Appealing Your 2018 Denton County Property Appraisal

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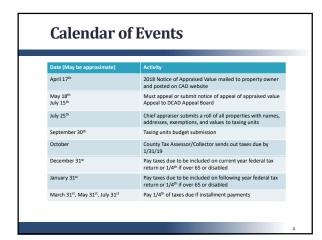
Agenda

- Calendar of Events
- Appraisal vs. Taxation
- Residence Homestead Exemptions
- Homestead Cap Reduction
- Web Addresses
- CAD Web Portal
- Appealing Your Appraisal
- Case Study Using Excel to Find Comparables
- Property Tax Summary

Property Tax Dilemma



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Appraisal vs. Taxation

- Appraisals are performed by the Denton Central Appraisal District (CAD)
- Taxation:
 - 1. Tax Rates are set individually by:
 - a) City
 - b) County
 - c) School District
 - 2. Tax Collection is performed by Tax Assessor/Collector (Michelle French)

Residence Homestead Exemptions

| Exemption | Taxing Unit | Total or Partial | Mandatory or Local Option | Amount |
|--|---|---------------------|------------------------------|---|
| Gen Residence Homestead | School Districts | Partial | Mandatory | \$25,000 |
| Gen Residence Homestead | Cities, Counties, Schools or Specials | Partial | Local Option | An amount up to 20% of the property's values, but not less than \$5,000 |
| Age 65+ or Disabled | School Districts | Partial | Mandatory | \$10,000 |
| Age 65+ or Disabled | Cities, Counties, Schools or Specials | Partial | Local Option | An amount adopted by the taxing unit, but no less than \$3,000 |
| Disabled Vets | Cities, Counties, Schools or Specials | Partial | Mandatory | An amount determined by the % o service-connected disability |
| Surviving Spouse of US Armed Services Member KIA | Cities, Counties, Schools or Specials | Total | Mandatory | 100% |

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Homestead Cap Reduction

- Prices of new and used homes in Denton County have increased substantially in recent years. In order to prevent sharp increases in home property taxes from year to year, Texas voters in 1997 approved a constitutional amendment, which became effective January 1, 1998, to limit increases in the taxable value of a qualified residence <u>homestead</u>. To qualify, property must be your residence homestead, and you must have received a homestead exemption in your name in both the current and previous years.
- Under this law, the value for tax purposes of a qualified residence homestead will be the LESSER of: The market value (what the property would sell for on the open market); or the preceding year's assessed value +10% + the value of any improvements i.e., pool, outbuilding, added since the last re-appraisal.
- The calculated value is often referred to as a "capped" value.

How Does Tax Freeze Work

- Freezes tax dollars of Residential Deed Owner over 65, not the appraised value.
 - If you sell the property the freeze does not transfer.
 - If you file a permit to improve the property, the value of the improvement adds to the freeze tax dollar.
 - The Freeze ratio from another principle residence in TX can be used to establish a new principle residence.
 - The Freeze is removed when the last person over 65 dies as of 1/1 of the new tax year.

Web Addresses

 Denton Central Appraisal District www.DentonCAD.com

• Denton County Tax Assessor/Collector

https://DentonCounty.com/Departments/ Tax-Assessor-Collector/Property-Tax/Search-Property-Tax-Records.aspx

For-pay service:

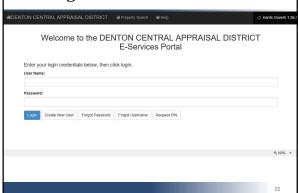
PropertyTax.io

Appealing Your Appraisal

- Two types of appeals:
 - Based on comparable sales
 - Based on comparable appraisals
- In a declining market, appeal based on sales
- In a rising market, appeal based on comparable appraisals

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Using CAD Web Portal



Appealing Your Appraisal

- For comparable appraisal appeals, find three and <u>only</u> three similar properties
 - Same or slightly larger living area square footage
 - Same or slightly larger lot size
 - <u>Same</u> lot type (interior, green space, golf course, etc.)
 - Lower appraised value

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| 04/26/20 | 017 | | | | | | Example A | Appraisal Re | duction | | | | | | Page 1 of |
|----------|--------|-----------|--|----------|------------|-------------|-----------|--------------|-------------|-----|-------|--------------|---------|----------|-----------|
| prop.id | co ft | Lot | home | land | appraised | hs loss | assessed | market | class | b/b | built | subdy desc | hood_cd | Sale | Price |
| | | | \$136,146 | \$39,375 | | \$20,036 | \$155,485 | \$175.521 | 4-Res Frame | 3/2 | 2003 | Prov Ph 1 | DS05600 | | |
| 262241 | | | | | | \$17,987 | \$158,043 | | 4-Res Frame | 3/2 | 2004 | Prov Ph 4 | DS05600 | | |
| 246272 | | | \$130,000 | \$39,458 | | \$17,187 | \$153,476 | | 4-Res Frame | 3/2 | | Prov Ph 1 | DS05600 | | |
| | | | \$132,336 | \$39,248 | \$171,584 | \$0 | \$171,584 | | 4-Res Frame | 3/2 | 2003 | Prov Ph 2 | DS05600 | 07/23/15 | \$179,000 |
| 269139 | 1730 | | | \$45,735 | \$171,665 | \$6,942 | \$164,723 | \$171,665 | 4-Res Frame | 3/2 | 2004 | Prov Crk Vig | DS02035 | | |
| 268963 | 1730 | | \$127,423 | \$43,125 | \$170,548 | \$4,570 | \$165,978 | \$170,548 | 4-Res Frame | 3/2 | 2004 | Prov Crk Vlg | DS02035 | | |
| | | | \$132,304 | | \$171,679 | \$17.352 | \$154,327 | \$171,679 | 4-Res Frame | 3/2 | 2004 | Prov Ph 4 | DS05600 | | |
| 262248 | | | \$133,982 | | \$173,357 | \$8,335 | \$165,022 | | 4-Res Frame | 3/2 | 2004 | Prov Ph 4 | DS05600 | | |
| 262254 | | | \$132.510 | | \$187,635 | \$0 | \$187,635 | \$187,635 | 4-Res Frame | 3/2 | 2003 | Prov Ph 4 | DS05600 | | |
| | | | \$134,852 | | \$175,855 | \$0 | \$175,855 | \$175,855 | 4-Res Frame | 3/2 | 2005 | Prov Ph 4 | DS05600 | | |
| 757058 | | | \$131,330 | 538,670 | \$170,000 | \$11,949 | \$158,051 | \$170,000 | 4-Res Frame | 3/2 | 2004 | Prov Ph 4 | DS05600 | | |
| 246837 | 1673 | 5318 | \$141,773 | \$39,885 | \$181,658 | \$30,187 | \$151,471 | \$181,658 | 4-Res Frame | 3/2 | 2004 | Prov Ph 2 | DS05600 | | |
| | | o lawe | r appraisal | | | | | | | | | | | | |
| My Comps | | Green spi | ice lot prem | | | | | - | | | - | | | | |
| CAD Con | | | | | Higher app | raisal | | | | - | | | | | |
| | Identi | | ise size | | | | | | | - | | | - | | |
| | | | ntical lot size Identical house, lower | | | r appraisal | | | - | | | - | | | |
| | | Large | rLot | | | | | | | | | | | | |

Property Tax Summary

- The tax rates adopted by local elected officials absolutely determine the amount of taxes that appear on your tax statement. ‡
- The widely held notion that property value drives taxes, that if value goes up taxes will automatically go up, is and has always been a myth. Property value is inert; it doesn't drive anything. Rather, it's what is taxed. ‡
- Government spending drives taxes. Government spending drives tax increases. It is the only thing that does and the only thing
- ‡ Ron Wright, Tarrant County tax assessor-collector, 4/4/17 DMN
- You can defer paying your taxes at an 8% interest rate if over 65.

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Appealing Your Appraisal

Questions...



Comments...