

# Texas Property Tax System

## What is Property Tax?

Property taxes are local taxes that are assessed locally, collected locally and used locally. You pay your property taxes to the local tax collector. The tax collector distributes funds to schools, cities, and other local governments. Local governments spend the funds on schools, roads, hospitals, police departments, fire departments, and other programs.

## Who is responsible for setting Property Taxes?

County Appraisal Districts appraise the value of your property. Appraisal Review Boards settle disputes between taxpayers and property owners. Local Taxing Units set budgets and property tax rates. County Assessor Collectors collect taxes from property owners and distribute the funds to the local taxing units.

## What are my rights under the Texas Constitution?

The constitution sets out five basic principles for property taxes in our state. Taxes must be equal and uniform. No single property or type of property should pay more than its fair share. Property must be appraised on its current market value. The price it would sell for when both the buyer and seller seek the best price and neither is under pressure to buy or sell. Each property in a county must have a single appraised value. This is guaranteed by the use of the county appraisal districts. All property is taxable unless federal or state law exempts it from the tax. Property owners have a right to reasonable notice of increases in their appraised property value. More information on the Texas Property Tax Code can be found at [https://comptroller.texas.gov/taxes/property-tax/..](https://comptroller.texas.gov/taxes/property-tax/)

## What are my remedies?

If you believe that your property value determination is too high or if you were denied an exemption or special appraisal valuation, you may protest to your ARB. If you do not agree with the decision of the ARB you may take your case to binding arbitration in some instances or to district court. You may speak during public hearing when your elected officials are deciding how to spend your taxes and are setting the tax rate. You may limit major tax increases through elections to roll back or limit tax rates.

## When is the deadline for paying my property taxes?

Taxes are due when you receive your tax statement. Tax collections begin around October 1 and taxpayers have until January 31 of the following year to pay their taxes. On February 1, penalty and interest charges begin accumulating on most unpaid tax bills.

## What happens if I don't pay my taxes?

The longer you allow delinquent property taxes to go unpaid, the more expensive.

If your property boundaries span more than one county you will receive appraisal notices from each county appraisal district.

# Property Values

## How do I find out the appraised value of my property?

The chief appraiser sends out a detailed notice of appraised value to the owner of property annually. The notice of appraised value contains a description of your property, its value, the exemptions and an estimate of taxes that might be owed. Property value information is also available on the website Property Search, or by calling or visiting our offices.

## When do you mail Notices of Appraised Value?

The current years notices of appraised value are typically mailed out mid-April of each year. Values on the website are not updated until the notices have been mailed.

## How is my property valued?

The district first collects detailed descriptions of each taxable property in the district. It then classifies properties according to a variety of factors such as size, use and construction type. Using comparable sales, income and/or cost data, a district appraiser will apply generally accepted appraisal techniques to derive a value for your property.

#### **How often does the appraisal district value my property?**

The appraisal district must repeat the appraisal process for each property in the county at least once every three years; however, it can reappraise as often as every year if the market is active in that area.

#### **Why did my value change?**

Value changes may occur for several reasons. Often sales information may indicate the current appraised value is lower/higher than fair market. Also, corrections to appraisal records may affect value, such as, change in square footage, a pool not previously accounted for, or a correction of a property characteristic.

#### **Why are you inspecting my property?**

In order to make accurate appraisals on every property we have to visit them periodically to ensure that the data used in making the appraisal is still correct. For instance, the appraisal district could have received a copy of a building permit indicating that a room was being added.

#### **What is an improvement?**

Improvement means: A building, structure, fixture, or fence erected on or affixed to land; or A transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

#### **What is fair market value?**

Fair market value means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if: Exposed for sale in the open market with a reasonable time for the seller to find a purchaser Both the seller and the purchaser know all of the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use. Both the seller and the purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

#### **What is a Homestead Cap?**

In general, the appraised home value for a homeowner who qualifies his homestead for exemption in the preceding and current year may not increase more than 10 percent per year. The Property Tax Code set a limit on the appraised value of a residence homestead, stating that its appraised value for a tax year may not exceed the lesser of the market value of the property; or, The sum of : 10 percent of the appraised value of the property for last year; The appraised value of the property for the last year in which the property was appraised; and The market value of all new improvements to the property, excluding a replacement structure for one that was rendered uninhabitable or unusable by casualty or by mold or water damage. The appraisal limitation first applies in the year after the homeowner qualifies for the homestead exemption.

## **Exemptions**

#### **What exemptions are available?**

There are several partial and absolute exemptions available. Some of these exemptions include General Residential Homestead, Over 65, Over 55 Surviving Spouse, Disability Homestead, Disabled Veterans, Charitable, Religious, Freeport and Pollution Control.

#### **Does my home qualify for an exemption?**

As a general rule to qualify for an exemption you must own your home and it must be your principal place of residence. Additional qualifications may apply based on the exemption.

#### **Will this protect me in case of a lawsuit?**

Texas has two distinct laws for designating a homestead. The Texas Tax Code offers homeowners a way to apply for homestead exemptions to reduce local property taxes. The Texas Property Code allows homeowners to designate their homesteads to protect them from a forced sale to satisfy creditors. This law does not, however, protect the homeowner from tax foreclosure sales of their homes for delinquent taxes. For more information on homestead designation as provided by the Texas Property Code please contact the Office of Attorney General at [www.oag.state.tx.us](http://www.oag.state.tx.us)

### **How much will I save?**

An exemption removes part of the value of your property from taxation and lowers your tax bill. The amount of savings depends on the exemption and the amount of exemption allowed by each taxing units.

### **Do I apply for a homestead exemption annually?**

Only a one-time application is required, unless by written notice, the Chief Appraiser requests the property owner to file a new application. However, a new application is required when a property owner's residence homestead is changed.

### **I own more than one home. Can I get a homestead on both?**

A person may not receive a homestead exemption for more than residence homestead in the same year. You can receive a homestead exemption only for your main or principal residence.

### **What if I owned the property before I was married?**

You can still only have one exemption which must be claimed on your principal residence.

### **I own my own homestead, but also own a home with my child that they live in. Would they qualify for a homestead?**

They must have ownership interest in the property to qualify and would only receive a portion of the exemption based on the percent of ownership.

### **My exemption fell off from last year, why?**

Exemptions reflect the January 1 owner. If you purchased a home after January 1st the exemption in place was for the previous owner. You must file an exemption application.

### **I forgot to apply for my exemption, can I receive it retroactively?**

You may file a late homestead exemption application if you file it no later than two years after the date the taxes become delinquent.

### **Is it true that once I become 65 years of age, I will not have to pay any more taxes?**

No, that is not necessarily true. If you are 65 or older your residence homestead qualifies for more exemptions which will result in greater tax savings. The amount of the exemptions that are granted by each taxing unit is subtracted from the market value of your residence and the taxes are calculated on that "lower value". In addition, when you turn 65, you may receive a tax ceiling for your total school taxes; that is, the school taxes on your residence cannot increase as long as you own and live in that home. The ceiling is set at the amount you pay in the year that you qualify for the aged 65 or older exemption. The school taxes on your home subsequently may fall below the ceiling. If you significantly improve your home (other than ordinary repairs and maintenance), tax ceilings can go up. For example, if you add a room or garage to your home, your tax ceiling can rise. It will also change if you move to a new home.

### **When do you apply if you are turning 65?**

You may apply at any time during the year of that birth date. You would receive the exemption for the full year.

### **Do I need to file an application when I turn 65 or is it automatically added?**

The appraisal district can only automatically process the over 65 exemption if it has the appropriate documentation on hand. Your local appraisal district will require proof of age to grant an over 65 exemption. Acceptable proof of age includes either a copy of the front side of your driver's license or a copy of your birth certificate or any official document reflecting your date of birth. It is always best to file an exemption application with the appropriate documents to ensure that the Over 65 exemption is processed.

### **If I am disabled and over 65 can I claim both exemptions in the same tax year?**

You may not claim both an Over 65 and a disabled person's exemption in the same tax year.

### **I have a disabled child. Would that qualify me for a disabled exemption?**

No, the person applying for the exemption must own the home.

### **How do I transfer my senior citizen or disabled person tax ceiling?**

You may transfer the same percentage of school taxes paid to another qualified homestead in the state. If the county, city or special district grants the limitation, you may transfer the same percentage of taxes paid to another qualified homestead within that same taxing unit. To transfer the tax ceiling, you must qualify for an Over-65 or Disabled Person exemption at your previous residence and complete the Tax Ceiling Transfer form. A current Homestead Exemption application must also be completed for the new residence.

### **What types of exemptions require an annual application?**

The law requires an annual application by April 30 for some types of exemptions, including property exempted from Taxation by Agreement (Property Tax Abatement), Historical and Archeological Sites, exemption of Freeport Goods, and exemption of Pollution Control property approved by the Texas Commission on Environment Quality (TCEQ). Cemeteries, charitable organizations, youth development organizations, religious organizations, and non-profit private schools do not have to reapply for the exemption each year once the property tax exemption is granted, unless by written notice, the Chief Appraiser requests the property owner to file a new application. However, if their exempt property changes ownership or if their qualifications for exemption change, they must re-apply.

## Protests

### **When is the protest deadline?**

The protest deadline is May 15, unless it falls on a weekend or holiday, in which case the deadline would be the next business day. You can file until May 15, or 30 days after the date your notice of appraised value was mailed, whichever is the later date. If the appraisal district does not mail a required notice of appraisal value on or before April 15<sup>th</sup>, the protest deadline will be 30 days after the date printed on the notice of appraised value.

### **How do I file a protest?**

You may file a paper protest by mail, or fax it to 361-578-1662. If you file by mail, you must make sure the protest is postmarked by the U. S. Postal Service on or before the protest deadline for your account or sent in a way that you are able to retain a receipt as proof that the protest was mailed on or before the deadline date.

### **Can I file a protest after the deadline?**

If you missed the protest deadline, you have missed your opportunity to protest for that year. If you can show you had good cause for missing the deadline, you can submit a paper protest that will be sent to the Appraisal Review Board. The ARB will determine whether your protest will be accepted as a late protest.

### **Can I file a protest if I just bought this house?**

First, it depends what time of year you purchased, and where the account is in the property tax process. The January 1 owner is sent the notice of appraised value. If it is early in the year, the ownership can be changed, and new owner receive the notice. However, if it is later in the year, the January 1 owner or a taxing agent may have already filed a protest for the year on the account, and may or may not have settled the market value. If the protest is still active, you may attend the informal meeting or ARB formal hearing as the new owner. We usually begin certifying the values to the tax offices mid-July. Once the protest deadline has passed, or the account certified the protest option is unavailable. Upon purchase of your home, you would submit the form request to update ownership information, and contact us to see where the account is in the protest process.

### **Is information available on the ARB formal hearing process?**

Yes. On the Protest Form (50-132) under Section 7, check the box "Yes" under "I want the ARB to send me a copy of its hearing procedures".

### **What are my options if I no longer wish to continue with the protest?**

A protest may be withdrawn at any time during the appeal process as long as there is no prior agreement with the Appraisal District on the account for the current year. To withdraw your protest, please choose one of the following options:

- Please contact our office at (361) 576-3621
- Fax your request to (361) 578-1662
- Send your written request to 2805 N Navarro, STE 300, Victoria, TX 77901

## **Online Protests**

### **Which properties qualify for e-file?**

E-file is made available to residential properties located within the City of Victoria that have not designated an agent/fiduciary for representation. If you qualify, your notice of appraised value will include information pertaining to e-file.

### **When is the deadline for filing a protest online?**

The deadline for filing a protest is midnight May 15<sup>th</sup>. The filing deadline is postponed until the next business day if the deadline falls on a Saturday, Sunday or legal state or national holiday.

### **What reasons for protest are available through e-file?**

You may protest for the following reasons:

- Incorrect appraised value
- Value is unequal compared with other properties

If you need to protest other reasons not listed above, you will need to file your protest directly with the Victoria Central Appraisal District. Contact us at (361) 576-3621

### **What is needed to e-file?**

- A valid email address for correspondence with the Victoria Central Appraisal District (email will be kept confidential)
- Owner ID (created by the appraisal district)
- PIN number (created by the appraisal district)

### **How do I get an Owner ID and PIN number?**

If you are eligible, the Owner ID and PIN number can be found on the upper right-hand corner of your appraisal notice.

### **How will I be notified of my hearing dates if I chose to file my protest only and continue the process by contacting the office for an informal hearing?**

When registering, if you chose the second filing option ("File protest only and continue the process by coordinating directly with the office"), you will be notified by mail of your informal and formal hearing dates along with protest hearing procedures from the Appraisal Review Board.

### **Will I be able to communicate with an appraiser during the e-file process?**

No. There is no verbal communication between an appellant and an appraiser at any time during the e-file process. If you feel the need to speak with an appraiser for the informal appeal process, please select the second option ("File my protest only and continue the process by coordinating directly with the office") when registering online.

### **What evidence will I receive from the Appraisal District?**

The evidence provided can include sales (market) and equity information.

### **How will I be able to view any information sent by the Appraisal District?**

Viewing evidence, settlement offer, and/or hearing date always requires logging in to your account via the online portal. You should receive an e-mail confirmation from the appraisal district with a link to log in after every successful step in the process.

### **Will I be able to submit evidence electronically as part of my protest?**

Yes. Once the protest is e-filed AND you receive an e-mail confirming the protest submittal, you may upload your evidence via the online portal. The e-mail will contain basic evidence upload information. Please note that only evidence submitted via the online portal will be considered by the appraiser when making an online offer.

### **What type of evidence should I submit?**

It is highly recommended that you submit any documents and/or photos you feel will help resolve your case. The following are examples, but not limited to:

- Dated photos of subject property showing internal/external damage
- Dated current 3<sup>rd</sup> party estimates of internal/external damage to subject property
- Blueprint from builder
- Current fee appraisal
- Current closing statement-up to and including signature page
- Engineers report

### **Am I limited in the number of pictures and/or documents I can submit as evidence?**

Yes. Only PDF and JPEG formats will be permitted. No file should exceed 10MB and the sum of all your evidence files should not exceed 20MB

*\*\*Please note that you will have up to 7 calendar days (from the confirmation of protest submittal) to submit any and all evidence you want considered by the appraisal district. Any evidence submitted after the 7 calendar days will not be considered nor will it be considered after an informal value recommendation has been made. \*\**

### **How long will it take to receive an offer?**

Accounts are worked in the order they are received. An appraiser will respond as soon as possible once all the evidence is reviewed. Heavy protest volume may delay response time.

### **What is the settlement offer?**

The settlement offer is an informal offer made by the appraiser after reviewing all evidence prepared by the appraisal district and any evidence submitted by the appellant. This offer may or may not reflect a change to the notice value and can be accepted or rejected by the appellant.

### **What happens if I accept the settlement offer?**

Once the settlement offer is accepted, an email will be sent stating the final value and the appeal process is complete for the year protested. No further action required by either party.

### **What happens if I reject the settlement offer?**

Once the settlement offer is rejected, you will be scheduled for a formal hearing ONLY with the Appraisal Review Board. An email informing you of the formal hearing date will be sent as well as a notification delivered by mail. The notification will also contain protest hearing procedures for your hearing with the Appraisal Review Board. Please refer to them before attending your hearing.

**If I reject the settlement offer and plan on attending my formal hearing, will I need to bring my evidence to the hearing?**

Yes. You will need to bring in any evidence you wish the ARB to consider in deciding your case. Please refer to the ARB protest hearing procedures attached to your mailed Notice to Appear Formal Hearing notice for further details.

**What are my options if I no longer wish to continue with the protest?**

A protest may be withdrawn at any time during the appeal process as long as there is no prior agreement with the Appraisal District on the account for the current year. To withdraw your protest, please choose one of the following options:

- Please contact our office at (361) 576-3621
- Fax your request to (361) 578-1662
- Send your written request to 2805 N Navarro, STE 300, Victoria, TX 77901

**What number can I call if I am having technical difficulties with e-file?**

If you have general questions not addressed on this FAQ's page and are not of a technical nature, then please contact us at (361) 576-3621.