



## **Compliments of the Apartment Association of Tarrant County – Texas**

### **Knowledge is Power**

*By David Wyatt*

Knowledge is a powerful tool, especially when you have *it* and your competition does not! In sports, it is called home-field advantage. In international affairs, it is called intelligence. In retail, it is called market research. With apologies to Billy Shakespeare, knowledge is knowledge no matter what you call it.

The internet has made information so obtainable that price data is available on virtually any product or service. It is hard to image any one today purchasing a car without first consulting five different online sources. Renters are even starting to comparison shop using apartments.com; forrent.com; and even realtor.com to compare amenities and rents per square foot.

If only residential rental property owners approached tax appraisal with the same knowledge driven tenacity as car buyers and renters. Unfortunately, most rental property owners do not even bat an eye when they get their tax bill. They just pay it. This passive capitulation is like paying the sticker price for a 2006 Hummer without asking for the cash rebate, 0% financing, nor 100,000 mile warranty!

Why the wide spread apathy? It is money out of your pocket, and *tax* money at that! Could it be that most owners are not willing to put in the time and effort it takes to fight these evaluations? Perhaps, unlike cars, the necessary data is unavailable or inaccessible? Or is the potential for successfully negotiating a winning price so remote that it is unimaginable? Better yet, are owners unwilling to fight the taxman because they are unaware of others successes? The “word-of-mouth” confidence boost we all need to act on our convictions!

This month’s IROC meeting will give you the knowledge and confidence you need when it comes to fighting tax appraisals! A representative from the Tarrant Appraisal District (TAD) will be the featured guest at this month’s IROC meeting beginning at 12:00 noon on Wednesday, August 10, at Spring Creek Bar B Q on Airport Freeway in Bedford.

According to TAD's web site ([www.tad.org](http://www.tad.org)), you can appeal or protest any action taken by the appraisal district that affects your property. For example, suppose you believe the proposed value is too high. Your assertion may be based on lot size, comparable sales, unknown factors such as hidden defects, flooding problems, etc.

Another protest basis is "unequal" taxation. The Texas Constitution gives property owners the right to equal and uniform taxation. For instance, if your property is appraised at 100% of market value and your neighbor's property is appraised at 90% of market value, then you have a right to protest your value based on the appraisal district's failure to appraise equally and uniformly. This type of protest will require more evidence than other types of protests.

Other potential appeals include failure to receive the proper exemptions; incorrect owner; improper notification; and adverse action by chief appraiser.

Regardless of the reason, protests to the must be written. The appraisal district has forms for protest, but an official form is not necessary. Any written notice of protest will do as long as it identifies the owner, the property that is the subject of the protest and indicates that you are dissatisfied with an action or decision taken by the appraisal district. A protest must be filed by May 31, or no later than 30 days after the appraisal district delivers a notice of appraised value to you, whichever is later. If you fail to file a protest on time, your options are limited.

Once the written protest is received, a hearing is scheduled by the Appraisal Review Board (ARB). The ARB will give you at least 15 days notice of the date, time and location of your hearing.

Remember, TAD only sets the valuation, it is the taxing entities that set the rates. Cities, counties, school districts, hospital districts, junior college districts, etc. determine what percentage of \$100 valuation you will pay. You may recall that earlier this year AATC successfully defeated a 26% tax rate increase in Bedford.

Local taxing entity play the "blame-game" when it comes to increasing taxes. Municipalities and special districts can keep their tax rate the same or even lower it and *still* substantially increase tax revenues. The Fort Worth city council was infamous for voting to "cut taxes" and yet increase its tax intake. Great political cover if you can get it.

AATC and TAA have been extremely active during the 2005 regular legislature session and the first special session to fight against sale price disclosure and against appraisal "caps" unless multifamily housing was included in these caps. Industry opposition to sales price disclosure is based on the privacy principle. The price is and should remain proprietary. Appraisal caps of 5% and 3% were considered during the regular session, but they only applied to owner-occupied housing.

Locally, several IROC members have protested their evaluations. Be sure to mark August 10 on your calendar and hear how they fared fighting TAD.