Texas Taxes 101

County appraisal districts (CADs) are required by law to appraise property at the January 1st market value (see Definitions). Taxes are calculated on the value as follows:

\[
\text{Tax Levy} = \left( \frac{\text{Value} - \text{Exemptions}}{100} \right) \times \text{Tax Rate}
\]

New owners and those whose value increases will receive an appraisal notice from the CAD. **You do NOT have to receive a notice to protest.** The information included in this booklet will guide you through the process but it is NOT a guarantee of a reduction!

Among the reasons to protest are that the condition is poor when compared to comparable properties that have sold (market value) or is unequally valued when compared to similar properties in the neighborhood (see Definitions). **It is important to note that a successful protest may not reduce the tax liability the year you protest although it will likely reduce the burden over time.**

Some of Your Rights As A Property Owner

In addition to receiving a notice of increase and the right to protest, property owners also have the right to protest an action concerning their property. The most common:

- denial of an exemption
- failure of the chief appraiser or ARB to deliver any notice to which a property owner is entitled
- any action taken by the chief appraiser, CAD or ARB that adversely affects you/increases your tax liability

Who’s Who?

In most counties, the CAD Board of Directors (BOD) are appointed by the county commissioners, city officials, school boards and community college boards. The BOD hires the Chief Appraiser (responsible for day-to-day CAD operations and staffing), adopts the Reappraisal Plan, approves the budget and appoints the Taxpayer Liaison (addresses citizen concerns). Appraisal Review Board (ARB) members are residents of the county who hear the value disputes. ARB members in Galveston County are appointed by the State District Administrative Judge.

The Process

**You have until May 15th or 30 days from the date of the notice to call to schedule an informal conference with a CAD appraiser, file an online protest or mail the formal protest form.** If mailing the form, the ARB hearing could be held the same day as the informal conference unless you exercise your right to a one-time reschedule. This must be done prior to the scheduled meeting date.

Staff appraisers conduct the informal conferences. This is when the majority of reductions occur, errors corrected or damage/need for repairs reported. The appraisers will encourage resolution without the need for the formal ARB hearing. Appraisers have the authority to make a recommendation that may resolve the protest by written agreement although a supervisor may have to approve some reductions.

If not satisfied with the value proposed in the informal conference, you may protest to the ARB. In addition to being residents of the County, ARB members receive Comptroller training. They are paid by the CAD and may be removed if they fail to attend meetings, do not meet eligibility requirements or if there is evidence of repeated bias or misconduct.

If you are not satisfied with the outcome of the ARB hearing, suit may be filed in District Court or you may apply for binding arbitration if the property is your homestead or the value does not exceed $5M. Deposits for residence homesteads ranges from $450 to $500 and other property from $500 to $1,550.

Obtain Information

If mailing the protest request form, simultaneously request the following documents. There will be a charge:

- the list of sales used with detailed information
- the appraisal card (property details including sketch)
- the plat map with your neighborhood highlighted or the neighborhood map

Whether you decide to protest the value or not, obtain a copy of the appraisal card (the record of the property). Confirm the accuracy of the information. This may be obtained in person or via email.

Market Value Protest

Using the Protest Worksheet (available online at GCTO website under the Press Releases and Important Information tab), perform an analysis of other similar properties in the neighborhood, sales provided and/or sales you are able locate through a friendly real estate agent or real estate information website (see Resources section for websites that may have additional sale and listing information).

Adjust the “comps” to your property by adding or subtracting the value of differences (size, condition, type of improvements, pools, etc.). The Protest Worksheet includes formulas that perform many of the calculations for you (see Instructions in middle of this booklet).

**NOTE:** Due to a GCAD software conversion, little online information is available on which to base adjustments. You may perform research at the CAD office or request appraisal cards via an Open Records Request. Additionally, neighborhood factors are used...
which may make adjustments difficult. The informal meeting is therefore essential as it is a fact finding opportunity.

The appraisal district assumes that your property is like others in the neighborhood with regard to quality of construction and condition. If it is not “ready to sell” or requires repairs, identify items that need to be completed to make it marketable or like the comparables (include items such as updating kitchens and baths). Obtain valid estimates for repairs and take photographs!

The date of value is January 1. If repairs were made after, present the cost or receipts as the basis for reducing value for this year. If storm or other damage occurs after January 1, the 2018 value will not likely be reduced.

Unequal Value Protest
This is another method of protesting value but a bit more complicated unless there are identical homes in the area valued lower (the “perfect storm” for an unequal protest). Simply adjust the comps and take photos. Otherwise, you must demonstrate that the value exceeds the median appraised value of a reasonable number of comparable properties (properly adjusted) or the appraisal ratio exceeds the median level of similar properties. Except for the “perfect storm” you may decide to hire a Property Tax Consultant to present an unequal value case.

NOTE: The ARB is more likely to be influenced by unequal value than staff appraisers.

STORM DAMAGED PROPERTIES: Photos, FEMA, insurance or SBA loan documents, bids, receipts, etc. may be used as basis for adjustments.

Meeting with the Appraiser
Unless you filed a formal protest, you will not be able to obtain sales in advance of the informal conference. The informal conference is, however, an opportunity to both obtain and share information. What sales are being used that caused the value to increase? Have all adjustments been made to bring the sales in line with the condition and features of your property? Discuss the differences and present bids or estimates of repairs needed. State what you believe the value should be. Understand the value of reductions — do not walk away from a $10,000 offer (worth $300+ in taxes) over a $1,000 disagreement (worth $30+ in taxes).

Give the appraiser time to consider the information. He or she will try to reach an agreement during the informal. If one is reached, you will be asked to sign a waiver and agree to the value. Do not feel forced to accept the offer (some appraisers will state proposed reductions are “off the table” if you go to the ARB). Although not bound by the offers, the ARB should consider offers made by CAD.

If unable to reach an agreement, ask to be scheduled for an ARB hearing. If you are prepared, move forward on the same day. If not, ask to be scheduled for a future hearing and, if you have not already obtained the sales and appraisal card — make the request then (a fee will be charged for the documents). It is in your best interest to be prepared for the ARB hearing. Reschedule if you have not analyzed all information and have documents.

Prepare for the ARB Hearing
Assemble a packet (original + 4 copies) including:

- Summary sheet A brief description of the property, date purchased and amount (if recent), the CAD and your opinion of value, the reason for the protest and a list of the packet contents.
- Appraisal notice from CAD if you have one
- CAD appraisal card
- Photos January 1 condition; include front, back and street — whatever is appropriate to satisfy the ARB’s need to understand what the property looks like. If significant maintenance or structural issues exist, clearly photograph showing the deterioration or problem. Label the photos.
- Estimates or receipts of repairs
- Map of sales or comparable properties Use plat or neighborhood map
- Protest Worksheet Focus on the sales the CAD used as well as others you find that support your position. The worksheet is particularly important when protesting for unequal value as it shows the adjustments. You may want to separate land and improvement value for the comps, particularly in determining whether land value should be reduced. The worksheet, properly adjusted, will provide a range in value for your property. Be prepared to discuss how you arrived at your estimate of value.
- Appraisal by fee appraiser The CAD is required to accept a “fee appraisal” if it meets the requirements of the Tax Code Section 41.43 (see Definitions).

Practice your presentation. Know what you intend to say. Keep it simple. Be prepared to present the case in four minutes or less. Be concise. Keep in mind that you have the advantage of being able to out-prepare the CAD. You have one property, they have thousands.

At the ARB Hearing
Participants at the hearing include the three member ARB panel, a CAD appraiser and clerk recording it. The proceedings will be conducted by the panel chair after protocols including introductions and a brief description of the process that will be followed. All parties will be sworn in. The legal description, address and account number are read into the record and evidence exchanged.

Both you and the CAD will have an opportunity to present information and resolve any disputes about the property that should have been resolved during the informal meeting (incorrect square footage, etc.).

If an offer for reduction was made by the appraiser in the informal, include that in your opening statement to the ARB. Questions and closing remarks are permitted.
Thank the ARB and remind the panel that Texas law requires each property to be appraised based on its individual characteristics. State why your property differs from the CAD sales. Note that the CAD has the burden of establishing the value by a preponderance of the evidence presented. If the CAD fails to meet that standard, the protest should be in favor of the property owner (Section 41.43 of the Texas Tax Code).

The ARB panel will deliberate and announces its determination. It may leave the value alone, decrease it or increase it. The entire process takes about 20 minutes. You will receive a written order of value and information regarding your right to file suit in District Court or to request binding arbitration.

NOTE: If disputes regarding the property cannot be resolved that affect the value—particularly if there are questions regarding the improvements—the ARB chairman has the option of recessing the hearing for a field check by the CAD. In this event, the hearing would be continued after the field check is completed.

Binding Arbitration

In binding arbitration, preparation is similar to that for the ARB. An impartial, independent third party (the arbitrator) hears and examines the facts from both the property owner and CAD then makes a decision that is binding on both. You will complete an application and submit a fee.

Although a costly alternative if you are not successful, the longer term benefit may outweigh the cost. For example, your value should not increase for another year and, whether you win (meaning the arbitrator’s value is closer to your opinion of value than the CAD’s) or not, the value could still be lower than the ARB value. If you do win, all but the $50 administrative fee is refunded to you and the CAD pays the arbitrator.

For additional information, see the section “Binding Arbitration A Viable Option to Lower Property Value” on the following page.

Protest Savvy

A. Don’t miss the May 15th deadline (or 30 days from notice date) to schedule the informal meeting. If you did not receive a notice, go online to see if the value increased. Values are posted online after notices are mailed (typically by mid April). Late protests are allowed for good cause (e.g. medical).

B. Tell the truth—loose credibility—loose your case.
C. If your value increased, it is likely your neighbors did as well. Ask. Encourage everyone to protest.
D. If a property is well maintained, the effective age is likely less than the actual age. If a property is not well maintained, the effective age is likely greater than the actual age. Check the records.
E. Contact buyers, sellers or real estate agents about sales. Was personal property included or were there special circumstances involved? Do your homework!
F. The computer performed an analysis of information inputted. You must prove the data is not accurate or that important information is omitted.
G. The CAD has the burden of proof under the Tax Code in an ARB hearing, particularly after the value was reduced in the prior year by the ARB or if an appraisal less than 180 days old is presented.
H. The CAD and ARB panel members are not interested in buying your property so don’t suggest it.
I. Avoid name calling (YOU PEOPLE). Do not get angry. Be positive and polite, relax.
J. Crying doesn’t usually help.

Other Options

Hire a Property Tax Consultant or purchase software that performs the analysis for you. We may not advise you in the selection of an agent or software.

Definitions

Market value is the price at which a property would sell 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.” Tax Code Section 1.04(7)

Typically referred to as “neighborhoods” comparable properties are “…determined based on similarities with regard to location, square footage of the lot and improvements, property age, property condition, property access, amenities, views, income, operating expenses, occupancy, and the existence of easements, deed restrictions, or other legal burdens affecting marketability” Tax Code Section 23.013(d).

Acceptable sales must have occurred within 36 months of the date of valuation in counties of 150,000+ [Tax Code Section 23.013(b-1)], foreclosures occurring within three years located in the neighborhood must be considered if comparable [Section 23.01(c)(1)] as well as sales during a declining economy [Section 23.01(c)(2)].

Acceptable appraisals under Section 41.43(a-1) are those relating to a property with a value of $1M or less. It must be filed with the ARB not later than 14 days before the hearing, be delivered to the chief appraiser, have been
performed by a certified appraiser (under Occupations Code) and must support the market value claimed by the owner. It must be notarized, include the name and business address of the appraiser, description of the property, a statement that the appraised or market value was as of January 1, was determined using a method of appraisal required by Chapter 23 and performed in accordance with USPAP.

**Binding Arbitration — A Viable Option to Lower Property Value**

An option little discussed after an unsuccessful ARB hearing (due to the complexities) is binding arbitration. This option is gaining popularity due to the perception that Appraisal Review Boards are not impartial, thus it is time to shed light on this option. First and foremost, do your homework. I strongly encourage you to NOT go it alone the first time around.

After an unsuccessful ARB hearing, your choices are to give up (until next year), file a lawsuit in State District Court (a great option for those with an attorney in the family or if you have incredible intestinal fortitude and are not easily intimidated) or request binding arbitration. Although this is a costly alternative if you are not successful, the potential benefits may outweigh the cost. In binding arbitration, an impartial, independent third party (the arbitrator) hears and examines the facts from both the property owner and CAD then makes a decision that is binding on both.

It works like this for 2018 arbitrations forward (earlier cases were governed by different Comptroller rules):

- The ARB will provide an ‘order of determination’ after the formal hearing. If the disputed value does not exceed $5M (except for residence homesteads for which there is no limit), the taxes have been paid, you have not filed a lawsuit, and the request is timely and properly filed, you are eligible for this option (assuming the dispute pertains to value not denial of an exemption, etc.).
- A request for arbitration form, along with a money order or cashiers check made payable to the Comptroller of Public Accounts (fees range from $450 to $1,550 depending upon the value and property type) may be mailed or delivered to the CAD or filed online through the Texas Comptroller Online Arbitration Center within 45 days of the ARB order. If a paper request, the CAD must certify the application and forward it, the payment and ARB order to the Comptroller within 10 days.
- The Comptroller may deny the request (if it fails to meet the listed requirements), accept it as submitted or request additional information of the owner, agent or appraisal district. Both the CAD and owner will have 45 days from the date of the Comptroller’s notice to accept the arbitration to “cure” the dispute and withdraw it. All but the $50 administrative fee will be refunded.
- After the 45 cure period, the Comptroller will appoint an individual from its Registry of Arbitrators, selecting one who principally resides in the county where the property is located. If all arbitrators refuse to accept the appointment, the Comptroller may appoint one from another county.
- The selected arbitrator will contact you to set it up which could be in person, by teleconference or via written documentation (both you and the CAD must agree to submission of documents). A property owner from Friendswood recently requested that his arbitration hearing be held at the local library although the CAD wanted a teleconference. Make some suggestions to the arbitrator that are agreeable to you and at locations where you are comfortable.
- You will present your case and the CAD will present the ARB case. Time constraints in an arbitration are not as restrictive as in the ARB hearing so take your time and lay out the entire case. Bring evidence and explain why your value is more appropriate than the ARB value. You have the right to hire a property tax consultant, attorney, real estate broker or agent, appraiser or CPA to attend the hearing with you or on your behalf (if on your behalf, a designation of agent form must be submitted with the application). Having a professional onboard is a good decision!
- The arbitrator will take all of the information presented under advisement and notify you at a later date of the decision. The value could be lowered but not sufficiently to reduce the fee. It could also be left at the ARB value. Winning in arbitration means the value determined is nearer your opinion than the ARB’s. In that case, all but $50 (retained by Comptroller to cover administrative costs) will be refunded to you and the CAD pays the balance of the arbitration fee. The decision of the arbitrator is final and binding on both parties (unless fraud, corruption or willful misbehavior occurred).

Taxes Seven Step — The Down & Dirty

A robust real estate market is wonderful for your financial statement or when preparing to sell but not so much when it comes time to pay the tax man or woman! Appraisal notices are expected the first part of April each year and the deadline to call for an appointment, mail the formal notice or file an online protest is now May 15th! What is a property owner to do????!!!!! Try the Taxes Seven Step!

Step 1. Mail the formal protest form, file an online protest or call for an informal conference by May 15th

Complete the form included with the notice and mail, call to schedule an informal conference with an appraiser or file an online protest (www.galvestoncad.org) by May 15th! You may also hire a property tax agent. Protest the value based on both the property being assessed over market value (condition concerns) and for unequal appraisal (same house elsewhere in the neighborhood valued for less).

Step 2. Research the CAD records

The CAD maintains an appraisal record on each property. Request your appraisal card via email or obtain it when you attend the informal conference. Validate the information! Limited information is available online. If you recently purchased the property for less than the notice value or have a recent appraisal indicating a lower value than proposed, you likely are ready to go. If you paid more and discovered problems later or if repairs are needed before you could sell, take photos and obtain estimates and provide this information as the basis of your protest. Condition is determined as of January 1.

Step 3. Estimate the value using the protest spreadsheet

Use the spreadsheet available on the Tax Office website (www.galcotax.com under the Press Releases and Important Information link) and compare your property to others in the neighborhood or on the street. If you have sales – use them. (Sales used by the GCAD are only available when filing a formal protest.) Adjust the comps or sales for differences to determine your value range. Again, if there are identical houses in your subdivision valued for less, you likely have a good unequal value case. You may have to go to the ARB as not all appraisers have the authority to determine unequal value.

Step 4. Attend the Informal and then ARB Hearing

If you file a formal protest you will be notified of the date and time to attend the ARB hearing and will be asked to come in 15 minutes early to attend an informal conference with the appraiser in advance of the hearing. YOU MAY RESCHEDULE THIS HEARING ONE TIME! If you attend the informal conference without filing the formal protest, you will be scheduled for the ARB hearing at a later date (and may still reschedule ONE time). Most appraisal protests are settled in the informal hearing so this is the best place to start.

Step 5. Appraisal Review Board (ARB) Hearing

The ARB is a three member citizen panel appointed to hear protests. Also in attendance is a representative of the CAD and a hearing clerk who records the proceedings. You will be sworn in. The CAD appraiser will present its case and then you will present yours. Bring four copies of your evidence for the panel and appraiser. The ARB panel will then announce its decision.

Step 6. Arbitration or File Lawsuit in State District Court

ARB decisions can only be overturned in binding arbitration or by filing a lawsuit. Arbitration requires payment of a $450 fee (amount varies) and is gaining in popularity. If you are successful (meaning the arbitrator determines the value is nearer to your estimate than the CAD’s), all but $50 of the fee will be refunded. Most lawsuits do not go to court but, before taking this step, consider the cost versus savings. Taxes are calculated by applying the exemptions, dividing the value by 100 and multiplying times the tax rate.

Step 7. Repeat Process Every Year

Sorry, but without meaningful property tax reform, the protest remedy is the only option. Attend tax rate hearings, participate in electing people to local governments who want to reduce your tax burden and, finally, ask your Texas Senator and Representative for property tax reform such as lower appraisal caps, reduction of the rollback rate (and automatic elections which will increase accountability but not necessarily your taxes), increases in homeowner exemptions and/or (long term solution) change from the current market value to price paid basis which will eliminate the need for county appraisal districts and this annual not-so-fun taxes “dance.”
From spreadsheet:

**IMPROVEMENTS LISTING (Include Size/SF and Value)**

<table>
<thead>
<tr>
<th>#</th>
<th>Address</th>
<th>Total Value</th>
<th>Lot SF &amp; $</th>
<th>Imp #1SF &amp; $</th>
<th>Class/age</th>
<th>Eff Age/Built</th>
<th>Cond %</th>
<th>Describe Improvements (Type &amp; SF)</th>
<th>Other Info (# Stories, Lot Type)</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1606 Orlando</td>
<td>$324,260</td>
<td>42,372 SF $37,660</td>
<td>3,025 SF $286,600</td>
<td>B14</td>
<td>1997</td>
<td>100%</td>
<td>OP 28 SF, CP1 418 SF, DG 484 SF</td>
<td>one-story, interior RL</td>
</tr>
</tbody>
</table>

From CAD website:

**IMPROVEMENT #1: RESIDENTIAL**

- **State Code:** A1
- **Living Area:** 3025.0 sqft
- **Value:** $286,600

- **Type Description:**
  - **MA MAIN AREA:** B14, BV
  - **OP OPEN PORCH:** B14
  - **CP1 CARPORT/SLAB:** B14
  - **DG DET. GARAGE:** B14

**Land**

- **# Type Description**
  - **Acres:** 0.284
  - **SqFt:** 12372.00
  - **Eff Front:** 0.00
  - **Eff Depth:** 0.00
  - **Market Value:** $37,660
  - **Prod. Value:** $0

**CODE TYPE IMPROVEMENT**

- **BD1:** Light Boat Dock
- **BD2:** Medium Boat Dock
- **BD3:** Heavy Boat Dock
- **BW:** Breezeway
- **CA:** Central Air
- **CH:** Central Heat
- **CP1:** Carport 1, Wood/Cobblestone
- **CP2:** Carport 2, Wood/Dirt
- **CP3:** Carport 3, Metal/Dirt
- **CP4:** Carport 4, Under Beach House
- **CPY:** Canopy
- **DG:** Detached Garage
- **EP:** Endoled Porch
- **FBH:** Metal or Frame Boat House
- **ELV:** Dumbwaiter or Elevator

**VALUES**

- Improvement Homestead Value: + $286,600
- Improvement Non-Homestead Value: + $0
- Land Homestead Value: + $37,660
- Land Non-Homestead Value: + $0
- Agricultural Market Valuation: + $0
- Timber Market Valuation: + $0
- Market Value: = $324,260

**Condition % only available on appraisal card**
**SPREADSHEET INSTRUCTIONS**

1. Download the 2018.Protest Worksheets.xlsx from the GCTO website (www.galcotax.com)
2. Complete **Improvements Listing** form from CAD appraisal cards and/or website
3. Complete gray area at top of **Spreadsheet 4 You** worksheet with your property info from the **Improvements Listing**, appraisal card and CAD website, etc.
4. Complete information in unshaded areas about each of the comparable properties
5. As you enter information, the shaded cells will automatically calculate and adjust the comps to your property. An adjusted range in value will result in the Adj Value column
6. Complete INDICATED VALUE RANGE information at bottom of spreadsheet. In determining property most like yours, which required least adjustments, have the most similar features such as size, other improvements (e.g. if you do not have a pool, do not compare your property to one with a pool unless all other factors are equal)
7. If the condition of your property is below the norm for neighborhood and the CAD Adjustment % is 100%, determine total cost of repairs. Divide that amount by the Imp Value to determine the Cond % (egg $10,000 in repairs ÷ $196,110 = 5% condition adjustment. Subtract from 100. Enter 95% Cond %).

**PROTEST WORKSHEET**

<table>
<thead>
<tr>
<th>#</th>
<th>Address</th>
<th>Current Value</th>
<th>Imp #1 Value</th>
<th>MA(s) SF</th>
<th>Land Value</th>
<th>%SF All Imp</th>
<th>%SF Land</th>
<th>Eff Age</th>
<th>Size Diff</th>
<th>Size Adj</th>
<th>Cond %</th>
<th>Cond Adj</th>
<th>Pool or Other Imp Adj</th>
<th>Total Adj</th>
<th>Adj Value</th>
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<tr>
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<td>$299,630</td>
<td>3,427</td>
<td>$37,590</td>
<td>$87.43</td>
<td>$3.09</td>
<td>1997</td>
<td>-402</td>
<td>-535.148</td>
<td>93%</td>
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<tr>
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<td>$315,260</td>
<td>$267,810</td>
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<td>$96.96</td>
<td>$3.19</td>
<td>1996</td>
<td>263</td>
<td>255.01</td>
<td>100%</td>
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<td>-59,415</td>
<td>315,505</td>
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<tr>
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<td>3,563</td>
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<td>$91.85</td>
<td>$3.04</td>
<td>1995</td>
<td>-538</td>
<td>-49.415</td>
<td>95%</td>
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<td>-55,915</td>
<td>337,375</td>
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<td>$243,810</td>
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<td>$95.05</td>
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<td>1995</td>
<td>460</td>
<td>43.724</td>
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<td>-55,915</td>
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<td>$236,990</td>
<td>2,693</td>
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<td>$88.00</td>
<td>$2.83</td>
<td>1995</td>
<td>332</td>
<td>29.217</td>
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<td>$7,110</td>
<td>0</td>
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<td>311,326</td>
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<tr>
<td>6</td>
<td>1609 Orlando</td>
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<td>$233,870</td>
<td>2,423</td>
<td>$37,610</td>
<td>$96.52</td>
<td>$3.08</td>
<td>1996</td>
<td>602</td>
<td>58.106</td>
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<tr>
<td>7</td>
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<td>$310,500</td>
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<td>$91.62</td>
<td>$3.07</td>
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<td>94%</td>
<td>0</td>
<td>-33,350</td>
<td>-33,350</td>
<td>314,770</td>
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**INDICATED VALUE RANGE:**

- **Low:** $311,326
- **High:** $343,618
- **Estimated Value:** $326,000

**Formulas:**

\[
\begin{align*}
\text{$/SF All Imp} & = \text{Imp Value} - \text{Imp SF} \\
\text{$/SF Land} & = \text{Land Value} - \text{Land SF} \\
\text{Size Diff} & = \text{Subject Size} - \text{Comp Size} \\
\text{Size Adj} & = \text{Size Diff of Comp} \times \text{$/SF Subj} \\
\text{Cond Adj} & = \text{Subject Cond} \% \times \text{Imp Value of Comp} \\
\text{Total Adj} & = \text{Size Adj} + \text{Cond Adj} + \text{Pool or Other Imp Adj} \\
\text{Adj Value} & = \text{Current Value} - \text{Total Adj} \\
\end{align*}
\]

**Properties Most Like Subject:** 1 & 2

**Spreadsheet Instructions**

1. Download the 2018.Protest Worksheets.xlsx from the GCTO website (www.galcotax.com)
2. Complete **Improvements Listing** form from CAD appraisal cards and/or website
3. Complete gray area at top of **Spreadsheet 4 You** worksheet with your property info from the **Improvements Listing**, appraisal card and CAD website, etc.
4. Complete information in unshaded areas about each of the comparable properties
5. As you enter information, the shaded cells will automatically calculate and adjust the comps to your property. An adjusted range in value will result in the Adj Value column
6. Complete INDICATED VALUE RANGE information at bottom of spreadsheet. In determining property most like yours, which required least adjustments, have the most similar features such as size, other improvements (e.g. if you do not have a pool, do not compare your property to one with a pool unless all other factors are equal)
7. If the condition of your property is below the norm for neighborhood and the CAD Adjustment % is 100%, determine total cost of repairs. Divide that amount by the Imp Value to determine the Cond % (egg $10,000 in repairs ÷ $196,110 = 5% condition adjustment. Subtract from 100. Enter 95% Cond %).
Residential Class Codes

Residential class codes are a combination of structure type and a numerical grade. Structure types include B=brick, BH=beach house, F=frame and TH=townhome. The resulting five class code groupings in Galveston CAD follow:

Class 1-5 Low Quality Residence

General Description: Low quality structure, inexpensive materials, poor design, workmanship. Not attractive in appearance.

Standard specifications:
- Foundation: Concrete blocks, masonry or light slab, wood or concrete piers
- Roof: Roll composition, metal, very light composition or wood shingles
- Windows: 5
- Floors: Softwood, bare, light asphalt tile or low cost linoleum
- H/C: Stove heaters and no CA, low cost window units
- Utilities: Very few outlets, cheap fixtures
- Baths: One
- Garage: None, very low cost carport or garage
- Size: 400-800 square feet of living area

Class 6-10 Fair Quality Residence

General Description: Minimum FHA/VA residence, fair design, materials & workmanship. Small frame rear porch standard

Standard specifications:
- Foundation: Light concrete or pier and beam
- Roof: Light composition or wood shingles
- Windows: 6–8
- Floors: Low quality carpet, hardwood or tile
- H/C: Small central heating units or wall heaters
- Utilities: Basic outlets
- Baths: One
- Garage: One car garage or carport, concrete drive
- Size: 800–1,200 square feet of living area

Class 11–15 Average Quality Residence

General Description: FHA or VA standards; average materials, workmanship, standard design. Front and rear porches. “L” shape or other variation from rectangle.

Standard specifications:
- Foundation: Concrete slab, pier and beam
- Roof: Composition or wood shingles
- Windows: 7–9
- Floors: Carpet, tile or varnished hardwood
- H/C: Central heat and air
- Utilities: Ample outlets, average fixtures
- Baths: 1½ to 2 baths
- Garage: 1–2 car garage or carport, concrete drive
- Size: 1,200–1,800 square feet of living area

Class 16–20 Good Quality Residence

General Description: Very good structure built of excellent materials, design and workmanship. Usually custom built from good architectural plans, attractive in appearance. Irregular shape. Large front and rear porches or patios.

Standard specifications:
- Foundation: Heavy concrete slab or pier and beam
- Roof: Heavy comp or wood shingles, tile or built-up
- Windows: 12-14
- Floors: Good quality carpet, tile or varnished hardwood
- H/C: Central heat & air
- Utilities: Custom features
- Baths: 2-3, custom features
- Garage: 2-3 car garage or carport, concrete drive
- Extras: Fireplace
- Size: 2,300-3,000 square feet of living area
Class 21 – 24 Excellent Quality Residence

General Description:  High quality structure of excellent materials, design and workmanship. Custom built from good architectural plans, attractive in appearance. Large balconies, skylights, atriums or saunas.

Standard specifications:
- **Foundation:** Heavy concrete slab or high quality pier and beam
- **Roof:** Heavy wood shingles or high quality composition or tile
- **Windows:** 14-16 **Corners:** 10-12
- **Floors:** High quality carpet, tile or terrazzo
- **H/C:** Central heat & air
- **Utilities:** Numerous outlets, custom features
- **Baths:** 3-4 baths, custom fixtures
- **Garage:** 3-4 car garage, concrete approach
- **Extras:** Fireplace
- **Size:** Over 3,000 square feet of living area

More CAD Codes

<table>
<thead>
<tr>
<th>Land Codes</th>
<th>Building Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA Back Acreage</td>
<td>Public Use</td>
</tr>
<tr>
<td>BF Beach Front</td>
<td>Power line</td>
</tr>
<tr>
<td>BX Boat Slip</td>
<td>Road Frontage</td>
</tr>
<tr>
<td>BV Beach View</td>
<td>Residential House</td>
</tr>
<tr>
<td>CDO Condo Land</td>
<td>Residential Lot</td>
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<tr>
<td>CL Commercial Lot</td>
<td>Right of Way</td>
</tr>
<tr>
<td>CN Canal</td>
<td>Site Value</td>
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<tr>
<td>CO Commercial Acreage</td>
<td>Site Value</td>
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<tr>
<td>CR Corner</td>
<td>Townhome</td>
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<tr>
<td>DE Drainage Easement</td>
<td>Undeveloped</td>
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<tr>
<td>DKM Dockominiums</td>
<td>Wood Acreage</td>
</tr>
<tr>
<td>DS Drill Site</td>
<td>Water Front</td>
</tr>
<tr>
<td>FR Freeway Frtg.</td>
<td>Wasteland</td>
</tr>
<tr>
<td>GB Green Belt</td>
<td>Water View</td>
</tr>
<tr>
<td>GC Golf Course</td>
<td>Water View</td>
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<table>
<thead>
<tr>
<th>Roof Style</th>
<th>Foundation</th>
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<tbody>
<tr>
<td>Wood Frame</td>
<td>Post Tension Conc.</td>
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<tr>
<td>Nailup</td>
<td>Wood Pilings</td>
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<thead>
<tr>
<th>Heating / AC</th>
<th>Flooring</th>
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<tbody>
<tr>
<td>Central Heat &amp; Air</td>
<td>Carpet</td>
</tr>
<tr>
<td>Central Heat</td>
<td>Vinyl</td>
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<tr>
<td>Central Air</td>
<td>Hard Wood</td>
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<tr>
<td>Wall/Floor Furnace</td>
<td>Concrete</td>
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<tr>
<td>Stove or Gas Jets</td>
<td>Tile</td>
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<td>Terrazzo</td>
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<table>
<thead>
<tr>
<th>Interior Finish</th>
<th>Fireplaces</th>
</tr>
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<tbody>
<tr>
<td>Sheetrock</td>
<td>Heatalator</td>
</tr>
<tr>
<td>Panel</td>
<td>Fireplace</td>
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<tr>
<td>Wallpaper</td>
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<table>
<thead>
<tr>
<th>Code Rating</th>
<th>Definition</th>
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<tbody>
<tr>
<td>1 Excellent</td>
<td>Building is in perfect condition, very attractive and highly desirable.</td>
</tr>
<tr>
<td>2 Very Good</td>
<td>Slight evidence of deterioration; still attractive, quite desirable</td>
</tr>
<tr>
<td>3 Good</td>
<td>Minor deterioration visible; slightly less attractive and desirable but useful.</td>
</tr>
<tr>
<td>4 Average</td>
<td>Normal wear and tear apparent; average attractiveness and desirability.</td>
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<tr>
<td>5 Fair</td>
<td>Marked deterioration but quite us able; rather unattractive and undesirable.</td>
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<tr>
<td>6 Poor</td>
<td>Definite deterioration is obvious; definitely undesirable and barely usable.</td>
</tr>
<tr>
<td>7 Very Poor</td>
<td>Condition approaches unsoundness; extremely undesirable; barely usable.</td>
</tr>
<tr>
<td>8 Unsound</td>
<td>Building is unsound and practically unfit for use.</td>
</tr>
</tbody>
</table>

Disclaimer: The information and suggestions presented herein are intended to be useful and relevant for reducing values in most county appraisal districts. Procedures may vary slightly from one CAD to another. No warranties or claims regarding the accuracy or usefulness is made; however extensive research and official sources were used in compiling the information. Use of the information is no substitute for professional or legal advice or your own common sense.
### PROTEST WORKSHEET

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<th>#</th>
<th>Address</th>
<th>Current Value</th>
<th>Imp #1 Value</th>
<th>MA(s)</th>
<th>Land Value</th>
<th>Land SF</th>
<th>$/SF All Imp</th>
<th>$/SF Land</th>
<th>Eff Age</th>
<th>Size Diff</th>
<th>Size Adj</th>
<th>Cond %</th>
<th>Cond Adj</th>
<th>Pool or Other Imp Adj</th>
<th>Total Adj</th>
<th>Adj Value</th>
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**INDICATED VALUE RANGE:**

<table>
<thead>
<tr>
<th>Low:</th>
<th>High:</th>
<th>Property Most Like Subject:</th>
<th>Estimated Value:</th>
</tr>
</thead>
</table>

- **Formulas:**
  - $\$/SF All Imp = Imp Value ÷ Imp SF
  - $\$/SF Land = Land Value ÷ Land SF
  - Size Diff = Subject Size — Comp Size
  - Size Adj = Size Diff of Comp x $\$/SF Subj
  - Cond Adj = Subject Cond % x Imp Value of Comp
  - Total Adj = Size Adj + Cond Adj + Pool or Other Imp Adj
  - Adj Value = Current Value — Total Adj
  - Low = Lowest Adj Value & High = Highest Adj Value
  - Properties Most Like Subject require least adj + most similar
NOTES

Resources

Galveston CAD
www.galvestoncad.org  1-866-277-4725
General Email: GCAD@galvestoncad.org
Tommy Watson, Chief Appraiser
twatson@galvestoncad.org
Don Gartman, Chairman, Board of Directors
D.gartman@sbcglobal.net
Michelle Morrison, Taxpayer Liaison Officer
Email: liaison@galvestoncad.org

Galveston County Tax Office
www.galcotax.com  1-877-766-2284
Email: galcotax@co.galveston.tx.us

State District Administrative Judge John Ellisor
John.Ellisor@co.galveston.tx.us

Harris CAD
www.hcad.org  713-957-7800
Email: help@hcad.org
Teresa Terry, HCAD Taxpayer Liaison Officer
Email: tterry@hcad.org

Texas Comptroller
www.comptroller.texas.gov/taxinfo/proptax
1-800-252-9121 (press 2 then 1 for Info Services team)
Email: ptad.cpa@cpa.texas.gov

Possible Sources of Sales
www.online-home-values.com
www.housevalues.com
www.har.com

Cheryl E. Johnson, PCC
Galveston County Tax Assessor Collector
722 Moody Avenue
Galveston, Texas 77550
1-409-766-2260
Cheryl.E.Johnson@co.galveston.tx.us