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Appealing Property Taxes for Your Home by [Patrick O Connor](#)

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Property taxes are a substantial expense for Texas homeowners, averaging about \$3,600 annually. To reduce this expense, property owners should annually review and consider appealing property taxes. While there is no guarantee that an appeal will be successful, a recent survey conducted by O'Connor & Associates indicates that 70% of property tax appeals are successful.

Since the mortgage company typically disperses payments, property taxes tend to be a stealth tax. Although the homeowner writes a check, including taxes and insurance monthly, the property tax component is not evident. The property tax component can become quite evident when the homeowner is asked to fund a deficit in the escrow account.

Although 70% of property tax appeals are successful, only 7% of homeowners appeal each year. Research indicates five primary reasons homeowners do not appeal:

The process seems overwhelming and they do not know how to appeal,

They do not think an appeal is likely to be successful,

They think their home's assessed value is below market value and there is no basis for appealing,

They do not understand they can appeal on unequal appraisal,

They are busy and do not want to set aside time, given the presumption that "you can't fight city hall".

Why appeal?

Consider an appeal for a \$150,000 house where the property taxes are reduced by 5%. This would reduce the assessed value by \$7,500 and the property taxes by \$225, based on a 3% tax rate. Since the typical appeal hearing takes less than an hour, these are meaningful savings for the time involved. Regularly appealing your property taxes will minimize the value, so you are assessed for less than most of your neighbors. Most of the property tax appeals are resolved at the informal hearing, which is the first step in the process.

How to appeal

The first step to appealing annually is to send a written notice to the appraisal review board (ARB) for the county in which your home is located. Even if you have not received a notice of assessed value from the appraisal district, file a notice of appeal by May 31st for the following reasons:

The notice of assessed value can get lost in the mail,

A notice of assessed value is not necessary unless your assessed value increases by more than \$1,000, and

You should appeal annually

You can file a notice of appeal by utilizing the Comptroller's form available at www.cutmytaxes.com or by sending a letter to the ARB. The letter to the ARB simply needs to identify the property being

appealed and the basis for your appeal. You should always appeal on both market value and unequal appraisal. Since the appraisal district staff is extremely busy during late May and early June, sending any data on the value of your property tax is probably a waste of time. At the same time you send your notice of appeal to the ARB, send a "House Bill 201" request to the chief appraiser at the appraisal district. The House Bill 201 request will provide you a volume of information at a modest price.

Reasons for obtaining House Bill 201 information

Since most homeowners are not familiar with House Bill 201, you may be wondering what it is and when it became available. House Bill 201 is the term used by property tax consultants and appraisal district staff to describe provision 41.461 of the Texas Property Tax Code. This section reads as follows:

"at least 14 days before hearing on a protest, the chief appraiser shall: inform the property owner that the owner or the agent of the owner may inspect and may obtain a copy of the data, schedules, formulas, and all other information the chief appraiser plans to introduce at the hearing to establish any matter at issue."

The property tax code further provides the chief appraiser the right to charge up to \$15 for each residence, and up to \$25 for each commercial property owner for this information. However, there are limits on the cost per page an appraisal district can charge. Practically speaking, the maximum charge is \$1 to \$2 for a residence. In Harris County, most homeowners can print this information from the appraisal district's web site once an appeal has been filed using the "I file" system.

This section of the tax code was added in 1991, but many appraisal districts have attempted to ignore this section of the property tax code for years and some still do. After discussing this section of the Texas Property Tax Code on a radio show in 2005, several listeners called back a week or two later to report certain appraisal districts were claiming to be unaware of this section. When O'Connor & Associates sent House Bill 201 requests to appraisal districts in 2005, some called us and said "what do you mean you want our information, we plan to use your information at the hearing to prove our value." While these examples seem quaint and cute, it is surprising that 15 years after taxpayer friendly legislation has been passed, that appraisal districts are still ignoring property owners and tax consultants who ask for this information.

There are at least seven reasons to utilize House Bill 201 to obtain the information the appraisal district will use at the hearing:

It is an effective way to obtain information regarding both market value and unequal appraisal for your property tax appeal,

You will receive the appraisal district's information regarding the size, condition and other qualitative and quantitative data for your house,

The information can be obtained for a nominal cost,

It is helpful to know what information your adversary will be able to use at the hearing,

Making the request limits what information the appraisal district can present at the hearing. If you do not request their information prior to the hearing, they can use any information available to them at the hearing. However, if you request the appraisal district information using a House Bill 201 request, they may only use information previously provided to you,

If they do not provide you information on market value or unequal appraisal in the House Bill 201 request, you win by default at the ARB hearing, and

In many cases, the appraisal district House Bill 201 information clearly supports a lower value.

Preparing for the hearing

When you receive the appraisal district House Bill 201 information, start by reviewing the appraisal district's description of your home and ask yourself these questions:

Is the year built accurate?

Are the qualities and amenities accurate?

If the appraisal district overstates either the quantity or quality of improvements to your property, this is an excellent means to reduce your property taxes both for the current year and subsequent years.

Filing a 2525c Appeal

If the appraisal district has overstated the size of your house by more than 5% to 10%, even if you did not file a property tax appeal in prior years, you should consider filing a 2525c appeal. This will allow you to reduce the assessed value of your property for the current year and for prior years.

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