



# YOUR PROPERTY TAXES

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## Step 1: Receive Appraisal

An appraisal district in each county (frequently referred to as county appraisal districts or CADs), administered by a Chief Appraiser, appraises the value of your property each year and sends a Notice of Appraised Value (**CADs do not determine taxes owed**).

## Step 2: Review Appraisal

You should review your Notice of Appraised Value and **determine honestly if the appraised value reflects the current market value of your home** (i.e., is the assessed value approximately what you would list your house for if you were to sell your house).

### HOW ARE MY PROPERTY TAXES CALCULATED?

EXAMPLE BELOW: AVERAGE APPRAISED PROPERTY VALUE & AVERAGE COUNTY TAX RATE

$\$200,000$  (appraised value) –  $\$25,000$  (homestead exemption) =  $\$175,000$  (property value)  $\times$   $0.00598$  (tax rate: 59.8¢ per \$100 of property value) =  $\$1,046.50$

## Step 3: Inquire About Appraisal

If you are dissatisfied with your appraised value or if errors exist in the appraisal records regarding your property, contact the office of your CAD and explain the issue. The vast majority of protest, especially concerning homestead values, are resolved in this informal manner.

## Step 4: Challenge Appraisal

If unable to resolve your issue informally, you should file a Notice of Protest with the CAD's appraisal review board (ARB). You can use Form 50-132, available from the website of the Texas Comptroller. In most cases, you have until May 15 or 30 days from the date the appraisal district notice is delivered—whichever date is later. **Filing the protest on time is essential.**

## Step 5: Budget Adoption

Local taxing units, such as school districts, counties, cities, junior colleges and special districts, decide how much money they want to spend on public services. **These taxing units hold public meetings to determine the amount of tax revenue they need to raise to provide local service.**

## Step 6: Tax Rate Adoption

In August or September, the taxing units finalize their budget and adopt a tax rate to generate enough revenue to fund that budget. If the new rate is higher than the effective tax rate, two public hearings will be held prior to adoption. **These hearings are your last opportunity to protest paying more in taxes.**

### WHY ARE MY PROPERTY TAXES HIGHER WHEN TAX RATES HAVEN'T BEEN RAISED?

Sometimes a taxing unit may not raise their tax rate but still receive an increase in tax revenue because property values in the taxing unit's jurisdiction increased due to market demands. When this happens, taxing units are not raising the tax rate, but the revenue the tax rate generates comes in above the new effective rate. The Comptroller's office describes it this way: **"The effective tax rate would provide the taxing unit with approximately the same amount of revenue it had the year before on properties taxed in both years. For example, if property values go up, the effective tax rate goes down. Comparing property tax revenues from one year to the next year tells you whether there will be a tax increase."**

When looking at proposed new tax rates, one needs to **pay attention to the newly published effective tax rate, that's what you compare to determine if the taxes you are paying are going up or down.** If you believe the effective tax rate is generating more money than is needed to run your local taxing units, you should address the issue with your local elected officials who are setting the tax rate.

## Step 7: Rollback Rate

If a taxing unit — other than a school district — adopts a tax rate higher than the calculated rollback rate (typically 8% or higher), voters living in the taxing unit can circulate a petition calling for an election to roll back the adopted tax rate. If a majority of voters vote to rollback the tax rate, then the unit's rollback rate becomes the tax rate. Those taxpayers that paid their taxes receive a refund, and the delinquency date is extended.

## Step 8: Pay Taxes

Taxes become due when you receive a bill. The tax becomes delinquent on February 1 of the following year.