



# Protesting Your Property Value

The most effective tax relief for Texas property owners!



V4.13.20

## Texas Taxes 101

The property tax process has four phases: **appraisal** (determination of value by county appraisal districts/CADs), **equalization** (appealing or protesting the CAD value), **assessment** (governments setting tax rates, calculation and billing by assessor) and **collection** (by collector). Taxes are assessed or calculated as follows:

$$[(\text{Value} - \text{Exemptions}) \div \$100] \times \text{Rate} = \text{Tax Levy}$$

CADs appraise property at the January 1<sup>st</sup> market value. New owners and those whose taxes will increase at the current tax rates are mailed an appraisal notice. **You do NOT have to receive a notice to protest.**

This document will guide you through the process of **equalization**. A successful appeal does NOT guarantee lower taxes if the value increased substantially or rates are increased by local governments.

### Your Rights As A Property Owner

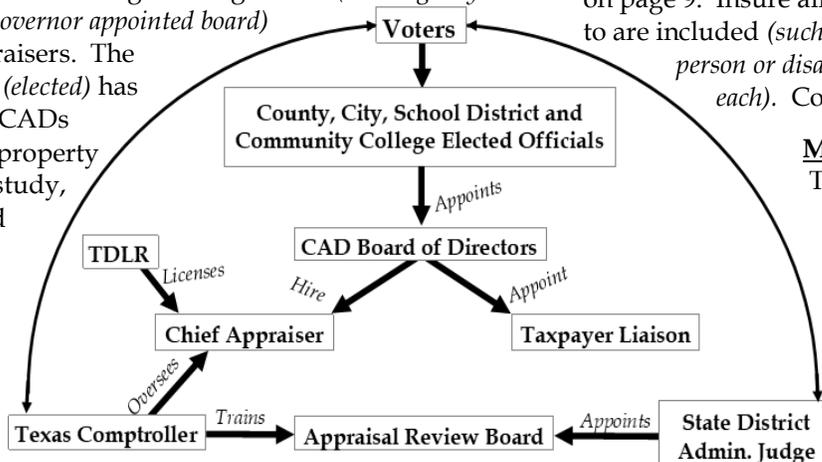
You have the right to protest any adverse action by the CAD concerning your property. The most common are:

- ⇒ denial of an exemption
- ⇒ failure of the chief appraiser or Appraisal Review Board (ARB) to deliver notice
- ⇒ any action taken by the chief appraiser, CAD or ARB that adversely affects you/increases your tax liability

### Who's Who in the Appraisal & Equalization Process?

Voters elect government officials who appoint members of the CAD board of directors (based on the amount of taxes billed). The CAD board approves the budget, hires the Chief Appraiser (responsible for day-to-day operations and staffing), adopt the Reappraisal Plan and appoint the Taxpayer Liaison Officer (addresses citizen concerns). The State District Administrative Judge (elected) appoints the ARB in counties with a population >120,000. The Texas Department of Licensing and Regulation (State agency overseen by Governor appointed board)

licenses appraisers. The Comptroller (elected) has oversight of CADs through the property value/ratio study, Methods and Assistance Program (MAP) review and adopting uniform standards.



## The Process

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

Staff appraisers conduct the informal conference. This is when the majority of reductions occur resulting from corrections of the records or physical depreciation being reported. The appraisers have the authority to reach an agreement without the need for an ARB hearing. If not satisfied with the proposal, you may protest to the ARB.

ARB members are residents of the County and receive Comptroller developed training. They are paid by the CAD and may be removed if they fail to attend hearings, do not meet eligibility requirements or if there is evidence of repeated bias or misconduct.

If you are not satisfied with the ARB decision, you may file suit in District Court or request binding arbitration.

### Obtain Information

If mailing the protest form, request documents used to determine the value at the same time (sales can only be provided when filing a formal protest but other documents may be obtained at any time). The most efficient way to obtain these records is via email:

- ⇒ appraisal card (property details including sketch)
- ⇒ sales and other data used
- ⇒ neighborhood and plat maps

Whether or not you decide to protest the value, obtain a copy of the appraisal card and confirm the information accurately reflects the existing improvements (measure the exterior). Improvement codes used on the card are listed on page 9. Insure all of the exemptions you are entitled to are included (such as the homestead, over-65, disabled person or disabled veteran or surviving spouses of each). Confirm the condition is accurate?

### Market Value Protest

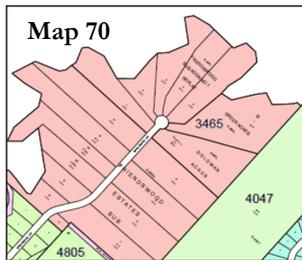
The appraisal district assumes all property in the area it defines as "the neighborhood" (see definition on page 5) have the same quality of construction and features and are in the same condition. If sales occur in "the neighborhood," values increase/decrease. After reviewing the information on the

appraisal card for accuracy, determine which properties you are being compared to in the neighborhood. (See *sample appraisal card on page 6 – the map ID is circled in blue or may also be found on the CAD website on the property “home page” under the Location information as shown below:*

Account			
Property ID:	168945	Legal Description:	ABST 20 PE
Geographic ID:	3470-0000-0004-000	Zoning:	SFR
Type:	Real	Agent Code:	A0114700
Property Use Code:			
Property Use Description:			
Location			
Address:	810 MYRTLEWOOD DR FRIENDSWOOD, TX 77546	Mapsc0:	
Neighborhood:	FRIENDSWOOD ESTATES SUBD	Map ID:	70-D
Neighborhood CD:	3465		
Owner			

Neighborhood maps are available on the GCAD website at [http://galvestoncad.org/index.php/Shape\\_Files](http://galvestoncad.org/index.php/Shape_Files). Find your property – your neighborhood includes those of the same color. If 10% of the properties sell over a three year period in your neighborhood, the value will increase.

If your property is not “ready to sell” (is not in similar condition or have similar features of those selling) or requires repairs, take photographs, make a list and obtain cost estimates. If you are unsure of what the market is demanding, contact a friendly real estate agent and have him or her help define needed updates, attend an open house or visit real estate websites for listings (this is your competition). Sites such as [Homewyse.com](http://Homewyse.com) make it easy to determine the cost of specific updates or repairs. This analysis is typically adequate for a successful online or informal protest.



If you mailed the formal protest form and have the sales, obtain the appraisal cards for those properties (via email is easy) and compare them to yours. Using the Protest Spreadsheet (available at GCTO website under the Press Releases and Important Information tab or use the paper version included on pages 10 and 11). Perform an analysis of other similar properties in the neighborhood or use other sales that you find adjusting the “comps” by adding or subtracting for differences (see example in the spreadsheet and on pages 6 and 7). The worksheet includes formulas that perform many of the calculations for you.

**The date of value is January 1.** (In the event of a disaster, you are now Constitutionally entitled to reappraisal as of the date of the disaster. Additional information will be provided on the GCTO website regarding disaster reappraisal when it is appropriate.) If repairs were made after January 1, present the cost or receipts as the basis for reducing value.

### Unequal Value Protest

A protest based on unequal value requires the CAD to prove the appraisal ratio of your property is equal to or less than the median level of appraisal of a reasonable/representative sample of other properties in the CAD, those that are similarly situated or of the same character.

More simply put, is the value equal to or less than the median appraised value of a reasonable number of comparable properties (after adjusting for differences)? This method of protest is a bit more complicated *unless you live in a subdivision where identical homes have been built* and you find one with a lower value than yours. **This is “the perfect storm” for unequal protest!**

If you locate identical homes (even those not in your neighborhood but within the same subdivision), take photos, obtain the appraisal cards or other information necessary to demonstrate similarities. Adjust for differences using the Protest worksheet. **The ARB is more likely to approve an unequal value appeal than appraisers in an informal conference.**

Except for the “perfect storm” you may want to hire a property tax consultant to present an unequal value case.

### Depreciation

Depreciation impacts value. There are three types:

- ⇒ **Physical** (condition – addressed by cost of repairs)
- ⇒ **Functional** (poor floor plan, overbuilt or over improved for the neighborhood, unusual or excessive easements – addressed by cost to correct)
- ⇒ **Economic** (foreclosures, oversupply of properties for sale, high interest rates – sales will typically reflect this through lower sale prices. Sales occurring before a market downturn should be adjusted downward.

### 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 meeting with the appraiser is the best opportunity to both obtain and provide information. Consider it a fishing trip! What sales are being used that caused the value to increase? Have they considered all adjustments to bring the sales in line with the condition and features of your property? Discuss the differences. Present bids or estimates of repairs. Use the completed Improvements Listing and personal knowledge of your neighborhood (what adverse conditions exist that the CAD may not know such as excessive traffic, propensity for flooding, foreclosures or excessive number of properties for sale, crime rates, pipeline or electrical easements, etc.). When talking with the appraiser, **understand the value of a reduction** – do not walk away from a \$10,000 offer (±\$300 in taxes) over a \$1,000 disagreement (±\$30 in taxes).



**CADs use mass appraisal which does not adjust for unique features. The key, therefore, is to provide information that shows how your property is different from sales or other properties in the neighborhood.**

Give the appraiser time to consider your information. He or she will try to reach an agreement. If one is reached, you will be asked to sign a waiver and agree to the value. **Do not feel forced** to accept an offer. (Some appraisers will state reductions are ‘off the table’ if you go to the ARB and,

although not bound by an offer, the ARB should consider offers made by the CAD appraisers if they are reasonable.)

If unable to reach an agreement, ask to be scheduled for an ARB hearing. ARB notices must be delivered via certified mail if requested (*you may be asked to pay for postage*) but, if you agree, may also be emailed.

**If you are prepared**, go directly to the ARB. If not, ask to be scheduled for another date. If you have not already obtained the sales and appraisal card – make the request then. **It is in your best interest to be prepared for the ARB hearing.** Reschedule if you have not analyzed all information. You are legally entitled to reschedule one ARB hearing. **NOTE:** ARBs are required to provide for hearings on a Saturday or after 5:00 pm weekdays.

## The ARB

Section 41.461 of the Tax Code requires the following be provided at least 14 days before a hearing:

- 1) Taxpayer Rights and Remedies
- 2) ARB hearing procedures
- 3) Information pertaining to your right to receive copies of the data, schedules, formulas and information that will be introduced at the hearing. (*CADs may NOT use any other evidence.*) Further, Section 41.67(d) provides that if information is requested but **not delivered at least 14 days before the hearing** it may NOT be used by the CAD in the hearing. Certified mail is the best method of documenting receipt.

Assemble a packet for the hearing (*original + four copies*):

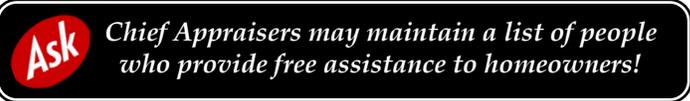
- \* **Summary sheet** *A brief description of the property, date purchased and amount, the CAD and your opinion of value, reason for the protest and a list of packet contents.*
- \* **Appraisal notice from CAD** *if you have one*
- \* **CAD appraisal card**
- \* **Photos** *Include front, back, areas needing repair – anything appropriate to satisfy the ARB's need to know what the property looks like and any deterioration. Label the photos.*
- \* **Estimates or receipts of repairs**
- \* **Map of sales, comparable properties and listings** *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.

### The Hearing

Participants at the hearing include the three member ARB panel, a CAD appraiser and clerk recording it. The proceedings (*typically lasting about 20 minutes*) will be conducted by the panel chair after 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. You must be informed of your right to complete a survey regarding the hearing process.



Both you and the CAD have an opportunity to present information and resolve any disputes about the property that should have been resolved in 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!** Questions and closing remarks are permitted. Thank the ARB and remind the panel that Texas law requires each property to be appraised on its **individual characteristics**. State why your property is different from the sales. Note that the CAD has the burden of proving its value by a **preponderance of the evidence** presented. If the CAD fails to meet that standard, the protest **shall** be in favor of the property owner (*Section 41.43 of the Texas Tax Code*).

The ARB panel will deliberate and announce a decision. It may reduce the value or leave it alone – **it can no longer increase a value** (*unless agreed to by the property owner or the issue involves an exemption or AG use denial*)! A written order must be mailed via certified mail within 30 days (*in counties of less than 4M*) along with information regarding the right to sue in District Court or to binding arbitration.

**NOTE:** If disputes regarding the property cannot be resolved (*particularly regarding the accuracy of CAD information*), the ARB chair may recess the hearing for a CAD field check. The hearing will be continued after the field check is completed. **If you believe the CAD records are inaccurate, pursue this!**

**NEW OPTION:** The Chief Appraiser and property owner (*or agent*) may file an agreed joint motion on a value with the ARB. The ARB must issue an order within five days.

### Appealing an ARB Order

If not satisfied with the ARB decision, your options are to file a lawsuit in State District Court or request binding arbitration. Few cases actually make it to a courtroom as mediation and agreements are typically reached before then. This is a great option for those with an attorney in the family or if you are not intimidated by legalities.

## **Binding Arbitration A Viable Option**

Although potentially a costly option, binding arbitration is a good alternative to filing a lawsuit. Preparation is similar to preparing for the ARB but an independent, impartial third party hears and examines the facts then makes a decision that is binding on both parties.

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.*).

An arbitration request form may be filed online through the Comptroller Online Arbitration Center along with payment (*fees range from \$450 to \$1,550*) within 60 days of the ARB order. The form, along with a money order or cashier's check may also be mailed or delivered to the CAD. The CAD is required to forward the request and payment to the Comptroller within 10 days.

The Comptroller may not reject an application unless a defect is not corrected within 15 days of notice. Once approved, the Comptroller will appoint an arbitrator whom will set a date, time and place for a hearing. The arbitration could be in person, by teleconference or via documentation (*both you and the CAD must agree to submission of documents*). Since the CAD had the advantage before, make suggestions to the arbitrator for a location that you are comfortable with.

The arbitrator is required to provide hearing procedures that will be used in the arbitration. You may hire a property tax consultant, attorney, real estate broker/agent, CPA or appraiser 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 tax professional is a good decision!

You will present your case and the CAD will present the ARB case. Time constraints in an arbitration are not as restrictive as the ARB hearing. Take your time and lay out the entire case. Bring evidence and explain why your value is more appropriate than the ARB's.

The arbitrator shall deliver a copy of the award to the property owner, CAD and Comptroller within 20 days. If the award is nearer in value to the property owner estimate, the Comptroller shall refund the property owner all but \$50 of the deposit and the CAD pays the arbitrator's fee. **Be aware** that the value could be lowered but not sufficiently to reduce the fee. It could also be left at the ARB value. The decision of the arbitrator is final and binding on all parties (*unless fraud, corruption or willful misbehavior occurred*).

Before attempting arbitration, review the information available on the Comptroller's website at <https://>

[comptroller.texas.gov/taxes/property-tax/arbitration/](http://comptroller.texas.gov/taxes/property-tax/arbitration/). At printing, the 2020 information was not yet available.

**If a value is lowered by the ARB or in arbitration, it may not be increased the next year unless supported by clear and convincing (rather than substantial) evidence (except for unequal protests).**

## **Protest Savvy**

- A. Don't miss the May 15<sup>th</sup> 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 (*newest values posted after notices are mailed which is typically by mid April*). Late protests are allowed for good cause (*e.g. medical*).
- B. If your value increased, it is likely your neighbors did as well. Ask. Encourage everyone to protest.
- C. If a property is well maintained, the effective age will be less than the actual age. Check the records and condition of your property.
- D. Contact buyers, sellers or agents about sales. Was personal property included? Was either party highly motivated? Were special circumstances involved? Do your homework!
- E. The computer performed an analysis of information inputted. You must prove the data is inaccurate or that important information is omitted.
- F. The CAD has the burden of proof in an ARB hearing or when an appraisal <180 days old is presented.
- G. Tell the truth. Lose credibility and you lose your case.
- 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 is not well received*). Do not get angry. Be positive and polite. Relax.
- J. Crying doesn't help (*but you can try*).



## **Other Options**

Hire a Property Tax Consultant. Several are listed below.

<b><u>Property Tax Agent</u></b>	<b><u>City</u></b>	<b><u>Telephone</u></b>
AdvaloremTax.net	Kemah	281-957-9600
AppealPropertyTax.com	Kemah	713-526-1465
Bettencourt Tax Advisors	Houston	713-263-6100
Harding & Carbone Inc	Houston	713-664-1215
Mefferd & Associates PC	Galveston	713-376-5583
Novotny & Company	Houston	713-932-7672
OConnor & Associates	Houston	713-686-9955
Premier Property Tax	Houston	281-304-5222
Property Tax Solutions	Friendswood	281-482-6300
Republic Property Tax	Houston	713-609-9430
Roberts Tax Appeals	Houston	713-703-6532

## **Definitions**

**Acceptable appraisals** are for properties with a value of \$1M or less. The appraisal must be filed with the ARB and delivered to the chief appraiser no later than 14 days before the hearing, must support the value claimed by the owner and have been performed by a certified appraiser

(under Occupations Code Chapter 1103) not later than 180 days before the date of the first hearing. 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 authorized or required by Chapter 23 of the Tax Code and performed in accordance with USPAP.

**Acceptable sales** must have occurred within 36 months of the date of value in counties of 150,000 or more including foreclosures and sales in a declining economy *these are acceptable sales*).

**Market value** is the price at which a property would sell for 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" Tax Code Section 1.04(7). This means that when sales involve a highly motivated buyer (or seller), they **do not represent market value**.

Typically referred to as "**neighborhoods**" **comparable properties** "...shall be determined based on similarities with regard to location, square footage of the lot and improvements, property age, property condition, access, 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).

## Coronavirus Could Change Everything

At the date of this writing, Galveston and Harris CADs are closed to the public. Both posted online that they will not be providing in person meetings and are encouraging property owners to call, mail, email or use the online protest system (*at HCAD it is iFile*). You must receive a notice to use the online protest systems (*it includes a number that provides access*). No notice? Contact the CAD and request access.

Online filing is far less successful than meetings with appraisers. This could be due to inadequate documents being provided that support a reduction. Therefore, call first and attempt to resolve increase. If unable to reach an agreement, file an online protest and submit documents to justify a reduction. You should receive a response within a few days. If not, contact the CAD and determine the status of the online protest. **Beware of responses going to your junk mail!!**

Due to changes in law that prohibit a value increase the year following an ARB hearing or arbitration without "*clear and convincing evidence*" to support it, and because ARBs can no longer increase values, **property owners**

**unhappy with the outcome of the informal process should seek an ARB decision.** This is really important for property owners reappraised this year (*Dickinson, Hitchcock and Texas City ISDs*) due to economic depreciation that may not be addressed in 2021 (*see "Economic Impact of Coronavirus" below*).

There is a high probability that CADs will attempt to require ARB hearings via telephone conference (*currently provided for in the Code but submitting documents is a cumbersome process that may prove impossible to accomplish under current disaster orders*) or via video conferencing. **Without proper notice or your concurrence, CADs may not limit you to these options.**

Section 41.41(a) of the Tax Code states, "*A property owner is entitled to protest before the appraisal review board...*" actions including those that adversely affect the property owner (*such as higher values that result in higher taxes*).

Section 41.44(c) provides that a property owner is entitled to a hearing and determination of the protest. Section 41.45 requires the appraisal review board to schedule a hearing and at 41.45(b) provides that a property owner is **entitled to appear and offer evidence.**

Section 41.45(n) states a property owner **does not waive the right to appear in person** by submitting an affidavit of evidence or by electing to appear by telephone, **thus your right to an in person hearing is preserved.**

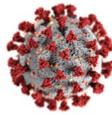
CADs are permitted (*under Section 41.45(o) of the Property Tax Code*) to use audiovisual equipment at a hearing but are required to provide equipment (*or access to it*) of a similar kind or type for use by the property owner. Should CADs force video conferencing (*not currently allowable in law*), demand your right to be provided access to this equipment. It could be argued that in order to preserve your rights under the Texas Constitution and law, the ARB could be forced to revert to the 2019 value.

## Economic Impact of Coronavirus

Although there is no evidence thus far, real estate prices could fall as a result of unemployment, an oversupply of housing and mortgage foreclosures caused by the pandemic (*or falling oil prices*). This will create economic depreciation and will likely result in reduced values.

CADs typically value half of the school districts each year. In 2020, GCAD reappraised Dickinson, Hitchcock and Texas City ISDs. (*If a high number of sales occurred in other areas, values will have increased in those neighborhoods as well.*) In 2021, Clear Creek, Friendswood, Galveston and High Island ISDs will be valued.

Economic depreciation takes time to be reflected in the marketplace and CADs are slow to recognize it. It is not likely values will be lowered in school districts appraised in 2020. Thus, those protesting this year may find it beneficial to protest next year in order to benefit from lower values, thus lower taxes, both years.



**Appraisal card (shown below) available via email or telephone. Online info. shown at right.**

GALVESTON CENTRAL APPRAISAL DISTRICT PROPERTY 168945 R Legal Description ABST 20 PERRY & AUSTIN SUR LOT 4 FRIENDSWOOD ESTATE SUB ADDN #1 REPLAT Ref ID1: 281508 3470-0000-0004-000		OWNER ID 198928 810 MYRTLEWOOD DR FRIENDSWOOD, TX 77546-2027 OWNERSHIP 100.00% ACRES: 3.4800 EFF. ACRES:		PROPERTY APPRAISAL INFORMATION 2019 Entities C37 100% CAD 100% D08 100% GGA 100% RFL 100% S12 100%		Values IMPROVEMENTS 214,400 LAND MARKET + 95,600 MARKET VALUE = 310,000 PRODUCTIVITY LOSS = 0 APPRAISED VALUE = 310,000 HS CAP LOSS = 0 ASSESSED VALUE = 310,000																																																										
SITUS 810 MYRTLEWOOD DR FRIENDSWOOD, TX 77546 GENERAL UTILITIES AP LAST APPR. JEB TOPOGRAPHY LEVEL LAST APPR. YR 2018 ROAD ACCESS ASP LAST INSP. DATE 01/02/2018 ZONING SFR NEXT INSP. DATE 01/01/2018 BUILDER NEXT REASON REMARKS 18PICTO 2012-ST TO MA2. FR03-CHG CLS,MA2,FUNC		SKETCH for Improvement #1 (RESIDENTIAL) 		EXEMPTIONS HS Homestead OV65 Over 65 SKETCH COMMANDS MA U42,R59,D11,L4,D25,L29,D6,L26 MA2 U153,MR3,U31,R17,D6,R31,D15,L27,U11,L4,D13,D7,L14 OP MR26,U6,R29,D6,L29 GA MR55,U31,R4,U11,R22,D42,L26																																																												
BUILDING PERMITS ISSUE DT PERMIT TYPE PERMIT AREA ST PERMIT VAL		SALE DT PRICE GRANTOR DEED INFO 09/08/1988 ***** PARRISH HAROLD L CONV / / 006-0		SUBD: S3470 100.00% NBHD:3465 178.00% IMPROVEMENT INFORMATION <table border="1"> <thead> <tr> <th>#</th> <th>TYPE</th> <th>DESCRIPTION</th> <th>MTHD</th> <th>CLASS/SUBCL</th> <th>AREA</th> <th>UNIT PRICE</th> <th>UNITS</th> <th>BUILT</th> <th>EFF YR</th> <th>COND.</th> <th>VALUE</th> <th>DEPR</th> <th>PHYS</th> <th>ECON</th> <th>FUNC</th> <th>COMP</th> <th>ADJ</th> <th>ADJ VALUE</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>RESIDENTIAL</td> <td>STCD: A1</td> <td></td> <td></td> <td>4,329.0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>140,450</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>132,030</td> </tr> <tr> <td>2.</td> <td>RESIDENTIAL</td> <td>STCD: A1</td> <td></td> <td></td> <td>0.0</td> <td></td> <td></td> <td></td> <td>3</td> <td></td> <td>1,500</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1.00</td> <td>1,500</td> </tr> </tbody> </table>		#	TYPE	DESCRIPTION	MTHD	CLASS/SUBCL	AREA	UNIT PRICE	UNITS	BUILT	EFF YR	COND.	VALUE	DEPR	PHYS	ECON	FUNC	COMP	ADJ	ADJ VALUE	1.	RESIDENTIAL	STCD: A1			4,329.0						140,450							132,030	2.	RESIDENTIAL	STCD: A1			0.0				3		1,500						1.00	1,500	IMPROVEMENT FEATURES Fireplace 1 FP 1,800 Foundation CS 0 Roof Covering CS 0 Flooring CP-TJ 0 Heating/Cooling CH-CA 0 Construction Style SFC 0 Exterior Wall WF 0 Interior Finish SR 0 Plumbing 3R 0 1 RNN	
#	TYPE	DESCRIPTION	MTHD	CLASS/SUBCL	AREA	UNIT PRICE	UNITS	BUILT	EFF YR	COND.	VALUE	DEPR	PHYS	ECON	FUNC	COMP	ADJ	ADJ VALUE																																														
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2.	RESIDENTIAL	STCD: A1			0.0				3		1,500						1.00	1,500																																														
SUBD: S3470 100.00% NBHD:3465 100.00% LAND INFORMATION IRR Wells: 0 Capacity: 0 IRR Acres: 0 Oil Wells: 0 ADJ MASS ADJ VAL SRC MKT VAL AG APPLY AG CLASS AG TABLE AG UNIT PRC AG VALUE 1.00 1.00 F 95,600 NO 0.00 0		Total Value (before depreciation)		Adjusted Value (depreciation deducted)																																																												

IMPROVEMENTS LISTING USING APPRAISAL CARDS OR SALE INFORMATION									
#	Address	Total Value	Lot SF & \$	MA Imp SF & \$ (no dep)	Class Code	Eff Age/ Yr Built	Cond %	Describe Other Imps + \$ (with dep)	Other Info (# Stories, Lot Type)
	810 Myrtlewood	\$310,000	151587 SF (3.5 acres) \$95,600	3107SF \$122,540	F13	1999	94%	OP 174 SF \$1290; GA 1048 SF \$15550; OB \$1500; FP \$1800 = \$12,140	2 story; built in garage; cul de sac lot; lot floods frequently

IMPROVEMENTS LISTING USING WEB INFORMATION								
#	Address	Total Value	Lot SF & \$	MA Imp SF & Value All Imps	Class Code	Eff Age/ Yr Built	Other Improvements w/SF (value included with MA Imp Value) + Other Impr.	Other Known Info (# Stories, Lot Info)
Sub	810 Myrtlewood	\$310,000	151,587 SF (3.48 ac) \$95,600	3,107 SF \$214,400 (inc other)	F13	1999	Open Porch 174 SF, Garage 1048 SF; Outbuilding (\$1,359)	WF; two story; FP; cul de sac lot; on Clear Creek (flood prone)

Values

- (+) Improvement Homesite Value: + \$214,400
- (+) Improvement Non-Homesite Value: + \$0
- (+) Land Homesite Value: + \$95,600
- (+) Land Non-Homesite Value: + \$0
- (+) Agricultural Market Valuation: + \$0
- (+) Timber Market Valuation: + \$0
- (-) Market Value: = \$310,000
- (-) Ag or Timber Use Value Reduction: - \$0
- (-) Appraised Value: = \$310,000
- (-) HS Cap: - \$0
- (-) Assessed Value: = \$310,000

Ideally, complete the improvements listing using the CAD appraisal cards as shown in the example on the left page. If unavailable, use the information on the CAD website as shown above ([www.galvestoncad.org](http://www.galvestoncad.org))

Improvement / Building

Improvement #	Type	Description	Class CD	Exterior	Year Built	SQFT	Value
#1: RESIDENTIAL	MA	MAIN AREA	F13 - *	WF	1999	2180.0	
	MA2	MAIN AREA 2ND FLOOR	F13 - *		1999	927.0	
	OP	OPEN PORCH	F13 - *		1999	174.0	
	GA	GARAGE	F13 - *		1999	1048.0	
#2: RESIDENTIAL	OB	OUT BUILDINGS	* - *			0.0	\$1,359

**Disclaimer:** The suggestions presented are intended to help lower your value at most CADs. Procedures may vary slightly from one CAD to another. No guarantees are made regarding your success when protesting. Extensive research and official sources were used to compile this information. There is no substitute for legal or professional advice and your own common sense.

## INSTRUCTIONS FOR USING IMPROVEMENT BLANKS AND SPREADSHEET

The purpose of this exercise is to become familiar with your property and others that are being used to increase your value and to perform a comparison. Once you have identified the neighborhood, see if there are identical houses in it or in your entire subdivision (*this is a great comparison for unequal value*). When filing the formal protest with the CAD, you will be able to request and obtain the sales used. Obtain the appraisal card for your property, identical houses, the sales or other houses on your street (*a good starting point*). Follow the steps below to perform a comparison. This is useful when meeting informally with an appraiser to be able to discuss the differences between their sales and how they differ from your house. You likely have more knowledge of these properties than the CAD and you certainly know more about your house than they do!



1. Download the 2020.Protest Worksheets.xlsx ([www.galcoltax.com/Press Releases and Important Information](http://www.galcoltax.com/Press Releases and Important Information)).
2. Complete appropriate **Improvements Listing** form using CAD appraisal cards or information on the CAD website. You will find a blank **Improvements Listing Using Web Information** form on page 10.
3. Complete top row of **Spreadsheet 4** You worksheet with your property info and comparable properties using info from **Improvements Listing**. You will find a blank protest worksheet on page 11 (*Spreadsheet 4 You in worksheet*).
4. If the condition of your property is below the norm for the neighborhood and the CAD has 100% under DEPR, you will need to determine the total cost of repairs. Divide that amount by the Imp Value to determine the Cond % (eg \$10,000 in repairs ÷ \$196,110 = 5% condition adjustment. Subject from 100.) Enter 95% as the Cond %. See **Instruction and Dep Calculator** tab in spreadsheet.
5. As you enter information, the shaded cells will automatically calculate and adjust the comps to your property. An adjusted value will result in the Adj Value column.
6. Complete INDICATED VALUE RANGE at bottom of spreadsheet. **In determining those most like yours, which required the least adjustments, have similar features such as size, class code, age and other improvements?** If you do not have a pool, do not use that comp unless all other factors are the same.

### PROTEST WORKSHEET

#	Address	Class Code	Total Value	M/A Imp Value	M/A Imp SF	MA	\$/SF M/A	Quality Adj/SF	Quality Adj	Land Value	Land SF	\$/SF Land	Land Value Adj	Eff Age	Size Diff	Size Adj	Dep %	Dep Adj	Other Imp Value	Imp Value Adj	Total Adj	Adj Value
	810 Myrtlewood	F13	\$310,000	\$122,540	3,107	39.44	\$39.44			\$95,600	151,587	\$0.63		1999			94%		\$20,140			
1	809 Myrtlewood	B19	\$799,120	\$322,210	4,618	\$69.77	-\$30.33	-\$140,076		\$95,270	150,718	\$0.63	\$330	1995	-1,511	-\$105,426	97%	-\$9,666	\$61,310	-\$41,170	-\$296,009	\$503,111
3	907 Myrtlewood	B14	\$260,000	\$129,810	2,801	\$46.34	-\$6.90	-\$19,339		\$72,260	90,169	\$0.80	\$23,340	1984	306	\$14,181	79%	\$19,472	\$14,460	\$5,680	\$43,334	\$303,334
5	909 Myrtlewood	B15	\$547,580	\$200,720	4,162	\$48.23	-\$8.79	-\$56,571		\$100,340	164,047	\$0.61	-\$4,740	2000	-1,055	-\$50,879	100%	-\$12,043	\$52,340	-\$32,200	-\$136,433	\$411,147
7	1002 Myrtlewood	B15	\$351,880	\$137,220	2,752	\$49.86	-\$10.42	-\$28,681		\$117,500	209,219	\$0.56	\$21,900	1970	355	\$17,701	76%	\$24,700	\$32,480	-\$12,340	-\$20,521	\$331,359
9	1004 Myrtlewood	B16	\$401,640	\$132,790	2,407	\$55.17	-\$15.73	-\$37,858		\$117,500	209,219	\$0.56	\$21,900	1982	700	\$38,618	93%	\$1,328	\$46,810	-\$26,670	-\$46,482	\$355,158
10	1005 Myrtlewood	B15	\$405,000	\$180,970	3,710	\$48.78	-\$9.34	-\$34,648		\$98,050	158,036	\$0.62	-\$2,450	1982	-603	-\$29,414	82%	\$21,716	\$35,930	-\$15,790	-\$60,585	\$344,415
INDICATED VALUE RANGE:				Low:			\$303,334	High:		\$503,111											Estimated Value:	\$303,334
Quality Cons=3; Size=3 and 7; Land=1,5,10; Age=1, 5; Dep=9; Other Imp=3; Least Adj=3; 7, 9																						

## RESIDENTIAL CLASS (classification) CODES

Residential class codes are a measure of complexity that effects the cost of construction. The codes define the exterior then grade of construction. Structure types include B=brick, BH=beach house, F=frame and TH=townhome. The five class code groupings used by GCAD follow. Properties in a subdivision will have little difference in coding.

### Class 1-5 Low Quality Residence

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

**Foundation:** Concrete blocks, masonry or light slab, wood or concrete piers  
**Roof:** Roll composition, metal, very light composition or wood shingles  
**Windows:** 5                      **Corners:** 4                      **Baths:** One  
**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      **Garage:** None, very low cost carport  
**Size:** 400-800 square feet of living area                      or garage



### Class 6-10 Fair Quality Residence

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

**Foundation:** Light concrete or pier and beam  
**Roof:** Light composition or wood shingles  
**Windows:** 6-8                      **Corners:** 6                      **Baths:** One  
**Floors:** Low quality carpet, hardwood or tile  
**H/C:** Small central heating units or wall heaters      **Utilities:** Basic outlets  
**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.

**Foundation:** Concrete slab, pier and beam      **Roof:** Composition or wood shingles  
**Windows:** 7-9                      **Corners:** 6-8                      **Baths:** 1 1/2 to 2 baths  
**Floors:** Carpet, tile or varnished hardwood  
**H/C:** Central heat and air                      **Utilities:** Ample outlets, average fixtures  
**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.

**Foundation:** Heavy concrete slab or pier and beam  
**Roof:** Heavy comp or wood shingles, tile or built-up  
**Windows:** 12-14                      **Corners:** 10-12                      **Baths:** 2-3, custom features  
**Floors:** Good quality carpet, tile or varnished hardwood  
**H/C:** Central heat & air                      **Utilities:** 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.

**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



## LAND & IMPROVEMENT CODES

### Land Codes

BA	Back Acreage
BF	Beach Front
BX	Boat Slip
BV	Beach View
CDO	Condo Land
CL	Commercial Lot
CN	Canal
CO	Commercial Acreage
CR	Corner
DE	Drainage Easement
DKM	Dockminiums
DS	Drill Site
FR	Freeway Frtg.
GB	Green Belt
GC	Golf Course
GF	Golf Course
IL	Interior Land
IND	Industrial
LT	Lot
ML	Marshland
NP	Native Pasture
OS	Oversized Lot
OT	Other
PF	Primary Frtg
PL	Pipeline
PU	Public Use
PWL	Power line
RF	Road Frontage
RH	Rural House
RL	Residential Lot
RS	Residential
RW	Right of Way
SF	Secondary Frtg.
SV	Site Value
TL	Townhome
UN	Undeveloped
UW	Underwater
WA	Wood Acreage
WF	Water Front
WL	Wasteland
WV	Water View

### Improvement Types

BD1	Light Boat Dock
BD2	Medium Boat Dock
BD3	Heavy Boat Dock
BZ	Breezeway
CP1	Carport, Wood/Conc.
CP2	Carport 2, Wood/Dirt

CP3	Carport 3, Metal/Dirt
CP4	Carport 4 Under BH
CPY	Canopy
DG	Detached Garage
EP	Enclosed Porch
FBH	Metal/Frame Boat House
ELV	Elevator or Dumbwaiter
FUB	Metal/Frame Utility Bldg.
GA	Attached Garage
GH	Greenhouse
HO	Hoist
HT	Hot tub/Jacuzzi
LPOOL	Large Pool
MA	Main Area 1 Story
MA1	Main Area 1.5 Story
MA2	Main Area 2 Story
MA2.5	Main Area 2.5 Story
MA3	Main Area 3 Story
MAA	Main Area Addition or Mobile Home
MBH	Masonry Boat House
MUB	Masonry Utility Bldg.
OB	Out Building
SP	Screen Porch
SPA	Spa
SPool	Small Pool
ST	Storage (attached 2 house)
STG	Storage (det. from house)
SV	Salvage
WD	Wood Deck
XPool	Extra Large Pool

### Building Attributes

#### Construction Style

SF-M	Single Family Modern
SF-C	Single Family Conv.
SF-S	Single Family Spanish
MF-C	Multi Family Conv.
R-CT	Recreation Type
L-CM	Light Commercial

#### Structure Types

B	Brick
BH	Beach house
F	Frame
TH	Townhouse

#### Exterior Finish

BV	Brick Veneer
WF	Wood Frame
COMP	Composition

ST	Stucco
CB	Concrete Blocks
A.S	Asbestos
BW	Brick & Wood
SV	Stone
SI	Sheet Iron
SS	Structural Steel

#### Roof Style

HP	Hip
GA	Gable
WS	Wood Shingle
CS	Comp Shingle
TG	Tar & Gravel
TI	Tile
RA	Rigid Asbestos
RC	Rolled Composition
MT	Metal

#### Plumbing

1	One Full Bath
1.5	One & One-Half
2, etc.	Two Full Baths, etc.

#### Foundation

CS	Concrete Slab
PB	Pier & Beam
WPR	Wood Piers
WPL	Wood Pilings
PT	Post Tension Conc.

#### Heating / AC

CA	Central Air
CH	Central Heat
ST	Stove or Gas Jets
WH	Wall/Floor Furnace

#### Flooring

CP	Carpet
VI	Vinyl
HW	Hard Wood
CO	Concrete
TI	Tile
TE	Terrazzo

#### Interior Finish

SR	Sheetrock
PA	Panel
WP	Wallpaper

#### Fireplaces

HE	Heatator
FP	Fireplace
FP1	Fireplace Class 1
FP2	Fireplace Class 2

## Condition Ratings Guide

<u>Code</u>	<u>Rating</u>	<u>Definition</u>
1	Excellent	Building is in perfect condition, very attractive and highly desirable.
2	Very Good	Slight evidence of deterioration; still attractive, quite desirable
3	Good	Minor deterioration visible; slightly less attractive and desirable but useful.
4	Average	Normal wear and tear apparent; average attractiveness and desirability.
5	Fair	Marked deterioration but quite usable; rather unattractive and undesirable.
6	Poor	Definite deterioration is obvious; definitely undesirable and barely usable.
7	Very Poor	Condition approaches unsoundness; extremely undesirable; barely usable.
8	Unsound	Building is unsound and practically unfit for use.



PROTEST WORKSHEET

#	Address	Class Code	Total Value	MA Imp Value	MA Imp SF	\$/SF MA	Quality Adj/SF	Quality Adj	Land Value	Land SF	\$/SF Land	Land Value Adj	Eff Age	Size Diff	Size Adj	Dep %	Dep Adj	Other Imp Value	Imp Value Adj	Total Adj	Adj Value			
1																								
2																								
3																								
4																								
5																								
6																								
7																								
8																								
9																								
10																								
11																								
<b>INDICATED VALUERANGE:</b>			<b>Low:</b>															<b>Estimated Value:</b>						
<b>Formulas &amp; Notes:</b>			MA Imp Value+ Imp SF		\$/SF MA Subject - \$/SF MA Comp		Quality Adj/SF x \$/SF MA		Land Value+ Land SF		Land Value Sub- Land ValueComp		Subject Size- Comp Size		Size Diff x\$/SF		Subject Dep % x MA Imp Value of Comp		Sub Other Imp Value- Comp Other Imp Value		Quality Adj+ Land Value Adj+ Size Adj+ Dept Adj+ Imp Value Adj		Total Value- Total Adj	

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## Taxes Five Step

*(The Cliff Notes Version of Protesting Your Value)*

A robust real estate market is wonderful for your financial statement or when selling but not when it comes to taxes. CADs mail appraisal notices the first part of April. The deadline to call for an appointment, mail the formal notice or file an online protest is **May 15<sup>th</sup>** (or 30 days after the date of the notice). Follow the Taxes 5 Step to lower your taxes!

- Step 1.** **Mail the formal protest form, file an online protest or call for informal conference by May 15<sup>th</sup>**  
 Protest the value based on either it being over valued (*condition concerns*) or unequal appraisal (*same house elsewhere in the neighborhood valued for less*). **Condition is determined as of January 1.**
- Step 2.** **Research CAD records**  
 Request the “appraisal card” and validate information. If you recently purchased the property for less or have a recent appraisal with a lower value, you are ready to go. If you paid more and discovered problems later or if repairs are needed, take photos and obtain estimates. Provide information at the informal conference or submit with online protest.
- Step 3.** **If held this year, attend the informal conference**  
 Request the documents and review information provided. If you attend the informal conference (where most protests are settled) without filing the formal protest, ask to be scheduled for the ARB at a later date! **YOU MAY RESCHEDULE THE ARB HEARING ONE TIME.**
- Step 4.** **Appraisal Review Board (ARB) Hearing**  
 The ARB is a three member citizen panel appointed to hear protests. Also in attendance is a CAD appraiser and a hearing clerk who records the proceedings. **Bring four copies of your evidence.** You will be sworn in. The CAD appraiser will present its case, you will present yours and the ARB will announce its decision.
- Step 5.** **Arbitration or File Lawsuit in State District Court**  
 ARB decisions can be overturned in binding arbitration or by filing a lawsuit. Arbitration requires payment of a \$450 fee (*amount varies*). If you are successful (*meaning the arbitrator determines the value nearer to your estimate than the CAD's*), all but \$50 will be refunded. Most lawsuits do not go to court but, before taking this step, consider the cost versus savings.

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### Resources

#### Galveston CAD

[www.galvestoncad.org](http://www.galvestoncad.org) 1-866-277-4725  
General Email: [GCAD@galvestoncad.org](mailto:GCAD@galvestoncad.org)

Tommy Watson, Chief Appraiser  
[twatson@galvestoncad.org](mailto:twatson@galvestoncad.org)

Don Gartman, Chairman, Board of Directors  
[D.gartman@sbcglobal.net](mailto:D.gartman@sbcglobal.net)

Norman Franzke, Taxpayer Liaison Officer  
Email: [liaison@galvestoncad.org](mailto:liaison@galvestoncad.org)

#### Harris CAD

[www.hcad.org](http://www.hcad.org) 713-957-7800  
Email: [help@hcad.org](mailto:help@hcad.org)

Teresa Terry, HCAD Taxpayer Liaison Officer  
Email: [tterry@hcad.org](mailto:tterry@hcad.org)

#### Galveston County Tax Office

[www.galcotax.com](http://www.galcotax.com) 1-877-766-2284  
Email: [galcotax@co.galveston.tx.us](mailto:galcotax@co.galveston.tx.us)

#### Harris County Tax Office

[www.hctax.net](http://www.hctax.net) 713-368-2000  
Email: [tax.office@hctx.net](mailto:tax.office@hctx.net)

#### State District Administrative Judge John Ellisor

[John.Ellisor@co.galveston.tx.us](mailto:John.Ellisor@co.galveston.tx.us)

#### Texas Comptroller

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

#### Possible Sources of Sales

[www.online-home-values.com](http://www.online-home-values.com) [www.har.com](http://www.har.com)  
[www.housevalues.com](http://www.housevalues.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](mailto:Cheryl.E.Johnson@co.galveston.tx.us)