

How to Present Your Case at an Appraisal Review Board Hearing



A Homeowners Guide



Texas Comptroller of Public Accounts
Property Tax Assistance Division

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Hello, and welcome to the Texas Comptroller's presentation on *How to Present Your Case at an Appraisal Review Board Hearing: A Homeowners Guide*. Before we get into the main part of the presentation, let me explain the scope and limits of the presentation.

First, state law prohibits the Comptroller's office from advising a taxpayer about, or intervening in, a matter under protest before an appraisal review board (ARB). This presentation is intended to offer a general guide. It seeks to present the homeowner with a general idea of the appeal process that covers the most common situations and does not include every nuance of the law covering appeals. Second, this presentation is directed only at one type of property owner – those that own a home and are not satisfied with the value the appraisal district placed on it.

Every appraisal district must adhere to the law, but not all appraisal districts carry out this mission exactly the same way. Large appraisal districts must handle thousands of protests and will hold hearings for months, while small appraisal districts may only have a handful of appeals and will hold hearings in one day. The way hearings are handled in your appraisal district may not necessarily mirror this presentation exactly.

Notice of Appraised Value



- **You just received a notice from the county appraisal district telling you the value of your home and estimating what your county, city and school district taxes could be.**
- **The estimated tax is based on the appraised value the appraisal district places on your home and the prior year's tax rates of your taxing units.**
- **You have the opportunity to appeal the value if you believe it is incorrect.**



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Under the following circumstances, state law requires appraisal districts to send you a notice by April 1, or as soon as practical thereafter, of the market value of your home and how much tax you would have to pay based on the same tax rate your city, county, school district and any special purpose district charged the previous year:

- if the value of your property is higher than it was in the previous year;
- if the value of your property is higher than the value you gave on a rendition; or
- if your property was not on the appraisal district's records in the previous year.

Among other things, the notice will also tell you the following:

- to which taxing entities you will have to pay property taxes;
- the appraised value of your home in the prior year;
- an explanation of when and how you can protest the value; and
- the date and place the ARB will begin hearing protests.

Placing a value on your home is the first step in the property tax process. The appraisal district in your county sets the taxable value of all property in the county. Your local governments, like the county commissioners court, city council, school districts and special purpose districts like a water or library district, will use the total value of property in their jurisdiction to set a tax rate according to the local government's budgets, which are set based on the amount of money it will take to provide public services.

So, the first step in trying to limit your tax bill is to make sure the appraisal district places a fair value on your home. The Texas Legislature has created a legal process for property owners to appeal the appraisal district's value. The focal point of the process is the ARB.

The notice of appraised value should explain how and when you can file a protest with the ARB, and should include a protest form.

What do You do Now?



- **First, review your *Notice of Appraised Value*. There may be information regarding the appraisal district's informal review process.**
- **File a written notice of protest by the protest deadline. The appraisal notice may include a protest form for your convenience.**
- **You may be able to resolve the matter with the appraisal district at an informal meeting.**

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Most appraisal districts, although not all, provide what is called an informal meeting where you can sit down one on one with an appraiser and discuss the value of your home. In most appraisal districts, the vast majority of disputes (between 70 to 90 percent) are settled during the informal process.

It is very important, however, that you preserve your right to protest to the ARB by filing your notice of protest by May 31 or no later than 30 days after the appraisal district mailed a notice of appraised value to you, whichever date is later, even if you hope to resolve your concerns at the informal meeting with the appraisal district.

Your notice may show whether your appraisal district has an informal meeting process. If it does, you may want to take advantage of this opportunity. In attending an informal meeting, be sure to bring in all your evidence to increase your potential for receiving an adjustment at this meeting and avoid having to present your case in front of the ARB.

The ARB



- **If the appraisal district does not have an informal process or if you are unable to reach a solution with the appraisal district, you may take your case to the ARB if you have filed a protest by the deadline.**
- **The ARB is an impartial panel composed of your neighbors who live in the county.**
- **The ARB listens to you and the appraisal district's representative and may adjust values based on the evidence presented at the hearing.**

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If your appraisal district does not have such an informal process or, if after meeting with the appraisal district informally you are still not happy with the value placed on your home, you can ask for a formal hearing with the ARB. Remember, that you must have filed the notice of protest by the required deadline, or you may unintentionally forfeit your right to appear before the ARB. In some appraisal districts, at the end of the informal meeting if you and the appraisal district do not come to a value, you may be brought directly before the ARB, rather than seeing them at a later date.

The appraisal district's board of directors or the local administrative district judge appoints the ARB from citizens living within the county, but the ARB is an independent body and is not subject to the authority of the appraisal district. They are typically your neighbors who most likely also own homes and have a personal interest in making sure the appraisal process is fair to everyone. The ARB, which can be composed of a number of three-member panels, is like a judge and jury in a case. They will hear evidence, both from you and the appraisal district's representative. After hearing and considering the evidence, the ARB will make a decision on the value of your home. Like a judge, ARB members cannot discuss your case with anyone outside the hearing. Likewise, you should not contact any ARB member about your case outside of the hearing. If you do, the members cannot hear your case. While most protest hearings are open to the public, the property owner and appraisal district representative can make a joint motion to require a closed hearing if confidential information is to be presented at the hearing.

What Can You Protest?



- **Excessive value**: if you believe the appraisal district's value on your home is too high.
- **Unequal appraisal**: if you believe the appraisal district appraised your home at a higher proportion of its value than most properties.
- **Failure to grant exemptions**: if the chief appraiser denied your exemption application.
- **Failure to provide notice**: if the appraisal district failed to provide notice that the value of your home changed.

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There are a number of situations in which you can appeal the value on your home to the ARB.

First, you can appeal if you believe the value the appraisal district placed on your home is too high.

You can also appeal if you believe the appraisal district has unfairly placed a value on your home in relation to the value it placed on other homes in your neighborhood. Appraisals must be equal and uniform, and if you believe this is not the case you can show the ARB sales and appraisals in your neighborhood to prove your point.

As a homeowner, you may want to appeal if the appraisal district denied your exemption application. The taxable value of your home is the appraised value, less exemptions. If the appraisal district refused an exemption, you may end up with a higher tax bill. Appealing this issue to the ARB may help you reduce your tax liability if the ARB grants the exemption.

One final issue that you may want to appeal is if the appraisal district failed to notify you that the value on your home had changed to a degree that it would increase your tax liability.

Filing a Protest



- **File your protest by the deadline shown on your notice of appraised value.**
- **If the notice contains no deadline, you must file a protest by May 31 or no later than 30 days after the date on the notice, whichever is later.**
- **You may request an evening or weekend hearing. The ARB must permit such a hearing. The law requires the ARB to offer either an evening or weekend option, but not both. Slots in these sessions are available on a first-come, first-serve basis.**

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You must file a protest by May 31 or no later than 30 days after the date on the notice of appraised value on your home. Many notices are mailed in April, so your protest should be filed earlier than May 31.

The Legislature recognizes that most homeowners have to go to work every day during the week, so the ARB must grant you an evening or weekend hearing if you request one.

What to Expect?



14 days before your ARB hearing, the appraisal district mails you the following:

- **A copy of a Comptroller pamphlet explaining your remedies;***
- **A copy of the ARB procedures; and**
- **A statement that you can inspect and obtain a copy of any information the appraisal district plans to introduce at your hearing.**

This information is often included with your notice of hearing date and time.

www.comptroller.texas.gov/taxinfo/proptax/pdf/96-295.pdf

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The ARB must send you a notice of the date, time and place of your hearing at least 15 days in advance of the hearing date. It must be postmarked, not received, 15 days before the hearing. Since most ARBs do not have administrative staff, the appraisal district handles their paperwork.

At least 14 days before the hearing date, the appraisal district must send you:

- the Comptroller's publication, *Property Taxpayer Remedies*, which explains your protest appeal rights and the ARB's responsibilities;
- the ARB's procedures for the protest hearing; and
- a statement notifying you that you can inspect and obtain copies of data, schedules, formulas and other information the appraisal district plans to use at your hearing.

This information is often included with your notice of hearing date and time.

Note that the information the appraisal district plans to introduce at your hearing is not provided – only a statement that the information is available upon request.

What to Expect? (cont.)



- **Prior to your hearing, you may inspect and obtain a copy of all the information the appraisal district plans to introduce at the hearing.**
- **The appraisal district has to provide, upon your request, the information they used to appraise your property.**
- **You may have to spend some time at the appraisal district office or on its website or pay for copies of what you need.**
- **The charge for copies for homeowners cannot exceed \$15 per property appeal.**

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You have a right to inspect and obtain a copy of all the information the appraisal district plans to introduce at the hearing. You should visit the appraisal district office and ask that they show you all the data they used in determining the value of your home and all evidence they may use at the hearing. Some appraisal districts may ask you to make your request in writing. Some appraisal districts also make evidence available through their websites.

After reviewing the data, ask for copies of items you believe you will need to prepare for the hearing. Under the law, the appraisal district must give you all the information used to appraise your property. Keep in mind, however, that you are requesting this information after you received your notice, so the appraisal district cannot provide the copies 14 days before the hearing. You may receive your copies only a few days before the hearing.

The appraisal district is required to provide the copies you request, but you should know that they can charge for those copies. They cannot, however, charge you more than \$15 total for all the copies they make for you for each property you protest.

You can appear at the ARB hearing in person, by affidavit or through an agent.

Preparing for the ARB Hearing



- **You should make enough copies of all your evidence, for each member of the ARB and one for the appraisal district.**
- **The ARB hearing procedures will indicate how much time you will have to present your case.**
- **Be on time and be prepared for your hearing.**

www.comptroller.texas.gov/taxinfo/proptax/arb/Model_Hearing_Procedures_for_ARBs.pdf

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Make sure you become thoroughly familiar the ARB procedures and adhere to them.

All ARBs are required to develop local procedures that follow model hearing procedures developed by the Comptroller's office. The Comptroller's model hearing procedures are available at the address on your screen.

Be sure to make a copy of your evidence for each member of the ARB or panel. You should also make a copy of the evidence for the appraisal district's representative and, of course, make sure you have a copy as well. Understand that the copies you provide will become part of the hearing record and will not be returned to you.

While ARBs try to conduct hearings as informally as possible, they should be treated with the respect you would have for a court proceeding. Confirm from your notice or with the ARB the date, time and place of your hearing. You should arrive on time, or earlier if possible.

ARB Hearings



ARB or panel chairman:

- **starts hearing;**
- **announces the protest number and identifying information;**
- **verifies ARB members have not communicated with anyone about the protest;**
- **requires written material to be provided;**
- **welcomes the parties;**
- **covers hearing procedures and relevant matters;**
- **asks witnesses about credentials;**
- **informs witnesses that testimony must be given under oath; and**
- **swears-in witnesses.**

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Most ARB hearings follow these steps.

The ARB or panel chairman:

- starts the hearing;
- announces the protest number and other identifying information, including the property owner and property location;
- verifies the ARB members considering the hearing have not communicated with anyone about the protest and indicate each signed an affidavit to that effect;
- requires all written material not previously provided to be provided;
- welcomes the parties;
- goes over the hearing procedures and other relevant matters;
- asks witnesses about licensing and certification credentials and in what capacity they intend to appear at the hearing;
- informs witnesses that all testimony must be given under oath; and
- swears-in all witness who plan to testify.

ARB Hearings



The property owner:

- presents evidence;
- examines witness; and
- states opinion of property value.

The appraisal district representative:

- cross-examines property owner, agent or representative and witnesses;
- presents evidence;
- examines witnesses; and
- states opinion of property value.

Property owner may cross examine appraisal district's witnesses.

ARB members may not be examined or cross-examined.

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The next part of the hearing is when evidence is presented. Unless both parties otherwise agree, the property owner or his or her agent shall present his or her case first. The steps in this presentation reflect the property owner presenting his or her case first.

The property owner or agent:

- presents his or her evidence which includes documents and/or testimony;
- examines any witnesses that are present; and
- states his or her opinion of value (if applicable) for the property.

After the property owner or agent concludes his presentation, the appraisal district representative presents his or her case. The representative:

- cross-examines the property owner, agent or representative and the witnesses, if any;
- presents his or her evidence, including documents and/or testimony;
- examines witnesses; and
- states the appraisal district's opinion of value (if applicable) for the property.

After the appraisal district representative concludes his or her presentation, the

property owner or agent is allowed to cross-examine the appraisal district representative and his or her witnesses.

Members of the ARB cannot be examined or cross-examined by parties.

ARB Hearings



- **After parties present evidence, rebuttal evidence may be offered.**
- **Both parties make closing arguments.**
- **The ARB or panel chairman closes the hearing.**
- **The ARB or panel deliberates the issues presented and votes on each matter.**
- **The ARB or panel chairman thanks the parties and announces the determination.**

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After the parties finish presenting their evidence, the property owner can offer rebuttal evidence which is additional evidence to refute evidence presented by the appraisal district representative. The appraisal district representative is then allowed to offer rebuttal evidence.

Upon conclusion of rebuttal evidence from both parties, the property owner or agent makes his or her closing argument and states the ARB determination being sought. The appraisal district representative follows with his or her closing argument and states the ARB determination sought by the appraisal district.

The ARB or panel chairman closes the hearing and the ARB or panel deliberates the issues of the case. The ARB or panel chairman asks for a separate motion for each matter that was the subject of the protest hearing. A vote is taken and recorded.

Finally, the ARB or panel chairman thanks the parties for their participation and announces the determination(s) and that an order determining protest will be sent to the parties by certified mail.

Prepare Your Evidence



- **Go prepared to your hearing. Take anything that will help you make your case and show how the appraisal district may have overvalued your home in your opinion.**
- **The date of your appraisal is Jan. 1.**
- **Make sure that changes made before Jan. 1 are included in the appraisal.**
- **Improvements or damage to your property after Jan. 1 should not be part of the appraisal.**

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Let's get started on preparing your evidence. Keep in mind as you do this that the appraisal on your home is as of Jan. 1. The ARB will not consider any changes that occurred after that date. For example, if you had a fire after Jan. 1 or if you got an estimate for repairs on your roof for damage that occurred after Jan. 1, they will not be considered.

The appraisal district will be prepared for the hearing because it is their responsibility to be prepared. While they are required to provide copies of their evidence, it is not their job to help you with the hearing. You may be used to having government help when you have a problem, but this is not the case during an ARB hearing. An appraiser's job is to appraise property uniformly and fairly, not to help the homeowner after a protest is filed. But, the appraiser wants to be sure your home does have the right value.

It is up to you to have what you need to prove your case to the ARB. You cannot go to the hearing and just say the appraisal district is wrong. You have to prove that the value is wrong with evidence.

Value Evidence



- **Check the condition of your home; if you have a foundation problem such as a cracked slab, it can affect the value. Bring photos and reports.**
- **If you had a recent loss from a fire, give the ARB a copy of the fire report.**
- **Provide copies of engineering reports or written estimates to repair deficiencies.**
- **Compare the measurement of your home against the appraisal district's.**

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You should gather all the information about your property that may be relevant in considering the true value of your home. The ARB and the appraiser will not visit your home so you must take your home, in essence, to them. Take pictures of all aspects of your home that you believe have an adverse impact on the value the appraisal district placed on your home.

If you have estimates on the cost of repairing your roof or foundation, make copies of the estimates and take them to your hearing. Likewise, if you had a fire that damaged the home, bring a copy of the fire report.

Measure your home and lot to ensure that the appraisal district's measurements are accurate. If the appraisal district's measurements are not the same as your measurements, you may want to gather blueprints, deed records, photographs or a survey to use as evidence.

Value Evidence (cont.)



- **Make sure the appraisal district data is correct regarding your property.**
- **Verify that the appraisal district has the right amenities, such as a pool.**
- **Review the home sales the appraisal district used to calculate the value of your home. Bring a list of sales.**
- **On comparable sales, check for the sales date, street address, square footage, lot size, items that add value to the home, zoning and the year the home was built.**

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Get the appraisal card the appraisal district has on your home and check to see that it lists the right number of bedrooms, bathrooms and garages. Many appraisal districts no longer keep hard copies of cards, but instead have the information in electronic format. You may be able to go to the appraisal district's website and download this information. If you are unable to do this, ask the appraisal district to print a copy from its computer system.

Note any discrepancies so you can present them as evidence and use them in your argument to lower your value. In most cases, the appraisal district will use home sales to develop their cost schedules for land and improvements. Sales are considered the best indication of market value. However, some appraisal districts use construction cost data to develop their schedules.

Study the sales the appraisal district used and make a list of all the sales and sales dates as well as the size of the homes, the size of the lots, whether a home is on a corner lot, the year they were built, their location, the zoning, how old they are, what amenities they have, etc.

Check all these factors against your home to make sure they are indeed comparable. Pull out any sale that you believe the appraisal district should not have used and develop your argument for why you think that each sale should not be considered by the ARB in valuing your property. Show how they affect the value of your home.

Be Persuasive, Not Emotional



- **You want to show the ARB how your evidence supports your opinion of value of your property.**



- **The ARB does not know everything about your home or your neighborhood.**

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The appraisal district has thousands of homes to appraise in a number of neighborhoods, often in several cities in various parts of the county. They are all different. Your neighborhood is different. You know your home and your neighborhood much better than the appraisal district's representative, unless by chance he or she happens to live in your neighborhood or recently inspected properties in your neighborhood. Economic and environmental factors can have an adverse effect on the value of your home. Tell the ARB about your neighborhood and how it is adversely affected by the freeway, toll road or railroad running along its boundaries. Be prepared to show the ARB that your home is not the typical home in your neighborhood.

Whatever you do, do not get personal. Part of your hearing involves evidence and another part involves arguing your case. When we say arguing, we mean presenting your case by a clear and concise presentation of your evidence. You may feel that your taxes are too high, but neither the ARB nor the appraisal district set your taxes. While the ARB can consider the effect general economic and environmental factors may have on the value of your home, it cannot take into account your personal economic situation.

Be Persuasive, Not Emotional (cont.)



- **Provide the ARB with facts, not with emotional arguments.**
- **Do not argue that your taxes are too high.**
- **Base your protest on hard evidence, not wishful thinking.**



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If you want to get the ARB to reduce the value of your home, you will have to do it with good evidence and sound points. Emotional arguments or wishful thinking will not get you anywhere with the ARB, whose job it is to certify the value on your home based on what the market dictates.

Have all your evidence well-organized. Mark it with exhibit numbers if it helps your presentation. Make an outline of your argument. Prepare counter arguments to the evidence you believe the appraisal district will use. You want to be well-organized but you also want to keep it simple. You do not want to confuse the ARB or yourself. While you are making an argument, do not get into a heated exchange with the appraisal district's representative or the ARB panel members.

Remember that the appraisal district will use up some of the time with its presentation and the ARB will want some time to ask questions. Practice your presentation before you arrive at the hearing so you can stay within the time allowed. If it helps you, make note cards of the most important facts, figures and arguments.

Burden of Proof



- **If the appraisal district fails to prove your home's value by a preponderance of the evidence, the ARB must rule in your favor.**
- **You can submit an appraisal on your home prepared by an independent appraiser.**
- **If you submit an independent appraisal, the appraisal district must prove your home's value by "clear and convincing evidence."**

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Under the law, the appraisal district has the burden of establishing the value of your property by a *preponderance of the evidence* presented at the hearing. The preponderance of the evidence does not mean who has the most evidence. It means that the party that has the more convincing evidence prevails. If the appraisal district fails to meet this standard, the ARB must rule in your favor.

When presenting your evidence concentrate your efforts on emphasizing your key evidence.

According to Tax Code Section 41.43 (a-1), if your home has a market or appraised value of \$1 million or less as determined by the appraisal district, you can file with the ARB an appraisal done by a certified appraiser that supports the appraised or the market value that you believe is right. This provision of the law has several requirements, and you should review it carefully to make sure you comply or the appraisal may not qualify.

In such a case, the appraisal district has the burden of establishing the value of the property by clear and convincing evidence presented at the hearing rather than by a preponderance of the evidence. If the appraisal district fails to meet the clear and convincing standard, the ARB must rule in your favor.

Closing or Rebuttal



- **Be brief and to the point.**
- **Summarize your key evidence.**
- **Summarize your key arguments.**
- **Repeat your requested property value.**
- **Thank ARB members for their time.**
- **The appraisal district may be permitted to close the hearing.**

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After noting the appraisal district's errors, re-emphasize to the ARB your own evidence and argument. You do not want to repeat your entire case, but summarize the key points that may convince the ARB you are right and deserve a reduction in your home's value. Be sure to tell them once again the value you believe they should place on your home.

Finally, you should thank the ARB for listening to your case.

Often, the appraisal district is permitted to close the hearing because you have had a chance to present rebuttal testimony and because the appraisal district has the burden of proof. You do not have the automatic right to the last word.

ARB Reaches a Decision



- **The ARB will evaluate your home's value based on the evidence.**
- **The ARB will give you its opinion of your home's value and may indicate what evidence it considered.**
- **After the ARB makes its decision, the ARB will make it known to you.**
- **The ARB will send you a written order by certified mail.**
- **If the hearing was held by a panel of the ARB the decision is not final until approved by the full ARB.**

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At the conclusion of your hearing the ARB usually states its opinion of your home's value. The ARB may share with you how they arrived at that opinion, although they are not required to do so.

After the ARB rules on your protest, it will send you a written order by certified mail.

What Now?



- If you do not agree with the ARB's decision, you have the following options:
 - binding arbitration;
 - district court; or
 - SOAH.
- You will have to make a partial payment of taxes *before the delinquency date*, usually the amount of taxes not in dispute.

www.comptroller.texas.gov/taxinfo/proptax/protests.html

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If you are dissatisfied with the ARB's findings, you have three options available to you. You may request the matter be submitted to binding arbitration if you qualify. You can appeal the ARB's decision to the state district court in the county in which your property is located. In addition to filing for binding arbitration or appealing to district court, you may also be able to appeal the ARB decision to the State Office of Administrative Hearings (SOAH), if you qualify. Whichever process you choose, the amount of taxes that are not in dispute must be paid before the delinquency date.

More information about appealing your ARB determination can be found at the address on your screen.

Evidence Checklist



Use this checklist to help gather evidence for your ARB hearing.

- Photographs of property (yours and comparables)**
- Receipts for repairs**
- Sales price documentation, such as listings, closing statements and other information**
- Calculations of median level of appraisal, if equal and uniform appraisal is protested**
- Affidavits, if needed**
- Newspaper articles**
- Architectural drawings or blueprints**

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This slide includes an evidence checklist to assist you in preparing your evidence. You may print a copy of the slides for this presentation from our website and use this evidence checklist in preparing your evidence for your ARB hearing. You may not need everything on the list, but it provides you with an idea of items that can help you make your case.

DISCLAIMERS



Please be advised that this information is being provided solely as an informational resource. The information provided neither constitutes nor serves as a substitute for legal advice. Questions regarding the meaning or interpretation of any information included or referenced herein should be directed to legal counsel and not to the Comptroller's staff.

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Conclusion



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Note: The Comptroller's office is providing technical assistance, and not offering legal advice. Interpretations of law must be made by legal counsel.

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This is the end of this presentation. We hope that it has been helpful to you as you prepare to appeal the value of your home to the ARB. If you need additional information or have questions, please contact us through the information listed on your screen.

Thank you for joining this presentation.