

PROTECT YOUR RIGHTS TO PROTEST TAX ASSESSMENTS IN TEXAS

Learn best practices for meeting property tax deadlines and handling property tax appeals.

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Beset by ever-increasing tax assessments, Texas property owners are allowed to seek a remedy by protesting taxable property values set by appraisal districts. The property tax system can be intimidating, however, and the process is complex and fraught with pitfalls.

To maximize results, taxpayers must understand the assessment process and the deadlines governing filings and protests. What follows are best practices for protecting the right to protest in Texas, along with some tips for meeting key deadlines. And remember, deadlines are subject to exceptions and may change for specific properties, so consult the Texas Property Tax Code or a property tax professional to verify applicable dates.

Learn The Appeal Timeline

Strict filing deadlines govern renditions, protests, litigation appeals and tax payments. Failure to comply with these deadlines may be devastating, resulting in forfeiture of the taxpayer's appeal rights and incurring substantial penalties and interest.

Meet Protest Deadlines

Texas appraisal districts value real and personal property annually, usually as of Jan. 1. For commercial real estate, appraisal districts are required to deliver notices of appraised value by May 1 or as soon thereafter as practicable. Taxpayers in most jurisdictions can expect to receive notices of appraised value sometime in April. The deadline for protesting an appraised value is the later of May 15 or 30 days after the date the notice was delivered to the property owner.

In certain situations, appraisal districts are not required to send notices of appraised value, such as when the appraised value of the property did not increase from the prior year. A best practice is to track all documents and follow up with the appraisal district if you have not received a notice by late April to ensure you have the relevant information prior to the May 15 protest deadline. Keep in mind that it is the taxpayer's responsibility to inform the appraisal district of the taxpayer's current address.

When Is The Deadline?

Taxpayers are required to render information regarding their business personal property to appraisal districts annually, generally by April 1 or April 15. Appraisal districts may extend the deadline until May 15 upon written request by the property owner, a common practice. This deadline can vary,



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however, depending on whether a Freeport exemption for the property is allowed.

Determining rendition deadlines can be complex. Property owners should make sure to communicate with appraisal district personnel about deadlines early on in order to avoid penalties for late reporting. Penalties generally equal 10 percent of the total tax due.

Prepare for Hearings

After filing a protest on time, property owners are scheduled for a formal hearing before the Administrative Review Board. Often the appraisal district will schedule an informal hearing with an appraiser prior to the formal hearing. Most formal and informal hearings take place between April and July of the tax year in question, and many protests are resolved during this process. Preparation is the key to success.

More Deadlines

The review board will determine a property value and issue an "order determining protest." Document the date the order is received and follow up with the appraisal district if you do not receive appropriate documentation within a few weeks of the formal hearing date. A property owner has 60 days from receipt of the order to file suit in district court appealing the review board's results.

Taxing entities are required to mail tax bills by Oct. 1 or as soon thereafter

as practicable. Taxes become delinquent if not paid before Feb. 1 of the year following the property valuation. That is, for the 2019 tax year, taxes are due on or before Jan. 31, 2020. An active protest or lawsuit does not excuse a property owner's obligation to pay taxes prior to the delinquency date, and failure to pay taxes in a timely manner forfeits the right to proceed with an appeal in court. If an owner prevails in the appeal, the overpayment will be refunded.

Best Practices for Appeals

Regardless of appeal status, communicate early and often with the appraisal district and provide requested documentation and information. Informal settlement conferences offer opportunities to get to know the assigned appraiser and to understand the assumptions supporting his or her analysis.

Be prepared with all required documentation including hearing notices, property-specific information and any appointment of agent forms. Consider further protecting appeal rights by filing an affidavit stating the taxpayer's position in advance of the formal hearing date. An affidavit on file protects the taxpayer in the event that they are unable to attend the hearing.

What If I Miss My Deadline?

Let's assume a taxpayer purchased a retail center for \$2 million in December 2018. The appraisal district valued the

property at \$3.5 million for 2019, but the owner believes the purchase price reflects market value. The taxpayer missed the May 15 protest deadline, however.

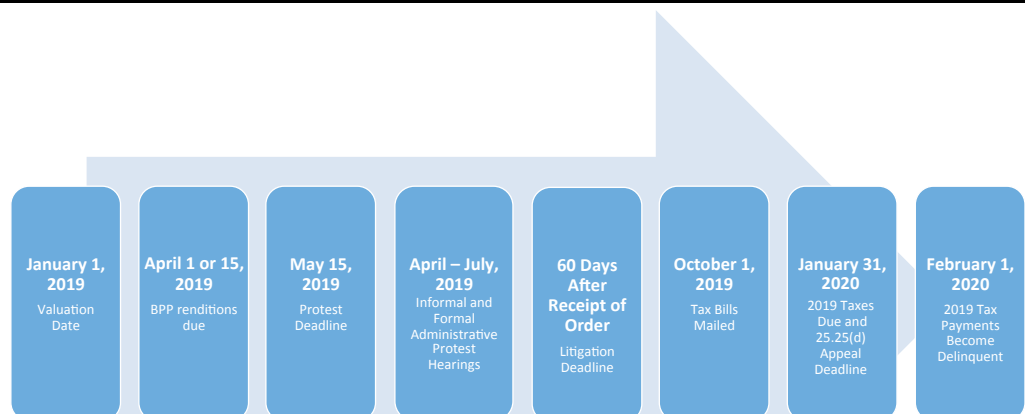
Fortunately, there is an additional, backstop remedy. Property owners may file a motion to correct the appraisal roll, provided that the assessor's value exceeds the correct appraised value by more than one-third. For our hypothetical retail center, the correct appraised value would need to be less than \$2.625 million for the motion to succeed.

The motion to correct the appraisal roll can be filed through the date that property taxes are due, which in this scenario would be Jan. 31, 2020. Like other protests, the review board's ruling on a motion to correct the appraisal roll may be appealed to district court.

Taxpayers should pay attention to the details of protest procedures and deadlines or hire the right team with the expertise and experience to do so. Otherwise, the owner may get burdened with an excessive appraisal due to missed deadlines or mismanaged internal procedures. Protecting appeal rights is essential to properly managing property tax expense. ■

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TEXAS PROPERTY TAX TIMELINE: 2019



The dates given are general guidelines. Please refer to the *Texas Property Tax Code* or consult with a property tax professional to verify applicable dates for your property.