparison, and income approaches vary depending upon the property type, market characteristics, the quantity and quality of available market data, and the intended use of each appraisal model.

When multiple valuation approaches are developed, appraisal staff reconcile the indications of value using professional judgment, supported by market analysis, ratio studies, and other available evidence, to determine the most credible estimate of market value. Reconciliation is performed in accordance with the Texas Property Tax Code, USPAP, generally accepted mass appraisal practices, and applicable IAAO standards.

Review of Appraisal Results

The District reviews appraisal results through supervisory review, ratio studies, market analysis, sales verification, field inspections, quality assurance reviews, and statistical testing. Appraisal performance is evaluated by market area, neighborhood, property classification, property type, or other appropriate strata, depending on the nature of the property and the purpose of the analysis. Appraisal models are evaluated and refined as necessary to improve appraisal accuracy, appraisal uniformity, and compliance with the Texas Property Tax Code, USPAP, IAAO standards, and generally accepted mass appraisal practices.

Performance Monitoring and Quality Assurance

The Parker County Appraisal District (PCAD) continuously monitors appraisal performance to ensure compliance with the Texas Property Tax Code, the Uniform Standards of Professional Appraisal Practice (USPAP), the standards of the International Association of Assessing Officers (IAAO), and generally accepted mass appraisal practices.

District management evaluates appraisal performance through internal ratio studies, sales analysis, field audits, quality assurance reviews, statistical testing, and management oversight. Ratio studies are used to evaluate appraisal accuracy and uniformity, validate valuation models, identify changing market conditions, allocate appraisal resources, and develop annual and biennial reappraisal work plans.

Ratio studies are performed throughout the reappraisal process and may be analyzed by market area, neighborhood, property classification, property type, or other appropriate strata, depending on the nature of the property and the purpose of the analysis. Ratio study results are used to evaluate appraisal accuracy, appraisal uniformity, model performance, and market trends, and to identify areas requiring additional field review, data verification, recalibration, or other corrective action.

PCAD recognizes that ratio studies are an important management tool and should be evaluated in conjunction with other appraisal performance measures, including market analysis, field inspections, sales verification, property data quality, and professional judgment. Ratio study results alone do not provide a complete assessment of appraisal performance. When ratio study results indicate areas requiring improvement, management reviews the underlying market data, property characteristics, appraisal models, and valuation procedures to determine the appropriate corrective action. Corrective actions may include additional field inspections, data verification, model recalibration, neighborhood boundary adjustments, or maintenance reappraisal activities.

The District also recognizes that ratio studies are subject to inherent limitations. Consistent with the principles outlined in the International Association of Assessing Officers (IAAO) *Standard on Ratio Studies*, the District recognizes that ratio studies do not provide a complete or perfect measure of appraisal performance. Rather, ratio studies are one of several management tools used to evaluate appraisal accuracy, appraisal uniformity, valuation models, and overall appraisal performance. The reliability of a ratio study depends on the quantity and quality of available sales, the representativeness of the sample, the accuracy of property data, and changing market conditions. Accordingly, ratio study results are interpreted using accepted statistical techniques and are considered together with other appraisal performance measures to promote equitable and uniform appraisals throughout the District.

In accordance with Section 5.102 of the Texas Property Tax Code, the Texas Comptroller of Public Accounts conducts periodic Methods and Assistance Program (MAP) reviews to evaluate appraisal district governance, taxpayer assistance, operating procedures, appraisal standards, and appraisal methodology. The District reviews the results of each MAP review and implements recommendations and process improvements, as appropriate, to strengthen appraisal operations and maintain compliance with applicable laws and professional standards.

The Comptroller also conducts the Property Value Study (PVS) in accordance with Section 403.302 of the Texas Government Code to evaluate the accuracy and uniformity of appraisal district values for Texas school districts. The District reviews Property Value Study results to identify opportunities for improving appraisal accuracy, market calibration, valuation equity, and appraisal methodologies. Findings from the Property Value Study are incorporated into future appraisal planning, model development, and reappraisal activities, as appropriate.

The District prepares an annual Mass Appraisal Report documenting the development, calibration, testing, and performance of its mass appraisal models. The report supplements this Biennial Reappraisal Plan and documents the annual implementation of the District's appraisal methodologies and quality assurance activities.

Through ongoing internal quality assurance efforts and independent performance evaluations, PCAD strives to continuously improve appraisal accuracy, maintain appraisal equity, and ensure compliance with applicable laws, administrative rules, and recognized professional standards.

Performance Objectives

The Parker County Appraisal District establishes internal performance objectives to evaluate appraisal accuracy, appraisal uniformity, appraisal equity, and the effectiveness of its mass appraisal models. Ratio study statistics are interpreted in accordance with the International Association of Assessing Officers (IAAO) Standard on Ratio Studies and are evaluated in conjunction with market analysis, sales verification, field inspections, property data quality, and professional judgment.

Ratio Studies

Where sufficient market data is available, the District conducts ratio studies at the most appropriate level of analysis, including:

- Market Area
- Neighborhood
- Property Class
- Stratum
- School District

The District conducts ratio studies throughout the appraisal year, including quarterly ratio studies to monitor appraisal performance, identify changing market conditions, evaluate valuation schedules and mass appraisal models, and determine whether additional analysis or recalibration is warranted.

Pilot Studies

When appropriate, the District may conduct pilot studies to evaluate proposed valuation schedules, market adjustments, depreciation schedules, land models, or other mass appraisal model components before implementation. Pilot studies are used to assess the reasonableness and consistency of proposed changes, validate model performance, and reduce the likelihood of unintended impacts prior to district-wide application.

Statistical Studies

Where sufficient market data is available and the property type is appropriate for ratio study analysis, the District generally seeks to achieve performance measures consistent with the applicable International Association of Assessing Officers (IAAO) Standard on Ratio Studies, including:

- Median Appraisal Ratio: Between 0.95 and 1.05;
- Weighted Mean Ratio: Between 0.95 and 1.05;
- Coefficient of Dispersion (COD): At or below the performance levels recommended by the applicable IAAO Standard on Ratio Studies for the property type being analyzed; and
- Price-Related Differential (PRD): Within the performance range recommended by the applicable IAAO Standard on Ratio Studies.

These performance objectives are internal management goals used to evaluate appraisal performance, validate valuation schedules and mass appraisal models, identify changing market conditions, prioritize reappraisal activities, and promote equitable and uniform appraisals. Actual performance objectives may vary based on the property type, market characteristics, and the availability of reliable market data and are not intended to establish mandatory appraisal standards for every property class, neighborhood, or market area.

Residential Valuation Methodology

Scope

The Residential Appraisal Division is responsible for the appraisal of residential real property, including improved residential property, vacant residential land, rural residential property, manufactured housing, and other residential property classifications assigned by the Chief Appraiser. Residential properties are appraised in accordance with the Texas Property Tax Code, the Uniform Standards of Professional Appraisal Practice (USPAP), and generally accepted mass appraisal standards and practices.

Market Analysis and Data Collection

Residential appraisal staff continuously monitor market activity and maintain appraisal records through field inspections, sales verification, building permits, aerial imagery, deed transfers, taxpayer information, and other reliable sources. Market areas and neighborhood characteristics are established and maintained as described in the Appraisal Model Development and Application section of this Plan. Property characteristics are periodically reviewed and updated through field inspections, permit reviews, aerial imagery, sales verification, taxpayer information, and other reliable sources to ensure appraisal records accurately reflect current conditions

Highest and Best Use

Residential property is generally appraised at its highest and best use consistent with the provisions of the Texas Property Tax Code. Residence homesteads are appraised in accordance with Section 23.01(d) of the Texas Property Tax Code.

Valuation Approaches

Residential property is appraised using the valuation approaches described below and reconciled in accordance with the District's Reconciliation of Value section.

Cost Approach: Replacement cost new, accrued depreciation, and land value are combined to develop an indication of market value. The District develops residential mass appraisal models using the cost approach. Cost schedules are periodically reviewed and calibrated using nationally recognized cost services, verified sales, local market analysis, and ratio study results. Market adjustments are applied as necessary to reflect current market conditions.

Sales Comparison (Market) Approach: Verified market sales are analyzed by market area, neighborhood, property classification, or other appropriate strata to develop neighborhood adjustments, identify market trends, calibrate valuation schedules, and validate residential appraisal models. Comparable sales are adjusted, as appropriate, for differences in location, physical characteristics, and market conditions in accordance with Section 23.013 of the Texas Property Tax Code.

Income Approach: The income approach may be considered for income-producing residential properties, such as multifamily developments, when sufficient market data is available to produce credible results.

Model Calibration

Residential valuation models are calibrated using verified market sales, ratio studies, statistical analysis, and other accepted appraisal techniques. Ratio studies are analyzed by market area, neighborhood, property classification, or other appropriate strata to evaluate appraisal accuracy, appraisal uniformity, and model performance. Proposed valuation schedule revisions or market adjustments may be validated through pilot studies or other testing procedures before implementation, when appropriate. Sales verification, market analysis, and valuation schedule reviews are performed throughout the appraisal cycle to promote appraisal accuracy, appraisal uniformity, and equitable treatment of similar properties.

Quality Assurance

Residential appraisal performance is monitored through the District's quality assurance program, including supervisory review, ratio studies, sales verification, field inspections, and statistical analysis. Valuation schedules and appraisal models are reviewed and updated as appropriate to reflect changing market conditions and maintain compliance with the Texas Property Tax Code, USPAP, IAAO standards, and generally accepted mass appraisal standards and practices.

Special Appraisal Provisions

Residential properties receiving special treatment under the Texas Property Tax Code, including residence homesteads subject to appraisal limitations and properties qualifying for special appraisal, are appraised in accordance with applicable statutory requirements.

Commercial Valuation Methodology

Scope

The Commercial Appraisal Division is responsible for developing equitable and uniform market values for commercial, multifamily, office, retail, hospitality, and other non-residential real property within the jurisdiction of the Parker County Appraisal District. Commercial appraisal responsibilities also include commercial vacant land and properties whose highest and best use is determined to be commercial or other non-residential uses.

Market Analysis and Data Collection

Commercial appraisal staff continuously analyze local, regional, and national economic conditions that influence the commercial real estate market. Property data is maintained through field inspections, building permits, deed transfers, aerial imagery, sales verification, income and expense information, lease data, fee appraisals, public records, property owner correspondence, and other reliable market sources. Market areas are established and maintained as described in the **Appraisal Model Development** section of this Plan.

Highest and Best Use

Commercial properties are analyzed at their highest and best use in accordance with generally accepted appraisal principles to ensure each property is appraised based upon its most probable legal, physically possible, financially feasible, and maximally productive use.

Valuation Approaches

Commercial property is appraised using the valuation approaches described below and reconciled in accordance with the District's Reconciliation of Value section.

Cost Approach: The cost approach estimates market value by combining the estimated replacement cost new of improvements, less accrued depreciation, with the market value of the underlying land. Cost schedules are periodically reviewed and calibrated using nationally recognized cost services and local market information.

Sales Comparison Approach: Verified market sales of comparable properties are analyzed to estimate market value by comparing similar properties and making appropriate adjustments for differences in location, size, age, quality, condition, utility, and other market influences.

Income Approach: The income approach is utilized for income-producing properties when sufficient market data is available. Market rents, vacancy allowances, operating expenses, capitalization rates, and other income characteristics are analyzed to estimate market value using generally accepted appraisal principles. For stabilized income-producing properties, the income approach generally provides the most reliable indication of market value when sufficient market data is available.

Model Calibration

Commercial valuation models are calibrated through ongoing market analysis, verified market sales, rental surveys, expense surveys, capitalization studies, cost analysis, ratio studies, and statistical analysis. Valuation schedules, income models, capitalization rates, and market adjustments are reviewed and updated as necessary to reflect changing market conditions.

Quality Assurance

Commercial appraisal performance is monitored through the District's quality assurance program, including supervisory review, ratio studies, field inspections, sales verification, statistical analysis, and review of School District Property Value Study (SDPVS) results. Valuation models and schedules are periodically reviewed and adjusted as necessary to maintain appraisal accuracy, appraisal uniformity, and compliance with the Texas Property Tax Code, USPAP, IAAO standards, and generally accepted mass appraisal standards and practices.

Business Personal Property Valuation Methodology

Scope

The Business Personal Property Appraisal Division is responsible for developing equitable and uniform market values for taxable business personal property within the jurisdiction of the Parker County Appraisal District. This includes business personal property, leased assets, and special inventory appraised under the Texas Property Tax Code.

Discovery and Data Collection

Business personal property accounts are identified and maintained through annual renditions filed pursuant to Chapter 22 of the Texas Property Tax Code, field inspections, business registrations, assumed name filings, public records, taxpayer correspondence, permit information, internet research, and other reliable sources. Property characteristics and asset information are continually reviewed and updated to reflect new businesses, ownership changes, relocations, expansions, and business closures.

Valuation Approaches

Business personal property is appraised using the valuation approaches described below and reconciled in accordance with the District's Reconciliation of Value section.

Cost Approach: The cost approach valuation method is used for most business personal property. Replacement cost new is developed from property owner renditions, published valuation guides, Comptroller schedules, industry publications, and other reliable market sources. Appropriate trending and depreciation factors are applied to estimate market value.

Sales Comparison Approach: The sales comparison approach is considered when sufficient market information is available and provides a credible indication of market value for the property being appraised.

Income Approach: The income approach may be considered for business personal property when sufficient market information exists and its application is appropriate.

Special inventory is appraised in accordance with the valuation methods prescribed by the Texas Property Tax Code.

Model Calibration

Cost schedules, depreciation schedules, trending factors, and valuation models are reviewed periodically and updated as necessary to reflect changing market conditions. Statistical analysis, ratio studies, market testing, and trending analysis are performed to evaluate appraisal accuracy and maintain equitable and uniform appraisals across similar business classifications.

Quality Assurance

Business personal property values are monitored through the District's quality assurance program, including supervisory review, rendition analysis, field inspections, ratio studies, statistical analysis, and periodic review of valuation models. Appraisal procedures are evaluated regularly to ensure compliance with the Texas Property Tax Code, USPAP, IAAO standards, and generally accepted mass appraisal standards and practices.

Agricultural and Open-Space Land Valuation Methodology

Scope

The Agricultural Appraisal Division is responsible for administering the appraisal of qualified agricultural land, open-space land, wildlife management land, and other property qualifying for special appraisal under Chapter 23 of the Texas Property Tax Code.

Qualification Review

Applications for agricultural and open-space appraisal are reviewed to determine eligibility under the Texas Property Tax Code. Qualification reviews include verification of ownership, principal agricultural use, degree of intensity, history of agricultural use, wildlife management requirements, and other statutory criteria. The District conducts periodic field inspections, aerial imagery review, and other verification procedures to confirm continued eligibility.

Productivity Valuation

Qualified agricultural and open-space land is appraised based on its productivity value rather than market value, as prescribed by Chapter 23 of the Texas Property Tax Code. Productivity values are developed by estimating the typical net-to-land for each agricultural category using income, expense, and lease information representative of prudent agricultural management. Net-to-land is calculated in accordance with the Texas Property Tax Code and the Comptroller's Manual for the Appraisal of Agricultural Land using typical lease arrangements, agricultural income and expense data, and capitalization rates prescribed by law. Productivity schedules are developed in accordance with the Texas Property Tax Code and are based on the applicable rolling five-year average net-to-land calculations, where required by law. The resulting productivity values are reviewed annually and updated as warranted to reflect changing agricultural conditions and statutory requirements.

Data Collection

Agricultural schedules are developed using information obtained from local producers, agricultural lease information, USDA publications, Texas A&M AgriLife Extension, the Parker County Agricultural Advisory Board, governmental agencies, and other reliable sources. Agricultural schedules are reviewed annually to reflect changing agricultural practices and economic conditions.

Quality Assurance

Agricultural values, qualification standards, and productivity schedules are reviewed annually through field inspections, aerial imagery, market analysis, local agricultural data, and recommendations from the Parker County Agricultural Advisory Board. Agricultural appraisal procedures are periodically reviewed to ensure continued compliance with the Texas Property Tax Code and the equitable administration of agricultural appraisal programs.

Specialized Property Valuation

Parker County Appraisal District contracts Pritchard & Abbott, Inc. to provide specialized appraisal services for mineral interests, industrial property, utility property, railroad property, pipeline property, and related business personal property.

These property types are appraised annually using generally accepted appraisal methods appropriate for each property type and in accordance with the Texas Property Tax Code. Depending upon the nature of the property and the availability of reliable market data, valuation methodologies may include the cost, sales comparison, income, unit valuation, and allocation approaches.

Parker County Appraisal District reviews the appraisal results, ratio studies, supporting documentation, valuation schedules, and methodologies provided by its appraisal contractor as part of the District's overall quality assurance program. The District works cooperatively with its appraisal contractor to ensure appraisal methodologies remain current, equitable, and consistent with applicable law, USPAP, IAAO standards, and generally accepted mass appraisal standards and practices.

Chief Appraiser's Certification

I, Troy Hanson, Chief Appraiser of the Parker County Appraisal District, certify that I have prepared, or caused to be prepared, this Reappraisal Plan for Tax Years 2027–2028 in accordance with Sections 6.05(i) and 25.18 of the Texas Property Tax Code.

This Reappraisal Plan establishes the procedures and methodologies to be used in appraising all taxable property within the jurisdiction of the Parker County Appraisal District and has been submitted to the Board of Directors for consideration and adoption as required by law.

Troy Hanson

Troy Hanson, CCA, RPA, RTA
Chief Appraiser
Parker County Appraisal District

Appendix A: Organization and Staffing

Board of Directors and Taxpayer Liaison Officer

Richard Barret	Chairman
Sterling Naron	Vice-Chair
William S. Shatford	Secretary
Donna Dickinson	Member
Jenny Gentry	Member
John Hinton	Member
Cody Lane	Member
Joe Tison	Member
Joe Wilkinson	Member
Rod Owen	Taxpayer Liaison Officer

Executive

Troy Hanson	Chief Appraiser; CCA, RPA, RTA
Chris Johnson	Deputy Chief Appraiser; CCA RPA
Tammie Morgan	Director of Administration; RTA
Jerad Gabbert	Director of Operations; RPA
Amber Hogan	Director of Support Services

Appraisal

Gary Bonner	Supervisor; RPA
Brian Vasquez	Supervisor; RPA
Jason Martin	Supervisor; RPA
Mishay Cash	Supervisor; RPA
Matt Gibson	Appraiser; RPA
John Noland	Appraiser; RPA
Ben Dale	Appraiser; RPA
Amon Pool	Appraiser; RPA
Bruce Langlois	Appraiser; RPA
Kelly Shoemaker	Appraiser; RPA
Madison Hobson	Appraiser; CLASS III
Grace Burton	Appraiser; CLASS III
Amber Connell	Appraiser; CLASS III
Kim Dobish	Appraiser; CLASS II

Appraisal Support

Angela Belcher	Support Staff
Kaylee Montelongo	Support Staff
Lindsey Stout	Support Staff
Sarah Back	Support Staff
Emilee Natividad	Support Staff

Information Technology and GIS

Chad Kay	Information Technology Supervisor
Jeremy Stewart	GIS Supervisor

Records

Melanie Elvington	Supervisor
Christie Gabbert	Records Analyst
Theresa Elvington	Records Analyst

Exemptions

Pam Henson	Supervisor
Jennifer Hancock	Exemptions Coordinator

Collections & Accounting

Laura Castillo	Collections Supervisor
Linda Box	Collection Deputy
Candie Peterson	Collection Deputy
Ruth Craig	Collection Deputy
Janie Sancillo	Collection Deputy
Morgan Krueger	Collection Deputy
Melony Childress	Collections Accountant
Kayla Garrett	Business Coordinator / RMO

Appendix B: Activity Calendar

Purpose and Use

This Activity Calendar summarizes the principal appraisal functions performed by the Parker County Appraisal District as part of its biennial reappraisal program. This calendar is intended as a planning guide and should not be construed as creating mandatory deadlines beyond those established by statute.

The District will make every reasonable effort to complete these activities in accordance with applicable law and established timelines. However, the Chief Appraiser may modify schedules, priorities, or activities as necessary to address changes in statutory requirements, court decisions, Comptroller guidance, market conditions, staffing, budgetary resources, technology, natural disasters, emergency events, or other operational needs.

Because many appraisal functions occur throughout the year, the timing and sequence of activities may be adjusted as necessary to ensure compliance with the Texas Property Tax Code and the District's statutory duty to appraise property accurately, uniformly, and equitably.

2027 Appraisal Cycle (August-July)

Month	Activity
August 2026	• Review the release of the SDPVS final findings. • Submit the Electronic Property Transaction #1 (EPTS) to the Comptroller. • Roll appraisal records into the new appraisal year. • Assist in calculating benchmark tax rates and publish tax rate worksheets. • Publish the Notice of Estimated Taxes. • Update the property tax transparency database. • Prepare for the upcoming Board of Director Election. • Begin appraisal field work. • Begin collection of cost, sales, lease, income, and other data for model calibration. • Begin identifying areas experiencing significant market activity or development. • Begin the review of neighborhood and market area delineations. • Attend the Annual Legal Seminar on Ad Valorem Taxation.
September 2026	• Report at the Board of Directors regular meeting. • Begin advertising for ARB members. • **September 15 – Statutory deadline to adopt the annual budget.** • **September 15 – Statutory deadline to adopt the biennial reappraisal plan.** • Provide the taxing units with Truth-In-Taxation (TNT) support. • Receive and begin working building permits, 9-1-1 addressing updates, septic permits, and fire department reports. • Print appraisal cards for inspection. • Review the Texas Department of Licensing and Regulation (TDLR) education status for district staff. • Review the Methods and Assistance Program (MAP) preliminary findings. • Work with PTAD to implement preliminary MAP recommendations. • **September 29 – Statutory deadline for Taxing Units to adopt tax rates.** • Attend the Texas Association of Assessing Officers (TAAO) Annual Conference.

October 2026	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Update the protest database. • Process the supplemental appraisal roll. • Calculate the property tax levies and mail property tax statements. • Provide customer service and telephone support during tax statement mailing. • Submit the SDPVS (Oct.15) State Reports to the Comptroller. • Submit the Farm and Ranch Survey (FARS) to the Comptroller.
November 2026	• Report at the Board of Directors regular meeting. • Complete the Mass Appraisal Report. • Complete the independent audit of Tax Collections and SOC. • Continue field work, sales verification, analysis, and ongoing appraisal activities. • Continue model development and quality control activities. • Attend the Texas Rural Chief Appraisers Association (TRCA) Annual Conference.
December 2026	• Submit SDPVS pre-preliminary data corrections (SDPVS). • Receive the budget allocation payment. • Provide support for property tax collections, customer service, and value inquiries. • Submit the chief appraiser eligibility form to the Comptroller. • Submit comments and suggestions received by the TLO to the Comptroller. • Attend the annual Ag Advisory Board meeting. • Attend the V.G. Young (Comptroller) Annual Property Tax Institute.
January 2027	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Report at the Board of Directors regular meeting. • Review the SDPVS Preliminary findings; protest period begins. • **January 1 – Statutory appraisal date for most taxable property.** • Mail the Business Personal Property rendition forms and begin processing. • Mail the Ag Applications to new owners and begin processing. • Publish the low-income cap rates. • Provide district-wide support during property tax delinquency activities. • Review of the Methods and Assistance Program (MAP) final report. • Review the MAP recommendations and develop corrective action.
February 2027	• Calculate the penalty and interest on delinquent property taxes. • Submit the Electronic Property Transaction #2 (EPTS) to the Comptroller. • Publish the Utility Consumption Report. • Publish the Updated Property Tax Information (public information packet). • Attend the Texas Association of Appraisal Districts (TAAD) Annual Conference.
March 2027	• Report at the Board of Directors regular meeting. • Receive the budget allocation payment. • Assist the Appraisal Review Board (ARB) with training registration. • Complete appraisal field work. • Publish the Annual Report. • Conduct ratio studies to identify market areas requiring analysis. • Prepare market adjustments. • Submit the Operations Survey to the Comptroller.
April 2027	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Host meeting with property tax consultants. • Submit the Appraisal Records to the ARB. • Certify the Estimates of Taxable Value.

	• Notify the taxing units the form that the appraisal roll will be provided. • Conduct weekly appraisal and data entry staff meetings. • Exchange the overlap values with adjoining appraisal districts. • Review the history comparison reports and quality control reports. • Finalize any value changes before Notices of Appraised Value are mailed. • Conduct the annual customer service training. • Mail the Notices of Appraised Value. • Begin the informal conferences with taxpayers and tax agents. • **April 15 – Business Personal Property rendition deadline.** • **April 30 – Statutory deadline to file tax abatement applications.**
May 2027	• Report at the Board of Directors regular meeting. • Conduct the independent audit of the appraisal district budget. • Publish the Protest and Appeal Procedures. • Mail the supplemental and corrected Notices of Appraised Value. • **May 15 – Business Personal Property rendition extension deadline.** • **May 15 – Statutory deadline for the ARB to adopt hearing procedures.** • **May 15 – Statutory deadline to file protests with the ARB.** • Begin hearings at the Appraisal Review Board.
June 2027	• Receive the budget allocation payment. • Submit the proposed budget to the Board of Directors and the taxing units. • Host the Truth-In-Taxation (TNT) training for the taxing Units.
July 2027	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Report at the Board of Directors regular meeting. • **July 20 – Statutory deadline for the ARB to approve the appraisal records.** • **July 25 – Statutory deadline to certify the appraisal roll.** • Exchange the certified appraisal data with overlapping appraisal districts. • Submit the Electronic Appraisal Roll (EARS) to the Comptroller. • Certify the collection rates and excess debt. • Host the Truth-In-Taxation (TNT) Kickoff meeting.

2028 Appraisal Cycle (August-July)

Month	Activity
August 2027	• Review the release of the SDPVS final findings. • Submit the Electronic Property Transaction #1 (EPTS) to the Comptroller. • Roll appraisal records into the new appraisal year. • Assist in calculating benchmark tax rates and publish tax rate worksheets. • Publish the Notice of Estimated Taxes. • Update the property tax transparency database. • Prepare for the upcoming Board of Director Election. • Begin appraisal field work. • Begin collection of cost, sales, lease, income, and other data for model calibration. • Begin identifying areas experiencing significant market activity or development. • Begin the review of neighborhood and market area delineations. • Attend the Annual Legal Seminar on Ad Valorem Taxation.
September 2027	• Report at the Board of Directors regular meeting. • Begin advertising for ARB members. • **September 15 – Statutory deadline to adopt the annual budget.**

	• Provide the taxing units with Truth-In-Taxation (TNT) support. • Receive and begin working building permits, 9-1-1 addressing updates, septic permits, and fire department reports. • Print appraisal cards for inspection. • Review the Texas Department of Licensing and Regulation (TDLR) education status for district staff. • Review the Methods and Assistance Program (MAP) preliminary findings. • Work with PTAD to implement preliminary MAP recommendations. • **September 29 – Statutory deadline for Taxing Units to adopt tax rates.** • Attend the Texas Association of Assessing Officers (TAAO) Annual Conference.
October 2027	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Update the protest database. • Process the supplemental appraisal roll. • Calculate the property tax levies and mail property tax statements. • Provide customer service and telephone support during tax statement mailing. • Submit the SDPVS (Oct.15) State Reports to the Comptroller. • Submit the Farm and Ranch Survey (FARS) to the Comptroller.
November 2027	• Report at the Board of Directors regular meeting. • Complete the Mass Appraisal Report. • Complete the independent audit of Tax Collections and SOC. • Continue field work, sales verification, analysis, and ongoing appraisal activities. • Continue model development and quality control activities. • Attend the Texas Rural Chief Appraisers Association (TRCA) Annual Conference.
December 2027	• Submit SDPVS pre-preliminary data corrections (SDPVS). • Receive the budget allocation payment. • Provide support for property tax collections, customer service, and value inquiries. • Submit the chief appraiser eligibility form to the Comptroller. • Submit comments and suggestions received by the TLO to the Comptroller. • Attend the annual Ag Advisory Board meeting. • Attend the V.G. Young (Comptroller) Annual Property Tax Institute.
January 2028	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Report at the Board of Directors regular meeting. • Review the SDPVS Preliminary findings; protest period begins. • January 1 – Statutory appraisal date for most taxable property. • Mail the Business Personal Property rendition forms and begin processing. • Mail the Ag Applications to new owners and begin processing. • Publish the low-income cap rates. • Provide district-wide support during property tax delinquency activities. • Review of the Methods and Assistance Program (MAP) final report. • Review the MAP recommendations and develop corrective action.
February 2028	• Calculate the penalty and interest on delinquent property taxes. • Submit the Electronic Property Transaction #2 (EPTS) to the Comptroller. • Publish the Utility Consumption Report. • Publish the Updated Property Tax Information (public information packet). • Attend the Texas Association of Appraisal Districts (TAAD) Annual Conference.
March 2028	• Report at the Board of Directors regular meeting. • Receive the budget allocation payment. • Assist the Appraisal Review Board (ARB) with training registration.

	• Complete appraisal field work. • Publish the Annual Report. • Conduct ratio studies to identify market areas requiring analysis. • Prepare market adjustments. • Submit the Operations Survey to the Comptroller.
April 2028	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Host meeting with property tax consultants. • Submit the Appraisal Records to the ARB. • Certify the Estimates of Taxable Value. • Notify the taxing units the form that the appraisal roll will be provided. • Conduct weekly appraisal and data entry staff meetings. • Exchange the overlap values with adjoining appraisal districts. • Review the history comparison reports and quality control reports. • Finalize any value changes before Notices of Appraised Value are mailed. • Conduct the annual customer service training. • Mail the Notices of Appraised Value. • Begin the informal conferences with taxpayers and tax agents. • April 15 – Business Personal Property rendition deadline. • April 30 – Statutory deadline to file tax abatement applications.
May 2028	• Report at the Board of Directors regular meeting. • Conduct the independent audit of the appraisal district budget. • Publish the Protest and Appeal Procedures. • Mail the supplemental and corrected Notices of Appraised Value. • **May 15 – Business Personal Property rendition extension deadline.** • **May 15 – Statutory deadline for the ARB to adopt hearing procedures.** • **May 15 – Statutory deadline to file protests with the ARB.** • Begin hearings at the Appraisal Review Board.
June 2028	• Receive the budget allocation payment. • Submit the proposed budget to the Board of Directors and the taxing units. • Host the Truth-In-Taxation (TNT) training for the taxing Units.
July 2028	• Attend the Appraisal Review Board (ARB) quarterly meeting. • Conduct quarterly ratio studies. • Report at the Board of Directors regular meeting. • **July 20 – Statutory deadline for the ARB to approve the appraisal records.** • **July 25 – Statutory deadline to certify the appraisal roll.** • Exchange the certified appraisal data with overlapping appraisal districts. • Submit the Electronic Appraisal Roll (EARS) to the Comptroller. • Certify the collection rates and excess debt. • Host the Truth-In-Taxation (TNT) Kickoff meeting.

Appendix C: Market Areas

Land Market Areas

0	Whitt
1	Garner
2	Millsap
4	Brock
5	Peaster
7	Poolville
8	Springtown
9	Springtown
11	North Weatherford
12	Weatherford
13	South Weatherford
14	Aledo
15A+	Azle

Commercial Market Areas

18	37	53	74	89	202
19	38	55	75	90	205
21	39	56	76	92	206
25	40	60	77	93	207
30	41	61	78	94	208
31	45	62	80	95	209
32	49	65	81	97	
33	50	66	85	99	
35	51	70	87	200	
36	52	71	88	201	

Residential Market Areas

10009	11256	12805	14755	16558	18235
10015	11257	12807	14756	16560	18237
10020	11258	12810	14760	16565	18240
10025	11300	12820	14780	16570	18250
10026	11303	12825	14850	16571	18255
10027	11304	12830	14855	16572	18260
10028	11305	12835	14860	16575	18275
10030	11310	12880	14861	16578	18285
10031	11360	12881	14863	16580	18325
10032	11380	12882	14865	16583	18330
10033	11384	12883	14875	16585	18340
10034	11385	12884	14877	16590	18343
10035	11390	12885	14879	16593	18345
10060	11395	12890	14880	16595	18346
10065	11397	12935	14885	16600	18350
10070	11400	12936	14887	16610	18370
10073	11402	12938	14888	16645	18375
10075	11403	12940	14890	16650	18376
10080	11405	12945	14899	16690	18420
10081	11420	12950	14900	16700	18430
10082	11430	13000	14925	16705	18435
10083	11431	13020	14926	16725	18438
10085	11432	13040	14950	16730	18440

10086	11435	13050	14955	16732	18443
10087	11437	13060	14972	16745	18445
10090	11438	13090	14973	16750	18446
10095	11439	13092	14974	16751	18447
10100	11440	13095	14975	16753	18448
10105	11441	13100	14976	16754	18450
10110	11442	13110	14977	16755	18455
10120	11443	13115	14978	16780	18456
10123	11444	13120	14979	16785	18457
10130	11445	13135	14980	16800	18458
10131	11450	13140	14981	16804	18460
10133	11470	13150	14982	16805	18461
10135	11485	13191	14983	16810	18462
10137	11490	13193	14984	16820	18465
10140	11495	13240	14985	16850	18467
10143	11497	13241	14986	16870	18468
10144	11500	13242	14987	16874	18470
10145	11510	13243	14988	16875	18475
10146	11520	13244	14989	16885	18476
10150	11525	13245	14990	16890	18480
10153	11530	13246	14991	16893	18481
10200	11535	13247	14992	16895	18482
10240	11550	13248	14993	16898	18483
10242	11560	13249	14994	16900	18484
10244	11565	13250	14995	16915	18485
10245	11566	13251	14996	16920	18490
10246	11567	13252	14997	16930	18500
10255	11570	13253	14998	16950	18505
10260	11578	13254	15025	16980	18507
10270	11580	13255	15040	17020	18510
10275	11590	13256	15050	17025	18511
10278	11600	13260	15074	17027	18512
10279	11620	13261	15075	17028	18535
10280	11625	13262	15110	17030	18540
10281	11630	13263	15115	17035	18550
10282	11640	13265	15120	17080	18551
10283	11644	13270	15165	17081	18555
10284	11645	13271	15175	17082	18560
10285	11649	13290	15176	17083	18590
10287	11650	13330	15220	17100	18592
10290	11660	13335	15223	17105	18600
10295	11663	13340	15225	17110	18690
10300	11665	13350	15226	17113	18693
10304	11680	13355	15270	17114	18695
10305	11683	13390	15275	17115	18740
10325	11685	13400	15278	17150	18785
10326	11710	13410	15280	17200	18805
10327	11712	13415	15284	17235	18830
10330	11713	13420	15285	17236	18870
10360	11715	13449	15300	17237	18875
10365	11716	13450	15305	17238	18920
10370	11718	13455	15310	17239	18923
10372	11720	13460	15311	17240	18924
10375	11725	13480	15315	17241	18925
10385	11730	13482	15318	17242	18930
10387	11734	13484	15320	17243	18940

10390	11750	13485	15350	17244	18950
10395	11760	13486	15370	17245	18955
10397	11763	13487	15375	17246	18970
10400	11764	13490	15385	17247	18975
10405	11765	13520	15390	17248	18980
10407	11766	13525	15400	17249	18985
10408	11767	13528	15430	17250	18995
10409	11768	13550	15470	17251	18998
10410	11769	13551	15475	17252	19000
10420	11770	13578	15483	17253	19001
10430	11771	13580	15495	17254	19002
10435	11772	13581	15500	17255	19004
10450	11773	13582	15535	17256	19005
10470	11774	13583	15537	17257	19007
10473	11775	13585	15540	17258	19008
10474	11776	13587	15541	17259	19010
10475	11777	13590	15550	17260	19019
10476	11778	13600	15555	17261	19030
10478	11779	13610	15570	17262	19033
10480	11780	13615	15575	17263	19035
10495	11781	13616	15578	17275	19040
10500	11782	13618	15580	17278	19043
10550	11783	13620	15590	17280	19044
10551	11784	13621	15592	17285	19045
10560	11785	13623	15595	17295	19046
10561	11786	13625	15605	17296	19047
10562	11787	13635	15610	17300	19048
10563	11788	13650	15628	17302	19049
10565	11789	13675	15630	17303	19050
10567	11790	13700	15635	17305	19055
10570	11791	13701	15640	17310	19056
10573	11792	13723	15675	17350	19060
10575	11793	13725	15680	17355	19100
10580	11794	13730	15683	17380	19115
10581	11795	13735	15685	17381	19116
10582	11796	13740	15735	17382	19117
10583	11797	13755	15740	17385	19118
10585	11798	13790	15750	17386	19119
10587	11799	13800	15753	17387	19120
10590	11800	13810	15755	17390	19130
10595	11805	13825	15757	17393	19150
10596	11808	13830	15760	17395	19155
10597	11809	13850	15761	17396	19175
10600	11810	13870	15762	17400	19230
10601	11811	13875	15763	17430	19235
10620	11812	13879	15775	17440	19250
10640	11813	13880	15778	17450	19252
10645	11814	13899	15779	17451	19255
10650	11815	13900	15780	17460	19285
10660	11816	13901	15782	17470	19335
10680	11817	13902	15800	17480	19340
10694	11820	13908	15820	17482	19345
10700	11850	13910	15825	17485	19346
10705	11855	13915	15830	17487	19348
10710	11856	13920	15845	17490	19350
10720	11895	13925	15850	17500	19355

10750	11900	13926	15874	17505	19380
10751	11910	13927	15875	17509	19381
10752	11922	13928	15876	17510	19383
10753	11951	13929	15880	17511	19385
10754	11980	13930	15883	17513	19390
10755	11990	13931	15885	17514	19395
10756	12000	13937	15886	17515	19450
10758	12020	13950	15887	17517	19452
10760	12025	13960	15889	17520	19453
10776	12030	13965	15890	17530	19455
10780	12040	13970	15900	17550	19456
10782	12060	13975	15905	17552	19460
10783	12065	13980	15925	17555	19461
10784	12070	13981	15930	17565	19465
10785	12075	13982	15933	17575	19470
10787	12080	13985	15935	17577	19475
10790	12090	13990	15960	17580	19480
10800	12100	13995	15963	17581	19500
10810	12105	14000	15965	17585	19503
10835	12110	14010	15968	17590	19504
10837	12115	14013	15970	17595	19505
10838	12120	14015	16040	17598	19506
10840	12122	14018	16045	17600	19507
10842	12125	14020	16046	17610	19508
10843	12126	14025	16047	17620	19509
10845	12133	14026	16048	17630	19510
10865	12135	14027	16049	17670	19511
10867	12136	14030	16050	17705	19512
10870	12137	14060	16051	17720	19513
10875	12138	14065	16052	17730	19514
10877	12139	14070	16053	17740	19515
10880	12140	14075	16055	17743	19516
10900	12141	14105	16060	17745	19520
10901	12142	14120	16065	17747	19525
10902	12143	14135	16066	17750	19579
10903	12145	14136	16068	17760	19580
10904	12155	14137	16070	17765	19590
10905	12160	14138	16073	17770	19620
10906	12165	14140	16075	17780	19640
10907	12185	14150	16077	17810	19650
10908	12190	14151	16080	17811	19655
10910	12195	14160	16082	17815	19660
10913	12200	14162	16083	17820	19675
10915	12220	14165	16085	17821	19680
10920	12222	14235	16120	17822	19690
10921	12225	14238	16122	17823	19745
10922	12226	14240	16125	17825	19750
10960	12240	14260	16160	17830	19755
10963	12300	14290	16165	17838	19760
10965	12301	14300	16170	17840	19761
10970	12310	14310	16190	17850	19762
10975	12320	14340	16200	17855	19765
10978	12330	14370	16220	17860	19773
10980	12390	14371	16225	17862	19775
11000	12400	14375	16230	17895	19776
11010	12405	14380	16235	17900	19778

11015	12408	14384	16240	17910	19780
11018	12410	14385	16260	17915	19781
11020	12415	14390	16279	17916	19782
11025	12420	14395	16280	17917	19783
11028	12425	14430	16281	17918	19785
11030	12428	14450	16282	17919	19786
11035	12430	14453	16283	17920	19787
11045	12480	14455	16284	17922	19788
11050	12481	14460	16285	17923	19789
11070	12482	14465	16286	17930	19793
11100	12483	14470	16287	17932	19800
11140	12484	14473	16288	17935	19802
11142	12485	14475	16289	17940	19805
11145	12486	14480	16290	17942	19810
11148	12487	14500	16292	17943	19890
11149	12488	14501	16293	17945	19910
11150	12489	14550	16294	17948	19920
11151	12490	14555	16295	17950	19925
11152	12500	14560	16300	17951	19930
11153	12560	14563	16305	17955	19933
11154	12590	14565	16320	17970	19935
11155	12600	14575	16330	18010	19950
11156	12640	14590	16335	18011	19951
11157	12648	14600	16340	18013	19952
11158	12650	14630	16345	18014	30000
11159	12651	14635	16355	18015	30001
11160	12680	14638	16358	18016	30002
11161	12690	14640	16360	18017	30003
11175	12700	14645	16365	18019	30004
11180	12730	14650	16370	18020	30005
11185	12740	14651	16380	18021	30006
11190	12750	14653	16386	18022	30007
11200	12755	14655	16390	18030	30008
11205	12757	14660	16400	18050	30009
11210	12770	14670	16401	18080	30010
11215	12775	14680	16450	18083	30011
11220	12780	14690	16475	18085	30012
11225	12784	14700	16480	18086	30016
11230	12785	14710	16500	18090	30017
11235	12786	14711	16550	18100	40000
11240	12787	14715	16552	18155	40001
11250	12788	14750	16553	18175	
11251	12789	14751	16555	18200	
11252	12790	14753	16556	18220	
11255	12800	14754	16557	18230	

Appendix D: Neighborhoods

AL	AZ14M	CW14B	NA01B	NW13S	SP11A
AL01A	AZ15M	CW14C	NA01C	NW14S	SP11B
AL02A	AZ2	CW15B	NA02A	NW15S	SP12A
AL03A	AZ300	CW16B	NA02B	NW16S	SP13A
AL04A	AZ4	CW17B	NA02C	NW17S	SP14A
AL05A	BA	CW18B	NA02E	NW18S	SP15A
AL06A	BARMAC	CW19B	NA02F	NW19S	SP16A
AL07A	BR01A	CW2	NA02G	NW20S	SP17A
AL08A	BR01B	CW20B	NA02H	NW21B	SP17B
AL09A	BR02A	CW21B	NA02I	OF	SP17C
AL10A	BR02B	CW22B	NA03A	OH	SP17D
AL11A	BR03A	CW23B	NA03B	PA	SP18A
AL12A	BR03B	CW24B	NA04A	PAGB	SP19A
AL13A	BR04A	CW25B	NA04B	PE08S	SP20A
AL14A	BR04B	CW26B	NA05A	PE10S	SP21A
AL15A	BR05A	CW27B	NA05B	PE11A	SP22A
AL16A	BR05B	CW28B	NA06A	PE12A	SP23A
AL17A	BR06A	CW29B	NA07A	PE13A	SP24A
AL18A	BR06B	CW3	NA08A	PE15A	SP25A
AL19A	BR07A	CW30B	NA09A	PE15S	SP26A
AL20A	BR07B	CW31B	NA10A	PE17A	SP27A
AL21A	BR08B	CW32B	NA11A	PE20C	SP28A
AL22A	BR09B	CW33B	NA12A	PE34M	SP29A
AL23A	BR10B	CW34B	NA12T	PE35S	SP29B
AL24A	BR11A	CW35B	NA13A	PE40S	SP29C
AL25A	BR11B	CW36B	NA14A	PE42S	SP31A
AL26A	BR12A	CW37B	NA15A	PE46A	SP31C
AL27A	BR12B	CW39B	NA16A	PE79A	SP32A
AL28A	BR13A	CW40B	NA17A	PE80S	SP33A
AL29A	BR13B	CW41B	NA19A	PE87S	SP34A
AL31A	BR14A	CW43B	NA20A	POA	SP35A
AL32A	BR14B	CW45B	NA21A	POI	SP36A
AL33A	BR15A	CW46B	NA3	PV01A	SP37A
AL34A	BR15B	CW47B	NA3B	PV01S	SP4
AL35A	BR16A	CW48B	NA46A	PV02A	SP60A
AL36A	CC	CW49B	NA47A	PV02B	SP61A
AL37A	CG01A	CW5	NA48A	PV03A	SP62A
AL38A	CG02A	CW51B	NA49A	PV04A	SP63A
AL39A	CG03A	CW53B	NA50A	PV05A	SP64A
AL40A	CG04A	CW54B	NA51A	PV05B	SQ
AL50A	CG49A	CW55B	NA52A	PV06A	SS
AL51A	CG50A	CW56B	NA53A	PV07A	STRIP
AL52A	CG52A	CW56C	NA54A	PV10A	SW01A
AL53A	CG53A	CW57B	NA55A	PV11A	SW02A
AL54A	CG54A	CW6	NA57A	PV11S	SW02B
AL55A	CG59A	CWEST	NA58A	PV12A	SW02C
AL62A	CG61A	DC	NA59A	PV13A	SW02D
AL72A	CG62A	DCLL	NA60A	PV14A	SW03A
AOT	CHE	DG	NA61A	PV15A	SW03B
AP	CW	DICEY	NA62A	PV17A	SW03C
AZ01	CW01B	FFR	NA63A	PV19B	SW03E
AZ010	CW01C	FUNH	NA70A	PV34M	SW04A
AZ011	CW02B	GA	NA71A	PV41S	SW05A

AZ012	CW02C	GA13A	NH	PV46M	SW06
AZ017	CW03B	GA14A	NW01A	PVGB	SW06A
AZ01A	CW03C	GA15M	NW01S	PW12A	SW07A
AZ02	CW04B	GA34M	NW02A	PW34M	SW07B
AZ02A	CW04C	GA79A	NW02S	RA	SW08A
AZ03	CW05B	HSB	NW03A	RE1	SW09A
AZ03A	CW05C	IB	NW03S	RES	SW10A
AZ03M	CW06B	IL	NW04A	RTS	SW11A
AZ04	CW06C	LCA	NW04S	RVP	SW12A
AZ04A	CW07B	LL	NW05A	SCR	SW13A
AZ04M	CW07C	M	NW05S	SDO	SW13B
AZ05	CW08B	MA	NW06A	SG	SW13C
AZ05A	CW08C	MI01A	NW06S	SHO	SW14A
AZ06	CW09B	MI01C	NW07A	SP01A	SW14B
AZ06A	CW09C	MI02A	NW07S	SP02A	SW15A
AZ07	CW1	MI03B	NW08A	SP03A	SW16A
AZ07A	CW10B	MI11B	NW08S	SP03B	WC
AZ08	CW10C	MO	NW09A	SP03C	WESTOVER1
AZ08A	CW11B	MS1	NW09S	SP06A	WHH
AZ09	CW11C	MW10A	NW10A	SP07A	WLE
AZ09A	CW12B	MW13A	NW10S	SP07B	WPTH
AZ1	CW12C	MW14A	NW11A	SP08A	
AZ12A	CW13	MW79A	NW11S	SP09A	
AZ12B	CW13B	MWH	NW12S	SP1	
AZ13M	CW13C	NA01A	NW13A	SP10A	

Appendix E: Adoption and Resolution

ADOPTING THE 2027-2028 BIENNIAL REAPPRAISAL PLAN

WHEREAS, Section 6.05(i) of the Texas Property Tax Code requires the Board of Directors of each appraisal district to develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district in accordance with Section 25.18 of the Texas Property Tax Code; and

WHEREAS, the Board of Directors has caused the proposed 2027–2028 Biennial Reappraisal Plan to be prepared for the Parker County Appraisal District; and

WHEREAS, the Secretary of the Board provided notice of the public hearing to the presiding officer of the governing body of each taxing unit participating in the district as required by Section 6.05(i) of the Texas Property Tax Code; and

WHEREAS, the Board of Directors conducted a public hearing on the proposed Biennial Reappraisal Plan and considered all comments received; and

WHEREAS, the Board of Directors finds that the 2027–2028 Biennial Reappraisal Plan complies with the requirements of Sections 6.05(i) and 25.18 of the Texas Property Tax Code and provides for the periodic reappraisal of all taxable property within the Parker County Appraisal District in accordance with accepted appraisal practices.

NOW, THEREFORE, BE RESOLVED by the Board of Directors of the Parker County Appraisal District that:

1. The 2027–2028 Biennial Reappraisal Plan is hereby approved and adopted.
2. The Chief Appraiser is authorized and directed to implement the Biennial Reappraisal Plan and to make such administrative adjustments as may be necessary to carry out the Plan in compliance with applicable law, provided that such adjustments do not materially alter the intent or objectives of the Plan or conflict with the Texas Property Tax Code.
3. The Chief Appraiser is further directed to distribute copies of the approved Biennial Reappraisal Plan to the presiding officer of the governing body of each taxing unit participating in the district and to the Texas Comptroller of Public Accounts within the time prescribed by Section 6.05(i) of the Texas Property Tax Code.

PASSED AND APPROVED by the Board of Directors of the Parker County Appraisal District.

Appendix F: Contracted Appraisal Services

PRITCHARD & ABBOTT, INC.
VALUATION AND IT CONSULTANTS

S.B. 1652* BIENNIAL REAPPRAISAL PLAN

FOR THE ANNUAL APPRAISAL FOR

AD VALOREM TAX PURPOSES OF

MINERAL, INDUSTRIAL, UTILITY AND

RELATED PERSONAL PROPERTY

For Tax Years:

2027 and 2028**

Originally Printed: July 2026

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PREAMBLE

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

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

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

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

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

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

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

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

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

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

ETHICS RULE

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

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

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

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

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

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

NONDISCRIMINATION

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

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

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

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

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

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

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

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

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

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

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

CONDUCT

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

An appraiser:

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

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

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

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

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

MANAGEMENT

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

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

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

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

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

CONFIDENTIALITY

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

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

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

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

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

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

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

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

RECORD KEEPING RULE

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

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

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

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

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

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

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

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

SCOPE OF WORK RULE

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

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

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

Scope of work includes, but is not limited to:

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

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

PROBLEM IDENTIFICATION

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

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

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

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

SCOPE OF WORK ACCEPTABILITY

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

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

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

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

DISCLOSURE OBLIGATIONS

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

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

JURISDICTIONAL EXCEPTION RULE

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

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

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

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

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

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

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

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

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

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

A mass appraisal includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appraisal Resources

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

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

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

VALUATION APPROACH (MODEL SPECIFICATION)

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

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

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

Approaches to Value for Petroleum Property

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

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

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

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

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

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

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

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

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

DATA COLLECTION/VALIDATION

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

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

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

VALUATION ANALYSIS (MODEL CALIBRATION)

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

INDIVIDUAL VALUE REVIEW PROCEDURES

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

PERFORMANCE TESTS

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

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

INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appraisal Resources

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

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

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

VALUATION APPROACH (MODEL SPECIFICATION)

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

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

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

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

Approaches to Value for Industrial, Utility, and Personal Property

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

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

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

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

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

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

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

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

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

DATA COLLECTION/VALIDATION

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

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

VALUATION ANALYSIS (MODEL CALIBRATION)

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

INDIVIDUAL VALUE REVIEW PROCEDURES

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

PERFORMANCE TESTS

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