



**Denton Central Appraisal District**  
3911 Morse Street  
Denton, TX 76208

 (940) 349-3800  
 [www.dentoncad.com](http://www.dentoncad.com)

**Board of Directors Meeting**  
**June 23, 2022**  
**3:00 PM**  
**3901 Morse Street**  
**Denton, Texas**  
**AGENDA**

- ITEM 1. CONVENING OF MEETING
- ITEM 2. INVOCATION
- ITEM 3. PLEDGE OF ALLEGIANCE
- ITEM 4. OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD OF DIRECTORS  
PERSONS DESIRING TO ADDRESS THE BOARD OF DIRECTORS MUST FILL OUT A SPEAKER'S CARD PRIOR TO THE MEETING. NO PRESENTATION SHALL EXCEED THREE MINUTES. THE BOARD CANNOT DELIBERATE ON ANY SUBJECT THAT IS NOT INCLUDED ON THE AGENDA.
- ITEM 5. PROGRESS REPORT  
DEPUTY CHIEF APPRAISER - DON SPENCER  
LIAISON OFFICER - ASHLEY AGUADO
- ITEM 6. CONSENT AGENDA  
THE ITEMS ON THE CONSENT AGENDA ARE CONSIDERED SELF-EXPLANATORY BY THE BOARD AND WILL BE ENACTED WITH ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A BOARD MEMBER OR CITIZEN SO REQUEST.
  - A. APPROVAL OF MINUTES FROM THE PREVIOUS BOARD OF DIRECTORS MEETINGS
  - B. ACKNOWLEDGE RECEIPT OF MONTHLY FINANCIAL STATEMENTS
- ITEM 7. PUBLIC HEARING FOR THE 2023-2024 REAPPRAISAL PLAN
- ITEM 8. CONSIDER AND ADOPT THE 2023-2024 REAPPRAISAL PLAN
- ITEM 9. PUBLIC HEARING FOR THE 2023 DENTON CAD BUDGET
- ITEM 10. CONSIDER AND ADOPT THE 2023 DENTON CAD BUDGET
- ITEM 11. PRESENTATION OF WESTERN VALUATION'S REPORT AND BOARD DISCUSSION
- ITEM 12. PRESENTATION BY THE CHIEF APPRAISER - WHAT YOU NEED TO KNOW ABOUT DENTON CAD - AND BOARD DISCUSSION
- ITEM 13. ADJOURN TO EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.074 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES: (AS NEEDED)
  - A. CONSULTATION WITH LEGAL COUNSEL;
  - B. DELIBERATION ON PERSONNEL MATTERS
- ITEM 14. RECONVENE TO OPEN SESSION AND TAKE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION (AS NEEDED)
- ITEM 15. ADJOURN

*AS AUTHORIZED BY SECTION 551.071 OF THE TEXAS GOVERNMENT CODE, THIS MEETING MAY BE CONVENEED INTO A CLOSED EXECUTIVE SESSION TO OBTAIN CONFIDENTIAL LEGAL ADVICE FROM THE DENTON CENTRAL APPRAISAL DISTRICT'S ATTORNEY ON ANY AGENDA ITEM LISTED HEREIN. THE DENTON CENTRAL APPRAISAL DISTRICT'S BOARD OF DIRECTORS WILL THEN RECONVENE IN AN OPEN SESSION AND TAKE ANY ACTION, AS MAY BE NECESSARY, ON ANY ITEMS DISCUSSED IN A CLOSED EXECUTIVE SESSION.*



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DENTON CENTRAL APPRAISAL DISTRICT

BOARD OF DIRECTORS MINUTES

MAY 31, 2022

2:00 p.m.

ITEM 1: CONVENING OF MEETING

Roy Atwood convened the meeting at 2:00 pm.

BOARD MEMBERS PRESENT: Roy Atwood  
Alex Buck  
Ann Pomykal  
Michelle French, Ex Officio Member

BOARD MEMBERS ABSENT: Charles Stafford  
David Terre

STAFF PRESENT: Hope McClure, Don Spencer, Kim Collins,  
Misty Baptiste

OUTSIDE COUNSEL: David Tabor - Perdue, Brandon, Fielder, Collins  
and Mott, LLP

ITEM 2: INVOCATION

Invocation was given by Michelle French.

ITEM 3: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was stated to the U.S. Flag and Texas Flag by all who were present.

ITEM 4: OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD OF DIRECTORS

No one present wanted to address the Board.

ITEM 5: PROGRESS REPORT

HOPE MCCLURE - CHIEF APPRAISER

- Entities Luncheons went well and we received positive feedback from them.

## Minutes - Board of Directors Meeting of May 31, 2022

- Recently had very productive one on one meetings with each department manager.
- Another wave of COVID has hit and 3 employees have tested positive.
- Roy Atwood asked about the current staffing situation. As of June 1, we will be fully staffed except for 2 new open positions.

### DON SPENCER - DEPUTY CHIEF APPRAISER

- All Notices of Appraised Value have been mailed out.
- 64,000 total protests filed so far
- According to QLess we are seeing an average of 40-50 property owners a day - 75% of those result in no change or a settled value.
- ARB Hearings have been going for a week- they have roughly 350 hearings a day scheduled.
- There is a 30-40% no show rate for the ARB hearings.
- We will begin scheduling 500 a day to get through them in a timely manner.
- Informals seem to be going well - there is good communication between property owners and appraisers.
- Roy Atwood asked how many panels we were running- 3-5 a day - ARB chair would like to have up to 7 by the end of the week, but inexperience led to the need for training and observation of panels first.
- Ann Pomykal asked if the ARB is fully staffed - Don Spencer stated that ARB is not fully staffed at this time.
- Alex Buck asked if values are being knocked back?
- Don Spencer said there have been a lot of no changes, but not a lot of reduction in value.
- Roy Atwood asked if all appraisals had gone out. Residential and Commercial are all out. Deadline for Commercial is June 15. Deadline for all the rest of Residential is June 25. BPP works on a different deadline and those are still being worked on.
- Have seen an uptick in people coming in to protest now that they are feeling more confident to come in person.
- Roy Atwood asked about Safety in the Building - we have had Active Shooter Training, added 4 interior doors with Keypad Locks, Off-Duty Officers, we have a Google Chat for "Dangerous Situations" - Misty Baptiste and Michael Bates are working on getting keypads on the exterior doors.

ASHLEY AGUADO - TAXPAYER LIAISON - No Report

ITEM 6: CONSENT AGENDA

THE ITEMS ON THE CONSENT AGENDA ARE CONSIDERED SELF-EXPLANATORY BY THE BOARD AND WILL BE ENACTED WITH ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A BOARD MEMBER OR CITIZEN SO REQUEST.

- A. APPROVAL OF MINUTES OF THE PREVIOUS BOARD OF DIRECTORS MEETINGS
- B. ACKNOWLEDGE RECEIPT OF MONTHLY FINANCIAL STATEMENTS
- C. ACKNOWLEDGE RECEIPT OF VALUE CHANGES
- D. ACKNOWLEDGE FUND EQUITY REALLOCATIONS

Ann Pomykal made a motion to approve all items on the Consent Agenda.

Alex Buck seconded the motion. The motion passed and the vote was unanimous.

Immediately following Item 6 the Board Chose to move to Item 9.

ITEM 7: PRESENTATION FROM RICHARD PETREE, WESTERN VALUATION & CONSULTING

This item was tabled to the June Meeting. Roy Atwood states that the full report was not received in time to respond. Denton CAD and the Board did receive the staffing and building recommendations and will discuss those during the Budget Workshop.

ITEM 8: CONSIDER AND TAKE ACTION ON PENALTIES AND INTEREST FOR OUTSTANDING SECOND QUARTER ALLOCATIONS

Kim Collins provides the yearlong report as requested by the Board to look at those taxing jurisdictions who are consistently late on payment of allocations. Michelle French asked about the possibility of ACH - City of Denton is the only one with that set up. Recommendation from the Board is to look into that for the future.

Ann Pomykal made a motion not to access any penalties. Alex Buck seconded the motion. The motion passed and the vote was unanimous.

ITEM 9: PRESENTATION AND ACCEPTANCE OF 2021 FINANCIAL AUDIT

Dan Tonn made his presentation of the Financial Audit to the Board. Board received a soft copy draft prior to the meeting and a hard copy at the meeting itself. Audit was completed in April which went very well - there were no problems or issues raised - there were no findings. Dan Tonn said there were no adjustments to what Kim Collins produced in December. Dan Tonn states it was a "Completely Positive Report".

Alex Buck made a motion to accept the 2021 Financial Audit. Ann Pomykal seconded the motion. The motion passed and the vote was unanimous.

ITEM 10: WORKSHOP 2023 DCAD BUDGET

The Board discussed the 2023 Budget for over an hour. Here are the recommendations that the Board would like to see changed/adjusted to help alleviate the burden on entities:

- Pull out \$500K from Contingency
- Remove Retiree COLA \$204k
- Drop Percentage of TCDRS by 1%

The Board took a break at 3:55.

ITEM 11: ADJOURN TO EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.074 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES:

- A. CONSULTATION WITH LEGAL COUNSEL
- B. DELIBERATION ON PERSONNEL MATTERS

The Board went into Executive Session at 4:00.

ITEM 12: RECONVENE TO OPEN SESSION AND TAKE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, AS NEEDED

The Board reconvened from Executive Session at 6:08

ITEM 13: ADJOURN

Chairman, Roy Atwood, adjourned the meeting at 6:08.

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Roy Atwood, Chairman

ATTEST:

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Ann Pomykal, Secretary



## Denton Central Appraisal District March 2022 Financials

### **AGENDA ITEM #6B**

Please find attached the Monthly Financial Report as of March 31, 2022 with Highlights.

#### **Balance Sheet Notes:**

- Current *Reserved for Contingency* balance is \$2,113,230. Reallocations presented and approved at May meeting will be reflected on May financials

#### **Revenue Notes:**

- Second Quarter Allocations, billed on March 1, are reflected in March revenue
- *Local Support* revenue is skewed because 2 quarters have been billed and received

#### **Expense Notes:**

- Year-to-Date Actual Expenditures are under Budget Year-to-Date by (\$44,373.85).
- *YTD Actual Compared to YTD Budget* is under budget across all expenses with the exception of the following:
  - *Worker's Comp* – billing is annual
  - *Group Health Insurance* – payments in a self-funded model are not evenly spread over the year
  - *Memberships & Dues* – many of the dues are paid annually at first of the year
  - *Training* – conference expenses for annual TAAD conference occurred in March
  - *Oil & Gas Valuation* – billing is quarterly
  - *Legal Services* – monthly fees vary based on workloads
  - *General Insurance* – billing is annual
  - *Postage & Freight* – postage for appraisal notices is prepaid
  - *Information Services Maintenance* – billing is irregular and includes some large annual maintenance payments
  - *Building & Land Improvements* – payments for Phase II Renovations
  - *Seasonal Labor* – increased use of temps preparing for protest season

#### **Recommendation:**

To approve March 2022 Board Financials as presented.

**DENTON CENTRAL APPRAISAL DISTRICT**

**MONTHLY FINANCIAL REPORT**

**AS OF MARCH 31, 2022**

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\*\*\*\*\*  
THESE FINANCIALS WERE PREPARED USING THE CASH BASIS METHOD.  
THE PRIMARY INTENT IS TO REPORT THE EFFECT OF CASH RECEIPTS &  
DISBURSEMENTS.  
\*\*\*\*\*



BALANCE SHEET

AS OF MARCH 31, 2022

\*\*\*\*\*ASSETS\*\*\*\*\*

CASH ON HAND AND IN BANK:

Cash In Bank . . . . .	\$45,000.00
Petty Cash . . . . .	\$500.00
Checking Account - Payroll Account . . . . .	\$856.30
Checking Account - Insurance Account . . . . .	\$14,000.73
Checking Account - Sweep Account . . . . .	\$6,762,661.47
Investment Account . . . . .	\$2,025,547.04
2022 Prepaid Expenses . . . . .	\$0.00

TOTAL ASSETS	<u>\$8,848,565.54</u>
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\*\*\*\*\*LIABILITIES & FUND EQUITY\*\*\*\*\*

FUND EQUITY:

Fund Balance - As Of March 31, 2022 . . . . .	\$0.00
Reserved for Insurance . . . . .	\$400,000.00
Reserved for Unusual Legal Services . . . . .	\$700,000.00
Reserved for Building Remodel and Construction . . . . .	\$675,000.00
Reserved for Land Acquisition . . . . .	\$600,000.00
Reserved for Entity Allocation Stabilization . . . . .	\$548,505.74
Reserved for Future TCDRS Payments . . . . .	\$600,000.00
Reserved for Disaster Recovery . . . . .	\$400,000.00
Reserved for Contingency . . . . .	\$2,113,229.71
Current Year Excess Revenue/(Expenses) . . . . .	\$2,811,830.09

TOTAL FUND EQUITY	<u>\$8,848,565.54</u>
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REVENUE REPORT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	REVENUES THIS MONTH	Y.T.D. REVENUES	BUDGET JAN - MAR REVENUES	YTD ACTUAL COMPARED TO YTD BUDGET
LOCAL SUPPORT . . . .	\$14,756,793.83	\$2,685,900.79	\$6,590,742.54	\$3,689,198.46	\$2,901,544.08
IS SERVICES . . . . .	\$500.00	\$0.00	\$0.00	\$125.00	(\$125.00)
MISC REVENUE . . . . .	\$2,500.00	\$4,000.00	\$4,513.02	\$625.00	\$3,888.02
INTEREST INCOME . . .	\$14,500.00	\$1,107.04	\$3,274.13	\$3,625.00	(\$350.87)
APPRAISAL DISTRICT . .	\$550,000.00	\$0.00	\$0.00	\$137,500.00	(\$137,500.00)
TOTALS	\$15,324,293.83	\$2,691,007.83	\$6,598,529.69	\$3,831,073.46	\$2,767,456.23

EXPENSE REPORT FOR ALL DEPARTMENTS

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	YTD MONTHLY EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$7,188,342.26	\$504,528.66	\$1,515,728.60	\$1,797,085.57	(\$281,356.97)
5120 LONGEVITY . . . . .	\$89,560.00	\$6,244.17	\$20,102.50	\$22,390.00	(\$2,287.50)
5130 SOCIAL SECURITY (FICA)	\$595,820.42	\$39,760.45	\$119,339.25	\$148,955.11	(\$29,615.86)
5140 RETIREMENT (TCDRS) . .	\$1,263,990.00	\$76,878.42	\$231,224.47	\$315,997.50	(\$84,773.03)
5150 WORKER'S COMP. INS . .	\$51,262.16	\$0.00	\$21,951.03	\$12,815.54	\$9,135.49
5160 GROUP HEALTH INSURANCE	\$1,509,217.74	\$169,266.62	\$383,828.11	\$377,304.44	\$6,523.67
5210 MEMBERSHIPS & DUES . .	\$22,330.00	\$591.00	\$12,687.00	\$5,582.50	\$7,104.50
5220 TRAINING - SCHOOLS, CONF	\$87,740.00	\$24,001.98	\$33,382.49	\$21,935.00	\$11,447.49
5310 APPRAISAL REVIEW BOARD	\$418,035.00	\$5,217.50	\$25,467.50	\$104,508.75	(\$79,041.25)
5315 OIL/GAS/UTIL. VALUATION	\$180,000.00	\$45,000.00	\$90,000.00	\$45,000.00	\$45,000.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$450,000.00	\$14,162.57	\$119,484.75	\$112,500.00	\$6,984.75
5330 AUDIT & PAYROLL SERVICES	\$41,000.00	\$1,346.36	\$5,664.81	\$10,250.00	(\$4,585.19)
5340 SUBSCRIPTIONS & CONTRACTS	\$624,572.86	\$172,040.93	\$204,447.44	\$156,143.22	\$48,304.23
5345 MILEAGE REIMBURSEMENT	\$515,008.00	\$39,274.59	\$117,284.21	\$128,752.00	(\$11,467.79)
5350 GENERAL INSURANCE. . .	\$33,410.62	\$0.00	\$24,792.30	\$8,352.66	\$16,439.65
5360 PRINTING SERVICES. . .	\$159,355.00	\$0.00	\$10,010.19	\$39,838.75	(\$29,828.56)
5370 POSTAGE & FREIGHT. . .	\$333,007.78	\$1,035.26	\$129,472.24	\$83,251.95	\$46,220.30
5380 LEGAL NOTICES & ADVERT	\$6,000.00	\$0.00	\$1,009.50	\$1,500.00	(\$490.50)
5390 OFFICE SUPPLIES. . . .	\$69,650.00	\$2,231.20	\$7,271.56	\$17,412.50	(\$10,140.94)
5410 EQUIPMENT MAINTENANCE.	\$18,950.00	\$1,095.00	\$1,749.00	\$4,737.50	(\$2,988.50)
5420 INFORMATION SERVICES MAINT.	\$861,200.00	\$123,745.29	\$256,979.06	\$215,300.00	\$41,679.06
5430 UTILITIES-ELEC & WATER	\$85,971.00	\$6,165.32	\$17,900.03	\$21,492.75	(\$3,592.72)
5440 TELEPHONE. . . . .	\$99,508.00	\$6,908.12	\$18,296.82	\$24,877.00	(\$6,580.18)
5450 BUILDING MAINTENANCE .	\$170,011.00	\$8,946.22	\$28,559.93	\$42,502.75	(\$13,942.82)
5510 FURNITURE & EQUIPMENT.	\$70,000.00	\$3,656.18	\$3,656.18	\$17,500.00	(\$13,843.82)
5520 BUILDING & LAND IMPR .	\$50,000.00	\$212,095.45	\$300,776.18	\$12,500.00	\$288,276.18
5610 CONTINGENCY. . . . .	\$71,161.74	\$0.00	\$0.00	\$17,790.44	(\$17,790.44)
5620 MISCELLANEOUS. . . . .	\$39,500.00	\$5,983.06	\$11,919.98	\$9,875.00	\$2,044.98
5630 SEASONAL LABOR. . . . .	\$150,000.00	\$25,659.72	\$55,056.96	\$37,500.00	\$17,556.96
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS . .	\$69,690.24	\$6,005.03	\$18,657.51	\$17,422.56	\$1,234.95
TOTALS	\$15,324,293.83	\$1,501,839.10	\$3,786,699.60	\$3,831,073.46	(\$44,373.85)

EXPENSE REPORT FOR OVERHEAD DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$190,600.00	\$0.00	\$0.00	\$47,650.00	(\$47,650.00)
5120 LONGEVITY . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5130 SOCIAL SECURITY (FICA)	\$14,580.90	\$0.00	\$0.00	\$3,645.23	(\$3,645.23)
5140 RETIREMENT (TCDRS) . .	\$201,060.68	\$0.00	\$0.00	\$50,265.17	(\$50,265.17)
5150 WORKER'S COMP. INS . .	\$1,162.66	\$0.00	\$800.45	\$290.67	\$509.79
5160 GROUP HEALTH INSURANCE	\$1,509,217.74	\$169,266.62	\$383,828.11	\$377,304.44	\$6,523.67
5210 REGISTRATION & DUES. .	\$22,330.00	\$591.00	\$12,602.00	\$5,582.50	\$7,019.50
5220 SCHOOLS & TRAVEL . . .	\$87,740.00	\$24,001.98	\$33,382.49	\$21,935.00	\$11,447.49
5310 APPRAISAL REVIEW BOARD	\$418,035.00	\$5,217.50	\$25,467.50	\$104,508.75	(\$79,041.25)
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$450,000.00	\$14,162.57	\$119,484.75	\$112,500.00	\$6,984.75
5330 AUDIT & PAYROLL SERVICES	\$41,000.00	\$1,346.36	\$5,664.81	\$10,250.00	(\$4,585.19)
5340 SUBSCRIPTIONS & CONTRACTS	\$448,100.00	\$165,075.50	\$165,292.50	\$112,025.00	\$53,267.50
5345 MILEAGE REIMBURSEMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5350 GENERAL INSURANCE. . .	\$33,410.62	\$0.00	\$24,792.30	\$8,352.66	\$16,439.65
5360 PRINTING SERVICES. . .	\$159,355.00	\$0.00	\$10,010.19	\$39,838.75	(\$29,828.56)
5370 POSTAGE & FREIGHT. . .	\$333,007.78	\$1,035.26	\$129,472.24	\$83,251.95	\$46,220.30
5380 LEGAL NOTICES & ADVERT	\$6,000.00	\$0.00	\$1,009.50	\$1,500.00	(\$490.50)
5390 OFFICE SUPPLIES. . . .	\$69,650.00	\$2,231.20	\$7,271.56	\$17,412.50	(\$10,140.94)
5410 EQUIPMENT MAINTENANCE.	\$18,950.00	\$1,095.00	\$1,749.00	\$4,737.50	(\$2,988.50)
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$85,971.00	\$6,165.32	\$17,900.03	\$21,492.75	(\$3,592.72)
5440 TELEPHONE. . . . .	\$99,508.00	\$6,908.12	\$18,296.82	\$24,877.00	(\$6,580.18)
5450 BUILDING MAINTENANCE .	\$170,011.00	\$8,946.22	\$28,559.93	\$42,502.75	(\$13,942.82)
5510 FURNITURE & EQUIPMENT.	\$19,000.00	\$0.00	\$0.00	\$4,750.00	(\$4,750.00)
5520 BUILDING & LAND IMPR .	\$50,000.00	\$212,095.45	\$300,776.18	\$12,500.00	\$288,276.18
5610 CONTINGENCY. . . . .	\$71,161.74	\$0.00	\$0.00	\$17,790.44	(\$17,790.44)
5620 MISCELLANEOUS. . . . .	\$39,500.00	\$5,983.06	\$11,919.98	\$9,875.00	\$2,044.98
5630 SEASONAL LABOR	\$150,000.00	\$25,659.72	\$55,056.96	\$37,500.00	\$17,556.96
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS . .	\$69,690.24	\$6,005.03	\$18,657.51	\$17,422.56	\$1,234.95
TOTALS	\$4,759,042.36	\$655,785.91	\$1,371,994.81	\$1,189,760.59	\$182,234.22

EXPENSE REPORT FOR ADMINISTRATION DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$786,108.86	\$59,301.00	\$175,778.70	\$196,527.22	(\$20,748.52)
5120 LONGEVITY . . . . .	\$7,415.00	\$617.92	\$1,853.76	\$1,853.75	\$0.01
5130 SOCIAL SECURITY (FICA)	\$63,676.60	\$4,566.46	\$13,473.43	\$15,919.15	(\$2,445.72)
5140 RETIREMENT (TCDRS) . .	\$115,755.34	\$8,840.14	\$26,190.94	\$28,938.84	(\$2,747.90)
5150 WORKER'S COMP. INS . .	\$5,997.64	\$0.00	\$2,285.14	\$1,499.41	\$785.73
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5345 MILEAGE REIMBURSEMENT	\$38,850.00	\$3,224.96	\$9,445.72	\$9,712.50	(\$266.78)
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$6,000.00	\$0.00	\$0.00	\$1,500.00	(\$1,500.00)
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$1,023,803.44	\$76,550.48	\$229,027.69	\$255,950.86	(\$26,923.17)

EXPENSE REPORT FOR CUSTOMER SERVICE DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$670,972.33	\$46,408.47	\$0.00	\$167,743.08	(\$167,743.08)
5120 LONGEVITY . . . . .	\$9,580.00	\$505.83	\$140,108.97	\$2,395.00	\$137,713.97
5130 SOCIAL SECURITY (FICA)	\$52,486.83	\$3,336.84	\$1,517.49	\$13,121.71	(\$11,604.22)
5140 RETIREMENT (TCDRS) . .	\$96,054.33	\$6,632.17	\$10,009.24	\$24,013.58	(\$14,004.34)
5150 WORKER'S COMP. INS . .	\$2,401.36	\$0.00	\$20,020.21	\$600.34	\$19,419.87
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$905.80	\$0.00	\$905.80
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$85.00	\$0.00	\$85.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$103,005.00	\$452.34	\$5,557.02	\$25,751.25	(\$20,194.23)
5345 MILEAGE REIMBURSEMENT	\$7,058.00	\$675.36	\$2,048.90	\$1,764.50	\$284.40
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$6,000.00	\$0.00	\$0.00	\$1,500.00	(\$1,500.00)
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$947,557.84	\$58,011.01	\$180,252.63	\$236,889.46	(\$56,636.83)

EXPENSE REPORT FOR MAPPING DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$612,692.80	\$38,337.23	\$116,981.39	\$153,173.20	(\$36,191.81)
5120 LONGEVITY . . . . .	\$9,010.00	\$744.17	\$2,239.17	\$2,252.50	(\$13.33)
5130 SOCIAL SECURITY (FICA)	\$47,984.84	\$2,825.37	\$8,546.98	\$11,996.21	(\$3,449.23)
5140 RETIREMENT (TCDRS) . .	\$87,815.39	\$5,535.56	\$16,883.37	\$21,953.85	(\$5,070.48)
5150 WORKER'S COMP. INS . .	\$2,195.38	\$0.00	\$682.83	\$548.85	\$133.99
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5345 MILEAGE REIMBURSEMENT	\$6,246.00	\$523.84	\$1,511.85	\$1,561.50	(\$49.65)
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$765,944.42	\$47,966.17	\$146,845.59	\$191,486.10	(\$44,640.51)

EXPENSE REPORT FOR INFORMATION TECHNOLOGY DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	EXPENSES			BUDGET	YTD ACTUAL
	2022 BUDGET	THIS MONTH	Y.T.D. EXPENSES	JAN - MAR 2022	COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$734,810.93	\$60,350.11	\$180,380.09	\$183,702.73	(\$3,322.64)
5120 LONGEVITY . . . . .	\$6,465.00	\$538.75	\$1,616.25	\$1,616.25	\$0.00
5130 SOCIAL SECURITY (FICA)	\$58,405.91	\$4,496.10	\$13,368.14	\$14,601.48	(\$1,233.34)
5140 RETIREMENT (TCDRS) . .	\$106,886.63	\$8,782.27	\$26,252.97	\$26,721.66	(\$468.69)
5150 WORKER'S COMP. INS . .	\$2,672.17	\$0.00	\$926.30	\$668.04	\$258.26
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5345 MILEAGE REIMBURSEMENT	\$22,200.00	\$1,841.64	\$5,524.92	\$5,550.00	(\$25.08)
5350 GENERAL INSURANCE. . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$861,200.00	\$123,745.29	\$256,979.06	\$215,300.00	\$41,679.06
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$6,000.00	\$3,372.47	\$3,372.47	\$1,500.00	\$1,872.47
5520 BUILDING & LAND IMPR . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$1,798,640.63	\$203,126.63	\$488,420.20	\$449,660.16	\$38,760.04



EXPENSE REPORT FOR COMMERCIAL DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$1,128,034.90	\$78,517.40	\$238,974.76	\$282,008.73	(\$43,033.97)
5120 LONGEVITY . . . . .	\$13,620.00	\$425.00	\$2,218.33	\$3,405.00	(\$1,186.67)
5130 SOCIAL SECURITY (FICA)	\$96,677.25	\$6,363.47	\$19,596.04	\$24,169.31	(\$4,573.27)
5140 RETIREMENT (TCDRS) . .	\$176,925.69	\$12,282.19	\$37,457.79	\$44,231.42	(\$6,773.63)
5150 WORKER'S COMP. INS . .	\$10,210.23	\$0.00	\$4,169.69	\$2,552.56	\$1,617.13
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$42,236.62	(\$316.05)	\$11,790.38	\$10,559.16	\$1,231.23
5345 MILEAGE REIMBURSEMENT	\$122,100.00	\$8,787.50	\$26,362.50	\$30,525.00	(\$4,162.50)
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$7,000.00	\$0.00	\$0.00	\$1,750.00	(\$1,750.00)
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$1,596,804.69	\$106,059.51	\$340,569.49	\$399,201.17	(\$58,631.68)

EXPENSE REPORT FOR APPEALS DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	EXPENSES			BUDGET	YTD ACTUAL
	2022 BUDGET	THIS MONTH	Y.T.D. EXPENSES	JAN - MAR 2022	COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$408,060.09	\$21,396.93	\$71,444.14	\$102,015.02	(\$30,570.88)
5120 LONGEVITY . . . . .	\$6,435.00	\$326.25	\$1,398.75	\$1,608.75	(\$210.00)
5130 SOCIAL SECURITY (FICA)	\$32,133.45	\$1,602.17	\$5,338.17	\$8,033.36	(\$2,695.19)
5140 RETIREMENT (TCDRS) . .	\$58,806.31	\$3,041.25	\$10,198.01	\$14,701.58	(\$4,503.57)
5150 WORKER'S COMP. INS . .	\$2,625.49	\$0.00	\$2,307.48	\$656.37	\$1,651.11
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$0.00	\$4,402.48	\$8,063.91	\$0.00	\$8,063.91
5345 MILEAGE REIMBURSEMENT	\$5,550.00	\$0.00	\$0.00	\$1,387.50	(\$1,387.50)
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$6,000.00	\$283.71	\$283.71	\$1,500.00	(\$1,216.29)
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$519,610.34	\$31,052.79	\$99,034.17	\$129,902.59	(\$30,868.42)

EXPENSE REPORT FOR PERSONAL PROPERTY DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$804,933.38	\$65,640.10	\$184,333.52	\$201,233.35	(\$16,899.83)
5120 LONGEVITY . . . . .	\$10,525.00	\$877.08	\$2,631.24	\$2,631.25	(\$0.01)
5130 SOCIAL SECURITY (FICA)	\$68,326.62	\$5,247.95	\$14,754.95	\$17,081.66	(\$2,326.71)
5140 RETIREMENT (TCDRS) . .	\$125,042.17	\$10,218.91	\$28,635.57	\$31,260.54	(\$2,624.97)
5150 WORKER'S COMP. INS . .	\$6,960.88	\$0.00	\$2,881.88	\$1,740.22	\$1,141.66
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$180,000.00	\$45,000.00	\$90,000.00	\$45,000.00	\$45,000.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$28,665.62	\$2,426.66	\$13,743.63	\$7,166.41	\$6,577.23
5345 MILEAGE REIMBURSEMENT	\$79,208.00	\$6,564.74	\$17,733.77	\$19,802.00	(\$2,068.23)
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$6,000.00	\$0.00	\$0.00	\$1,500.00	(\$1,500.00)
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$1,309,661.66	\$135,975.44	\$354,714.56	\$327,415.42	\$27,299.14

EXPENSE REPORT FOR RESIDENTIAL DEPARTMENT

BUDGET AND ACTUAL

AS OF MARCH 31, 2022

	2022 BUDGET	EXPENSES THIS MONTH	Y.T.D. EXPENSES	BUDGET JAN - MAR 2022	YTD ACTUAL COMPARED TO YTD BUDGET
5110 SALARIES . . . . .	\$1,852,128.97	\$134,577.42	\$407,727.03	\$463,032.24	(\$55,305.21)
5120 LONGEVITY . . . . .	\$26,510.00	\$2,209.17	\$6,627.51	\$6,627.50	\$0.01
5130 SOCIAL SECURITY (FICA)	\$161,548.03	\$11,322.09	\$34,252.30	\$40,387.01	(\$6,134.71)
5140 RETIREMENT (TCDRS) . .	\$295,643.46	\$21,545.93	\$65,585.61	\$73,910.87	(\$8,325.26)
5150 WORKER'S COMP. INS . .	\$17,036.35	\$0.00	\$6,991.46	\$4,259.09	\$2,732.37
5160 GROUP HEALTH INSURANCE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5210 REGISTRATION & DUES. .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5220 SCHOOLS & TRAVEL . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310 APPRAISAL REVIEW BOARD	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5315 OIL/GAS/UTIL. VALUATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5320 GIS SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325 LEGAL SERVICES . . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5330 AUDIT & PAYROLL SERVICES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5340 SUBSCRIPTIONS & CONTRACTS	\$2,565.62	\$0.00	\$0.00	\$641.41	(\$641.41)
5345 MILEAGE REIMBURSEMENT	\$233,796.00	\$17,656.55	\$54,656.55	\$58,449.00	(\$3,792.45)
5350 GENERAL INSURANCE. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5360 PRINTING SERVICES. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5370 POSTAGE & FREIGHT. . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5380 LEGAL NOTICES & ADVERT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5390 OFFICE SUPPLIES. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410 EQUIPMENT MAINTENANCE.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5420 INFORMATION SERVICES MAINT.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5430 UTILITIES-ELEC & WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5440 TELEPHONE. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5450 BUILDING MAINTENANCE .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510 FURNITURE & EQUIPMENT.	\$8,000.00	\$0.00	\$0.00	\$2,000.00	(\$2,000.00)
5520 BUILDING & LAND IMPR .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5610 CONTINGENCY. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5620 MISCELLANEOUS. . . . .	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5630 SEASONAL LABOR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5910 BUILDING & LAND PAYMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5920 EQUIPMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$2,597,228.43	\$187,311.16	\$575,840.46	\$649,307.11	(\$73,466.65)

CHANGE IN FUND EQUITY

AS OF MARCH 31, 2022

FUND BALANCE ON DECEMBER 31, 2021		\$6,036,735.45
Y.T.D. REVENUES - MARCH 31, 2022	\$6,598,529.69	
Y.T.D. EXPENSES - MARCH 31, 2022	<u>\$3,786,699.60</u>	
Y.T.D. EXCESS REVENUES/(EXPENSES)		<u>\$2,811,830.09</u>
		<u>\$8,848,565.54</u>



Notice on Public Hearing On  
Denton Central Appraisal District  
2023-2024 Reappraisal Plan

The Denton Central Appraisal District will hold a public hearing on their biennially Reappraisal Plan for the 2023-2024 appraisal year. The public hearing will be held on June 23, 2022 at 3:00 pm at 3901 Morse Street, Denton, Texas.



# **DENTON CENTRAL APPRAISAL DISTRICT**

**2023 - 2024**

**REAPPRAISAL PLAN**



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**As we progress into the actual reappraisal process, we reserve the right to modify the plan as required in order to meet the requirements for this office as set forth in the Texas Property Tax Code.**

# EXECUTIVE SUMMARY

Denton Central Appraisal District has prepared and published this reappraisal plan to provide the Board of Directors, taxing units, citizens and taxpayers with a better understanding of the District's responsibilities and reappraisal activities.

The Denton Central Appraisal District (DCAD) is a political subdivision of the State of Texas created on January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. A 6 member Board of Directors constitute the DCAD governing body. The Denton County Assessor/Collector serves as a non-voting member. The Chief Appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district. Appendix A contains a list of Board of Directors members.

Denton Central Appraisal District is responsible for local property tax appraisal and exemption administration for the taxing units in Denton county. These jurisdictions are located in Appendix B. Each taxing unit sets its own tax rate to generate revenue to pay for services such as police and fire protection, public schools, road and street maintenance, recreational facilities, water and sewer systems, and other public services. Property appraisals are values established by the appraisal district and used by the taxing units to distribute the annual tax burden. Appraisals are based on each property's market value.

DCAD also administers and determines eligibility for various types of property tax exemptions that are authorized by state and local governments; such as homestead, over-65, disabled persons, disabled veterans, and charitable organizations, and religious exemptions.

A reappraisal plan as required by the Texas Property Tax Code section 6.05(i) and 25.18. A summary of the reappraisal activities which fulfill these requirements is included in this report.

# **TEXAS PROPERTY TAX CODE REQUIREMENT**

## **The Reappraisal Plan**

Section 6.05(i) of the Texas Property Tax Code 2021 Edition, is as follows:

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

Section 25.18(a) and (b) of the Texas Property Tax Code 2021 Edition, reads as follows:

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

## REAPPRAISAL ACTIVITIES

As required by Section 25.18 of the Texas Property Tax Code, Denton Central Appraisal District performs the following reappraisal activities:

### 1. Identifying properties to be appraised through physical inspection or by other reliable means of identification.

Accurate ownership and legal description data is maintained by processing recorded deeds and plats that are accessed through the County Clerk's website. The deeds are read and entered onto the computer assisted mass appraisal (CAMA) software system by the Mapping & Ownership Department. Information entered includes the grantor, grantee, date of recording, volume, and page. Property identification numbers are assigned to each parcel of property and remain with the property for its life. Maps have been developed that show ownership lines for all real estate in the county. The maps are stored electronically using ESRI software and are integrated with the CAMA software to provide staff and appraiser significant analysis capabilities. Aerial photography is purchased on a biannual basis and provides mapping staff and appraisal staff additional capability to review and identify property characteristics. Oil and gas wells are discovered using Texas Railroad Commission records. Business personal property is located by using data sources such as sales tax permit holder lists, business listings, commercial publications and by canvassing the county.

### 2. Identify and update relevant characteristics of each property in the appraisal record.

Real estate is reviewed annually. The property data related to new construction and other building permit activity is collected through an annual field review effort. Cities within DCAD's jurisdiction frequently provide permit information either electronically or in paper form. Comparable sales data is routinely verified as part of the building permit field review and reappraisal activities. Appraisers drive to market areas and gather data on houses, commercial buildings, and vacant land tracts, based on building permit information. Additional information is gathered during protests, from taxpayers, sales activity, and sales ratio analysis. The appraisers review property noting its condition, observing and noting any changes to the property since its last inspection. A picture of the property is taken and a sketch of the improvements is made, if there is none on the records. Characteristics such as bathrooms, fireplaces, air conditioning, type of roof, type of exterior, type of foundation and quality of construction are recorded or validated. All data is stored in the CAMA software and assists the appraiser in making value decisions when they return to the office. Business personal property is inspected and the appraiser makes notations of the type of business and the quality and density of both the inventory and furniture and fixtures.

### 3. Define market areas in the district.

Market areas are defined by the physical, economic, governmental and social forces that influence property values. A list can be found in Appendix E. The effects of these forces are used to identify, classify, and stratify or delineate similarly situated properties into smaller, more comparable and manageable subsets for mass valuation purposes. Market sales are examined to confirm which areas are similar.

### 4. Identify property characteristics that affect property value in each market area.

Each parcel of property has detailed information recorded into the CAMA system. Each improvement may show the sketch and dimensions, the quality of construction, the year of construction, the exterior covering, the number of baths, fireplaces, air conditioning type, fences, pools and other attributes, and the overall condition of the

improvement. For land, the legal description, size, and special characteristics are noted and can be used when comparing to other land parcels.

5. Develop an appraisal model that reflects the relationship among the property characteristics affecting value in each market area.

General demographic, economic and financial trends, construction cost, market sales and income data are acquired through various sources. These may include internally generated questionnaires to buyer and seller, public and university research centers, private market data vendors, real estate related publications and telephone contact with buyers, sellers, brokers and fee appraisers, as well as information collected from property owners and agents during the informal protest and Appraisal Review Board process.

Revisions to cost models, income models, and market models are specified, updated and tested each appraisal year. Market area boundaries are reviewed and adjusted as indicated by growth patterns and market preferences and other factors.

The CAMA system begins with the cost approach to value to estimate the original cost of each improvement. That cost is based on local modifiers to information from national publications such as Marshall Valuation Service (Marshall & Swift) and also on local construction surveys. Components measured in the cost include the size of the structure, the exterior covering, the quality of construction, the number of stories, air conditioning and other special amenities.

The market sales are then studied for value contributions in each market area and adjustments to cost are applied to each market area in the form of a market adjustment.

6. Apply the conclusions reflected in the model to the characteristics of the properties being appraised.

By utilizing the age, quality, conditions, construction components and other variables, the model is developed and applied to all parcels within the market area.

7. Review the appraisal results to determine value.

After completing the process of assigning value to all parcels within a market area using the CAMA software, sales ratio reports are run for each market area to determine if the values that have been assigned are within acceptable ranges.

# REAPPRAISAL PLAN DEVELOPMENT

**Revaluation Policy** - The Texas Property Tax code under section 25.18 requires each appraisal district to implement a plan to update the appraised values for real property at least once every three years. DCAD's current policy is to conduct a general reappraisal of real and business personal property value annually.

**Performance Analysis** - The certified values from the previous tax year will be analyzed with ratio studies to determine the appraisal accuracy and appraisal uniformity overall and by market area within property reporting categories. Ratio studies will be conducted in compliance with current *Standards on Ratio Studies* of the International Association of Assessing Officers.

**Analysis of Available Resources** – Staffing and budget requirements for tax year 2023 are detailed in the 2023 budget, as adopted by the board of directors and attached to the written biennial plan by reference. Staffing requirements for each operation and production activity will be identified and allocated accordingly to meet mandatory timelines. Aerial and oblique images and map layers will be updated according to available funding and contract specifications. Staffing and budget requirements for the 2024 tax year will be handled in a similar manner and detailed in the 2024 budget, as adopted by the board of directors no later than September 15, 2023.

**Planning and Organization** – A calendar of key events with critical completion dates is located in Appendix D.

**Mass Appraisal System** – Computer Assisted Mass Appraisal (CAMA) system revisions required are specified and scheduled with the Information Technology division and the district's software vendor. All computer forms and IT procedures are reviewed and revised as required.

**Data Collection** – Field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each tax year include, discovery and listing of new construction, demolition, and remodeling; re-inspection of problematic market areas and the universe of properties on a three year cycle, as feasible; and verification of sales data and property characteristics. Re-inspection of properties will be completed by physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial and oblique imagery, street-level photographs, surveys, maps, and property sketches.

**Analysis**- Current market data will provide guidelines for the revision of mass appraisal models. These revised models will be tested using ratio studies conducted by property type and market areas. Ratio studies will be conducted in accordance with IAAO standards. The ratio studies determine the accuracy, uniformity, and reliability of estimated values.

**Valuation by tax year** – Valuation models are specified and calibrated in compliance with supplemental standards from IAAO and the Uniform Standards of Professional Appraisal Practices (USPAP) using market analysis of comparable sales, comparable income data, and locally tested cost data. Calculated values are tested for accuracy and uniformity using ratio studies.

**Mass Appraisal Report** - Each tax year the Texas Property Tax Code required mass appraisal report will be prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar (on or about May 15th) . The mass appraisal report will be completed in compliance with USPAP Standard 6. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6-3.



**Final Performance Analysis** – Value defense evidence to be used by the district to meet its burden of proof for market value and appraisal equity in both informal and formal hearings is specified and tested as applicable. In addition, Section 5.10 of the Texas Property Tax code requires the State Comptroller Property Tax Assistance Division to conduct a property value study of each school district within the state at least once every two years. This study utilizes statistical analysis of sold properties and appraisals of unsold properties as a basis for assessment ratio reporting.

## **PLAN REVIEW, AMENDMENTS and ALTERATIONS**

The Board of Directors, acting on a request from the Chief Appraiser, may review, amend or alter this plan, if:

1. The Chief Appraiser's request is made during a public Board of Directors meeting and is properly listed on the agenda for the Board meeting; and
2. The Chief Appraiser identifies the portion of the plan to be altered or amended and substantiates the need to alter or amend the plan.

**Calendar Amendments and Alterations** – The Chief Appraiser is authorized to administratively amend or alter the 2023-2024 Calendar of key events, shown in Appendix D, as deemed necessary. Calendar changes can be made periodically and will not be considered alterations or amendments to the plan and do not require action by the Board of Directors.

# 2023-2024 REAPPRAISAL PLAN

## SCOPE OF RESPONSIBILITIES

Estimated number of accounts

	2018	2019	2020	2021	2022
MH	5,808	5,775	5,810	5,847	5,870
MN	147,108	152,408	152,586	98,253	96,829
P	20,689	20,282	19,925	22,426	23,135
R	293,712	305,349	313,324	327,879	337,887
Grand Total	467,317	483,814	491,645	454,405	463,721

# REVALUATION POLICY

The Texas Property Tax Code, under Sec. 25.18, requires each appraisal office to implement a plan to update appraised values for real property at least once every three years. Denton Central Appraisal District's current policy is to conduct a general reappraisal of real and business personal property value annually, meaning that a property's appraised value is established and reviewed for equality and uniformity each year. The district conducts an onsite field review of real property in a portion of the county annually as part of a reappraisal cycle. Business personal property is verified on an annual basis through various means, including onsite field review, property owner rendition submissions, and district initiated owner questionnaires.

The Chief Appraiser will provide a notice of appraised value for each property in compliance with Section 25.19, Texas Property Tax Code.

## **Appraisal Frequency and Method Summary**

*Land Appraisal* - Vacant rural land is valued using comparable sales. Lot values in subdivisions are computed by market sales, or if unavailable, as an allocated percentage.

*Residential Appraisal* - Residential new construction is physically examined as part of an annual building permit data collection process. Appraisers determine size, class, year built, effective year of construction and other property characteristics and features that are used in the cost and sales comparison valuation methods. Improved residential properties are delineated by market areas as defined later in this document. On an annual basis, the residential department performs statistical analysis to evaluate whether values are equitable and consistent with the market. Based on analysis of the sales activity, market adjustment factors are developed and applied to adjust the appraised values in market areas or specified geographic areas on comparable properties.

*Commercial Appraisal* - Commercial real estate is verified by attempting to field observe and photograph each property at least once every three years to confirm class, condition and other property data. Properties are also reviewed as part of an annual building permit inspection process. The appraisers determine highest and best use. Economic units are delineated by improved market areas. On an annual basis, commercial market values are established using generally accepted appraisal methods and techniques. Land values are generally determined using comparable sales. For improved properties, appraisers consider the cost, sales comparison and income approaches and then reconcile the final value, based on the quality and availability of the most accurate and credible data for each valuation approach.

*Business Personal Property* – Business Personal Property is observed annually by appraisers to identify and document business personal property quality and density. A rendition is mailed annually to each business. Comparable businesses are analyzed to determine consistency of appraisal values per square foot or unit. Businesses are categorized using Standard Industrial Codes. Rendition laws provide additional information on which to base values of all business personal property accounts.

## **PERFORMANCE ANALYSIS**

In each appraisal year, the previous appraisal year's equalized values are analyzed with ratio studies to determine appraisal accuracy and appraisal uniformity overall. In its annual procedures, the district tests values by market area within state property reporting categories. Ratio studies are conducted in compliance with the current Standard on Ratio Studies from the IAAO. Mean, median, and weighted mean ratios are calculated as measures of central tendency for properties in each reporting category to measure the level of appraisal (appraisal accuracy). In each reappraisal year this analysis is used to develop the starting point for establishing the level of accuracy of appraisal performance.

## **ANALYSIS OF AVAILABLE RESOURCES**

Staffing and budget requirements for appraisal year 2023 are detailed in the 2023 appraisal district budget, as adopted by the Board of Directors. This reappraisal plan is adjusted to reflect the expected available staffing in appraisal year 2023 and the anticipated staffing for appraisal year 2023. Staffing will impact the cycle of real property re-inspection and personal property on-site review that can be accomplished in this time period. (See Appendix C for listing of key appraisal staff)

Changes in legislation involving appraisal districts may occur in 2023 when the legislature is called into session. These new laws may require adjustments to the budget, staffing, and programming.

Existing appraisal practices, which are continued from year to year, are identified in procedure manuals and district staff are appropriately trained in order to keep their skills current. Real property appraisal cost new tables and depreciation tables are reviewed and updated as necessary based upon cost data obtained from national publications such as Marshall Valuation Service (Marshall & Swift) and local market data. The preliminary values produced by these updates are tested against verified sales data and independent fee appraisal reports, and adjustments are made as necessary to fit the local market area. Income studies by commercial real property use type are conducted and models are updated from current market data. This includes a review of economic rents and capitalization rates from the local market, data obtained through ARB hearing process, and information from published sources. Personal property density schedules are analyzed, tested and updated based on cost data obtained by rendition and ARB hearing documentation.

Information Technology support is detailed with year specific functions identified by management and system upgrades are scheduled with the district's software vendor. Computer generated forms are reviewed for revisions based on year and reappraisal status. Legislative changes are scheduled for completion and also tested through coordination between the district's IT department and its software vendor. Existing maps and data requirements are developed and updates coordinated between the district's GIS and IT departments in order to make the tools available to appraisal staff.

## **PLANNING AND ORGANIZATION**

A calendar of key events with critical completion dates is prepared for the district. This calendar identifies the key events for developing the appraisal roll (See Appendix D for Calendar of Events.) This plan encompasses the normal processes carried out for each year by the district, therefore catastrophic events or significant legislative action may have a detrimental effect to the district's operations and require changes to this plan.

### **MASS APPRAISAL SYSTEM**

Information Technology (IT) maintains Denton Central Appraisal District's information technology infrastructure. The various Management Information Support functions include technical support, computer operations, applications systems development and support, internet support functions, data communications, network and personal computer workstation support, data management, geographic information systems in support of mapping, and multiple layers of GIS related intelligence and digital photography for utilization by all operating departments of the organization. Multiple network servers are in place to support the access through the internal and external networks for use by individuals. The DCAD data structures reside and are supported by multiple database tables accessible through the PC workstation and network structure. These systems provide direct support for all operating departments involved in appraisal functions, customer service, exemption administration and the Appraisal Review Board support activities. The server data is also utilized to fulfill all the reporting requirements for the taxing units and the State Comptroller's Property Tax Assistance Division.

Computer Assisted Mass Appraisal (CAMA) system revisions are specified by the district management team and scheduled with IT and the district's software vendor. Legislative mandates will be addressed and implemented into the necessary systems applications. All computer generated forms, letters, notices and orders will be reviewed annually and revised as necessary. The following details how they relate to the 2023 and 2024 appraisal years:

The district's website makes a range of information available for public access, including information on appraisal district operations. The site also provides links to connect users to related websites for taxing units, other appraisal districts and state government resources. Property owners can access additional online information from Denton CAD's website ([www.dentoncad.com](http://www.dentoncad.com)) that includes property characteristics, preliminary and certified values, protests and appeal procedures, and property maps.

## **Real Property Valuation**

Revisions to cost models, income models, and market models are specified, updated and tested each appraisal year. Market area boundaries are reviewed and adjusted as indicated by growth patterns and market preferences and other factors. Deeds are processed on an ongoing basis to transfer ownership, establish the basis for land size, and assign account numbers to newly platted lots as an addition to the appraisal roll. The district will also update and process exemptions and special use appraisal applications as necessary and applicable.

Cost schedules are tested with market data (sales) to insure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are based on cost data from national publications such as Marshall Valuation Service (Marshall & Swift) and from local market data. The resulting schedules are tested for accuracy and uniformity using ratio studies.

Land tables are updated using current market data (sales) and then tested with a ratio study.

Income Schedules are tested to insure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.012. Income, expense, and occupancy data is updated in the income models for each property use category and market area. Property categories are reviewed to ensure their continued applicability. Capitalization rate studies are completed using current sales data when available, and published sources are also utilized. The resulting models are tested using ratio study tools.

Market Models are tested to ensure that the appraisal district is in compliance with Texas Property Tax Code, Section 23.01. Market data such as sales are gathered, entered into the system, and analyzed. They are then tested with sales ratio reports.

## **Personal Property Valuation**

Density schedules are updated using data received during the previous appraisal year from renditions and hearing documentation. Valuation procedures are reviewed, modified as necessary, and tested.

## **Appraisal Notices**

Appraisal Notices will be sent in accordance with Texas Property Tax Code, Section 25.19. Appraisal notices will be reviewed for legal sufficiency and correctness. Enclosures will be updated, including the latest version of the comptroller's *Property Taxpayer's Remedies*. Real property notices will generally be mailed in early April and personal property notices will be mailed in mid-May for each year covered by the plan.

## **Hearing Process**

Appraisal managers & supervisors will conduct training for staff in early April of each appraisal year to ensure preparedness for informal and formal hearings, which will generally begin in mid-April of each year covered by the plan. Logistical staff will attend the stated mandated training for ARB members typically held in March.

Revisions and enhancements to existing hearing scheduling procedures for informal and formal appraisal review board hearings will be reviewed and updated to ensure efficiency and timely certification of the appraisal roll. Standards of documentation and the appraisal districts hearing evidence will be reviewed and updated to reflect the

current valuation methods and practices. Production of evidence will be tested and compliance with Tax Code requirements will be ensured.

## **PILOT STUDY**

New or revised mass appraisal models will be tested on randomly selected market areas. Sales ratio studies will be used to test the models. Actual test results will be compared against anticipated results and those models not performing satisfactorily will be refined and retested. The procedures used for model specification and model calibration will comply with USPAP Standard 5 ,Mass Appraisal Development.



# **DATA COLLECTION**

## **IDENTIFYING PROPERTY**

The Mapping department will gather information from deeds, plats, replats, and other documents filed of record at the Denton County Courthouse. The department will input & update information into the CAMA system.

## **IDENTIFYING & UPDATING PROPERTY CHARACTERISTICS**

Field appraisers are currently provided with standardized field collection devices in order to verify existing property characteristics or record new property data. The work assignments are based on the geographic area that is delineated for reappraisal. Existing appraisal data is displayed on a field device used by the appraiser to record new or modified data during an on-site inspection. Each parcel of property has detailed information recorded into the CAMA system. Each improvement shows the sketch and dimensions, the quality of construction, the year of construction, the exterior covering, then number of baths, fireplaces, air conditioning type, fences, pools and other attributes, and the overall condition of the improvement. For land the legal description, size, and special characteristics are noted and can be used when comparing to other land parcels.

Other field inspection resources for all departments may include a MAPSCO street directory, sales and income data, fire damage reports, building permits, certificates of occupancy, building plans, site plans, recorded deeds and plats, photos, published articles and actual cost information.

Field and office procedures are reviewed and revised as required for the data collection process. Activities scheduled for each appraisal year include market area delineation, new construction and demolitions, remodeling, re-inspection of problematic areas, re-inspection of the universe of properties, verification of sales data, and quality control.

<b>Residential</b>	<b>Commercial</b>	<b>Personal Property</b>
<b>2023</b>	<b>2023</b>	<b>2023</b>
Review residential cost schedules & consider available vendors	Review commercial cost Schedules & consider available vendors	Procedure manual update and review
Procedure manual update and review	Procedure manual update and review	BPP network drive cleanup and archiving
Residential network drive cleanup and archiving	Commercial network drive cleanup and archiving	Review and remove unused & obsolete codes
Review and remove unused & obsolete codes	Review and remove unused & obsolete codes	Inspections for tagged properties
Inspections for tagged properties	Inspections for tagged properties	Drive all areas annually for new or adjusted BPP accounts and business closures.
Land Schedule Review & Evaluation	Consider creating an income model for all commercial property types	Properties that were not rendered in the last two years will be reviewed with an onsite field inspection.
Improvement Schedule Review & Evaluation	Review land adjustments	Continue audit of exemptions
Neighborhood Code Review & Evaluation	Review Economic unit groups	
<b>2024</b>	<b>2024</b>	<b>2024</b>
Consider reassigning appraiser regions to maximize productivity, staff knowledge, and continued development.	Consider reassigning appraiser regions & property types to maximize productivity, staff knowledge, and continued development.	Consider reassigning appraiser regions to maximize productivity, staff knowledge, and continued development.
Inspections for tagged properties	Inspections for tagged properties	Inspections for required tagged properties
	Review and automate commercial equity and sales grids	Drive all area for new, existing, moved, and/or closed accounts
	Collect financing data to calculate a “typical” loan to value ratio	Inspection of non-rendered accounts that have not rendered in the past two years.
	Review all commercial property values	Review the possibility of the CAMA system to direct by situs in the field for each area.
	Review and cleanup market area codes for uniformity	Software system to develop Online rendition submission

## **Market Area Delineation**

Market areas are defined by the physical, economic, governmental and social forces that influence property values. The effects of these forces are used to identify, classify, and stratify or delineate similarly situated properties into smaller, more comparable and manageable subsets for valuation purposes. Delineation can involve the physical drawing or the market area boundary lines on a map or, it can also involve statistical separation or stratification based on attribute analysis. These homogeneous properties have been delineated into valuation market areas for residential & commercial property, as well as property use & submarket for commercial property, but because there are discernible patterns of growth that characterize a market area, analyst staff will annually evaluate the market area boundaries or market segments to ensure homogeneity of property characteristics.

## **New Construction/Demolition**

Field and office review procedures for inspection of new construction will be reviewed and revised as required in order to complete the data collection phase. Field production standards are established and procedures for monitoring tested to meet field review deadlines. Sources of building permit data is confirmed and system input procedures are identified in the procedures adopted by the department.

## **Remodeling**

Market areas with extensive remodeling will be identified through permits and on-site inspections will be planned to verify property characteristic data. Reappraisal of significantly changed properties will take place and values will be tested with ratio studies before they are finalized.

## **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 stratified. In the absence of adequate market data, market area boundary lines may need to be redrawn and clustered for a representation of the overall market area will be established.

## **Re-Inspection of the Universe of Properties**

Texas Property Tax Code, Section 25.18(b) requires the re-inspection of the universe of properties at least once every three years. The district's re-inspection activity is dictated by availability of staff, which is dependent on the completion of current year protests and certification. Re-inspection of properties will be completed using a combination of field inspections and office review. Office review of property for the 2023-2024 years will include the examination of aerial photography using the DCAD's most recently flown oblique and orthographic imagery provided by Pictometry Inc., property sketches, existing property characteristics, and existing street-view images captured by district staff.

## **Gathering & Verification of Sales Data and Property Characteristics**

Sales information will be gathered by the Mapping department & inputted into the CAMA system. Sales information will be reviewed & verified by the appraisers. Property characteristics data contemporaneous with the date of sale will be captured. Since Texas does not require full sales disclosure of sales transactions, the district will obtain sales prices through deeds, voluntarily disclosed closing statements or fee appraisals (usually submitted as evidence in a protest hearing) buyer and seller mail questionnaires, or third party sources such as, real estate agents and market data vendors.

## **Quality Control**

Appraisal department managers and data management employees conduct on-going quality control of the entire data entry process. Supervisors and managers verify the accuracy of collected data with periodic on-site field reviews. The review process may pinpoint areas where additional appraiser training is required.

# VALUATION METHODS BY PROPERTY TYPE

## RESIDENTIAL PROPERTY VALUATION

### *Scope of Responsibility*

The Residential Appraisal staff is responsible for developing equal and uniform market values for residential properties. There were approximately 326,844 residential improved parcels in Denton County in 2022.

Residential assignments are delineated from commercial assignments on the basis of property use type codes. Generally, the staff values residential single family, all multifamily housing other than apartments, and mobile homes. The Residential Division is responsible for appraising vacant residential lots and tracts in neighborhoods.

State Code	codeDescription	
A020	BUILDER HOME PLANS - REFERENCE ONLY	Residential
A021	Builder Home Plans - Reference Only	Residential
A1	REAL, RESIDENTIAL, SINGLE-FAMILY	Residential
A2	REAL, RESIDENTIAL, MOBILE HOME	Residential
A3	REAL, RESIDENTIAL, WATERFRONT	Residential
A4	REAL, RESIDENTIAL, CONDOS	Residential
A5	REAL, RESIDENTIAL, TOWNHOMES	Residential
A6	REAL, RESIDENTIAL, GOLF COURSE	Residential
B020	BUILDER HOME PLANS - REFERENCE ONLY	Residential
B021	Builder Home Plans - Reference Only	Residential
B2	REAL, RESIDENTIAL, DUPLEXES	Residential
C1	VACANT PLATTED RESIDENTIAL LOT	Residential
C3	VACANT LOT OUTSIDE CITY	Residential
C5	VACANT LOT WATERFRONT	Residential
M1	MOBILE HOME	Residential
E1	LAND AND IMPROVEMENTS (NON AG QUALIFIED)	Land/Res/Ag
E3	MOBILE HOMES ON NON AG QUALIFIED LAND	Land/Res/Ag
E4	VACANT NON QUALIFIED NON HOMESITE LAND	Land/Res/Ag
D1	QUALIFIED AG LAND	Land/Ag
D2	FARM AND RANCH IMPSS ON QUALIFIED OPEN-SPACE	Land/Ag

## ***Appraisal Resources***

**Personnel** - The Residential Appraisal staff currently consists of 22 staff members, including one manager, two supervisors. A detailed count may be found in the adopted budget.

**Data gathering** - A common set of data characteristics for each residential dwelling in Denton County is collected in the field and data entered to the CAMA System. Land data resources include property-specific (view attributes, topography, site plan approvals, sales, listings, and zoning, *e.g.*) and general (neighborhood trends, investment criteria, *e.g.*) data, acquired from field inspection, aerial imagery, public records, owner survey, as well as contract services that report sale and listing information, general market trend and investment criteria, *etc.* Denton CAD uses personal field devices to make data entry more efficient in the field work. These PFD's will enable the appraiser to enter data as it is gathered, thus limiting errors and saving time due to not re-writing the gathered data and another employee interpreting the data. This property-specific data drives the DCAD computer-assisted mass appraisal (CAMA) approaches to valuation. Residential appraisal also requires verified sales data, actual construction cost data, and other real estate sources and data. Appraisers also review various real estate related publications to determine patterns and trends in the market data.

## ***Specific Valuation Objectives***

Each year, new land accounts created by subdivision, condominium declaration, or by split/merge activity. Field inspections ascertain land characteristics for these new accounts, for the development status of subdivision / condominium developments that were partially complete in the previous year, and for existing individual properties or land market areas targeted for review. On an annual basis, in cooperation with Residential and Commercial real property appraisal divisions, existing land values are compared with recent market data within designated land market areas. All qualifying D1 properties are reappraised annually as to their productivity values, as are qualifying O property inventory values.

In addition to properties identified by building permits, sales, protests, and administrative review, Denton Central Appraisal District proposes to review:

1. Review residential cost schedules & consider available vendors
2. Procedure manual update and review
3. Residential network drive cleanup and archiving
4. Review and remove unused & obsolete codes
5. Inspections for tagged properties
6. Land Schedule Review & Evaluation
7. Improvement Schedule Review & Evaluation
8. Neighborhood Code Review & Evaluation
9. Consider reassigning appraiser regions to maximize productivity, staff knowledge, and continued development.
10. Inspections for tagged properties

**New construction/demolition** - New construction and office review procedures are identified and revised as needed. Building permits provided by the cities are a main source of discovering construction or demolition properties. This data is acquired periodically from the cities and used in identifying properties for annual inspection.

**Sales data is researched and verified** – Sales with a sales ratio of 75% below or 25% above the Denton CAD market value must be verified and property characteristics data gathered with the date of sale captured. The sales ratio formula is Denton CAD appraisal of the property divided by the sales price.

**Highest and Best Use Analysis** – Highest and best use of property is the reasonable and probable use that supports the highest present value as of the appraisal date. The highest and best use of residential property is normally its current use. This being due to the fact that residential development, in most areas, through deed restrictions and zoning preclude other land uses. Residential valuation reassessment is used in transition areas and areas of mixed residential and commercial use. In transition areas with ongoing renovations of neighborhoods no longer prosperous, the appraiser would review the residential property use and determine the highest and best use. Once the conclusion is made that the highest and best use remains residential, further highest and best use analysis is done to decide the type of residential use on a neighborhood basis. As an example, it may be determined in a transition area that older, non-remodeled homes are not the most productive or profitable use, and the highest and best use of such property is to demolish the old homes and construct new dwellings. In areas of mixed residential and commercial use, the appraiser reviews properties on a periodic basis to determine if changes in the real estate market require reassignment of the highest and best use of a select category of properties. DCAD also complies with the Texas Property Tax Code Section 23.01(d) regarding a property's value for a residence homestead.

## **VALUATION AND STATISTICAL ANALYSIS (Model Calibration)**

### ***Cost Schedules***

Geographically adjusted, from national publications such as Marshall Valuation Service (Marshall & Swift) cost schedules utilized are reviewed and adjusted periodically in order to consistently reflect market costs or any changing economic trends. These are costs compared with sales of new improvements and evaluated from year to year and indexed to reflect the local residential building and labor market. Costs may also be adjusted for market area factors and influences that affect the total replacement cost of the improvements in a smaller market area based on evidence taken from a sample of market sales. The cost schedules are reviewed regularly and any variation greater than a range of plus or minus 10% from nationally recognized cost schedules is documented.

Tables are also produced in order to uniformly apply value for added amenities as determined by the marketplace. Examples may include pools, bathhouses, outbuildings, boathouses, tennis courts, and other market driven value items.

The District considers all three approaches to value and recognizes the cost approach as an acceptable approach. Generally for residential property the district considers the market approach a more viable and accurate indicator due to it's being more sensitive to economic, social and physical characteristics of a given property.

### ***Income Models***

The income approach to value may be useful to those real properties that are typically viewed as "income producing" when sufficient income data is available and where comparable sales are not present. In the current residential market, the income approach is not generally used.

### ***Sales Information***

A sales file for the storage of "snapshot" sales data for vacant and improved properties at the time of sale is maintained for residential real property. Residential improved and vacant sales are collected from a variety of sources, including: district survey letters sent to buyers and sellers, field discovery, protest hearings, sales vendors, builders, realtors and brokers.

A system of type, source, validity and verification codes has been established to define salient facts related to a property's purchase or transfer and to help determine relevant market sale price information. The effect of time as an influence on price can be considered by paired sales analysis and applied in the ratio study to the sales as indicated within each market area. Market area sales reports are generated as an analytical tool for the appraisers in the development and estimation of market price ranges and property component value estimates. Abstraction and allocation of property components based on sales of similar property is an important analytical tool to interpret market sales under the cost and market approaches to value. These analysis tools help determine and estimate the effects of change, with regard to price, as indicated by sale prices for similar property within the current market.

### ***Statistical Analysis***

The residential appraisal staff performs statistical analysis annually to evaluate whether values are equitable and consistent with the market. Ratio studies are conducted on residential market areas in the district to judge the two primary aspects of mass appraisal: accuracy and uniformity of value. Appraisal statistics of central tendency and dispersion generated from sales ratios are available for each market area and are summarized by year. These summary statistics including, but not limited to, the weighted mean, median, standard deviation, coefficient of variation, and coefficient of dispersion provide the managers a tool by which to determine both the level and uniformity of appraised value on a market area basis. The level of appraised value is determined by the weighted mean for individual properties within a market area, and a comparison of market area weighted means reflect the general level of appraised value between comparable market areas. Review of the standard deviation, coefficient of variation, and coefficient of dispersion discerns appraisal uniformity within and between market areas.

The appraisers, through the sales ratio analysis process, review market areas annually. The first phase involves market area ratio studies that compare the recent sales prices of market area properties to the appraised values of these sold properties. This set of ratio studies affords the appraiser an excellent means of judging the present level of appraised value and uniformity of the sales. Based on the sales ratio statistics and designated parameters for a valuation update, a preliminary decision is made as to whether the value level in a market area needs to be updated in an upcoming reappraisal, or whether the level of appraised value is acceptable. The residential appraisers perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market.

### ***Market Area and Market Analysis***

Market area analysis of market sales to achieve an acceptable sale ratio or level of appraisal is also the reconciliation of the market and cost approaches to valuation. Market factors are developed from appraisal statistics provided from market analyses and ratio studies and are used to ascertain that estimated values are consistent with the market and to reconcile cost indicators. The district's primary approach to the valuation of residential properties uses a hybrid cost-sales comparison approach. This type of approach accounts for market area influences not particularly specified in a purely cost model.



The following equation denotes the hybrid model used:

$$MV = LV + ((CN - D) MA)$$

Market Value = Land Value + ((Cost New – Depreciation) Market Adjustment)

In accordance with the cost approach, the estimated market value (MV) of the property equals the land value (LV) plus the replacement cost new of property improvements (CN) less depreciation (D) times the market adjustment factor (MA). The MA is only applied to the improvement value, not the land value. As the cost approach separately estimates both land and building contributory values and uses depreciated replacement costs, which reflect only the supply side of the market, it is expected that adjustments to the cost values may be needed to bring the level of appraisal to an acceptable standard as indicated by market sales. Thus, demand side economic factors and influences may be observed and considered. These market, or location adjustments, may be abstracted and applied uniformly within market areas to account for location variances between market areas or across a jurisdiction.

### ***Market Adjustment***

Market Area adjustment factors are developed from appraisal statistics provided from ratio studies and are used to ensure that estimated values are consistent with the market. The district's primary approach to the valuation of residential properties is the market or sales comparison approach.

Statistical analysis of present appraised value as compared with recent sales determines the appropriate market adjustment for a market area. Statistical programs developed by the DCAD Residential Department staff are used to study market trends and to develop appropriate market adjustments.

### **Special Appraisal Provisions**

#### ***Appraisal of Residential Homesteads***

Article VIII, Sec. 1(i) of the Texas constitution allows the legislature to limit the annual percentage increase in the appraised value of residence homestead to 10% under certain conditions. This limitation is commonly referred to as a Homestead "Capped Value". Sec.23.23 of the Tax Code implements the cap on increases in value. The limited value begins in the second year the property owner qualifies for a residential homestead exemption. The appraised value of a qualified residence homestead will be the LESSER of:

- the market value; or
- the preceding year's appraised value PLUS 10 percent PLUS the value of any improvements added since the last re-appraisal.

The appraised value of a homestead increases 10% annually or until the appraised value is equal to the market value. If a limited homestead property sells, the cap automatically expires as of January 1st of the year following the sale of the property and the property is appraised at its market value. The market value of a limited homestead is maintained, as well as the limited appraised value.

DCAD also complies with the Texas Property Tax Code Section 23.01(d) regarding a property's value for a residence homestead.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The appraiser identifies individual properties in need of field review through examples such as: sales ratio analysis, ARB hearings, building permits, property owner's requests, aerial photography and other sources.

Sold properties are reviewed on a regular basis to check for accuracy of data characteristics before they are used in reappraisal analysis.

Increased sales activity can result in a more substantial field effort on the part of the appraisers to review and resolve sales that fall outside acceptable ranges. Additionally, the appraisers frequently field review subjective data items such as quality of construction, condition, and physical, functional and economic obsolescence, factors contributing significantly to the market value of the property.

### ***Office Review***

Office reviews are performed in compliance with the International Association of Assessing Officer standards, and with the guidelines required by the existing classification system. The appraiser may utilize aerial photography as a means to verify building characteristics and location without an on-site inspection.

Appraisers conduct a routine valuation review of all properties as outlined in the discussion of ratio studies and market analysis. Previous values resulting from protest hearings, informal negotiation, or litigation are individually reviewed to determine if the value remains appropriate for the current year.

Once an appraisal manager is satisfied with the level and uniformity of value for each area, the estimates of value are prepared for a notice of proposed value.

## **PERFORMANCE TESTS**

### ***Sales Ratio Studies***

The primary analytical tool used by the appraisal manager to measure and improve performance is the ratio study. The district ensures that the appraised values produced meet the standards of accuracy in several ways. Overall sales ratios are generated for each ISD to allow the appraiser to review general market trends within their area of responsibility, and provide an indication of market appreciation over a specified period of time. In addition to the sales ratios by school district and market area, sales ratios statistics are also generated.

### ***Management Review Process***

Once the proposed value estimates are finalized, the appraisal supervisors review the sales ratios by market area and present pertinent valuation data, such as weighted sales ratio and pricing trends to the Residential Manager. This review includes comparison of level of value between related market areas within and across jurisdiction lines. The primary objective of this review is to ensure that the proposed values have met preset appraisal guidelines appropriate for the tax year in question.

# COMMERCIAL PROPERTY VALUATION

## *Appraisal Responsibility*

Commercial Appraisal operates within the Commercial Department of Denton Central Appraisal District which is responsible for the valuation of all commercial real property, including land and improvements, located within the boundaries of Denton Central Appraisal District's jurisdiction. Commercial real property types generally include multi-family, office, retail, warehouse/manufacturing and various other categories of business related facilities. In general terms, the commercial appraisal staff is responsible for establishing market value on any real property for which the highest and best use is determined to be non-residential. There are approximately 16,467 improved commercial properties.

Commercial appraisal assignments are delineated from residential assignments on the basis of state use code guidelines established by the State Comptroller. Generally the commercial staff values all commercially improved properties including apartments, retail, office and industrial. Non-Homestead residential properties located in areas of transition to commercial, known as interim-use properties, are also valued by the commercial division. Property data and valuation models for commercial accounts are stored in the CAMA System.

State Code	codeDescription	
B1	REAL, RESIDENTIAL, APARTMENTS	Commercial
C2	VACANT LOT COMMERCIAL	Commercial
F010	COMMERCIAL BUILDER PLANS - REFERENCE ONLY	Commercial
F1	REAL, COMMERCIAL	Commercial
F2	REAL, INDUSTRIAL	Commercial
F3	REAL - COMMERCIAL MH PARKS	Commercial
F4	REAL - COMMERCIAL OFFICE CONDO'S	Commercial
OC2	INVENTORY, VACANT COMMERCIAL LOTS	Commercial
OA1	INVENTORY, RESIDENTIAL SINGLE FAMILY UNDER 5	Land
OA2	INVENTORY, RESIDENTIAL	Land
OA3	INVENTORY, WATERFRONT	Land
OA4	INVENTORY, CONDOS	Land
OA5	INVENTORY TOWNHOMES	Land
OB2	INVENTORY, DUPLEX	Land
OC1	INVENTORY, VACANT PLATTED LOTS/TRACTS	Land
OC3	INVENTORY, VACANT LOTS, OUTSIDE CITY	Land
OC5	INVENTORY - WATERFRONT VACANT LOT	Land
OD1	INVENTORY, AG PROPERTY	Land
D1	QUALIFIED AG LAND	Land/Ag
D2	FARM AND RANCH IMPSS ON QUALIFIED OPEN-SPACE	Land/Ag
E1	LAND AND IMPROVEMENTS (NON AG QUALIFIED)	Land/Res/Ag
E3	MOBILE HOMES ON NON AG QUALIFIED LAND	Land/Res/Ag
E4	VACANT NON QUALIFIED NON HOMESITE LAND	Land/Res/Ag

## *Appraisal Resources*

**Personnel** – The Commercial Appraisal Section is staffed with 14 staff members including the Commercial Manager and the Commercial Supervisors. Appraisal duties and responsibilities are divided by commercial property type and include Multi-family, Industrial, Office and Retail.

**Commercial Appraisal** - The Commercial Appraisal Division is responsible for valuing all commercial improved real property within Denton Central Appraisal District. Appraisers are responsible for all aspects of data collection, valuation, and valuation appeal (protests).

The assignment of the exact area of responsibility is reviewed and assigned each appraisal year by the Commercial Manager. Appraisers are also given the task of completing field reviews for all permits issued in their designated appraisal areas. Appraisers are consistently cross trained so they are knowledgeable and competent to appraise any/all commercial property types within DCAD's jurisdiction, even when those properties fall outside of their assigned area or property type.

**Research** - Appraisers are responsible for collecting, processing, and maintaining income information that is used in the valuation process. After the information is processed and verified, the information is entered into the database. Income information may also be maintained in databases outside of the CAMA system for use during the appeals season. Sales are collected and processed by the Mapping department.

The commercial appraisal staff is responsible for updating and maintaining the commercial data. This includes the periodic review and calibration of various cost and depreciation tables.

**Data** - A standardized set of data characteristics for each commercial property in Denton County is collected and data entered by the commercial appraisal staff into the CAMA system. This property-specific data drives the three valuation models. Additional required data includes verified sales of vacant land and improved properties and the pertinent data obtained from each (sales price levels, capitalization rates, income multipliers, equity dividend rates, marketing period, etc.). Other data used by the appraisers includes sale listings, fee appraisals, actual income and expense data (typically obtained through the appeals process), actual contract rental data, leasing information (commissions, tenant finish, length of terms, etc.), and actual construction cost data. In addition to the actual data obtained from specific properties, market data publications and published market surveys are also reviewed to provide additional support for market trends.

## **Specific Valuation Objectives**

Each year, new land accounts created by subdivision, condominium declaration, or by split/merge activity are appraised based on recent market data. Field inspections ascertain land characteristics for these new accounts, for the development status of subdivision/condominium developments that were partially complete in the prior year, and for existing individual properties or land market areas targeted for review. On an annual basis, in cooperation with Residential and Commercial real property appraisal divisions, existing land values are compared with recent market data within designated land market areas.

## ***Residential Inventory***

Section 23.12 of the Texas Property Tax Code provides the definition of market value for inventory. Inventory includes residential real property that has never been occupied as a residence and is held for sale in the ordinary course of business, if the property is unoccupied, is not leased or rented, and produces no revenue.

Residential inventory is appraised at market value. The market value of residential inventory is the price at which it would sell as a unit to a purchaser who would continue the business. The land appraisal staff applies the same generally accepted appraisal techniques to determine the market value of residential real property inventory.

In addition to properties identified by building permits, sales, protests, and administrative review, Denton Central Appraisal District proposes to:

1. Review commercial cost Schedules & consider available vendors
2. Procedure manual update and review
3. Commercial network drive cleanup and archiving
4. Review and remove unused & obsolete codes
5. Inspections for tagged properties
6. Consider creating an income model for all commercial property types
7. Review land adjustments
8. Review Economic unit groups
9. Consider reassigning appraiser regions & property types to maximize productivity, staff knowledge, and continued development.
10. Review and automate commercial equity and sales grids
11. Collect financing data to calculate a "typical" loan to value ratio
12. Review all commercial property values
13. Review and cleanup market area codes for uniformity

## **PRELIMINARY ANALYSIS & DATA COLLECTION**

Prior to beginning the valuation activities for an appraisal year, the appraisal department management team completes a review of the results of the preceding year. Budget, calendar issues, and resource availability are all considered. Appraisal activities must be coordinated between DCAD departments to avoid conflicts and ensure availability of personnel. Appraisal Review Board activity and value changes during the appeals process are analyzed. DCAD takes a proactive approach to create organizational efficiencies by reviewing prior year activities and refining internal processes.

### ***Area Analysis***

Data on regional economic forces such as demographic patterns, regional location factors, employment and income patterns, general trends in real property prices and rents, interest rates, discount rates, and financing trends, availability of vacant land, and construction trends and costs are collected from private vendors and public sources. More detailed analysis is then completed to determine what appraisal area market changes will need to occur during the upcoming valuation cycle.

### ***Market Area Analysis***

A commercial market area, submarket or economic area consists of land and the commercial properties located within the boundaries of a specifically defined area. A market area consists of a wide variety of both competing and complementary property types including residential, commercial, industrial and governmental. Market area delineations can be based on man-made, political, or natural boundaries.

The effects of these forces are used to determine the highest and best use for a property, and to select the appropriate sale, income, and cost data in the valuation process.

Area identification and delineation by major property use type is a key component in a mass-appraisal, commercial valuation system. Areas are periodically reviewed to determine if a revised delineation is required.

### ***Highest and Best Use Analysis***

The highest and best use is the most reasonable and probable use that generates the highest present value of the real estate, as of the date of valuation. The highest and best use of any given property must be physically possible, legally permissible, financially feasible, and maximally productive. It is that use that will generate the highest net return to the property over a period of time. For vacant tracts of land within a jurisdiction, the highest and best use is considered speculative but market-oriented, and is based on the surrounding land uses in a competing land market area. The appraiser must consider the most probable use that is permitted under local administrative regulations and ordinances. While its current zoning regulation may restrict a property's use, the appraiser may also consider the probability that the zoning could be changed, based on activity in the area and a city's propensity for approving zoning change requests.

For improved properties, highest and best use is evaluated as currently improved and as if the site were still vacant. In many instances, the property's current use is the same as its highest and best use. However, the appraiser may determine that the existing improvements have a transitional use, interim use, nonconforming use, multiple uses, speculative use, excess land, or a different optimum use, if the site were vacant. Improved properties reflect a wide variety of highest and best uses which include, but are not limited to: office, retail, apartment, warehouse, light industrial, special purpose, or interim uses. Proper highest and best use analysis ensures that the most accurate estimate of market value can be derived.

### ***Market Analysis***

A mass-appraisal market analysis relates directly to economic market forces affecting supply and demand that affect a group of similar or "like" properties. This study involves the relationships between social, economic, environmental, governmental, and site conditions. Appraisers consider such general market data as submarket supply and demand, zoning and code restrictions, municipal services, school district characteristics, job growth patterns, population trends, transportation issues, investment patterns and a myriad of other factors that influence the local real estate market. Specific market data is gathered and analyzed including sales of commercial properties, new construction and other building permit activity, new leases, lease rates, absorption rates, vacancies, typical property expenses (inclusive of replacement reserves, if recognized by the market), expense ratio trends, and capitalization rate indicators. This data is used to determine market ranges in price, operating costs and investment return expectations.

## **DATA COLLECTION VALIDATION**

### ***Data Collection Procedures/Field Inspections***

Data collection of commercial real property involves maintaining data characteristics of the property into the CAMA system. The information contained for each property includes site characteristics, such as land size and topography, and improvement data such as square footage of the building, actual and effective years of construction, quality of construction, condition and all of the miscellaneous details. The appraisers are required to use a property classification system that established uniform procedures for the correct listing of real property. All properties are coded according to a classification system. The appraisers use property classification references during training and as a guide in the field inspection of property and when adding new properties to the appraisal roll.

When the appraisers are doing field inspections, they review all characteristics of the property and make changes where there are discrepancies. They review items such as building class, quality of construction, condition, and physical, functional and economic obsolescence factors contributing to the market value of the property. All comments, changes, date of inspection are added to the property records.

### ***Commercial Building Permits***

Cities within DCAD's jurisdiction have a system of issuing building permits to property owners in order to ensure that building code standards are followed for all new construction or major remodeling projects. Permits may also be issued for repair or replacement of plumbing, electrical, HVAC, roofing, foundations, canopies, interior or exterior finish, parking lots, and ancillary structures. On a regular basis, copies of those permits are either forwarded to DCAD or downloaded by a DCAD employee from various city websites. Permits are matched to a corresponding commercial account and pertinent permit data is entered into the CAMA system.

### ***Comparable Sales Data***

Commercial sales data is collected and processed by the Mapping department. The sale data is reviewed and verified by appraisers to determine reliability of the content and the source. Sale details are compiled to create a "snapshot" of the sold parcels as of the time of sale. A commercial appraiser may conduct a field inspection to verify the accuracy of the existing property characteristics data.

### ***Income and Expense Data***

Income and expense data consists of property rent rolls and income statements and is generally provided by property owners during the appeals process. The appraisal staff scans the information into the CAMA system or forwards the data to the support section where it is immediately scanned into the property. The data can be retrieved by appraisers and processed into the CAMA system income and expense tables. The district also subscribes to several real estate publications, such as CoStar, Real Capital Analytics and Axiometrics that provide individual summarized income data within each specified submarket or improved market area. Pertinent income data includes contract and market rental rates, asking rental rates, physical and economic vacancies, tenant reimbursements, operating expenses, capitalization rates, discount rates, lease up projections, and finish out costs.

### ***Sources of Commercial Data***

Property specific data is gathered as part of an on-site field inspection. The majority of cost related data is compiled by subscribing to national publications such as Marshall Valuation Service (Marshall & Swift) and from local market data. Closing statements, actual cost documents, rent rolls and income statements provided by owners or agents during the protest and ARB process are considered the most reliable sources of property data. DCAD should receive all copies of the deeds recorded in Denton County that convey commercially classed properties located within the DCAD jurisdiction. When a deed involving a change in commercial property ownership is entered into the DCAD system, data mining techniques are employed to gather as much sale and sale related appraisal information as possible. Denton Central Appraisal District subscribes to CoStar, a vendor of commercial sale and property data, and other subscription based data sources. Other sales sources are contacted such as the brokers involved in the sale, property managers, commercial real estate vendors, Fannie Mae, the Texas State Comptroller's Property Tax Division and other knowledgeable parties. The commercial appraisal staff attempts to confirm and verify data from secondary sources. Unlike the majority of states, Texas laws do not require mandatory disclosure of

sale prices. DCAD Commercial sales data is provided by voluntary disclosure or purchased from third party vendors.

## **VALUATION APPROACH**

The commercial appraisal system, developed and maintained in the CAMA system, consists of mass appraisal applications of the sales comparison, cost, and income approaches to value. Each approach to value represents a specific model or formula that defines property characteristics and their relationships in an effort to arrive at an indication of market value for a given property.

### ***Cost Approach***

The very basic valuation model is:

$$V = LV + (RCN - D)$$

(Value = Land Value + (Replacement Cost New – Depreciation))

This model represents the formula for the cost approach to value. The formula for a cost driven valuation model begins with an estimate of replacement cost new (RCN) for all improvements (buildings, fencing, paving etc.) on a parcel of land. Three forms of depreciation are considered and subtracted from the RCN to result in an estimate of value for the improved portion of the real estate. The sales comparison approach is typically the most reliable method to value the underlying land. An overall value is then computed by adding the depreciated value of the improvements to the value of the land.

### ***Improvement Valuation***

Cost model specification involves categorizing or grouping commercial improvements by construction type or use. The Commercial Department uses a numerical coding system of building classes that represent commercial property construction. For each building class, key characteristics are used to describe a typical or benchmark property. The characteristics may include construction quality, plumbing, interior, flooring, roof type, roof materials, heating/cooling, exterior, foundation, story height, and number of stories. The Appraisal Manual contains a description and a list of these specific characteristics for each property class. Additional site improvements for each building class, such as concrete paving, canopies, garages, and storage buildings are also specified and valued using the cost approach.

Other key data necessary for cost valuation includes gross building area, year built and effective year of construction, percent and quality of finish-out, percent of completion, and property condition. A base cost rate is associated with each commercial building class. An improvement value or replacement cost is then computed by multiplying the base rate times the structure's gross building area. An improvement can have more than one building class.

The total improvement value for an account represents the sum of the depreciated improvement value of all taxable improvements plus any value for the additional site improvements associated with the account.



## ***Depreciation***

Accrued depreciation is the sum of all forms of loss affecting the contributory value of the improvements. It is the measured loss against replacement cost new taken from all forms of physical deterioration, functional and economic obsolescence. Accrued depreciation is estimated and developed based on losses typical for each property type at that specific age. Physical depreciation is expressed as a percentage that is computed and subtracted from estimated replacement cost value. This percentage rate is extracted from depreciation tables and is dependent on the class, condition, effective age and economic life of each improvement. Individual determinations are made for functional and economic depreciation rates based on property specific conditions. The sum of the three rates is utilized in the CAMA application to compute a depreciated improvement value.

## ***Land Valuation***

On an annual basis, commercial land values are analyzed by the Commercial Department. The Commercial Department will review, update and adjust any land parcels.

## ***Sales Comparison Approach***

Although all three of the approaches to value are based on market data, the Sales Comparison Approach is most frequently referred to as the Market Approach. This approach is utilized for estimating land value and also in comparing sales of similarly improved properties to parcels on the appraisal roll. Sales of similarly improved properties can also provide a basis for the depreciation schedules in the Cost Approach, rates and multipliers used in the Income Approach, and as a direct comparison in the Sales Comparison Approach. Improved sales are also used in ratio studies, which afford the appraiser an excellent means of judging the present level and uniformity of the appraised values.

The formula for the sales comparison approach is:

**Market Value = Sale Price of Comparable Properties adjusted for differences between the comparables and the subject.**

In this model, market value is a total amount without a separation for improvement and land values. The sales comparison approach requires an adequate amount of sales data to be accurate. Some commercial property categories cannot be valued with this technique because of a limited amount of verifiable sales data.

Commercial mass appraisal using sales is specified or defined based on several standardized property characteristics or comparison fields. Sales within market areas are used to more accurately define market value for that specific type of property. For commercial properties valued using the Market or Sales method a sales ratio report is conducted by the market area. The sales ratio report allows the commercial appraiser to determine the market adjustment necessary by calculating the mean for sales during a given time frame.

Before the market adjustments are defined, the appraisers study and analyze the sales in each market segment. This market analysis aids in revealing patterns in value that vary due to location, size, age, etc. The appraiser then determines what market areas have enough credible sales data to make market adjustments based on sales.

## ***Income Approach***

The income approach to value is applied to those real properties which are typically viewed by market participants as "income producing", and for which the income methodology is considered a leading value indicator. The basic formula for the income approach is:

**Market Value = Net Operating Income Divided By Overall Cap Rate.**

This is also known as "Direct Capitalization", which is a generally accepted appraisal technique used to convert one year's stabilized income into an indication of market value. The income approach module provides the mechanism to capture and specify a property's income characteristics for levels or variable situations known as "Pro Forma", "Direct Cap" (actual) and "Schedule" (market). These income calculations are under Income Value in separate tabs in the CAMA income module. A thorough analysis of actual market data is performed by the commercial appraisal team. The "Direct Cap" allows the appraiser to use actual income characteristics that are property specific to create an income model individual to the property.

The income approach formula includes gross potential income, economic vacancy, secondary income, total operating expenses, net operating income and capitalization rate.

The income approach formula is generally expressed the following way. A brief definition of each component of the formula is listed below.

Gross Potential Rent  
Plus  
Secondary Income  
Minus  
Vacancy & Collection Loss  
Equals  
Effective Gross Income  
Minus  
Operating Expenses  
Equals  
Net Operating Income  
Then  
Net Operating Income/Overall Cap Rate = Value

Gross Potential Rent (GPR) - Total economic or market rent at 100% occupancy; usually expressed as an annual amount on a per square foot or per unit basis.

Secondary or Other Income - Income, other than rent, such as; laundry rooms, parking, storage area rental, electronic communication roof space rental, and other sources related to ordinary operation of a property. Can be expressed as a percentage of GPR or EGR or dollar amount per unit of measure.

Vacancy and Collection (V&C) - Loss in rental income because of economic vacancy, bad debt or economic rental concessions; often expressed as a percent of GPR; based on market cycles and trends.

Effective Gross Rent (EGR) - Rental Income after subtracting vacancy & rental loss from gross potential rent.

Effective Gross Income - Amount of actual income received from rent and secondary sources.

Operating Expenses - Expenses necessary to maintain a cash flow from the real property (not from the business). Typical expenses include management, utilities, property insurance, property taxes, repairs and maintenance, etc. This dollar amount can also be expressed as a percentage or ratio that represents total expenses divided by effective gross income.

Net Operating Income (NOI) - Income remaining after subtracting operating expenses from Effective Gross Income. This amount is income before debt service, property depreciation, personal income taxes, amortization, or interest payments.

Overall Capitalization Rate (OAR) - Rate used to convert income into value. An overall rate represents the requirements of discount (return), recapture and effective tax rates for the whole property. This is expressed as cap rate plus tax rate. If the tax rate is "loaded" into the cap rate, then the amount of real estate taxes is removed as an expense item.

## **VALUATION PROCESS**

Valuation involves the process of estimating and periodically adjusting the mass appraisal formulas, tables, and schedules to reflect current local market conditions. Three valuation models are utilized in the mass appraisal process; cost, income and sales comparison models. These are represented as separate options for commercial valuation in the CAMA system. The CAMA software is developed to create valuation models specified according to appropriate Uniform Standards of Professional Appraisal Practices and International Association of Assessing Officers mass appraisal standards and techniques.

### ***Cost & Depreciation Schedules***

The cost approach to value is applied to all improved real property utilizing the comparative unit or square foot method to determine replacement cost new. Replacement cost new should include all direct and indirect costs, including materials, labor, supervision, architect and legal fees, overhead and a reasonable profit. Development of a comparative cost unit for each building class involves the utilization of national cost data reporting services as well as consideration of actual cost information on comparable properties. A base cost rate has been developed for each building class and represents the replacement cost per unit for a benchmark property for each class.

Accrued depreciation is estimated and developed based on losses typical for each property type at that specific age. Physical depreciation is the loss in value due to wear and tear and exposure to natural forces. For each major class of commercial property, standardized physical depreciation tables have been developed based on physical condition and the building life expectancy. Effective age estimates are based on the utility of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the marketplace.

A depreciation calculation override can be used if the condition or effective age of a property varies from the standard. These adjustments are typically applied to a specific property in the form of physical adjustment, economic adjustment or functional adjustment.

### ***Final Valuation Summary and Reconciliation***

Based on the market data analysis and the methodology described in the cost, income and sales approaches values are determined by the appraiser for each commercial property. The cost approach mass appraisal model is applied to

every improved property. The final valuation is applied using the cost, sales comparison, or income approach, depending on the property type and availability of data.

### ***Statistical and Capitalization Analysis***

The Commercial Appraisers perform statistical analysis annually to evaluate whether estimated values are equitable and consistent with the market. Appraisers review every commercial property type annually through the sales ratio analysis process. Ratio studies are conducted on commercial properties to judge the two primary aspects of mass appraisal accuracy – level and uniformity of value. Appraisal statistics of central tendency generated from sales ratios are evaluated and analyzed for the market areas. The level of appraised values is determined by the weighted mean ratio for sales of individual properties, and a comparison of weighted means reflect the general level of appraised values.

Potential gross rent estimates, occupancy levels, secondary income, allowable expenses (inclusive of non-recoverable and replacement reserves), net operating income and capitalization rate and multipliers are continuously reviewed. Income model estimates and conclusions are compared to actual information obtained on individual commercial properties during the appeal and protest hearings process, as well as with information received from published sources and area property managers and owners.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Field Review***

The appraiser identifies individual properties in critical need of field review through sales ratio analysis. All properties are periodically reviewed to check for accuracy of property characteristics. Field Reviews of selected market areas are conducted on an annual basis.

### ***Office Review***

Office reviews are conducted on all properties. As authorized by the International Association of Assessing Officer standards, on properties subject to field inspection and are performed in compliance with the guidelines required by the existing classification system. The appraiser may utilize aerial photography as a means to verify building characteristics and location without an on-site inspection.

Valuation reports comparing the previous year's values against proposed and final values are generated for all commercial properties. Previous values from protest hearings are reviewed to determine if the value remains the same for the current year based on sales and market conditions. The percentage of value differences are noted for each property within a delineated market segment allowing the appraiser to identify, research and resolve value anomalies before final appraised values are determined. Each appraiser's review is limited to properties in their area of responsibility or by property type.

Once the appraiser and manager are satisfied with the level and uniformity of value for each commercial property within the appraiser's area of responsibility, the estimates of value are prepared to send a notice of proposed appraised value.

## **PERFORMANCE TESTS**

### ***Sales Ratio Studies***

The primary tool to measure appraisal performance is a ratio study. A ratio study compares appraised values to market values. Sales ratio studies are an integral part of estimating equitable and accurate market values, and ultimately property assessments for the taxing jurisdictions.

Ratio studies generally have six basic steps: (1) determination of the purpose and objectives, (2) data collection and preparation, (3) comparing appraisal and market data, (4) stratification, (5) statistical analysis, and (6) evaluation and application of the results.

# BUSINESS PERSONAL PROPERTY VALUATION

## *General Overview*

Business Personal Property Appraisal of Denton Central Appraisal District is responsible for developing fair and uniform market value appraisal procedures for business personal property (BPP) located within the district. BPP account categories: standard business personal property consisting of merchandise, supplies, furniture, fixtures machinery, equipment and vehicles; leased assets; commercial aircraft and boats; utilities; special inventory for dealers selling autos, boats and boat trailers, manufactured homes, and heavy equipment; and mineral properties. There are approximately 19,536 BPP accounts and 105,949 utility and mineral accounts.

<b>State Code</b>	<b>codeDescription</b>	
L1	BPP TANGIBLE COMMERCIAL PROPERTY	BPP
L1M	Commercial Personal - Vehicles Under 1 Ton	BPP
L2	BPP TANGIBLE INDUSTRIAL PROPERTY	BPP
L2A	Industrial Personal - Vehicle 1 Ton and Over	BPP
L2D	Conversion	BPP
L2E	Conversion	BPP
L2F	Industrial Personal Drilling Rigs	BPP
L2G	Industrial Personal - Machinery and Equipment	BPP
L2H	Industrial Personal - Leased Equipment	BPP
L2J	Wardlaw Appraised Utility/Industrial	BPP
L2M	Industrial Personal - Vehicles Under 1 Ton	BPP
L2N	Industrial Personal - Underground Stored LPG	BPP
L2O	Industrial Personal - Computers	BPP
L2P	Industrial Personal - Radio Towers	BPP
L2Q	Industrial Personal - Radio Tower Equipment	BPP
L3	BPP TANGIBLE COMMERCIAL LEASED EQUIPMENT	BPP
L5	AIRCRAFT	BPP
M2	NON INCOME PRODUCING - AIRCRAFT/BOATS	BPP
M3	NON INCOME PRODUCING PERSONAL PROPERTY (BOAT)	BPP
N1	INTANGIBLES	BPP
S	SPECIAL INVENTORY	BPP

<b>State Code</b>	<b>codeDescription</b>	
G1	OIL AND GAS	Wardlaw
G2	MINERALS	Wardlaw
G3	OTHER SUBSURFACE INTEREST IN LAND	Wardlaw
J1	REAL & TANGIBLE PERSONAL, UTILITIES, WATER SY	Wardlaw
J2	REAL & TANGIBLE PERSONAL, UTILITIES, GAS COMP	Wardlaw
J3	REAL & TANGIBLE PERSONAL, UTILITIES, ELECTRIC	Wardlaw
J3A	Electric Other Personal	Wardlaw
J4	REAL & TANGIBLE PERSONAL, UTILITIES, TELEPHONE	Wardlaw
J4A	Telephone Other Personal	Wardlaw
J5	REAL & TANGIBLE PERSONAL, UTILITIES, RAILROAD	Wardlaw
J6	REAL & TANGIBLE PERSONAL, UTILITIES, PIPELINE	Wardlaw
J6A	Conversion	Wardlaw
J7	REAL & TANGIBLE PERSONAL, UTILITIES, CABLE TV	Wardlaw
J8	REAL & TANGIBLE PERSONAL, UTILITIES, OTHER	Wardlaw
J8B	Conversion	Wardlaw
J9	UTILITIES, RAILROAD ROLLING STOCK	Wardlaw / Texas Comptroller

## *Appraisal Resources*

**Personnel** –BPP staff consists of 10 staff members, including one manager and one supervisor..

**Data** – A common set of data characteristics for each account in the district are collected by appraisers in the field, by phone, and other pertinent sources and are entered into the DCAD computer files by both the appraisal and support staff. These assigned property characteristics produce a computer-assisted personal property appraisal (CAPP) used for comparison purposes when working renditions to determine whether an account’s rendered value or CAPP value will be selected by the category appraiser. The category appraisers also utilize the CAPP system during the review of their SIC code assignments to value accounts that fail to render.

## *Specific Valuation Objectives*

**For the 2023 tax year, Denton Central Appraisal District proposes to:**

1. Procedure manual update and review
2. BPP network drive cleanup and archiving
3. Review and remove unused & obsolete codes
4. Inspections for tagged properties
5. Drive all areas annually for new or adjusted BPP accounts and business closures.
6. Properties that were not rendered in the last two years will be reviewed with an onsite field inspection.
7. Continue audit of exemptions

Identify all new businesses needing set up for appraisal year, track all existing business closures and business relocations within Denton County. Staff will utilize all available resources to research whether identified businesses have opened, closed or moved to a new location within Denton County. Staff will re- drive roads to review and update, close and/or pick up new accounts not currently on the appraisal roll.

BPP utilizes indicators to highlight account questions or reasons of concern. All such indicators require specific actions by the appraisers to be notated on the field card.

Criteria for upcoming year’s field inspections and/or indicators requiring action by the appraisers:

1. All new BPP setups.
2. Unrendered properties > \$20,000.
3. Relocations/Ownership changes

**For the 2024 tax year, Denton Central Appraisal District proposes to:**

Follow the same guidelines as outlined below and described above.

1. Consider reassigning appraiser regions to maximize productivity, staff knowledge, and continued development.
2. Inspections for required tagged properties
3. Drive all area for new, existing, moved, and/or closed accounts
4. Inspection of non-rendered accounts that have not rendered in the past two years.
5. Review the possibility of the CAMA system to direct by situs in the field for each area.
6. Software system to develop Online rendition submission



Review building permits and certificate of occupancy issuances prior to field work to assist field appraisers in flagging new accounts. The BPP support staff will also assist the field appraisers with researching whether the businesses have closed or moved to a new location within Denton County.

Adjustment of Criteria for upcoming year's field inspections and/or indicators requiring action by the appraisers will vary depending on what results are found from the prior year field work results.

## **VALUATION APPROACH**

### ***SIC Code Analysis***

Standard Industrial Classification (SIC) codes were created in the 1930s to develop a plan of business classification by the Federal Government. These four digit numeric codes are used as the basis for classifying and valuing business personal property accounts. The North American Classification System (NAICS) was released in 1998 to replace SIC codes, but the software system used by DCAD has not yet been converted to accept the six digit NAICS code. Until that conversion is made, SIC codes will continue to be utilized.

SIC code identification and delineation is the cornerstone of the business personal property valuation system in the district. All of the analysis work done in association with the valuation process is SIC code specific. DCAD uses SIC codes to classify local business categories. SIC code delineation is periodically reviewed to determine if further refinements are necessary.

### ***Highest and Best Use Analysis***

The highest and best use of property is the most reasonable and probable use that supports the highest present value as of the date of the appraisal. The highest and best use must be physically possible, legally permissible, financially feasible, and maximally productive. The highest and best use of business personal property is normally its current use.

## **DATA COLLECTION/VALIDATION**

### ***Data Collection Procedures***

Appraisal and data collection procedures are maintained in the Business Personal Property Manual and supplemented with departmental memorandums as needed. Procedures are reviewed and revised to meet the changing requirements of field data collection. Business personal property appraisers reappraise all businesses each year through various discovery means and resources.

### ***Sources of Data***

#### ***Standard Business Personal Property Accounts***

Before the field appraisers begin their new-year field work in August/September, a comparison is done between DCAD active field accounts, internally created reports and third party data providers to assist the appraisal staff with identifying accounts that are given priority for inspection/re-inspection.

Various discovery publications are utilized which include, but are not limited to, the Texas Department of Motor Vehicles website, Comptroller's sales tax permits listings, Texas Secretary of State business organizations website for corporations, and the County Clerk's assumed name filings records. This data may be accessed by the field appraisers during the discovery period from various external and internal databases, and printed data may be filed with the appropriate field card.

### ***Leased Asset/Special Property at Multiple Locations Accounts***

The primary source of discovery for these accounts is the owner renditions submitted in either hard copy or electronic format by the lessors, or lease companies. BPP renditions have a section requesting information on leased assets from the lessee. This data is reviewed by the staff to verify the lessor is on the appraisal roll.

### ***Commercial and Business Aircraft & Boat Accounts***

The Federal Aviation Administration's (FAA) website provides DCAD with the commercial aircraft registered in Denton County. In addition, local airport/airfield management submit listings of commercial and business aircraft having situs in this district. Commercial boats are identified via renditions.

### ***Special Inventory Accounts***

Monthly statements and annual declaration dealer forms for motor vehicles, boats outboard motors and boat trailers, heavy equipment, and manufactured homes (as defined by Section 23 of the Texas Property Tax Code) are used for the discovery and valuation of special inventory accounts. To verify all special inventory dealers are on the appraisal roll, BPP staff checks with the state agencies responsible for licensing these dealers: Texas Department of Transportation for motor vehicle dealers, Texas Parks and Wildlife for boat dealers, and the Texas Department of Housing and Community Affairs for manufactured home dealers. Heavy equipment dealers are not licensed.

### ***Utility, Pipeline and Mineral Accounts***

Denton Central Appraisal District contracts with a third party appraisal firm, Wardlaw Appraisal Group, L.C. (WAG) for the appraisal of the categories identified with G, J, and some L2 State Codes. Uniform Standards of Professional Appraisal Practices, or USPAP, certification and reappraisal plan information on these properties are maintained at Wardlaw Appraisal Group offices.

## **VALUATION AND STATISTICAL ANALYSIS (model calibration)**

### ***Cost Schedules***

The BPP staff develops the cost schedules (CAPPA grids) specific to the related SIC codes. Cost data is analyzed from property owner renditions, Settlement and Waiver of Protest documentation, and Appraisal Review Board (ARB) hearing evidence to produce SIC grids specifically from these sources only when the value data has been accepted by the appraisal staff. The computation of the SIC grids involves using min, max, mean and percentile functions on the population of accepted accounts. Schedules are reviewed as necessary to reflect changing market conditions and are presented exclusively in a reproduction-cost new (RCN) per square foot format.

### ***Statistical Analysis***

Summary statistics such as the median, weighted mean, and standard deviation provide appraisers analytical tools by which to determine both the level and uniformity of appraised value by SIC code. Review of standard deviation can distinguish appraisal uniformity within SIC codes.

### ***Depreciation Schedule and Other Factors***

Although all three approaches to value are considered, Denton Central Appraisal District's primary approach to the valuation of business personal property is the cost approach. Factors used by DCAD in the development of the depreciation schedule are based on IAAO standards. Price Indexes and Utilization factors from the Bureau of Labor and Statistics, and other local factors are used to calculate the current present value factors (PFV) that are applied to the rendered cost data to calculate the fair market value (FMV) of the fixed assets.

Depreciation and schedules are reviewed and adjusted as needed. Studies of rendered fixed assets provide guidance for establishing conventions related to specific SIC codes. Any revisions are then adopted and their use is reflected in all of the calculations for that SIC coded business category. Consistent application of this schedule ensures that market values are uniform and equal. All rendered assets are initially valued using rendered costs calculated by the adopted PVF tables, or rendered good faith estimates.

### ***Computer Assisted Personal Property Appraisal (CAPP) Valuations***

The two main objectives of the CAPP valuation process are to: (1) analyze and adjust existing SIC models and (2) develop new models for business classifications not previously integrated into CAPP. The delineated sample is reviewed for accuracy of SIC code, square footage, field data, and original cost information. Models are created and refined using actual original cost data to derive a typical per square foot value for a specific category of assets.

The data sampling process is conducted in the following order: 1) Prioritizing SIC codes for model analysis. 2) Compiling the data and developing the reports. 3) Field inspecting the selected samples. The models are built and adjusted using internally developed software. The models are then tested against the previous year's data. The typical cost per square foot is determined by a statistical analysis of the available data using the percentile function of the population of rendered indexed costs per square foot.

### ***Standard Business Personal Property Account***

CAPP model values are used in the general business personal property valuation program to estimate the value of new and/or existing accounts for which a property owner's rendition has either not been received or not used to estimate a value based on comparable properties. The calculated current year value is compared to the indicated CAPP model value by the category appraiser. All rendered accounts are analyzed and the rendition's appraised value is selected by the assigned category appraiser.

### ***Exemption Application Processing***

Freeport Goods (Sec. 11.251) and Goods-In-Transit (Sec. 11.253) annual exemption applications are reviewed by the BPP Department and either approved, disallowed, or denied as per Section 11.43. The review consists of an audit of supporting worksheet documents and an analysis of the exemption applications to verify the form's accuracy. If no supporting worksheet documents are provided, the application is disallowed and written requests for omitted documentation are made. Upon the receipt of the worksheet documents, the exemptions are either approved, modified and approved, disapproved with a written request for additional documentation to support the application's

claim, or denied with a written letter detailing the status of the application. The BPP department also reviews Pollution Control exemptions (Sec. 11.31) and abatements.

Certain vehicles specified under Sec. 11.254 that are used for both the production of income and personal use may receive an exemption for a single vehicle. The exemption applications are reviewed by the appraisal staff and use the same approval or denial procedures as stated for freeport goods and goods- in-traffic above. A vehicle that has been granted this exemption is not required to file an annual exemption application unless requested by the chief appraiser or in cases where there is a vehicle replacement or an ownership change.

### ***Leased Asset/Special Property at Multiple Locations Account***

Leased and multi-location assets are valued using the depreciation schedules mentioned earlier. If the asset to be valued in this category is a vehicle, either the NADA published “trade-in” values or a DCAD depreciation schedule developed for motor vehicles is used.

### ***Commercial and Business Aircraft***

Valuation for commercial aircraft designated as a certified air carrier, and business aircraft used for business purposes is processed through the utilization of pricing guides as the Aircraft Blue Book Price Guide. The Texas Property Tax Code has specific methodology for the valuation and/or allocation of all aircraft used both inside and outside this state; Sec. 21.05 states the method for valuing commercial aircraft and Sec. 21.055 refers to the valuation of business aircraft.

### ***Special Inventory***

The Texas Property Tax Code provides special valuation procedures for the appraisal of this category of property consisting of dealer motor vehicles, boats outboard motors and boat trailers, manufactured homes, and heavy equipment. Annual Dealer Inventory Declaration forms filed by the property owner on or before February 1<sup>st</sup> are the basis for the appraisal of special inventory. The declaration form details the dealer’s previous year’s Texas sales (used as the numerator) and divided by either a factor of 12 or the number of months the dealer was open the prior year (the denominator). This establishes a monthly basis consistent with the owner's tax payment requirements. In the absence of an annual declaration, comparable dealers that have filed declarations are identified and adjusted to the subject property to establish an estimated market value.

Dealer's Inventory Tax Statement forms that are filed monthly beginning February 10<sup>th</sup> and ending January 10<sup>th</sup> of the following year detail the current year sales for the previous month. Dealers file these forms with both the appraisal district and the assessor-collector’s office and make monthly property tax payments to the assessor-collector based on the prior month’s sales.

## **INDIVIDUAL VALUE REVIEW PROCEDURES**

### ***Rendered BPP Accounts Review***

#### ***Standard Business Personal Property Account***

A BPP smartlist reporting rendered accounts that have been imaged into the system identifies accounts ready to be processed by the support staff, and after their entry of the rendered information, an additional query alerts the

category appraiser of the rendered accounts ready for their review and value selection. This report also flags accounts that require special review procedures: accounts that have either increased or decreased their total area from the prior year; accounts that had a prior year ARB decision thereby compelling the appraiser to analyze that decision to determine if DCAD has substantial evidence to alter the prior year's ARB determination for the current year's appraisal per Sec. 23.01(c); newly established business accounts; and revisions to SIC cost tables.

### ***Leased Assets***

Leased Asset/Special Property accounts that have a high volume of assets and/or vehicles have the highest percentage of rendered accounts of any BPP category. These renditions are commonly filed by the property owner in an Excel compatible format via email or CD. The property owner's spreadsheet is copied over to a template that also contains a present value factor lookup table. The appraiser assigns taxing entities based on asset/vehicle situs, the life class is assigned by asset description, and the value is then calculated. After sorting assets by common taxing entities, a property ID number is assigned to each entity set of assets and the appraiser assigns the value for that account onto the system. Accounts that render by hardcopy must be manually entered into the template by support staff or the appraiser.

### ***Commercial and Business Aircraft***

The commercial and business aircraft account's renditions are simultaneously reviewed and valued utilizing a third party market value appraisal guide.

### ***Special Inventory***

Special inventory dealers with a current declaration on file are reviewed by the assigned appraiser to assess their validity and value based on the prior year's sales divided by 12 or the total number of months doing business in the prior year.

### **Un-Rendered BPP Accounts Review**

#### ***Standard Business Personal Property Account***

BPP accounts that fail to render are scrutinized by the field appraiser during their field work and the category appraiser prior to 25.19 Notice of Appraised Values are mailed to the property owner. The field appraiser is responsible for assigning the business category SIC code, the total area of the business, the Quality/Density grid factors and any comments detailing specific information picked up during field reviews. The category appraiser will review all un-rendered accounts by SIC code to determine the value in comparison with rendered properties.

### ***Leased Assets***

The appraiser responsible for processing the leased asset accounts will contact properties that have failed to render to determine the reason why a rendition was not received.

### ***Commercial and Business Aircraft***

Un-rendered commercial and business aircraft accounts are valued the same as rendered properties of the same category, through the utilization of pricing guides such as the Aircraft Blue Book Price Guide with year and model numbers identified based on the aircraft's N number.

### ***Special Inventory***

Special inventory dealers that fail to render are reported to the State licensing agency responsible for issuing licenses, in accordance with the State Property Tax Code. The appraiser will compare un-rendered special inventory accounts with comparable sized dealers of the same category and value the property based on that comparison.

## **PERFORMANCE TESTS**

### ***Ratio Studies***

Each year the Property Tax Division of the State Comptroller's Office conducts a Property Value Study (PVS). The PVS is a ratio study used to measure appraisal district performance. Results from the PVS play a part in school funding. Rather than a sales ratio study, the personal property PVS is a ratio study using state cost and depreciation schedules to develop comparative personal property values. These values are then compared to DCAD's personal property values and ratios are determined.

## **MASS APPRAISAL REPORT**

Each tax year the Texas Property Tax Code required mass appraisal report will be prepared and certified by the chief appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar . The mass appraisal report will be completed in compliance with USPAP Standard Rule 6. The signed certification by the chief appraiser is compliant with USPAP Standard Rule 6-3.

## **FINAL PERFORMANCE ANALYSIS**

### **Value Defense**

Evidence to be used by the appraisal district to meet its burden of proof for market value and equity in both informal and formal appraisal review board hearing is specified and tested annually.

A variety of evidence is utilized by the district depending on the property type of the subject of the protest. In addition, the district updates the evidence supplied to an owner, an agent, or the Appraisal Review Board to be contemporaneous with the valuation procedures utilized. Some examples of evidence that may be used include, but are not limited to:

1. Property sales information
2. Property sales adjustment grids
3. Property equity adjustment grids
4. Gross rent/ income multiplier data
5. Proforma and actual income data
6. Property characteristics data including photos, as applicable
7. Aerial photography
8. Cost approach reports, as applicable
9. Property renditions, as applicable
10. Published reports regarding cost, market or income data
11. Schedules and or models utilized
12. Any other information collected by the district

### **Independent Performance Test**

According to Chapter 5 of the Texas Property Tax Code and Section 403.302 of the Texas Government Code, the State Comptroller's Property Tax Division (PTD) conducts a property value study (PVS) of each Texas school district within each appraisal district at least once every two years. As a part of this study, the Code also requires the Comptroller to: use sales and recognized auditing and sampling techniques; review each appraisal district's appraisal methods, standards and procedures to determine whether the district used recognized standards and practices (MAP review); test the validity of school district taxable values in each appraisal district and presume the appraisal roll values are correct when values are valid; and, determine the level and uniformity of property tax appraisal in each appraisal district. The methodology used in the property value study includes stratified samples to improve sample representativeness and techniques or procedures of measuring uniformity. This study utilizes statistical analysis of sold properties (sale ratio studies) and appraisals of unsold properties (appraisal ratio studies) as a basis for assessment ratio reporting. For appraisal districts, the reported measures include median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties

within 25% of the median, and price-related differential (PRD) for properties overall and by state category (i.e., categories A, B, C, D and F1 are directly applicable to real property).

The preliminary results of this study are released in January of the year following the year of appraisal. The final results of this study are certified to the Education Commissioner of the Texas Education Agency (TEA) in the following July of each year for the year of appraisal.

This outside (third party) ratio study provides additional assistance to Denton Central Appraisal District in determining areas of market activity or changing market conditions. Results from Property Value Studies will be reviewed and analyzed by appraisal managers. Areas or property categories with unsatisfactory ratio results will be added to the next work plan and next reappraisal cycles.



# LIMITING CONDITIONS

The appraised value estimates provided by Denton Central Appraisal District are subject to the following conditions:

1. The appraisals were prepared exclusively for ad valorem tax purposes.
2. The property characteristic data upon which the appraisals are based is assumed to be correct. Exterior inspections of the property are performed as staff resources and time allows. Some interior inspections of properties are performed at the request of the property owner and required by the district for clarification purposes and to correct property descriptions.
3. Validation of sales transactions was made using sales letters, telephone calls to buyer, seller or realtor, and field review. Sales data obtained from vendors is also considered to be a reliable source.
4. Our analyses, opinions, and conclusions were developed in conformity with the Uniform Standards of Professional Appraisal Practices (USPAP) of the Appraisal Foundation, Code of Professional Ethics, as well as the requirements of the state of Texas.
5. Appendix B has a list of staff providing significant assistance to the person signing this certification.
6. The goal of the Appraisal District is to analyze and estimate market value of each property located in Denton County and in no way were the results or conclusions predetermined or biased.

**Certification Statement:**

“I, Hope McClure, Chief Appraiser for the Denton Central Appraisal District, solemnly swear that I have made or caused to be made a reappraisal plan for Denton Central Appraisal District as required by law.”



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Hope McClure, RPA, RTA, CTA, CCA  
Chief Appraiser

## Appendix A -Board of Directors

## Denton Central Appraisal District Board of Directors

Roy Atwood	Chairman
Charles Stafford	Vice Chairman
Ann Pomykal	Secretary
David Terre	Member
Alex Buck	Member
Michelle French	Ex Officio Member

## Appendix B - Entities

**Entities**

**June 2022**

**Schools**

<b>Taxing Unit</b>	<b>Type</b>	<b>Taxing Unit Name</b>
S01	S	ARGYLE ISD
S02	S	AUBREY ISD
S03	S	CARROLLTON-FB ISD
S04	S	CELINA ISD
S05	S	DENTON ISD
S06	S	FRISCO ISD
S07	S	KRUM ISD
S08	S	LAKE DALLAS ISD
S09	S	LEWISVILLE ISD
S10	S	LITTLE ELM ISD
S11	S	NORTHWEST ISD
S12	S	PILOT POINT ISD
S13	S	PONDER ISD
S14	S	SANGER ISD
S15	S	ERA ISD
S16	S	SLIDELL ISD
S17	S	PROSPER ISD
S18	S	COPPELL ISD
S19	S	GRAPEVINE- COLLEYVILLE ISD
S20	S	CARROLL ISD

## Cities

<b>Taxing Unit</b>	<b>Type</b>	<b>Taxing Unit Name</b>	<b>Taxing Unit</b>	<b>Type</b>	<b>Taxing Unit Name</b>
C01	C	AUBREY CITY OF	C26	C	ARGYLE TOWN OF
C02	C	CARROLLTON CITY OF	C27	C	COPPER CANYON TOWN OF
C03	C	THE COLONY CITY OF	C28	C	TROPHY CLUB TOWN OF
C04	C	CORINTH CITY OF	C29	C	PLANO CITY OF
C05	C	DENTON CITY OF	C30	C	DOUBLE OAK TOWN OF
C07	C	FLOWER MOUND TOWN OF	C31	C	BARTONVILLE TOWN OF
C08	C	HIGHLAND VILLAGE CITY OF	C32	C	FRISCO CITY OF
C09	C	JUSTIN CITY OF	C33	C	NORTHLAKE TOWN OF
C10	C	KRUM CITY OF	C34	C	SHADY SHORES TOWN OF
C11	C	LAKE DALLAS CITY OF	C35	C	CROSS ROADS TOWN OF
C12	C	LEWISVILLE CITY OF	C36	C	FORT WORTH CITY OF
C13	C	LITTLE ELM TOWN OF	C37	C	SOUTHLAKE CITY OF
C14	C	PILOT POINT CITY OF	C38	C	HASLET CITY OF
C15	C	PONDER TOWN OF	C39	C	GRAPEVINE CITY OF
C16	C	SANGER CITY OF	C40	C	NEWARK CITY OF
C17	C	ROANOKE CITY OF	C42	C	DISH TOWN OF
C18	C	KRUGERVILLE CITY OF	C43	C	KELLER CITY OF
C19	C	HICKORY CREEK TOWN OF	C44	C	WESTLAKE TOWN OF
C20	C	DALLAS CITY OF	C45	C	NEW FAIRVIEW CITY OF
C21	C	COPPELL CITY OF	C46	C	AURORA CITY OF
C22	C	HACKBERRY CITY OF	C47	C	CORRAL CITY
C24	C	OAK POINT CITY OF	C48	C	PROSPER TOWN OF
C25	C	LAKESWOOD VILLAGE TOWN	C49	C	CELINA CITY OF
			C50	C	HEBRON CITY OF
			C51	C	PROVIDENCE VILLAGE TOWN

### Special Districts

<b>Taxing Unit</b>	<b>Type</b>	<b>Taxing Unit Name</b>
ESD1	E	DENTON CO EMERGENCY SERVICE DIST NO 1
ESD2	E	TROPHY CLUB PID NO 1 EMERGENCY SERVICE
G01	G	DENTON COUNTY
L01	M	DENTON CO LEVY IMP DIST
W43	M	OAK POINT WCID NO 4
W44	M	CANYON FALLS MUD NO 1
W47	M	DENTON CO MUD NO 6
W48	M	FAR NORTH FORT WORTH MUD NO. 1 (DENTON CNTY PT)
W49	M	DENTON CO MUD NO 9
W50	M	DENTON CO MUD NO 7
W54	M	DENTON CO MUD NO 10
W55	M	BIG SKY MUD
W56	M	RANCH AT FM 1385 MUD
W57	M	DENTON CO MUD NO 8
W58	M	TRADITION MUD OF DENTON COUNTY NO. 2A
W59	M	TRADITION MUD OF DENTON COUNTY NO. 2B
W60	M	LA LA RANCH MUD
W61	M	DECHERD RANCH MUD NO 1
W62	M	CIRCLE "T" MUD NO 3
W63	M	CLEAR SKY MUD
W64	M	STONEHILL RANCH MUD 1 OF DENTON COUNTY
W65	M	NORTHWEST DENTON COUNTY MUD 1
W67	M	PRAIRIE OAKS MUD OF DENTON COUNTY
<b>Taxing Unit</b>	<b>Type</b>	<b>Taxing Unit Name</b>
MMD1	O	HIGHWAY 380 MUNICIPAL MANAGEMENT DISTRICT NO 1
MMD3	O	NORTHLAKE MUNICIPAL MANAGEMENT DISTRICT NO 1
MMD4	O	NORTHLAKE MUNICIPAL MANAGEMENT DISTRICT NO 2
PID1	O	LEWISVILLE PUBLIC IMPROVEMENT DISTRICT NO 1
PID10	O	VALENCIA ON THE LAKE PID
PID11	O	RAYZOR RANCH PID NO1
PID13	O	THE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT
PID14	O	RIVENDALE BY THE LAKE PID NO 1
PID15	O	THE CREEKS OF LEGACY PID
PID16	O	RIVERWALK PUBLIC IMPROVEMENT DISTRICT NO 1
PID19	O	HACKBERRY PUBLIC IMPROVEMENT DISTRICT NO 3
PID2	O	CROSS ROADS PID NO 1
PID20	O	JOSEY LANE PID
PID22	O	THE COLONY PID NO 1
PID23	O	RIVENDALE BY THE LAKE PID NO 2
PID24	O	JACKSON RIDGE PID
PID26	O	PONDER PID NO 1
PID27	O	CARROLLTON CASTLE HILLS PID NO 1
PID28	O	SHAHAN PRAIRIE ROAD PUBLIC IMPROVEMENT DISTRICT NO 1

PID29	O	LAKESIDE ESTATES PID NO 2 (FKA LAKESIDE ESTATES PID)
PID30	O	RUDMAN TRACT PID
PID31	O	HILLSTONE POINTE PID NO.2
PID32	O	WATERBROOK OF ARGYLE PID
PID33	O	WINN RIDGE SOUTH PID
PID35	O	CARROLLTON CASTLE HILLS PID NO 2
PID36	O	THE HIGHLANDS OF ARGYLE PID 1
PID37	O	SUTTON FIELDS II PID
PID38	O	RIVENDALE BY THE LAKE PID NO 3
PID4	O	TROPHY CLUB PID NO 1
PID40	O	OAK POINT PID NO 2
PID41	O	WILDRIDGE PID IA NO 2
PID42	O	WILDRIDGE PID NO 1 O&M
PID43	O	SHAHAN PRAIRIE RD PID NO 1 O&M
PID44	O	TIMBERBROOK PID IA NO 1
PID45	O	TIMBERBROOK PID NO 1 MIA
PID46	O	PRAIRIE OAKS PID NO 1 - O&M
PID48	O	PRAIRIE OAKS PID NO 1 - PHASE 1
PID49	O	PRAIRIE OAKS PID NO 1 - MIA
PID5	O	BRIARWYCK PUBLIC IMPROVEMENT DISTRICT
PID50	O	RIVENDALE POINTE PID
PID51	O	WILDRIDGE PID MIA
PID52	O	WILDRIDGE PID IA NO 1
PID53	O	PRAIRIE OAKS PID NO.1 - PHASE 1C & PHASE 2
PID54	O	HICKORY FARMS PID
PID6	O	HACKBERRY HIDDEN COVE PUBLIC IMPROVEMENT DISTRICT NO.2
PID61	O	EDGEWOOD CREEK PID
PID62	O	SPIRITAS RANCH PID
PID63	O	WILDRIDGE PID IA NO 4
PID64	O	TIMBERBROOK PID IA NO 2A
PID65	O	TIMBERBROOK PID IA NO 2B
PID66	O	SUTTON FIELDS EAST PID
PID67	O	SPIRITAS EAST PID
PID68	O	MOSAIC PID
PID69	O	RESERVE AT HICKORY CREEK PID
PID7	O	NORTHLAKE PID NO 1
PID70	O	MOBBERLY PID
PID8	O	HICKORY CREEK PID 1
PID9	O	HICKORY CREEK PID 2
T01	O	SPEEDWAY TIF NUMBER 1
T02	O	SPEEDWAY TIF NUMBER 2
T03	O	FLOWER MOUND TIRZ NO 1
TIF1	O	LEWISVILLE CITY TIRZ NO 1
TIF10	O	VALENCIA ON THE LAKE TIRZ NO 4
TIF11	O	CORINTH TIRZ NO 14-1
TIF12	O	LITTLE ELM TIRZ NO 5
TIF13	O	NORTHLAKE TIRZ NO 1
TIF15	O	NORTHLAKE TIRZ NO 2



TIF16	O	NORTHLAKE TIRZ NO 3
TIF17	O	LITTLE ELM TIRZ NO 6
TIF18	O	WATERBROOK OF ARGYLE TIRZ NO 1
TIF19	O	JACKSON RIDGE TIRZ NO 1 - CITY OF AUBREY
TIF2	O	LEWISVILLE CITY TIRZ NO 2
TIF20	O	LEWISVILLE CITY TIRZ NO 3
TIF21	O	PILOT POINT TIRZ NO 1
TIF22	O	CORINTH TIRZ NO 1
TIF23	O	LEWISVILLE CITY TIRZ NO 4
TIF24	O	CORINTH TIRZ NO 2
TIF25	O	CORINTH TIRZ NO 3
TIF26	O	FRISCO TIRZ NO 1
TIF27	O	FRISCO TIRZ NO 7
TIF3	O	LITTLE ELM TIRZ NO 3
TIF6	O	DENTON CITY DOWNTOWN TIRZ NO 1
TIF8	O	THE COLONY TIRZ NO 1
TIF9	O	DENTON CITY TIRZ NO 2 (Westpark)
X01	O	TRIBUTE AT THE COLONY - PD18
X02	O	TRIBUTE AT THE COLONY - PD23
PID71	P	CREEKVIEW PID
PID72	P	AUBREY PID NO 2
R01	R	DENTON CO RECLAMATION, RD & UTL DIST

<b>Taxing Unit</b>	<b>Type</b>	<b>Taxing Unit Name</b>
W02	W	LAKE CITIES MUA
W03	W	TROPHY CLUB MUD NO 1
W04	W	CLEARCREEK WATERSHED AUTHORITY
W13	W	DENTON CO FWSD 6
W17	W	DENTON CO FWSD 10
W18	W	DENTON CO FWSD 8-A
W19	W	DENTON CO FWSD 8-B
W20	W	DENTON CO FWSD 11-A
W21	W	DENTON CO FWSD 7
W22	W	DENTON CO MUD NO 4
W23	W	DENTON CO MUD NO 5
W24	W	FRISCO WEST WCID OF DENTON COUNTY
W25	W	DENTON CO FWSD 11-B
W26	W	DENTON CO FWSD 4-A
W27	W	OAK POINT WCID NO 1
W28	W	OAK POINT WCID NO 2
W29	W	OAK POINT WCID NO 3
W30	W	SMILEY ROAD WCID NO 1
W32	W	DENTON CO FWSD 11-C
W33	W	NORTH FORT WORTH WCID NO 1
W35	W	VALENCIA ON THE LAKE WCID NO 1
W37	W	BROOKFIELD WCID OF DENTON COUNTY
W38	W	ALPHA RANCH FRESH WATER SUPPLY DISTRICT NO. 1
W39	W	BELMONT FWSD NO 1
W41	W	THE LAKES FWSD
W42	W	CANYON FALLS WCID NO 2
W45	W	BELMONT FWSD NO 2
W51	W	SMILEY ROAD WCID NO 2
W52	W	DENTON CO FWSD 12
W53	W	DENTON CO FWSD 13
W66	W	TALLEY RANCH WCID NO 1
TIF28	T	AUBREY TIRZ NO 2
TIF29	T	AUBREY TIRZ NO 3

## Appendix C - Key Personnel

**Denton Central Appraisal District**

**List of Key Personnel**

Name	Title
Hope McClure	Chief Appraiser
Don Spencer	Deputy Chief Appraiser
Kim Collins	HR Finance Manager
Rebecca Townsend	Customer Service Manager
Chuck Saling	Commercial Manager
Jake Clerihew	Business Personal Property Supervisor
Jenna Simek	Residential Manager
David Steele	IT Manager
Jon Martin	Mapping Manager

## Appendix D- Calendar of Events

## 2023 CALENDAR OF EVENTS

January 2023	Appraisal Date (except for properties appraised under Sec 23.12(f)) BPP renditions and exempt property applications mailed
March 2023	Field work for real property to be completed PTAD ARB Training for new members Oil & Gas Orientation PTAD ARB Training for existing members
April 2023	Estimates of taxable value sent to entities (sent weekly until certification) BPP Rendition deadline (without extension request) Deadline for appraisers to turn work in for data entry Process real property appraisal notices Deadline for exemption applications including Ag, Freeport and Pollution Mail real property appraisal notices
May 2023	Meeting with the City Managers of Denton County Turn records over to the ARB ARB hearings begin Mineral notices mailed Meeting with the Superintendents and Denton County Judge BPP rendition deadline (with extension) Process BPP appraisal notices Mail BPP appraisal notices Protest deadline for real property
June 2023	Protest deadline for BPP Mineral hearings
July 2023	ARB approves records Chief Appraiser certifies roll
August 2023	EPTS & EARS reports submitted to PTAD Field work begins for next appraisal year
September 2023	Appraisal date for Sec 23.12(f) properties

\*\*Actual day is tentative.

## 2024 CALENDAR OF EVENTS

January 2024	Appraisal Date (except for properties appraised under Sec 23.12(f)) BPP renditions and exempt property applications mailed
March 2024	Field work for real property to be completed PTAD ARB Training for new members Oil & Gas Orientation PTAD ARB Training for existing members
April 2024	Estimates of taxable value sent to entities (sent weekly until certification) BPP Rendition deadline (without extension request) Deadline for appraisers to turn work in for data entry Process real property appraisal notices Deadline for exemption applications including Ag, Freeport and Pollution Mail real property appraisal notices
May 2024	Meeting with the City Managers of Denton County Turn records over to the ARB ARB hearings begin Mineral notices mailed Meeting with the Superintendents and Denton County Judge BPP rendition deadline (with extension) Process BPP appraisal notices Mail BPP appraisal notices Protest deadline for real property
June 2024	Protest deadline for BPP Mineral hearings
July 2024	ARB approves records Chief Appraiser certifies roll
August 2024	EPTS & EARS reports submitted to PTAD Field work begins for next appraisal year
September 2024	Appraisal date for Sec 23.12(f) properties

\*\*Actual day is tentative.

# Appendix E - Neighborhood Codes

06/2022



0	DC02028	DC02098	DC02159	DC03043	DC04024	DC04084
100	DC02029	DC02098TH	DC02159PH	DC03043T	DC04025	DC04085
AA001HS	DC02031	DC02099	DC02159TH	DC03044	DC04026	DC04352
AA01%	DC02033	DC02100	DC02160	DC03044L	DC04027	DC04800
AA01G01	DC02035	DC02101	DC02160A	DC03046	DC04027W	DC04911
AA01LAND	DC02040	DC02102	DC02160PH	DC03047	DC04028	DC05001
AA01PAVING	DC02042	DC02103	DC02160T	DC03049	DC04029	DC05001A
C02	DC02044	DC02104	DC02161	DC03049G	DC04031	DC05001B2
C03	DC02045	DC02105	DC02161A	DC03052	DC04032	DC05001C
CAD	DC02046	DC02106	DC02162	DC03054	DC04033	DC05002
cFV	DC02046G	DC02107	DC02163	DC03055	DC04035	DC05003
COMN-AREAS	DC02047	DC02108	DC02164	DC03056	DC04036	DC05003B2
CORP	DC02049	DC02109	DC02165	DC03057	DC04037	DC05004
DC0035	DC02050	DC02110	DC02166	DC03060	DC04038	DC05004B
DC01001	DC02050L	DC02111	DC02167	DC03065	DC04039	DC05005
DC01005	DC02051	DC02112	DC02170	DC03066	DC04040	DC05005TH
DC01006	DC02052	DC02113	DC02314	DC03067	DC04041	DC05006
DC01007	DC02054	DC02114	DC02316	DC03068GH	DC04042	DC05006B2
DC01008	DC02055	DC02115	DC02320	DC03068TH	DC04043	DC05007
DC01009	DC02056	DC02116	DC02800	DC03070	DC04044	DC05007B2
DC01010	DC02057	DC02117	DC02801	DC03070LF	DC04045	DC05008
DC01011	DC02059	DC02119	DC02802	DC03071CD	DC04046	DC05009
DC01012	DC02059HB2	DC02121	DC02802TH	DC03071T	DC04047	DC05010
DC01012L	DC02060	DC02122	DC02803	DC03072	DC04048	DC05011
DC01012MH	DC02061	DC02123	DC02804	DC03073	DC04049	DC05012
DC01013	DC02062	DC02124	DC02804TH	DC03074	DC04050	DC05013
DC01018	DC02062TH	DC02125	DC03001	DC03075	DC04051	DC05014
DC01020B	DC02063	DC02126	DC03002	DC03075A	DC04052	DC05015
DC01020B2	DC02063TH	DC02127	DC03003	DC03076	DC04052N	DC05016
DC01020F	DC02064	DC02128	DC03003A	DC03077	DC04053	DC05017
DC01021	DC02065	DC02129	DC03003B	DC03078	DC04054	DC05018
DC01022	DC02067	DC02130	DC03004	DC03079	DC04055	DC05019
DC01022B2	DC02068	DC02131	DC03004B	DC03080	DC04056	DC05020
DC01023	DC02069	DC02132	DC03005	DC03081	DC04057	DC05021
DC02001	DC02070	DC02133	DC03007	DC03099	DC04058	DC05022
DC02002	DC02071	DC02134	DC03010	DC03160	DC04059	DC05023
DC02003	DC02072	DC02135	DC03014	DC04001	DC04060	DC05024
DC02004	DC02073	DC02136	DC03017	DC04002	DC04061	DC05025
DC02005	DC02074	DC02137	DC03018	DC04003	DC04062	DC05026
DC02005TH	DC02075	DC02138	DC03019	DC04004	DC04063	DC05027
DC02006	DC02076	DC02139	DC03020	DC04005	DC04064	DC05028
DC02008	DC02077	DC02140	DC03021	DC04006	DC04065	DC05028B2
DC02009	DC02078	DC02141	DC03022	DC04007	DC04065B	DC05029
DC02009S03	DC02079	DC02142	DC03022B	DC04008	DC04066	DC05029B2
DC02010	DC02079A	DC02145	DC03023	DC04009	DC04066C	DC05030
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DC32002	DC32060A	DC32102M	DC34009L	DC36006N	DC41007	DG02018
DC32003GC	DC32060V	DC32102N	DC34010	DC36006NGC	DC41009	DG02019
DC32004	DC32061	DC32103	DC34011	DC36006P	DC41010	DG02300
DC32004GC	DC32061C	DC32104	DC34012	DC36006PGC	DC41011	DG03001
DC32005	DC32062	DC32104A	DC34013	DC36007	DC41012	DG03002
DC32006	DC32063	DC32105	DC34014	DC36007A	DC41013	DG04001
DC32007	DC32064	DC32105A	DC34015	DC36007D	DC41014	DG04002
DC32008	DC32064B	DC32106	DC34016	DC36007G	DC41015	DG04003
DC32009	DC32065	DC32106A	DC34017	DC36007K	DC41016	DG04004
DC32010	DC32066	DC32107	DC34019	DC36007W	DC41017	DG04005
DC32011	DC32066G	DC32108	DC34021	DC36008	DC42001	DG04006
DC32012	DC32068	DC32109	DC34022	DC36009	DC42001INV	DG04007
DC32013	DC32068GC	DC32110	DC34023	DC36010	DC42001MH	DG04008
DC32013A	DC32071	DC32111	DC34023MH	DC36010N	DC42001NMH	DG04009
DC32013TH	DC32072	DC32112	DC34025	DC36010NM	DC42002	DG04010
DC32014	DC32073	DC32113	DC34026	DC36011	DC42003	DG04012
DC32015	DC32074	DC32114	DC34027	DC36011P	DC42004	DG04012F
DC32016	DC32075	DC32115	DC34028	DC36012	DC42005	DG04013
DC32017	DC32075A	DC32116	DC34029	DC36013	DC43001	DG04014
DC32018	DC32075B	DC32117	DC34030	DC36014	DC43002	DG04015
DC32018W	DC32077C2N	DC32118	DC34031	DC36014B	DC43003B2	DG04016
DC32019	DC32077CL	DC32119	DC34032	DC36014H	DC44001	DG04017
DC32019A	DC32077CL2	DC321201	DC34033	DC36015	DC45001	DG04018
DC32020	DC32077CLN	DC32121	DC34034	DC36015A	DC45002	DG04019
DC32020W	DC32077CO	DC32210	DC34035	DC36015AG	DC48001	DG04020
DC32021	DC32077E	DC32211	DC34036	DC36015G	DC48002	DG04021
DC32025	DC32077EN	DC32212	DC34038	DC36016	DC48003	DG04022
DC32026	DC32078	DC32213	DC35001A	DC36017	DC48003A	DG04023
DC32027	DC32078B	DC32214	DC35001MH	DC36018	DC48004	DG04024
DC32031	DC32078L	DC32215	DC35002	DC37001	DC48005	DG04024B
DC32032	DC32079	DC32216	DC35005	DC37002	DC48005A	DG04024F
DC32033	DC32079A	DC32218	DC35006	DC37003	DC48005B	DG04024OB
DC32037	DC32079B	DC330001	DC35007	DC37004	DC48005C	DG04025
DC32038	DC32079C	DC330001B	DC35010	DC37005	DC48005N	DG04026
DC32039	DC32079D	DC33001	DC35011	DC37006	DC48005P	DG04027
DC32041	DC32080	DC33002	DC36001	DC37007	DC48005TH	DG04028
DC32042	DC32081	DC33003	DC36001A	DC38001	DC48006	DG04029
DC32042GC	DC32082	DC33004	DC36001B	DC38004	DC48007	DG04029F
DC32044	DC32083	DC33005	DC36001C	DC38005	DC48008	DG04029MH
DC32047	DC32084	DC33006	DC36001D	DC38006	DC48009	DG04030
DC32048	DC32090	DC33007	DC36003	DC38007B	DC48010	DG04031
DC32049	DC32091	DC33008	DC36003DR	DC38007F	DC4805C	DG04032B
DC32049GC	DC32092	DC33009	DC36004	DC40001	DC49001	DG04032F
DC32050	DC32093	DC33010	DC36004A	DC40001F	DC49002	DG04041
DC32051	DC32094	DC33011	DC36004AGC	DC40001M	DC49003	DG04042
DC32052	DC32095	DC33012	DC36004B	DC40002	DC51001	DG04042H
DC32052A	DC32097	DC33020	DC36004C	DC40003	DC99999	DG04043
DC32053	DC32098	DC33020C	DC36004CH	DC40003L	DCOS345MH	DG04044
DC32053A	DC32099	DC33020DRP	DC36004CO	DC40003LF	DG01001	DG04045
DC32053B	DC32100	DC33020TH	DC36004DEL	DC40003MH	DG02001	DG04046
DC32053C	DC32101	DC33021	DC36004G	DC40009	DG02004	DG04047

DG04048	DR07KR01B	DS01006	DS02012	DS04CE01MH	DS051901G	DS05600T
DG04049	DR07KR01F	DS01006B	DS02012A	DS04PASTUR	DS051902	DS05602
DG04050	DR07KR01MH	DS01006F	DS02013	DS05001	DS051902L	DS05603
DG04051	DR07KR02	DS01007	DS02013A	DS05002	DS051903	DS05903
DG04052	DR07KR02B	DS01008M	DS02014	DS05003	DS051903B	DS05917
DG04052C	DR07KR02F	DS01009	DS02014A	DS05004	DS051904	DS05918
DG04052S	DR07KR02MH	DS01009M	DS02015	DS05005	DS051905	DS05919
DG04053	DR07KR03	DS01010	DS02016	DS05006	DS051906	DS05920
DG04053MH	DR07KR03B	DS01011	DS02017	DS05006MH	DS052902L	DS05920P1
DG04054MH	DR07KR03F	DS01012	DS02018	DS05007	DS05293N	DS05920P2
DG04055	DR07KR03MH	DS0101355	DS02019	DS05008	DS05303	DS05920P3
DG04056	DR07KR04	DS01013B	DS02020	DS05009	DS05314	DS05920P4
DG04057	DR07KR04B	DS01014	DS02021	DS05010	DS05315	DS05921
DG04058	DR07KR04F	DS01015	DS02030	DS05011	DS05315GC	DS05922
DG05001	DR07KR04MH	DS01015A	DS02031	DS05012	DS05316	DS05923
DG05002	DR07KR05	DS01015MH	DS02032	DS05013	DS05316GC	DS05923N
DG05003	DR07KR05B	DS01015N	DS02033	DS05013GC	DS05317	DS05924
DG05004	DR07KR05F	DS01015T	DS02034	DS05014	DS05318	DS05924P
DG05005	DR07KR05MH	DS01015TH	DS02035	DS05015	DS05319	DS05925
DG05006	DR14KS01	DS01016	DS02036	DS05016	DS05321	DS05926
DG05007	DR14KS01B	DS01017	DS02037	DS05017	DS05322	DS05927
DG05008	DR14KS01F	DS01018	DS02038	DS05018	DS05322GC	DS05928
DG05009	DR14KS01MH	DS01019	DS02039	DS05019	DS05323	DS05929
DG05010	DR14KS02	DS01020	DS02040	DS05020	DS05325	DS05930
DG05010GC	DR14KS02B	DS01021	DS02041	DS05021	DS05326	DS05930CO
DG05011	DR14KS02F	DS01022	DS02042	DS05031	DS05327	DS05931
DG05011C	DR14KS02MH	DS01024	DS02043	DS05032	DS05328	DS05933
DG05011D	DR14KS03	DS01025	DS02043A	DS05033	DS05328GC	DS05934
DG05011H	DR14KS03B	DS01026	DS02043MH	DS05033MH	DS05329	DS05935
DG05011KB	DR14KS03F	DS01027	DS02044	DS05034	DS05329GC	DS05936
DG05012	DR14KS03MH	DS01028	DS02045	DS05035	DS05329N	DS05937
DG05013	DR14SA01	DS01029	DS02045A	DS05035GC	DS05330	DS05938
DG05013P	DR14SA01B	DS01029MH	DS02046	DS05036	DS05330GC	DS05939
DG05013SP	DR14SA01F	DS01030	DS02046A	DS05036GC	DS05331B	DS05940
DG05014	DR14SA01MH	DS01031	DS02047	DS05037	DS05331F	DS05940S03
DG05030	DR14SA02	DS01032	DS02048	DS05037GC	DS05332	DS05PASTUR
DG05031	DR14SA02B	DS01033	DS02049	DS05038	DS05333	DS05W1900
DG05032	DR14SA02F	DS01034	DS02051	DS05038GC	DS05334	DS06003
DG05033	DR14SA02MH	DS01035	DS02053	DS05039	DS05335	DS06005
DG05034	DR14SA03	DS01MH	DS02400	DS05040	DS05335GC	DS06010
DG05034DR	DR14SA03B	DS01PASTUR	DS02500	DS05040F	DS05337	DS06010MH
DG05034S	DR14SA03F	DS02001	DS02555	DS05040MH	DS05340	DS06PASTUR
DG05035	DR14SA03MH	DS02002	DS02800	DS05041	DS05343	DS07001
DG05100	DR14SA04	DS02002(MH)	DS02900	DS05041F	DS05531B	DS07002
DG05101	DR14SA04B	DS02002B	DS02910	DS05041MH	DS05531F	DS07003
DG05102	DR14SA04F	DS02002MH	DS02PASTUR	DS05042B	DS05532B	DS07004
DG05200	DR14SA04MH	DS02003	DS03PASTUR	DS05043	DS05532F	DS07005
DG05300	DR14SA05	DS020038	DS04001	DS05044	DS05533MH	DS07006
DG05301	DR14SA05B	DS02003A	DS04001MH	DS05044GC	DS05535	DS07009
DG05302	DR14SA05C	DS02004	DS04002	DS05050	DS05536	DS07010
DG05302C	DR14SA05F	DS02005	DS04003	DS0510B	DS05537	DS07011
DG05302DR	DR14SA05MH	DS02006	DS04004	DS0510F	DS05538	DS07012
DG05302H	DS01	DS02006G	DS04004B	DS05110	DS05538MH	DS07013
DG05303	DS01001	DS02007	DS04004F	DS0511MH	DS05555	DS07013MH
DG05304	DS01001A	DS02008	DS04004MH	DS0512MH	DS05556	DS07014
DG05308	DS01002	DS02008MH	DS04005L	DS0514F	DS05557	DS07015
DR05DS03B	DS01003MH	DS02009	DS04007	DS0514MH	DS05557B	DS07016
DR05DS03F	DS01004	DS02010	DS04CE01	DS05155	DS05557L	DS07017
DR05DS03MH	DS01004GC	DS02011	DS04CE01B	DS051900	DS05558	DS07018
DR07KR01	DS01005	DS02011MH	DS04CE01F	DS051901	DS05600	DS07019

DS07019MH	DS09012	DS10051	DS11049	DS11PAST05	DS12037MH	DS13045
DS07020	DS09013	DS1009	DS11049-MH	DS11PAST06	DS12038	DS13046
DS07021	DS09014	DS1016	DS11049MH	DS11PAST07	DS12039A	DS13047
DS07022	DS09015	DS1017	DS11050	DS11PASTUR	DS12039B	DS13047A
DS07023	DS09015G	DS105000	DS11051	DS12001	DS12039F	DS13047B
DS07024	DS09016	DS10601	DS11053	DS12002	DS12039L	DS13047MH
DS07025	DS09016MH	DS10602	DS11054	DS12003	DS12040	DS13048
DS07025MH	DS09017	DS10603	DS11055	DS12004	DS12040A	DS13050
DS07026	DS09018	DS10604	DS11055MH	DS12004MH	DS12041	DS13PASTUR
DS07027	DS09019	DS10605	DS11056	DS12006	DS12041A	DS14001
DS07028	DS09020	DS10606	DS11056MH	DS12007	DS12042	DS14002
DS07029	DS09021	DS10PASTUR	DS11057	DS12008	DS12045	DS14003
DS07030	DS09022	DS11001	DS11060	DS12009	DS12900	DS14004
DS07031	DS09023	DS11002	DS11061	DS12010	DS12900MH	DS14005
DS07032	DS09023TH	DS11003	DS11061-MH	DS12011	DS12PASTUR	DS14005B
DS07033	DS09024	DS11004	DS11062	DS12011A	DS13001	DS14005MH
DS07034	DS09025	DS11005	DS11064MH	DS12012	DS13003	DS14006
DS07035	DS09026	DS11005H	DS11065	DS12012A	DS13003N	DS14007
DS07036	DS09398A	DS11006	DS11065MH	DS12013	DS130047A	DS14009
DS07037MH	DS09PASTUR	DS11007	DS11066	DS12014	DS13006	DS14010
DS07038	DS10001	DS11008	DS11067MH	DS12014A	DS13006MH	DS14011
DS07039	DS10001L	DS11008N	DS11068MH	DS12015MH	DS13007	DS14012
DS07040	DS10001LV	DS11009	DS11069	DS12016	DS13008	DS14013
DS07041	DS10002	DS11010	DS11070	DS12016B	DS13009	DS14014
DS07042	DS10002L	DS11011	DS11070B	DS12016F	DS13011	DS14015
DS07043	DS10003	DS11012	DS11070F	DS12016MH	DS13012	DS14016
DS07044	DS10003B2	DS11013	DS11070MH	DS12017	DS13012A2	DS14017
DS07044MH	DS10003MH	DS11014	DS11071B	DS12018	DS13013	DS14018
DS07045	DS10004	DS11014MH	DS11072	DS12019	DS13014	DS14019
DS07046	DS10004A2	DS11015	DS11073	DS12019A	DS13015	DS14020
DS07047	DS10004B	DS11016	DS11073MH	DS12020A	DS13016MH	DS14020MH
DS07048	DS10004F	DS11017	DS11074	DS12020B	DS13017	DS14021
DS07049	DS10004MH	DS11018	DS11074MH	DS12020F	DS13018	DS14022
DS07050	DS10005	DS11020	DS11075	DS12020L	DS13018MH	DS14023
DS07051	DS10005B	DS11022	DS11076	DS12021	DS13019	DS14024
DS07052	DS10005F	DS11022MH	DS11076G	DS12022A	DS13019H	DS14025
DS07052MH	DS10005L	DS11024	DS11078G01	DS12022B	DS13020	DS14026
DS07055	DS10006	DS11025	DS11079	DS12022F	DS13020MH	DS14027
DS07056	DS10006L	DS11025N	DS11080	DS12023	DS13021	DS14027B
DS07057	DS10007	DS11027H	DS11081	DS12023A	DS13021MH	DS14027F
DS07059	DS10008	DS11028	DS11082	DS12023B	DS13022	DS14027MH
DS07060	DS10008B	DS11028H	DS11082A	DS12023F	DS13023	DS14028
DS07PASTUR	DS10008F	DS11029	DS11082B	DS12024	DS13024	DS14029
DS08001	DS10008MH	DS11030	DS11082C	DS12024F	DS13026	DS14030
DS08002	DS10009	DS11031	DS11082MH	DS12025	DS13028	DS14031
DS08003	DS10010	DS11033	DS11083	DS12025A	DS13030	DS14032
DS08004	DS10011	DS11034	DS11085	DS12025B	DS13031	DS14033
DS08004MH	DS10012	DS11035	DS11090	DS12025F	DS13032	DS14034
DS08PASTUR	DS10012MH	DS11036	DS11091	DS12026	DS13033	DS14035
DS09	DS10013MH	DS11037	DS11900	DS12027	DS13034	DS14035B
DS09001	DS10014	DS11038	DS11900MH	DS12028	DS13034H	DS14035F
DS09001C	DS10015	DS11039	DS11901	DS12029	DS13034N	DS14035MH
DS09002	DS10016	DS11040	DS11901C	DS12030	DS13035	DS14036
DS09003	DS10020	DS11041	DS11901N	DS12031	DS13036	DS14036B
DS09004	DS10021	DS11042	DS11902	DS12032	DS13040	DS14036F
DS09005	DS10030	DS11043	DS11903	DS12033	DS13040MH	DS14036MH
DS09007	DS10030MH	DS11044	DS11PAST01	DS12034	DS13041	DS14037
DS09008	DS10031	DS11046	DS11PAST02	DS12035	DS13042	DS14037B
DS09009	DS10031MH	DS11047	DS11PAST03	DS12036	DS13043	DS14037F
DS09011	DS10050	DS11048	DS11PAST04	DS12037	DS13044	DS14037MH



DS14038	DS16002MH	EXEMPTC11	HC20G01	MF01B21S05	MF01S05C1U	MF06C3U
DS14039	DS16PASTUR	EXEMPTC12	HC25G01	MF01B21S08	MF01S09A1	MF06C4U
DS14040	DS17001	EXEMPTC14	HC25G01O	MF01B21S09	MF01S09B1	MF06G01A1
DS14042	DS17001MH	EXEMPTC15	HC30G01A	MF01B21S10	MF01S09B2	MF06G01B1
DS14042MH	DS17002	EXEMPTC16	HC30G01B	MF01B21S11	MF01S09C1	MF06G01C1
DS14043	DS17002MH	EXEMPTC17	HC30G01C	MF01B21S14	MF01S10A1	MF06S05A1U
DS14044	DS17003	EXEMPTC18	HC35G01	MF01B22C02	MF01S14A1	MF06S09C1
DS14045	DS17004	EXEMPTC19	MF01A1C02	MF01B22C03	MF01S14B1	MF07G01
DS14046	DS17005	EXEMPTC21	MF01A1C03	MF01B22S05	MF02AA001	MF10G01A
DS14047	DS17006	EXEMPTC24	MF01A1S05	MF01B22S08	MF02B1S05T	MF10G01B
DS14048	DS17007	EXEMPTC26	MF01A1S08	MF01B22S09	MF02B1S05U	MF10G01C
DS14050	DS17010	EXEMPTC27	MF01A1S09	MF01B22S10	MF02B2S05T	MF15G01A1
DS14051	DS17010C	EXEMPTC28	MF01A1S10	MF01B22S11	MF02B2S05U	MF15G01A2
DS14051MH	DS17010N	EXEMPTC31	MF01A1S11	MF01B22S14	MF02B3S05T	MF15G01B1
DS14052	DS17011	EXEMPTC32	MF01A1S14	MF01B23C02	MF02B3S05U	MF15G01B2
DS14053	DS17012	EXEMPTC33	MF01A2C02	MF01B23C03	MF02B4S05T	MF15G01C1
DS14054	DS17013	EXEMPTC34	MF01A2C03	MF01B23S05	MF02B4S05U	MF15G01C2
DS14056	DS17013B	EXEMPTC35	MF01A2S05	MF01B23S08	MF02B5S05T	MF15USDA
DS14056N	DS17013F	EXEMPTC36	MF01A2S08	MF01B23S09	MF02B5S05U	MF16G01A1
DS14057	DS17013L	EXEMPTC37	MF01A2S09	MF01B23S10	MF02C1S05T	MF20G01
DS14057B	DS17013MH	EXEMPTC48	MF01A2S10	MF01B23S11	MF02C1S05U	MF20G01M
DS14057M	DS17014	EXEMPTDC03	MF01A2S11	MF01B23S14	MF02C2S05T	MF20G01P
DS14060	DS17PASTUR	EXEMPTDC13	MF01A2S14	MF01B24C02	MF02C2S05U	MF20G01RV
DS14061	DS19020L	EXEMPTDC22	MF01A3C02	MF01B24S09	MF02C3S05T	MF25A1S05
DS14062B-9	DS32101N	EXEMPTDC25	MF01A3C03	MF01C02A1	MF02C3S05U	MF25A2S05
DS14062B6-	DS75011	EXEMPTDC29	MF01A3S05	MF01C02B1C	MF02C4S05T	MF25A3S05
DS14062F	ESMT	EXEMPTDS06	MF01A3S08	MF01C02B1D	MF02C4S05U	MF25A4S05
DS14062MH	EX11.11CNY	EXEMPTDS10	MF01A3S09	MF01C02B2C	MF02C5S05T	MF25A5S05
DS14063B	EX11.11CTY	EXEMPTS01	MF01A3S10	MF01C02B2D	MF02C5S05U	MF25AA001
DS14063F	EX11.11FWD	EXEMPTS02	MF01A3S11	MF01C03B1	MF02G01CO	MF25B1S05
DS14063MH	EX11.11ISD	EXEMPTS05	MF01A3S14	MF01C1C02	MF02S05A1	MF25B2S05
DS14064	EX11.11STT	EXEMPTS06	MF01AA01	MF01C1C03	MF02S05B1	MF25B3S05
DS14065	EX11.11UNV	EXEMPTS07	MF01B11C02	MF01C1S05	MF02S05B1N	MF25B4S05
DS14066	EX11.12FED	EXEMPTS09	MF01B11C03	MF01C1S08	MF02S05B2N	MF25B5S05
DS14067B	EX11.17CEM	EXEMPTS11	MF01B11S05	MF01C1S09	MF02S05B2S	MF25C1S05
DS14067F	EX11.18	EXEMPTS12	MF01B11S08	MF01C1S10	MF02S05B2T	MF25C2S05
DS14067MH	EX11.181	EXEMPTS13	MF01B11S09	MF01C1S11	MF02S05B2U	MF25C3S05
DS14068	EX11.184	EXEMPTS14	MF01B11S10	MF01C1S14	MF02S05C1N	MF25C4S05
DS14069	EX11.184ML	EXHB366	MF01B11S11	MF01C2C02	MF02S05C1S	MF25C5S05
DS14070L	EX11.19YSM	EXPPV	MF01B11S14	MF01C2C03	MF02S05C1T	MF25S05A1
DS14071	EX11.20REL	FL00G01	MF01B12C02	MF01C2S05	MF02S05C1U	MF25S05B1
DS14072MH	EX11.20REO	FL01G01D	MF01B12C03	MF01C2S08	MF02S09B2	MF25S05B2
DS14073	EX11.21	FL020G01B	MF01B12S05	MF01C2S09	MF02S09C1	MF25S05B3W
DS14074	EX11.23	FL025G01	MF01B12S08	MF01C2S10	MF02S14A1	MF25S05C1
DS14074MH	EX11.231ED	FL15S05LGT	MF01B12S09	MF01C2S11	MF02S14B1	MF25S05H
DS14075	EX11.23MIS	FL15S09PP	MF01B12S10	MF01C2S14	MF02S14B2	MF25S09H
DS14076	EX11.27	FL15S10BC	MF01B12S11	MF01C3C02	MF02S14C1	MF25S11H
DS14077	EX11.30WTR	FL15S10RL	MF01B12S14	MF01C3C03	MF05G01A1	MF25S14H
DS14078	EX11.31PC	FL15S11GT	MF01B13C02	MF01C3S05	MF05G01B1	MHPARKS
DS14079	EX23.18	FL15S11UG	MF01B13C03	MF01C3S08	MF05G01B2	NEW COMM
DS14080	EX23.93	FL20G01A	MF01B13S05	MF01C3S09	MF05G01C1	OF01A1C02H
DS14081	EXEMPT	FL20G01C	MF01B13S08	MF01C3S10	MF06A1U	OF01A1C02W
DS14082	EXEMPTC01	G01	MF01B13S09	MF01C3S11	MF06A2U	OF01A1C03P
DS14084	EXEMPTC02	HC01G01A	MF01B13S10	MF01C3S14	MF06B1U	OF01A1S05A
DS14200R	EXEMPTC04	HC01G01B	MF01B13S11	MF01C4S05	MF06B2U	OF01A1S05C
DS14900	EXEMPTC05	HC01G01C	MF01B13S14	MF01G01CO	MF06B3U	OF01A1S05G
DS14PASTUR	EXEMPTC07	HC05G01C	MF01B14C02	MF01S05A1	MF06B4U	OF01A1S06K
DS15001	EXEMPTC08	HC05G01E	MF01B14S09	MF01S05B1	MF06B5U	OF01A1S06S
DS16001	EXEMPTC09	HC10G01	MF01B21C02	MF01S05B2	MF06C1U	OF01A1S09M
DS16002	EXEMPTC10	HC15G01	MF01B21C03	MF01S05C1D	MF06C2U	OF01A1S09R

OF01A1S10	OF02S11	OFM3S05	RE30BS141	SC05G01C	WH05G01
OF01A1S10E	OF02S14	OFS08	RE30G01	SC10G011	WH10G01
OF01A1S10L	OF05G01	OFS09	RE30S11C	SC10G012	WH15A1C02
OF01A1S10W	OFA1C02	RE01G01AA	RE35G01	SC10G013A	WH15A1C05
OF01A1S11I	OFA1C03	RE01G01AB	RE40AA01	SC10G013B	WH15A1C07
OF01A1S11T	OFA1C07	RE01G01AC	RE40C02	SC10G013B1	WH15A1C12
OF01A2C02D	OFA1C07F	RE01G01SP	RE40C03	SC15G01A1	WH15A1C36
OF01A2C02G	OFA1C16	RE02G01	RE40G01S	SC15G01B1	WH15B1C02
OF01A2C02H	OFA1S05	RE055G01	RE400T	SC20G01A_A	WH15BS05
OF01A2C02J	OFA1S09	RE05AA01	RE40S05	SC20G01A1	WH15G01
OF01A2C02M	OFA1S10	RE05AS05	RE40S08	SC20G01A2	WH25G01
OF01A2C02P	OFA1S11	RE05AS09	RE40S09	SC20G01A3	WH25G01F
OF01A2S05P	OFA1S14	RE05AS10	RE40S10	SC20G01B	WH35G01
OF01A2S05U	OFA2C07	RE05AS11	RE40S11	SC20G01B_A	WH40G01A
OF01A2S09C	OFA2C07C	RE05BS05	RE40S14	SC20G01B1	WH40G01B
OF01A2S09L	OFA2C07W	RE05BS09	RE45G01	SC20G01B2	WH40G01C
OF01A2S09M	OFA2C08	RE05BS10	RE50G01	SC20G01C_A	WH50G01
OF01A2S09P	OFA2S05	RE05BS11	RE55G01	SC20G01C1	WH55G01
OF01A2S09V	OFA2S05P	RE05CS05	RE55G01A	SC20G01C2	WH55G01L
OF01A2S10C	OFA2S05PW	RE05CS09	RE55G01D	SC25G01A	WH60C02C
OF01A2S10E	OFA2S09	RE05G01A	RE55G01DC	SC30G01A1	WH60C02S
OF01A2S10L	OFA2S091	RE05G01B	RE55G01H	SC30G01A2	WH60C03C
OF01A2S10O	OFA2S09C	RE05G01C	RE55G01L	SC30G01A3	WH60C03S
OF01A2S10P	OFA2S09W	RE06G01	RE55S05A	SC30G01B1	WH60G01
OF01A2S10R	OFA2S10	RE100G01	RE55S05B	SC30G01B2	WH60S05C
OF01A2S10S	OFA3S09	RE100G01K	RE55S05C	SC30G01BSM	WH60S05M
OF01A2S10T	OFB1C03	RE100G01L	RE55S05C1	SC35G01	WH60S05S
OF01A2S10V	OFB1C2	RE10AA001	RE55S05C2	SC45G01A1	WH60S05SL
OF01A2S10W	OFB1S05	RE10G01	RE55S09	SC45G01A2	WH60S08S
OF01AA001	OFB1S05S	RE10G01B	RE70G01	SC45G01A3	WH60S09C
OF01B1C02F	OFB1S09	RE10G01BL	RE70G01A	SC45G01A4	WH60S09M
OF01B1C03E	OFB1S09OT	RE10G01D	RE70G01B	SC45G01A5	WH60S09S
OF01B1S05N	OFB1S11	RE10G01R	RE70G01C	SC45G01A6	WH60S10A
OF01B1S05R	OFB1S14	RE20C01S5	RE75G01	SC45G01ACS	WH60S10M
OF01B1S05S	OFB2C07	RE20G01S5	RE80G01	SC45G01AR	WH60S10S
OF01B1S09L	OFB2C07A	RE20G01TL	RE85S05	SC45G01B1	WH60S11M
OF01B1S09R	OFB2C07F	RE20G01T	RE85S09	SC45G01B2	WH60S11S
OF01B1S09T	OFB2C07T	RE25AA001	RE85S11J	SC45G01B3	WH60S14A
OF01B1S14R	OFB2C08	RE25G01	RE85S11P	SC45G01B4	WH60S14S
OF01B2C02H	OFB2S05	RE25G01G1	RE85S11R	SC45G01BCS	
OF01B2C02J	OFB2S09	RE25G01G2	RE85S14A	SC45G01C1	
OF01B2S05F	OFB2S09F	RE25G01G3	RE85S14K	SC45G01C2	
OF01B2S09L	OFB4S09	RE25G01G4	RE85S14P	SC45G01C3	
OF01B2S10S	OFBS10	RE25G01G5	RE85S14S	SC45G01CCS	
OF01C1S05G	OFC1C02	RE25G01K	RE90G0120	SC55G01	
OF01C1S05O	OFC1C03	RE30A1G01	RE90G0180	SC55G01A	
OF01C1S09A	OFC1S05	RE30AC02	RE90G0190	SC55G01B	
OF01C1S09E	OFC1S09	RE30AC03	RE90G01S	SE035G01	
OF01C1S09M	OFC1S11	RE30AS05	ROW	SE10G01	
OF01G01	OFC1S14	RE30AS09	S05	SE20G01	
OF01S09A1C	OFC2C08	RE30AS10	S08	SE30G01	
OF01S09A1H	OFC2S05	RE30AS11	S09	SE36G01	
OF02C02B	OFC2S09	RE30BC02	S10	SE40G01	
OF02S05B1	OFC3S05	RE30BC03	S11	SE50G01	
OF02S05B2	OFC3S09	RE30BS05	S14	SP05G01	
OF02S05B3	OFC4S05	RE30BS051	SC01G01A1	SP20G01	
OF02S05M	OFM1C02	RE30BS09	SC01G01B1	WH01G01M	
OF02S05S	OFM1S05	RE30BS091	SC01G01C1	WH01S05M	
OF02S09B1	OFM1S09	RE30BS11	SC05G01A	WH01S11NW	
OF02S09B2	OFM2S05	RE30BS14	SC05G01B	WH01S11TH	

# Appendix F - Wardlaw Reappraisal Plan 2023-2024

06/2022

# WARDLAW APPRAISAL GROUP CLIENT APPRAISAL DISTRICT

Reappraisal Plan 2023 – 2024

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## Contract Valuation Support

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### Appraisal Responsibility

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

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

### Appraisal Calendar & Timetable

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

<u>Convert to New Year Database:</u>	~ October 1
<b><u>October – March:</u></b>	Field Inspections of Properties for upcoming tax year
<b><u>January 1:</u></b>	Beginning of the Tax Year
<b><u>Prior to January 31:</u></b>	Mail Rendition Request Letters & Operator Data Requests
<b><u>January 31:</u></b>	Last day for receipt of 25.25 protests from prior year
<b><u>April 15<sup>th</sup>-to May 15<sup>th</sup>:</u></b>	Renditions due (dates dependent property type)
<b><u>Around April 15:</u></b>	Send out Preliminary Mineral Appraisals
<b><u>Around May 1:</u></b>	Mail Initial Notices of Appraised Value
<b><u>May 1:</u></b>	Begin Equalization Process. Work with property owners to settle formal and informal protests
<b><u>By June 1:</u></b>	Mail Remaining Notices of Appraised Value
<b><u>Late June – Early July:</u></b>	Informal and Formal ARB Hearings
<b><u>Mid-July:</u></b>	Deliver Totals and Certified Rolls & Export to CADs
<b><u>August – November:</u></b>	Process Property Supplements, Additions & Deletions
<b><u>Ongoing:</u></b>	New Property Discover

### Equalization Period

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

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

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

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

### Appraisal Responsibility

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

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

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

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

### Appraisal Resources

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

Data - A common set of production data for each mineral property account in each CAD is collected from the Texas Railroad Commission Records and data entered to the appraisal firm's computer. The property characteristic data is gleaned from the production data and drives the computer-assisted mineral property appraisal system. Railroad Commission records are searched to discover new leases as of January 1 of each year and descriptive information is gathered to determine the location of the lease within the CAD jurisdictional boundaries. Records are also reviewed for changes in production for existing wells, for abandoned wells, and for non-producing wells with salvage value for the equipment, tanks, and tubular goods. Production history for each mineral lease is gathered from HPDI, Drilling Info, Petroleum Information, and from the Texas Railroad Commission. Division Orders on each lease are requested annually from lease operators and checked against the existing division orders for changes as well as for accuracy of owner name, address, and ownership percentage interest. To help determine operating expense information on each active lease, lease-specific operating expenses are requested annually. A Confidential Lease Operating Expense Detail request letter is e-mailed or mailed, to the operators or agents representing operators requesting lease-specific operating expenses.

To assist with the economic parameters influencing these properties, general economic data is gathered for the valuation process. The method of appraisal for minerals-in-place is the discounted cash flow analysis which looks at the net present value of the future income that is

derived from operating the lease. Current interest rates, market rates of return and levels of discounting the investment are factors to consider when evaluating the returns necessary to attract investment capital for this type property. The annual capitalization rates are calculated using the “Manual for Discounting Oil and Gas Income” as developed by the Texas Comptroller’s Office. Data is obtained from Ibbotson’s SBBI Valuation Edition, Wall Street Journal, Standard & Poor’s Bond Guide, and Value Line Investment Survey “Ratings and Reports”.

## VALUATION AND STATISTICAL ANALYSIS (model calibration)

### ***Pricing, Operating Expenses and Reserve Analysis***

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

### ***Value Review Procedures***

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

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

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



### Appraisal Responsibility

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

### Appraisal Resources

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

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

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

VALUATION AND STATISTICAL ANALYSIS (model calibration)

### ***Approaches to Valuation, Reconciliation***

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

### ***Value Review Procedures***

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

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

**STAFF PROVIDING SIGNIFICANT  
MASS APPRAISAL ASSISTANCE**

<b>PROPERTY TAX APPRAISER CERTIFICATION</b>		
<i><b>TDLR #</b></i>	<i><b>NAME</b></i>	<i><b>TYPE</b></i>
74200	CRAIN, MALLORY M.	APPRAISER, RPA
74717	SHERWIN, PROCTOR	APPRAISER, RPA
66026	WARDLAW, MARGARET A.	APPRAISER, RPA
73672	WILLIAMS, NOAH	APPRAISER, Level 3
70182	WILLIAMS, CHARLES R.	APPRAISER, RPA
71700	WILLIAMS, HAZIEL M.	APPRAISER, RPA
	VILLARREAL, MARTIN	APPRAISER, RPA
<b>PROFESSIONAL ENGINEERING CERTIFICATION</b>		
<i><b>PE#</b></i>	<i><b>NAME</b></i>	<i><b>BRANCH</b></i>
76914	WARDLAW, MARGARET PEGGY A.	PETROLEUM
77254	WILLIAMS, CHARLES R.	PETROLEUM
<b>PROFESSIONAL ENGINEERING FIRM CERTIFICATION</b>		
<i><b>FIRM #</b></i>	<i><b>FIRM NAME</b></i>	
5194	WARDLAW APPRAISAL GROUP LC	

# Appendix G - Special Appraisal Procedures

06/2022

## **SPECIAL APPRAISALS**

### **TYPES OF SPECIAL APPRAISALS**

#### **Agricultural Use (Section 1-d)**

##### **Eligibility**

To qualify for an agricultural use (1-d) designation, the land must have been devoted exclusively to or developed continuously for agriculture for the three years proceeding the current year. The property owner must be using and intends to use the land for agriculture as an occupation or a business venture for profit during the current year. Further, agriculture must be the primary occupation and source of income for the property owner.

PTC Sec 23.42(a)

#### **Open-Space Land (Section 1-d-1) and Timber Land**

##### **Eligibility**

To qualify for an open-space (1-d-1) or timber land designation, the land must be currently devoted principally to agriculture use or the production of timber or forest products to the degree of intensity generally accepted in the area and must have been devoted principally to agriculture use or to production of timber or forest products for five of the preceding seven years. An open-space land designation includes all appurtenances to the land.

PTC Sec 23.51(1)

PTC Sec 23.72

#### **Land Ineligible for Qualification as Open-Space or Timber**

Land that is located inside the city limits is ineligible for qualification as open-space or timber land unless the land has been devoted principally to agriculture or timber use for the preceding five years.

Further, land that is owned by a nonresident alien, foreign government, corporation, partnership, trust, or other legal entity is ineligible for qualification as open-space or timber land unless the treaty between the United States and a foreign government includes a non-discrimination clause.

PTC Sec 23.56

PTC Sec 23.77

**Restricted-Use Timber Land Eligibility**

To qualify for restricted-use timber land, the land must be in an aesthetic management zone, critical wildlife habitat zone, or streamside management zone.

PTC Sec 23.9802(a)

In addition, the land qualifies under this section if timber was harvested from the land in a year which the land was appraised as timber land in accordance with Section 23, Subchapter E of the Property Tax Code, and the land has been regenerated for timber production to the degree of intensity generally accepted in the area for commercial timber land and with intent to produce income. However, land ceases to qualify for special appraisal under this circumstance on the 10<sup>th</sup> anniversary of the date the timber was harvested. This does not disqualify the land from qualifying for appraisal under Chapter 23 of the Property Tax Code in a tax year following that anniversary based on the circumstances existing in that subsequent tax year.

PTC Sec 23.9802(b, c)

**APPLICATION PROCEDURES**

**Publicizing Requirements**

**General Provisions**

Each year the chief appraiser shall publicize, in a manner reasonably designed to notify residents of the district, the guidelines and requirements and availability of application forms.

The publication is requested in an area OTHER than the legal section of the publication, approximately 6” x 8” in size, in bold frame. (sample attached)

Denton County publications generally run during the months of Feb-April (in the center of the filing period, we have found this to be more effective) and include the following sources of publication:

1. Denton Record Chronicle

PTC Sec 23.43(f)

PTC Sec 23.54(g)

PTC Sec 23.75(g)

PTC Sec 23.9804(h)

## **Documents Required**

### **Application**

In order to qualify for a special appraisal, a property owner must file an application using the appropriate form with the Appraisal District.

(State Model Forms 50-165 for 1-d, 50-129 for 1-d-1, 50-167 for timber)

PTC Sec 23.43(a)

PTC Sec 23.54(a)

PTC Sec 23.75(a)

PTC Sec 23.9804(a)

### **Supporting Documentation**

Every property owner filing an application for special appraisal of agricultural land is also requested to file a lease report form to gather lease/use/cost data used to develop agricultural appraisal schedules (sample attached).

Failure to file these forms will not result in an automatic denial of an application; however, if the information provided in the application is not sufficient for the appraiser to make a determination as to eligibility, the property owner will then be required to submit other necessary forms such as receipts for feed, chemicals, sales of products, stock sales or purchase records, income/expense evidence, etc.

### **Filing Deadline**

#### **Deadline Date**

A property owner must file an application for special appraisal before May 1st. For good cause shown, the Chief Appraiser may extend the deadline by written order for a single period not to exceed 60 days (a 15 day extension is allowed for restricted-use timber land).

PTC Sec 23.43(b)

Sec 23.54(d)

Sec 23.75(d)

Sec 23.9804(e)

### **Late Application Allowed**

If a property owner files an application after the deadline for filing but prior to the date the Appraisal Review Board approves the appraisal records, the application shall be accepted, approved, modified or denied (This section does not apply to restricted-used timber land.)

PTC Sec 23.431(a)

Sec 23.541(a)

Sec 23.751(a)

### **Late Application Penalty**

If an application that has been filed late is approved, the property owner is liable for a penalty of 10 percent of the difference between the amount of tax imposed on the property under the special appraisal and the amount of tax that would have been imposed if the property were taxed at market value. (This section does not apply to restricted-use timber land.)

PTC Sec 23.431(b)  
Sec 23.541(b)  
Sec 23.751(b)

An entry is made on the appraisal records to indicate a property owner's liability for any penalties imposed, and the property owner is notified in writing of the penalty.

PTC Sec 23.431(c)  
Sec 23.541(c)  
Sec 23.751(c)

### **Late Application Disallowed**

If a property owner files an application after the date the ARB approves the appraisal records, the land is ineligible for special appraisal in that year. (This section does not apply to restricted-use timber land.)

PTC Sec 23.43(c)  
Sec 23.54(e)  
Sec 23.75(e)

### **Late Application Disallowed – Restricted-Use Timber Land**

If a property owner fails to file a valid application for restricted-use timber land on time, the land is ineligible for special appraisal for that year.

PTC Sec 23.9804(f)

### **Application Renewal Procedures**

#### **Annual Application - 1-d**

A property owner claiming an agriculture-use designation (1-d) on his property must apply for the designation on an annual basis.

PTC Sec 23.43(a)

Before February 1 of each year, an application form as well as any other documents required by this section must be mailed to each property owner whose land was designated for agriculture-use (Section 1-d) in the preceding year. A brief explanation of the requirements for obtaining the agriculture-use designation must also be mailed.

PTC Sec 23.43(e)



### **One-Time Application - 1-d-1, Timber Land, and Restricted-Use Timber land**

Once property has been designated as open-space (1-d-1) or timber land, the property shall continue to be eligible for special appraisal. A new application is not required unless the ownership of the land changes or its eligibility ends.

PTC Sec 23.54(e)

PTC Sec 23.75(e)

Once property has been designated as restricted-use timber land, the property shall continue to be eligible for special appraisal. A new application is not required unless the ownership of the land changes, the standing timber is harvested, or the land's eligibility ends.

Currently, Denton County does not have any qualifying timber use land, conducting regular timber harvest, milling, plantation operation, thinning, selection of specialty woods, pest control, replenishment schedules, etc. Most timber production land is found in east Texas where hardwoods thrive. Information may be obtained from the National Forestry Service.

PTC Sec 23.9804(f)

### **Verification of Eligibility**

If the Chief Appraiser has good cause to believe that the land currently receiving an open-space (1-d-1) or timber appraisal is no longer eligible, a new application is mailed to a property owner in order to confirm the land's eligibility.

PTC Sec 23.54(e)

Sec 23.75(e)

Sec 23.9804(f)

### **Periodic Inspections**

Periodically, the District may inspect properties currently receiving a special appraisal to determine their continuing eligibility.

### **Applications Reviewed and Confirmed**

#### **Field Inspection Made**

If an application is being filed for a special appraisal for the first time or if a re-inspection is necessary to determine continuing eligibility, the appraiser inspects the property to determine if the land is currently devoted to agriculture use, if the required past history exists, and if the land has been properly managed. The condition of fences, barns, corrals, etc. is also noted. As well as the type of crop, type and number of livestock, orchard, hay production, etc.

Land for which a timber use designation is applied for is inspected to determine if marketable timber exists on the land and if a proper management program has been implemented and adhered to.

### **Test of Eligibility Worksheet Completed**

Once the appraiser has completed the inspection of the land, the field inspection for agricultural use form is completed.

### **Action on Applications**

Action on the application is taken as follows:

1. The application is approved and the land is granted the special appraisal
2. The application is denied, or
3. The application is denied and additional information is requested from the property owner in support of the claim.

If additional information is requested, the property owner must furnish it within 30 days after the date of the request or the application is denied.

PTC Sec 23.44(a ,b)

Sec 23.57(a, b)

Sec 23.79(a, b)

Sec 23.9805(a, b)

### **Notification Requirements on Denials**

If an application is denied, the property owner must be mailed a written notice of the denial by certified mail within five days after the date of denial. The notice must include a brief explanation of the procedures for protesting the denial and full explanation of reasons for denial of application.

PTC Sec 23.44(d)

Sec 23.57(d)

Sec 23.9805(d)

### **Protest Procedures**

In order to file a protest on a denial of an application for special appraisal, a property owner must file a written protest within 30 days of the date the notice of the denial was mailed.

PTC Sec 41.44(1)

**Application Confidential**  
**Agriculture-Use (1-d) Application**

An application for agriculture-use designation (1-d) is confidential and not open to public inspection. The application and the information it contains about a specific property or a specific property owner may not be disclosed to anyone other than an employee of the Appraisal District who appraises property.

PTC Sec 23.45

**Supporting Documentation**

The Real Property Report Confidential Ag-Use Questionnaire and Lease Verification Affidavit report form discussed in this manual are confidential and not open to public inspection.

PTC Sec 22.27(a)

**APPRAISAL PROCEDURES**

**Compilation of Appraisal Schedules**

**Information Gathered**

Information concerning price data is obtained from the Agricultural Stabilization Conservation Service, State Crop Reporting Service, and the Production Credit Union to determine the values for agriculture lands.

Information concerning price data is obtained from Timber Mart-South to determine the values of timber lands.

**Values Computed**

Based on the information gathered when compiling the appraisal schedules, the values for agriculture lands are computed based on the five-year average net-to-land values for the following categories of property:

1. Irrigated Cropland
2. Dryland Cropland
3. Orchard
4. Improved Pasture
5. Native Pasture
6. Minimal Use Land
7. Wasteland

The values for timber lands are computed based on the five-year average net-to-land values.

### **Field Work Completed**

#### **Ag-Use Field Record Maintained**

The appraiser updates the Ag-Use Field Record for all accounts receiving the special appraisal designation. The Ag-Use Field Record is maintained. The account is updated for the following Information:

1. Current year valuation information
2. Lease information
3. Last year valuation information

#### **Tax Master Maintained**

The appraiser makes a printout of the Ag-Use Field Records and submits a copy to the Data Department. Using this report, the data entry operator updates the appraisal record with the special appraisal information, date stamps the copy of the report with the identification number of the data entry operator, and files it.

#### **Applications Filed**

Once the necessary action on the application has been taken, the application is scanned into the appraisal record, filed in a central location by year/alphabetical and stored for retention.

### **CHANGE IN USE PROCEDURES**

#### **Agriculture-Use Land (1-d)**

##### **Change in Use Occurs**

If land that has been designated for agriculture use in any year is sold or diverted to a non-agriculture use, the total amount of rollback taxes for the preceding three years plus interest at the rate provided for delinquent taxes becomes due.

PTC Sec 23.46(c)

##### **Notice to Property Owner**

A notice of the determination of change in use is mailed by certified mail to the property owner as soon as possible after making the determination. The notice includes an explanation of the owner's right to protest the determination.

PTC Sec 23.46(c)

##### **Protest Procedures**

A property owner may protest the determination of change in use not later than the 30<sup>th</sup> day after the date the notice of determination is mailed to the property owner.

## **Open-Space (1-d-1) and Timber Land**

### **Change in Use Occurs**

If the land receiving the open-space (1-d-1) or timber designation changes to a non-qualifying use, a rollback tax is imposed covering the preceding five years in which the land received special appraisal. The rollback tax is the difference between the taxes paid based on the special appraisal and the taxes that would have been paid if the land had been taxed on its higher market value, plus interest at an annual rate of seven percent (7%) charged from the dates the taxes would have been due.

PTC Sec 23.55

### **General Provisions**

The same provisions for protest, notification to the property owner, and notification to the taxing entities are followed as provided by sections one (1) and two(2) of this manual.

## **Restricted-Use Timber Land**

### **Change in Use to Other Qualifying Special Appraisal**

If the land receiving the restricted-use timber designation changes to a use that qualifies the land for any other special appraisal outlined in Chapter 23 of the Property Tax Code, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the five (5) years preceding the year in which the change of use occurs and the taxes that would have been imposed had the land been appraised under any other special appraisal allowed under this section. Interest at an annual rate of seven percent (7%) is also added, calculated from the dates on which the differences would have become due. If the use of the land changes to a use that qualifies under subchapter C, D, or H of this chapter, then the rollback tax does not Apply.

PTC Sec. 23.76(g)

### **Change in Use to Non-Qualifying Use**

If the land receiving the restricted-use timber designation changes to a non-qualifying use, an additional tax is imposed on the land equal to the sum of the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs and the taxes that would have been imposed had the land been taxed on the basis of market value in each of those years. Interest at an annual rate of seven percent (7%) is also added, calculated from the dates on which the differences would have become due.

### **General Provisions**

The same provisions for protest, notification to the property owner, and notification to the taxing entities are followed as provided by this manual.

## **AGRICULTURAL ADVISORY BOARD**

### **Appointment Procedures**

#### **Board Appointed**

The Chief Appraiser, with the approval of the Board of Directors, appoints the Agricultural Advisory Board.

PTC Sec 6.12(a)

#### **Membership Size**

The Board must have at least three members; however, with the approval of the Board of Directors, the Chief Appraiser may appoint more than three members.

PTC Sec 6.12(a)

#### **Eligibility Requirements**

Two members of the Board must be owners of qualified agriculture or timber land and must have resided in the District for at least five years. One member must be a representative of the Agricultural Stabilization and Conservation Service in the District.

PTC Sec 6.12(b)

Members of the Appraisal District staff and Board of Directors are ineligible to serve on the Board

PTC Sec 6.12(e)

#### **Terms of Office and Compensation**

Board members serve two-year, staggered terms of office.

PTC Sec 6.12(c)

Members do not receive compensation for service on the Board.

PTC Sec 6.12(f)

### **Duties of the Board**

#### **Duties Outlined**

The Board's function is to advise the Chief Appraiser on major issues dealing with the valuation and use of land that may be designated for agricultural use, open space use, or timber land within the district. Such as; net to land, degree of intensity standards, and other agricultural use and appraisal issues.

PTC Sec 6.12(g)

### **Authority Limited**

The Board has no decision-making authority or responsibility. The Board shall not become involved in matters dealing with individual properties or in approving applications for agricultural appraisal.

### **Meetings of the Board**

#### **Meetings Called**

The Board shall meet at the call of the Chief Appraiser at least three times a year or as deemed Necessary.

PTC Sec 6.12(d)

### **Conduct of Business**

Since the composition of this Board does not fall under the constraints of the Open Meetings Act, it is not required to post agendas and keep formal minutes. If requested by the Board, committee minutes will be maintained.

The Board shall conduct its business in an informal fashion, with a majority of the Board present.

### **MISCELLANEOUS SPECIAL APPRAISALS**

#### **Types of Miscellaneous Special Appraisals**

##### **Recreational, Park, and Scenic Land**

Recreational, park, and scenic land is described as land used for individual or group sporting activities; park or camping activities; development of historical, archaeological, or scientific sites; or the conservation and preservation of scenic areas.

PTC Sec 23.81

##### **Public Access Airport Property**

Public access airport property is described as privately owned land that is regularly used by the public for or regularly provides service to the public in connection with airport purposes, including the landing, parking, shelter, or takeoff of aircraft and the accommodation of individuals engaged in the operation, maintenance, or navigation of aircraft or of aircraft passengers in connection with their use of aircraft or of airport property.

PTC Sec 23.91

### **Wildlife Management Use**

Wildlife management means actively using land that at the time the wildlife-management use began was appraised as qualified open-space land in at least three of the following ways to propagate a sustaining breeding, migrating, or wintering population of indigenous wild animals for human use, including food, medicine, or recreation:

1. habitat control
2. erosion control
3. predator control
4. providing supplemental supplies of water
5. providing supplemental supplies of food
6. providing shelter
7. making of census counts to determine population

### **Wildlife Management Plan**

Any property owner seeking a special appraisal under Property Tax Code, Chapter 23, Subchapter D, based on wildlife management use must meet the following minimum standards for qualification effective January 1, 2002:

- Stand Alone Properties: 92% of land must be devoted to wildlife use.
- Properties within Wildlife Management Property Association: 91% land must be devoted to wildlife use.
- Properties designated as Habitat for Species of Concern: 91% of land must be devoted to wildlife use.

Wildlife management property associations are defined by State Comptroller Rule 9.4003(b)(6). Species of Concern as defined by State Comptroller Rule 9.4003(f)(3).

Properties that qualified for special appraisal as wildlife management prior to January 1, 2002 are not required to meet these minimum standards providing the tract contains the same or a greater amount of qualifying acreage as contained in the tract prior to January 1, 2002 and continues to satisfy all other qualification requirements.

A property owner who demonstrates by clear and convincing evidence that the unique characteristics of their habitat and/or management species makes it possible to effectively manage for wildlife at a ratio less than the minimum standards shall receive the special appraisal providing the property meets all other standards outlined in Property Tax Code Chapter 23, Subchapter D and State Comptroller Rule 9.4003.

PTC Chap 23, Sub D  
Comptroller Rule 9.4003



## **Eligibility**

### **Deed Restriction Requirements**

To qualify for either special appraisal, the land must contain a minimum of five acres and must be restricted for the intended purpose by filing a deed restriction with a minimum period of 10 years with the County Clerk.

PTC Sec 23.82

PTC Sec 23.92

### **Intended Use Requirements**

The land must also have been devoted exclusively to its intended use for the preceding year, and there must be intent to use the land exclusively for this same use in the current year.

PTC Sec 23.83(a)

PTC Sec 23.93(a)

### **Miscellaneous**

Further, in order to qualify for the recreational, park, and scenic special appraisal, the land must also be used in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain.

PTC Sec 23.83(a)

## **Application Procedures**

### **Application**

In order to qualify for either special appraisal, a property owner must file an application form before May 1 in the first year the property would qualify. For good cause shown, the Chief Appraiser may extend the deadline by written order for a single period not to exceed 60 days.

PTC Sec 23.84(a, b)

PTC Sec 23.94(a, b)

The Chief Appraiser must take action on the application in the same manner as outlined in section two (2) of this manual.

PTC Sec 23.85

PTC Sec 23.95

### **Late Application**

If a property owner fails to timely file an application, the land is ineligible for special appraisal.

PTC Sec 23.84(c)

PTC Sec 23.94(c)

### **Application Renewal Procedures**

Once property has been designated for a special appraisal, the property shall continue to be eligible for special appraisal without a new application being filed for the duration of the deed restriction unless the ownership of the land changes or its eligibility ends.

If the Chief Appraiser has good cause to believe that the land is ineligible, a new application may be mailed to a property owner in order to confirm the land's eligibility.

PTC Sec 23.84(c)

PTC Sec 23.94(c)

### **Additional Taxes Imposed**

#### **Land Not Principally Devoted to Intended Use**

If land receives a special appraisal in any given year, at the end of that year the Chief Appraiser must determine if the land was devoted principally to its intended use.

If it is determined that the land was not used exclusively for its intended use, an additional tax equal to the difference in the amount of tax actually imposed with benefit of the special appraisal and the amount of tax that would have been imposed without benefit of the special appraisal is charged. This amount of additional tax plus interest is included on the next tax statement sent on this property by the tax assessor-collector.

PTC Sec 23.83(d)

PTC Sec 23.93(d)

#### **Special Appraisal Applied Erroneously**

If it is discovered that the special appraisal was granted in error in any one of the five (5) preceding years, the difference between the appraised value of the land with benefit of the special appraisal and the market value of the land without benefit of the special appraisal will be added to the appraisal roll.

PTC Sec 23.84(e)

PTC Sec 23.94(e)

#### **Change in Use Occurs or Deed Restriction Not Applicable**

If it is discovered that the land receiving a special appraisal is no longer subject to a deed restriction or is diverted to a use other than its intended purpose, an additional tax is imposed equal to the difference between the actual taxes imposed with benefit of the special appraisal for each of the five preceding years and the tax that would have been imposed without benefit of the special appraisal, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due for each year.

PTC Sec 23.86(a)

PTC Sec 23.96(a)

**Penalty for Violating Deed Restriction**

If land designated for special appraisal is used for a purpose other than the intended purpose before the term of the deed restriction expires, a penalty is imposed on the land equal to the difference between the taxes actually imposed with benefit of the special appraisal for the year in which the violation occurred and the amount of taxes that would have been imposed without benefit of the special appraisal.

An entry must be made in the appraisal records indicating the amount of penalty and written notification of the imposition of the penalty must be delivered to the property owner along with a brief explanation of the procedures for protesting the penalty.

PTC Sec 23.87

PTC Sec 23.97

**Taxing Authority Notified**

The Chief Appraiser notifies the taxing authority of any additional taxes or penalties that are to be imposed in order that they may issue tax statements to the property owner.

## **Notice Of Public Hearing On Denton Central Appraisal District 2023 Budget**

The Denton Central Appraisal District will hold a public hearing on a proposed budget for the 2023 fiscal year. The public hearing will be held on June 23, 2022 at 3:00 P.M. at 3901 Morse Street, Denton, Texas.

A summary of the appraisal district budget follows:

The total amount of the proposed budget.	\$17,997,944.33
The total amount of increase over the current year's budget.	\$2,673,650.52
The number of employees compensated under the proposed budget.	105
The number of employees compensated under the current budget.	87

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.

A copy of the proposed budget 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 office.

Ann Pomykal  
Secretary of the Board of Directors  
Denton Central Appraisal District  
3911 Morse Street  
Denton, Texas 76208  
(940) 349-3800



**DENTON CENTRAL  
APPRAISAL DISTRICT**

**2023  
BUDGET**

**2023 BUDGET**

**5100 - PERSONNEL SERVICES**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5110 - SALARIES</b>	<b>\$7,188,342.26</b>	<b>\$8,921,498.24</b>	<b>\$1,733,155.98</b>
FULL-TIME SALARIES & SALARY ADJUSTMENTS <b>\$8,921,498.24</b>			
<b>TOTAL ACCOUNT #5110</b> <b>\$8,921,498.24</b>			
<b>ACCT #5120 - LONGEVITY PAY</b>	<b>\$89,560.00</b>	<b>\$75,500.00</b>	<b>(\$14,060.00)</b>
DCAD RECOGNIZES CONTINUED SERVICE WITH LONGEVITY PAY.			
<b>TOTAL ACCOUNT #5120</b> <b>\$75,500.00</b>			
<b>ACCT #5130 - SOCIAL SECURITY (FICA)</b>	<b>\$595,820.42</b>	<b>\$735,394.37</b>	<b>\$139,573.95</b>
SOCIAL SECURITY IS CALCULATED ON FULL TIME SALARIES AND LONGEVITY.			
<b>TOTAL ACCOUNT #5130</b> <b>\$735,394.37</b>			
<b>ACCT #5140 - RETIREMENT (TCDRS)</b>	<b>\$1,263,990.00</b>	<b>\$1,265,358.77</b>	<b>\$1,368.77</b>
RETIREMENT IS APPLICABLE ONLY TO FULL-TIME EMPLOYEES.			
<b>TOTAL ACCOUNT #5140</b> <b>\$1,265,358.77</b>			
<b>ACCT #5150 - WORKERS' COMP INSURANCE</b>	<b>\$51,262.16</b>	<b>\$66,527.72</b>	<b>\$15,265.56</b>
THE DISTRICT PAYS WORKERS' COMPENSATION PREMIUMS ON ALL FULL TIME EMPLOYEES.			
<b>TOTAL ACCOUNT #5150</b> <b>\$66,527.72</b>			
<b>ACCT #5160 - GROUP HEALTH INSURANCE</b>	<b>\$1,509,217.74</b>	<b>\$1,650,464.40</b>	<b>\$141,246.66</b>
GROUP HEALTH INSURANCE IS PROVIDED TO ALL FULL-TIME EMPLOYEES.			
<b>TOTAL ACCOUNT #5160</b> <b>\$1,650,464.40</b>			
<b>TOTAL 5100 - PERSONNEL SERVICES</b>	<b>\$10,698,192.58</b>	<b>\$12,714,743.49</b>	<b>\$2,016,550.91</b>

**2023 BUDGET**

**5200 - EDUCATION & TRAINING**

<b>CLASSIFICATION</b>	<b>2022 BUDGET</b>	<b>2023 BUDGET</b>	<b>INCREASE OR DECREASE</b>
<b>ACCT #5210 - MEMBERSHIPS, SUBSC &amp; DUES</b>	<b>\$22,330.00</b>	<b>\$22,630.00</b>	<b>\$300.00</b>
THIS ACCOUNT IS CHARGED FOR ALL MEMBERSHIPS AND DUES, AND SUBSCRIPTIONS TO EDUCATIONAL MEDIA.			
<b>TOTAL ACCOUNT #5210</b>	<b>\$22,630.00</b>		
<b>ACCT #5220 - TRAINING - SCHOOLS, CONFERENCES &amp; TRAVEL</b>	<b>\$87,740.00</b>	<b>\$87,700.00</b>	<b>(\$40.00)</b>
THIS ACCOUNT IS CHARGED FOR ALL EDUCATIONAL RELATED TRAINING AND TRAVEL.			
<b>TOTAL ACCOUNT #5220</b>	<b>\$87,700.00</b>		
<b>TOTAL 5200 - EDUCATION &amp; TRAINING</b>	<b>\$110,070.00</b>	<b>\$110,330.00</b>	<b>\$260.00</b>

**2023 BUDGET**

**5300 - SERVICES RECEIVED**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5310 - APPRAISAL REVIEW BOARD</b>  THIS BUDGET ITEM IS CHARGED FOR PAYMENTS TO THE 42 MEMBER ARB PANEL FOR WORK PERFORMED DURING THE MANDATED EQUALIZATION PROCESS. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$418,035.00	\$451,290.00	\$33,255.00
<b>TOTAL ACCOUNT #5310</b>	<u>\$451,290.00</u>		
<b>ACCT #5315 - OIL, GAS, HEAVY INDUSTRIAL, AND UTILITY VALUATION</b>  THIS BUDGET ITEM IS FOR CONTRACTED SERVICES. IT IS A BID ITEM. THIS ACCOUNT WAS MOVED TO OVERHEAD IN 2023.	\$180,000.00	\$180,000.00	\$0.00
<b>TOTAL ACCOUNT #5315</b>	<u>\$180,000.00</u>		
<b>ACCT #5325 - LEGAL SERVICES</b>  THIS BUDGET ITEM IS CHARGED FOR ALL LEGAL EXPENSES ASSOCIATED WITH DEFENDING VALUES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$450,000.00	\$475,000.00	\$25,000.00
<b>TOTAL ACCOUNT #5325</b>	<u>\$475,000.00</u>		
<b>ACCT #5330 - AUDIT &amp; PAYROLL PROCESSING</b>  THIS BUDGET ITEM IS FOR THE ANNUAL AUDIT AND FOR PAYROLL PROCESSING. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$41,000.00	\$39,500.00	(\$1,500.00)
<b>TOTAL ACCOUNT #5330</b>	<u>\$39,500.00</u>		
<b>ACCT #5340 - SUBSCRIPTIONS &amp; CONTRACTS</b>  THIS BUDGET ITEM IS CHARGED FOR EXPENSES INCURRED TO OBTAIN OWNERSHIP, SALES AND VALUE INFORMATION.	\$624,572.86	\$824,756.86	\$200,184.00
<b>TOTAL ACCOUNT #5340</b>	<u>\$824,756.86</u>		
<b>ACCT #5345 - AUTO EXPENSE REIMBURSEMENT</b>  THIS BUDGET ITEM IS TO COMPENSATE EMPLOYEES FOR THE USE OF THEIR PRIVATELY OWNED VEHICLES DURING THE PERFORMANCE OF THEIR JOB DUTIES.	\$515,008.00	\$616,092.00	\$101,084.00
<b>TOTAL ACCOUNT #5345</b>	<u>\$616,092.00</u>		



2023 BUDGET

5300 - SERVICES RECEIVED (continued)

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5350 - GENERAL INSURANCE</b>  ALL INSURANCE EXCEPT GROUP HEALTH AND WORKERS' COMPENSATION IS CHARGED TO THIS ACCOUNT. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$33,410.62	\$34,929.59	\$1,518.97
<b>TOTAL ACCOUNT #5350</b>	<u>\$34,929.59</u>		
<b>ACCT #5360 - PRINTING SERVICES</b>  THIS ACCOUNT IS CHARGED FOR ALL ITEMS THAT ARE PRINTED AND MAILED. ITEMS THAT ARE PRINTED AND CONSUMED WITHIN THE BUILDING ARE CHARGED TO OFFICE SUPPLIES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$159,355.00	\$159,000.00	(\$355.00)
<b>TOTAL ACCOUNT #5360</b>	<u>\$159,000.00</u>		
<b>ACCT #5370 - POSTAGE AND FREIGHT</b>  THIS ITEM IS CHARGED FOR ALL ITEMS THAT ARE MAILED. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$333,007.78	\$352,700.00	\$19,692.22
<b>TOTAL ACCOUNT #5370</b>	<u>\$352,700.00</u>		
<b>ACCT #5380 - LEGAL NOTICES &amp; ADVERTISING</b>  THIS ACCOUNT IS CHARGED FOR ADVERTISEMENTS IN NEWSPAPERS CONCERNING EXEMPTION MATTERS SUCH AS HOMESTEADS, OVER-65, DISABLED VETERANS, AND PRODUCTIVITY VALUATION MATTERS. OTHER ADVERTISEMENTS HAVE TO DO WITH APPRAISAL REVIEW NOTICES, MISCELLANEOUS, CLASSIFIED ADVERTISING, AND INVITATIONS TO BID. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.  SB 622 requires a line item indicating expenditures for notices required by law to be published in a newspaper by the political subdivision.  2021 Actual Expenses for mandated notices is \$6,783 2023 Budgeted Expenses for mandated notices is \$7,000	\$6,000.00	\$8,000.00	\$2,000.00
<b>TOTAL ACCOUNT #5380</b>	<u>\$8,000.00</u>		
<b>ACCT #5390 - OFFICE SUPPLIES</b>  THE OFFICE SUPPLY BUDGET IS COMPRISED OF EXPENSES INCURRED FOR TRADITIONAL OFFICE SUPPLY ITEMS.	\$69,650.00	\$65,950.00	(\$3,700.00)
<b>TOTAL ACCOUNT #5390</b>	<u>\$65,950.00</u>		
<b>TOTAL 5300 - SERVICES RECEIVED</b>	<u>\$2,830,039.26</u>	<u>\$3,207,218.45</u>	<u>\$377,179.19</u>

**2023 BUDGET**

**5400 - UTILITIES AND MAINTENANCE**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5410 - OFFICE EQUIPMENT MAINTENANCE</b> MAINTENANCE OF ALL OFFICE EQUIPMENT EXCEPT THE PRIMARY COMPUTER, PERIPHERAL DEVICES, AND PERSONAL COMPUTERS IS CHARGED TO THIS ACCOUNT.	\$18,950.00	\$17,400.00	(\$1,550.00)
<b>TOTAL ACCOUNT #5410</b>	<u>\$17,400.00</u>		
<b>ACCT #5420 - INFORMATION TECHNOLOGY MAINTENANCE</b> THIS ACCOUNT IS COMPRISED OF BOTH COMPUTER HARDWARE AND SOFTWARE MAINTENANCE. THIS ACCOUNT IS APPLICABLE TO THE INFORMATION TECHNOLOGY DEPARTMENT. GIS RELATED EXPENSES ARE INCLUDED HERE.	\$861,200.00	\$1,072,200.00	\$211,000.00
<b>TOTAL ACCOUNT #5420</b>	<u>\$1,072,200.00</u>		
<b>ACCT #5430 - ELECTRICITY, WATER, SEWER AND SOLID WASTE</b> THIS BUDGET ITEM IS FOR THE DISTRICT'S UTILITIES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$85,971.00	\$89,020.00	\$3,049.00
<b>TOTAL ACCOUNT #5430</b>	<u>\$89,020.00</u>		
<b>ACCT #5440 - TELEPHONE</b> THIS BUDGET ITEM IS FOR THE DISTRICT'S TELEPHONE EXPENSE. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$99,508.00	\$103,084.00	\$3,576.00
<b>TOTAL ACCOUNT #5440</b>	<u>\$103,084.00</u>		
<b>ACCT #5450 - BUILDING AND GROUNDS MAINTENANCE</b> THIS BUDGET ITEM COMPRISES ALL BUILDING AND GROUNDS MAINTENANCE. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$170,011.00	\$145,011.00	(\$25,000.00)
<b>TOTAL ACCOUNT #5450</b>	<u>\$145,011.00</u>		
<b>TOTAL 5400 - UTILITIES AND MAINTENANCE</b>	<u>\$1,235,640.00</u>	<u>\$1,426,715.00</u>	<u>\$191,075.00</u>

**2023 BUDGET**

**5500 - CAPITAL OUTLAY**

<b>CLASSIFICATION</b>	<b>2022 BUDGET</b>	<b>2023 BUDGET</b>	<b>INCREASE OR DECREASE</b>
<b>ACCT #5510 - FURNITURE AND EQUIPMENT</b>	<b>\$70,000.00</b>	<b>\$70,500.00</b>	<b>\$500.00</b>
AN ASSET SCHEDULE APPEARS AT THE BACK OF THE BUDGET.			
<b>TOTAL ACCOUNT #5510</b>	<b>\$70,500.00</b>		
<b>ACCT #5520 - BUILDING AND LAND IMPROVEMENTS</b>	<b>\$50,000.00</b>	<b>\$0.00</b>	<b>(\$50,000.00)</b>
AN ASSET SCHEDULE APPEARS AT THE BACK OF THE BUDGET.			
<b>TOTAL ACCOUNT #5520</b>	<b>\$0.00</b>		
<b>TOTAL 5500 - CAPITAL OUTLAY</b>	<b>\$120,000.00</b>	<b>\$70,500.00</b>	<b>(\$49,500.00)</b>

**2023 BUDGET**

**5600 - MISCELLANEOUS**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5610 - CONTINGENCY</b>  THE FUNDS IN THIS BUDGET ITEM ARE APPROPRIATED FOR UNANTICIPATED EXPENDITURES. ALL ANTICIPATED EXPENDITURES ARE BUDGETED IN SPECIFIC ACCOUNTS. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$71,161.74	\$76,672.23	\$5,510.49
<b>TOTAL ACCOUNT #5610</b>	<u>\$76,672.23</u>		
<b>ACCT #5620 - MISCELLANEOUS</b>  THIS ACCOUNT IS FOR ITEMS THAT WILL NOT FIT WELL IN ANOTHER CATEGORY. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$39,500.00	\$58,450.00	\$18,950.00
<b>TOTAL ACCOUNT #5620</b>	<u>\$58,450.00</u>		
<b>ACCT #5630 - SEASONAL LABOR</b>  THIS ACCOUNT IS FOR SEASONAL LABOR COSTS. THE DISTRICT BEGAN USING CONTRACT EMPLOYEES IN 2020 WHEN THEY STOPPED USING PART TIME EMPLOYEES. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$150,000.00	\$261,250.00	\$111,250.00
<b>TOTAL ACCOUNT #5630</b>	<u>\$261,250.00</u>		
<b>TOTAL 5600 - MISCELLANEOUS</b>	<u>\$260,661.74</u>	<u>\$396,372.23</u>	<u>\$135,710.49</u>

**2023 BUDGET**

**5900 - DEBT SERVICE**

CLASSIFICATION	2022 BUDGET	2023 BUDGET	INCREASE OR DECREASE
<b>ACCT #5920 - EQUIPMENT PAYMENTS</b>  THIS ACCOUNT IS CHARGED FOR EQUIPMENT PAYMENTS. EQUIPMENT LEASES WERE MOVED TO SUBSCRIPTIONS & CONTRACTS IN 2022. THIS ACCOUNT IS APPLICABLE ONLY TO THE OVERHEAD DEPARTMENT.	\$69,690.24	\$72,065.16	\$2,374.92
<u>\$72,065.16</u>			
<b>TOTAL ACCOUNT #5920</b>			
<b>TOTAL 5900 - DEBT SERVICE</b>	<u>\$69,690.24</u>	<u>\$72,065.16</u>	<u>\$2,374.92</u>
<b>TOTAL BUDGET</b>	<b>\$15,324,293.82</b>	<b>\$17,997,944.33</b>	\$2,673,650.51



Board of Directors  
Denton Central Appraisal District  
3911 Morse  
Denton, TX 76208

Ladies and Gentlemen of the Board:

Thank you for the opportunity to provide this report to you with an overview of the district with specific recommendations. These recommendations may be used as a template for reporting by the staff in future planning sessions or in monthly meetings. Typically, the chief executive either agrees with the recommendations and provides a timeline or disagrees with the recommendation and offers reasons why an alternate route is better. The format is based on the typical review of an appraisal district done by the International Association of Assessing Officers, and it is a high-level look at operations.

I accepted this project anticipating that it would be only an analysis of personnel, building needs, and perhaps, recommending some best practices. Unfortunately, I found serious problems with the culture that need immediate attention, but overall, there is more to report that is good about the district operations than is problematic. It certainly has been a rough two years with a great number of the problems tied to the software issues, and there are still internal issues going on that keep the district from running smoothly.

Trust is critical to any successful organization and trust is lacking at DCAD. To reestablish that trust requires a concerted effort of leadership to be examples and set the right tone. Employees must not feel threatened. Obviously, they are expected to do their jobs efficiently and effectively, but they must be allowed to express their concerns without retaliation. I have specifically suggested 13 steps necessary to rebuilding trust, and it must begin at the top. It will not be a quick fix because it did not develop into a distrusting environment overnight.

Personnel are definitely needed to make the entire process run more smoothly. State laws are making the appraisal districts operations more difficult. Rising prices of homes and construction of all types are adding stress to what has always been a difficult job. Appraisal districts are required to meet almost unrealistic standards promulgated by the State Legislature while having the tools of the trade such as full disclosure, withheld from them. Appeals are heavily slanted toward agents who often work on a contingency fee basis. In summary, it is a very difficult environment in which to work.

I believe the district is on the road to success, but it will not be an easy road for the next two years. Best wishes to the Board and staff as they undertake the challenges ahead. I hope that the information contained in this report will help you make appropriate decisions.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard Petree".

Richard Petree, RPA/RTA/CCA

1250 Petroleum Drive, Abilene, Texas 79602 325-437-7600

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## APPENDIX

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**Note to reader: This report is an overview of the operations of Denton Central Appraisal District based on typical reviews of appraisal districts in the nation. It is based on standards set by the International Association of Assessing Officers, the pre-eminent guide to appraisal standards for property tax. The standards of that organization are recognized by the Texas State Comptroller and the comparisons within this report are based on typical questions posed for compliance with international standards of mass appraisal. IAAO is not an underwriter of this report and the references within the report to IAAO are solely based on the State Comptroller’s adoption of IAAO standards.**

## **CHAPTER 1: ENVIRONMENT**

Texas is a market value state and the definition of market value is codified in Chapter 1 of the Property Tax Code as well as in 23.01(a). The definition states: “(7) “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.”

Chapter 23.01(a) states: “(a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.”

The Denton Central Appraisal District complies with state law in the appraisal of all properties unless they are appraised differently due to a jurisdictional exception.

Texas law requires the Texas State Comptroller of Public Accounts to monitor all appraisal districts in the state by conducting biennial ratio studies. The primary purpose of these studies is to equalize state funding for public education but it does give an independent report of ratios by category of properties in each county and the subset of each school district. Denton CAD does internal ratio studies regularly to monitor trends in market value of residential, commercial, and land categories and builds models to match necessary requirements of at least 95% of market value.

In the past two years, the district has struggled to keep up with the rapidly increasing property values, especially of homes, and has failed to reach the required levels of appraisal required by the State Comptroller. Several schools will face loss of funding due to the low values in these areas, unless the values are corrected. All are in year one of “grace”.

**In the past two years, the district has struggled to keep up with the rapidly increasing property values, especially of homes, and has failed to reach the required levels of appraisal required by the State Comptroller.**



State law requires a regular reappraisal of all properties at least once every three years in 25.18 of the tax code. Also, 6.05(h) of the code requires a biennial reappraisal plan to be adopted which designates the areas for reinspection and reappraisal. The plan equates to the scope of work required by USPAP standard 5. IAAO standards require a reinspection once every six years and the use of oblique photography is considered an acceptable method of inspection. The district uses oblique photography extensively.

Unfortunately, Texas does not have a disclosure law and commercial property owners have fought appraisal districts at every turn to keep districts from getting data either openly or through restricted measures. Appraisal districts must rely on buyer and seller letters for data, or services such as CoStar to provide information on which to build their models. No law currently exists that requires buyers or sellers to provide transaction data. No law exists even to permit appraisers to go onto property without permission from the owner or their representative.

Additionally, no law exists to require income producing properties to produce income statements nor is there any legal requirement to allow the audit of business personal property accounts.

All properties in the state are assessed at full market value. There is no difference between different categories of property. Residential property gets some break from the property tax burden through some state mandated homestead exemptions and optional jurisdiction exemptions. School exemptions are mandated by the state at \$40,000 of market value while over-65 homeowners and disabled persons get an additional \$10,000. In addition, the elderly and disabled taxes are capped for school tax the year after the owner qualifies for the exemption. Other tax units have the option to cap taxes for over-65 or disabled homesteads as well. Disabled veterans get additional exemptions based on their level of disability as designated by the Veterans Administration.

Other complete exemptions are granted by the legislature to religious, charitable, or other non-profit organizations that meet the coded standards of law. Local jurisdictions may grant abatements of property tax for companies bringing jobs to their area and meeting special provisions of law. Additionally, homesteads are protected from increases of greater than 10% annually if the same owner remains in the property.

The Education Code of Texas has been challenged on several occasions by low valued districts. The current law requires that all property be assessed at a minimum of 95% of market value or the school values being appraised will be adjusted upward to compensate for the under appraisal of property. For schools that have substantial value per student due to large industrial facilities or mineral values must pay money to the Texas Education Agency. The process is called "recapture" and the monies from wealthy schools are redistributed to poorer schools by the Agency to allow for equal educational opportunity.

A significant undermining of market value is due to a constitutional provision that allows agricultural property to be appraised based on its income rather than its market value. This law extends to properties that qualify for wildlife management as well as commercial production of crops, livestock, or timber. There is a rollback provision which allows for three years of recapture of lost taxes for properties that are converted to a non-qualifying use.

There is currently no law that limits the discretion of the appraiser in valuing property based on zoning or on highest and best use. However, as a practical matter, most assessors, including Denton CAD, consider current use as highest and best use.

There are no differences in assessment ratios between classes of property in Texas law.

There are numerous exemptions in Chapter 11 of the Property Tax Code that shield property owners from partial or complete taxation. Partial exemptions extend primarily to homesteads while complete exemptions are granted by legislative action to those non-profit organizations that qualify.

Appraised values of homesteads can only be increased 10% per year. If an increase of greater than 10% is applied, an additional rise of 10% of the prior year value continues to increase the assessed value until the value matches the market value of the property. Other categories of property are not subject to limitation.

The property tax system is supported by the jurisdictions that receive revenue from the values developed by the appraisal district and in proportion to the amount of revenue generated. The budgets of each county-wide appraisal district are allocated to each tax unit based on the tax dollars generated the prior year as a percentage of all of the dollars generated. The school districts of the state pay a majority of the appraisal district cost in most appraisal districts. The state pays nothing toward operations of appraisal districts but oversees operations through a biennial ratio study and a Methods and Procedures Audit. Punishment of the failure of either of these studies is inflicted on schools through a reduction of educational funding and the potential loss of license to practice by the chief appraiser.

Appraisal District boards of directors have the statutory authority to contract for appraisal services from other appraisal districts, a tax unit, or a private company. Denton CAD only uses private contractors in the appraisal of utilities, specialized industrial property, and minerals. All other appraisal work is done by staff of the district.

Texas relies very heavily on the property tax to fund local government. Counties are generally 60% funded by the property tax, cities are 30% funded, and schools are 45% funded although these figures vary greatly across the State.

The budget of the district is approximately \$15.3 million dollars in 2022. The budget of the district is lower than districts of similar size

The budget of the district is approximately \$15.3 million dollars in 2022. The budget of the district is lower than districts of similar size in rapidly growing areas.

in rapidly growing areas. Comparisons are normally based on cost per parcel as that is the product that is produced by each appraisal district. Please see comparison chart in Appendix.

## CHAPTER 2: MANAGEMENT AND STAFFING

The Denton Central Appraisal District has been provided most of the resources it needs to do its job correctly with the exception of personnel. Copies of all applicable laws of the state of Texas as well as publications of professional publications are readily available to the entire staff. Trends in legislative activity are monitored by the Chief Appraiser by being a part of the state-wide legislative committee offering advice and counsel to the legislative bodies. State law regarding licensure also requires licensees to attend biennial training on the changes in the law after the legislature completes their activities.

A detailed explanation of personnel in the district is required by the tax code as a part of the budget. As the district has undergone rapid growth of properties and population, they have often been behind the curve in analyzing personnel needs. A part of this report's purpose was to generally look at personnel by department and to compare the personnel by industry standards. The result of that study is included in the recommendations, but generally, staffing is not adequate to satisfy current requirements. As the district continues to grow, the staffing levels will likely need to rise in proportion to the growth of parcel counts. The shortage of staff contributes to a troublesome cycle of inequity of values which increases the number of protests each year. Handling the massive number of appeals keeps the appraisers from getting back into the field, carefully studying sales data, and setting accurate values for the upcoming year.

The staff is very aware of growth trends in the county and how that growth impacts different types of improvements and land. It is recommended that the regular meetings of departments include a discussion of trends that members see in order to develop a consensus of opinion and a plan to move forward in the handling of those trends which impact values within their department. Data coming to the leadership of these different departments such as publications and data by email should be shared with members of that team to diversify the knowledge base.

As similar districts are staffing levels, it is my increase the appraisal staff total staff to 124 to be numbers of new homes district and the large If current growth trends recommend two added annually and three numbers will bring staffing

As similar districts are compared to Denton staffing levels, it is my recommendation to increase the appraisal staff to 54 and to increase the total staff to 124 to be able to handle the large numbers of new homes and businesses in the district and the large number of protests filed.

compared to Denton recommendation to to 54 and to increase the able to handle the large and businesses in the number of protests filed. continue, I would additional appraisers be support staff. These levels to a more efficient

level to handle protests and reappraise properties more accurately. (See appendix for comparisons to other districts)

Two separate buildings currently house the appraisal district. The remodel of the building that was flooded has had a very nice remodel and the new areas for customer service and appraisal discussion with taxpayers is a very nice design and appears to be very functional. However, I believe there is a need for additional space going forward. The question posed is whether a new building could be built in another location or if the district could expand their presence in the current location. I also considered the idea of a satellite facility in Lewisville or near that city. Significant discussion also centered on ideas for working remotely to avoid the cost of additional building space.

In my discussions with the county judge, he told me that the tax collections office will be moving into the building directly across from the appraisal district offices. He feels very strongly that the taxpayers of the community would be best served by having the two offices in proximity. I would tend to agree with his assessment considering the complexity of having two offices and the myriad of issues that would have to be addressed with management of two separate locations.

The district should investigate the purchase of the building between the two buildings, even to the point of using eminent domain, to demolish that building, turn the area into a large parking lot, and build additional space at the back of the lot as the growth demands. The buildings might be joined, based upon engineering and architectural studies to develop an administrative and ARB facility in the central building and wings to support appraisal and clerical functions in the existing buildings. Some additional space is needed quickly as new hires require a space to be, learn their responsibilities, and integrate into the entire office community. I would be concerned about doing remote work as education of staff is a significant challenge with so many new personnel. I am also very concerned about productivity. The most likely candidates for "work from home" are appraisers who could use iPad devices to appraise real estate, update data, and meet inspection requirements. A program available in the existing software monitors the appraiser's movements and productivity.

I also noted that signage for the building is not easily seen. Within city specifications, I would recommend signage at the curb to replace the small, portable sign that clearly indicates the entrance to the district office and additional signage to direct taxpayers to entrances that handle various needs.

The district has seen significant change in management in the last two years. Hope McClure was promoted to Chief Appraiser and her promotion was met with a lot of internal grumbling and protests at board meetings. Unfortunately, there are still people who are employed in the district that continue to struggle with Ms. McClure's leadership. There is currently a toxic environment in the building. Numerous retirements and dismissals have stoked the fire of discontent. In the recommendations, I have set up several steps to take to try to repair the

environment and make a more productive and pleasant workplace. It will take significant focus and a positive and open attitude to turn the environment around.

The employees seem to trust and work with the Deputy Chief Appraiser. My observation is that he struggles with the balance between loyalty to his Chief and the rank and file of employees. The large number of new employees in the district do not seem to be contaminated by the toxicity of past issues, but there seems to be a resistance to new ideas introduced by the staff. Ms. McClure has reached out to staff for new ideas, and this is a positive move to try to include staff in positive ideas moving forward.

Turnover is a major issue in the district. The total number of personnel leaving the district through retirements, terminations, and resignations in the past two years is 24.

Turnover is a major issue in the district. The total number of personnel leaving the district through retirements, terminations, and resignations in the past two years is 24. This is over a quarter of the workforce and increases problems with training and efficient operations.

I am recommending that new hires be done by the directors of different departments using guidelines developed by the chief appraiser. My observation is that Ms. McClure is very involved in the hiring and interview process. My opinion is that the department head with the vacancy should choose two or three additional members of staff as a hiring committee to make hiring choices. When these people are hired using this committee concept, those personnel are invested in the success of the new hire and will work with them to help them be successful. They also know the job and can ask appropriate questions of the applicants. I believe the Chief does not need to spend valuable time in the interview process as it gives the staff an out and does not encourage cooperation.

For the most part, members of the staff have sub-standard levels of training due to the number of new people and the tendency of the historical staff to resist new methods and technology. The Chief Appraiser is aware of this issue and is seeking solutions. The difficulty is that it is very hard to find a professional trainer who knows the business and is proficient in the software utilized and all its nuances. In the rapidly growing area and the current economy, it is difficult for the district to find qualified applicants and openings will remain open for longer periods of time as the district continues to seek the right education and skills for the jobs that are open. A significant training of new staff is necessary going forward. Their lack of training on what the software will do is a significant issue, even for some in leadership roles.

Salaries are reasonable and benefits are excellent. That certainly makes hiring easier, but the tight labor market continues to be a challenge as positions become vacant. It is important that a comprehensive compensation system be adopted based on the skills for each position

Salaries are reasonable and benefits are excellent. That certainly makes hiring easier, but the tight labor market continues to be a challenge as positions become vacant.

and that pay be equalized throughout the district. Inflation at near 7% levels means that cost of living increases need to be applied to existing salaries to maintain competitive salaries until the inflation rate is slowed.

The mass appraisal system in Texas and the employees of those districts are a small community. They hear about problematic issues within appraisal districts and are hesitant to apply for jobs in a district in turmoil, regardless of the source of that turmoil. That creates a smaller pool of experienced candidates that might, otherwise, apply for open positions.

The staff assigned to the processing of exemptions are significantly behind in their work creating unhappy taxpayers and frustrated personnel. The issue is staffing. There needs to be a greater number of customer service personnel to ensure that exemptions are quickly and efficiently processed. Since the documents are electronically stored, best practice is to process and scan the appropriate documents, stamp them as received and return them to the taxpayer while they stand at the counter. For mail-ins, a verification of receipt might be emailed, but if it appears as updated on the website immediately, then the taxpayer can see that it has been received. Keeping the website updated regularly with exemption data and changing values will improve customer service and reduce complaints. Taxpayers can be told to check the website for verification of exemptions reducing phone calls and angry taxpayers.

Additionally, customer service handles protests of value and additional personnel will assist in the processing of those protests in a timely manner.

Appraisers should physically inspect parcels at least once every three years. In the recommendations, I will suggest that an appraiser physically see sold properties within a month of the sale. In today's real estate environment, it is very normal for buyers to remodel and flip a house. If an inspection of the house is not done based on its current condition, the sales data is distorted and will produce incorrect results in ratio studies.

The district has access to Eagleview, an oblique photography product that provides multi-sided visuals of improvements. This product also provides "change finder", a program which displays changes to properties such as add-ons or tear downs that may be done without a permit. These mapping systems are invaluable and should be continued as a device to assist the appraisers. It is important that the product be used to its maximum capability.

Standards of performance should be developed for each department based on the product they provide for their stakeholders. For appraisers, it would be inspections, quality of work

indicated by correct ratios and acceptable coefficients of dispersion, and perhaps, appeals worked. For deed clerks, it would be number of deeds processed and an accuracy factor. For an exemptions clerk, it could be exemptions processed. And so on through the organization. Without tools of measurement, it is not possible to accurately measure performance of staff for purposes of pay increases or incentive pay.

Accuracy of appraisal is monitored by the use of internal ratio studies of all properties by category and within neighborhoods. The ratio process meets the standards of IAAO and reasonable results are noted in residential property. However, the analyses are often rushed because of the shortage of personnel. External ratio studies are performed by the State Comptroller every other year provided the appraisal district passes their study with at least an overall ratio of 95% or better. Denton CAD has not met that standard for all their schools.

The appraisal district has years with the many issues honestly impossible for how important the district. Without a district cannot operate mistakes were made in cannot continue to blame majority of those with that there were many want a continued blame want the problems fixed and desire a smooth and accurate appraisal roll to be created.

The majority of tax unit personnel with whom I met understand that there were many problems, but they do not want a continued blame on past decisions-they want the problems fixed and desire a smooth and accurate appraisal roll to be created.

had two very difficult with software. It is any layman to understand software is to an appraisal functioning system, the successfully. Many the past, but the team or discuss the past. The whom I met understand problems, but they do not on past decisions-they

The management team is meeting regularly to assess pending events and how to deal with those events through media or direct contact. One of the recommendations is that in the management and department meetings, the staff should speak first about issues and their ideas for addressing those issues. Ideas tend to be stifled if leadership speaks first with their ideas. The management group needs to constantly look at procedures to see what is working and what is not, and to address the activities that are not working efficiently. The group meets to examine the financial impact of the activities of the district and how to meet the needs through the existing budget or contingency funds.

An independent financial auditor audits the financial records of the district annually to ensure that proper financial procedures are being followed and that the financial activities of the district are accurately reflected to the tax units that pay the cost of operations as well as the citizens of the community who ultimately pay the costs through the property tax they pay.

The State Comptroller also of the district through the audit done every other evidence to support the IAAO standards by which must abide. In the most the Denton district

The State Comptroller also examines the operations of the district through the Methods and Procedures audit done every other year. In the most recent completed study, the Denton district received a perfect grade.

examines the operations Methods and Procedures year. They look at codified requirements and every appraisal district recent completed study, received a perfect grade.

### CHAPTER 3: INFORMATION TECHNOLOGY

The current CAMA system is sufficient to handle all aspects of the appraisal district operations. The attempted conversion to True Prodigy was extremely problematic to the point that that it was abandoned and the previous provider, Harris True Automation was rehired to provide the software services. Though somewhat older technology, it is still considered the premier technology in Texas appraisal districts. They provide their services to over 120 of the 254 counties in the state. Like other software companies, they are struggling to keep qualified personnel and keep up with the law changes and current systems needed. They are planning to move to a more efficient system in the near future with cloud computing which is supposed to reduce cost and improve quality.

The CAMA system meets all state requirements of coding current and historical data. The database does meet IAAO standards for usability. The database supports aggregates and sub-parcel records using a parent-child concept of splitting properties.

The CAMA system allows for changes in the tables without impacting the current appraisal roll. The software models are developed and applied by neighborhood or type of commercial property and then ratios are run to verify the accuracy of the models. When the models are finalized in the CAMA system, the system is capable of developing comparables and adjusting those comparables to the subject property.

The CAMA system does integrate nicely with the ESRI mapping software. Oblique photography is also integrated helping the staff to verify improvements and measurements that are sometimes obscured by tall fencing or vegetation. "Change finder" is a program that is provided by the oblique photography company that highlights demolished improvements and additions to structures and helps the appraiser with what properties need to be inspected.



The CAMA system allows the storing of appeal data and schedules in various formats as well as the recordings of the formal hearings held by the Appraisal Review Board. Appeal documents remain in the system for future reference and for the production of open records requests.

The Information Technology staff is extremely busy keeping equipment running correctly and working to ensure a secure technological environment. One of the key responsibilities of the department is cyber-security. Threats must be monitored and handled at all times. There has been a large turnover in the IT staff, and they are still getting up to speed on the special needs of the appraisal district.

#### **CHAPTER 4: CADASTRAL MAPPING**

The mapping system meets IAAO standards and visually verifies and accounts for all property in the district. The data is up to date with less than 60 days from the filing of an instrument until the results are accurately mapped.

The mapping system meets IAAO standards and visually verifies and accounts for all property in the district. The data is up to date with less than 60 days from the filing of an instrument until the results are accurately mapped.

Denton is a rapidly growing area with many plats are filed annually as well as the subdividing of existing parcels. There is a diversity of sources of information from various cities within the county as well as the unannexed areas, and the department is struggling to keep up due to the number of personnel. At least two additional personnel should be added to this department to keep records current.

Oblique photography meets this need for information. In most cases, the needs of the appraisers in the district to find accounts and determine the property lines to know what improvements go with each parcel are met by the current mapping system.

The GIS system coupled with oblique photography greatly enhances the appraisers' information and allows for the verification of improvements through that program and the measurement of improvements that are not readily available or when the taxpayer refuses entry to the property.

#### **CHAPTER 5: PROPERTY USE CODES, MARKET AREAS, AND NEIGHBORHOODS**

The district uses normal property types and classes that mirror the Marshall Valuation Service upon which the cost basis is derived. Mixed use properties can be classed and appropriately classified using existing software.

Neighborhoods have been class of property based on driving value in those analyses, several utility and market appeal a greater supply of sales models.

Neighborhoods have been developed for each major class of property based on the economic factors driving value in those identified areas.

developed for each major the economic factors identified areas. For subdivisions with similar may be combined to have data on which to develop

## CHAPTER 6: PROPERTY DATA COLLETION AND MAINTENANCE

Rapid growth is occurring in Denton County and the district has developed a system of entering many of sketches of homes provided by the builders. This method is far superior to physical, on-site measurements as it takes less time and requires less coordination to arrive at the building site to measure the upstairs accurately. That department actually needs additional assistance to handle the volume of new construction occurring. Some homes still must be measured physically by staff appraisers.

The commercial appraisers also get permit data and go to the construction site to physically measure the structures. They class the structures appropriately according to Marshall Valuation standards in order to develop a cost approach to value. They also note any special characteristics of the property that would contribute to value such as docks, internal cranes, special environmental treatments, and many other factors. Additionally, they must develop income models to utilize an income approach on all commercial property that lends itself that approach. Capitalization rates must be gathered from the local market to apply to income streams of commercial properties.

Texas taxes business personal property. It is identified as non-real property that generates income. All businesses in Texas are required to “render” their property annually with a listing of furniture, fixtures, and equipment, vehicles, and inventory. Texas still taxes inventory held for sale at the owner’s cost or market, whichever is lower. The level of trade must be taken into consideration by the appraiser. The appraisers in BPP go to the accounts in the district, look at the personal property as much as they can, and if the property is not rendered, density/quality tables (a method to estimate inventory and furniture and fixtures per square foot, are used to estimate those values.

The CAMA records show the current use of the property and current zoning indicating permissible uses.

The inspections of property are typically done based on the exterior measurements unless the appraiser is on site during the later stages of construction. Only when requested to do so, are residences inspected on the interior and is only done within strict policy of the district to avoid numerous issues alleging wrongdoing.

The district seeks to re-inspect property on a three-year cycle and certainly complies with IAAO standards of at least once every six years. They both physically inspect and inspect using the oblique photography available to the district.

The district seeks to re-inspect property on a three-year cycle and certainly complies with IAAO standards of at least once every six years. They both physically inspect and inspect using the oblique photography available to the district. The oblique photography is very high resolution

and has the capability of accurately measuring the exterior dimensions of improvements to verify existing measurements done on site. Additionally, it allows the appraiser to discover pools, shops, and storage buildings in the back of homes that are often obscured by high fencing and/or vegetation.

New structures are typically discovered by getting permits from local cities and septic permits from county government. The rapid growth of the district causes a significant challenge to the appraisers who must be sure that all improvements are accounted for in their assigned areas.

The current data gathering card is sufficient in its design to ensure that the appraiser gathers all necessary data while on the site. For those using “mobile office” the system also seems to work well in the gathering of data. For mobile devices, it is helpful if the device is programmed to not close the account unless all the data requirements are completed. Drop downs are very helpful for the field personnel to ensure that correct coding is occurring in the field.

## CHAPTER 7: SALES DATA AND RATIO STUDIES

Sales of all real estate are captured from the deed recording process. All data is received from the County Clerk, the repository for that data in Texas. The transfers are coded and routed to appropriate departments for processing. The software generates letters to buyers and sellers requesting sales information; however, the response from those letters is not high nor always reliable. Other sources of data are searched for sales information. Multiple Listing Service is not a source that the district is allowed to use but most sales data is now available from other sources; however, the district is able to acquire sales data from other sources for most residential property, but not commercial property. They do purchase data on sales and typical rents, but actual sales of all commercial property would enhance their quality of work.

Sales data is studied and appropriate adjustments are made to ensure that the sale is accurate and that it can be used in the data base of sold properties. Sales are time adjusted when supporting data is available to develop trends (paired sales). The current comparisons of sales to models is sufficient to meet IAAO standards for ratio studies. Sales data is used to produce

The current comparisons of sales to models is sufficient to meet IAAO standards for ratio studies.

sales comparison grids and adjustments to comparable properties is automated within the software. State law also requires a comparison of the equity of appraisals. The computer system also produces an equity grid for properties.

The available sales data is sufficient to allow the staff to run ratio studies by type of property and areas of the county or neighborhoods. Demand for housing in specific areas of the county (specifically school boundaries) fuel very different values and are appropriately reviewed and values appropriately adjusted to reflect market trends.

When the district sees that a neighborhood is out of compliance with value standards, they focus staff on reinspection and/or reanalysis of the factors that are causing problems to correct the values.

Current ratio study programs produce various results not only for the values compared to sales prices, but also to the consistency of appraisal between properties expressed through weighted mean, coefficient of dispersion, and price related differential. The additional statistical measurements are also measured by the State Comptroller in their biennial ratio study. Their results are on the universe rather than neighborhoods but certainly provide a measurement of the quality of work being done in the district. The most recent study available (2021) indicated an overall median level of appraisal of 97% with a coefficient of dispersion (COD) of 8.47 which is excellent. The COD of single-family residential property was 6.38 which is exceptional. The closer to zero the COD is, the more consistent the appraisal work is. IAAO standard for homogeneous neighborhoods is 15 and the lower the number, the better are the appraisals.

The appraisal district does intervals and expresses through the models applied uniformly to both ensuring equality of The sales ratios can be enhance user confidence.

The internal ratio results compare consistently with the State Comptroller study indicating that there is no bias occurring in the data analyzed.

calculate confidence and modifies those results created. The models are sold and unsold properties appraisal in all categories. shown graphically to The internal ratio results

compare consistently with the State Comptroller study indicating that there is no bias occurring in the data analyzed.

## CHAPTER 8: LAND VALUATION

Land values are rising rapidly due to demand of all types of land so the district responds with regular and frequent reappraisals of land parcels.

Sales ratios of land are developed, as available, to assist in the preparation of the models the district applies to land.

The process of appraising agricultural land, timber, and wildlife management is mandated by law and the rules of the State Comptroller. The income is based on a five-year average specified by law and the capitalization rate is also codified at 10% or greater if interest rates

ever rise again. DCAD complies with the law and rules in the development of their agricultural values.

Producing minerals are values based on their market value by an outside appraisal firm that specializes in those type appraisals. The production of each well is analyzed, the economic life of the well is estimated based on the decline of production, and the future production is discounted to the January 1 value. All of these methods are in compliance with appraisal standards for this category of property.

## CHAPTER 9: RESIDENTIAL VALUATION

The majority of the value County is residential bedroom county next to Counties, with good of life draws people to Therefore, the accurate critical to the success of within the district who are appraisals.

The accurate appraisal of homes is critical to the success of DCAD and to the schools within the district who are fully funded based on correct appraisals.

of property in Denton property. Being a Dallas, Collin, and Tarrant schools and a high quality Denton County. appraisal of homes is DCAD and to the schools funded based on correct

The primary method utilized in residential appraisal is comparative sales. There is a very active market in Denton County and most of the sales of homes are discovered by the district through various sources although the district does not have direct access to MLS sales. The appraisers of the district make comparisons of paired sales to develop time adjustments to models and those adjustments are significant as demand for housing is continuing to increase across the State, but especially in metropolitan areas.

The models that are developed are recalculated each year and applied every year because of the dynamic market. The failure to reevaluate annually would quickly put the district out of compliance with state standards of appraisal.

Neighborhoods are developed for comparison purposes using subdivisions of similar utility to the market. Age of improvements, location, school districts, and typical amenities are examined to develop a neighborhood. Where there are non-homogeneous structures within a neighborhood, the district relies on the cost tables to adjust those properties appropriately.

The models for residential property are analyzed to ensure that all characteristics of properties are valued based on their contributory value to the property.

Homes that suffer from external obsolescence are typically tied by neighborhood and sales of those properties are examined to make appropriate adjustments for whatever obsolescence occurs.

The costs used in the CAMA system are based on Marshall Valuation and are updated regularly. These costs are then adjusted appropriately to mirror what is going on in the market through comparisons to sales prices.

## CHAPTER 10: COMMERCIAL VALUATION

In the last ratio study done by the State Comptroller, the commercial appraisals did not meet state standards with a weighted mean of 91.59% in Denton ISD and 94.02% in Lewisville ISD, the two largest districts with the most commercial property.

The commercial department of the Denton Appraisal District contains 11 personnel. There are many types of commercial property indicative of the suburban environment next to a major urban area. There are 9023 commercial accounts that must be valued annually. The total value of these accounts is approximately \$976,000,000. In the last ratio study done by the State Comptroller, the commercial appraisals did not meet state standards with a weighted mean of 91.59% in Denton ISD and 94.02% in Lewisville ISD, the two largest districts with the most

commercial property. The primary reason for the low ratio was the focus of the district on the cost approach rather than the utilization of the income approach to value. Most commercial property sells based on its ability to generate a return on investment to its purchaser. Since that study, steps have been taken to appraise more property categories using income models.

The district has access to Marshall Valuation data and keeps their costs up to date. Appropriate adjustments to costs are made based on local building costs and market information that is available. Again, as previously mentioned, Texas does not have a required disclosure and too often, the data is not available to this or any other appraisal district. Agents represent most of the commercial properties and exacerbate the appeals process with unrealistic data. The contingency fees that most of them charge present huge temptations to inaccurately describe income and expenses to the properties they represent. This is unlikely to change since their industry seems to control legislative action and appraisal districts are negatively impacted by the methods and procedures that agents use to attempt to reduce the properties they represent. Legal action frequently occurs when values are anywhere near true market value and they also tend to manipulate data in the comparisons of other property under the equality appeals. This situation is likely to worsen for the district and litigation is likely to increase when the 2022 roll is prepared, due to the expected increases of commercial property. This is certainly not unique to Denton CAD. Similar issue face practically every metro district in the state.

When data is available either through the appeals process or through publications of local rents and expenses, the appraisers and the commercial appraisers examine that data and adjust it according to the market areas of Denton CAD.

Apartment complexes are appraised using the income approach. The numbers generated by the last state study in 2021 were not good indicating a weighted mean of 85% in Lewisville and 79% in Denton. This was primarily caused by the utilization of cap rates that did not indicate what was going on in the market at the time. Market cap rates continue to be driven down in all Texas metro areas with Investment Trusts willing to accept rates of return as low as 4%. These rates of return have continued to drop faster than most appraisal districts have recognized, thus creating lower values than the sales would indicate. Again, most of the sales data is not available. Also, rent have been rapidly rising and this has not been projected by most appraisal districts in their analyses.

Apartment complexes are appraised using the income approach. The numbers generated by the last state study in 2021 were not good indicating a weighted mean of 85% in Lewisville and 79% in Denton.

More categories of commercial property (office and retail) are now being appraised using the income approach

## **CHAPTER 11: PERSONAL PROPERTY ASSESSMENT**

Personal property that generates income to the owner is taxable in Texas. Basically, taxes are paid on the market value of furniture, fixtures, equipment, vehicles, and inventory at the level of trade of the individual business. There are numerous jurisdictional exceptions to the above statement, but that is the intent of the original law. Most notable jurisdictional exceptions include the vehicle inventory tax, boats and trailers under a similar system, and heavy equipment. Prior to the passage of these exceptions, this inventory was taxed at its value on January 1 at the appropriate level of trade.

The business personal property staff has 10 appraisers and staff to handle the approximately 30,000 BPP accounts. They visit the accounts annually to verify that they are still in business and identify new businesses. All businesses are required by law to render their property for taxation, but the penalty for failing to render is only 10% of the total billed amount. Too many owners ignore the requirement letting the appraisal district “appraise” their property and then only appealing if the value is higher than is indicated in their books. In addition to the BPP responsibility, the department handles exemptions of properties including religious, historical, charitable, tax-exempt housing, and abatements.

The district BPP staff has developed density/quality tables to utilize in better estimating values of taxable business personal property. Those tables are developed from taxpayers who accurately render their property and industry standards of various property. Each business is categorized based on its Standard Industrial Code (SIC) a coding system developed by the Federal government. The district can make comparisons of value per square foot within these categories.

The business personal property accounts are linked to real estate accounts so that staff can properly account for all businesses.

The district does not systematically address the failure to render other than to assess the 10% penalty to unrendered accounts. The system does not track or flag significant changes to value from one year to the next. This would be helpful for the supervisor to identify errors or potential fraud. The software does store the assets of a business and allows for entry of new assets and removal of retired assets without the reentry every year. A built-in depreciation system automatically depreciates the assets based on the class of asset.

The Business Personal Property appears to be well staffed for the number of accounts they are required to work. It was noted in the discussion with staff and taxpayers that some renditions were not worked and values were carried over from the prior year without verification. This should not be done. All renditions should be worked timely and correctly appraised regardless of size. Support personnel in that division should be considered for training to become appraisers. Most of the BPP personnel in appraisal districts are appraisers and can process all renditions and appraise properties

It was noted in the discussion with staff and taxpayers that some renditions were not worked and values were carried over from the prior year without verification.

## CHAPTER 12: VALUE DEFENSE

The value defense systems throughout the state file they do not have  
The past year, over 73,000 equaling 21% of active districts in metropolitan higher levels of appeal

The past year, over 73,000 appeals were filed in DCAD equaling 21% of active accounts.

in Texas are in crisis. Agents appeals even on property that authorization to represent. appeals were filed in DCAD accounts. Other appraisal areas experience similar or that threatens to bring the

process to a grinding halt. Taxpayers may file an appeal in person, by mail, or online at the district's website. A protest form is mailed with the notice of value and may be used to file the appeal although a formal document is not required. The owner can simply state in a letter or document their dissatisfaction with the proposed value. Agents for taxpayers can also file appeals. They must have authority from the taxpayer to be heard before the ARB, but authorization paperwork does not have to be presented until the hearing. This is an awful part of law, but again, in this instance, the agents have the ear of the legislature.

Denton has struggled to certify the values to the tax units in a timely manner. The appeals system is integrated into the CAMA system and works well to ensure that protests do not slip through the crack. Taxpayers may file protests in several ways including an online process.



State law requires the approval of the appraisal records by July 20 with at least 95% of the values having been finalized through the appeals process. To meet this requirement, the appeals department sets high-valued properties early in the hearing process and sets the lower valued properties later in the year. In 2021, a rather large number of residential properties were moved to the “certified” category and a 10% deduction was applied to each property as an estimate of value loss. Unfortunately, these accounts were not “uncertified” and the files were sent to the tax collector for billing. The taxes were paid, but then the protest was actually heard by the ARB, a value above the “certified value” was approved, and a supplemental tax bill was generated creating a lot of unhappy taxpayers. This should not be done in the future.

The Board of Directors has approved the appointment of 24 Appraisal Review Board (ARB) members to hear the appeals that are not settled informally. The members and officers of the ARB are appointed by the Administrative District Judge. They meet in five panels but plan to move up to seven to handle the number of protests. No requirement of specific knowledge is required to be appointed to the Appraisal Review Board. They are given some training by the State Comptroller, but the appraisal district is prohibited from providing more advanced training unless it is provided by the ARB’s attorney. The members are paid a daily rate based on the job they are filling. It continues to be difficult to find people who will accept appointment. Many of the members are retired. The ARB begins meeting in June and will meet throughout the summer. The hearings are recorded by audio into the CAMA system specific to the account.

Taxpayers are given instructions prior to their hearing on how to present their case to the ARB. They are given examples of good evidence to bring to support their case. The ARB listens to their evidence, then listens to the evidence presented by the staff of the appraisal district and makes their decision based on the preponderance of the evidence presented.

There are various types of appeals that can be filed included the exceeding of market value, equity with other similar property, denial of an exemption, denial of agricultural value designation, or anything else that effects the taxpayer’s amount of taxes. The formal appeal is restricted to the type of appeal filed in the notice of protest.

The appraisal district has the burden of proof in the appeals process and overcomes that burden by presenting their evidence of value such as a comparable sales or an equity grid. The evidence that the district will use in the formal process is typically given to the taxpayer at the informal meeting, if one is held. An informal meeting is now a requirement of law if requested by the taxpayer or agent. The staff of appraisers makes the presentation to the ARB based on an information packet developed prior to the hearing.

Briefing the ARB on the appraisal process is not allowed in Texas law.

When the ARB makes a decision, they are not required to give a reason for their decision. The taxpayer is sent a finding of the board by certified mail with instructions on how to appeal the decision. Appeals can be filed in District Court or by binding arbitration in qualified cases.

The district has a very good system of tracking appeals from the filing process through completion. Formal hearings are set on a schedule so that timely hearings can occur. The entire process is well documented by the ARB staff and management

There is no state agency or tax court authorized by the state for the appeal of property value.

### **CHAPTER 13: COMMUNICATIONS AND TAXPAYER ASSISTANCE**

Denton CAD works very hard to assist taxpayers in various ways. They go beyond the standards required by IAAO in their outreach to the community with pamphlets, public information announcements, news releases, and a very effective presence on their website.

The district is very focused on positive direct contact with taxpayers either in person or by phone. The customer staff is well trained and has significant training to help taxpayers solve their issues and answer their questions. Our observation of that department indicated a very friendly environment capable of handling the most stressful situations. They do need additional personnel to handle the volume of taxpayer contacts.

The district is very focused on positive direct contact with taxpayers either in person or by phone. The customer staff is well trained and has significant training to help taxpayers solve their issues and answer their questions.

The website of the district allows for the search of properties by name of owner, address of property or by account number. Once on a parcel, the user can get a map of the subject in high resolution aerial photography along with surrounding parcels. The user can click on any parcel and get additional information about that parcel. The availability of all the data allows taxpayers to gather information about other properties and to make appropriate decisions about appeals and fairness of the system.

## RECOMMENDATIONS

1. Now is not the optimum time to hire employees due to the large crowds and magnitude of work because of the reappraisal notices and the protests of property values. However, as soon as August, the hiring of residential appraisers should begin so that the reappraisal process for 2023 can begin. An additional eleven appraisers need to be added to bring Denton up to averages of similar metro areas with rapid growth. The numbers of appraisers in commercial and business personal property seem adequate based on appraisal standards. Most of the new people should be focused in residential appraisal, where most of the growth is occurring in Denton CAD.
2. Additional personnel are recommended in customer service and deeds/plats/and improvement drawings to meet the growing needs in those areas, and to reduce customer complaints. Customer service will likely need swing employees to assist in the appeals process, both informal and informal. The total employees to be added is 17 support personnel.
3. Add additional Appraisal Review Board members to facilitate the handling of the growing number of protests. The protests are exacerbated by the lack of personnel to put into the field and to build accurate models of appraisal. If the values are not equal and uniform, appeals increase rightfully, which keeps appraisers tied up in appeals all year rather than focusing on analysis of sales, building of neighborhoods, and selecting correct models and profiles. The number of ARB members will be necessarily constrained by current building configuration and support staff.
4. Consider assigning residential staff to a specific area to appraise, analyze, set values, and defend the values. This process gives the appraiser ownership in the work because it is vertically integrated with all responsibility in one appraiser. This also allows management to accurately measure the performance of the individual appraiser for quality and quantity of work by running ratio studies by appraiser. Similar assignments are recommended for commercial appraisers, but categorized based on types of improvements so that they can become specialists in apartments, retail, mini-storage facilities, warehouses, etc. This will develop consistency across the district is types of property.
5. Consider a public spokesperson for the district to prepare media releases, do interviews, make speeches to civic clubs, meet with stakeholders, and prepare information to be distributed to the public. There seems to be an adversarial relationship between Ms. McClure and the media and this might ameliorate this issue with professional relationships developed.
6. Have attorney look at the acquisition of the building between the two current district buildings. Since the county is moving the tax office across the street, it is probably better for the district to expand their complex by adding space at the back of the lot,

removing the building in the middle and expanding the parking lot. Consider building a specific area in the new building to house informal and formal hearings with numerous small offices that would house an ARB panel or a one-on-one discussion with a taxpayer. Obviously, this would need to be wired for computer access to all offices.

7. One of the most important aspects of a good model is to know everything possible about the sale at the time of sale. Older homes are often remodeled and flipped within weeks of the sale causing questions in the mind of the modeler as to time adjustments and other issues. If the district had a dedicated person to go to each property that sold within 2-3 weeks of the time of sale, note the condition of the property, and take an updated picture, that would create a "snapshot" of that property for accurate comparison.
8. Management and staff meetings should be done on a regular basis. Stephen Covey discussed the idea of developing "wildly important goals" of the organization, as well as each division of the organization. Wildly important goals (WIGS) are things that if not done well and timely, will cause the failure of the organization. Managers should state the issues to be faced that week/month and ask for input from the staff or other managers first. If the manager states his or her opinion about how to deal with issues, it tends to kill creativity. Scoreboard should be developed wherever they are applicable such as measuring protests completed, deeds completed, mapping of parcels completed, appraisals completed. Scoreboards are a quick way to see how well the department or organization is moving toward to attainment of their wildly important goals.
9. The district needs to work on a succession plan for all key positions in the district. We would recommend that each division head designate one or more persons that they have identified who can move to a leadership position. Once that person or persons are selected, they should receive training opportunities in leadership and management as well as cross-training on every aspect of the department. For those managers who are nearing retirement, this action is imperative. Every key position should have a replacement prepared to take over in the event of a retirement or a catastrophic event that would keep the manager from continuing his or her job.
10. The State Comptroller is moving commercial property to an income approach to value almost exclusively in the Property Value Study. One of the key components to the accurate appraisal of commercial property is the proper selection of a capitalization rate. It may be advisable for the District to contract with a local commercial appraiser to develop cap rates for various categories of property in Denton County. This person might also be willing to provide commercial sales data on a confidential basis, to be used in checking trends of value. This person should meet with all commercial appraisers to explain his or her reasoning in the cap rate study and to offer general guidance to the commercial staff as they prepare to defend values.
11. I would suggest that new employees be hired by a hiring committee made up of the department head and two or three rank and file employees. These people often have a

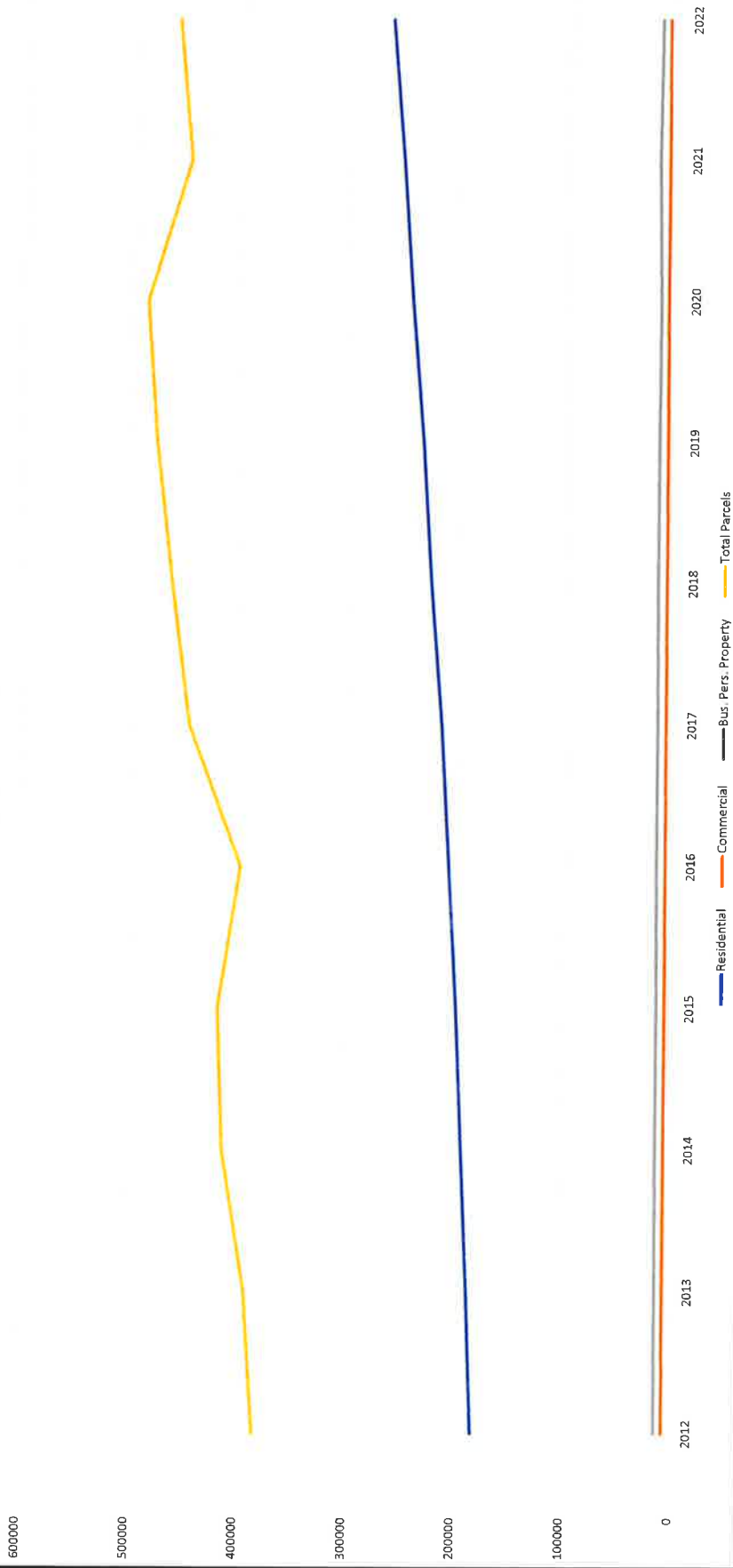
good idea of the kind of person that will be fit into the group and will know the right questions to ask. If they have a hand in the hiring, they are invested in the success of the new hire and will be more welcoming to the new person. The chief appraiser has too much to do to be a part of all the hiring experiences and the top-down decisions don't generally get the buy-in from rank-and-file employees if they are not included and consulted in the process. Of course, the chief appraiser should set standards for hires as far as qualifications and general expectations.

12. Improve the signage at the building. The signs on the main building are obscured to some extent by trees. The sign at the curb looks cheap and unprofessional. Consider putting up a nice sign compliant with building codes at the main entrance at street level. Also consider signs directing the public to the appropriate building for service. If codes allow, maybe an electronic sign that can display messages appropriate for the time of year.
13. Develop a system of exit interviews with report to the board directly. With the turnover experienced in the past two and a half years and the rumors flying, it is wise for the board to get an independent report of why people are leaving so that, if it an issue, they can address it appropriately or put the rumors to rest.
14. In his book, *The Speed of Trust*, Stephen M. R. Covey deeply discusses the importance of trust in any organization so that it can run smoothly and efficiently. When trust is broken, there are several steps that must come from leadership to reestablish trust.
  - a. Talk straight and direct, in person
  - b. Demonstrate respect for everyone on the team
  - c. Create Transparency
  - d. Right wrongs-apologize
  - e. Show loyalty- don't talk about others behind their back
  - f. Deliver results-be a servant leader
  - g. Get better in your job
  - h. Confront reality
  - i. Clarify expectations in writing
  - j. Practice accountability-when someone is not producing, hold them accountable
  - k. Listen first-see first to understand others, then to be understood
  - l. Keep commitments-make a promise-keep a promise
  - m. Extend trust to others
15. Consider developing experienced appraisers into "modelers" who watch the sales that are occurring, develop neighborhoods for analysis, and guide the rank-and-file appraisers in correct analyses of their assigned areas.
16. Consider developing a land appraisal division that is specifically focused on all types of land including agricultural land, city lots, and commercial land. This is often an area that is not focused on by appraisal districts and becomes problematic in the overall values of property.

## APPRAISAL DISTRICT COMPARATIVE ANALYSIS

	2022 Budget	Real										
		Total Parcels	Property Parcels	BPP	Total Employees	Total Appraisers	Total Employee	Parcels/ Appraiser	Total Employees	Total Appraisers	Total Employee	Parcels/ Appraiser
Collin	\$ 25,394,900	412493	378027	34466	152	53	2714	7783				
Dallas	\$ 31,205,055	844173	739418	87990	242	102	3488	8276				
Denton	\$ 15,324,294	382849	336509	14269	90	42	4254	9115				
Ft. Bend	\$ 18,194,846	322413	267568	26268	164	71	1966	4541				
Tarrant	\$ 26,790,117	749198	682281	62180	212	97	3534	7724				
Travis	\$ 22,786,110	463005	421146	41859	143	73	3238	6343				
Williamson	\$ 10,321,300	274283	258300	15983	73	34	3757	8067				
<b>Averages</b>	\$ 21,430,946	492631	440464	40431	154	67	3279	7407				

# Denton CAD Parcel Growth



### DENTON GROWTH PATTERN

YEAR	HOMES	COMMERCIAL	BPP	TOTAL
2012	182347	6938	13723	382849
2013	187148	7113	14095	391834
2014	193359	7214	14585	413065
2015	199043	7421	14571	417868
2016	206400	7573	15385	397753
2017	214387	7737	15284	446273
2018	225099	8069	16016	463166
2019	233272	8260	15954	478455
2020	244313	8724	15747	488087
2021	253564	8784	17618	448531
2022	264564	9023	16042	460724

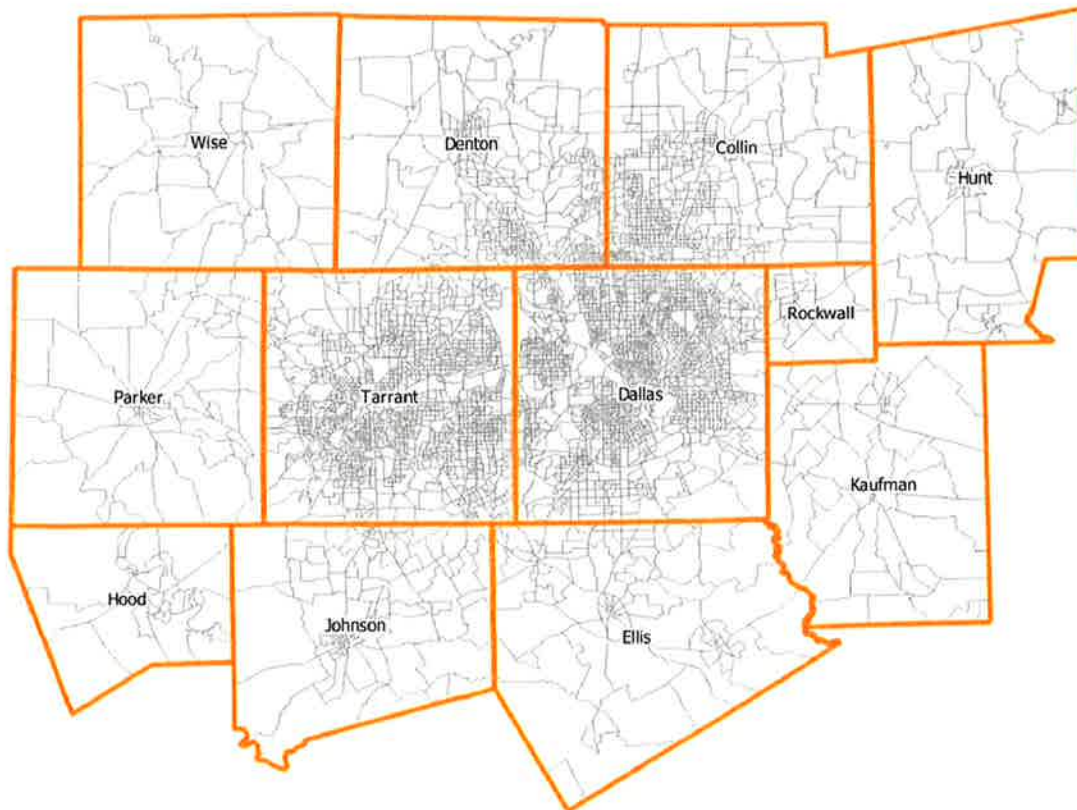
Decline in total parcels is a function of mineral accounts falling below taxable amount



## North Central Texas 2045 Demographic Forecast

The 2045 Forecast released in 2022 is an entirely new data product and supersedes the 2045 Forecast released in 2017. The 2045 Forecast covers the 12 counties in the Metropolitan Planning Area (MPA) and is released at 2010 Census Block Group geography to ease integration with other readily available data. Figure 1 shows these twelve counties along with the 2010 Census Block Groups. There are over 4,100 Census Block Groups in the MPA. Digital files of these geographies suitable for use in geographic information systems are available from the Regional Data Center: <https://data-nctcogis.opendata.arcgis.com/>.

**Figure 1. Counties and 2010 Census Block Groups**



The 2045 Forecast was built start to finish using a new, more efficient process that not only made production faster and easier, but also eased internal evaluation, local review, and incorporation of feedback.

## Step 1 –County Control Totals

NCTCOG commissioned The Perryman Group (TPG) to develop County control totals of households, household population, and employment by major sector<sup>1</sup>. TPG delivered their work in March of 2020. The resulting county control totals are provided in figures 2, 3, 4, 5, and 6. The county control totals served as guides for the work performed in subsequent steps.

**Figure 2. 2030 and 2045 County Control Totals - Households**

County	2020 Census	2030	2045	2020 - 2045
				Change
Collin	381,318	454,207	624,350	243,032
Dallas	965,537	1,076,133	1,256,645	291,108
Denton	328,884	390,194	535,571	206,687
Ellis	64,996	76,599	105,405	40,409
Hood	24,811	28,435	36,855	12,044
Hunt	36,076	40,838	51,550	15,474
Johnson	61,654	71,295	89,845	28,191
Kaufman	47,673	49,824	66,014	18,341
Parker	53,482	59,663	80,325	26,843
Rockwall	36,326	41,747	54,534	18,208
Tarrant	760,739	860,864	1,057,748	297,009
Wise	24,306	28,065	35,748	11,442
<b>MPA</b>	<b>2,785,802</b>	<b>3,177,865</b>	<b>3,994,592</b>	<b>1,208,790</b>

**Figure 3. 2030 and 2045 County Control Totals – Household Population**

County	2020 Census	2030	2045	2020 – 2045
				Change
Collin	1,057,649	1,294,904	1,788,851	731,202
Dallas	2,581,853	3,010,733	3,533,305	951,452
Denton	897,070	1,099,640	1,516,874	619,804
Ellis	190,652	230,103	318,214	127,562
Hood	60,702	73,050	95,154	34,452
Hunt	96,972	113,190	143,594	46,622
Johnson	176,561	203,793	258,100	81,539
Kaufman	143,800	157,257	209,395	65,595
Parker	146,840	173,427	234,655	87,815
Rockwall	107,130	123,161	61,686	54,556
Tarrant	2,083,512	2,468,156	3,047,774	964,262
Wise	67,826	81,225	103,976	36,150
<b>MPA</b>	<b>7,610,567</b>	<b>9,028,639</b>	<b>11,411,579</b>	<b>3,801,012</b>

<sup>1</sup> Household population excludes people living in group quarters such as dorms, jails, and nursing homes.

**Figure 4. 2030 and 2045 County Control Totals – Goods Employment**

<i>County</i>	<b>2020 BEA</b>	<b>2030</b>	<b>2045</b>	<b>2020 – 2045</b>
				<b>Change</b>
<i>Collin</i>	103,507	131,987	162,150	58,643
<i>Dallas</i>	551,396	674,542	804,912	253,516
<i>Denton</i>	96,803	114,344	142,129	45,326
<i>Ellis</i>	29,317	33,850	38,970	9,653
<i>Hood</i>	8,082	11,467	13,035	4,953
<i>Hunt</i>	15,178	20,052	22,463	7,285
<i>Johnson</i>	28,145	33,116	38,170	10,025
<i>Kaufman</i>	19,499	20,670	23,852	4,353
<i>Parker</i>	21,299	26,877	30,420	9,121
<i>Rockwall</i>	11,580	13,292	15,745	4,165
<i>Tarrant</i>	363,106	437,324	522,913	159,807
<i>Wise</i>	13,770	17,624	19,688	5,918
<b>MPA</b>	<b>1,261,682</b>	<b>1,535,143</b>	<b>1,834,447</b>	<b>572,765</b>

**Figure 5. 2030 and 2045 County Control Totals – Retail Employment**

<i>County</i>	<b>2020 BEA</b>	<b>2030</b>	<b>2045</b>	<b>2020 – 2045</b>
				<b>Change</b>
<i>Collin</i>	63,192	79,423	97,351	34,159
<i>Dallas</i>	169,048	217,486	258,451	89,403
<i>Denton</i>	43,844	54,083	65,395	21,551
<i>Ellis</i>	9,543	11,917	15,539	5,996
<i>Hood</i>	3,497	4,218	4,970	1,473
<i>Hunt</i>	4,585	5,718	6,866	2,281
<i>Johnson</i>	8,421	10,582	12,710	4,289
<i>Kaufman</i>	6,163	7,607	9,248	3,085
<i>Parker</i>	7,843	8,733	10,563	2,720
<i>Rockwall</i>	7,150	8,494	10,416	3,266
<i>Tarrant</i>	127,785	150,608	179,173	51,388
<i>Wise</i>	3,246	3,890	4,679	1,433
<b>MPA</b>	<b>454,317</b>	<b>562,758</b>	<b>675,361</b>	<b>221,044</b>

**Figure 6. 2030 and 2045 County Control Totals – Service Employment**

<i>County</i>	<b>2020 – 2045</b>			
	<b>2020 BEA</b>	<b>2030</b>	<b>2045</b>	<b>Change</b>
<i>Collin</i>	486,441	619,087	818,576	332,135
<i>Dallas</i>	1,523,839	2,029,847	2,521,984	998,145
<i>Denton</i>	279,080	362,480	481,949	202,869
<i>Ellis</i>	46,547	60,195	81,590	35,043
<i>Hood</i>	17,270	22,145	28,710	11,440
<i>Hunt</i>	25,148	32,329	41,310	16,162
<i>Johnson</i>	41,679	53,494	69,152	27,473
<i>Kaufman</i>	30,222	38,159	49,517	19,295
<i>Parker</i>	36,836	47,101	61,307	24,471
<i>Rockwall</i>	34,831	46,780	62,186	27,355
<i>Tarrant</i>	782,008	1,056,817	1,368,178	586,170
<i>Wise</i>	17,333	23,272	30,011	12,678
<b>MPA</b>	<b>3,321,234</b>	<b>4,391,706</b>	<b>5,614,469</b>	<b>2,293,235</b>

## Step 2 – Urban Growth Model

The 2015 to 2045 change was allocated in annual increments to 30-by-30-meter grid cells using an urban growth model developed by NCTCOG<sup>2</sup>. The model uses a long time series of satellite imagery along with cadastral-based land use data to quantify the trend relationship between urban land use/land cover change and estimates of the control totals during that time. Small-area socioeconomic data, terrain and land cover descriptor data, and proximity variables were evaluated to create a set of logistic regression models for the probability of 30-by-30-meter cells becoming urbanized into different land uses. The logistic regression models were used along with locally adopted future land use plans and the trend relationship to the control totals to predict future urban expansion based on “building forward” from the 2015 Small Area Estimates. Densities of the newly built grid cells is determined by regression-based algorithms using similar variables subject to adjustments to match the control totals. The grid cell allocations of 2030 and 2045 were tabulated by 2010 Block Group to arrive at draft 2030 and 2045 forecasts sent out for local review. Detailed information on the selection, calibration, training, and testing of the algorithms along with validation of the overall process is available in the manuscript “High Resolution Demographic Forecasting: A Data Science and Remote Sensing Approach to Small Area Forecasting” [https://rdc.dfwmaps.com/pdfs/Forecast2045\\_UrbanGrowthModel\\_ExtDoc.pdf](https://rdc.dfwmaps.com/pdfs/Forecast2045_UrbanGrowthModel_ExtDoc.pdf).

<sup>2</sup> Folden M., High Resolution Demographic Forecasting: The Convergence of Socioeconomic and Remote Sensing Data for Small Area Forecasting. *Applying Census Data for Transportation: 50 Years of Transportation Planning Data Progress*, 2018.

## Step 3 – Local Review

Local governments and other entities participated in the process in three important ways. The first of these was the provision of future land use plans<sup>3</sup>, which were used in the urban growth model. The second was the review of the 2000, 2005, 2010, and 2015 Small Area Estimates data, which were used to train algorithms used by the urban growth model and validate the urban growth model process. The third was review of the draft 2030 and 2045 Block Group forecasts. The draft household and employment projections were sent to over 516 local contacts. Thirty-five entities representing nearly 67% of the current population of the MPA commented on the draft figures.

Local reviewers provided their own expertise, experience, and knowledge along with substantiating information such as known development activity. Some communities indicated that the 2045 figures represent an anticipated build-out. In accordance with indications from these, little or no additional growth was allocated in the 2015 to 2045 period.

All comments received as part of the local review process were given due consideration and used along with data from various other sources including datasets developed by NCTCOG to refine the final Block Group allocations. Adjustments to the 2030 and 2045 figures were subject to some constraints, primarily a respecting of county control totals<sup>4</sup> resulting in development patterns absorbing all available growth in the county. Due to these constraints, some valid comments could not be accommodated. The results of the local review process were finalized household, population, and employment projections by Block Group.

## Select Cities

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NCTCOG does not produce city-level forecasts. Published city-level figures are the results of aggregations of 30x30 meter grid cells to the most current city boundaries. All figures are for the most current city boundaries available to NCTCOG at the time of tabulation. The year of update will vary depending on the city. Figures for select cities do not take into account future annexations or extra-territorial jurisdiction. City growth through annexation is not captured in the city-level approximations.

“Select” cities include incorporated places with a total population of at least 5,000 based on the official count from the 2020 Census. City-level aggregations are provided merely as an informational item and are likely to differ from any projections produced by or specifically for any given city.

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<sup>3</sup> These plans were gathered and compiled in 2018-2019 and represent the most current plans available at the time. Where future land use plans were not available, zoning or current land use were used.

<sup>4</sup> Subject to allowances for rounding and other relatively minor differences.

## Additional Data

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NCTCOG has several ongoing programs that support the demographic forecast and other work including census data support, population estimates, development monitoring, small-area estimates, and land use inventories. The demographic forecast data and additional data are available from the Regional Data Center: <https://data-nctcoggis.opendata.arcgis.com/>.

## Acknowledgement

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The 2045 Forecast was developed through collaboration of the NCTCOG Research and Information Services and Transportation departments. NCTCOG wishes to express its appreciation to the local jurisdictions and other organizations that shared valuable insight and provided support and patience during the process.

## Disclaimer

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**These data were developed for regional planning activities and have not been evaluated for other uses. The North Central Texas Council of Governments makes no warranty, express or implied, including warranties of merchantability and fitness for a particular purpose. Responsibility for the use of these data lies solely with the user.**

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

## 061-Denton /Denton County

### 043-905/Frisco ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	12,029,285,582	0.9443	12,738,838,909	12,029,285,582
B - MULTIFAMILY	986,227,409	0.7894	1,249,337,990	986,227,409
C1 - VACANT LOTS	245,455,710	N/A	245,455,710	245,455,710
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	176,422	0.9071	194,481	176,422
D2 - FARM & RANCH IMPROVEMENTS	12,054	N/A	12,054	12,054
E - NON-AG LAND AND IMPROVEMENTS	32,599,372	N/A	32,599,372	32,599,372
F1 - COMMERCIAL REAL ESTATE	1,109,258,949	1.0402	1,066,390,068	1,109,258,949
F2 - INDUSTRIAL REAL ESTATE	229,515	N/A	229,515	229,515
G - ALL MINERALS	0	N/A	0	0
J - ALL UTILITIES	81,076,797	N/A	81,076,797	81,076,797
L1 - COMMERCIAL PERSONAL	155,587,813	N/A	155,587,813	155,587,813
L2 - INDUSTRIAL PERSONAL	6,150	N/A	6,150	6,150
M1 - MOBILE HOMES	18,047	N/A	18,047	18,047

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I & S Purposes**

T7	T8	T9	T10
14,141,181,308	13,953,669,133	14,141,181,308	13,953,669,133

T7 = School district taxable value for I & S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

**THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD**



T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

## 061-Denton /Denton County

### 057-903/Carrollton-Farmers Branch ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	3,355,164,033	0.9442	3,553,446,339	3,355,164,033
B - MULTIFAMILY	1,471,979,662	0.8637	1,704,271,925	1,471,979,662
C1 - VACANT LOTS	13,991,323	N/A	13,991,323	13,991,323
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	86	1.5636	55	86
D2 - FARM & RANCH IMP	0	N/A	0	0
E - NON-AG LAND AND IMPROVEMENTS	1,483,732	N/A	1,483,732	1,483,732
F1 - COMMERCIAL REAL	440,876,683	0.9100	484,479,871	440,876,683
F2 - INDUSTRIAL REAL	0	N/A	0	0
G - ALL MINERALS	0	N/A	0	0
J - ALL UTILITIES	47,100,861	N/A	47,100,861	47,100,861
L1 - COMMERCIAL PERSONAL	183,216,565	N/A	183,216,565	183,216,565
L2 - INDUSTRIAL PERSONAL	34,068,855	N/A	34,068,855	34,068,855
M1 - MOBILE HOMES	0	N/A	0	0

<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	1,118,026	N/A	1,118,026	1,118,026
<b>S - SPECIAL INVENTORY</b>	0	N/A	0	0
<b>Subtotal</b>	5,548,999,826	0	6,023,177,552	5,548,999,826
<b>Less Total Deductions</b>	561,169,047	0	613,409,742	561,169,047
<b>Total Taxable Value</b>	4,987,830,779	0	5,409,767,810	4,987,830,779

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

**Value Taxable For M & O Purposes**

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
5,076,073,483	4,987,830,779	5,076,073,483	4,987,830,779

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
88,242,704	0

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I & S Purposes**

T7	T8	T9	T10
5,076,073,483	4,987,830,779	5,076,073,483	4,987,830,779

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

**THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD**



Glenn Hegar  
Texas Comptroller of Public Accounts



**Taxes**

Property Tax Assistance

## 2021 ISD Summary Worksheet

### 061-Denton /Denton County

#### 061-901/Denton ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	16,610,525,354	0.9619	17,268,453,430	16,610,525,354
B - MULTIFAMILY	2,450,717,414	0.7937	3,087,712,503	2,450,717,414
C1 - VACANT LOTS	545,204,829	N/A	545,204,829	545,204,829
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	2,560,157	1.0105	2,533,556	2,560,157
D2 - FARM & RANCH IMP	26,289,388	N/A	26,289,388	26,289,388
E - NON-AG LAND AND IMPROVEMENTS	514,355,297	0.9486	542,225,698	514,355,297
F1 - COMMERCIAL REAL	3,439,786,970	0.9159	3,755,635,954	3,439,786,970
F2 - INDUSTRIAL REAL	144,810,309	N/A	144,810,309	144,810,309
G - ALL MINERALS	48,086,259	N/A	48,086,259	48,086,259
J - ALL UTILITIES	290,020,004	0.9900	292,949,499	290,020,004

<b>L1 - COMMERCIAL PERSONAL</b>	919,773,534	1.0632	865,099,261	919,773,534
<b>L2 - INDUSTRIAL PERSONAL</b>	610,007,330	N/A	610,007,330	610,007,330
<b>M1 - MOBILE HOMES</b>	34,588,789	N/A	34,588,789	34,588,789
<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	285,806,379	N/A	285,806,379	285,806,379
<b>S - SPECIAL INVENTORY</b>	69,901,349	N/A	69,901,349	69,901,349
<b>Subtotal</b>	25,992,433,362	0	27,579,304,533	25,992,433,362
<b>Less Total Deductions</b>	2,541,068,175	0	2,690,292,172	2,541,068,175
<b>Total Taxable Value</b>	23,451,365,187	0	24,889,012,361	23,451,365,187

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M & O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
23,826,272,110	23,451,365,187	23,826,272,110	23,451,365,187

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD

### 061-901-02/Denton ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	16,610,525,354	0.9619	17,268,453,430	16,610,525,354
B - MULTIFAMILY	2,450,717,414	0.7937	3,087,712,503	2,450,717,414
C1 - VACANT LOTS	545,204,829	N/A	545,204,829	545,204,829
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	2,560,157	1.0105	2,533,556	2,560,157
D2 - FARM & RANCH IMP	26,289,388	N/A	26,289,388	26,289,388
E - NON-AG LAND AND IMPROVEMENTS	514,355,297	0.9486	542,225,698	514,355,297
F1 - COMMERCIAL REAL	3,439,786,970	0.9159	3,755,635,954	3,439,786,970
F2 - INDUSTRIAL REAL	144,810,309	N/A	144,810,309	144,810,309
G - ALL MINERALS	48,086,259	N/A	48,086,259	48,086,259
J - ALL UTILITIES	290,020,004	0.9900	292,949,499	290,020,004
L1 - COMMERCIAL PERSONAL	919,773,534	1.0632	865,099,261	919,773,534
L2 - INDUSTRIAL PERSONAL	610,007,330	N/A	610,007,330	610,007,330

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

## 061-Denton /Denton County

### 061-903/Pilot Point ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	432,735,966	0.9532	453,982,339	432,735,966
B - MULTIFAMILY	14,336,669	N/A	14,336,669	14,336,669
C1 - VACANT LOTS	25,586,937	N/A	25,586,937	25,586,937
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	3,013,694	1.0029	3,005,016	3,013,694
D2 - FARM & RANCH IMPROVEMENTS	33,217,792	N/A	33,217,792	33,217,792
E - NON-AG LAND AND IMPROVEMENTS	243,441,990	0.9841	247,375,257	243,441,990
F1 - COMMERCIAL REAL ESTATE	94,637,933	0.7645	123,790,625	94,637,933
F2 - INDUSTRIAL REAL ESTATE	1,035,457	N/A	1,035,457	1,035,457
G - ALL MINERALS	15,060	N/A	15,060	15,060
J - ALL UTILITIES	35,721,371	N/A	35,721,371	35,721,371
L1 - COMMERCIAL PERSONAL	34,483,925	N/A	34,483,925	34,483,925
L2 - INDUSTRIAL PERSONAL	3,525,389	N/A	3,525,389	3,525,389
M1 - MOBILE HOMES	1,620,071	N/A	1,620,071	1,620,071

<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	1,393,579	N/A	1,393,579	1,393,579
<b>S - SPECIAL INVENTORY</b>	4,021,820	N/A	4,021,820	4,021,820
<b>Subtotal</b>	928,787,653	0	983,111,307	928,787,653
<b>Less Total Deductions</b>	119,670,751	0	129,232,464	119,670,751
<b>Total Taxable Value</b>	809,116,902	0	853,878,843	809,116,902

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

**Value Taxable For M & O Purposes**

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
823,062,245	809,116,902	823,062,245	809,116,902

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
13,945,343	0



T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I & S Purposes**

T7	T8	T9	T10
823,062,245	809,116,902	823,062,245	809,116,902

T7 = School district taxable value for I & S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

**THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD**



Glenn Hegar  
Texas Comptroller of Public Accounts



Property Tax Assistance

## 2021 ISD Summary Worksheet

### 061-Denton /Denton County

#### 061-907/Aubrey ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	1,227,459,192	0.9458	1,297,799,949	1,227,459,192
B - MULTIFAMILY	17,084,196	N/A	17,084,196	17,084,196
C1 - VACANT LOTS	49,809,608	N/A	49,809,608	49,809,608
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	1,024,303	0.9209	1,112,264	1,024,303
D2 - FARM & RANCH IMP	19,298,526	N/A	19,298,526	19,298,526
E - NON-AG LAND AND IMPROVEMENTS	226,277,342	0.9005	251,279,669	226,277,342
F1 - COMMERCIAL REAL	102,699,864	0.8856	115,966,423	102,699,864
F2 - INDUSTRIAL REAL	1,388,572	N/A	1,388,572	1,388,572
G - ALL MINERALS	0	N/A	0	0
J - ALL UTILITIES	53,498,568	N/A	53,498,568	53,498,568

<b>L1 - COMMERCIAL PERSONAL</b>	47,330,354	N/A	47,330,354	47,330,354
<b>L2 - INDUSTRIAL PERSONAL</b>	902,866	N/A	902,866	902,866
<b>M1 - MOBILE HOMES</b>	523,778	N/A	523,778	523,778
<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	40,675,760	N/A	40,675,760	40,675,760
<b>S - SPECIAL INVENTORY</b>	29,684	N/A	29,684	29,684
<b>Subtotal</b>	1,788,002,613	0	1,896,700,217	1,788,002,613
<b>Less Total Deductions</b>	187,534,297	0	201,673,325	187,534,297
<b>Total Taxable Value</b>	1,600,468,316	0	1,695,026,892	1,600,468,316

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M & O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
1,632,237,558	1,600,468,316	1,632,237,558	1,600,468,316

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD

## 061-907-02/Aubrey ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	1,227,459,192	0.9458	1,297,799,949	1,227,459,192
B - MULTIFAMILY	17,084,196	N/A	17,084,196	17,084,196
C1 - VACANT LOTS	49,809,608	N/A	49,809,608	49,809,608
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	1,024,303	0.9209	1,112,264	1,024,303
D2 - FARM & RANCH IMP	19,298,526	N/A	19,298,526	19,298,526
E - NON-AG LAND AND IMPROVEMENTS	226,277,342	0.9005	251,279,669	226,277,342
F1 - COMMERCIAL REAL	102,699,864	0.8856	115,966,423	102,699,864
F2 - INDUSTRIAL REAL	1,388,572	N/A	1,388,572	1,388,572
G - ALL MINERALS	0	N/A	0	0
J - ALL UTILITIES	53,498,568	N/A	53,498,568	53,498,568
L1 - COMMERCIAL PERSONAL	47,330,354	N/A	47,330,354	47,330,354
L2 - INDUSTRIAL PERSONAL	902,866	N/A	902,866	902,866



Glenn Hegar  
Texas Comptroller of Public Accounts



Property Tax Assistance

## 2021 ISD Summary Worksheet

### 061-Denton /Denton County

#### 061-908/Sanger ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	1,004,558,861	0.9438	1,064,376,839	1,004,558,861
B - MULTIFAMILY	46,813,535	N/A	46,813,535	46,813,535
C1 - VACANT LOTS	31,538,852	N/A	31,538,852	31,538,852
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	3,553,619	1.0031	3,542,740	3,553,619
D2 - FARM & RANCH IMP	11,929,818	N/A	11,929,818	11,929,818
E - NON-AG LAND AND IMPROVEMENTS	264,330,800	0.8820	299,694,785	264,330,800
F1 - COMMERCIAL REAL	167,197,760	0.7949	210,338,105	167,197,760
F2 - INDUSTRIAL REAL	1,664,351	N/A	1,664,351	1,664,351
G - ALL MINERALS	290,960	N/A	290,960	290,960
J - ALL UTILITIES	41,943,045	N/A	41,943,045	41,943,045

<b>L1 - COMMERCIAL PERSONAL</b>	140,384,716	0.9458	148,429,600	140,384,716
<b>L2 - INDUSTRIAL PERSONAL</b>	3,237,354	N/A	3,237,354	3,237,354
<b>M1 - MOBILE HOMES</b>	5,783,933	N/A	5,783,933	5,783,933
<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	1,570,550	N/A	1,570,550	1,570,550
<b>S - SPECIAL INVENTORY</b>	5,364,752	N/A	5,364,752	5,364,752
<b>Subtotal</b>	1,730,162,906	0	1,876,519,219	1,730,162,906
<b>Less Total Deductions</b>	196,843,455	0	213,007,508	196,843,455
<b>Total Taxable Value</b>	1,533,319,451	0	1,663,511,711	1,533,319,451

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M & O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
1,566,266,921	1,533,319,451	1,566,266,921	1,533,319,451

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR ONE OF THE GRACE PERIOD

## 061-908-02/Sanger ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	1,004,558,861	0.9438	1,064,376,839	1,004,558,861
B - MULTIFAMILY	46,813,535	N/A	46,813,535	46,813,535
C1 - VACANT LOTS	31,538,852	N/A	31,538,852	31,538,852
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	3,553,619	1.0031	3,542,740	3,553,619
D2 - FARM & RANCH IMP	11,929,818	N/A	11,929,818	11,929,818
E - NON-AG LAND AND IMPROVEMENTS	264,330,800	0.8820	299,694,785	264,330,800
F1 - COMMERCIAL REAL	167,197,760	0.7949	210,338,105	167,197,760
F2 - INDUSTRIAL REAL	1,664,351	N/A	1,664,351	1,664,351
G - ALL MINERALS	290,960	N/A	290,960	290,960
J - ALL UTILITIES	41,943,045	N/A	41,943,045	41,943,045
L1 - COMMERCIAL PERSONAL	140,384,716	0.9458	148,429,600	140,384,716
L2 - INDUSTRIAL PERSONAL	3,237,354	N/A	3,237,354	3,237,354

# The Chief Appraiser's presentation of



*What you need to know about ...*

**Denton Central  
Appraisal District**



# WHAT YOU NEED TO KNOW ABOUT...

## THE PROPERTY TAX SYSTEM

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### **WHO DETERMINES PROPERTY TAX LAW**

The Texas Legislature meets every two years to discuss updating and refining the property tax laws laid out in the Texas Property Tax Code.

Appraisal Districts administer and adhere to the laws put forth in the Texas Property Tax Code.

### **WHAT IS AN APPRAISAL DISTRICT**

Appraisal Districts are a political subdivision of the State of Texas for the purpose of discovering and appraising property for ad valorem tax purposes - for each local taxing unit - within the boundaries of the district.

Denton CAD is not a subdivision of Denton County or the Denton County Tax Office, it is a state entity.

### **WHO GOVERNS THE APPRAISAL DISTRICT**

The Texas State Comptroller's Property Tax Assistance Division (PTAD), the International Association of the Assessing Officers (IAAO), the Uniform Standards of Professional Appraisal Practice (USPAP).

PTAD conducts two types of audits on all appraisal districts, the PVS and the MAP.

The Property Value Study (PVS) determines the value on which Texas school districts receive state funding. PTAD gathers and analyzes sales data and conducts appraisals of sample properties and analyzes property value data received from appraisal districts, school districts and tax offices. The Methods and Assistance Program (MAP) reviews the governance, taxpayer assistance, operating procedures, appraisal standards, procedures and methodology of each appraisal district.

### **WHAT ARE THE ROLES OF THE...**

#### **BOARD OF DIRECTORS**

The local property tax system follows the principle of checks and balances. An Appraisal District Board of Directors hires/fires the chief appraiser, sets the appraisal district budget, and approves contracts. The Directors have no authority to set values or appraisal methods.

#### **CHIEF APPRAISER**

The Chief Appraiser of an Appraisal District is a Chief Executive Officer (CEO). The chief appraiser carries out the appraisal district's legal duties, hires/fires the staff, oversees and executes the annual budget, annual audit, monthly financials, banking, payroll, healthcare, and many more administrative functions. As well as, manages the appraisal process and operations of the entire appraisal office. The Chief Appraiser does not set or change law, just administers it.

#### **TAXING JURISDICTIONS**

Local taxing jurisdictions consist of counties, school districts, cities/towns, and special-purpose districts.

Appraisal Districts determine the value and send those values to each taxing jurisdiction that levies taxes on each property appraised. Then the governing body of each jurisdiction sets the Tax Rates. The Tax Rate, when applied to property values, will generate the needed revenues for each jurisdiction.

#### **TAX OFFICE**

A local taxing jurisdiction may collect its own taxes or may contract with another governmental jurisdiction (Tax Office). Property Tax Bills get sent to each nonexempt property owner in October/November of each tax year by the Tax Office or Taxing Jurisdiction.

# WHAT YOU NEED TO KNOW ABOUT...

## HOPE McCLURE

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### QUALIFICATIONS

- ★ Hope McClure has over 25 years of experience at the Denton Central Appraisal District, with 16 years in the Administration department working directly for the last two Chief Appraisers and working directly with the last eight appointed Board of Directors.
- ★ Hope McClure has built strong relationships with the other Appraisal Districts all over the State of Texas and has current and past Chief Appraisers she considers mentors, advisors, and friends.
- ★ Hope McClure has been the direct lead on every successful Texas Comptroller's Methods & Assistance Program (MAP). This audit reviews an appraisal district's governance, taxpayer assistance, operating procedures, appraisal standards, and methodology. Denton CAD has not just passed MAP, but has received scores that *"exceeded expectations"* on every audit.
- ★ Hope McClure was also the sole lead on the prestigious IAAO Certificate of Excellence in Assessment Administration (CEAA) designation for Denton CAD. *"The IAAO CEAA is intended for jurisdictions that have developed superior assessment practices for all aspects of their operations."* It is the most *"rigorous and challenging"* accomplishment earned in the Appraisal District industry. The paper that Hope submitted on behalf of Denton CAD received a perfect score.

### EDUCATION

#### MASTER'S DEGREE - MBA

*Concentration: Business Leadership & Management*  
*Recognition: National Scholars Honor Society*

Texas Woman's University • Denton, Texas  
Graduated: Dec 2008

#### BACHELOR'S DEGREE

*Concentration / Major: Psychology*

University of North Texas • Denton, Texas  
Graduated: May 2004

#### ASSOCIATE'S DEGREE

*Did Dual Credit while still in High School*

North Central Texas College • Corinth, Texas  
Graduated: May 2002

### SUPPLEMENTAL EDUCATION

#### State of Texas Certifications

Certified Tax Administrator (CTA)	Obtained: 08 / 2016
Certified Chief Appraiser (CCA)	Obtained: 09 / 2015
Registered Texas Assessor/Collector (RTA)	Obtained: 05 / 2014
Registered Professional Appraiser (RPA)	Obtained: 10 / 2011

# WHAT YOU NEED TO KNOW ABOUT... THE WESTERN VALUATIONS REPORT

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Denton CAD finds it unfortunate that this report was leaked to the media before the Board of Directors and Chief Appraiser had time to properly evaluate and address the inaccuracies of the report. Due to the premature release of this report, Richard Petree will be presenting his report (as submitted) to the Board of Directors, and then the Chief Appraiser will present her report directly afterwards.

## **CULTURE**

In Petree's opening letter to the Board of Directors, he states, "Unfortunately, I found serious problems with the culture that need immediate attention, but overall, there is more to report that is good about the district operations than is problematic."

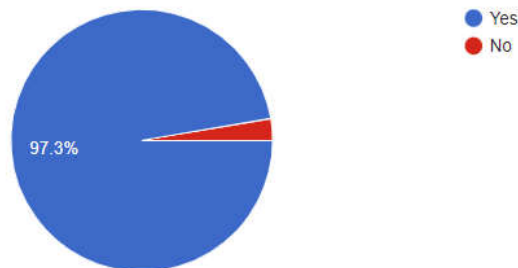
Denton CAD questions this subjective statement and wants to know where Mr. Petree received his information about "serious problems with the culture that need immediate attention." At Denton CAD, we work with numbers and data to provide accuracy; therefore, under the leadership of Mrs. McClure, an anonymous survey of the DCAD staff was conducted to validate or discredit the subjective comment.

75% of the staff responded to the survey. The results are as follows:

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If you have worked here 2 YEARS OR LESS... is the culture at Denton CAD better than your previous employer?

37 responses

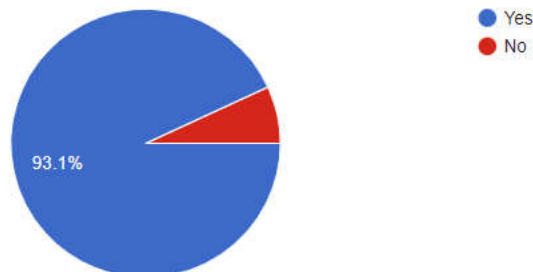


**37 responses = 36 yes (97.3%) and 1 no (2.7%)**

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If you have worked here for MORE THAN 2 YEARS... is the culture at Denton CAD better than under previous administration?

29 responses



**29 responses = 27 yes (93.1%) and 2 no (6.9%)**

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Based on data, the results from the Denton CAD staff do not match Mr. Petree's subjective comment.

Findings: 97% of employees that have two years or less with Denton CAD state that the culture at Denton CAD is better than that of their previous employer. Additionally, 93% of employees over two years with Denton CAD state that they find the culture better under the new leadership than that of past leadership.

## **TRUST**

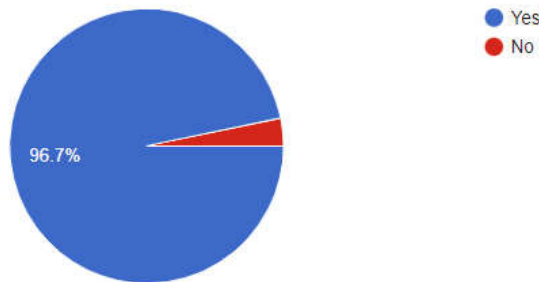
Petree makes statements throughout the report like, “Trust is critical to any successful organization and trust is lacking at DCAD.” “Employees must not feel threatened.” “Unfortunately, there are still people who are employed in the district that continue to struggle with Ms. McClure’s leadership. There is currently a toxic environment in the building.”

Again Denton CAD questions Mr. Petree’s subjective statement about trust, employees feeling threatened, struggling with Mrs. McClure’s leadership, and a toxic environment. Likewise, aiming for accuracy and objectivity, Denton CAD continued with the anonymous survey to solicit feedback to address this statement.

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Do you trust that the Chief Appraiser cares about your best interest and the best interest of Denton CAD?

61 responses

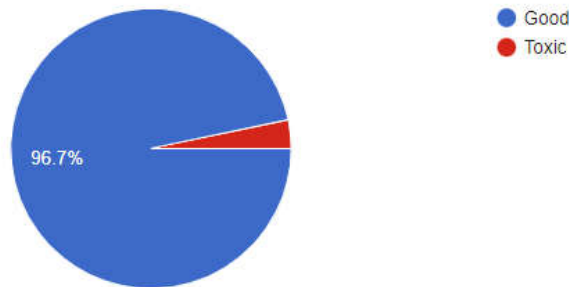


**61 responses = 59 yes (96.7%) and 2 no (3.3%)**

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Do you think the overall culture at Denton CAD is...

60 responses



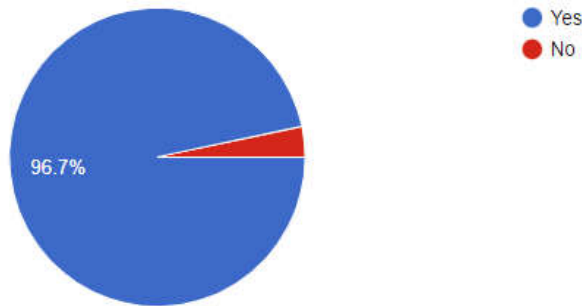
**60 responses = 58 Good (96.7%) and 2 Toxic (3.3%)**

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Do you feel that you are treated fair and equally at Denton CAD?

60 responses



**60 responses = 58 yes (96.7%) and 2 no (3.3%)**

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Based on data, the results from the Denton CAD staff do not match Mr. Petree's subjective comment.

Findings: 96% of employees said they trust Mrs. McClure and feel she cares about them and Denton CAD. Additionally, 96% of the employees stated that they believe the overall culture is good, and 96% said they feel they are treated fairly and equally.

### **TURNOVER & HIRING**

Although Denton CAD agrees that turnover was an issue in 2020 and early 2021, it should be no surprise that according to the Society for Human Resource Management (SHRM), more than half of employees surveyed in North America plan on finding a new job in 2020, while a quarter plan on quitting in 2021. Denton CAD is no exception to this unprecedented wave of turnover across all business industries. However, although this was a concern, it has not been a problem for over a year for Denton CAD.

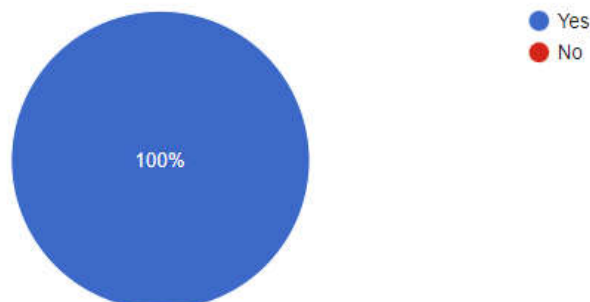
Denton CAD is surprised and disappointed that Mr. Petree did not take the time to discuss the hiring process with the Chief Appraiser. Had the report been more objective, it would praise Mrs. McClure for accomplishing everything in this report already. She has been doing his listed hiring methods for over a year now.

McClure takes pride in the current team she has assembled at Denton CAD. She understands that having the right team makes all the difference in the organization's success. She recognizes talent, experience, and if the individual will be a culture fit for the rest of the Denton CAD team. Over the last two years, she has overseen the hiring process of over 40 new employees. Mrs. McClure is a leader that is fully engaged and invested in building a team that will take the organization to new and sustainable heights. We think this survey speaks for itself:

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Do you enjoy working with your fellow co-workers?

61 responses



**61 responses = 61 yes (100%) and 0 no (0%)**

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**Findings:** 100% of employees said they enjoy working with their fellow employees. Being engaged in the hiring process results in building a solid team.

Throughout the report, Mr. Petree makes statements without any references or evidence. One such statement is that, "it is difficult for the district to find qualified applicants and openings will remain open for longer periods of time" and "The mass appraisal system in Texas and the employees of those districts are a small community. They hear about problematic issues within appraisal districts and are hesitant to apply for jobs in a district in turmoil, regardless of the source of that turmoil. That creates a smaller pool of experienced candidates that might, otherwise, apply for open positions."

Since McClure has become Chief Appraiser, Denton CAD has received over 500 job applications! They have received applicants from employees at Tarrant CAD, Collin CAD, Dallas CAD, Travis CAD, and others. Which again, makes Denton CAD reluctant about the report's accuracy that Mr. Petree published.

The only solid recommendation that Denton CAD does agree with, is that Denton CAD's "budget is lower than districts of similar size" and Denton CAD "needs to increase the appraisal staff to 54 and to increase the total staff to 124."

### **CUT AND PASTE**

From Chapter 3 through Chapter 13, the vast majority of the material (95%) is a template that Petree copied and pasted from a report he did for Fort Bend Central Appraisal District. In Chapter 12, he even states, "The past year, over 73,000 appeals were filed in DCAD equaling 21% of active accounts." The 73,000 appeals are from the Fort Bend CAD audit report. Denton CAD had roughly 95,000 appeals last year.

He states, "The Board of Directors has approved the appointment of 24 Appraisal Review Board (ARB) members." The Denton CAD Board of Directors has approved 33 ARB Members.

He states, "The business personal property staff has 10 appraisers and staff to handle the approximately 30,000 BPP accounts." Denton CAD's BPP department actually has 5 appraisers, 23,000 BPP accounts, and 97,000 Mineral accounts that they help filter.

It appears that in a couple of areas, Petree is trying to imply that Denton CAD did not pass the Property Value Study for Lewisville ISD and Denton ISD. That is inaccurate. Neither one of those school districts is even in grace period. Denton ISD and Lewisville ISD both passed the 2021 Property Value Study (PVS).

In one chapter, Petree recommends signage for the building within the city specifications. If he would have asked Denton CAD's administration, he would have found out that Denton CAD has already worked with the City of Denton for months trying to get signage out on the road and the city will not allow it.

### **CONCLUSION**

Denton CAD found numerous other discrepancies with Petree's audit, but it feels repetitive to continue to break apart this report. So we will conclude by saying, Denton CAD was expecting more from this report. We are disappointed with not only the quality of the report, but with Petree's approach. He should have asked more questions and, at the very least, interviewed the Chief Appraiser.

The Board of Directors hired his firm to provide statistical data to help Denton CAD grow, improve and help calm some of the taxing jurisdictions' minds. Denton CAD feels like this reckless report has done more damage than good. While we appreciate the recommendation of more employees, Denton CAD's data team has provided the Chief Appraiser with more accurate statistical data, than Petree's firm ever did.

Denton CAD will choose to focus on the few accurate details and recommendations in this report. We will take those recommendations to the drawing board and will continue to make Denton CAD a great place to work and a professional and friendly place for property owners.

# WHAT YOU NEED TO KNOW ABOUT...

## THE DENTON CENTRAL APPRAISAL DISTRICT

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### **WHY WAS THE WESTERN VALUATION REPORT TABLED IN MAY?**

To ensure an objective and accurate report, Denton CAD received the confirmation that they would obtain adequate time to review the report and provide additional feedback to the auditor. As well as the Board of Directors who typically receive a week to review all material before the scheduled Board meeting.

Unfortunately, Denton CAD did not receive the 50-page report from Western Valuation until 3:00 pm on Friday, right before a 3-day holiday weekend. The Board Meeting was scheduled for Tuesday. This did not allow adequate time to properly review the entire 50-page document. On that Tuesday's agenda was a budget workshop, so the Chief Appraiser chose to send only the auditor's staffing and building recommendations to the Board (as it pertained to the 2023 Budget) and table the rest of the report until the Chief and the Board had more time to review the findings and give the report the proper attention it needed.

### **WHY IS THERE AN INCREASE IN THE 2023 DCAD BUDGET?**

DCAD needs more employees to keep up with the growth of the county and increased workload. Below are just a few examples.

DCAD receives nearly 1,000 phone calls, 3,000 helpdesk tickets, and has over 650 walk-ins per DAY; all of those areas are served by only 7 customer service specialists. They do all that while trying to process over 50,000 homestead applications annually.

DCAD receives roughly 100,000 protests yearly and has only 33 appraisers to work all of them. DCAD has only 61 business days to execute all of those protests and certify 95% of Denton County's total value.

DCAD has a 95-105% ratio of value that all school districts must remain in to receive state funding. That requires immense accuracy. Each year, DCAD has roughly 465,000 accounts they must work to ensure they stay within the required ratio and DCAD has only 33 appraisers to work all of those accounts/values.

DCAD processes over 60,000 deeds, 20,000 permits and 16,500 splits per year and has only 7 Mapping Techs to execute the workload.

### **WHAT IS THE RESPONSE TO THE CRITICS WHO DON'T BELIEVE THAT HOPE McCLURE WAS THE MOST QUALIFIED CANDIDATE FOR THE CHIEF APPRAISER POSITION?**

The Chief Appraiser of an Appraisal District is a Chief Executive Officer (CEO). The Chief Appraiser holds numerous responsibilities, of which the majority of their time is administrative. Mrs. McClure holds a Master's Degree in Business Administration and has the unique experience of working directly under and with the past two Chief Appraisers. She has over 16 years of administrative experience and has been with Denton CAD for over 25 years. She has worked in nearly every department during her career, including the appraisal departments. Her experience with Denton CAD has groomed her to be in this position.

Some critics have even said Hope McClure "is not an appraiser".

That is like saying a Superintendent "is not a teacher." Yes, a Superintendent could step in and do a teacher's job if needed; however, that is not where they are most strategic for the organization. Like a CEO, her responsibilities are mainly administrative. She oversees and ensures the District is operating correctly and that the staff has the tools to succeed.

## **WHAT IS THE RESPONSE TO THE CRITICS WHO SAY HOPE McCLURE IS JUST A PRODUCT OF NEPOTISM AND HER MOM IS THE REASON SHE IS CHIEF APPRAISER?**

While at Denton CAD, Mrs. McClure never worked directly under her mother. Mrs. McClure gained the majority of her experience from working directly under the two previous Chief Appraisers. Mrs. McClure's mother never held the position of Chief Appraiser, although reports claimed she did. In fact, her mother had announced her retirement three months prior to the Board of Directors even starting their search for a new Chief Appraiser for Denton CAD.

When Hope was presented with the opportunity to become Chief Appraiser, her mother actually advised against taking the position. She knew how much clean up would have to be done as Denton CAD's new Chief Appraiser, how challenging it would be, and advised Hope to decline the offer. Hope was so motivated and driven to truly make changes and raise the standards of Denton CAD that she accepted the offer knowing the challenges she would face.

## **WHAT ARE SOME OF THE POSITIVE CHANGES THAT HOPE McCLURE HAS MADE AT DENTON CAD SINCE BECOMING CHIEF APPRAISER?**

- Effectively restructured the organization to remove redundancy and increase efficiency
- Reduced the District's debt liability by over \$1mil
- Created a data integrity/quality control team
- Limited comp hours, thus reducing overhead and burnout
- Added efficiency through a new time and attendance system
- Initiated a new disciplinary and improvement system
- Implemented a team building day and meaningful incentives for staff
- Remodeled workspaces for more efficient customer flow, privacy, and the protection of the staff
- Drastically improved the culture
- Incorporated new and updated technologies
- Created an Employee Handbook with clear expectations and goals for Denton CAD employees
- Updated and revamped every manual, policy, and procedure guide at Denton CAD
- Improved communication within the District, with the Taxing Units, and between DCAD and the Tax Office
- Improved communication with property owners via Facebook, Website, eFile Portal, & Press Releases
- Standardized all internal and external communications- headshots, email signatures, business cards, new logo, updated letterhead, bios, etc.
- Created new visions and values for Denton CAD
- Restated Denton CAD's mission statement to better align with today's environment

## **WHAT IS SOME OF THE POSITIVE FEEDBACK THAT DCAD AND THE CHIEF APPRAISER HAS RECENTLY RECEIVED?**

DCAD received "three cheers" for their quick responses and "actionable information". "What really caught my eye was the one (email) I sent on June 8. I had a response in my inbox the same day, and it was after-hours, time stamped at 7:32pm. That's service! Keep up the good work DCAD!"

-Dallas Morning News (June 18, 2022)

"Congrats to your team on moving the property records of the previous Castle Hills water districts due to our annexation! I know that was a large undertaking and just wanted to let you know we appreciate it!"

-City of Lewisville (May 24, 2022)

"Thank you, Hope. We appreciate all of your hard work!"

-City of Frisco (April 29, 2022)

"Hope, one thing I have found to be true in public service. Occasionally someone will disagree with you and instead of getting the facts they choose to attack and discredit. Please be assured, everyone I know with the municipalities have total faith in you and your staff."

-Town of Copper Canyon (January 6, 2022)

"This is great communication and I really appreciate you building in all the resources that we commonly ask for this time of year!"

-Little Elm ISD (April 29, 2022)



"You are so welcome and I'm glad you do your job for us!"  
-Slidell ISD (January 6, 2022)

"You are the first appraisal district to provide the preliminary files and balancing reports!"  
-Dallas County Tax Office (May 23, 2022)

"Working with you (Hope) and everyone in that office has been courteous and professional. I wanted you to know we do support you and think very highly of you and your staff and we wish you the best."  
-Utility Tax Service, LLC (January 6, 2022)

"Thank you Hope for everything that you do, not only for me, but for everyone at the CAD. We are all extremely lucky to work for a Chief that cares so strongly about their people's well being."  
-Current Employee (April 22, 2022)

"I appreciate the effort and thought.. I am grateful for the kindness you guys have shown me!"  
-Current Employee (March 24, 2022)

"Thank you Hope for your kindness to me and my family by doing this. It really means a lot to us."  
-Current Employee (January 28, 2022)

"Hope, thanks for allowing us to have a voice."  
-Current Employee (January 28, 2022)

"Hope, I just wanted to give you some kudos... your desire to do what's best for the employees, the taxpayers, and Denton County really came through."  
-Current Employee (January 27, 2022)

"DCAD was in a metaphorical hole due to poor leadership before Hope took over. Hope had worked there for a long time and was a natural choice in a chief appraiser due to her extensive internal knowledge and education. She's done an excellent job of getting the organization as far out of that hole as possible and has done so with a furious will. It was a great place to work... and Hope was an excellent leader, even inspirational. I don't know her personally and only interacted with her on a professional level, but her door was always open and her responses to whatever issues I had were well thought out and always empathetic."  
-Former Employee (moved due to family reasons) (June 15, 2022)

"It has been a pleasure to work at Denton Central Appraisal District these last 19 1/2 years... You now have a great group of people to keep the DCAD going strong. I wish you (Hope), Don and the employees much success in the future. I will miss everyone here and will come back to visit."  
-Former Employee (Retired) (February 28, 2022)

"Hope, thanks so much, you have had a positive influence on my life and I will miss it here."  
-Former Employee (left for family reasons) (January 11, 2022)

"Thank you, Hope. I think you have done a great job turning the District around and I wish the best for you and the District team."  
-Former Employee (Retired) (January 7, 2022)

"We are blessed beyond belief to have you (Hope) and Don leading DCAD. The job performance of you (Hope McClure) and Don Spencer has been A+ off the charts. Much progress has been made and we just need to keep working together to stay the course and continue this positive trend."  
-Current Board Member (January 28, 2022)

**We hope you have walked away with a greater understanding of the Denton Central Appraisal District and what is actually happening internally. We have a wonderful group of employees committed to serving Denton County through accurate and uniform valuations while providing professional and exceptional customer service.**