

## **INTRODUCTION**

The Guadalupe Appraisal District (G.A.D.) has prepared this Written Reappraisal Plan as required under Section 6.05 (i) of the Texas Tax Code "to ensure adherence with generally accepted appraisal practices." This report is aimed to provide the property owners and the taxing entities with a complete understanding of the responsibilities and obligations of the G.A.D.

The G.A.D. is a political subdivision of the State of Texas created to appraise all of the taxable property within its jurisdictions at 100% market value as of January 1<sup>st</sup> of each year. The creation of the appraisal district was passed with the 66<sup>th</sup> Legislative Session in 1979, approved by the voters in the November 1980 general election. This legislation mandated taxing units to participate in an appraisal district.

The G.A.D. is governed by the provisions contained in the Texas Tax Code, relative to legal, statutory, and administrative requirements.

The G.A.D. has a five member Board of Directors that are elected by the entities it serves. This five member Board of Directors appoints the Chief Appraiser, and is the chief administrator, and executive officer of the appraisal district. The Board of Directors serve for a two year term, and typically the directorship begins January 1<sup>st</sup> and ends December 31<sup>st</sup>.

The G.A.D. is responsible for conducting the appraisals to be used by the taxing units it serves for the current year. The number of taxing units served by the G.A.D. has increased, due to implementation of HB1010 in the 80<sup>th</sup> Texas Legislature, amending §6 (a.) of the Texas Tax Code, and repeals §6.025 of the Texas Tax Code. Implemented, HB 1010 makes the County line the appraisal district line. This legislation has increased the Guadalupe Appraisal District responsibility in appraisal and maintenance of these areas. The G.A.D. budget is funded by 22 taxing entities as of the date of the written reappraisal plan. The funding received is calculated pro-rata according to the levy generated. It is thought that additional municipalities may become active taxing units in future years, specifically the City of Kingsbury, City of Staples and the City of Martindale. If these municipalities become taxing units in Guadalupe County, the G.A.D. will be responsible for the appraisals for these taxing units, and will be incorporated into the G.A.D. allocation and budget cycle. For the January 1, 2017 appraisal date, the City of New Berlin has passed ordinance #16-001 intending to implement a property tax for the 2017 year. In response, the Guadalupe Appraisal District Board of Directors has passed a resolution accepting the City of New Berlin to provide appraisal services and being included in the budget process. As of the 2018 certification, the district was responsible for appraising 89,892 parcels in total.

Except as otherwise outlined in the Texas Tax Code, all taxable property is appraised at its "market value" as of January 1<sup>st</sup>. Market value as defined by the Texas Tax Code means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- Exposed for sale in the open market with a reasonable time for the seller to find a buyer.
- Both the seller and the buyer know of all the property uses and purposes to which the property is adapted and for which it is capable or being used for and of any enforceable restrictions on the use of the property
- Both the seller and the buyer seek to maximize their gains and neither is in a position to take advantage of situations of the other.

Section 23 of the Texas Tax Code defines special appraisal provisions for valuation of residential homestead properties (§23.23), which is referred to as the residential homestead cap. In addition, the 81<sup>st</sup> Legislative Session added HB 3613, relating to the determination of the market value of a residence homestead for ad-valorem tax purposes on the basis of the property's value as a residence homestead, in situations where the highest and best use of the homestead property is that other than a residence homestead, such as a commercial or industrial use. As well, §23 addresses special appraisal provisions for productivity (§23.41), real property inventory (§23.12), and dealer inventory (§23.121, 23.124, 23.1241 and 23.127), nominal (§23.18), restricted use properties (§23.83), and allocation of interstate property (§23.03). The owners of inventory may elect to have the inventory appraised at its market value as of September 1<sup>st</sup> of the year proceeding the tax year to which the appraisal applies by making an application with the Chief Appraiser.

In addition §23.01 (c) of the Texas Tax Code indicates that the “chief appraiser may not exclude from consideration the value of other residential property that is in the same neighborhood as the residence homestead being appraised and would otherwise be considered in appraising the residence homestead because the other residential property:

- (1) was sold at a foreclosure sale conducted in any of the three years preceding the tax year in which the residence homestead is being appraised and was comparable at the time of sale based on relevant characteristics with other residence homesteads in the same neighborhood; or
- (2) has a market value that has declined because of a declining economy.

As well, §23.01 of the Texas Tax Code,

Appraisals generally (b) states:

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

Reference to a specific work plan contained herein is to be considered tentative plans for the District at this time. The work plan assumptions are made with the understanding that there are no natural disasters, a drastic reduction in designated Property Tax Professionals or new legislative requirements that will require the District to reallocate available resources necessary to complete the normal work plan to address these possible high priority areas.

## **EXECUTIVE SUMMARY**

### TEXAS TAX CODE REQUIREMENT

Passage of S.B. 1652 amended the Texas Tax Code to require a written biennial reappraisal plan. The following details this section of the Texas Tax Code:

#### The Written Plan

§6.05, Texas Tax Code, is amended by adding Subsection (i) to read as follows:

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

#### Plan for Periodic Reappraisal

Subsections (a) and (b) of §25.18, Texas Tax Code, are provided here for convenience and amended to read as follows:

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

- (b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
- (1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps, and property sketches;
  - (2) Identifying and updating relevant characteristics of each property in the appraisal records;
  - (3) Defining market areas in the district;
  - (4) Identifying property characteristics that affect property value in each market area, including:
    - (A) The location and market area of the property;
    - (B) Physical attributes of each 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.

I.) Identifying properties to be reappraised for the purpose of updating relevant characteristics:  
(DISCOVERY PHASE)

A. Residential/Commercial Property

The appraisal district will continue to implement several means to identify properties that require inspection for the purpose of updating relevant property characteristics. One source of information that is used to identify those properties is building permits issued by the cities located within the district and septic permits issued by the Health and Sanitation Department of Guadalupe County. Copies of these permits are collected continuously and matched with the corresponding appraisal district accounts to flag for inspection. Other sources of identifying properties that are in need of re-inspection are, on site field inspections, aerial photography inspections, new and existing subdivisions in the district, driveway permits issued by Guadalupe County, mechanics liens, information included in sales listing, sales survey letters, realtor reports, deeds of trusts, the property owner themselves, reports of recently assigned 911 addresses, fee appraisers and in some instances neighbors or other individuals familiar with the property.

In addition, the ability to obtain current aerial photography has been a valuable tool of discovery. Aerial photography has been used as a tool in identifying improvements that are not currently accounted for and that will need to be added to the appraisal roll as omitted properties in the district. The identification of missing improvements has been accomplished by first conducting an office review of the aerial photograph. During this process, the reviewer individually reviews each of the structures within the area, and reconciles the sited structures with what is recorded on the appraisal card, in search of properties not recorded on the appraisal roll. When this type of review is conducted, accounts may be "flagged" for an onsite field inspection if the reviewer determines that structures or other improvements are present on the aerial photo, however, can not be accurately appraised unless a field inspection is made. The Appraiser will use available tools and information to make a conservative estimate of value. Conversely, an appraiser may determine that ample information is available from the aerial compiled with alternate resources to accurately appraise the subject property, and therefore may update the appraisal record for the property with the structures. Properties that are flagged for a field inspection will be maintained in a paperless workflow process, sorted by geographic region, and assigned by market area/region.

In addition to the above noted process which generates reappraisal activities, the District will implement an aerial sweep project by clusters of market area regions for real property. This sweep will be based on the last field inspection years being less than the five prior years for 2019 and 2020. Cluster E will be swept for 2019 and Cluster A will be swept for 2020. The year of 2020 makes the first completed cycle of this project. The "sweep" is outlined as an aerial inspection of each property within the district for the purpose of updating the appraisal record of each property. The scheduled sweep for the 2019/2020 written reappraisal plan will begin immediately after the certification processes. Refer to the following location on server shared file for the identification of inspections of aerial sweep project: S:\15-yr\INSPECTIONS PLAN 2019 PROJECT. Specifically, Cluster E will be made up of the current market areas defined as Geos 8,10,11,12,13,14,15,16,17, and 18. In detail, Cluster E will include a total of 9,355 parcels for the sweep project. Cluster A will comprise the current market areas defined as Geos 4 & 5. Dependent on allocation of resources, it may be possible to begin Cluster A upon completion of Cluster E for the 2020 year. It may also be prudent that the scope of work for Cluster E and or Cluster A currently outlined be modified, dependent on allocation of resources to push a particular Geo or group of Geos into Cluster A, or into future written reappraisal plan of 2021/2022. The scope of this project is to maintain recent inspections of properties to reflect updated structures and property characteristics. Identification of properties for Cluster A meeting inspection criteria will be determined after certification processes for the 2019 have been completed to properly identify accounts required to be inspected. See **Exhibit A** for location of identified parcels for scope of work as related to this aerial sweep project. As of the date of this publication, the baseline parcel count for this aerial inspection project for the 2019 year was 9,057; initial count for this project was 9,355. **Exhibit A1** identifies the Geo market areas grouped together into Clusters that are used for the sweep project.

In addition, from the Commercial aspect, an approximate three year rotation is currently functional to maintain recent inspections of properties to reflect updated structures and property characteristics. For the 2019 year, a sweep will be performed where the last inspection date is later than the 2016 year for Category B and F. See **Exhibit B** for the scope of work related to this project. For the 2020 year, the sweep for Commercial will encompass parcels where the last inspection date is later than the 2017 year for Category B and F. Due to the fact that for the 2019 year, there currently are over 1,400 properties that fall into this category for inspection, if necessary, the District may see fit to modify this plan such that some of these inspections pour over into the 2020 year to equalize inspection efforts in years moving forward for this process, so that approximately 1,000 accounts are inspected annually to update property characteristics. This may require that some of the 2020 properties pour over into the next reappraisal plan process. See **Exhibit C** query that will identify at the current run date those commercial properties slated for inspection for this 2019 project scope. Due to the fact that the scope of this project is to maintain recent inspections of

properties to reflect updated structures and property characteristics, the identification of commercial properties meeting inspection criteria will be determined after certification processes for the 2019 have been completed in order to properly identify accounts required to be inspected. Finally, for the 2019/2020 written reappraisal plan, the Commercial Department will collect and review income and expense data for the following property classes (Property Use Code): Multi-Family (120/123/126/128), Professional and Medical Offices (400/410), Self-Storage facilities (550), Industrial Warehouse/Distribution Properties >50,000 Sq. ft. (510), Industrial Flex Space Properties <50,000 Sq. ft. (530), Lodging Properties (100) with an annual gross revenue amount >\$100,000, Multi-Tenant Retail Centers (250/255/260), and Mobile Home/Recreational Vehicle Parks (160/165). Property classes for the 2019/2020 reappraisal activities, as it relates to the potential development and implementation of new income schedules, include Open Air Storage lots and Free Standing Retail stores (200).

Similarly, Category A, B, E & F are annually reappraised from a statistical standpoint to ensure that sales occurring within the District are within the acceptable tolerances. If the appraised values in this category do not fall within the acceptable tolerances adjustments are implemented to that particular market area to ensure acceptable results, as related to confirmed sales data.

As of July 26, 2018 the District has identified 1,735 parcels that have been flagged from the normal reappraisal-discovery process requiring an inspection for the January 1, 2019 year, this includes all categories of properties. These flagged accounts are varied in category type and location. These accounts have been flagged by various methods through all of the above noted sources and tools of discovery. This identification process will be continuous, and will yield additional field inspections, as the year moves forward. Due to this fact, the listing of accounts may be run in the District database as follows: Activities-Appraisal Cards-Print User Defined and insert date of 01/01/2019-12/31/2019 to yield the most up to date appraisal cards for this. Additionally, developing generally residential subdivisions have been identified that are inspected every year for new structures. See [Exhibit D](#) for the process to identify the parcel counts related to this scope of work.

## B. Rural, Residential and Commercial Land

Characteristics that influence land values are primarily flood plain, zoning, road frontage (lack of or excessive frontage given size of parcel), and easements such as pipeline, transmission line, access and electrical easements. In addition, a land parcel's size and shape are value influencing characteristics as well. Documents such as deeds, zoning and flood maps, and plats will be reviewed and proper adjustments will be made to account for the presence of such characteristics, as time allows. Aerial photography, conversations with property owners and other public documents will also be collected and reviewed.

The previously noted real property sweep project will include rural land and residential parcels. The Commercial parcels are on an approximate three year rotation process, as previously discussed in this publication. This may be completed either by way of an aerial inspection and or a traditional field inspection.

Similarly, Category C, D & E are annually reappraised from a statistical standpoint to ensure that proposed values coincide according to acceptable tolerances with available market data occurring within the District.

For the 2019/2020 Written Reappraisal Plan, the Agriculture Department will request updated Application for I-d-I Open Space Agricultural Use from the following owners:

- New owners of property
- Existing Owners of property where the acreage amounts have changed and thus the previous application on file does not address the property as it is currently described
- Owners of property where eligibility for I-d-I Open Space Agricultural Use has ended
- Owners where the Application for I-d-I Open Space Agriculture Use on file was filed in 2007 or in a prior year

By requesting owners to submit an updated Application for I-d-I Open Space Agriculture use when the application on file retained by the Guadalupe Appraisal District is more than 10 years old, this will assist to ensure updated information is on file with regard to described property and to assist with validating agriculture use category changes as well will assist to ensure property owners current owner information on file. For the 2019 year, owners of parcels of land that have an original application on file in 2007 or prior year will be sent an Application for I-d-I Open Space Agricultural Use.

It is also District procedure that upon transfer of property to a new ownership the special valuation for Open Space Agriculture Use will be removed, until an Application for I-d-I Open Space Agricultural Use is filed. Upon submission by the owner, the District will review submitted Application for I-d-I Open Space Agriculture Use and upon completion of review make a determination if the property qualifies for the Open Space Agriculture Use and the associated special valuation.

Additionally, Comptroller Form #50-129 states the following with regard to application deadlines for the Application for I-d-I Open Space Agriculture Use:

**APPLICATION DEADLINES:** *The completed application must be filed with the chief appraiser before May 1 of the year for which agricultural appraisal is requested. If the application is approved, a new application is not required in later years unless the land ownership changes, eligibility ends or the chief appraiser requests a new application.*

Further, Section 23.54 of the Texas Tax Code outlines the following as related to requirements of a I-d-I Open Space Agricultural Use application as follows:

**"Sec. 23.54. Application.**

*(a) A person claiming that his land is eligible for appraisal under this subchapter must file a valid application with the chief appraiser.*

*(b) To be valid, the application must: (1) be on a form provided by the appraisal office and prescribed by the comptroller; and*

*(2) contain the information necessary to determine the validity of the claim.*

*(c) The comptroller shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement. The comptroller, in prescribing the contents of the application form, shall require that the form permit a claimant who has previously been allowed appraisal under this subchapter to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported. The form must include a space for the claimant to state the claimant's date of birth. Failure to provide the date of birth does not affect a claimant's eligibility to have the claimant's land appraised under this subchapter.*

*(d) The form must be filed before May 1. However, for good cause the chief appraiser may extend the filing deadline for not more than 60 days.*

*(e) If a person fails to file a valid application on time, the land is ineligible for appraisal as provided by this subchapter for that year. Once an application is filed and appraisal under this subchapter is allowed, the land is eligible for appraisal under this subchapter in subsequent years without a new application unless the ownership of the land changes or its eligibility under this subchapter ends. However, subject to Section 23.551, if the chief appraiser has good cause to believe that land is no longer eligible for appraisal under this subchapter, the chief appraiser may require a person allowed appraisal under this subchapter in a prior year to file a new application to confirm that the land is currently eligible for appraisal under this subchapter by delivering a written notice that a new application is required, accompanied by the application form, to the person who filed the application that was previously allowed.*

*(f) The appraisal office shall make a sufficient number of printed application forms readily available at no charge.*

*(g) Each year the chief appraiser for each appraisal district shall publicize, in a manner reasonably designed to notify all residents of the district, the requirements of this section and the availability of application forms.*

*(h) A person whose land is allowed appraisal under this subchapter shall notify the appraisal office in writing before May 1 after eligibility of the land under this subchapter ends or after a change in the category of agricultural use. If a person fails to notify the appraisal office as required by this subsection a penalty is imposed on the property equal to 10 percent of the difference between the taxes imposed on the property in each year it is erroneously allowed appraisal under this subchapter and the taxes that would otherwise have been imposed.*

*(i) The chief appraiser shall make an entry in the appraisal records for the property against which the penalty is imposed indicating liability for the penalty and shall deliver a written notice of imposition of the penalty to the person who owns the property. The notice shall include a brief explanation of the procedures for protesting the imposition of the penalty. The assessor for each taxing unit that imposed taxes on the property on the basis of appraisal under this subchapter shall add the amount of the penalty to the unit's tax bill for taxes on the property against which the penalty is imposed. The penalty shall be collected at the same time and in the same manner as the taxes on the property against which the penalty is imposed. The amount of the penalty constitutes a lien on the property against which the penalty is imposed and accrues penalty and interest in the same manner as a delinquent tax.*

*(j) If the chief appraiser discovers that appraisal under this subchapter has been erroneously allowed in any one of the five preceding years because of failure of the person whose land was allowed appraisal under this subchapter to give notice that its eligibility has ended, he shall add the difference between the appraised value of the land under this subchapter and the market value of the land to the appraisal roll as provided by Section 25.21 of this code for other property that escapes taxation.*

**Sec. 23.541. Late Application for Appraisal As Agricultural Land.**

*(a) The chief appraiser shall accept and approve or deny an application for appraisal under this subchapter after the deadline for filing it has passed if it is filed before approval of the appraisal records by the appraisal review board.*

*(b) If appraisal under this subchapter is approved when the application is filed late, the owner is liable for a penalty of 10 percent of the difference between the amount of tax imposed on the property and the amount that would be imposed if the property were taxed at market value.*

*(c) The chief appraiser shall make an entry on the appraisal records indicating the person's liability for the penalty and shall deliver written notice of imposition of the penalty, explaining the reason for its imposition, to the person.*

*(d) The tax assessor for a taxing unit that taxes land based on an appraisal under this subchapter after a late application shall add the amount of the penalty to the owner's tax bill, and the tax collector for the unit shall collect the penalty at the time and in the manner he collects the tax. The amount of the penalty constitutes a lien against the property against which the penalty is imposed, as if it were a tax, and accrues penalty and interest in the same manner as a delinquent tax.*

As related to the definition of good cause, the District outlines the following definition with regard to Section 23.54 (d):

Good Cause- An unforeseen medical emergency of the individual required to submit the Application for 1-d-1 Open Space Agriculture Use or an unforeseen medical emergency of a family member of the individual required to submit the Application for 1-d-1 Open Space Agriculture Use.

### C. Non-Industrial Business Personal Property (B.P.P.)

Identification of new BPP properties is accomplished by field inspections as well as with the annual rendition process, commercial building permits, D.B.A. filings with the county clerk's office, commercial vehicle listings supplied through a third party vendor and monthly and annual vehicle declarations submitted by local vehicle dealers, review of General Distinguishing Number listings, review of listings from the Texas Parks and Wildlife, as well as listing from the F.A.A. or third party vendors for aircraft in the district and field inspections performed. Also, as commercial property is sold, this is also a tool to flag properties for inspection.

The appraisal district personnel reviews local publications for notices of grand openings as well as business advertisements published in local newspapers, online publications and websites as well as within the yellow pages of the phone directories. In addition, the district will make field inspections of areas for identification of new business personal property accounts. As well, the District will employ the use of aerial photography to identify new commercial business in market areas.

The District will implement a sweep project, based for this category of properties that represent the top 3% of accounts from a value standpoint in the District overall for each year during 2019/2020 reappraisal plan. [Exhibit F](#) outlines the current scope of this project. Additionally, the District will research, develop and implement business personal property schedules for the 2019/2020 reappraisal effort that can be applied to both rendered and non-rendered business personal property parcels. For the 2019 year, the SIC codes of 5461 Bakery, 5933 Pawn Shops, and 0742 Veterinarians will have functional schedule development, see [Exhibit G](#) for the scope of reappraisal project. For the 2020 year, the SIC code of 5311 Department Stores, and 5998 Pet Grooming Goods & Supplies Stores will have functional schedule development, see [Exhibit G](#) for the scope of the reappraisal project. It may be prudent to move one or more SIC codes between reappraisal years based on information available, however, completion of all listed schedules will be finalized in the 2020 year for notice processing. Finally, project development for Business Personal Property Project will include a sweep of parcels that have not rendered and or have not been inspected in the prior three years will be the focus for both the 2019/2020 reappraisal effort. See [Exhibit H](#) for the scope of work related to this project for the 2019 year. In order to properly identify accounts for this project scope in the 2020 year, these will be identified after the 2019 certification processes are complete.

### D. Utility, Railroad and Pipeline Property

Identifying properties to be appraised:

Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Utility, railroad and pipeline properties that are susceptible to inspection are identified by inspection. The appraiser may also refer to other documents, both public and also confidential to assist in identification of these properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual. New permitting documents on record with the Railroad Commission of

Texas provide a source to identify potential new pipeline projects but does not provide indication if the project was actually started, completed, or a distinct location of the proposed project. Every effort is made to discover new utility, railroad, and pipeline properties through personal observation combined with permitting documents.

See [Exhibit I](#) for detail scope of accounts for reappraisal, and associated reappraisal plan requirements.

#### E. Industrial Real Property

Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Industrial properties are identified as part of the appraiser's physical inspection process each year and through submitted data by the property owner. The appraiser may also refer to legal documents, photography and other descriptive

See [Exhibit I](#) for detail scope of accounts for reappraisal, and associated reappraisal plan requirements.

#### F. Industrial Personal Property

Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Through inspection the appraiser identifies personal property to be appraised. The appraiser begins with properties from the previous tax year and identifies new properties from visual identification and/or publications, newspaper articles, or information obtained through the interview of property owners. The appraiser may also refer to other documents, both public and also confidential, to assist in identification of these properties. Such documents might include but are not limited to the previous year's appraisal roll, vehicle listing services and private directories.

Such documents might include but are not limited to the previous year's appraisal roll, vehicle listing services and private directories. See [Exhibit I](#) for detail scope of accounts for reappraisal, and associated reappraisal plan requirements.

#### G. Oil and Gas Property

As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAGL obtains monthly oil and gas lease information from the Railroad Commission of Texas (RRC) to compare against oil and gas properties already identified. The situs of new properties is determined using plats and W-2/G-1 records from the RRC, as well as CAGL's in-house map resources. See [Exhibit J](#) for detail scope of accounts for reappraisal, and associated reappraisal plan requirements.

### II.) Identifying and Updating Relevant Characteristics: (DATA COLLECTION PHASE)

#### A. Residential/Commercial Property

Identifying and updating relevant characteristics of a property will be accomplished primarily through an aerial or traditional field inspection of the property. The inspecting appraiser shall view the latest aerial photograph acquired by the District of the subject property to collect relevant data about the property such as measurements of structures, construction quality of structures and physical deterioration, among other characteristics that may impact the market value of the subject property. The collected data is gathered by the inspecting appraiser, noted on field inspection sheets, analyzed and checked for accuracy and then submitted to the data entry department for processing. On a limited scope, appraisal staff may complete some data entry which is at their discretion. An ongoing Quality Control Project is functional to ensure proper training and education issues are addressed. Personnel within the data entry department will then update the electronic records of the property according to the information and data noted on the field inspection sheet by the appraiser. If the inspecting appraiser determines that there is not enough information to make an informed decision on the relevant property characteristics, then the appraiser will either discuss the subject property with another appraiser to obtain input and or flag the property for a field inspection. Once this inspection is complete, the appraiser will have acquired the data to update the subject property. Upon field inspecting the property, the appraiser shall be guided by the established Guadalupe Appraisal District field inspection guidelines, which are routinely reviewed with appraisal staff at the onset of the field inspection process.

The appraiser will identify and update relevant characteristics acquired during the inspection process. In this process, the appraiser shall review state code classification, any extraordinary depreciation, renditions, realtor, or fee appraisal reports, sic codes, region codes, neighborhood codes, building permits, sales data, property use codes, classification, construction type and quality, municipal zoning as related to the development of a parcel, flood zone, as well as any identifiable attributes known as related to the interior of the parcel. Upon completion of updating relevant parcel characteristics, the parcel is routed for Data Entry or filed. A prescribed form for use by the Appraisal Staff in their inspection process helps to ensure relevant characteristics are updated as required on the document. Administrative quality control procedures are implemented for accuracy and quality of entry of data, as well as for objective and subjective review of the Appraisal component.

#### B. Rural, Commercial & Platted Residential Land

Identification of specific characteristics will be accomplished, but not limited to, review of relevant documents or through inspections. Aerial photography and the integration of the G.I.S. parcel base map with any and all layers of additional information gathered and integrated will prove helpful in identification of tracts that have unique characteristics that can be identified by an aerial observation. Characteristics that may be identified and accounted for from these observations and integration of technology may be, but not limited to areas of flood plain, road frontages, corner locations, easement access, shape, zoning and the like. If identified, adjustments may be warranted, and shall be validated with notations on the electronic record for the future. The reviewing appraiser will document necessary information and either update the electronic records of the subject property as necessary through a mass update process (if the adjustments impact a number of properties) or submit the changes required to the data entry department in which case personnel within the data entry department will update the electronic record of the subject property. Upon completion of updating relevant parcel characteristics, administrative quality control procedures are implemented for accuracy of entry of data, as well as for objective and subjective review of the Appraisal component.

#### C. Business Personal Property (non-industrial)

The primary source of data for updating relevant characteristics of the business personal property parcels shall be through rendition information, and through the traditional inspection process. This data is verified and cross referenced through previously existing confidential records and through various forms of public information attainable for businesses. Once characteristics that have been identified that impact the market value of the subject property, the appraiser shall make notations of such on the appraisal card, and either update the subject property with the noted information, or route the appraisal card with notations to data entry for updating the subject property or properties.

#### D. Utility, Railroad & Pipeline Property

The appraiser identifies and updates relevant characteristics through data collected as part of the inspection process and through later submissions by the property owner, sometimes including confidential rendition. Additional data are obtained through public sources, regulatory reports and through analysis of comparable properties.

#### E. Industrial Real Property

The appraiser identifies and updates relevant characteristics through the inspection process. Confidential rendition, assets lists and other confidential data also provide additional information. Subject property data is verified through previously existing records and through published reports.

#### F. Industrial Personal Property

Data identifying and updating relevant characteristics of the subject properties are collected as part of the inspection process through directories and listing services as well as through later submissions by the property owner, sometimes including confidential rendition. These data are verified through previously existing records and through public reports.

## G. Oil & Gas Property

Relevant characteristics necessary to estimate value of remaining oil or gas reserves are production volume and pattern, product prices, expenses borne by the operator of the property, and the rate at which the anticipated future income should be discounted to incorporate future risk. CAGL obtains information to update these characteristics annually from regulatory agencies such as the RRC, the Comptroller of Public Accounts, submissions from property owners and operators, as well as from published investment reports, licensed data services, service for fee organizations and through comparable properties, when available.

### III.) Defining market areas in the district: (MARKET AREA/NEIGHBORHOOD DELINIATION PHASE)

#### A. Residential/Commercial Property

When defining a market area for residential properties, the total boundaries of the appraisal district can be considered one market. Further analysis will reveal that within the total market, submarkets exist as well. These submarkets can be defined as any group of properties that share common traits such as physical, economic, governmental and social forces, all of which equally and consistently influence the value of each property within the given area. Generally speaking, these submarkets are more easily identified within the more densely populated areas of the district and are often referred to as neighborhoods.

Within the more densely populated areas of the district, neighborhoods are identified by different means. In developed more homogeneous areas of the district, a neighborhood can be defined as the boundary of a platted subdivision. In less homogeneous areas of the district, a neighborhood can be defined by factors such as age and quality of the homes and proximity and exposure to major thoroughfares. Whichever the case, mass adjustments made to the appraisal of properties within a defined neighborhood or market area are consistently and equally applied to each property within the defined neighborhood, based on the annual review of market data available in these neighborhoods or market areas. Currently, the District evaluates as one market area residential categories across the District, and then refines the analysis and evaluations by neighborhoods or subdivisions.

#### B. Rural, Commercial & Platted Residential Land-

Market areas for land are defined by the highest and best use of the land, with the exception of those outlined in §23 of the Texas Tax Code. Generally speaking, buyers and sellers of land within an industrial subdivision will determine asking and bidding process based upon an industrial use of the land. Likewise, it is the same situation for land within a residential subdivision or rural land. As previously mentioned, the 81<sup>st</sup> Legislative Session produced HB 3613, which indicates that property under a homestead exemption shall be valued from an ad-valorem standpoint as residential property, even in the case where the subject property's highest and best use is commercial in nature, which is a jurisdictional exception implemented by the District, since this legislation became effective.

However, some of the areas in the district are undergoing a change in the highest and best use of the land, particularly rural land that is close in proximity to growing cities, such as the City of Cibolo, the City of Schertz, City of New Braunfels, and the City of Seguin. The district will closely monitor these areas in order to identify any market area changes that are occurring in order to accurately group these parcels to reflect the value as of the January 1<sup>st</sup> appraisal date. In these areas, the highest and best use of land is changing from a farm and ranch use to a use of residential, commercial, and or industrial.

In areas undergoing a change in the highest and best use, collected market activity will be closely evaluated and scrutinized for changes in values of not only the parcels that have been sold, but also any land that is within the entire market area. During the evaluation process, if there are changes that are required, the market values within the market area will all be adjusted accordingly, based upon confirmed and validated market activity, applicable to the entire market area.

When defining a market area for rural, commercial, and platted residential lots, the total boundaries of the appraisal district are normally considered as the primary market area. Again, with further analysis submarkets will be apparent. Submarkets will be defined as any grouping of

properties that have commonly identified characteristics, which consistently influence the value of each property within a given area. These submarkets for rural land take on and are identified by the District as "Geographic Area", or "GEOS". The District has 29 different geographic market regions identified. Geographic market regions with similar make up and information may be consolidated for analysis purposes in the event the market data is sparse, which may present itself. Market areas for commercial properties are identified in the more densely populated areas and or locations usually identified by locations on major thoroughfares, which are considered strategically for economic and commerce decisions. Market areas for platted residential land normally take on the boundaries of the platted subdivision itself. In some instances, similarly situated subdivisions may be used as comparable market areas or as competing subdivisions if market data is sparse.

To elaborate on the geographically defined market areas in the Guadalupe Appraisal District, folded in are documents, attached as Exhibit A1 to define specifically these 29 geographic regions in the District. This report documents the degree and type of development, soil type and vegetation, and market influences and possible future development. . Additionally, commercial property, or income producing property may have markets that are subdivided by location, which in turn may be directly related to the income potential of that property (i.e. Economic Classes), such as those property classes outlined in section I (A). Folded into Exhibit A1 is an outline of currently defined Common Land Area (CLA) markets. CLA defined markets assist in further identifying areas of county, primarily for property uses non-residential in nature, in an effort to produce valuations reflective of changing market conditions.

#### C. Business Personal Property (non-industrial)-

When defining a market area for business personal property, the boundary of the appraisal district may be considered one market area. When unique situations arise, the market area may be widened to the regional or state level and is justified. The market for business personal property is determined by the design and use of the property in question, thus the type of business that the property can be used within will determine the buyers and sellers of the property.

#### D. Utility, Railroad & Pipeline Property

Market areas for utility, railroad and pipeline property tend to be regional or national in scope. Financial analyst and investor services reports are used to help define market areas.

#### E. Industrial Real Property

Market areas for industrial properties tend to be regional, national and sometimes international. Published information such as prices, financial analysis and investor services reports are used to help define market area.

#### F. Industrial Personal Property

Market areas for industrial personal property are generally either regional or national in scope. Published price sources are used to help define market areas.

#### G. Oil & Gas Property

Oil and gas markets are regional, national and international. Therefore they respond to market forces beyond defined market boundaries as observed among more typical real properties.

### IV.) Appraisal Model: (APPROACH TO VALUE)

#### A. Residential Property

##### Residential Land

Residential land is appraised as though vacant using the market/sales approach as the appraisal model for valuation. The value of the land component of the total property appraisal is extracted based on available market sales for comparable and competing land under similar usage. A comparison and analysis of comparable land sales is conducted based on a comparison of land characteristics found to influence the market value of land located in the market area or neighborhood. When necessary, the land appraisal is adjusted for specific factors and conditions that influence the value of the land. These adjustments may include conditions of access, shape, and or size. When necessary, abstraction and allocation methods will be used to ensure that estimated land values reflect the contributory market value of the land to the overall property value.

### Single-Family Residences

Appraisals for single-family residences are derived by using the market/sales approach as the model for valuation. The master residential valuation schedule is annually calibrated by collecting sales of residential properties for the prior 12-15 month timeframe. The district includes foreclosure sales in the overall residential analysis conducted, as outlined in §23 of the Texas Tax Code, again a jurisdictional exception.

All sales are reviewed and are then grouped according to quality class assigned to the residential structure. Once grouped, a sales ratio study is conducted for each quality group. The sales ratio study is a simple and straight-forward exercise in mathematics: the prior year appraisal for each individual property included in the study is divided by the current sales price of that property. The result is a ratio expressed as a percentage. If the prior year appraisal is less than the sales price, the result will be a percentage less than 100%; if greater than the sales price, the result will be a percentage greater than 100%. The purpose of the sales ratio study is to determine the accuracy of prior year appraisal with respect to current market [sales] value of properties within the study.

Once individual ratios have been determined, the average and median ratios are calculated for each quality group. In addition, the weighted mean is calculated for each quality group as well as for the entire study. The weighted mean for each quality group is calculated by summing the appraisals for each property within the quality group, then summing the sales prices for the same properties and then dividing the first result by the second. The weighted mean for the entire study is calculated by summing the appraisal of all properties (regardless of class), then summing the sales price for all properties and then dividing the first result by the second. Generally, within each statistical group, the most weight is given to the average weighted mean ratio.

The resulting statistics of the mean ratios, median ratios and weighted mean ratios are then used to conclude adjustments to the residential valuation schedules to arrive at near 100% market value within each quality group of property.

The general procedure described above is implemented by these specific actions:

- Apply land value update as determined by land value analysis.
- Perform residential time adjustment analysis using sales ratio trend method to verify if time adjustment will be required for ratio studies.
- Perform ratio studies for each residential class group to note 'effective change in value' prior to any possible schedule changes. Note 'effective' change in overall market as well as for each quality group.
- Review data published in nationally recognized appraisal publication and, if necessary, reset: RCN@1800sqft, District Multiplier, Local Multiplier, and/or Area Modifier matrices to correspond with published data.
- Post matrices adjustment: perform ratio studies for each residential class group to note 'effective change in value' prior to any possible changes to: Index Multiplier, and/or GAD (Sales) Modifier matrices.
- Adjust relevant matrices as required to arrive at near 100% market value as stipulated by statute.

Once the master residential valuation schedule is updated, consequently the appraisals of single-family residences are updated based on the updated master base residential schedule values. Further appraisal analysis is then performed in terms of neighborhood and or defined market areas. This analysis is performed to "fine tune" the appraisals and to determine if properties within certain neighborhoods or market areas are selling at a premium or a discount when compared to the market as a whole. Neighborhood analysis is performed by conducting ratio studies within individual, neighborhoods or defined market areas. The results of the neighborhood ratio studies will aid in determining if the appraisals within the neighborhood need to be adjusted downward or upward. Whichever the conclusion, based on the available evidence, each property located within a neighborhood will receive a "mass adjustment" to increase or decrease the market value as deemed necessary from the results of the neighborhood ratio study. If there is not a mass adjustment at the neighborhood level, it was determined that that ratio study conducted based on the current appraisals were sufficient and did not need a positive or negative adjustment to arrive at 100% of market value, as mandated in The Texas Tax Code.

### Multi-Family Residential

For multi-family properties such as duplexes, four-plex properties, the sales comparison approach appraisal model is used to arrive at an estimate of market value. Specific to apartment complexes, the income approach appraisal model will be developed, and used based on the ability to annually acquire and validate adequate market data for income and expense information from this category of properties from industry for properties with income >\$100,000. When there is inadequate sales information available to derive reliable appraisals, additional appraisal models will be necessary and implemented for use to evaluate these properties. Since these types of properties are primarily owned for the purpose of income generation, the net income that a property produces is an indication of its value, therefore the valuation methods within the income approach to value can be used as a reliable model for the appraisal of the property. Lastly, if adequate sales or income information is not available, the cost approach to value may be implemented to arrive at an indication of property value. From time to time, there may be federal governmental restrictions on large scale multi-family units that will need to be considered in determining the market value. All three approaches to value may be used, assuming sufficient and reliable information is available for the appraiser to employ these approaches to value for this type of property. The value assigned will be that which reflects the market value of the property. In a perfect scenario, there will be an abundance of information and willingness by the property owner to supply necessary information, so that all three approaches to value may be employed to arrive at an indicated value. However, this is almost never the case with only limited information being supplied by the property owner.

#### B. Rural, Commercial & Platted Residential Land

According to accepted appraisal theory, only the income and market/sales comparison model are acceptable in determining market value of land. The cost approach is generally not used in the valuation process of land in the district. The sales comparison approach is the most widely used method in determining market value, thus is the method that will be implemented in the District to derive appraisals of all types of land. In instances where the sales comparison and income approach can be implemented, both methods will be used and the final assigned value will be determined by the value that best describes the market value of the land, considering the particular characteristics of the subject property, and current market conditions. Further, for residential platted lots, during the residential neighborhood analysis, appraisers will generate sales reports for this category of property during the residential neighborhood analysis to review data and make any necessary changes evidence by the available data to arrive at market value.

#### C. Business Personal Property (non-industrial)

Several methods may be used in appraising market value for business personal property. Generally, the cost approach is used, due to the availability and reliability of information. The depreciation schedules developed will be used by district appraisal staff to aid in developing indicated values. The replacement cost new less depreciation (R.C.N.L.D.) may be developed from property owners reporting (rendering) of historical cost. As well, national valuation guides and actual sales information may be considered in the valuation process. The method used for this type of valuation is often determined by which method considers the most information for the property being appraised, and reflects the accuracy of the market value as of the January 1<sup>st</sup> appraisal date. Typically, the cost approach (R.C.N.L.D.) is where the most accurate information is available, and thus produces the most accurate indicated value. The District will create schedules based on rendition information and implement these for the SIC codes previously identified in this written reappraisal plan.

#### D. Commercial

Several methods may be used in appraising the market value for commercial property. Generally, cost, market/sales comparison approach and the income approach may all be feasible approaches to value for this category of properties in the District, on different occasions. The approach to value most applicable will depend highly on the category of property as well as the quantity and quality of information available at the time of the appraisal. Generally, the District will appraise the following property classes utilizing the Income Approach to Value: Multi-Family (120/123/126/128), Professional and Medical Offices (400/410), Self-Storage facilities (550), Industrial Warehouse/Distribution Properties >50,000 Sq. ft. (510), Industrial Flex Space Properties <50,000 Sq. ft. (530), Lodging Properties (100) with an annual gross revenue amount >\$100,000, Multi-Tenant Retail Centers (250/255/260), and Mobile Home/Recreational Vehicle Parks (160/165). Generally, the Cost Approach to Value, calibrated to reflect obtained market sales activity, will be used by the District in appraising the following classes of property (Prop Use Code): Aircraft Hangers (560), Daycare Facilities (640), Assisted Living Facilities (140), Discount Retail Stores (210), Nursing Home Facilities (145), Auditoriums (680), Drugstores (200), Auto Dealerships (280), Fires Stations (010), Banks (440), Barber/Beauty Shops (350), Funeral Homes (390), Portable Classrooms, Bowling Alleys (710), Health/Fitness Centers (700), Restaurants (300/310), Churches (620), Educational Learning Facilities (600), Retail Stores (200), Jail/Detention Facilities (020), Laundry Facilities (230/235), Service Garages (360), Convenience/Quick Stop Stores (220), Veterinary Facilities (430), Dance Halls (325), Mini-Lube Facilities (365), Theaters (720), Condominiums (Townhomes), Duplexes (incl. 3 and 4 plexes), Lodging (<\$100k annl revenue), and Industrial Warehouses (500).

Assisted during sale ratio analysis process, the appraiser will consider results that best address the individual characteristics of the subject property when multiple appraisal models are used, and may develop multiple models before determining which model to use for the January 1st appraisal date .

The appraiser considers results that best address the individual characteristics of the subject property when multiple appraisal models are used, and may develop multiple models before determining which model to use for the January 1<sup>st</sup> appraisal date.

#### E. Utility, Railroad & Pipeline Property

For all three types of property, the appraiser must first form an opinion of highest and best use. Among the three approaches to value (cost, income and market), pipeline value is calculated using a replacement/reproduction cost new less depreciation model [RCNLD]. In addition to the RCNLD indicator, a unit value model may also be used if appropriate data are available. Utility and railroad property are appraised in a manner similar to pipeline except that the RCNLD model is not used.

#### F. Industrial Real Property

Among the three approaches to value (cost, income and market), industrial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or market data are available, those appraisal models may also be used.

#### F. Industrial Personal Property

Personal property is appraised using replacement/reproduction cost new less depreciation models. Income approach models are used when economic and/or subject property income is available, and a market data model is used when appropriate market sales information is available.

#### G. Oil & Gas Property

Among the three approaches to value (cost, income and market), the income approach to value is most commonly used in the oil and gas industry. Through use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and pattern, product prices, operating expenses and discount rate to determine an estimate of appraised value of an oil or gas property.

### V.) Review of Appraisal Results

#### (ANALYSIS AND IMPLEMENTATION PHASE)

##### A. Residential Property

##### Statistical Analysis

Annually, the appraisal district staff will perform statistical analysis to evaluate whether estimated values are equitable and consistent with the market activity. Sales ratio studies are conducted on each of the defined residential neighborhoods to judge the two primary aspects of mass appraisal accuracy and level of uniformity of value. Appraisal statistics of central tendency generated from sales ratios are evaluated and analyzed for each neighborhood. The level of appraised values is determined by the weighted mean ratio for sales of individual properties within a neighborhood, and a comparison of neighborhood weighted means reflect the general level of appraised value between comparable neighborhoods.

Through the sales ratio analysis process, appraisers will review neighborhoods each year. The first phase involves neighborhood ratio studies that compare the recent sales prices of neighborhood properties to the appraised values of these sold properties. This set of ratio study information affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales within the neighborhood. The appraiser, based on the sales ratio statistics, makes a preliminary decision as to whether the value level in a neighborhood needs to be changed or whether the market value in a neighborhood is at an acceptable level of appraisal.

##### Review by Inspecting Appraiser

In addition to the above described process, appraisers will review, as time permits, the results of any fieldwork conducted to determine if the resulting appraisal accurately describes the value of the property and will make any adjustments deemed necessary.

In cases when multiple appraisal models are implemented, the appraiser considers the results that best address the individual characteristics of the subject property. Once the best result is determined, it is then selected and entered as the appraisal for the given year.

#### B. Rural, Commercial & Platted Residential Land

Annually, the appraisal district staff will perform statistical analysis to evaluate whether estimated values are equitable and consistent with the market activity. Sales ratio studies are conducted on each of the defined geographic market areas for rural land and each residential and commercial neighborhood to judge the two primary aspects of mass appraisal level of accuracy and uniformity of value. Appraisal statistics of central tendency generated from sales ratios are evaluated and analyzed for each neighborhood. The level of appraised values is determined by the weighted mean ratio for sales of individual properties within a neighborhood (residential or commercial) and geographic market area. A comparison of neighborhood weighted means reflect the general level of appraised value between comparable neighborhoods. The appraiser considers results that best address the individual characteristics of the subject property when multiple appraisal models are used.

#### C. Business Personal Property (non-industrial)-

Appraisal district staff will perform annual analysis to determine if the estimated market values are equitable in the district. The appraisal district staff will conduct annual review of SIC codes to determine an equitable valuation of business personal property with similar business groupings where reliable and available data exists. The application will result in schedule development based on rendered data sets for certain SIC codes, and application of results to the entire universe of that particular SIC code in the District.

#### D. Utility, Railroad & Pipeline Property

The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process. These types of property are also subject to review by the Property Tax Division of the Texas Comptroller's Office through their annual Property Value Study.

#### E. Industrial Real Property

The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

#### F. Industrial Personal Property

The appraiser reconciles multiple models by considering the model that best addresses the individual characteristics of the subject property. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

#### G. Oil & Gas Property

Use of the income approach is the first step in determining an estimate of market value. After that the appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected payouts and income indicators. The appraiser examines the model's value with its previous year's actual income, expecting value to typically vary within a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser further expand the review process.

Included as **Exhibit E** is a 2019/2020 Appraisal Work plan that identifies the individual appraisal staff members, and also uses a block scheduling timeframe. Folded into Exhibit E is a timeline for contract appraisal work plan for specifically contracted categories of property. This is aimed to keep the appraisal team and the administrative team on task with regard to projects. Please note that some of the annual processes are not noted, and is not intended to be viewed as a daily calendar, but in a broader sense its use is intended as previously stated.

## ***LIMITED CONDITIONS***

The appraised value estimates provided by the district are subject to the following conditions:

1. The appraisals were prepared exclusively for ad valorem tax purposes only. Any other use of appraisal records is expressly prohibited. The issuer does not warrant any other uses.
2. The extraordinary assumption is that title to the property is good and marketable and the legal description is correct.
3. 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.
4. All sketches in the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports.
5. Appraisers developing appraisal under mass appraisal guidelines and for ad-valorem purposes only are not required to give testimony or attendance in court by reason of the appraisal, unless directed by, employed by and provided legal counsel by the Guadalupe Appraisal District.
6. The Appraisers have inspected properties by observation and are limited where consent is not given by property owners for a field inspection. Inspections may be conducted via aerial observations and where consent is given for exterior field inspections. However, it is not possible to personally observe conditions unavailable to view such as the interior of structures or items 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. Interior structure inspections are not conducted.
7. The property characteristic data upon which the appraisals are based is assumed to be correct. Exterior inspections of the property appraised were performed as appraisal staff resources and time allowed, with use of aerial photography where access to the property is not granted or when time constraints are present.
8. Validation of sales transactions are attempted through, owner sales confirmations, field inspections, and sales data obtained from private entities, and are deemed reliable. The sales file held by the Guadalupe Appraisal District is deemed confidential in nature as outlined in Section 552 of the Texas Government Code.
9. Attached is a list of those staff members and contract appraisers providing significant mass appraisal assistance to the person signing this certification.
10. Extraordinary assumptions are made through the entirety of the mass appraisal for the January 1st valuation date conducted and are based on the available information known to the Guadalupe Appraisal District at the time of the appraisal. If it is proven that the extraordinary assumption made is inaccurate, either in whole or part, the appraiser may change their opinion of value, and revise the opinion of value related to the January 1st value of the property.

Certification Statement:

"I, Jamie Osborne, Chief Appraiser for the Guadalupe Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of, at this time, at an appraised value which, to the best of my knowledge and belief, was determined as required by law. I have no present or

prospective interest in the properties that are the subject of the report. I have no bias in respect to the properties that are the subject of this report. My engagement in the assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, or the attainment of a stipulated result. All appraisal staff and contracted appraisal firms that have provided significant mass appraisal assistance are identified on the subsequent pages."

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Jamie Osborne, R.P.A., C.C.A.  
Chief Appraiser  
TDLR# 68978

**G.A.D. STAFF PROVIDING  
SIGNIFICANT MASS APPRAISAL ASSISTANCE**

<b><u>NAME</u></b>	<b><u>TITLE</u></b>		<b><u>T.D.L.R. # TYPE OF ASSISTANCE</u></b>
Erich Strey, R.P.A.	Deputy Chief Appraiser	63449 05/31/2019	Valuation Correlation
Charlotte Wright, R.P.A.	G.I.S. Appraiser	71485 08/14/2019	Data Collection/Update Property Data
Jessica Lopez, R.P.A.	Lead Business Personal Prop. Appraiser	71054 03/10/2019	Data Collection/Update Property Data Valuation Correlation
Tom Shirley, R.P.A.	Residential Appraiser	73416 12/22/2018	Data Collection/Update Property Data Valuation Correlation
Jennifer Tovar, R.P.A.	Commercial/Residential Appraiser	71947 10/12/2018	Data Collection/Update Property Data Valuation Correlation
Peter Snaddon, R.P.A.	Lead Commercial Appraiser	72458 01/23/2019	Data Collection/Update Property Data/ Valuation Correlation
Jim Fealy, R.P.A.	Manufactured Housing Appraiser	69774 12/31/2018	Data Collection/Update Property Data/ Valuation Correlation
Jazette Hudson, R.P.A.	Residential Appraiser	73462 01/31/2019	Data Collection/Update Property Data Valuation Correlation
Jason Herrera, R.P.A.	Lead Ag./Rural Land Appraiser	73438 01/18/2019	Data Collection/Update Property Data Valuation Correlation
Carol Krueger, R.P.A.	Business Personal Prop. Appraiser	74541 08/22/2019	Data Collection/Update Property Data
Robin Baker, R.P.A.	Agriculture/Rural Land Appraiser	74593 10/08/2018	Data Collection/Update Property Data/Valuation Correlation
Clarissa Sanchez	G.I.S. Appraiser	74750 03/23/2019	Data Collection/Update Property Data
Marla Saucedo	Residential Appraiser	74945 10/21/2018	Data Collection/Update Property Data
David Carpenter	Residential Appraiser	75262 12/25/2018	Data Collection/Update Property Data/Correlation
Ruben Perez	Residential Appraiser	75408 03/03/2019	Data Collection/Update Property Data
Joe Clark	Residential Appraiser	75591 11/01/2018	Data Collection/Update Property Data
Angel Patterson	Appraiser Assistant	75617 11/17/2018	Assist with Data Collection/Update Property Data

**CONTRACTED APPRAISAL FIRMS PROVIDING MASS APPRAISAL ASSISTANCE**  
**MINERALS AND INDUSTRIAL**

Capitol Appraisal Group  
9300 Research Blvd., Suite 100  
Austin, Texas 78759-6510  
512.346.5480

<b>NAME</b>	<b>TDLR#</b>	<b>EXPIRATION DATE</b>
Dave Popelar-	#71614	December 27, 2018
Kenneth Hitt-	#71452	June 27, 2019
Gregg Davis-	#71552	October 13, 2018
Noel Wilcoxson-	#71581	November 21, 2018
Gerri Renfro-	#70171	March 16, 2019