

CONSIDER APPEALING ASSESSMENTS TO HURRICANE-DAMAGED PROPERTY

Owners of such damaged property need to explore a number of issues to ensure that their assessments reflect their losses.

By Darlene Sullivan, Esq., CMI

Severe flooding and wind damage from Hurricane Harvey wrought widespread property damage across Southeast and Central Texas in August 2017. Several large counties, including Harris and Montgomery, sustained severe losses. As the deadline for property tax appeals approaches, there are several things to keep in mind, particularly if you own property that was damaged by the storm.

Texas law allows for reassessment of property damaged in a disaster area. A city, county, school district or other taxing jurisdiction may request a reappraisal, and the cost of the reappraisal must be covered by the requesting jurisdiction. The benefit for reappraised properties would be a proration of taxes based on the pre- and post-disaster values.

Only a handful of jurisdictions have approved a reappraisal at this time, but if your property was damaged during Hurricane Harvey, it would be wise to contact the appraisal district to see if any of the jurisdictions that tax the property have approved a reappraisal.

That would take care of any relief that is available for tax year 2017. For 2018, assessed values are based on the condition of the property as of Jan. 1, 2018.

This time of year, appraisal districts across the state are working on their mass appraisal models and conducting field inspections. The 2018 property tax values may reflect recent flood or wind damage that was not repaired. However, since the damage from Hurricane Harvey was vast and widespread, it remains uncertain

whether affected counties will be able to adequately capture and reflect the effect of the storm damage in valuations.

For that reason, it is important for property owners to be on the lookout for the Notice of Appraised Value and appeal that value during the appeal window if the valuation seems excessive or unfair.

Deadline Shortened

The property tax appeal deadline has changed from May 31 to May 15. Given the deadline has been moved up two weeks, now is the time to prepare for your 2018 property tax appeal by gathering the pertinent information that will be useful in fighting your assessed taxable value.

It will be important to assemble documentation that shows the extent of damage sustained due to the natural disaster. Taxpayers will find it beneficial to keep the appraisal district informed of any changes to the property.

Appraisal district websites have added features to allow property owners to submit information regarding damage to their property due to the storm. Keep detailed records of the extent of the damage, along with the cost of repair. Demonstrating the condition of the property after the storm will go a long way toward obtaining tax relief, so photographs of the damage are critical.

If you hold any inventory or other personal property and typically elect a Sept. 1 inventory appraisal date, you may have suffered significant losses as of that date. If so, it will be especially important to provide records of the goods lost, and document whether any of the inventory was salvageable as of Sept. 1.

If you are a commercial real estate owner and have tenants that were affected by the hurricane, keep track of any concessions in the way of free

months you'd see double the capacity, and it's going much faster than that now.

We're now seeing exponential increases in the amount of terabytes and petabytes of data being used every day. It's only going to increase, especially with "blockchain technology," which never overwrites anything. It just adds to everything. The volume of data is getting so extraordinary that the data technologies are going to continue to expand. While



The deadline for commercial real estate owners to file appeals on claims for properties damaged by Hurricane Harvey is rapidly approaching.

rent or tenant improvements that you may have given as relief.

For owners of hotels or apartments, keep in mind two main considerations: First, if there was damage, the loss in revenue and ability to produce future income may be significant factors that the appraisal districts would be willing to consider and account for.

Second, if your property is undamaged and in or near an affected area, you may have seen an uptick in revenue at the end of the year due to increased demand for temporary housing. The increase in revenue is not realistic stabilized income, however, and should not be used to derive your 2018 taxable property value.

Further, even if your property did not sustain physical storm damage, appraisal districts will be considering the effect of flooding and damage to neighborhoods and surrounding properties when making market adjustments to your property. It is important to consider this when deter-

mining whether or not to appeal the value for tax year 2018.

The amount of property tax relief provided in the wake of Hurricane Harvey will largely depend on the amount of damage and where property owners were in the rebuilding process on Jan. 1.

However, to obtain the best result, protest your appraised value on time, keep detailed records of both the damage sustained and the repair cost, and track concessions to tenants and lost income.

And remember that, as a general rule, the more detailed and specific your records are, the better they will support a request for a lower property tax value.

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Other Industrial Drivers

TREB: Besides e-commerce, what industries are positively impacting demand for industrial assets?

Markward: E-commerce is obviously retail-oriented, so that's been the No. 1 player driving a lot of what's going on. Data centers are also proliferating all over the country. The volume of data that is now being utilized is expanding at an incredible rate. It used to be in 18 to 24