



Liberty County
Central Appraisal District

FINAL

2025 Budget
and
Reappraisal Plan

Liberty County Central Appraisal District

P. O. Box 10016 ~ 2030 Sam Houston ~ Liberty, TX 77575-2916
www.libertycad.com

MEMBERS OF THE BOARD

Mark Sjolander – Chairman
Mark Herndon – Vice Chairman
Charles Bolds
Josh Day
Jimmy Rollins
Richard L. Brown – Ex Officio



CHIEF ADMINISTRATOR
Lana McCarty

MAIN OFFICE -- LIBERTY
Phone (936) 336-5722

CLEVELAND BRANCH OFFICE
Phone (281) 593-1605

Date: June 18, 2024

To: All Taxing Units

From: Lana McCarty *LM*

Re: 2025 Final Operating Budget and Reappraisal Plan

In an effort to reduce costs, we have enclosed a revised coversheet for the Final 2025 Budget & Reappraisal Plan. This coversheet should be affixed to the 2025 Preliminary Budget & Reappraisal Plan Proposal that was delivered in May. We are also enclosing a copy of Resolution #272, which shows the final budget proposal totals. If you do not have your preliminary copy, please contact me for a replacement. Thank you in advance for your cooperation. If you have any questions, please feel free to call.

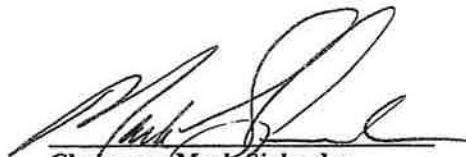
**RESOLUTION
#272**

**Resolution Adopting the 2025 Final Budget and Reappraisal Plan for
the
Liberty County Central Appraisal District**

In the amount of \$5,040,950.

**BE IT RESOLVED by the Liberty County Central Appraisal District Board
of Directors that the Final 2025 Budget in the amount of \$5,040,950.**

ADOPTED, this the 18th day of June 2024.



**Chairman, Mark Sjolander
Liberty County Central Appraisal
District**

Attest:



**Vice Chairman, Mark Herndon
Liberty County Central Appraisal
District**

Date: May 17, 2024

To: All Taxing Units
Liberty CAD Board of Directors

From: Lana McCarty, J.D., R.P.A., R.T.A.

Re: 2025 Operating Budget Proposal and Reappraisal Plan for 2025-2026

The Texas Property Tax Code under Section 6.06 requires the Chief Appraiser to prepare a proposed budget for the following tax year and submit copies to each taxing unit and to the District's Directors by June 15. In addition, all voting taxing units (county, cities, & schools) shall maintain a copy of the proposed Budget and Reappraisal Plan for public inspection at their principal administrative office.

In accordance with Section 6.06 of the Property Tax Code, I am submitting the attached Budget Proposal and Reappraisal Plan for the 2025 year. The Board of Directors annually appoints a committee of members to assist the Chief Appraiser with salaries and other major items. The following were invited to serve on the budget committee:

Charles Bolds	CAD Board Member
Mark Herndon	CAD Board Member
Judge Jay Knight	Liberty County
Dr. Jessica Johnson	Dayton ISD
Tami Pierce	Dayton ISD
Kimberly Judge	City of Dayton
Leslie Herrera	City of Dayton

The Board will hold their public hearing on the proposed budget on June 18, 2024 at 9:30 A.M. The final budget adoption must be prior to September 15th. Normally, the budget is adopted by the Board of Directors at the June regular meeting.

We welcome your comments on our proposed budget or the operation of the District. Please call or email comments.

Phone: 936-336-5722
Email: lmccarty@libertycad.com

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Tab 1

Liberty County Central Appraisal District

2024 Board of Directors

Mark Sjolander
Chairman

Mark Herndon
Vice-Chairman

Charles Bolds
Secretary

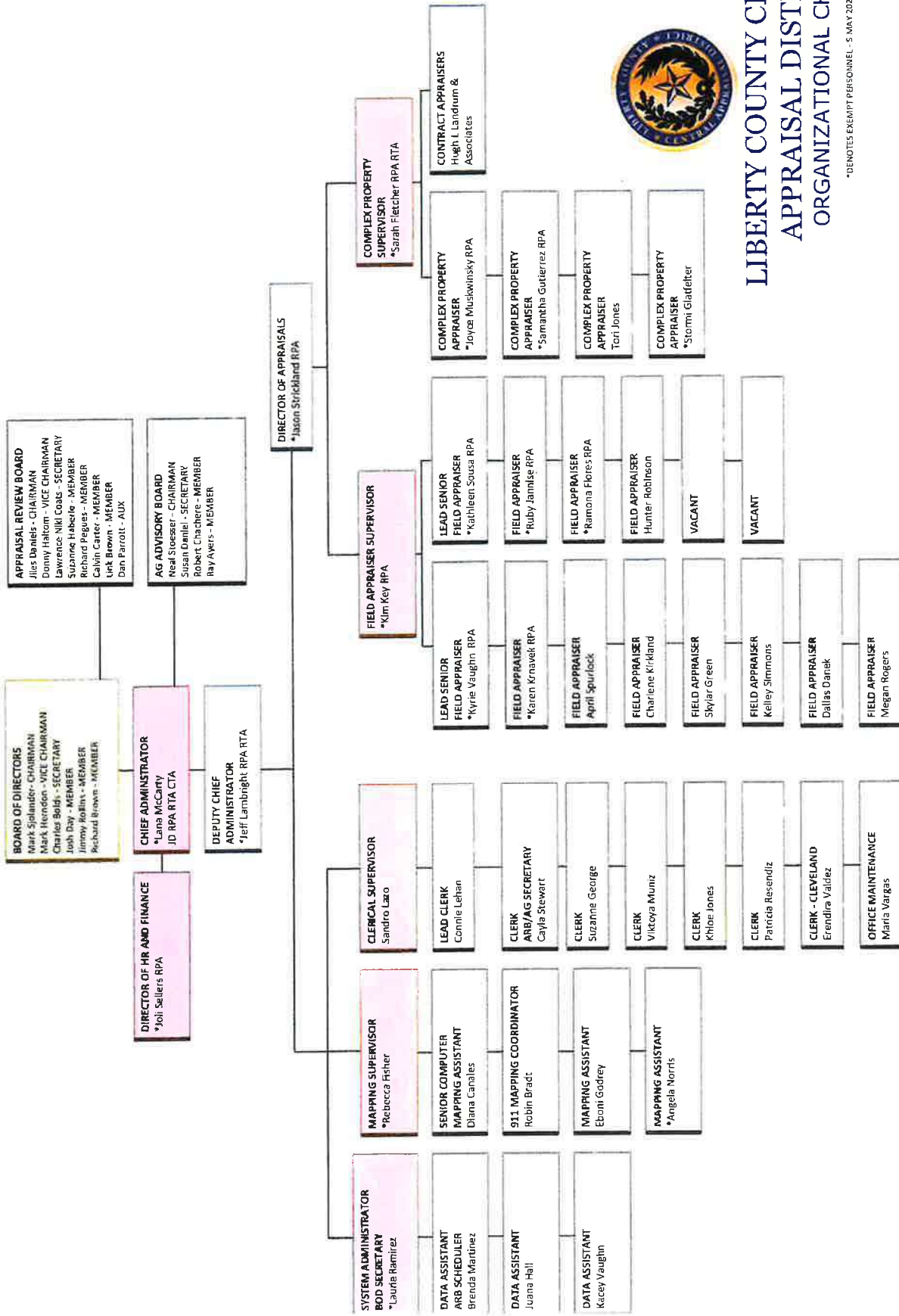
Josh Day
Member

Jimmy Rollins
Member

Richard Brown
Ex-Officio
Member

Administration

Lana McCarty
Chief Appraiser



LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT ORGANIZATIONAL CHART

*DENOTES EXEMPT PERSONNEL - 5 MAY 2023

Tab 2

LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT 2025 BUDGET SUMMARY

ESTIMATED REVENUES	2024	2025
TAXING UNITS	\$4,879,834	\$5,036,450 *
INTEREST INCOME	\$500	\$500
OTHER INCOME	\$4,000	\$4,000
<i>TOTAL ESTIMATED REVENUES</i>	\$4,884,334	\$5,040,950
ESTIMATED EXPENDITURES		
SALARIES	\$2,625,250	\$2,692,510
EMPLOYEE BENEFITS	\$888,540	\$885,110
INSURANCE	\$30,474	\$36,700
OPERATING EXPENSES	\$810,100	\$844,700
COMPUTER	\$385,470	\$436,930
CONTRACT SERVICES	\$114,500	\$115,000
CONTINGENCY FUND	\$20,000	\$20,000
CAPITAL OUTLAY	\$10,000	\$10,000
DEBT SERVICE	\$0	\$0
RESERVE FUNDS	\$0	\$0
<i>TOTAL ESTIMATED EXPENDITURES</i>	\$4,884,334	\$5,040,950
OTHER INCOME (EXPENSE)		
TAXING ENTITY CONTRIBUTION OF 50% OF 2023 EXCESS	\$0	XXXXXXX
CONTRIBUTIONS TO RESERVE FUNDS	\$433,354	XXXXXXX

*INCLUDES FUNDS OF \$85,000 FROM LIBERTY COUNTY FOR 911.

Tab 3

LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT

2025 BUDGET

CODE	BUDGET CATEGORY	2024 BUDGET	2025 BUDGET	CHANGES	% CHANGE
501	SALARIES	\$2,563,850	\$2,630,110	\$66,260	2.58%
503	MEDICARE TAX	\$39,400	\$40,400	\$1,000	2.54%
506	OVERTIME, OTHER	\$12,000	\$12,000	\$0	0.00%
505	VACATION PAY	\$10,000	\$10,000	\$0	0.00%
	SALARY TOTAL	\$2,625,250	\$2,692,510	\$67,260	2.56%
502	RETIREMENT BENEFITS	\$450,200	\$437,760	(\$12,440)	-2.76%
504	HOSPITALIZATION INS.	\$438,340	\$447,350	\$9,010	2.06%
	BENEFIT TOTAL	\$888,540	\$885,110	(\$3,430)	-0.39%
580	WORKERS COMPENSATION	\$6,000	\$6,000	\$0	0.00%
585	FIRE & THEFT	\$11,774	\$18,000	\$6,226	52.88%
590	UNEMPLOYMENT INS.	\$9,000	\$9,000	\$0	0.00%
595	LIABILITY INSURANCE	\$3,700	\$3,700	\$0	0.00%
	INSURANCE TOTAL	\$30,474	\$36,700	\$6,226	20.43%
610	OTHER EXPENSES	\$6,000	\$6,000	\$0	0.00%
615	OFFICE SUPPLIES	\$40,000	\$36,000	(\$4,000)	-10.00%
620	POSTAGE	\$100,000	\$100,000	\$0	0.00%
625	LEGAL SERVICES	\$100,000	\$90,000	(\$10,000)	-10.00%
630	OFFICE RENTAL	\$32,000	\$33,000	\$1,000	3.13%
635	OFFICE MAINTENANCE	\$30,000	\$33,000	\$3,000	10.00%
645	MAPPING	\$115,000	\$135,000	\$20,000	17.39%
655	TELEPHONE	\$23,000	\$24,000	\$1,000	4.35%
660	TRAVEL EXPENSES	\$25,000	\$35,000	\$10,000	40.00%
665	OFFICE EQUIPMENT MAINT.	\$35,000	\$35,000	\$0	0.00%
670	UTILITIES	\$28,000	\$36,000	\$8,000	28.57%
675	OFFICE FURNITURE	\$3,000	\$2,000	(\$1,000)	-33.33%
680	DUES & MEMBERSHIPS	\$7,500	\$9,000	\$1,500	20.00%
683	LEGAL NOTICES	\$1,300	\$16,500	\$15,200	1169.23%
685	APPRAISAL REVIEW BOARD	\$33,000	\$31,000	(\$2,000)	-6.06%
686	EDUCATION	\$20,000	\$25,000	\$5,000	25.00%
687	AUDIT	\$12,000	\$10,000	(\$2,000)	-16.67%
690	BOND	\$600	\$500	(\$100)	-16.67%
691	APPRAISAL SERVICES	\$14,000	\$13,000	(\$1,000)	-7.14%
692	JANITORIAL SUPPLIES	\$1,500	\$1,300	(\$200)	-13.33%
696	CAR MILEAGE	\$48,800	\$39,000	(\$9,800)	-20.08%
697	CAR ALLOWANCES	\$134,400	\$134,400	\$0	0.00%
	OPERATING EXP. TOTAL	\$810,100	\$844,700	\$34,600	4.27%
693	COMPUTER & SOFTWARE	\$348,470	\$404,330	\$55,860	16.03%
694	COMPUTER PAPER GOODS	\$2,000	\$1,600	(\$400)	-20.00%
695	FORMS	\$35,000	\$31,000	(\$4,000)	-11.43%
	COMPUTER TOTAL	\$385,470	\$436,930	\$51,460	13.35%
688	MAIL MACHINE	\$6,000	\$6,500	\$500	8.33%
689	VALUATION FIRM	\$108,500	\$108,500	\$0	0.00%
	CONTRACT TOTAL	\$114,500	\$115,000	\$500	0.44%
698	CONTINGENCY FUND	\$20,000	\$20,000	\$0	0.00%
600	CAPITAL OUTLAY	\$10,000	\$10,000	\$0	0.00%
700	DEBT SERVICE	\$0	\$0	\$0	0.00%
900	LEGAL FUND	\$0	\$0	\$0	0.00%
901	REAL ESTATE FUND	\$0	\$0	\$0	0.00%
902	COMPUTER FUND	\$0	\$0	\$0	0.00%
	GRAND TOTAL	\$4,884,334	\$5,040,950	\$156,616	3.21%

Tab 4

Tab 5

Tab 6

LIBERTY COUNTY CAD BUDGET ALLOCATION FOR 2025

5/9/2024

TAXING UNITS	*2022 TOTAL LEVY	*2023 TOTAL LEVY	% OF TOTAL	2024 ALLOCATION	2025 ALLOCATION	CHANGE
COUNTY						
LIBERTY COUNTY	49,453,050	54,355,789	29.6237%	1,268,097.27	1,466,210.22	198,112.95
911 ADDRESS CONTRACT				60,000.00	85,000.00	25,000.00
TOTAL COUNTY				1,328,097.27	1,551,210.22	223,112.95
SCHOOLS						
CLEVELAND ISD	40,212,163	37,519,783	20.4482%	1,034,042.08	1,012,073.43	(21,968.65)
DAYTON ISD	35,159,469	29,390,377	16.0177%	904,567.60	792,788.05	(111,779.55)
DEVERS ISD	2,119,895	1,779,319	0.9697%	54,354.80	47,994.82	(6,359.98)
HARDIN ISD	7,293,463	6,121,675	3.3363%	187,476.37	165,128.50	(22,347.87)
HULL-DAISETTA ISD	3,242,437	2,658,705	1.4490%	83,411.16	71,717.53	(11,693.63)
LIBERTY ISD	13,102,010	11,200,080	6.1040%	336,289.63	302,114.43	(34,175.20)
TARKINGTON ISD	8,900,754	8,830,182	4.8124%	229,425.26	238,187.33	8,762.07
CITIES						
AMES	279,819	342,695	0.1868%	7,212.30	9,245.57	2,033.27
CLEVELAND	4,346,434	5,333,560	2.9068%	111,788.20	143,870.61	32,082.41
DAISETTA	219,739	225,021	0.1226%	5,641.68	6,068.03	426.35
DAYTON	7,874,543	8,321,760	4.5353%	202,011.78	224,472.41	22,460.63
DAYTON LAKES	16,216	16,504	0.0090%	423.97	445.45	21.48
DEVERS	58,023	61,071	0.0333%	1,488.71	1,648.17	159.46
HARDIN	171,562	192,668	0.1050%	4,398.68	5,196.92	798.24
LIBERTY	4,460,522	4,980,252	2.7142%	114,365.74	134,337.97	19,972.23
MONT BELVIEU	12,193	14,246	0.0078%	313.16	386.06	72.90
PLUM GROVE	209,006	219,726	0.1197%	5,367.07	5,924.49	557.42
WCID						
#1	887,291	873,486	0.4760%	22,730.54	23,559.38	828.84
#6	731,307	763,106	0.4159%	18,751.01	20,584.76	1,833.75
DRAINAGE DISTRICTS						
#1	416,996	447,393	0.2438%	10,700.41	12,066.76	1,366.35
#2	297,661	301,197	0.1642%	7,617.00	8,127.00	510.00
#4	210,783	211,218	0.1151%	5,400.79	5,696.82	296.03
ESDS/FIRE DISTRICTS						
		0				
#1	136,620	179,820	0.0980%	3,502.57	4,850.46	1,347.89
#2	406,009	454,837	0.2479%	10,411.34	12,269.69	1,858.35
#3	124,110	140,183	0.0764%	3,179.77	3,781.38	601.61
#7	127,342	149,435	0.0814%	3,271.31	4,028.85	757.54
SPECIAL DISTRICTS						
NAVIGATION	137,347	128,631	0.0701%	3,536.29	3,469.56	(66.73)
ZONE CONTRACT				2,000.00	2,000.00	0.00
TOTAL NAVIGATION				5,536.29	5,469.56	(66.73)
HOSPITAL DISTRICT #1	2,610,260	2,898,772	1.5798%	66,910.08	78,191.41	11,281.33
RIVER RANCH ID	30,314	93,154	0.0508%	775.67	2,514.32	1,738.65
RIVER RANCH MUD #1	3,874	3,945	0.0022%	101.17	108.89	7.72
RIVER RANCH MUD #2	2,475	3,783	0.0021%	62.63	103.94	41.31
RIVER RANCH MUD #3	47,815	172,724	0.0941%	1,223.73	4,657.43	3,433.70
LIB CTY #1 MUD #4	615,695	673,484	0.3670%	15,759.14	18,164.48	2,405.34
LIB CTY #9 MUD #5***	0	20,616	0.0112%	529.96	554.34	24.38
RIVER RANCH MUD #6	0	0	0.0000%	313.16	0.00	(313.16)
LIB CTY MMD#1	3,608,554	4,394,648	2.3951%	92,381.97	118,544.28	26,162.31
PLUM CREEK MMD#3	0	13,488	0.0074%	0.00	366.26	366.26
	187,525,751	183,487,333	100.000%	4,879,834.00	5,036,450.00	156,616.00
****INACTIVE TAXING ENTITY						

Tab 7

**2025 LIBERTY COUNTY CAD
BUDGET ALLOCATION
PAYMENT SCHEDULE**

TAXING ENTITIES	2025 TOTAL ALLOCATION	FIRST QUARTER PAYMENT 12/31/24	SECOND QUARTER PAYMENT 3/31/2025	THIRD QUARTER PAYMENT 6/30/2025	FOURTH QUARTER PAYMENT 9/30/2025
COUNTY	1,551,210.22	387,802.55	387,802.55	387,802.55	387,802.66
CLEVELAND ISD	1,012,073.43	253,018.36	253,018.36	253,018.36	253,018.38
DAYTON ISD	792,788.05	198,197.01	198,197.01	198,197.01	198,197.02
DEVERS ISD	47,994.82	11,998.70	11,998.70	11,998.70	11,998.71
HARDIN ISD	165,128.50	41,282.13	41,282.13	41,282.13	41,282.13
HULL-DAISETTA ISD	71,717.53	17,929.38	17,929.38	17,929.38	17,929.40
LIBERTY ISD	302,114.43	75,528.61	75,528.61	75,528.61	75,528.61
TARKINGTON ISD	238,187.33	59,546.83	59,546.83	59,546.83	59,546.84
CITY OF AMES	9,245.57	2,311.39	2,311.39	2,311.39	2,311.38
CITY OF CLEVELAND	143,870.61	35,967.65	35,967.65	35,967.65	35,967.66
CITY OF DAISETTA	6,068.03	1,517.01	1,517.01	1,517.01	1,517.03
CITY OF DAYTON	224,472.41	56,118.10	56,118.10	56,118.10	56,118.10
CITY OF DAYTON LAKES	445.45	111.36	111.36	111.36	111.35
CITY OF DEVERS	1,648.17	412.04	412.04	412.04	412.03
CITY OF HARDIN	5,196.92	1,299.23	1,299.23	1,299.23	1,299.22
CITY OF LIBERTY	134,337.97	33,584.49	33,584.49	33,584.49	33,584.50
CITY OF MONT BELVIEU	386.06	96.51	96.51	96.51	96.52
CITY OF PLUM GROVE	5,924.49	1,481.12	1,481.12	1,481.12	1,481.11
WCID #1	23,559.38	5,889.85	5,889.85	5,889.85	5,889.85
WCID #5	20,584.76	5,146.19	5,146.19	5,146.19	5,146.20
DD #1	12,066.76	3,016.69	3,016.69	3,016.69	3,016.67
DD #2	8,127.00	2,031.75	2,031.75	2,031.75	2,031.74
DD #4	5,696.82	1,424.20	1,424.20	1,424.20	1,424.21
ESD #1	4,850.46	1,212.62	1,212.62	1,212.62	1,212.60
ESD #2	12,269.69	3,067.42	3,067.42	3,067.42	3,067.43
ESD #3	3,781.38	945.34	945.34	945.34	945.36
ESD #7	4,028.85	1,007.21	1,007.21	1,007.21	1,007.22
NAVIGATION DIST	5,469.56	1,367.39	1,367.39	1,367.39	1,367.38
HOSPITAL DISTRICT #1	78,191.41	19,547.85	19,547.85	19,547.85	19,547.87
RIVER RANCH ID	2,514.32	628.58	628.58	628.58	628.58
RIVER RANCH MUD #1	108.89	27.22	27.22	27.22	27.23
RIVER RANCH MUD #2	103.94	25.98	25.98	25.98	25.99
RIVER RANCH MUD #3	4,657.43	1,164.36	1,164.36	1,164.36	1,164.38
LIB CTY #1 MUD #4	18,164.48	4,541.12	4,541.12	4,541.12	4,541.12
LIB CTY #9 MUD #5	554.34	138.58	138.58	138.58	138.58
RIVER RANCH MUD #6	0.00	0.00	0.00	0.00	0.00
LIB CTY MMD#1	118,544.28	29,636.07	29,636.07	29,636.07	29,636.05
PLUM CREEK MMD#3	366.26	91.56	91.56	91.56	91.54
TOTAL	5,036,450.00	1,259,112.45	1,259,112.45	1,259,112.45	1,259,112.65

Tab 8

General Provisions

Staff and Compensation:

The 2024 staff currently consists of (43) full-time employees. The 2025 proposed budget allows for (43) full-time employees.

Health, Dental, Life and Accidental Death & Disability:

The District provides the above described benefit for all full-time employees as provided by Board policy #307. Any costs for coverage above the below approved insurance totals will be the responsibility of the employee. The District advertises for bids on Health Insurance each year in October or November. The District's monthly actual cost per employee for 2021-2024 and projected cost for 2024 is as follows:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Health	\$767.59	\$808.55	\$806.93	\$812.00	\$849.71
Dental/Vis	\$ 33.64	\$ 28.96	\$ 35.84	\$ 30.00	\$ 33.49
Life	\$ 3.13	\$ 6.06	\$ 3.25	\$ 7.00	\$ 3.05
AD&D	\$.40	\$.50	\$.40	\$.50	\$.60

Texas County & District Retirement System (TCDRS):

This budget provides for an employee contribution rate of 7% of salary. The District's contribution rate for 2024 is 16.55 % and the projected 2025 rate of 15.71% with eight (8) year vesting and a matching rate of 250%. Additionally, the District's plan provides for a supplemental death benefit of one (1) year salary for employees or \$5,000 for retirees.

Social Security:

The District does not participate in the Federal Old Age, Survivors and Disability Insurance Program.

Federal Medicare:

All District employees participate in the Medicare portion of the Federal Insurance Contribution Act. Employees contribute at a rate of 1.45% which is matched by the District.

Worker's Compensation Insurance:

All employees are protected by Worker's Compensation Insurance. The District participates in the Texas Association of Counties Self Insurance Pool. Below is the historical rate for the last nine (8) years:

	<u>Appraisers</u>	<u>Clerical</u>
2017	.16	.35
2018	.11	.34
2019	.12	.32
2020	.10	.32
2021	.11	.33
2022	.12	.32
2023	.09	.23
2024	.09	.23

Unemployment Insurance:

The historical annual contribution rate under Chapter 204 Subchapter F of Texas Unemployment Compensation Act are as follows:

2019	2.20%
2020	1.60%
2021	2.80%
2022	1.60%
2023	.10%
2024	1.30%

Incentive Pay:

The District budget provides for longevity pay to all full-time employees after one (1) year of continuous employment as provided by Board policy #221. Qualifying employees will be paid ten dollars (\$10.00) per month for each year of continuous service. Additionally, this policy allows employees to sell back sick hours in excess of 50% of the sick hours accrued for the current year at a rate of \$12.00/Hour. Incentive raises are awarded to appraisers upon completion of certain educational requirements. A \$500 annual increase in salary for completion of a course including exam approved by the Chief Appraiser. A 10% increase in annual salary for successful completion of either the Texas Department of Licensing and Regulation (TDLR) Class III or Class IV RPA Exam. Currently, the District has thirteen (15) Certified Registered Professional Appraisers (RPA) out of the twenty-five (25) appraisers who are registered with the Texas Department of Licensing and Regulation (TDLR). The District also

offers stipend pay in compliance with the incentive pay policy for educational degrees.

Mileage/ Car Allowance:

Employees or Board Members who use their privately-owned vehicles on official District business are authorized reimbursement at a rate authorized by the Internal Revenue Service as the standard mileage deduction rate. The current rate for 2024 is \$.67/mile. The budget provides for a car allowance of \$1125/month for the Deputy Chief Appraiser and \$1325/month for the Chief Appraiser. The reimbursement for field appraisers will be the standard mileage deduction rate plus \$400.00 per month car allowance. The Director of Appraisal will be the standard mileage rate plus a car allowance of \$750.00 per month.

Travel Expenses:

All employees or Board Members may be reimbursed for meal, lodging and other expenses incurred while traveling outside the District boundaries on official business as provided by Board policy #206. All monies spent during travel must be supported with receipts. A person may not claim reimbursement for the purchase of alcoholic beverages.

Appraisal Review Board Member Compensation:

ARB members are paid \$150 per meeting as provided by Board Policy #131. The ARB is currently comprised of seven (7) members plus one (1) Auxiliary member and meets 20 to 25 times per year. An auxiliary member may voluntarily attend a meeting of the Appraisal Review without compensation. As provided by Board Policy # 120, the ARB Chairman may request the attendance of the Auxiliary member to facilitate to hearing process and at such time the Auxiliary member will be compensated at \$150 per meeting. HB 1887 provides that the Appraisal District attorney cannot represent the ARB unless the ARB is made a party to a property owner lawsuit under Chapter 42 of Property Tax Code. The budget provides for additional funds for the Appraisal Review Board to hire an attorney.

Sick Leave:

A full-time employee must be employed for 90 days before sick leave can be granted. Sick leave will accrue per year according to the following lengths of employment:

90 Days to 1 Year	40 Hours
1 Year to 5 Years	80 Hours
5 Years on	160 Hours

Unused sick leave may be carried over from year to year until the maximum of 400 hours is reached.

Employees shall not be reimbursed for unused sick leave upon separation or retirement unless specifically approved by the Chief Appraiser. Emergency leave of up to 5 days per year may be granted by the Chief Appraiser for family weddings, illness, or death.

Employee Vacations:

As provided by Board Policy # 210, all full-time employees accrue vacation at a rate of 80 hours per year for employment years 1 through 10 and 120 hours per year after 10 years of employment. Vacation may not be taken in the first 6 months of employment without prior approval from the Chief Appraiser. Upon separation employees who have completed 1 year of continuous service will be reimbursed for up to 400 hours of unused vacation.

Holidays:

The District will observe the holiday schedule approved by the Liberty County Commissioner's Court.

Fund Balance:

According to Section 6.06 (j) of the Property Tax Code, if the District's income exceeds the expenses for a fiscal year, the Chief Appraiser shall return this fund balance to each participating Taxing Unit in proportion to their assessed contribution. This is accomplished by credit to each taxing unit's allocated payment for the fourth quarter of the following fiscal year. The fund balance history for the last ten (10) years as determined by District's auditor is as follows:

<u>Year</u>	<u>Balance</u>
2014	\$218,820
2015	\$134,498
2016	\$30,543
2017	\$46,682
2018	\$148,534
2019	\$504,572
2020	\$350,042
2021	\$185,094
2022	\$99,526
2023	\$433,354

Contingency Funds:

Also, the 2025 Budget allows for using 50% of the 2024 uncommitted fund balance as determined by audit to be used to fund the following contingency funds.

Legal Fund – Capped at	\$500,000
Real Estate Fund – Capped at	\$750,000
Computer Fund – Capped at	\$150,000

Capital Expenditures:

For 2025 the District expects to have the capital expenditures for the following items:

Unforeseen expenses funds only	\$20,000
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Debt Service:

The District does not currently have any outstanding debt service.

Other:

The 2025 operating budget includes funds for aerial photography of the County from Nearmaps. The estimated annual cost of the aerial photography is \$100,000 per year for two (2) years.

The District expects an annual cost of \$3,000 for our Employee drug testing policy for 2025. Also, budgeted under the other expenses is \$100/month cell phone expense for Chief Appraiser. Translator expenses for ARB hearings are also accounted for in the annual proposed budget.

The annual cost of the District’s annual maintenance of Harris Govern PACS Appraisal and Collections software is estimated at approximately \$152,055 for 2024. Just Appraised Software is estimated at \$71,925.

Tab 9

Notice of Public Hearing on Liberty County Appraisal District Budget and Reappraisal Plan

The Liberty County Appraisal District Board of Directors will hold a public hearing on a Proposed Budget and Reappraisal Plan for the 2025 fiscal year.

The public hearing will be held on June 27, 2024 at 9:30 A.M. at the District's office located at 2030 Sam Houston, Liberty, Texas.

A summary of the appraisal district budget follows:

The total amount of the proposed budget.	\$ 5,040,950
The total amount of increase over the current year's budget.	\$ 156,616
The number of employees compensated the proposed budget.	<u>43</u> <i>(full-time equivalent)</i>
The number of employees compensated the current budget.	<u>43</u> <i>(full-time equivalent)</i>

The Appraisal District is supported solely by payments from the local taxing units served by the Appraisal District.

If approved by the Appraisal District Board of Directors at the public hearing, this proposed budget will take effect automatically unless disapproved by the governing bodies of the county, school districts, cities, and towns served by the appraisal district.

The Reappraisal Plan will take effect upon approval of the Appraisal District Board of Directors.

A copy of the Proposed Budget and Reappraisal Plan is available for public inspection in the office of each of those governing bodies. A copy is also available for public inspection at the Appraisal District.

Tab 10

LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT REAPPRAISAL PLAN 2025 AND 2026

INTRODUCTION

According to Texas law, appraisal Districts must establish a plan for the periodic reappraisal of all property within the boundaries of the District. Please see attached Property Tax Code Sections 6.05 and 25.18. In order to comply with state law, the Liberty County Appraisal District set forth and established the following reappraisal plan.

Sec. 25.18 Periodic Reappraisals

- (A) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under section 6.05(i).
- (B) The plan shall provide for the following reappraisal activities for all real and personal property in the District at least once every three years:
 - (1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
 - (2) Identifying and updating relevant characteristics of each property in the appraisal records;
 - (3) Defining market areas in the District;
 - (4) Identifying property characteristics that affect property value in each market area, including:
 - (A) The location and market area of the property
 - (B) Physical attributes of property, such as size, age, and condition;
 - (C) Legal and economic attributes; and
 - (D) Easements, covenants, leases, reservations, contracts declarations, special assessments, ordinances, or legal restrictions;
 - (5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
 - (6) Applying the conclusion reflected in the model to the characteristics of the properties being appraised; and
 - (7) Reviewing the appraisal results to determine value.

The Liberty County Central Appraisal District (LCAD) is responsible for the appraisal of all classes of taxable property located within its jurisdictional boundaries. The boundaries include all property located in Liberty County. LCAD is responsible for the appraisal of approximately 137,727 real property parcels; 12,247 mineral accounts; and 4,239 industrial and other personal property accounts. The District serves 38 taxing units. Those taxing units consist of 7 independent school districts, 10 cities, 1 county, 1 hospital district, and 19 special use districts, such as navigation, drainage, water supply, and emergency service districts. LCAD employs an outside appraisal firm, Hugh Landrum & Associates, to appraise minerals, oil and gas, utilities, and various other complex properties. Hugh Landrum & Associates appraisers are also guided by the principles set forth in USPAP.

In mass appraising property for the purpose of ad valorem taxation, LCAD subscribes to the standards established by the International Association of Assessing Officers. In addition, LCAD is guided by the principles set forth in the Appraisal Foundation's "Uniform Standards of Professional Appraisal Practice" (USPAP). In appraising property for ad valorem tax purposes, the District employs generally accepted appraisal methods and techniques. Our appraisers conduct mass appraisal utilizing the three approaches to value: the cost, market, and income approaches.

Mission Statement

The mission of the Liberty County Appraisal District is to discover, list and appraise all properties in the District at market value on a fair and equitable basis as per statutory requirements; provide information and quality service to all taxing units, taxpayers and other users (i.e. appraisers, lawyers, land men, chambers of commerce) at the most economically cost; treat all taxpayers with the up most respect and courtesy at all times; and strive to maintain an attitude of open-mindedness when seeking to resolve taxpayer disputes or addressing taxing units concerns.

Legal Requirements

The Texas Constitution contains the laws that form the foundation for the Texas Property Tax Code. The tax code provides an annotated and cross-referenced version of the tax laws that govern property tax administration in Texas. The provisions contained in the Texas Constitution, the Texas Property Tax Code, related case law, and attorney general's opinions, serve as the primary sources of law that govern the activities of the LCAD.

Reappraisal

Defining market areas in the District; market areas are defined by school district and these areas may be further delineated by subdivision, abstract or neighborhood.

LCAD **will reappraise all real property annually** by evaluating all appraisal schedules and tables, neighborhood factors and depreciation schedules. Within budget constraints, it is the District's goal to complete update inspections of all improved properties on a five (5) year rotating cycle by school district. These update inspections will include physical inspection of the properties and updating all attributes and other necessary information. Revisions to cost models, income models, and market models are specified, updated and tested each year.

Cost schedules are tested with market data (sales) to insure that the appraisal District is in compliance with the Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ratio study tools and compared with cost data from Marshall & Swift.

Land tables are updated using current market data (sales) and tested with ratio study tools. Value modifiers are developed for property categories by market area and tested with ratio study tools.

Income, expense, and occupancy data is updated in the income models for each market area and cap rate studies are completed using current sales data when available. The resulting models are tested using ratio study tools.

All personal property will be reappraised annually. Update inspections of personal property will be conducted one or more times per year. Density schedules are updated using data received during previous year from renditions and hearings. Valuation procedures are reviewed, modified, and tested.

Mineral and industrial property will be appraised annually by Hugh Landrum & Associates, Houston, Texas.

Appraisal Resources

The LCAD staff consists of the Chief Appraiser, Deputy Chief Appraiser, a Director of Appraisal, supervisors, field appraisers, mapping assistants, data processing, clerical, and other support type personnel. LCAD currently employs 15 registered professional appraisers (RPA) and 9 appraisers working toward designation. At this time LCAD does not provide collection services; however, the LCAD does provide technical support to the taxing units it serves. The District Board of Directors will consider appointment of a taxpayer liaison officer after the population of the county reaches 125,000 as stated in Section 6.052 of the Texas Property Tax Code.

LCAD appraisers are actively involved in the discovery, listing, and appraisal of all types of property. Properties are grouped by location, type, use, quality, and a variety of other quantitative data elements. A common set of data characteristics on each specific type of property is observed, listed, and collected during field inspection. Each appraiser is trained in the use of the Liberty County Central Appraisal District's appraisal manual, appraisal techniques, and methodology.

Computer Resources

The District's appraisal records are maintained using True Automations Pac's appraisal software and a Dell server computer. The Pac's software is a CAMA (computer assisted mass appraisal) based system using cost and depreciation schedules for creating values for both real and personal property.

The District provides for public access via the internet to the Appraisal District records at www.Libertycad.com. The website provides access to individual property information including ownership, address, and homestead and appraisal data.

Mapping Resources

The District maintains ownership maps on paper and electronically using a geographic information system (GIS) of Liberty County utilizing ESRI's products arc-info, arc-viewed and arc-map. The District also has a license agreement with Pictometry International for aerial photography of Liberty County for years 2020 and prior. The District has a new contract with Nearmaps for 2021 forward. Additionally, Liberty County has a license with Google Earth. The District also has a contract with BIS utilizing Bing maps in conjunction with our GIS layers.

Information Sources

LCAD appraisal staff and administration collect data on local and regional economic forces that may affect value. Locational forces are carefully observed as we find location to be the most significant factor in determining the market value of property in our geographic area. General trends in employment, interest rates, availability of vacant land, and new construction trends are closely monitored. LCAD obtains information from mail surveys, local realtors, brokers, appraisers, and a variety of other sources, such as Marshall & Swift, the appraisal institute, Texas A & M Real Estate Center and local Chambers Of Commerce.

The Database

The LCAD database was constructed from property data obtained originally from Liberty County in 1980. Since the inception of the LCAD, the property records have been continually updated. A variety of programs designed to discover changes that may occur to data elements are maintained. Property inspections occur as the result of information gathered from various information sources. Building permits, field review, renditions, reports of value, local news publications, tax offices, and the public are but a few of the sources of information considered by staff appraisers during the discovery phase of the appraisal process. Information from building permits is compiled from local taxing units, sorted, and keypunched into our CAMA system.

Data collection in the field requires preparation of maps, computer generated appraisal cards, and coordination of the appraisal staff. Properties are grouped by type, location, and neighborhood prior to the start of the fieldwork. State Property Tax Division (PTD) property classifications include residential, multi-family, commercial, industrial, farm and ranch, vacant land and acreage, oil, gas, and mineral, utilities, business personal property, and other special inventory types.

Properties are also grouped by location within each of our seven school districts. Within each school district are neighborhoods, defined by the IAAO as the environment of a subject property that has a direct and immediate effect on value. The neighborhood concept is used extensively in the grouping of all taxable property located in LCAD with the exception of some special use properties.

Approaches to Value

Value occurs in many different forms. Numerous and varied forces and influences combine to create, sustain, or destroy value. The appraiser must define the type of value sought in order to compile and analyze all relevant data, giving due consideration to all factors which may influence value. The appraisal is simply an opinion of value and the accuracy and validity of the opinion can be measured against the supporting evidence from which it was derived along with its accuracy against the actual behavior of the market. An appraiser must adequately and fully obtain, document, and then interpret the evidence into a final estimate of value.

Appraising real property is an exercise in reasoning. It is a discipline and, like any discipline, it is founded on fundamental economic and social principles. From these principles evolve certain premises which, when applied to the valuation of property, serve to explain the reaction of the market. This section concerns itself with those concepts and principles basic to the property valuation process. One cannot overstate the necessity of having a workable understanding of them.

The processing of data into a conclusion of value generally takes the form of three recognized approaches to value: the cost, market, and income approaches to value. Underlying each approach

is the principle that the justifiable price of a property is no more than the cost of acquiring and/or reproducing an equally desirable substitute property. The use of one or all three approaches in the valuation of a property is determined by the quantity, quality, and accuracy of the data available to the appraiser.

The Cost Approach to Value

The cost approach to value is an appraisal analysis that is based on the economic principle of substitution that suggests that an informed purchaser would not pay more for a property than the cost of reproducing a substitute property with the same utility. The cost approach involves estimating the cost of the improvements new less all forms of depreciation (physical, functional, economic) plus the value of the site. If an improvement has no accrued depreciation, then and only then is cost equal to value.

Steps in the cost approach include:

1. Estimate the value of the site as if vacant
2. Estimate reproduction or replacement cost new of the improvements
3. Estimate accrued depreciation
4. Deduct the accrued depreciation from the reproduction (or replacement) cost new to obtain an estimate of the present worth of the improvements
5. Add the present worth to the site value to obtain the indicated value. The significance of the cost approach lies in its extent of application - it is the one approach that can be used on all types of properties. The cost approach is a starting point for appraisers and therefore a very effective "yardstick" in any equalization program for ad valorem taxes. Its widest application is in the appraisal of properties where lack of adequate market and income data preclude the reasonable application of the other two approaches to value.

The Market Approach to Value

The market approach to value is an appraisal analysis that involves the compiling of sales and offerings of properties that are comparable to the property being appraised. The sales and listings are then adjusted for differences and a value range obtained. The market approach is reliable to the extent that the properties are comparable and the appraiser's judgment of property adjustments is sound. The procedure for utilizing this approach is essentially the same for all types of property with the only difference being the elements of comparison.

The significance of the market approach lies in its ability to produce estimates of value that directly reflect the attitude of the market. Application is contingent upon the availability of comparable sales, and therefore finds its widest range in the appraisal of vacant land and residential properties.

The Income Approach to Value

The income approach to value is an appraisal technique that measures the present worth of the future benefits of a property by capitalization of the net income stream over the remaining economic life of the property.

The income approach involves making an estimate of "effective gross income" which is derived by deducting vacancy and collection losses from the estimated economic rent, as evidenced by comparable properties. Operating expenses, taxes and insurance, and reserves for replacements are deducted from the effective gross income. The resultant net income is capitalized into an indication of value. The income approach obviously has its basic application in the appraisal of properties universally bought and sold for their ability to generate and maintain an income stream. The effectiveness of the approach lies in the appraiser's ability to relate to the changing economic environment and to analyze income yields in terms of their relative quality and durability.

In theory, the market value of a property should be equal to the present value of its future income. The simplest capitalization formula is $v = i/r$ (present value of the property = annual net income expected in the future divided by the rate [interest, risk, or discount rates]). For an asset that declines in value over time, the appropriate capitalization formula is $v = (i/r) [1 - 1/(i + r)^n]$ where n equals the number of years that the asset will be in use. The resultant capitalization rate is the hoped-for or expected rate of return. It is the rate necessary to attract capital to the investment.

Section 23.012 of the Texas Property Tax Code (effective January 1, 2004) requires the Chief Appraiser, when using the income approach, to:

1. Analyze available comparable rental data or the potential earnings capacity of the property, or both, to estimate the gross income potential of the property;
2. Analyze available comparable operating expense data to estimate the operating expenses of the property;
3. Analyze available comparable data to estimate rates of capitalization or rates of discount; and
4. Base projections of future rent or income potential and expenses on reasonably clear and appropriate evidence.
5. In developing income and expense statements and cash-flow projections, the Chief Appraiser shall consider: (1) historical information and trends; (2) current supply and demand factors affecting those trends; and (3) anticipated events such as competition from other similar properties under construction.

Valuation Process

All taxable properties in the District are valued by the aforementioned cost schedule using a comparative unit method. All LCAD schedules were developed in house except the original residential schedules which were developed by a contract mass appraisal firm and are periodically modified to reflect the current market. The cost schedules are tested against commonly accepted sources of building cost information, such as Marshall & Swift, to determine accuracy. Cost estimates are also compared to analysis of the local market to determine level of appraisal.

Residential Market Analysis

Market analysis is performed throughout the year. Both, general and specific data is collected and analyzed. There are a number of economic principles that relate to the market value of property. The principle of supply and demand is an important economic principle that must be considered by appraisers. There are a number of others including economic trends, national, regional, and local trends that affect the value of properties located in our various tax jurisdictions. An awareness of physical, economic, governmental, and social forces is essential in understanding, analyzing, and identifying local trends that affect the real estate market.

Data Collection

Field and office procedures are review and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a specific cycle (5 years). The International Association of Assessing Officers, standard on mass appraisal of real property, specifies that the universe of properties should be re-inspected on a cycle 4-6 years.

The re-inspection includes the re-measurement of at least two sides of each improved property. The annual re-inspection requirements are identified by the property type and property classification.

New construction field and office review procedures are identified and revised as required. Field production standards are established and procedures for monitoring tested. Source of building permits is confirmed and system input procedures are identified. Process of verifying demolition of improvements is specified. Market areas with extensive improvement remodeling are identified, verified and field activities scheduled to update property characteristic data. Updates to valuation procedures are tested with ratio studies before finalized in the valuation modeling.

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios; or high coefficient of dispersion. Market areas that fail any or all these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified. Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid.

Identifying & Updating Relevant Property Characteristics

Field and office procedures will be reviewed and revised as required for data collection and verification of value-rated and descriptive property characteristics for each property. Activities scheduled for each tax year include inspection of new construction, demolition, and remodeling, check backs, and verification of sales information, and re-inspection of problematic areas and neighborhoods.

New Construction/Demolition

Field and office review procedures for inspection of new construction will be reviewed and revised as required. Field appraisal standards will be established and quality review will be conducted to verify accuracy of data. Building permits will be received from the cities and county and imputed into the PACS system. Field checks for demolished improvements will originate from property owners, newspaper articles, radio reports and appraiser county canvassing.

Remodeling

Market areas with notable improvement remodeling will be identified and on-site inspections will be scheduled to verify the degree of remodeling and property characteristic data.

Re-Inspection of Problematic Market Areas

Real property market areas, stratified by property classification, will be tested for low or high protest volumes; low or high sales ratios; and high coefficients of dispersion. Market areas that fail any or all of these tests will be determined to be problematic. Field reviews will be scheduled to verify and correct property characteristics data. Additional sales data will be researched and verified in order to assess whether the market area is correctly delineated.

Re-Inspection Of The Universe Of Properties

Real property re-inspection will be completed using a combination of field inspections and office review. Office review of property will include;

- 1) The examination of aerial photography including both oblique and orthographic imagery, which allows for some digital verification of building measurements and visual inspection of external economic influences;
- 2) Existing property sketches and property characteristics; and
- 3) Google street-view digitized images when available. The District has added additional Google Earth licenses for the field appraisal department and anticipates budgeting for new oblique and orthographic imagery every year.

Basic Measuring Procedures

In any appraisal the foundation for the cost approach is the improvement sketch. The District's appraisers are trained in the procedures for measuring, drawing, vectoring and reconciling measurements. Appraisers are also trained to segregate and separately measure areas by use (i.e. Main area/living area, porches, garages, patios etc.)

Depreciation

LCAD depreciation tables are based on the extended life concept, which starts with the hypothesis that buildings age in much the same manner as people and that the older they get the greater their total life expectancy. This concept recognizes that a building is in the prime of life before mid-life and that the road is downhill after that, but the correction of deficiencies may lower effective age and lengthen the remaining life.

Highest and Best Use Analysis

In considering the fair market value of taxable property, LCAD employs the principle of highest and best use analysis. Highest and best use analysis is the first step in the District appraisers' economic analysis. Highest and best use is defined as the most profitable use at a specific time. For the purpose of ad valorem property taxation in Texas, the specific time is January 1 of each calendar year. The highest and best use must be legal, physically possible, and financially feasible. LCAD appraisers generally consider that the current use of the property is most likely its highest and best use. In certain types of property, local zoning and deed restrictions often determine highest and best use. However, in areas of transition, it may be necessary for the analyst to more carefully consider the concept of highest and best use. Highest and best use may not be the present use of the property when the agents of production are not in alignment (i.e. Land, labor, capital, and management).

Neighborhood Analysis

Initially, property is considered based on its location within particular boundaries. The most common boundary used to define location is the school district boundary. In all types of property, valuation analysis and neighborhood analysis is conducted on school districts. The IAAO defines a neighborhood as the environment of a subject property that has a direct and immediate effect on value. For our purposes, the neighborhood boundary is the environment of the subject property. The neighborhood concept is used in the grouping of all taxable property located in LCAD with the exception of some special use properties.

Land Analysis

Land analysis is conducted generally by the District's review appraisers. Highest and best use determinations generally occur at this time. Base lot square footage tables and acreage tables are established during this phase of the appraisal operation. A computerized land table containing the necessary information by ISD and neighborhood, and any other pre-specified area, assist the appraisal in consistently valuing land based on its location, size, configuration, and topography elements. When possible, the sales comparison approach is used to assist in the development of unit prices. The land appraisal techniques of allocation by abstraction and allocation by ratio are used to best reflect the value of the land as vacant in areas where build-out has occurred or in areas where vacant land sales are not available.

Appraisal Of Rural Land

This section provides general guidelines to assist appraisers in the market valuation of rural lands. Appraised values based on market valuation must be established for all taxable land in each taxing jurisdiction, regardless of whether the land qualified, or would qualify, for productivity valuation under either Article VIII, Section 1-D Of Section 1-D-1 of the Texas Constitution. Market values so determined must be submitted to the appraisal review board for determination of protests for all taxable land in each jurisdiction, including land that qualifies for productivity valuation. In addition, appraised values based on market valuation must be retained for land receiving productivity valuation for rollback purposes.

The rural land market can best be understood by dividing it into three distinct types of markets—the production, investment, and consumptive land markets--each based on the principal factor which influences value. Discussion of these market influences and common examples of each are presented below.

The Production Land Market

The principle factor influencing value of rural land in the production land market is the income potential associated with agricultural production. In the production land market, land values will reflect the productive capacity of soils, the availability of irrigation water, and the topographic features which influence the ability of a producer to use the land for agricultural purposes. Most areas of the Texas high plains are still dominated by production-market influences.

The Investment Land Market

The principal factor influencing the market value of rural land in the investment land market is the appreciation potential of land investments. The investment land market is not composed strictly of

speculators who purchase land with the intent to make a quick profit by resale, but also includes individuals who purchase land for conversion into subdivisions or for other types of development. In addition, the investment land market includes individuals who purchase land as a means of preserving their capital for a later use, or as a hedge against inflation. Although investment-market influences exist in all areas of the state, they are the principal market influences in suburban areas.

The Consumptive Land Market

The principal factor influencing the market value of rural land in the consumptive land market is the satisfaction that land ownership provides. The consumptive land market is often characterized by the purchase of small tracts of land to be used for recreational purposes. For instance, an individual who lives in a city or town may purchase a 10-acre tract of land in a rural area to visit on weekends with his family. Generally, the value of land located within 200 miles of major population centers is most heavily affected by consumption-market influences.

The most distinctive features of the rural land market are that all three types of market influences, in combination with supply, establish market values. For this reason, it is important that the appraiser be knowledgeable of the key factors that influence value and of the relative influence each of these factors has upon value when establishing procedures for the valuation of rural land in a jurisdiction.

Analysis Of The Location Market

From a practical standpoint, using a fee-appraisal approach to appraise each individual tract of land in a jurisdiction is not possible. Fee appraisers make detailed appraisals of individual parcels by obtaining comparable sales of other land in the jurisdiction and adjusting each comparable sale to the subject property to estimate the value of the subject property. In this way, fee appraisers allow market transactions that have occurred regarding other properties to define the market value of the subject property. Common types of adjustments made by fee appraisers to comparables in estimating market values of subject properties include adjustments for date of sale, for size of tract, for productivity factors, for improvement value, and for special amenities.

Central Appraisal District appraisers must also use market transactions to define factors that influence rural land values in their jurisdictions. However, unlike fee appraisers, these appraisers cannot compare each tract individually to each market transaction identified to make adjustments because of the volume of properties to be appraised. Appraisal office appraisers must, therefore, incorporate the factors indicated by market transactions into general standards or schedules of value. Such schedules are normally comprised of per acre prices that will be multiplied by the number of acres in an individual tract to develop an estimate of the value of the tract. Schedules of this kind should be divided into as many categories or classes as are necessary to reasonably reflect market values when applied to individual tracts of land found in the jurisdiction.

Sales Analysis

The LCAD review appraisers gather sales information. LCAD receives sales from a variety of sources including, but not limited to, field discovery, local realtors, appraisers, buyer and seller questionnaires, protest hearings, local builders, and sometimes from overlapping jurisdictions. Sales are reviewed for validity and field inspected for data accuracy. All sales are entered into our CAMA system. The sales are classified to recognize their appropriate status, source, and confirmation codes.

The sales ratio analysis and associated individual property review is conducted on a year around basis. As stated above, properties that do not fit a homogenous statistical profile are set aside for review.

Sales must be reviewed to identify sales that require adjustments or are not indicative of market value. Corrections to sales price should be made for special financing, time adjustments, personal property, multiple parcel sales, land contracts, trades, or any others reasons that may cause the sales price to not reflect the current market. Ratio studies are performed by property class, appraiser, school district, neighborhood and strata to identify areas in need of reappraisal. The review appraiser should carefully review all ratios studies, very high or very low sales ratio (outliers) should be identified per IAAO standards and set aside for special review and possible adjustment. Outliers should not be excluded from ratio studies unless they are deemed non-market sale.

Residential Valuation

The ratio study procedures provide accurate information regarding the level of appraisal of the various classes and categories of properties. For the purpose of valuing residential property, the LCAD approach to value is described by the IAAO as a hybrid cost-sales comparison approach. This commonly accepted mass appraisal technique considers local influences not always accounted for in the cost approach. The following equation explains this theory: $MV = MA (RCN - D) + LV$.

Where MV equates to market value, MA equals market adjustment, RCN-D is the replacement cost new of the dwelling, less depreciation, and LV is the estimate of land value based on highest and best use. Market value equals market adjustment times RCNLD + land.

In areas where the sales ratio indicates that the property located within a given neighborhood is not being appraised at the legally permissible level of appraisal, the market adjustment process described in the previous paragraph is conducted. Base cost estimates are compared to sales and a ratio is derived. The ratio is divided into a target ratio, and a neighborhood adjustment factor is determined. Each homogenous parcel in that given neighborhood is programmatically adjusted according to the factor derived from the process. This adjustment factor is entered into the system and each parcel is adjusted programmatically. Ongoing neighborhood analysis and delineation ensures the accuracy of this process.

Inventory Residential Property

Residential improved and vacant property is appraised in compliance with the Texas Property Tax Code, Section 23.12 (a).

In general, the District uses its own land value estimates and the actual itemized construction, labor, and material costs, plus other soft or indirect costs to estimate market value as of the assessment date. The market values of improved inventory will be reviewed annually and inventory consideration will be eliminated when ownership transfers to the property owner.

Vacant residential inventory will be valued using a discounted cash flow formula that considers value relative to the income or cash flow, the interest or discount rate, and the number of years the property is likely to be held. As with improved inventory, full market will be applied once the vacant land is absorbed and ownership transfers for the purpose of residential construction.

Commercial Property Valuation

The LCAD employs all three approaches to value when possible in valuing income-producing property. The primary approach used to initiate the valuation process is the cost approach to value. Each commercial property is listed according to its quantitative data elements. The data elements are keypunched to our computer mainframe and an initial cost value is calculated. The depreciation is calculated and assigned during this process so that an RCNLD of the improvements may be derived and this is added to an estimate of the land value.

The income and expense data of these types of properties is gathered and evaluated. When appropriate, one or more forms of the income approach to value are used. Information from a variety of sources is obtained and detailed analysis is undertaken. When possible, the appraiser uses the technique of direct capitalization to derive the income approach value. Further, during the establishment of the capitalization rate it is always important to estimate an appropriate amount of risk when building the capitalization rate. LCAD prefers utilizing current market, sales, and income information to develop overall rates by class, use, location, and quality of commercial improvements.

The field inspection, valuation review, and performance analysis described throughout this report, apply to commercial as well as other types of properties. When available, the commercial analyst also uses the sales comparison approach to determine the fair market value of income-producing properties. In using the cost approach, however, it is sometimes necessary for the appraiser to utilize the unit in place, quantity survey, or historical cost method to derive accurate cost estimates.

Personal Property Valuation

All income-producing business personal property located within District boundaries is subject to tax. Business use vehicles are also listed in the appraisal records and subject to ad valorem taxation. Personal property schedules are used to value business furniture, fixtures, equipment, and inventory. Additionally, personal property values are obtained by some other sources.

Business owners are required by Texas law to render their business personal property each year. The appraiser considers rendered values during the appropriate phase of valuation analysis. Rendered values are often used as the basis for the cad value if the value rendered is reasonable for the type of business and within acceptable ranges when compared to the District's personal property schedules. Should the property owner choose not to render the property, or if the rendered amount does not fit acceptable ranges, then the District will rendered for the property owner or appraise the property based on the District's schedules.

Depreciation of the property is determined by the age of the property and its expected life. Valuation and depreciation schedules are included in the LCAD appraisal manual. Business vehicles are valued based on nada used car guide trade-in value for the particular make, model, and age of the vehicle or by applying depreciation tables to original cost. The Appraisal District uses a vehicle report to determine ownership, make, model, and vehicle characteristics to determine nada trade-in value. This report along with the aforementioned renditions and physical observations are used to discover and list vehicles that are taxable.

Procedures for Ratio Studies

A ratio study is designed to evaluate appraisal performance through a comparison of appraised or assessed values for tax purposes with estimates of market value based on sales prices, and tested by measures of central tendency. The District will adhere to the IAAO standards on ratio studies.

The Property Tax Division of the Texas Comptroller of Public Accounts performs annual ratio studies on all Texas school districts. Appraisal Districts performance is judged by the results of these ratio studies. State law requires that appraisal Districts appraise all taxable property at one hundred percent (100%) of market value.

Failure to appraise property within a confidence interval of 95% to 105% may result in diminished funding from the state to local school Districts. Additionally, in circumstances where an appraisal District fails to appraise properties within the PTD's intervals for an extended period of time a master may be appointed to assume control of the appraisal districts operations.

Planning Objectives

Long range planning objectives: (1 to 6 years)

Improved service, record accuracy, appraisal system, equity, and reporting system.

1. Within 2 years convert all computerized maps to ARC-GIS and update for changes. Upgrade mapping software and hardware as proficiency and needs change.
2. Within 5 years complete land scheduling project.
3. Within 3 years update all land account records with a minimum of last deed transfer volume and page.
4. Within 3 years update on CAMA software and expand usage of existing software and programs
5. Each year examine and test appraisals, using ratio studies of selected categories of property and areas of the county.
6. Continue to analyze and improve preparation and presentation of appraisal values and support at ARB hearings.
7. Continue to refine and improve field appraisal procedures.
8. Complete improvement update, inspections on a five (5) year rotating cycle by school district.
9. Complete update of open space ag and timber land applications on a five year basis.
10. Strive to improve employee retention through competitive benefits, salary increases and increased job satisfaction.

Operational plans:

- I. Mineral and industrial property will be appraised on annual basis by Hugh Landrum & Associates located in Houston, Texas.

- II. All personal property will be appraised on an annual basis by the Liberty CAD personal property department. Personal property will be appraised using renditions, on-site inspections, density schedules or any combination thereof. Additionally, data from sources such as assumed name lists, vehicle lists and chamber of commerce membership lists will be used to discover taxable personal property. Similar types of properties will be appraised using the same or similar methods.
 - A. Update inspections will be conducted by the personal property department one or more times a year. The real property department, during the course of inspecting, will assist by reporting to the personal property department any new businesses or businesses with significant changes. The objective of these inspections are to determine:
 1. Location changes;
 2. New businesses;
 3. Business closings;
 4. Significant changes in character, nature, inventory, density levels or size of a particular business; and
 5. Businesses warranting detailed on-site inspections.
 - B. All inspections will be evidenced by notes on computer listings of personal property accounts. Detailed on-site inspections will be evidenced by completion of personal property field inspection worksheets.

III. All real property will be appraised or updated by the real property department on a mass appraisal basis using generally accepted appraisal practices as follows:

- A. County and city building permits will be used to discover, list and appraise new improvements on an annual basis. Permit inspections will normally begin in November of the proceeding tax year and end in June of the current year.
- B. Defining market areas in the District; market areas are defined by school District and these areas may be further delineated by subdivision, abstract or neighborhood.

Within budget constraints, it is the District’s goal to complete and update inspections of all improvements excluding industrial properties appraised by Hugh Landrum & Associates by school districts on a five (5) year rotating cycle.

Cleveland ISD (appraised on a separate three (3) year cycle) 2024,2025,2026

Liberty ISD	2024
Hardin ISD	2025
Hull-Daisetta ISD	2025
Devers ISD	2024
Dayton ISD	2026
Tarkington ISD	2027

- C. New open-space ag and timber applications will be requested by the school district for properties with questionable qualifying use according to the same calendar as update inspections or for ownership changes. Field inspections may be performed on all properties in each district to identify properties requiring a new application.

- D. Interim property improvements inspections or neighborhood reappraisals may result from request from property owners, taxing units, the Appraisal Review Board, or as a result of in house ratio studies.
- E. Residential and commercial appraisal schedules will be evaluated for accuracy and uniformity annually through comparison with Marshall and Swift cost schedules and through the use of ratio studies.
- F. The residential and commercial depreciation schedules, base years and effective years will be adjusted to the current year. Improvement values and depreciation schedules will be reviewed annually for accuracy and uniformity to assure that all property is appraised at its market value as required by Sec. 22.01 of the Texas Property Tax Code.
- G. All land accounts appraised will be reviewed at least every three (3) years. Land sales will be reviewed on a continuous basis in order to identify land use or types and locations which are in need of reappraisal. Land schedules will be built for all new subdivisions. Other tools for the discovery of land warranting reappraisal are the State Comptroller's Annual Value Study, the appraisal district's in-house ratio studies, the ARB hearing process or new subdivisions filed of record with the county clerk.
- H. To facilitate the District's land scheduling, computerized effective acre tracts will be established by owner for contiguous tracts in different abstracts or subdivisions where applicable.
- I. Annually survey all apartment complexes for occupancy rates, income and expense data.

Project Plans 2025 Thru 2026:

These project plans are dynamic and will be updated as needed during the year.

Real property plans 2025

All Districts- permits, field checks, rechecks.

Effective year changes:

All Districts – plus 1 year* only for mobile homes

*effective years were changed to update to current conditions and to aid in establishing yearly reappraisals.

Appraisal of New Improvements

All Districts – all new construction.

Improvement Reappraisal by Market Area Subdivision or Neighborhood

All Districts-	adjust improvement schedules on classes 9E and under
All Districts-	Remove Unnecessary Grade adjustments
Liberty ISD-	update property characteristics
Hardin ISD-	update property characteristics

Revalue Land Areas/Subdivisions, Development of Land Schedules Appraise New Subdivisions 2025

District will appraise all new subdivisions.

Open Space Ag & Timber Applications

All Districts-

1. Field check all agricultural & timber applications, contact the taxpayer if more information is necessary to make the determination of approval or denial.
2. Process any re-checks on agricultural & timber accounts
3. Send letters of approval or denial by certified mail.
4. Apply agricultural or timber use values to the properties that were approved.
5. Calculate the agricultural/timber values for the current year.

Comparable Sales Analysis

Process all sales data as received.

Perform periodic ratio studies by:

1. Appraiser
2. Property improvement class
3. School District, market area, neighborhood or subdivision

Complex Properties Plans 2025

Personal Property Appraisal 2025

All Districts-

1. Discover new businesses by using the assumed name list from the county clerk's office and the chamber of commerce list of new members for Cleveland, Liberty and Dayton areas.
2. Search newspapers and telephone book for new business.
3. Inspection of all new business.
4. Process all renditions received from taxpayers.
5. Grant an extension of the deadline for filing a rendition until May 15th if the property owner requested the extension in writing. The Chief Appraiser may extend the filing date another fifteen (15) days with good cause. Section 22.23 of the State Property Tax Code.
6. Impose a penalty of 10% on the total amount of taxes imposed if the person failed to file a timely rendition statement. Section 22.28 of the State Property Tax Code.
7. Impose a penalty of 50% of the total amount of taxes imposed on the property for the tax year if the court finds that the person filed a false statement or report with the intent to commit fraud or evade the tax or alters, destroys or conceals any record or document for the purpose of affecting the outcome of an inspection or determination before the appraisal district. Section 22.29 of the State Property Tax Code.

8. Reappraisal inspection of all existing personal property accounts.
9. Appraisal of leased equipment from the leasing companies renditions.
10. Appraisal of vehicles from the vehicle listing obtained from Info-Nation Inc.

Industrial and Mineral Properties 2025

Forward all renditions *received* on industrial or mineral properties to Hugh Landrum & Associates, Houston, Texas.

Process all information *from* Hugh Landrum & Associates, Houston, Texas, on the appraisal of industrial and mineral properties.

Real Property Plans 2026

Appraisal of Improvements

All Districts – all new construction
Review all improvement schedules

Reappraisal of School District

Hardin ISD
Devers ISD
Hull-Daisetta ISD
Cleveland ISD

Revalue Land Areas/Subdivisions, Development of Land Schedules

Development of land schedules for any area of all districts that are not valued on a land schedule.

Appraise New Subdivisions For 2026

Development of land schedules for each new subdivision developed for the tax year 2026.

Open-Space Ag & Timber Applications

All Districts-

1. Field check all agricultural & timber applications, contact the taxpayer if more information is necessary to make the determination of approval or denial.
2. Process any re-checks on agricultural & timber accounts
3. Send letters of approval or denial by certified mail.
4. Apply agricultural or timber use values to the properties that were approved.
5. Calculate the agricultural/timber values for the current year.

Comparable Sales Analysis

Process all sales data as received.

Perform periodic ratio studies by:

1. Appraiser
2. Property improvement class
3. School District, market area, neighborhood or subdivision

Complex properties plans 2026

Personal Property Appraisal 2026

All Districts-

1. Discover new businesses by using the assumed name list from the county clerk's office and the chamber of commerce list of new members for Cleveland, Liberty and Dayton areas.
2. Search newspapers and telephone book for new business.
3. Inspection of all new business.
4. Process all renditions received from taxpayers.
5. Grant an extension of the deadline for filing a rendition until May 15th if the property owner requested the extension in writing. The Chief Appraiser may extend the filing date another fifteen (15) days with good cause. Section 22.23 of the State Property Tax Code.
6. Impose a penalty of 10% on the total amount of taxes imposed if the person failed to file a timely rendition statement. Section 22.28 of the State Property Tax Code.
7. Impose a penalty of 50% of the total amount of taxes imposed on the property for the tax year if the court finds that the person filed a false statement or report with the intent to commit fraud or evade the tax or alters, destroys or conceals any record or document for the purpose of affecting the outcome of an inspection or determination before the appraisal district. Section 22.29 of the State Property Tax Code.
8. Reappraisal inspection of all existing personal property accounts.
9. Appraisal of leased equipment from the leasing companies renditions.
10. Appraisal of vehicles from the vehicle listing obtained from Info-Nation Inc.

Industrial and Mineral Properties 2026

Forward all renditions *received* on industrial or mineral properties to Hugh Landrum & Associates, Houston, Texas.

Process all information from Hugh Landrum & Associates, Houston, Texas on the appraisal of industrial and mineral properties.

Calendar of key events 2025-2026

Commercial

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Land analysis												
Re-inspection												
Key income & expense data												
Valuation:												
Land												
Income												
Cost												
Sales analysis												
Permit research												
New construction/discovery												
New construction value review												
New construction value study												
New subdivisions												
Split-outs/combinations												
Sales verification												
Prior year correction hearings												
Prior year corrections												
Current year hearings												

Calendar of key events 2025-2026

Industrial

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Pp rendition penalty waivers/hearings												
Appraisal contractors:												
Negotiate contracts												
Assign accounts												
Deliver estimates of value												
Re-inspection/discovery												
Valuation:												
Industrial real property												
Industrial personal property												
Permit research												
New construction/value review												
Prior year correction hearings												
Prior year corrections												
Current year hearings												

Calendar of key events 2025-2026

Residential

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Land analysis												
Neighborhood delineation												
Sales validation												
Re-inspection												
Sales ratio analysis/valuation												
Model specification												
Model calibration												
Final value review												
New construction/discovery												
New construction value review												
Appeal of property value study												
New subdivisions												
Split-outs/combinations												
Jurisdiction estimates												
Prior year correction hearings												
Prior year corrections												
Field checks												
Current year hearings												

Calendar of key events 2025-2026

Personal Property

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Pp rendition penalty waivers/hearings												
Appraisal contractors:												
Negotiate contracts												
Assign accounts												
Deliver estimates of value												
Re-inspection/discovery												
Valuation:												
Finalize values												
Rendition processing												
Prior year correction hearings												
Prior year corrections												
Current year hearings												

Tab 11

2025 - 2026
Mass Appraisal Methodology Manual
&
Reappraisal Plan

for

Liberty County Central Appraisal District

Hugh L. Landrum & Associates, Inc.
A Registered Professional Engineering Firm

Hugh L. Landrum & Associates, Inc. Mass Appraisal Methodology Manual

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Hugh L. Landrum & Associates, Inc.

Mass Appraisal Methodology Manual

INTRODUCTION

Hugh L. Landrum & Associates, Inc. is a Registered Professional Engineering Firm in the State of Texas specializing in the mass appraisal of complex properties. In this role HLL&A recommends to its clients appraised values for selected properties. The recommended values are intended to be used by each client as part of the tax base of the taxing jurisdictions served by the client.

***THIS MANUAL IS SUBJECT TO CHANGE WITHOUT NOTICE.
IT IS ROUTINELY UPDATED TO MEET THE REQUIREMENTS OF
THE LEGISLATURE, THE COMPTROLLER AND OUR CLIENTS.***

SCOPE OF RESPONSIBILITY

The specific responsibilities of HLL&A to each of its clients are described in the contract between them. HLL&A's general responsibilities are to discover certain types of property, as required; to inspect the subject properties, where possible; and to appraise the properties or classes of property that are listed in the contract. An owner name and address record is also maintained for each property that is appraised. This set of services is typically provided to all of HLL&A's appraisal clients. These services are also typically supplied to other Texas appraisal districts by competing mass appraisal firms. Appraisal techniques and model types employed by HLL&A are similar to and/or derived from techniques and model types found in a variety of appraisal texts and appraisal courses, including but not limited to the Texas Property Tax Code, the Texas State Comptroller's guidelines, and the Uniform Standards of Professional Appraisal Practices (USPAP).

TYPES OF PROPERTY

In general, Hugh L. Landrum & Associates, Inc. is retained by its clients to appraise one or more of the following types of property:

- Industrial Property, Real and Personal
- Utility, Railroad, and Pipeline Properties
- Special Purpose Properties
- Business Personal Property
- Oil and Gas Reserves

Attached to this report are individual appraisal methods and a reappraisal plan for each type of property that Hugh L. Landrum & Associates, Inc. appraises. HLL&A's methodologies set out herein are derived from USPAP standards, the Texas Property Tax Code, State Comptroller guidelines and other relevant industry standards.

EXEMPT OR ABATED PROPERTIES

All properties appraised by HLL&A that are exempt as determined by either the Chief Appraiser or some governmental agency, will be treated as exempt as set out in Chapter 11 of the Texas Property Tax Code.

Pollution control exemptions are applied as determined by the Texas Commission on Environmental Quality, to the market value established for the subject property each year.

Abatements and value limitations are applied as set out in the respective Abatement or Value Limiting Agreement associated with the property, for those jurisdictions party to the Agreement. The Abatement or Value Limitation Agreements are provided to HLL&A by the CAD. The percentages used in abating or limiting the value, are applied to the market value established for the abated property for that year.

MARKET DATA AVAILABILITY

To the extent possible and where available, HLL&A researches, reviews, compiles and maintains market data information on the various types of industries in which the properties that it appraises belong. HLL&A utilizes this market data to support its property values and makes all non-confidential and non-proprietary market data available to the CAD and to property owners for inspection upon request.

PERSONNEL RESOURCES

HLL&A maintains a staff that is skilled in appraisal, engineering, finance, information services, and property tax administration. All staff members participating in appraisal assignments are involved in a program of continuously improving his or her mass appraisal skills. Appraisal staff members are either advancing towards designation as a Registered Professional Appraiser by the Texas Department of Licensing and Regulation or, if they already hold such a designation, attend various classes and conferences designed to supplement their knowledge and abilities.

A list of appraisers and supporting staff members is attached. In general, the appraiser assigned to appraise a particular property is responsible for inspecting the property, analyzing it for characteristics that have a significant impact on value, gathering appropriate data, model development and model calibration, and arriving at an opinion of value. Centering these functions in the same appraiser tends to ensure that data that would have a material or significant effect on the resulting opinions or conclusions are correctly identified. The individual appraiser is involved in calibrating model structures 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 his or her results. The list of properties assigned to each individual appraiser is maintained in the appraisal files at Hugh L. Landrum & Associates, Inc. and by each respective client.

TAXPAYER ASSISTANCE


HLL&A trains its entire staff in providing assistance to taxpayers as set out in the IAAO's *Standard on Public Relations*. Our staff is trained to timely and professionally respond to taxpayer phone calls and e-mails, as well as being able to instruct taxpayers on the appraisal process from the initial appraisal of their property through the protest process. HLL&A works closely with each appraisal district to see that any specific requirements of each CAD are being met and to keep them apprised of our progress throughout the process.

CERTIFICATION STATEMENT:

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions or are the impartial and unbiased professional analyses, opinions, and conclusions of the other appraisers who are appraising property for the appraisal district to which this report is submitted. A list of the appraisers who are appraising property for the **Liberty County Central Appraisal District** is attached. Based on my personal knowledge of the education, background, and experience of the appraisers listed in this report, I believe that those appraisers are competent and that their work is credible.
- I have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- Other than the appraisal services performed under contract for the appraisal district for prior years, I have performed no other services, as an appraiser or in any other capacity, regarding any property that is the subject of this report within the three-year period immediately preceding my acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practices*.
- I have not made a personal inspection of all of the properties that are the subject of this report. However, the properties have been inspected by one or more of the appraisers assigned to appraise properties in the appraisal district to which this report is submitted.
- No one provided significant mass appraisal assistance to the person signing this certification except the appraisers assigned to appraise properties in this appraisal district, a list of which is attached.

Subscribed and sworn to this 20 day of May, 2024.



Hugh L. Landrum, Jr.

President

Hugh L. Landrum & Associates, Inc.

APPRAISER & STAFF LISTING
FOR
LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT
2025 & 2026

APPRAISERS:

Hugh L. Landrum, Jr., PE, RPA
Tracey L. Foster, JD, RPA, RTA, CTA
Douglass Warren, RPA
Michael Rigsby, RPA
Rachel Dowden, RPA
Andrew Saul
Nick Schriever
Michael Jolivet
Luis Soriano

ADMINISTRATIVE STAFF:

Taylor Drury
Victoria Wilson
Jared Henderson
Dina Chesson

***THIS LIST IS SUBJECT TO CHANGE AS NEEDED
AND WITH NOTICE TO THE CAD.***

**VALUATION METHODOLOGY SUMMARY
FOR
INDUSTRIAL PROPERTY
APPRAISED BY HUGH L. LANDRUM & ASSOCIATES, INC.
2025 - 2026**

A. Overview

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

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

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

The client for the mass appraisal is the Texas appraisal district named on the certification page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the industrial properties appraised by Hugh L. Landrum & Associates, Inc. for the appraisal district is available at the appraisal district office. Industrial properties are normally re-inspected annually.

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

HLL&A's industrial appraisal staff includes Registered Professional Engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Industrial appraisal staff stays abreast of current trends affecting industrial properties through review of published materials, attendance at conferences, course work, and continuing

education. All industrial appraisers are registered with the Texas Department of Licensing & Regulation.

B. Assumptions and Limiting Conditions

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

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
4. All information in the appraisal documents has been obtained by members of HLL&A's staff or by other reliable sources.
5. The appraisals were prepared exclusively for ad valorem tax purposes.
6. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

C. Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other means which require confidentiality. HLL&A receives renditions from either the CAD or directly from the taxpayer. HLL&A is responsible for identifying the accounts that have been properly rendered to the CAD. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties, if any. Due to the unique nature of many industrial properties, there is no standard data collection form or manual.

D. Market Data Availability

Market data is collected and maintained for each of the various industries appraised. This data includes, but is not limited to, cap rate studies and the supporting evidence, value allocation methodologies, cost tables and expense ratio data applicable to the specific industries being appraised. All non-proprietary and non-confidential market data is available to the CAD and to taxpayers upon request.

E. Identification of New Property

Identifying new industrial properties &/or new construction is the responsibility of HLL&A. This is accomplished through a variety of means including, but not limited to obtaining and reviewing building permit and abatement requests; a visual inspection of an area; the input from others in the County who might identify any new properties in the area.

F. Valuation Approach and Analysis

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

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

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

The mathematical form of each model is described below.

Cost Approach

$$RCN - PD - FO - EO = \text{Cost Indicator of Value}$$

Where:

RCN = Replacement or Reproduction Cost New

PD = Physical Depreciation

FO = Function Obsolescence

EO = Economic Obsolescence

Income Approach

$$PGR - VCL - FE - VE = NOI$$

$$NOI/R = \text{Income Indicator of Value}$$

Where:

PGR = Potential Gross Rent

VCL = Vacancy and Collection Loss

FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 – n = Income Indicator of Value

Where:

NOI = Net Operating Income
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Market Data Approach

ASPCP/U = PU
ASPU x SU = Market Data Indicator of Value

Where:

ASPCP = Adjusted Sales Price of Comparable Property
U = Unit of Comparison
PU = Price per Unit of comparison
ASPU = Adjusted Sales Price per Unit of comparison
SU = Subject Property's number of Units of comparison

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

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

G. Review and Testing

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

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making

analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review.

H. Review, Verification & Evaluation by the CAD

Prior to submission of the Appraisal Roll to the ARB, the Chief Appraiser shall request a random sampling of appraisals from HLL&A. HLL&A shall provide the Chief Appraiser with the requested appraisals and all non-privileged and non-proprietary supporting data and review the information with the Chief Appraiser in order for the CAD to evaluate the appraisal results of HLL&A. The HLL&A appraiser responsible for each property sampled will review the appraisal, including but not limited to methodology, technique, data used and final outcome, with the Chief Appraiser or other employee of the CAD designated by the Chief Appraiser to review the contracted work. The Chief Appraiser or designee will verify that all assigned properties were indeed appraised and valued as set out in the contract and here-in and document any failure to do so, noting what if anything is required to fulfill the contract requirements.

Further, a computer-assisted statistical review of property value changes is also conducted at various times throughout the year allowing the CAD to verify that the properties called for in the Contract were appraised and values were entered. Finally, HLL&A will make any non-privileged and non-proprietary market data supporting the values of the properties it appraises, available to the CAD and for inspection by property owners on request.

I. Reappraisal Plan for Industrial Properties

Industrial Properties covered by the contract between the CAD and HLL&A shall be reappraised each year. For each year of the contract, the following activities will be undertaken for all industrial properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year, but in any event will be available as requested by the Chief Appraiser each year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Define market areas in the CAD, where applicable;
4. Identify property characteristics that affect property value in each market area or for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
5. If applicable, develop an appraisal model that reflects the relationship among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;
6. Apply conclusions reflected in the model to the characteristics of the property appraised; and

7. Review the appraisal results to determine value.

Generally, industrial properties will be valued on a cost approach basis since these properties have a low frequency of being bought and sold in the open market. In addition, since these properties are owner occupied, the income information is difficult to obtain and rarely applicable to industrial properties.

**VALUATION METHODOLOGY SUMMARY
FOR
UTILITY, RAILROAD, AND PIPELINE PROPERTIES
APPRAISED BY HUGH L. LANDRUM & ASSOCIATES, INC.
2025 - 2026**

A. Overview

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

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

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

The client for the mass appraisal is the Texas appraisal district named on the certification page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the utility, railroad, and pipeline properties appraised by Hugh L. Landrum & Associates, Inc. for the appraisal district is available at the appraisal district office. Such utility, railroad, and pipeline properties that are susceptible to inspection (e.g. compressor stations, pump stations, buildings, and power plants) are normally re-inspected at least every three years.

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

B. Assumptions and Limiting Conditions

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

1. Title to the property is assumed to be good and marketable and the legal description correct.

2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers do not necessarily inspect every property every year.
4. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
5. All information in the appraisal documents has been obtained by members of HLL&A's staff or by other reliable sources.
6. The appraisals were prepared exclusively for ad valorem tax purposes.
7. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

C. Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other means which require confidentiality. HLL&A receives renditions from either the CAD or directly from the taxpayer. HLL&A is responsible for identifying the accounts that have been properly rendered to the CAD. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual.

D. Market Data Availability

Market data is collected and maintained for each of the various types of utility or pipeline being appraised. This data includes, but is not limited to, cap rate studies and the supporting evidence, value allocation methodologies, cost tables and expense ratio data applicable to the specific type of pipeline or utility company being appraised. All non-proprietary and non-confidential market data is available to the CAD and to taxpayers upon request.

E. Identification of New Property

Identifying new properties &/or new construction is the responsibility of HLL&A. This is accomplished through a variety of means including, but not limited to obtaining and reviewing building permit and abatement requests; a visual inspection of an area; the input from others in the County who might identify any new properties in the area.

F. Valuation Approach and Analysis

For all pipelines a value is calculated using a Replacement Cost New Less Depreciation (RCNLD) model. This involves first calculating the cost of building a new pipeline of equal utility using current prices. The Replacement Cost New (RCN) is a function of location, length, diameter, and composition. Depreciation is then subtracted from RCN to produce the final value estimate. Depreciation is defined as the loss of value resulting from

any cause. The three common forms of depreciation are physical, functional, and economic. Physical depreciation is accounted for on the basis of the age of the subject pipeline. Functional and economic obsolescence (depreciation) can be estimated through the use of survivor curves or other normative techniques. Specific calculations to estimate abnormal functional and/or economic obsolescence can be made on the basis of the typical utilization of the subject pipeline. After deductions from RCN have been made for all three forms of depreciation the remainder is the RCNLD or cost approach model indicator of value.

In addition to the RCNLD indicator, a unit value model may also be used for those pipelines for which appropriate income statements and balance sheets are also available. Generally, this model is used for those pipelines that by regulation are considered to be common carriers. The unit value model must be calculated for the entire pipeline system. The unit value model typically involves an income approach to value and a rate base cost approach. The income approach is based on a projection of expected future typical net operating income (NOI). The projected NOI is discounted to a present worth using a current cost of capital that is both typical of the industry and reflective of the risks inherent in the subject property.

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

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

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

approach involves allocating sales prices of debt and equity to reflect the contribution to value of the operating property of the subject company.

The mathematical form of each model is described below.

RCNLD Approach

$$RCN - PD - FO - EO = \text{RCNLD Indicator of Value}$$

Where:

RCN = Replacement or Reproduction Cost New

PD = Physical Depreciation

FO = Functional Obsolescence

EO = Economic Obsolescence

Unit Cost Approach

$$OC - AD - EO = \text{Unit Cost Approach Indicator of Value}$$

Where:

OC = Original Cost

AD = Allowed Depreciation

EO = Economic Obsolescence

Unit Income Approach

$$PGR - VCL - FE - VE = \text{NOI}$$

$$\text{NOI}/R = \text{Income Indicator of Value}$$

Where:

PGR = Potential Gross Rent

VCL = Vacancy and Collection Loss

FE = Fixed Expenses

VE = Variable Expenses

R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI

NOI for year n x DF for year n = PW of year n NOI

Net Reversion x DF for year n = PW of Reversion

Sum of PW's for all years 1 - n = Income Indicator of Value

Where:

NOI = Net Operating Income

DF = Discount Factor

PW = Present Worth

n = Last year of holding period

Stock and Debt Approach

MVE + MVD = Market Value of Assets

Where:

MVE = Market value of Equity

MVD = Market value of Debt

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

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

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

G. Review and Testing

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

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

H. Review, Verification & Evaluation by the CAD

Prior to submission of the Appraisal Roll to the ARB, the Chief Appraiser shall request a random sampling of appraisals from HLL&A. HLL&A shall provide the Chief Appraiser with the requested appraisals and all non-privileged and non-proprietary supporting data and review the information with the Chief Appraiser in order for the CAD to evaluate the appraisal results of HLL&A. The HLL&A appraiser responsible for each property sampled will review the appraisal, including but not limited to methodology, technique, data used and final outcome, with the Chief Appraiser or other employee of the CAD designated by the Chief Appraiser to review the contracted work. The Chief Appraiser

or designee will verify that all assigned properties were indeed appraised and valued as set out in the contract and here-in and document any failure to do so, noting what if anything is required to fulfill the contract requirements.

Further, a computer-assisted statistical review of property value changes is also conducted at various times throughout the year allowing the CAD to verify that the properties called for in the Contract were appraised and values were entered. Finally, HLL&A will make any non-privileged and non-proprietary market data supporting the values of the properties it appraises, available to the CAD and for inspection by property owners on request.

I. Reappraisal Plan for Utility, Railroad & Pipeline Properties

Utility, Railroad & Pipeline Properties covered by the contract between the CAD and HLL&A shall be reappraised each year. For each year of the contract, the following activities will be undertaken for all Utility, Railroad & Pipeline properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year, but in any event will be available as requested by the Chief Appraiser each year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Define market areas in the CAD, where applicable;
4. Identify property characteristics that affect property value in each market area or for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
5. If applicable, develop an appraisal model that reflects the relationship among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;
6. Apply conclusions reflected in the model to the characteristics of the property appraised; and
7. Review the appraisal results to determine value.

Generally, these types of properties will be valued as an entire unit and the result apportioned to the pieces in the whole.

**VALUATION METHODOLOGY SUMMARY
FOR
SPECIAL PURPOSE PROPERTIES
APPRAISED BY HUGH L. LANDRUM & ASSOCIATES, INC.
2025 - 2026**

A. Overview

This type of property consists of real property improvements that by the nature of their design and/or construction are suitable for a single use only. Hugh L. Landrum & Associates, Inc. is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

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

The client for the mass appraisal is the Texas appraisal district named on the certification page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the properties appraised by Hugh L. Landrum & Associates, Inc. for the appraisal district is available at the appraisal district office. Special purpose properties are normally re-inspected annually.

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

HLL&A's industrial appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Appraisal staff stays abreast of current trends affecting special purpose properties through review of published

materials, attendance at conferences, course work, and continuing education. All appraisers are registered with the Texas Department of Licensing & Regulation.

B. Assumptions and Limiting Conditions

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

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

C. Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other means which require confidentiality. HLL&A receives renditions from either the CAD or directly from the taxpayer. HLL&A is responsible for identifying the accounts that have been properly rendered to the CAD. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the unique nature of each special purpose property, there is no standard data collection form or manual.

D. Market Data Availability

Market data, where available, is collected and maintained for each of the various industries appraised. This data includes, but is not limited to, cap rate studies and the supporting evidence, value allocation methodologies, cost tables and expense ratio data applicable to the specific industries being appraised. All non-proprietary and non-confidential market data is available to the CAD and to taxpayers upon request.

E. Identification of New Property

Identifying new special purpose properties &/or new construction is the responsibility of HLL&A. This is accomplished through a variety of means including, but not limited to obtaining and reviewing building permit and abatement requests; a visual inspection of an area; the input from others in the County who might identify any new properties in the area.

F. Valuation Approach and Analysis

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

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

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

The mathematical form of each model is described below.

Cost Approach

$$RCN - PD - FO - EO = \text{Cost Indicator of Value}$$

Where:

RCN = Replacement or Reproduction Cost New

PD = Physical Depreciation

FO = Function Obsolescence

EO = Economic Obsolescence

Income Approach

$$PGR - VCL - FE - VE = NOI$$

$$NOI/R = \text{Income Indicator of Value}$$

Where:

PGR = Potential Gross Rent

VCL = Vacancy and Collection Loss

FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 – n = Income Indicator of Value

Where:

NOI = Net Operating Income
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Market Data Approach

ASPCP/U = PU
ASPU x SU = Market Data Indicator of Value

Where:

ASPCP = Adjusted Sales Price of Comparable Property
U = Unit of Comparison
PU = Price per Unit of comparison
ASPU = Adjusted Sales Price per Unit of comparison
SU = Subject Property's number of Units of comparison

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

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Highest and best use analysis of these improvements is essential to an accurate appraisal. Identification of a highest and best use different from the current or intended use has a significant effect on the cost and market data models. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The market data and income approach models must be reduced by the value of the land and perhaps personal property in order to arrive at a value of the improvements.

G. Review and Testing

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

appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance; however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review.

H. Review, Verification & Evaluation by the CAD

Prior to submission of the Appraisal Roll to the ARB, the Chief Appraiser shall request a random sampling of appraisals from HLL&A. HLL&A shall provide the Chief Appraiser with the requested appraisals and all non-privileged and non-proprietary supporting data and review the information with the Chief Appraiser in order for the CAD to evaluate the appraisal results of HLL&A. The HLL&A appraiser responsible for each property sampled will review the appraisal, including but not limited to methodology, technique, data used and final outcome, with the Chief Appraiser or other employee of the CAD designated by the Chief Appraiser to review the contracted work. The Chief Appraiser or designee will verify that all assigned properties were indeed appraised and valued as set out in the contract and here-in and document any failure to do so, noting what if anything is required to fulfill the contract requirements.

Further, a computer-assisted statistical review of property value changes is also conducted at various times throughout the year allowing the CAD to verify that the properties called for in the Contract were appraised and values were entered. Finally, HLL&A will make any non-privileged and non-proprietary market data supporting the values of the properties it appraises, available to the CAD and for inspection by property owners on request.

I. Reappraisal Plan for Special Purpose Properties

Special Purpose Properties covered by the contract between the CAD and HLL&A shall be reappraised each year. For each year of the contract, the following activities will be undertaken for all special purpose properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year, but in any event will be available as requested by the Chief Appraiser each year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Define market areas in the CAD, where applicable;
4. Identify property characteristics that affect property value in each market area or for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;

5. If applicable, develop an appraisal model that reflects the relationship among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;
6. Apply conclusions reflected in the model to the characteristics of the property appraised; and
7. Review the appraisal results to determine value.

Like industrial properties, special purpose properties will be valued on a cost approach basis since these properties have a low frequency of being bought and sold in the open market. In addition, since these properties are owner occupied, the income information is difficult to obtain and rarely applicable.

**VALUATION METHODOLOGY SUMMARY
FOR
BUSINESS PERSONAL PROPERTY
APPRAISED BY HUGH L. LANDRUM & ASSOCIATES, INC.
2025 – 2026**

A. Overview

This type of property consists of tangible personal property owned by a business or individual for the purpose of producing an income. The Uniform Standards of Professional Appraisal practice define personal property as “identifiable portable and tangible objects which are considered by the general public as being ‘personal,’ e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate.” The Texas Property Tax Code (Sec. 1.04(5)) defines tangible personal property as “...personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.” The Texas Property Tax Code (Sec. 1.04(4)) defines personal property as “...property that is not real property.”

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

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

A separate definition of the value of inventory is found in the Texas Property Tax Code (Sec. 23.12(a)), “...the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business.” Additionally, some inventories may qualify for appraisal as of September 1 in accordance with the provisions of Texas Property Tax Code Section 23.12(f).

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

The client for the mass appraisal is the Texas appraisal district named on the certification page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the personal property appraised by Hugh L. Landrum & Associates, Inc.

for the appraisal district is available at the appraisal district office. Personal property is normally re-inspected annually.

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

HLL&A's personal property appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Personal property appraisal staff stays abreast of current trends affecting personal property through review of published materials, attendance at conferences, course work, and continuing education. All personal property appraisers are registered with the Texas Department of Licensing & Regulation.

B. Assumptions and Limiting Conditions

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

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
4. All information in the appraisal documents has been obtained by members of HLL&A's staff or by other reliable sources.
5. The appraisals were prepared exclusively for ad valorem tax purposes.

C. Data Collection and Validation

Data on the subject properties are collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other means which require confidentiality. HLL&A receives renditions from either the CAD or directly from the taxpayer. HLL&A is responsible for identifying the accounts that have been properly rendered to the CAD. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties.

D. Market Data Availability

Market data is collected and maintained for the various types of business personal property appraised. This data includes, but is not limited to, cost indices and tables, depreciation schedules, and value allocation methodologies, applicable to the specific types

of properties being appraised. All non-proprietary and non-confidential market data is available to the CAD and to taxpayers upon request.

E. Identification of New Property

Identifying new personal property is the responsibility of HLL&A. The most typical way to do this is through the rendition process mentioned above. Discovery of new property is also accomplished through a variety of other means including, but not limited to obtaining and reviewing building permits and abatement requests; a visual inspection of an area; the input from others in the County who might identify any new properties in the area.

F. Valuation Approach and Analysis

Personal property is appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A value estimate derived from an income approach model in which the operating income of a business was capitalized must be reduced by the value of any real property in order to arrive at the value of the operating personal property. A market data model based on typical selling prices per item or unit of capacity is also used when appropriate market sales information is available. In the case of some personal property types, such as licensed vehicles, market data from published pricing guides is used to construct a market value model. In other cases, models are based on sales information available through published sources or through private sources.

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

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

The mathematical form of each model is described below.

Cost Approach

RCN - PD - FO - EO = Cost Indicator of Value

Where:

RCN = Replacement or Reproduction Cost New

PD = Physical Depreciation

FO = Function Obsolescence

EO = Economic Obsolescence

Income Approach

$PGR - VCL - FE - VE = NOI$

$NOI/R = \text{Income Indicator of Value}$

Where:

PGR = Potential Gross Rent

VCL = Vacancy and Collection Loss

FE = Fixed Expenses

VE = Variable Expenses

R = Discount Rate or Cost of Capital

A variation of the income model is:

$NOI \text{ for year } 1 \times DF \text{ for year } 1 = PW \text{ of year } 1 \text{ NOI}$

$NOI \text{ for year } n \times DF \text{ for year } n = PW \text{ of year } n \text{ NOI}$

$\text{Net Reversion} \times DF \text{ for year } n = PW \text{ of Reversion}$

$\text{Sum of PW's for all years } 1 - n = \text{Income Indicator of Value}$

Where:

NOI = Net Operating Income

DF = Discount Factor

PW = Present Worth

n = Last year of holding period

Market Data Approach

$ASPCP/U = PU$

$ASPU \times SU = \text{Market Data Indicator of Value}$

Where:

ASPCP = Adjusted Sales Price of Comparable Property

U = Unit of Comparison

PU = Price per Unit of comparison

ASPU = Adjusted Sales Price per Unit of comparison

SU = Subject Property's number of Units of comparison

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

Highest and best use analysis of personal property is based on the likelihood of the continued use of the personal property in its current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

G. Review and Testing

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

Appraisal-to-sales ratios are the preferred method for measuring performance and are used when possible. However, sales for some types of personal property are very infrequent. Furthermore, many market transactions occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review.

H. Review, Verification & Evaluation by the CAD

Prior to submission of the Appraisal Roll to the ARB, the Chief Appraiser shall request a random sampling of appraisals from HLL&A. HLL&A shall provide the Chief Appraiser with the requested appraisals and all non-privileged and non-proprietary supporting data and review the information with the Chief Appraiser in order for the CAD to evaluate the appraisal results of HLL&A. The HLL&A appraiser responsible for each property sampled will review the appraisal, including but not limited to methodology, technique, data used and final outcome, with the Chief Appraiser or other employee of the CAD designated by the Chief Appraiser to review the contracted work. The Chief Appraiser or designee will verify that all assigned properties were indeed appraised and valued as set out in the contract and here-in and document any failure to do so, noting what if anything is required to fulfill the contract requirements.

Further, a computer-assisted statistical review of property value changes is also conducted at various times throughout the year allowing the CAD to verify that the properties called for in the Contract were appraised and values were entered. Finally, HLL&A will make any non-privileged and non-proprietary market data supporting the values of the properties it appraises, available to the CAD and for inspection by property owners on request.

I. Reappraisal Plan for Business Personal Properties

Business Personal Properties covered by the contract between the CAD and HLL&A shall be reappraised each year. For each year of the contract, the following activities will be undertaken for all business personal properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year, but in any event will be available as requested by the Chief Appraiser each year.

1. Identify 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, or renditions;
2. Identify and update relevant characteristics of each property in the property records of the CAD;

3. Identify property characteristics that affect property value for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
4. Develop or update a cost schedule based on SIC codes and market conditions;
5. Create or refine valuation models using actual cost data to derive the RCN of a particular unit;
6. Apply these schedules and models to estimate values; and
7. Review the rendition information in light of the schedules to determine value.

Business personal properties are required to be rendered and will typically be valued on a cost approach basis.

**VALUATION METHODOLOGY SUMMARY
FOR
MINERAL PROPERTIES
APPRAISED BY HUGH L. LANDRUM & ASSOCIATES, INC.
2025 - 2026**

A. Overview

This type of property consists of operating property, excluding land, owned by any number of working, royalty and overriding interest owners and related personal property. Hugh L. Landrum & Associates, Inc. is contracted to reappraise this type of property annually for the appraisal district. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

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

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

The client for the mass appraisal is the Texas appraisal district named on the certification page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the mineral properties appraised by Hugh L. Landrum & Associates, Inc. for the appraisal district is available at the appraisal district office. Such mineral properties that are susceptible to inspection are normally re-inspected at least every three years.

HLL&A's mineral appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. The appraisal staff stays abreast of current trends affecting mineral properties through review of published materials, attendance at conferences, course work, and continuing education. All appraisers are registered with the Texas Department of Licensing & Regulation.

B. Assumptions and Limiting Conditions

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

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

3. The appraisers do not necessarily inspect every property every year.
4. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
5. All information in the appraisal documents has been obtained by members of HLL&A's staff or by other reliable sources.
6. The appraisals were prepared exclusively for ad valorem tax purposes.
7. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made as to these matters unless specifically considered in an individual appraisal.

C. Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Production rates for each lease are developed using monthly production reported to the Railroad Commission of Texas. Monthly lease volumes sold, and the income received for them, as reported to the Comptroller's Office for severance tax purposes, are used to develop product prices and also to estimate the previous year's income.

Submitted data may be on a rendition form or in other means which require confidentiality. HLL&A receives renditions from either the CAD or directly from the taxpayer. HLL&A is responsible for identifying the accounts that have been properly rendered to the CAD. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the varied nature of mineral properties, there is no standard data collection form or manual.

D. Market Data Availability

Market data is collected and maintained for each of the various types of mineral leases appraised. This data includes, but is not limited to, discount rate studies and the supporting evidence, cost of capital information and typical capital structures for the type and area being appraised, lease operating expense data, salvage value data and property and severance tax rate data. All non-proprietary and non-confidential market data is available to the CAD and to taxpayers upon request.

E. Identification of New Property

Identifying new mineral properties is the responsibility of HLL&A. This is accomplished through a variety of means including, but not limited to obtaining and reviewing monthly production updates from the Railroad Commission and comparing the data to the lease information already being appraised; a visual inspection of an area where production is suspected; the polling of operators in the County to see if they can identify any new producing leases or new operators in the area.

F. Valuation Approach and Analysis

The appraisal of mineral properties is based on an income approach to value. This entails estimating the remaining future reserves of the property and the timing of how those reserves will be recovered. This estimation of future production along with the estimation of future pricing generates an estimated yearly income that is discounted to current day dollars. Each succeeding year's income is more heavily discounted than the previous, thus rendering less and less value contribution with each succeeding year. Each mineral lease is valued as a whole. The value of each interest owned within that lease is then determined from this total, based on the type of interest owned and the decimal interest owned in the lease.

The mathematical form of the income model is described below.

Unit Income Approach

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:

NOI = Net Operating Income

DF = Discount Factor

PW = Present Worth

n = Last year of holding period

Section 23.175 (a) of the Texas Property Tax Code reads as follows: "If a real property interest in oil or gas in place is appraised by a method that takes into account the future income from the sale of oil or gas to be produced from the interest, the method must use the average price of the oil or gas from the interest for the preceding calendar year multiplied by a market condition factor as the price at which the oil or gas produced from the interest is projected to be sold in the current year of the appraisal."

Section 23.175 also requires that the Comptroller shall calculate the market condition factor, as well as the price escalators/de-escalators that are to be used each year. All prices are determined according to Section 23.175. Further, the Comptroller's methods and procedures for discounting future income from the sale of oil or gas are also used.

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

Land valuation for mineral properties is the responsibility of appraisal district staff. Valuation of the surface estate rarely effects the valuation of the underlying mineral estate.

G. Review and Testing

Appraisal results are tested annually by the Property Tax Assistance Division of the Texas Comptroller's Office. The Comptroller's review as well as comparisons with single-property appraisals indicates the validity of the model and techniques employed.

At various times throughout the year, at the request of the Chief Appraiser, HLL&A provides an updated list from the Railroad Commission in order for the CAD to compare to the list of leases already being appraised by HLL&A for the CAD. In this way, the CAD can verify that HLL&A is indeed discovering all taxable mineral properties in its discovery process.

H. Review, Verification & Evaluation by the CAD

Prior to submission of the Appraisal Roll to the ARB, the Chief Appraiser shall request a random sampling of appraisals from HLL&A. HLL&A shall provide the Chief Appraiser with the requested appraisals and all non-privileged and non-proprietary supporting data and review the information with the Chief Appraiser in order for the CAD to evaluate the appraisal results of HLL&A. The HLL&A appraiser responsible for each property sampled will review the appraisal, including but not limited to methodology, technique, data used and final outcome, with the Chief Appraiser or other employee of the CAD designated by the Chief Appraiser to review the contracted work. The Chief Appraiser or designee will verify that all assigned properties were indeed appraised and valued as set out in the contract and here-in and document any failure to do so, noting what if anything is required to fulfill the contract requirements.

At various times throughout the year, at the request of the Chief Appraiser, HLL&A provides an updated list from the Railroad Commission in order for the CAD to compare to the list of leases already being appraised by HLL&A for the CAD. In this way, the CAD can verify that HLL&A is indeed discovering all taxable mineral properties in its discovery process.

Further, a computer-assisted statistical review of property value changes is also conducted at various times throughout the year allowing the CAD to verify that the properties called for in the Contract were appraised and values were entered. Finally, HLL&A will make any non-privileged and non-proprietary market data supporting the values of the properties it appraises, available to the CAD and for inspection by property owners on request.

I. Reappraisal Plan for Mineral Properties

Mineral Properties covered by the contract between the CAD and HLL&A shall be reappraised each year. For each year of the contract, the following activities will be undertaken for all business personal properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year, but in any event will be available as requested by the Chief Appraiser each year.

1. Identify properties to be appraised through physical inspection or by other reliable means of identification, including Railroad Commission filings, deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps and/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Identify and update all ownership information of each property;
4. Identify property characteristics that affect property value for each property, including:

- a. The location of the property;
 - b. Physical attributes of the property such as production history, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
5. Identify the preceding year's average price and lease operating expenses;
 6. Calculate the starting rates and price and apply them to the decline curve; and
 7. Review the appraisal results to determine value.

Generally, these types of properties will be valued on an income approach basis, using the Comptroller's and statutory guidelines as to price and discount rate.

Hugh L. Landrum & Associates, Inc.

Reappraisal Plan by Property Type

INTRODUCTION

Hugh L. Landrum & Associates, Inc. is a Registered Professional Engineering Firm in the State of Texas specializing in the mass appraisal of complex properties. In this role HLL&A recommends values to its client appraisal districts.

Pursuant to the Texas Property Tax Code, each Appraisal District is required to implement a biennial reappraisal plan. As a contractor to the Appraisal District, Hugh L. Landrum & Associates, Inc. provides this reappraisal plan in an effort to assist the taxpayers of the county in understanding the methods by which their properties are being valued; and to further aid the CAD in satisfying its requirements under the Code and those of the Comptroller's Property Tax Assistance Division.

***THIS MANUAL IS SUBJECT TO CHANGE WITHOUT NOTICE.
IT IS ROUTINELY UPDATED TO MEET THE REQUIREMENTS OF
THE LEGISLATURE, THE COMPTROLLER AND OUR CLIENTS.***

PLAN FOR PERIODIC REAPPRAISAL

INDUSTRIAL PROPERTIES:

Each year the following activities will be undertaken for all industrial properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Define market areas in the CAD, where applicable;
4. Collect, update, review and analyze market data to be used to support values on properties appraised;
5. Identify property characteristics that affect property value in each market area or for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
6. If applicable, develop an appraisal model that reflects the relationship among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;
7. Apply conclusions reflected in the model to the characteristics of the property appraised; and
8. Review the appraisal results to determine value.

Generally, industrial properties will be valued on a cost approach basis since these properties have a low frequency of being bought and sold in the open market. In addition, since these properties are owner occupied, the income information is difficult to obtain and rarely applicable to industrial properties.

UTILITY, RAILROAD & PIPELINE PROPERTIES:

Each year the following activities will be undertaken for all utility, railroad and pipeline properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Define market areas in the CAD, where applicable;
4. Collect, update, review and analyze market data to be used to support values on properties appraised;
5. Identify property characteristics that affect property value in each market area or for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
6. If applicable, develop an appraisal model that reflects the relationship among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;
7. Apply conclusions reflected in the model to the characteristics of the property appraised; and
8. Review the appraisal results to determine value.

Generally, these types of properties will be valued on an income approach basis, being valued as an entire unit and the result apportioned to the pieces in the whole.

SPECIAL PURPOSE PROPERTIES:

Each year the following activities will be undertaken for all special purpose improvements assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Define market areas in the CAD, where applicable;

4. Collect, update, review and analyze market data to be used to support values on properties appraised;
5. Identify property characteristics that affect property value in each market area or for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
6. If applicable, develop an appraisal model that reflects the relationship among the property characteristics affecting the value in each market area and determines the contribution of individual property characteristics;
7. Apply conclusions reflected in the model to the characteristics of the property appraised; and
8. Review the appraisal results to determine value.

Like industrial properties, special purpose properties will be valued on a cost approach basis since these properties have a low frequency of being bought and sold in the open market. In addition, since these properties are owner occupied, the income information is difficult to obtain and rarely applicable.

BUSINESS & INDUSTRIAL TANGIBLE PERSONAL PROPERTIES:

Each year the following activities will be undertaken for all business personal property assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year.

1. Identify 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, or renditions;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Collect, update, review and analyze market data to be used to support values on properties appraised;
4. Identify property characteristics that affect property value for each property, including:
 - a. The location and market area of the property;
 - b. Physical attributes of the property such as size, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
5. Develop or update a cost schedule based on SIC codes and market conditions;
6. Create or refine valuation models using actual cost data to derive the RCN of a particular unit;
7. Apply these schedules and models to estimate values; and
8. Review the rendition information in light of the schedules to determine value.

Business personal properties are required to be rendered and will typically be valued on a cost approach basis.

MINERAL PROPERTIES:

Each year the following activities will be undertaken for all mineral properties assigned to HLL&A under its contract with the CAD. Estimates of value are typically provided to the CAD in mid to late May of each Tax Year.

1. Identify 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/or property sketches;
2. Identify and update relevant characteristics of each property in the property records of the CAD;
3. Collect, update, review and analyze market data to be used to support values on properties appraised;
4. Identify and update all ownership information of each property;
5. Identify property characteristics that affect property value for each property, including:
 - a. The location of the property;
 - b. Physical attributes of the property such as production history, age and condition;
 - c. Legal and economic attributes, if any;
 - d. Easements, covenants, leases, reservations, contracts, declarations, special assessments, exemptions or legal restrictions;
6. Identify the preceding year's average price and lease operating expenses;
7. Calculate the starting rates and price and apply them to the decline curve; and
8. Review the appraisal results to determine value.

Generally, these types of properties will be valued on an income approach basis, using the Comptroller's and statutory guidelines as to price and discount rate.

Tab 12

**Liberty County Central Appraisal District
Five Year Plan**

Year	Recommended Action	Estimated Cost
2025	• Add additional Ipads and replace outdated Ipads for field work	\$4,000
	• Replace generator	\$15,000
	• Upgrade to GIS Pro in order to interact with HGAC 911	\$60,000
	• Continue phasing out old computers and scanners	\$6,000
2026	• Add additional Ipads and replace outdated Ipads for field work	\$5,000
	• Continue phasing out old computers and scanners	\$10,000
	• Purchase updated Cap Rate Study	\$100,000
	• Add Real Property Appraiser	\$85,000
2027	• Add additional Ipads and replace outdated Ipads for field work	\$4,000
	• Repaint the interior of the building	\$16,000
	• Replace carpet	\$30,000
	• Replace two air conditioning units	\$11,000
2028	• Continue phasing out old computers	\$6,000
	• Add Mapping Assistant	\$60,000
	• Add additional Ipads and replace outdated Ipads for field work	\$6,000
2029	• Add additional Ipads and replace outdated Ipads for field work	\$6,000
	• Add canopy to rear main office exit door	\$500
	• Add Personal Property Appraiser	\$85,000
	• Add Real Property Appraiser	\$85,000
	• Continue phasing out old computers and scanners	\$6,000

Tab 13

LIBERTY COUNTY CENTRAL APPRAISAL DISTRICT
2025 LONGEVITY PAY
\$10.00 PER MONTH OF EMPLOYMENT

UPDATED 5/7/2024

EMPLOYEE	ESTIMATED 2024 AMOUNT	DATE OF FULL-TIME EMPLOYMENT	2024 EARNED	2025 EARNED	NUMBER OF MONTHS EARNED	PROJECTED 2025 AMOUNT
Key, Kimberly	\$ 3,020	11/1/1999	302	12	314	\$ 3,140
Fletcher, Sarah	\$ 2,310	10/1/2005	231	12	243	\$ 2,430
Lambright, Jeff	\$ 2,280	1/1/2006	228	12	240	\$ 2,400
Fisher, Becky	\$ 2,270	2/1/2006	227	12	239	\$ 2,390
Lehan, Connie	\$ 2,270	2/1/2006	227	12	239	\$ 2,390
McCarty, Lana	\$ 2,140	3/1/2007	214	12	226	\$ 2,260
Strickland, Jason	\$ 2,130	3/19/2007	213	12	225	\$ 2,250
Vaughn, Kyrie	\$ 2,000	5/2/2008	200	12	212	\$ 2,120
Ramirez, Laurie	\$ 1,520	5/1/2012	152	12	164	\$ 1,640
Sellers, Joli	\$ 1,420	3/1/2013	142	12	154	\$ 1,540
Norris, Angela	\$ 1,360	9/1/2013	136	12	148	\$ 1,480
Krnavek, Karen	\$ 1,160	4/16/2015	116	12	128	\$ 1,280
Muskwinsky, Joyce	\$ 1,040	4/28/2016	104	12	116	\$ 1,160
Sousa, Kathleen	\$ 1,030	5/31/2016	103	12	115	\$ 1,150
Gutierrez, Samantha	\$ 860	10/2/2017	86	12	98	\$ 980
Glatfelter, Stormi	\$ 820	2/1/2018	82	12	94	\$ 940
Jannise, Ruby	\$ 820	2/1/2018	82	12	94	\$ 940
Martinez, Brenda	\$ 740	10/15/2018	74	12	86	\$ 860
Vargas, Maria	\$ 710	1/22/2019	71	12	83	\$ 830
George, Suzanne	\$ 650	8/1/2019	65	12	77	\$ 770
Kirkland, Charlene	\$ 650	8/1/2019	65	12	77	\$ 770
Jones, Tori	\$ 650	8/1/2019	65	12	77	\$ 770
Stewart, Cayla	\$ 640	8/16/2019	64	12	76	\$ 760
Canales, Diana	\$ 640	9/1/2019	64	12	76	\$ 760
Flores, Ramona	\$ 590	1/13/2020	59	12	71	\$ 710
Green, Skylar	\$ 590	1/16/2020	59	12	71	\$ 710
Robinson, Hunter	\$ 540	6/24/2020	54	12	66	\$ 660
Koen-Spurlock, April	\$ 480	1/1/2021	48	12	60	\$ 600
Hall, Juana	\$ 480	1/1/2021	48	12	60	\$ 600
Rogers, Megan	\$ 390	10/1/2021	39	12	51	\$ 510
Godfrey, Eboni	\$ 380	10/6/2021	38	12	50	\$ 500
Brad, Robin	\$ 280	8/15/2022	28	12	40	\$ 400
Jones, Khloe	\$ 280	9/1/2022	28	12	40	\$ 400
Vaughn, Kacey	\$ 250	11/16/2022	25	12	37	\$ 370
Simmons, Kelley	\$ 250	11/16/2022	25	12	37	\$ 370
Danek, Dallas	\$ 250	12/1/2022	25	12	37	\$ 370
Muniz, Viktorya	\$ 210	4/3/2023	21	12	33	\$ 330
TOTAL	\$ 38,100		3810	444	4254	\$ 42,540

Tab 14

**LIBERTY COUNTY APPRAISAL DISTRICT
TEXAS DEPARTMENT OF LICENSING AND REGULATION (TDLR)
APPRAISER EDUCATION AND CERTIFICATION**

2 HOURS OF
ETHICS & 3.5
USPAP

APRAISER NAME	CER. LEVEL	TYPE #	REG. DATE	Education and Examination Details LINK										REQUIRED EVERY TWO YEARS			CURRENT CEIS IN 2YR DEADLINE							
				COURSE #1 (10/1/02)	ETHICS #30	COURSE #2 (201/202/203)	INCOME #3	PERSONAL #4	USPAP #52	LEVEL 3 DEADLINE EXAM	MASS #5	LAW #7	DEMO APP COURSE #10	LEVEL 4 READLINE	LEVEL 4 EXAM	USPAP REVIEW		2 HOUR ETHICS	STATE LAMS AND RULES	CHIEF APPRAISER ETHICS	30 HRS			
1. A. MORRIS, RPA	RPA 4	7094	11/19/08	100298	114510	0115/09	09/30/09	02/16/10	11/18/01	10/08/01	12/07/09	09/06/02	12/04/02	04/24/03	09/28/23	11/09/23	12/08/23	09/22/22	10/11/22	11/09/23	12/08/23	09/22/22	10/11/22	17.50
2. K. KEY, RPA	RPA 4	7094	01/18/01	033100	021307	11/17/00	12/13/02	11/16/09	01/18/04	08/11/03	10/08/04	02/23/05	03/10/05	08/17/05	08/28/23	11/09/23	12/08/23	09/22/22	10/11/22	11/09/23	12/08/23	09/22/22	10/11/22	41.75
3. S. FLETCHER, RPA	RPA 4	71718	02/28/06	116306	116306	11/16/06	11/02/07	11/16/09	02/28/09	10/24/08	08/28/07	11/15/06	08/15/09	02/28/11	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	113.25
4. J. LAMBRIGHT, RPA	RPA 4	7120	02/28/06	116306	116306	11/16/06	11/02/07	11/16/09	02/28/09	10/24/08	08/28/07	11/15/06	08/15/09	02/28/11	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	104.75
5. K. KRIVAK, RPA	RPA 4	71905	02/28/06	116306	116306	11/16/06	11/02/07	11/16/09	02/28/09	10/24/08	08/28/07	11/15/06	08/15/09	02/28/11	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	28.50
6. R. FLORES, RPA	RPA 4	72051	01/17/07	042767	0211507	11/02/07	10/19/12	11/10/09	02/17/10	04/30/09	10/30/09	11/18/09	03/11/10	01/17/12	09/28/23	11/09/23	11/09/23	09/28/23	10/19/23	11/09/23	11/09/23	09/28/23	10/19/23	24.25
7. J. SELLERS, RPA	RPA 4	72104	02/21/07	042767	0211507	11/02/07	10/19/12	11/10/09	02/17/10	04/30/09	10/30/09	11/18/09	03/11/10	01/17/12	09/28/23	11/09/23	11/09/23	09/28/23	10/19/23	11/09/23	11/09/23	09/28/23	10/19/23	60.00
8. L. MCCARTY, RPA	RPA 4	71131	03/12/07	011803	0403307	11/22/02	10/31/03	11/10/09	07/02/05	04/21/05	08/29/07	01/05/04	03/11/10	03/27/12	09/01/23	11/09/23	11/09/23	09/01/23	11/09/23	11/09/23	11/09/23	09/01/23	10/19/23	88.00
9. J. STRICKLAND, RPA	RPA 4	72150	03/27/07	0473707	0403307	11/02/07	10/31/09	11/10/09	03/27/10	04/30/09	10/30/09	11/18/09	03/11/10	03/27/12	09/01/23	11/09/23	11/09/23	09/01/23	11/09/23	11/09/23	11/09/23	09/01/23	10/19/23	58.00
10. K. VAUGHN, RPA	RPA 4	73730	01/25/12	1160510	1019102	12/03/10	10/19/12	11/09/13	01/25/15	09/19/14	12/03/14	10/22/15	03/06/16	01/25/17	11/09/23	11/09/23	11/09/23	11/09/23	11/09/23	11/09/23	11/09/23	11/09/23	10/31/23	50.75
11. K. SOUSA, RPA	RPA 4	75152	07/08/16	091615	1018117	10/07/16	09/14/17	09/29/17	07/08/20	10/26/18	02/08/19	01/25/19	12/13/18	01/28/22	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	37.25
12. J. MUSKOWSKY, RPA	RPA 4	75362	01/26/17	091615	1018117	10/07/16	09/14/17	09/29/17	07/08/20	10/26/18	02/08/19	01/25/19	12/13/18	01/28/22	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	22.00
13. H. ROBINSON, RPA	RPA 4	75605	11/16/17	1117117	1202221	08/24/15	12/02/21	11/20/20	07/28/21	08/10/21	02/08/19	12/02/19	12/14/22	07/25/23	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	37.50
14. S. GUTIERREZ, RPA	RPA 4	75855	07/26/18	1115917	1018118	08/24/16	10/18/19	04/28/19	07/28/21	08/10/21	02/08/19	12/02/19	12/14/22	07/25/23	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	39.00
15. R. JAIN, RPA	RPA 4	75855	09/08/18	091721	1202221	09/17/21	12/02/21	11/04/21	08/08/21	09/08/21	11/11/21	12/02/19	12/14/22	07/25/23	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	39.75
16. C. KIRKLAND, RPA	RPA 3	75933	05/21/18	0926712	1010819	08/24/18	10/08/19	09/17/21	12/02/21	11/04/21	09/07/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	09/28/23	10/31/23	14.00
17. T. JONES, RPA	RPA 3	76247	08/30/19	0927119	1010819	09/17/21	12/02/21	11/04/21	09/07/23	08/20/22	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	18.50
18. A. SPURLINK, RPA	RPA 3	76782	05/07/21	0128222	1018121	09/17/21	12/02/21	11/04/21	09/07/23	08/20/22	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	19.50
19. S. GLATTFELTER, RPA	RPA 2	76248	08/20/19	0927119	1010819	10/08/23	12/02/21	11/16/22	05/07/24	07/31/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	27.50
20. M. GREEN, RPA	RPA 1	77048	02/10/20	1204220	1019121	09/17/21	12/02/21	11/20/20	02/10/23	02/10/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	12.00
21. M. ROGERS, RPA	RPA 1	77313	09/28/22	0128222	1010819	09/08/22	12/02/21	11/04/21	09/17/25	02/10/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	18.00
22. J. CRUZ, RPA	RPA 1	77692	09/28/22	0923222	0923222	09/08/22	12/02/21	11/04/21	09/17/25	02/10/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	14.00
23. D. DRINEK, RPA	RPA 1	77692	05/17/23	0923222	0923222	09/08/22	12/02/21	11/04/21	09/17/25	02/10/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	14.00
24. K. SIMMONS, RPA	RPA 1	77853	05/17/23	0923222	0923222	09/08/22	12/02/21	11/04/21	09/17/25	02/10/23	12/01/23	12/02/19	08/20/25	09/28/23	11/09/23	11/09/23	09/28/23	10/31/23	11/09/23	11/09/23	11/09/23	09/28/23	10/31/23	14.00

ASSESSOR NAME	RTA CERTIFICATION TYPE #	REG. DATE	RTA COURSE #6 A & C				RTA COURSE #3 ADV. A & C				RTA COURSE #28 T-N-T				RTA COURSE #4				OTHER TRAINING				
			RTA COURSE #6 A & C	RTA COURSE #6 A & C	RTA COURSE #6 A & C	RTA COURSE #6 A & C	RTA COURSE #3 ADV. A & C	RTA COURSE #3 ADV. A & C	RTA COURSE #3 ADV. A & C	RTA COURSE #3 ADV. A & C	RTA COURSE #28 T-N-T	RTA COURSE #28 T-N-T	RTA COURSE #28 T-N-T	RTA COURSE #28 T-N-T	RTA COURSE #4	RTA COURSE #4	RTA COURSE #4	RTA COURSE #4	Public Funds Institute	Chief Appraiser's Institute	Public Funds Institute	Chief Appraiser's Institute	
J. LAMBRIGHT	RTA 4	71720	05/10/13	1023114	1023114	NA	05/17/17	09/01/23	09/01/23	09/01/23	11/21/2013	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019
L. MCCARTY, RTA	RTA 4	71131	05/10/12	1010113	1010113	NA	01/23/14	05/19/14	05/19/14	05/19/14	10/24/2014	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019
K. KRIVAK	RTA 4	71905	02/28/06	0215118	0215118	NA	09/14/16	09/14/16	09/14/16	09/14/16	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019
J. STRICKLAND	RTA 4	72150	03/27/07	0473707	0473707	NA	09/14/22	09/14/22	09/14/22	09/14/22	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019
S. FLETCHER	RTA 4	71718	08/08/18	05/20/21	05/20/21	NA	04/16/24	04/16/24	04/16/24	04/16/24	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019
K. VAUGHN	RTA 3	73730	09/06/23	0416124	0416124	NA	04/16/24	04/16/24	04/16/24	04/16/24	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019	NA	07/31/19	11/15/2012	10/24/2014	11/16/2015	10/25/2019

UPDATED 5/8/2024

Tab 15

LIBERTY COUNTY

TOP 50 TAXPAYERS

2023

Rank	Taxpayer Name	Taxable Value
1	TRANSCANADA KEYSTONE PIPELINE LP	\$130,936,240
2	SEAWAY CRUDE PIPELINE LC	\$107,598,260
3	ENTERGY TEXAS INC	\$89,296,380
4	COLONY RIDGE DEVELOPMENT LLC	\$87,937,056
5	EXXONMOBIL CORPORATION	\$77,460,980
6	MOSS BLUFF HUB PARTNERS LP	\$65,700,180
7	KINDER MORGAN TEXAS PIPELINE	\$54,732,040
8	BNSF RAILWAY CO	\$51,734,160
9	TOTAL PETROCHEMICALS USA	\$51,379,050
10	GLOBAL TUBING	\$50,157,970
11	ONEOK ARBUCKLE PIPELINE LLC	\$42,099,050
12	UNION PACIFIC RAILROAD CO	\$41,698,810
13	LONE STAR NGL PIPELINE	\$39,392,150
14	PTC LIBERTY TUBULARS	\$37,417,130
15	GRAND PRIX PIPELINE LLC	\$36,348,120
16	INSTEEL WIRE PRODUCTS CO	\$28,322,230
17	BREVILOBA LLC	\$27,907,650
18	SUMIDEN WIRE PRODUCTS CORP	\$27,897,040
19	UNION PACIFIC RAILROAD CO	\$26,907,060
20	TRT LEASECO LLC	\$25,842,270
21	INDORAMA VENTURES OXIDES LLC	\$22,978,887
22	POLY-AMERICA LP	\$21,054,160
23	PHOENIX PARK ENERGY MARKETING LLC	\$19,863,500
24	ONEOK MONT BELVIEU STORAGE COMPANY LLC	\$19,485,380
25	PRAXAIR INC	\$19,162,250
26	NATURAL GAS PIPELINE CO OF AMERICA	\$18,698,530
27	MOBIL OIL CORPORATION	\$18,480,570
28	COLONIAL PIPELINE CO	\$17,974,240
29	COLONY RIDGE DEVELOPMENT LLC	\$17,908,160
30	BRASKEM AMERICA INC	\$17,764,480
31	EXXON CHEMICAL AMERICAS	\$17,679,340
32	MCKINLEY DEVELOPMENT CO INC	\$17,589,970
33	BAYPORT POLYMERS LLC	\$16,945,410
34	UNION PACIFIC RAILROAD CO	\$16,386,000
35	HARRIS REBAR NUFAB LLC	\$16,324,640
36	WESTLAKE POLYMERS LP	\$16,140,400
37	RAIL LOGIX DAYTON LLC	\$16,077,824
38	WESTERN FORGE & FLANGE	\$16,073,280
39	TEXAS EXPRESS PIPELINE LLC	\$15,756,540
40	COLONY RIDGE LAND LLC	\$15,565,100
41	TRANSCONTINENTAL GAS PIPELINE	\$15,520,100
42	OXY VINYLs LP	\$15,342,890
43	WALMART REAL ESTATE BUSINESS TRUST	\$15,056,800
44	SUNOCO PIPELINE LP	\$14,879,923
45	AIR PRODUCTS AND CHEMICALS	\$14,410,690
46	KINDER MORGAN TEXAS PIPELINE	\$14,218,190
47	BNSF RAILWAY CO	\$13,711,980
48	FIRST AMERICA HOMES LTD	\$13,293,248
49	QUAIL CREEK OIL CORPORATION	\$13,061,723
50	WALMART STORES TEXAS LLC	\$12,617,220

Tab 16

LIBERTY COUNTY CAD

2023 PERMITS FOR 2025 TAX YEAR BUDGET
2022 VS 2023 COMPARSION

PERMITS THRU DEC 2023

SCHOOL DISTRICT	2022		2023		CHANGE
	# CITY PERMITS	# COUNTY PERMITS	# CITY PERMITS	# COUNTY PERMITS	
CLEVELAND ISD	947	3997	745	7068	2869
DAYTON ISD	1013	1198	639	1015	(557)
DEVERS ISD	0	69	83	83	97
HARDIN ISD	28	401	21	371	(37)
HULL DAISSETTA ISD	0	163	148	0	(15)
LIBERTY ISD	758	169	432	157	(338)
TARKINGTON ISD	0	561	0	499	(62)
COUNTY TOTAL		9,304		11261	1957

**LIBERTY COUNTY CAD
BUILDING PERMITS 2014 THRU 2023**

TOTAL COUNTY & CITY PERMITS

SCHOOL DISTRICT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
CLEVELAND ISD	823	2521	2167	2521	2858	3010	6227	4485	4944	7813
DAYTON ISD	786	1022	1022	768	1169	1163	1789	2197	2211	1654
DEVERS ISD	12	23	23	26	29	26	69	96	69	166
HARDIN ISD	104	129	129	102	145	83	370	392	429	392
HULL DAISSETTA ISD	56	48	48	74	60	46	175	230	163	148
LIBERTY ISD	177	272	272	233	289	412	968	739	927	549
TARKINGTON ISD	147	214	214	149	232	194	622	573	561	499
COUNTY TOTAL	2105	4229	3875	3873	4782	4934	10220	8712	9304	11221

Tab 17

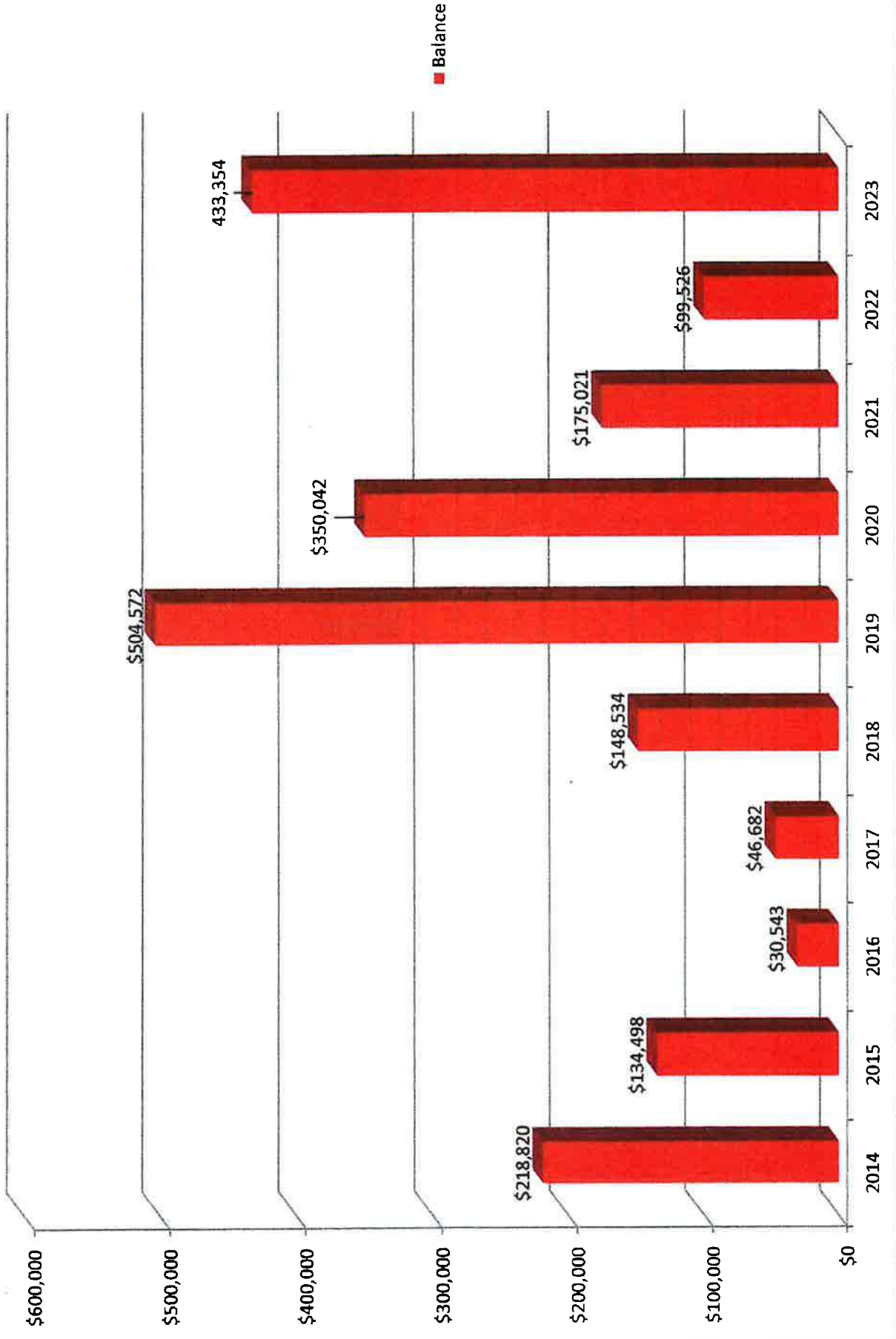
LIBERTY COUNTY CAD
2023 DECEMBER ACTIVITY REPORT
12/31/2023

DESCRIPTION	2017	2018	2019	2020	2021	2022	PREVIOUS YTD 2023	CURRENT YTD 2023	CHANGE
Appraisal, Permits & Check backs	22,550	21,799	40,126	40,589	34,194	45,207	9,180	45,169	35,989
Building Permits	3,673	8,084	5,540	9,745	10,791	9,498	4,491	9,887	5,396
Ownership Changes	14,209	9,266	13,816	20,132	21,630	31,857	25,348	31,682	6,334
Data Entry- Accounts Keyed	17,944	14,671	23,333	39,392	39,669	45,343	34,372	40,686	6,314
Address Changes	12,737	4,974	3,326	2,583	4,403	3,964	2,108	3,248	1,140
Homestead Applications	1,496	2,616	1,616	1,585	2,012	3,036	963	1,445	482
Ag/Timber Applications	779	1,196	643	433	626	728	1,017	1,136	119
Personal Property Inspections	833	761	1,430	1,871	1,891	1,639	1,962	2,487	525
Personal Property Renditions									
Mailed	3,975	4,143	3,951	4,038	4,134	4,335	4,340	4,340	0
Received	1,697	1,701	1,524	1,486	1,751	1,798	1,706	1,706	0
Non-industrial									
Industrial	1,452	1,465	1,712	1,095	1,565	1,673	1,751	1,751	0
Total Received	3,149	3,166	3,236	2,581	3,316	3,471	3,457	3,457	0
% Received	79%	76%	82%	64%	80%	80%	80%	80%	
Cleveland Office									
Customers	1,615	1,247	1,892	597	1,396	1,598	902	1,255	353
Phone Calls	1,128	759	787	227	1,006	1,007	564	798	234
Total	2,743	2,006	2,679	824	2,402	2,605	1,466	2,053	587

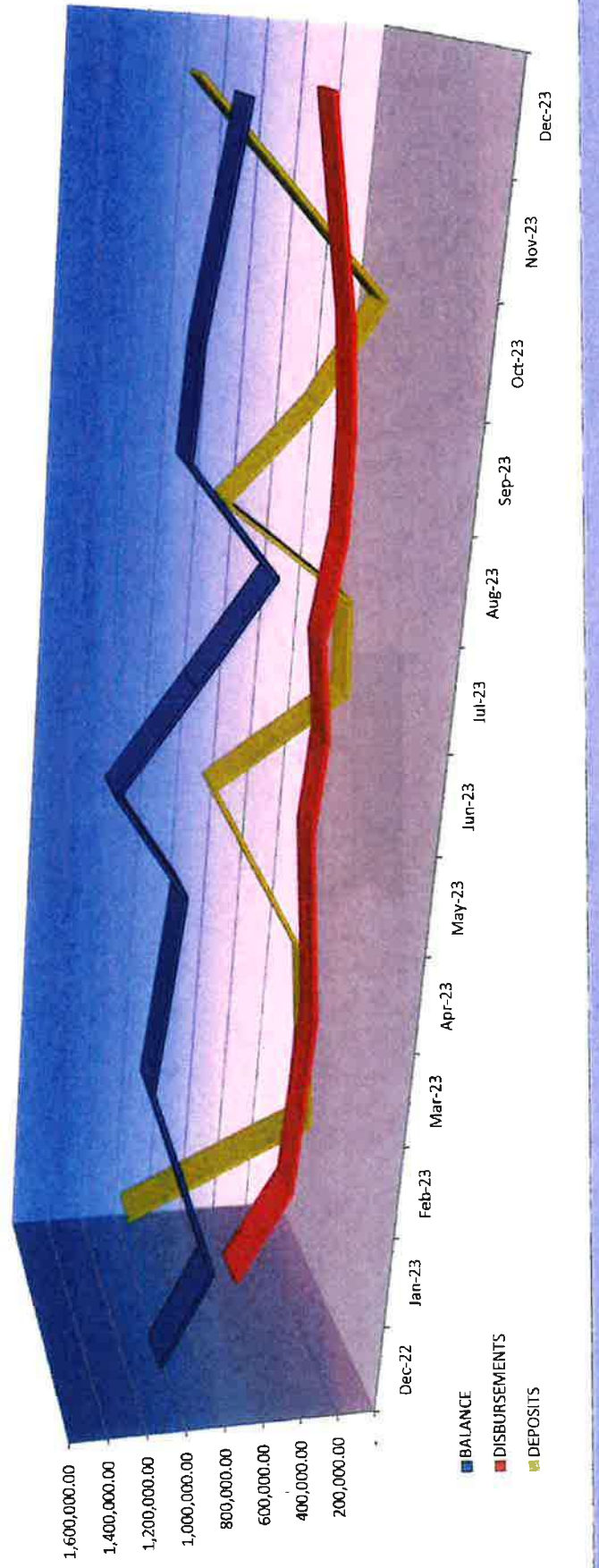
Web Site Activity	2018	2019	2020	2021	2022	2023 Prior	2023 Current	Change
Texas	71,890	84,458	103,035	113,377	121,495	77,712	95,743	18,031
Us	84,683	103,470	132,290	147,939	166,060	108,775	139,265	30,490
Worldwide	89,059	107,210	134,140	153,237	174,992	112,313	147,985	35,672
Inquires Open	0	0	0	0	0	0	0	0
Inquires Closed	1,224	1,351	608	668	556	693	693	0
Protest Filed	4,255	10,975	13,425	10,034	11,778	12,483	12,512	29
Protest Closed	4,231	10,949	13,400	10,020	11,654	12,341	12,512	171
Arb Hearing Held	859	6,152	4,751	3,450	4,458	4,651	4,714	63
Active Lawsuits	43	22	26	22	64	64	74	10
Notices Of Appraised Value	48,671	62,533	71,379	66,744	100,180	89,128	89,128	0

	Real	Industrial & Personal	Improvement Only	Mineral	Total
2023 Notices of Appraised Value	65,907	4,326	10,530	1,401	82,164
1st run	1,356	1,731	76	0	3,163
2nd run	132	2,596	5	0	2,733
3rd run	198	753	9	0	960
4th run	7	96	5	0	108
Late	67,600	9,502	10,625	1,401	89,128
Total					

Liberty County CAD Fund Balance History



LIBERTY COUNTY CAD CASH FLOW ANALYSIS

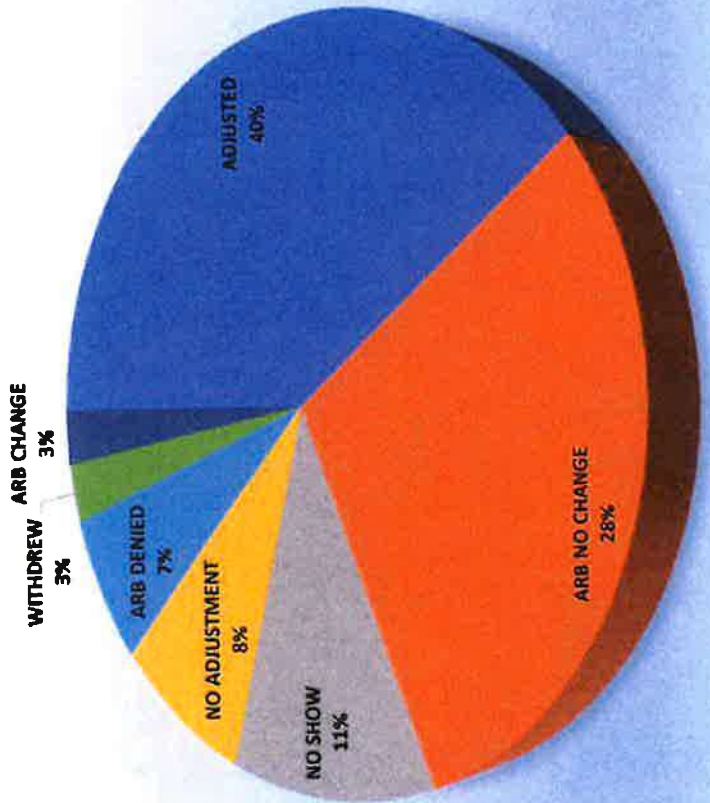


Tab 18

Status	Count of Status
ADJUSTED	5044
ARB NO CHANGE	3501
NO SHOW	1426
NO ADJUSTMENT	1006
ARB DENIED	899
WITHDREW	365
ARB CHANGE	339

12580

2023 ARB PROTEST RESULTS



NEW MOBILE HOMES BUILT 2002 - 2023

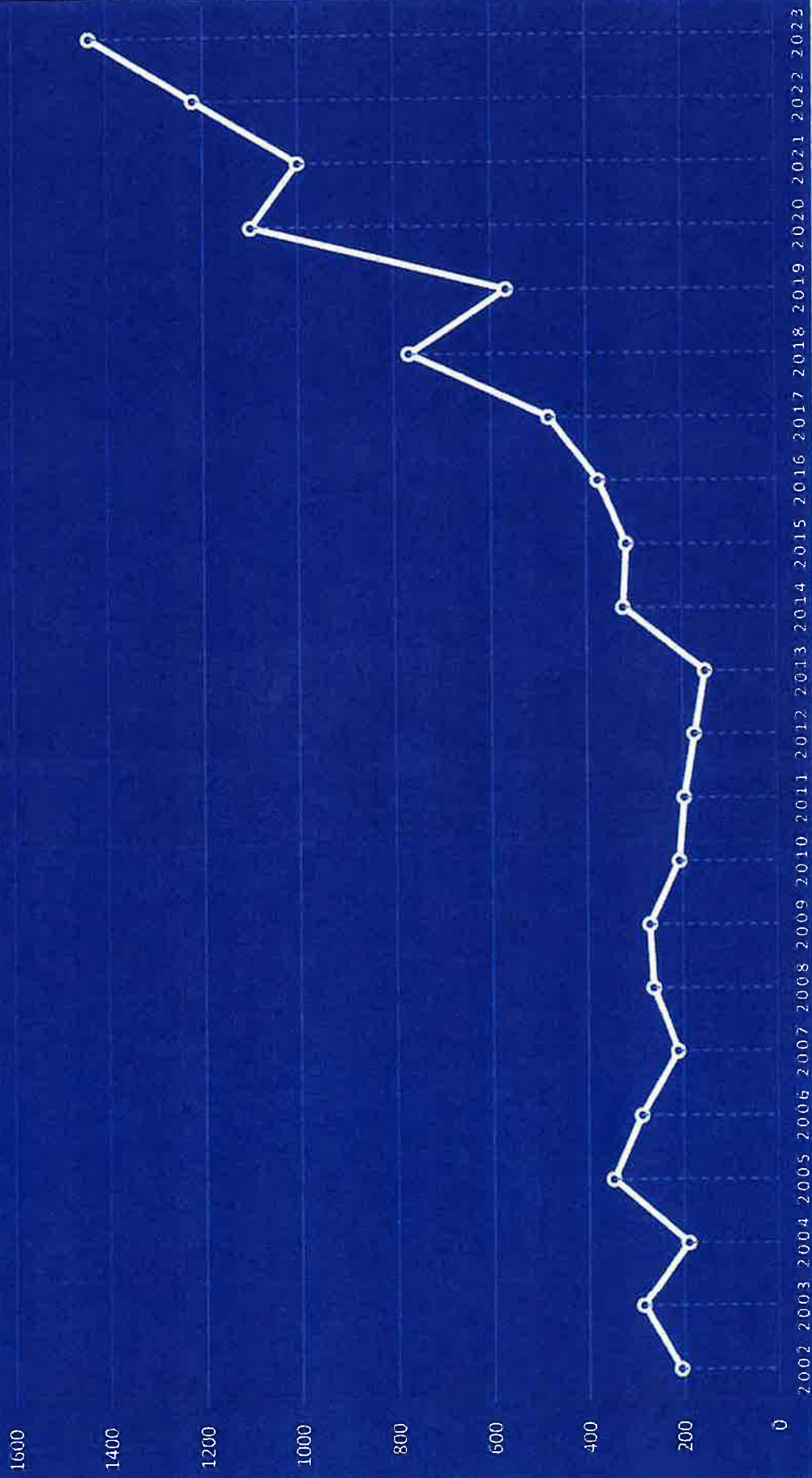
TOTAL NEW MOBILE HOMES

2002-2017 = 4,398

2018-2023 = 3,807



NEW HOMES BUILT 2002 - 2023



Tab 19

Cause#	Property	Years	Owner	Reason	Status	Date Filed
CV1915086	38031, 38485, 38492, 38494, 38497, 38502, 38618, 38647, 38649, 38650, 38651, 38652, 38653, 38656, etc.	2019, 2020	LIBERTY LAKES RESORT LLC	EXCESSIVE AND UNEQUAL	sf	9/3/2019
21DC-CV-00849	48775	2021	BEARD MARC	EXEMPTION DENIED, FAILURE TO NOTICE	sf	7/26/2021
21DC-CV-01052	38724, 38726, 38727, 38731, 38732, 38733, 38734, 38738, 38739, 38740, 38966, 38976, 38977, 38984, etc.	2021	UNIT 9 LONG TERM INVESTORS LLC	EXCESSIVE AND UNEQUAL APPRAISAL	sf	9/7/2021
21DC-CV-01051	38031, 38485, 38492, 38494, 38497, 38502, 38647, 38649, 38650, 38651, 38652, 38653, 38656, 38669, etc.	2021	UNIT 9 LONG TERM INVESTORS LLC	EXCESSIVE AND UNEQUAL APPRAISAL	sf	9/7/2021
22DC-CV-01104	214127	2022	CLETEX INDUSTRIES INC	MARKET & UNEQUAL	sf	8/17/2022
22DC-CV-01105	22410	2022	DEVERS PROPERTY INC	MARKET & UNEQUAL APPRAISAL	sf	8/17/2022
22DC-CV-01187	167533, 171434, 171435, 182361, 197935, 211869, 234074, 234075, 234076, 234077, 234078, 234080.	2022	DCP SOUTHEAST TEXAS PLANTS, LLC	EXCEEDS MARKET VALUE AND UNEQUAL APPRAISAL	sf	9/1/2022
22DC-CV-01214	153323	2022	MANCUSO SALVATORE P	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01213	153335	2022	MCNEIL JOHN LEE JR	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01212	153324	2022	REED STEPHEN E II	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01217	153338	2022	JOHNSTON SMITH L	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01225	153337	2022	HALL MICHAEL G	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01209	167847	2022	SENG DARRELL & MARTHA	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01211	262555	2022	READHIMER DAVID LYNN &	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01230	167848	2022	BLIESCHIES KAREN WINKLER	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01222	153325	2022	DEUBNER 2020 MANAGEMENT TRUST	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01210	153328	2022	RUDEBUSCH NICHOLAS ET AL	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01231	153339, 245679	2022	BROCKINTON LESLIE W & JODIE	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01232	198844	2022	BUJE RONALD P JR & JUDITH D	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01229	167855	2022	BLACK SCOTT & MYRA	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01228	167852	2022	BIUNDO BRUCE & ANN	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01227	147412	2022	COKER THERESA M	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01226	153330	2022	COKER JEROLD N JR & SHEILA M	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01224	167846	2022	DEMERIS STATHY & CHRISTINA	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01223	176840	2022	UNKNOWN	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01221	198848	2022	GARCIA PABLO & ZULEMA	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01220	153332	2022	HARPER MARY PIERONI	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01219	198843	2022	EVANS CAROL C	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01218	167851	2022	GRAVES R DEAN & MARJORIE B	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01216	176842	2022	SCHMITT BARRY EVAN & TAMARA ANN	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01215	198842	2022	PEAK SUSAN C	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01208	167853	2022	WALKER DAVID H & MARJORIE	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01207	262557	2022	SOLIS SCOTT & KIM	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01206	256152	2022	WOOD JARED D & LAURA S SCHREIDER	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01205	228626	2022	WOODIN MARC & CRYSTAL	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01204	167854	2022	ZARUBA JEFFREY CHARLES	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01203	153329	2022	ZOLLER JAMES C & MARGARET N	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01202	176833	2022	ROBINSON WILLIAM G &	EXCESSIVELY APPRAISED BASED ON EQUAL AND UNIFORM	sf	9/6/2022
22DC-CV-01129	153233	2022	2121 LIBERTY LLC	EXCESSIVELY AND UNEQUALLY APPRAISED	sf	8/24/2022
22DC-CV-01130	198190	2022	LIBERTY 146 PROPERTY INC	EXCESSIVELY AND UNEQUALLY APPRAISED	sf	8/24/2022
22DC-CV-01131	232023	2022	JEHOVAH AMAN, LP	EXCESSIVELY AND UNEQUALLY APPRAISED	sf	8/24/2022
22DC-CV-01137	56712	2022	NOVA SHOPPING CENTER INC	EXCESSIVELY AND UNEQUALLY APPRAISED	sf	8/25/2022
22DC-CV-01138	56703	2022	NOVA SHOPPING CENTER INC	EXCESSIVELY AND UNEQUALLY APPRAISED	sf	8/25/2022
22DC-CV-01286	18394, 18395, 116215, 117906,	2022	JDSSTO INVESTMENTS LTD	EXCESSIVELY APPRAISED AND UNEQUAL	sf	9/14/2022
22DC-CV-01297	267475, 267805	2022	PONCE ODORIO	EXCESSIVE APPRAISAL & UNEQUAL APPRAISAL	sf	
23DC-CV-00513	203018	2022	CISH ACQUISITION LLC	EXCESSIVE APPRAISAL & UNEQUAL APPRAISAL	sf	3/31/2023
23DC-CV-01213	29293, 153231, 9501862	2023	WALMART REAL ESTATE BUSINESS TRUST	EXCEEDS MARKET AND UNEQUALLY APPRAISED	sf	8/18/2023
23DC-CV-01349	224570, 225770	2023	STARWOOD PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/13/2023
23DC-CV-01355	234742	2023	KIM JAMES H & ANNA	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01356	214127	2023	CLETEX INDUSTRIES INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01357	218086	2023	FM 834 PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01358	238952	2023	DAYTON 146 PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01372	27094	2023	TRINITY ARMORY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01366	56599	2023	FUNDERBURK JERRY E	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01367	183022	2023	HIGHWAY 90 PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01368	198190	2023	LIBERTY 146 PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01369	74862	2023	FM 321 INVESTMENTS	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01371	19678	2023	MOSS HILL PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01362	252050	2023	FM 2518 PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01365	138573	2023	FM 787 PROPERTY INC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
23DC-CV-01360	47666	2023	DOOR HOSPITALITY HOUSTON LLC	EXCESSIVELY & UNEQUALLY APPRAISED	sf	9/15/2023
CV1307335	16025, 251899, 251901	2013, 2014, 2021	IZEN JOE A JR	Market Value	sa	9/9/2013
CV1509501	193530	2014	SPRING KLEIN REAL ESTATE LLC	25.25d motion	ds	5/25/2015

Tab 20

Sec. 6.05. APPRAISAL OFFICE. (a) Except as authorized by Subsection (b) of this section, each appraisal district shall establish an appraisal office. The appraisal office must be located in the county for which the district is established. An appraisal district may establish branch appraisal offices outside the county for which the district is established.

(b) The board of directors of an appraisal district may contract with an appraisal office in another district or with a taxing unit in the district to perform the duties of the appraisal office for the district.

(c) The chief appraiser is the chief administrator of the appraisal office. Except as provided by Section 6.0501, the chief appraiser is appointed by and serves at the pleasure of the appraisal district board of directors. If a taxing unit performs the duties of the appraisal office pursuant to a contract, the assessor for the unit is the chief appraiser. To be eligible to be appointed or serve as a chief appraiser, a person must be certified as a registered professional appraiser under Section 1151.160, Occupations Code, possess an MAI professional designation from the Appraisal Institute, or possess an Assessment Administration Specialist (AAS), Certified Assessment Evaluator (CAE), or Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers. A person who is eligible to be appointed or serve as a chief appraiser by having a professional designation described by this subsection must become certified as a registered professional appraiser under Section 1151.160, Occupations Code, not later than the fifth anniversary of the date the person is appointed or begins to serve as chief appraiser. A chief appraiser who is not eligible to be appointed or serve as chief appraiser may not perform an action authorized or required by law to be performed by a chief appraiser, including the preparation, certification, or submission of any part of the appraisal roll. Not later than January 1 of each year, a chief appraiser shall notify the comptroller in writing that the chief appraiser is either eligible to be appointed or serve as the chief appraiser or not eligible to be appointed or serve as the chief appraiser.

(d) Except as provided by Section 6.0501, the chief appraiser is entitled to compensation as provided by the budget adopted by the board of directors. The chief appraiser's compensation may not be directly or indirectly linked to an increase in the total market, appraised, or taxable value of property in the appraisal district. Except as provided by Section 6.0501, the chief appraiser may employ and compensate professional, clerical, and other personnel as provided by the budget, with the exception of a general counsel to the appraisal district.

(e) The chief appraiser may delegate authority to his employees.

(f) The chief appraiser may not employ any individual related to a member of the board of directors within the second degree by affinity or within the third degree by consanguinity, as determined under Chapter 573, Government Code. A person commits an offense if the person intentionally or knowingly violates this subsection. An offense under this subsection is a misdemeanor punishable by a fine of not less than \$100 or more than \$1,000.

(g) The chief appraiser is an officer of the appraisal district for purposes of the nepotism law, Chapter 573, Government Code. An appraisal district may not employ or contract with an individual or the spouse of an individual who is related to the chief appraiser within the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code.

(h) The board of directors of an appraisal district by resolution may prescribe that specified actions of the chief appraiser relating to the finances or administration of the appraisal district are subject to the approval of the board.

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

(j) The board of directors of an appraisal district may employ a general counsel to the district to serve at the will of the board. The general counsel shall provide counsel directly to the board and perform other duties and responsibilities as determined by the board. The general counsel is entitled to compensation as provided by the budget adopted by the board.

Acts 1979, 66th Leg., p. 2224, ch. 841, Sec. 1, eff. Jan. 1, 1980. Amended by Acts 1987, 70th Leg., ch. 55, Sec. 1, eff. Jan. 1, 1988; Acts 1989, 71st Leg., ch. 384, Sec. 15, eff. Sept. 1, 1989; Acts 1989, 71st Leg., ch. 796, Sec. 7, eff. Sept. 1, 1989; Acts 1990, 71st Leg., 6th C.S., ch. 12, Sec. 2(29), eff. Sept. 6, 1990; Acts 1991, 72nd Leg., ch. 561, Sec. 44, eff. Aug. 26, 1991; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(25), (27), eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 412 (S.B. 1652), Sec. 5, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 205 (H.B. 35), Sec. 1, eff. May 25, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 528 (H.B. 2387), Sec. 1, eff. June 17, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1259 (H.B. 585), Sec. 5, eff. January 1, 2014.

Sec. 6.06. APPRAISAL DISTRICT BUDGET AND FINANCING. (a) Each year the chief appraiser shall prepare a proposed budget for the operations of the district for the following tax year and shall submit copies to each taxing unit participating in the district and to the district board of directors before June 15. He shall include in the budget a list showing each proposed position, the proposed salary for the position, all benefits proposed for the position, each proposed capital expenditure, and an estimate of the amount of the budget that will be allocated to each taxing unit. Each taxing unit entitled to vote on the appointment of board members shall maintain a copy of the proposed budget for public inspection at its principal administrative office.

(b) The board of directors shall hold a public hearing to consider the budget. The secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district not later than the 10th day before the date of the hearing a written notice of the date, time, and place fixed for the hearing. The board shall complete its hearings, make any amendments to the proposed budget it desires, and finally approve a budget before September 15. If governing bodies of a majority of the taxing units entitled to vote on the appointment of board members adopt resolutions disapproving a budget and file them with the secretary of the board within 30 days after its adoption, the budget does not take effect, and the board shall adopt a new budget within 30 days of the disapproval.

(c) The board may amend the approved budget at any time, but the secretary of the board must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit participating in the district not later than the 30th day before the date the board acts on it.

(d) Each taxing unit participating in the district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year. If a taxing unit participates in two or more districts, only the taxes imposed in a district are used to calculate the unit's cost allocations in that district. If the number of real property parcels in a taxing unit is less than 5 percent of the total number of real property parcels in the district and the taxing unit imposes in excess of 25 percent of the total amount of the property taxes imposed in the district by all of the participating taxing units for a year, the unit's allocation may not exceed a percentage of the appraisal district's budget equal to three times the unit's percentage of the total number of real property parcels appraised by the district.

(e) Unless the governing body of a unit and the chief appraiser agree to a different method of payment, each taxing unit shall pay its allocation in four equal payments to be made at the end of each calendar quarter, and the first payment shall be made before January 1 of the year in which the budget takes effect. A payment is delinquent if not paid on the date it is due. A delinquent payment incurs a penalty of 5 percent of the amount of the payment and accrues interest at an annual rate of 10 percent. If the budget is amended, any change in the amount of a unit's allocation is apportioned among the payments remaining.

(f) Payments shall be made to a depository designated by the district board of directors. The district's funds may be disbursed only by a written check, draft, or order signed by the chairman and secretary of the board or, if authorized by resolution of the board, by the chief appraiser.

(g) If a taxing unit decides not to impose taxes for any tax year, the unit is not liable for any of the costs of operating the district in that year, and those costs are allocated among the other taxing units as if that unit had not imposed taxes in the year used to calculate allocations. However, if that unit has made any payments, it is not entitled to a refund.

(h) If a newly formed taxing unit or a taxing unit that did not impose taxes in the preceding year imposes taxes in any tax year, that unit is allocated a portion of the amount budgeted to operate the district as if it had imposed taxes in the preceding year, except that the amount of taxes the unit imposes in the current year is used to calculate its allocation. Before the amount of taxes to be imposed for the current year is known, the allocation may be based on an estimate to which the district board of directors and the governing body of the unit agree, and the payments made after that amount is known shall be adjusted to reflect the amount imposed. The payments of a newly formed taxing unit that has no source of funds are postponed until the unit has received adequate tax or other revenues.

(i) The fiscal year of an appraisal district is the calendar year unless the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members adopt resolutions proposing a different fiscal year and file them with the secretary of the board not more than 12 and not less than eight months before the first day of the fiscal year proposed by the resolutions. If the fiscal year of an appraisal district is changed under this subsection, the chief appraiser shall prepare a proposed budget for the fiscal year as provided by Subsection (a) of this section before the 15th day of the seventh month preceding the first day of the fiscal year established by the change, and the board of directors shall adopt a budget for the fiscal year as provided by Subsection (b) of this section before the 15th day of the fourth month preceding the first day of the fiscal year established by the change. Unless the appraisal district adopts a different method of allocation under Section 6.061 of this code, the allocation of the budget to each taxing unit shall be calculated as provided by Subsection (d) of this section using the amount of property taxes imposed by each participating taxing unit in the most recent tax year preceding the fiscal year established by the change for which the necessary information is available. Each taxing unit shall pay its allocation as provided by Subsection (e) of this section, except that the first payment shall be made before the first day of the fiscal year established by the change and subsequent payments shall be made quarterly. In the year in which a change in the fiscal year occurs, the budget that takes effect on January 1 of that year may be amended as necessary as provided by Subsection (c) of this section in order to accomplish the change in fiscal years.

(j) If the total amount of the payments made or due to be made by the taxing units participating in an appraisal district exceeds the amount actually spent or obligated to be spent during the fiscal year for which the payments were made, the chief appraiser shall credit the excess amount against each taxing unit's allocated payments for the following year in proportion to the amount of each unit's budget allocation for the fiscal year for which the payments were made. If a taxing unit that paid its allocated amount is not allocated a portion of the district's budget for the following fiscal year, the chief appraiser shall refund to the taxing unit its proportionate share of the excess funds not later than the 150th day after the end of the fiscal year for which the payments were made.

(k) For good cause shown, the board of directors may waive the penalty and interest on a delinquent payment under Subsection (e).

Acts 1979, 66th Leg., p. 2226, ch. 841, Sec. 1, eff. Jan. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 122, ch. 13, Sec. 17, 18, eff. Aug. 14, 1981; Acts 1985, 69th Leg., ch. 311, Sec. 1, eff. Aug. 26, 1985; Acts 1989, 71st Leg., ch. 796, Sec. 9, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 20, Sec. 16, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 347, Sec. 4.07, eff. May 31, 1993.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 87 (S.B. 948), Sec. 1, eff. May 14, 2007.

Sec. 6.062. PUBLICATION OF BUDGET. (a) Not later than the 10th day before the date of the public hearing at which the board of directors considers the appraisal district budget, the chief appraiser shall give notice of the public hearing by publishing the notice in a newspaper having general circulation in the county for which the appraisal district is established. The notice may not be smaller than one-quarter page of a standard-size or tabloid-size newspaper and may not be published in the part of the paper in which legal notices and classified advertisements appear.

(b) The notice must set out the time, date, and place of the public hearing and must set out a summary of the proposed budget. The summary must set out as separate items:

- (1) the total amount of the proposed budget;
- (2) the amount of increase proposed from the budget adopted for the current year; and
- (3) the number of employees compensated under the current budget and the number of employees to be compensated under the proposed budget.

(c) The notice must state that the appraisal district is supported solely by payments from the local taxing units served by the appraisal district. The notice must also contain the following statement: "If approved by the appraisal district board of directors at the public hearing, this proposed budget will take effect automatically unless disapproved by the governing bodies of the county, school districts, cities, and towns served by the appraisal district. A copy of the proposed budget is available for public inspection in the office of each of those governing bodies."

Added by Acts 1989, 71st Leg., ch. 796, Sec. 10, eff. Sept. 1, 1989.

Sec. 25.18. PERIODIC REAPPRAISALS. (a) Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05(i).

(b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:

(1) identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;

(2) identifying and updating relevant characteristics of each property in the appraisal records;

(3) defining market areas in the district;

(4) identifying property characteristics that affect property value in each market area, including:

(A) the location and market area of property;

(B) physical attributes of property, such as size, age, and condition;

(C) legal and economic attributes; and

(D) easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;

(5) developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determines the contribution of individual property characteristics;

(6) applying the conclusions reflected in the model to the characteristics of the properties being appraised; and

(7) reviewing the appraisal results to determine value.

(c) A taxing unit by resolution adopted by its governing body may require the appraisal office to appraise all property within the unit or to identify and appraise newly annexed territory and new improvements in the unit as of a date specified in the resolution. On or before the deadline requested by the taxing unit, which deadline may not be less than 30 days after the date the resolution is delivered to the appraisal office, the chief appraiser shall complete the appraisal and deliver to the unit an estimate of the total appraised value of property taxable by the unit as of the date specified in such resolution. The unit must pay the appraisal district for the cost of making the appraisal. The chief appraiser shall provide sufficient personnel to make the appraisals required by this subsection on or before the deadline requested by the taxing unit. An appraisal made pursuant to this subsection may not be used by a taxing unit as the basis for the imposition of taxes.

Acts 1979, 66th Leg., p. 2273, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 159, ch. 13, Sec. 106, eff. Jan. 1, 1982; Acts 1989, 71st Leg., ch. 796, Sec. 23, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 412 (S.B. 1652), Sec. 10, eff. September 1, 2005.

