

Jeff Mashburn
3336 FM 934
Itasca, Texas 76055

December 30, 2024

Hill County Central Appraisal District
Mike McKibben- Chief Appraiser
1407 Abbott Avenue
Hillsboro, Texas 76645

Regarding: 2024 Tax Assessment and Statements from Hill County Central Appraisal District

Mr. McKibben,

This letter is to acknowledge the 2024 tax statements have been received for the property located at 3336 FM 934, owners Jeff and Cindy Mashburn. The taxes due for 2024 have been paid.

This letter is also to serve as a notice to the Hill County Appraisal District (HCAD) the tax statements that have been received for 2024 and paid receipts will be used as evidence in court for a lawsuit filed by the lead plaintiffs; Jeff and Cindy Mashburn. The Hill County Central Appraisal District is and has been part of a coordinated scheme and effort that has led to multiple violations of the Texas State and US Constitution that have infringed and suppressed the civil liberties and rights of the plaintiffs; Jeff and Cindy Mashburn who reside in Hill County Texas. Those government entities named in the lawsuits being brought forth include HCAD, Itasca Independent School District and Board Members, Texas Education Agency, Hill County Commissioners Court, and the Texas State Comptroller's office.

Background and History

It is common knowledge at this time that efforts are underway to expose fraud and corruption with government taxing entities in Texas including central appraisal districts of several north Texas counties including public school districts. I have been a key part of this effort and one of the first taxpayers to bring the issues out to the public eye in Hill and several other counties. The US Justice Department has been involved since 2021 and the work and investigations have led to multiple indictments and the prosecution of multiple individuals involved and charged with various crimes involving fraud, corruption, bribery, and kickback schemes involving school districts and energy contracts in the state of Texas. As a result of the recent investigations and court cases involving central appraisal districts in Denton and Johnson County the Hill County Central Appraisal District is being included in the list of CADs. Over seven thousand taxpayers have signed petitions in Texas to expose multiple school districts in Texas involved with fraud and corruption related to property taxes and evaluations by CAD's and collaboration with local school districts to inflate property values. I have been working to expose numerous issues in Hill County since 2019 as a taxpayer residing in Hill County and as an individual with over twenty-five years of expertise and knowledge regarding energy contracting in the state of Texas. School districts in Hill County that

have entered into Chapter 313 Agreements with solar and wind farm companies are at the center of the investigation and lawsuits being filed. The contracts in five counties surrounding and including Hill County are being investigated for fraud regarding to the applications filed with the state comptroller's office and information submitted by solar and wind farm owners. The legality and method used by school districts to enter into Chapter 313 Agreements is being challenged in court for the violation of the rights of taxpayers in Texas granted in the US Constitution. The state of Texas and the state comptroller's office do not have the legal authority or power to issue local school districts in Texas with the power or authority to enter into such agreements without the input and vote of the taxpayers living within the taxing jurisdiction and limits of school districts involved. This is a direct violation of the 14th amendment of the US Constitution. HCAD has at will been a contributor to the fraud and corruption exhibited by a public government entity with employees that have been entrusted and required to uphold ALL laws and statutes in regard to the rights of the citizens of the United States granted in the US Constitution and the Texas State Constitution.

The initial focus and efforts were aimed at the issues surrounding energy conservation contracts and Chapter 313 Agreements. Due to recent discoveries with issues relating to property taxes, fraudulent annual school budgets and failure of school districts to retire bond debt the investigations and efforts have been expanded. Investigators with the FBI and the US Justice Department have been notified and now aware of the status and issues in Hill County. Information and documents that are part of the public record have been gathered and forwarded to investigators regarding multiple issues and school districts involved. There are multiple issues regarding these contracts involving certain aspects of the Internal Revenue Service rules and statutes. The challenges brought forth question the validity of the applications filed with the state comptroller's office and the projects legality under federal tax laws. Taxpayers in Denton, Johnson, Hill, Bosque, Tarrant, and Navarro Counties have joined forces and taking action to expose and end the fraud and corruption with the central appraisal and local school districts in these counties.

Legal Challenges and Position

The challenges being brought forth involve multiple areas with civil rights and freedoms granted to the citizens of the United States and enumerated in the US Constitution and in the Texas State Constitution. These include but not limited to the following,

- 1) Taxation on Un-Realized Gains – Violation of the 16th Amendment of the US Constitution
 - a. The Hill County Appraisal District has assessed taxes on the personal property owned by Jeff and Cindy Mashburn since 2013 based on the value(s) of un-realized gains.
 - b. The assessed value of the property at 3336 FM 934, Itasca Texas has been based on market speculation at best and without regard to the requirements of federal law and

the Uniform Standards of Professional Appraisal Practice (USPAP) and requirements under the Texas State Constitution.

- c. The property has not changed ownership since the property was acquired in 2013.
- d. Violation of the 14th Amendment of the US Constitution. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

2) Unfair Treatment and Taxable Evaluations Assessed on Personal Property

- a. The Hill County Appraisal District and Itasca ISD has unfairly assessed the taxable valuation on the personal property of Jeff and Cindy Mashburn at 3336 FM 934, Itasca Texas in relation to other property and landowners in Hill County and in regard to the tax abatements issued to the following solar farm companies operating in Hill County.
 - i. BT Files Solar, LLC
 - ii. Hill Solar I, LLC
 - iii. Hill Solar II, LLC
- b. Certain landowners involved with the solar farm owners and operators and Chapter 313 Agreements with the Itasca Independent School District have received special favor and financial benefit(s) as stated in and part of the public record of Hill County for the 2023 and 2024 tax years as demonstrated in the public record.
- c. HCAD and the Itasca ISD have sold out the taxpayers of Hill County and by using extortion and use of public office to subsidize big business on the backs of taxpayers within the district including the plaintiffs Jeff and Cindy Mashburn.
- d. HCAD has failed to exhibit uniformity and fairness to ALL residents within Hill County. This cannot be disputed, and the public record speaks for itself.

3) Failure to Follow Standards and Protocol of the Uniform Standards of Professional Appraisal Practice (USPAP) Required by Federal Law

- a. The Hill County Appraisal District does not follow the requirements to provide uniformity and fairness as outlined in the USPAP standard.
 - (1) Market speculation has been the only input to the HCAD procedure to assess property values.
 - (2) Standard Deviation and protocols have not been observed or determined by HCAD for the past eleven years in regard to the property owned by Jeff and Cindy Mashburn.
 - (3) The 2024 tax statements do not reflect the real market conditions of property in Hill County and depreciating values shown in current sales data.

4) Taxation Without *Fair* Representation

- a. The HCAD has willfully and without regard to the wealth of taxpayers of Hill County levied taxes based on fraudulent annual school budgets adopted by the Itasca Independent School District. Citizens of Hill County have suffered severe financial impact and loss due to impropriety regarding financial accountability and integrity by HCAD and the Itasca ISD.
 - b. The Itasca ISD has refused and cannot provide the data and information requested to validate the 2024-2025 annual school budget adopted on August 26th, 2024.
 - c. Multiple discrepancies have been found within and between the information released by the Itasca ISD and HCAD as it pertains to the annual school budget for the 2024-2025 school year.
- 5) Failure to Adhere to Statutes Limiting the Year Over Year Increase in Taxes
- a. The HCAD has at will and without regard to limits set by the state to prevent excessive tax increases year over year assessed an increase in the 2024 school taxes for the Itasca ISD of 37.3 percent for the property located at 3336 FM 934, Itasca Texas.
 - b. Based on the amount of the increase for the 2024 school taxes there is no uniform system or approach to minimize the financial impact to taxpayers.
 - c. The state of Texas, HCAD and the Itasca ISD have in a coordinated effort defrauded the taxpayers living in Hill County and the Itasca ISD taxing jurisdiction including the plaintiffs; Jeff and Cindy Mashburn by Gerrymandering and using stop gap measures to address the problems related to funding the public education system in Texas. By issuing homestead exemptions and tax abatements the state has created a multi-tiered system of taxation that is a direct violation of the rights of citizens granted under the US Constitution.
- 6) Lack of Uniformity and Application
- a. There is a serious problem with HCAD in regard to uniformity of taxable valuations. Taxpayers are meeting to bring these issues out in the lawsuits being brought forth based on the public record for the 2023-2024 tax years.
 - b. There are multiple instances where problems exist regarding the AG status of land in Hill County. This involves land used for farm and ranch purposes as well as leased land to solar farm companies operating Hill County. This is part of a larger investigation into the solar and wind farm industry in Texas and taxpayers are calling on the US Justice Department for help to stop the financial harm and impact on taxpayers.

Other Matters of Relevancy

This letter and notice are not intended to be used as a formal method of protest of property value(s) as stated in the 2024 tax statements received. While there are many problems and issues with the physical condition of the property that will nullify entirely the stated values in the 2024 tax statements. HCAD has not at any time conducted a physical inspection or assessment of the

property since 2013 when the property was purchased but instead has used skeptical at best practices to determine the value of the property which violate many standards and rights of the owners Jeff and Cindy Mashburn.

A formal protest and methodology typically used would assume the HCAD practiced legal and fair methods of assessing taxable values of personal property. The facts, evidence and public record proves the HCAD has not followed or applied a system of fairness and equitable treatment among all taxpayers for many years. HCAD records for landowners for the 2023-2024 tax years have been collected and will be used as evidence in the lawsuits being filed.

At this time the case taxpayers are watching the process regarding the case before the 2nd Court of Appeals of Texas regarding the fraud and corruption committed by the Denton County Appraisal District in regard to how property values are assessed in the state of Texas. The system and approach used by CADs across the state of Texas are being challenged. The lawsuit being pursued in Hill County will mirror the complaints, arguments and pleas outlined in the Denton County case but will also include the issues with the Chapter 313 Agreements signed by multiple school districts, and the issues regarding the annual budget and bonds issued by the Itasca ISD.

Due to the lack of response and action by all government entities involved surrounding the problems and complaints that have been filed since 2019 to date there is no other choice but to plea the arguments based on the evidence provided from the public record and seek relief through the legal process and from the courts.

Respectfully,

Jeff Mashburn

cc: Ken Paxton- Attorney General State of Texas
Texas Education Agency- Board of Governance
Glenn Hegar- State Comptroller
US Justice Department- Southern and Western District of Texas
FBI- Agent Dietrich