



Susan Combs Texas Comptroller of Public Accounts



Appraisal Review Board Manual

2009

February 2009
Texas Property Tax



Table of Contents

I. The ARB’s Role in the Property Tax System	1
II. Qualifications, Appointment and Oaths	1
III. ARB Operations Generally.....	4
IV. Resolving Disputes and Approving Appraisal Records.....	8
V. Conducting Hearings	13
VI. Types of Property Owner Protests	18
VII. Duties after Records Approval.....	31
VIII. Post-ARB Review	34
Appendices	37
INDEX.....	74



Introduction to Appraisal Review Boards

As a member of an appraisal review board (ARB), what legal guidelines and precedents do you face? Who schedules protests and challenges? How do you decide what is a fair ruling on a protest or challenge? What is the limit of your authority? How do you let taxpayers and taxing units know your decisions? How do you stay out of court? You will routinely face these questions and many more.

This manual will help you to answer these questions and to perform your duties as an ARB member. The manual provides general information about policy, procedures and legal guidelines. It outlines your official responsibilities, the resources available to you and the chronology of the review process. The manual also serves as the official course text for the training you must complete before participating in ARB hearings.

Most of this manual addresses required and recommended procedures, property appraisal, exemptions, types of protests and standards of evidence. The first pages detail administrative aspects important throughout the ARB process. The manual tells you how to avoid conflicts of interest. It suggests ways to be sure people receive fair hearings. It tells you how to follow the laws on open meetings and open records. Appendices contain examples of notices and orders used at various points of the ARB's work.

This manual will not, however, address every situation you may face as an ARB member. You should not rely solely on this manual for answers to the many questions that arise.

The manual is only a guide to train new ARB members as they begin their work. Please consult with your attorney about legal issues in protest hearings, the development of ARB hearing procedures and any other matter requiring interpretation of law. Technical questions can be answered by the staff of the Comptroller of Public Accounts and the appraisal district. **While technical assistance is permitted, the law forbids the Comptroller from advising an ARB member, property owner, owner's agent, appraisal district employee or public official on any matter that the Comptroller knows is subject to a protest to the ARB.**

You may e-mail general questions to:
ptad.cpa@cpa.state.tx.us.

More information about local property taxes is available at the Local Property Taxes Web page on the Comptroller's Web site at:

www.window.state.tx.us/taxinfo/proptax/.



Sign up to receive e-mail updates on the Comptroller topics of your choice at www.window.state.tx.us/subscribe.

Address general questions to the agency's Property Tax Assistance Division (PTAD) by writing to:
P.O. Box 13528
Austin, TX 78711-3528
or by calling toll-free, (800) 252-9121.
In Austin, call (512) 305-9999.

I. The ARB's Role in the Property Tax System

An appraisal district board of directors appoints the ARB members by selecting citizens from the community. The appraisal district board also hires the chief appraiser and sets the budget. The directors, however, have no authority to set values or appraisal methods. The chief appraiser carries out the appraisal district's legal duties, hires the staff, appraises property and operates the appraisal office.

The ARB is the administrative review arm of the property tax system, and the ARB is a quasi-judicial entity with responsibility to resolve disputes between property owners and appraisal districts. The ARB is a separate entity from the appraisal office and serves a different function.

Appearance before the ARB is often the first time that a taxpayer has faced a decision-making body of government. The ARB should attempt to make the experience a positive one by its demeanor and willingness to listen. Fairness and courtesy in conducting hearings should be maintained by the ARB as it considers the evidence presented by all parties to the protests.

The ARB must interpret the meaning of statutes in some protests. For example, the legal requirements for exemption qualifications may require interpretation. When such interpretation is needed, the ARB should seek legal advice from its attorney so that proper statutory construction can be understood and a correct protest determination can be made.

The ARB only has authority over protests submitted to it. The ARB has no role in the day-to-day operations of the appraisal office or in appraising property. It cannot order the reappraisal of a category of property or otherwise instruct the appraisal staff about how to perform its job.

Except where it is deciding a taxpayer protest, taxing unit challenge or a correction motion, the ARB has no authority to change a value or correct the appraisal records directly. In a challenge, it must order the chief appraiser to reappraise or correct the records related to the challenge. Only in resolving taxpayer protests can the ARB make changes or set a value on its own. Such a change only affects the property in question.

II. Qualifications, Appointment and Oaths

Who can serve?

To serve on the ARB, you must have lived in the appraisal district for at least two years before taking office. You do not

need any special qualifications, but you may not serve on the board if you are:

- a current appraisal district director;
- a current employee or chief appraiser of the appraisal district;
- a current board member, employee or officer of a taxing unit served by the appraisal district; or
- a current employee of the Comptroller of Public Accounts.

In counties having populations of 100,000 or less, a person who has served all or part of three consecutive terms as an ARB member or auxiliary member is ineligible to serve a fourth consecutive term, but may be appointed thereafter.

If you reside in an appraisal district serving a county with a population of more than 100,000 — appraisal district and county boundaries are the same — you have additional restrictions for service as an ARB member. You may not serve as an ARB member:

- if you served for all or part of three previous terms as a board member or an auxiliary board member on the ARB;
- if you were a former appraisal district director;
- if you were a former employee or former officer of the appraisal district;
- if you ever appeared before the ARB for compensation; or
- until the fourth anniversary of the date you ceased to serve as a member or officer of a taxing unit for which the appraisal district appraises property.

In all counties, you also may not serve as an ARB member if you are closely related to a person who operates for compensation as a tax agent or is in the business of appraising property for property tax purposes in the appraisal district. Relatives barred are those within the second degree by consanguinity (blood) or affinity (marriage). If you knowingly violate this provision, you commit a Class B misdemeanor. Appendix Y lists these relatives.

The law also bars you from ARB service if you have a contract with the appraisal district or with a taxing unit in the appraisal district. The bar applies if you or a business entity in which you have a substantial interest contracts with the appraisal district or a taxing unit that participates in the appraisal district. Likewise, the same taxing units and the appraisal district are each prohibited from contracting with an ARB member or a business entity in which an ARB member has a *substantial interest*. Substantial interest is defined as either:

- combined ownership by the member or the member's spouse of at least 10 percent of the voting stock or shares of the business; or

-
- service by the member or the member's spouse as a partner, limited partner or officer in the business entity.

You also may *not* serve if you hold some other paid public office. The Texas Constitution does not allow a person to hold more than one paid public office. Your legal counsel should be contacted to interpret what constitutes a paid position or whether a public officer is receiving compensation.

The Tax Code also disqualifies a person from serving on an ARB if the person owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. This restriction does not apply if the person is paying the delinquent taxes under an installment payment agreement or has deferred or abated a suit to collect delinquent taxes.

In addition, although you may serve as an ARB member, you may not participate in any hearings until you have completed an ARB training course authorized by the Comptroller of Public Accounts. The Comptroller will issue a certificate indicating that you have completed the required training. If you are appointed to the ARB *after* the Comptroller has offered ARB training courses for that year, the law does provide that you may serve and participate in hearings as long as you complete the next Comptroller training course offered.

Finally, ARB members should be aware of laws that require mandatory training for public officials on the Texas Open Meetings Act and Public Information Act. The laws require at least two hours of open government training, consisting of a one-hour educational course on the Open Meetings Act and one-hour educational course on the Texas Public Information Act.

The Open Meetings Act training requirement applies to all elected or appointed officials who routinely participate in meetings subject to that law as part of their regular duties; this includes ARB members. The Public Information Act training requirement applies to elected or appointed officials who respond to public information requests. ARB's may wish to consult with their legal counsel about whether members must take this training as well.

The Office of the Attorney General will provide free training for all public officials through both online and video courses. The attorney general's free training videos are available for viewing on their Web site at www.oag.state.tx.us/opinopen/og_training.shtml#11. Officials may obtain a free DVD copy of the training courses by calling the Attorney General's Public Information and Assistance line at (800) 252-8011.

ARB members have **90 days** within which to complete the required training. ARB members who previously completed the open government training are not required to take "refresher" courses.

Appointing ARB members – size and terms

The appraisal district directors appoint ARB members by majority vote and record their decision in a resolution. The appraisal district directors determine the number of ARB members to serve on the ARB, with a statutory minimum of three members. The appraisal district board may decide to change the number of ARB members annually.

Members serve two-year staggered terms; approximately half the members' terms expire each year. Terms begin Jan.1.

Terms are limited by the size of the population in the county served by the appraisal district. A person in an appraisal district serving a county with a population of more than 100,000 may not serve more than all or part of three terms on the ARB. After completing the third term, the person may never serve on the ARB in that county again.

This three-term limit includes appointments as either a regular ARB member or temporary ARB member.

In any other appraisal district, a person may not serve more than all or part of three consecutive terms on the ARB. Persons who have served three consecutive terms are only ineligible for ARB membership during the term that starts on the next Jan. 1 following the third of those terms. In other words, the ex-member must sit out at least one full ARB term to be eligible to serve again. After that time, the board of directors may reappoint the person. This term limit includes appointment as either a regular ARB member or an auxiliary ARB member.

Policy for temporary ARB members

The Tax Code provides that appraisal district directors may appoint temporary replacement ARB members in one specific situation. The directors must adopt and put into action a policy for temporarily replacing an ARB member who cannot sign the "ex parte" affidavit. At each protest hearing, an ARB member must sign an affidavit that the member has not communicated about the protest without all parties being present. If an ARB member cannot sign the affidavit, the ARB member cannot hear the protest on that property. Temporary ARB members may not be used for any purpose other than replacing removed members. The Tax Code does not set how many temporary ARB members that the appraisal district board may appoint.

The board of directors is required to develop a temporary replacement policy. For example, if the ARB has enough

members to place one regular ARB member on a panel needing a temporary member, the board of director's policy may choose to use current members as temporary panel replacements. On the other hand, a board of director's policy may prefer to designate a number of eligible individuals to serve only as temporary replacements for removed members.

When developing its policy, the board of directors should remember that a temporary replacement:

- is an ARB member;
- must meet all ARB member eligibility requirements;
- must take the oath of office and sign the required statement (discussed below) before serving on the board; and
- should be appointed for a term of the same length as regular ARB members.

Temporary members may not serve on the ARB in any other capacity. Specifically, a temporary member serves only when a regular member cannot sign the affidavit and is removed from a hearing.

The term limitation that applies to ARB members also applies to temporary ARB members. The time that an individual serves as a temporary ARB member counts toward the regular term limitation. Temporary ARB members also must complete the Comptroller training course.

ARB appointment veto

Taxing units that vote for appraisal district directors may disapprove the appointment of an ARB member. To do so, a majority of the voting taxing units — county, schools, cities and conservation and reclamation districts in some cases — must pass a veto resolution within 15 days after the appraisal district board appoints the member.

ARB member removal

Under certain circumstances, appraisal district directors may remove ARB members by majority vote. Tax Code Section 6.41 requires the appraisal district board of directors to adopt a specific procedure for the removal of ARB members.

The directors may remove an ARB member for violating Section 6.412 (ARB member's relative is an appraiser or tax agent appearing before the ARB) or Section 6.413 (ARB member is related to someone with a substantial interest in an appraisal district or taxing unit contract). Appendix Y lists the relatives barred under Sections 6.412 and 6.413.

The directors may remove an ARB member for failing to attend ARB meetings as established by the appraisal dis-

trict board's policy. The appraisal district directors must include in their written policy the number of meetings an ARB member may fail to attend before the directors have grounds for removing the ARB member.

The directors may remove an ARB member for violating Section 41.66 — an ex parte communication about a protest outside of the hearing. The directors may also remove an ARB member who participates in a hearing when the ARB member has a conflict of interest or is related to a party of the hearing by affinity within the second degree or by consanguinity by the third degree (Section 41.69).

ARB location

Generally, an ARB may reside in any office it chooses, limited only by its budgetary constraints. Most ARBs meet at the appraisal district office.

Pay for ARB members

ARB members are generally paid by the day and reimbursed for expenses. The appraisal district directors set the amount of payment in the budget. However, some appraisal districts do not budget to reimburse ARB members for their expenses.

Oath of office

Newly appointed and reappointed ARB members must sign a statement and take an oath of office before beginning a term. Jan. 1 of the year in which the term begins is the earliest date the oath may be administered. ARB members must be properly sworn before taking any official action.

ARB members must take two separate steps. First, the ARB member must sign a statement and file it with the appraisal district office before taking the oath of office.

Appraisal districts retain the statement. The Secretary of State's Statutory Documents Division has Form #2201 and Form #2204 available online at www.sos.state.tx.us/statdoc/statforms.shtml#AUF.

Once the ARB member has signed the statement, the member may take the oath of office. The forms read as follows:

The ARB member must take and sign the oath before a notary public, county clerk, judge or other official authorized to administer oaths of office.

ARB Officers

When the ARB has its first meeting, it must select officers. A presiding officer must be elected and has responsibility for ensuring that hearings are conducted properly and

Form 2201

**STATEMENT OF ELECTED/APPOINTED OFFICER
(Pursuant to Tex. Const. art. XVI, §1(b), amended 2001)**

I, _____, do solemnly swear (or affirm), that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING STATEMENT AND THAT THE FACTS STATED THEREIN ARE TRUE.

Date

Affiant's Signature

Position to Which Elected/Appointed

City and/or County

Form 2204

**In the name and by the authority of
The State of Texas
OATH OF OFFICE**

I, _____, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Appraisal Review Board Member of the _____ County Appraisal District of the State of Texas, and will, to the best of my ability, preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Affiant

SWORN TO and subscribed before me by affiant on this _____ day of _____, _____.

Signature of Person Administering Oath

(Seal)

Printed Name

Title

procedures are followed. A secretary must also be selected to send required notices, ensure that meetings are posted, and keep official minutes or tapes of ARB proceedings. Many of these responsibilities may be delegated to appraisal district or ARB staff.

While the law only requires the selection of a presiding officer and a secretary, the ARB may determine that other officers are needed in order to conduct its business. If so, the officers should be designated in ARB rules or procedures.

The ARB may meet at any time at the call of the presiding officer or as provided by ARB rules or procedures. The ARB must meet to examine the appraisal records within 10 days after the date the chief appraiser submits appraisal records to it.

III. ARB Operations Generally

Customer service

The ARB is often the first governmental body before which a property owner has appeared. As a result, the ARB must conduct its business professionally and must consider how the public perceives it. Every effort should be made to make the hearings welcoming. Members should see that the public has information about its procedures and its hearing schedule. Sending required notices is one avenue for informing the public, but the ARB may also consider sending out news releases and posting meeting notices in public places. If the appraisal district has a taxpayer liaison officer, the officer can assist in developing a good relationship with the public.

The hearing itself is an ARB's most accessible and important avenue for conducting good public relations. Property owners may base their opinions of the property tax system in general, and the ARB in particular, on their experience at the hearing. Fair and impartial hearings are required, and the ARB must make sure that the hearings are conducted in such a manner.

Hearing procedures

The ARB must adopt protest and challenge hearing procedures and may choose to adopt procedures or rules of order for its own meetings. Tax Code Section 41.66(b) states that hearing procedures "to the great extent practicable shall be informal."

Except for a few instances, the law does not specify what must be in the procedures. Instead, the board may decide for itself how it wishes to conduct its business. Hearing procedures are legally required, and well-designed procedures will help the board in its work.

The ARB may use *Robert's Rules of Order*, *Uniform Code of Parliamentary Procedures* or other recognized sets of procedures for its optional procedures. Developing customized

hearing procedures to meet its particular needs and local concerns is a good idea. For example, the rules may include a provision limiting each protest hearing to a reasonable time that allows for full presentation of the taxpayer's evidence, cross-examination and arguments. This also ensures that protests and challenges are completed in a timely manner.

The law does require certain ARB hearing practices. The ARB must give each party the right to offer evidence, examine and cross-examine witnesses and present arguments on protest subjects. The ARB's procedures should reflect these and other property owners' hearing rights.

The ARB must adopt a rule that provides for hearing times on protests during evening hours, or on a Saturday or Sunday so that all property owners have an opportunity to participate in the hearing process. The ARB's procedures should inform property owners of these times.

The ARB must post written ARB hearing procedures in a prominent place in each room in which it holds hearings. The procedures must be made available to the public. In addition, the ARB must actively provide its hearing procedures to a protesting property owner.

All members should review the current written ARB procedures, preferably at the first meeting after Jan. 1, when terms of office for new members begin. A group review ensures that all members understand the rules and provides a forum for discussion. If the size of an ARB has changed from the prior year, with either fewer or more members, the ARB will need to review its hearing procedures to see if a decrease or increase in its size will affect any current procedures.

Hearings

In conducting its hearings on taxing unit challenges and taxpayer protests, the ARB needs to address several administrative matters. The members should also prepare for the legal and appraisal issues that will arise during the hearings.

Scheduling. The ARB through its staff should assign a case number to each protest and challenge. A numbering system helps keep track of all records and evidence. The ARB then places the appeals on a hearing schedule. The schedule states the date and time of each hearing as well as the nature of each protest or challenge. The ARB may not schedule a hearing on a particular property value before a property owner has filed a protest.

The ARB may decide to use a schedule sheet with additional information as part of its permanent records. The schedule sheet may contain information regarding the date and time of hearings, parties involved, a description of the property involved, a brief statement of issues and notations of who appeared and the final ARB order.

Time limits. The ARB's hearing procedures may place a time limit on hearings, but any limit should be reasonable and flexible. The Comptroller's office suggests that hearing procedures give each panel chair the authority to extend the hearing. Each property owner is entitled to a reasonable amount of time to present relevant evidence and argument. What is reasonable depends on the circumstances of each protest. A simple protest about a residential property may require less presentation time than a complex protest involving a large industrial property.

The ARB may also group hearings on specified dates for similar types of property such as residential, commercial or mineral.

Combined hearings. If more than one protest is filed relating to the same property, the ARB must schedule a single hearing on all timely filed protests that relate to the property. The ARB must also schedule joint hearings for all owners of a property owned in fractional or undivided interests. These include mineral properties. If the ARB changes the appraised value of this type of property, it must adjust the value of each interest accordingly. The ARB must adjust the value for the owner of each interest, whether or not the owner appeared at the joint hearing.

Similarly, the ARB should consider consolidated hearings for protests involving residential real property inventory. The appraisal district is required to appraise a builder's or developer's unsold residential real property as inventory — at the price the parcels would sell for as a unit to another person in the same business — unless this special appraisal method is waived by the builder or developer who owns the property.

Legal counsel. The ARB may need the services of an attorney. The ARB may hire its own attorney if the appraisal district budget provides funds for one. If not, the ARB may use the services of the county attorney.

Support staff. ARBs often rely on appraisal district staff for clerical assistance. Some appraisal district budgets fund a separate ARB staff. The staff is responsible for scheduling and posting hearings, mailing notices, and administering the ARB's operations generally.

Open Meetings Act (Government Code Chapter 551)

The Texas Attorney General's Office interprets the open meetings laws in Texas. None of the following information should be interpreted as legal advice from the Comptroller's office. ARBs should seek legal advice from their attorneys regarding compliance with open meetings laws. For more information about the Open Meetings Act, call the Attorney General's Open Government Section at (512) 478-6736 or (800) 252-5476 or see the

Attorney General's Web site at www.oag.state.tx.us/open/requestors.shtml.

The Open Meetings Act requires a governmental body to hold its meetings where anyone may attend. A quorum of members must be present to discuss or conduct business. The Act requires posting information about meetings in advance and bars a governmental body from having closed or executive sessions except in rare cases.

The open meetings law applies any time a quorum of the ARB members meet. Members may attend social occasions and seminars without violating the law, provided they do not discuss their ARB business. Violation of the Open Meetings Act is a misdemeanor.

The open meetings law also allows a person to record, photograph or videotape all or any part of open meetings. The ARB may impose reasonable restrictions, such as requiring video cameras placed at a certain location so they do not physically interfere with the proceedings.

The open meetings law imposes strict rules prohibiting secret meetings by governmental bodies. Generally, a quorum of members cannot meet and discuss or conduct business in a closed or executive session. For an ARB, the exceptions to this rule include: meetings with the ARB's attorney to discuss pending litigation and meetings to discuss personnel matters, if the ARB has its own staff.

When a governmental body holds a closed meeting, it must adhere to these guidelines:

- post the meeting, just like any other meeting;
- convene in open session, and the chair must announce that the board is going into closed session and state the legal authority for entering a closed session;
- not take any action in the closed session
- take all formal action after returning to open session; and
- must come back into open session before the adjournment.

The ARB must keep a record of any closed session. The law allows either a tape recording or a certified agenda to be kept. If the ARB chooses to keep a certified agenda, the matters considered in the meeting must be described clearly and accurately. The attorney general strongly recommends keeping a tape recording instead of a certified agenda, but the ARB may keep both. The certified agenda or tape must be kept for two years, or as long as litigation concerning the meeting is pending. If litigation about the legality of the meeting takes place, the judge can read the agenda or listen to the tape to determine whether or not the ARB violated

the law. Otherwise, the certified agenda or tape of a closed meeting must be kept sealed.

The Tax Code adds three specific requirements for ARBs. First, the ARB cannot hold a closed protest hearing. The hearing must be open to the public. Second, the chief appraiser or an appraisal district representative must be present at all meetings. The ARB cannot exclude the chief appraiser or representative, even at the request of a taxpayer or taxing unit. Third, the ARB may not receive or consider evidence concerning a protest outside of the protest hearing.

The ARB must announce a meeting to the public at least 72 hours before the meeting takes place. The written announcement must state the time, date, place and subject of the meeting. The Open Meetings Act should be consulted regarding the places for posting notices of public meetings.

The ARB must list the meeting's subjects with enough detail that a person reading it would know what would be talked about or decided at the meeting. The notice may require more detail if the subject is one of great public interest. A court can void an ARB decision if the subject was not properly listed in the open meetings notice. Many attorneys recommend including the schedule of hearings in each notice.

Depending on public interest, the ARB may want to post very specific notices that include the subject of the protest and the name of the property owner. The ARB should decide to include this information on a case-by-case basis.

Public Information Act (Government Code Chapter 552)

The Texas Attorney General's Office interprets the public information laws in Texas. None of the following information should be interpreted as legal advice from the Comptroller's office. ARBs should seek legal advice from their attorneys regarding compliance with public information requirements. For more information about the Public Information Act, call the Attorney General's Open Government Section at (512) 478-6736 or (800) 252-5476 or see the Attorney General's Web site at www.oag.state.tx.us/open/requestors.shtml.

The Public Information Act, also known as the Open Records Act, gives the public the right to see records and documents of government agencies. Under this law, all ARB records are public records and must be available for inspection or copying upon request unless the law clearly makes the record confidential. Only four classes of property tax records are exempt from the law:

- renditions, attachments to renditions and property reports such as reports of decreased value, special inventory declaration and monthly statements;

- sales information that a person discloses to the appraisal district under a promise that the information will be kept confidential;
- applications for 1-d agricultural appraisal; and
- income and expense information filed with an appraisal office.

Even records that are normally exempt from disclosure can be disclosed under the following conditions:

- when a court or the ARB subpoenas the information;
- to the person who gave the information;
- to the Comptroller or a Comptroller employee authorized in writing to receive the information;
- to an assessor or chief appraiser who requests the information in writing;
- for statistical purposes in a form that doesn't identify a specific property or owner;
- to the extent the information is needed for inclusion in a public document or record that the appraisal district must maintain;
- to a taxing unit or its legal representative for the collection of delinquent taxes on the property; or
- to the property owner if the information was used in appraising that owner's property.

Unauthorized disclosure of confidential information is a Class B misdemeanor. Failure to disclose information legally open to the public is also a Class B misdemeanor.

ARB records

In keeping with the Public Information Act, the ARB should keep good records of proceedings. Procedures should be established to make sure that the evidence presented is identified, the procedural requirements of law are met and other information is maintained.

Information maintained by the ARB may be used in future litigation. For example, if the owner was required to file a notice of his or her appeal and did not file within the 45-day deadline, the owner has not met legal requirements for the district court to hear the case. Or, for example, statements made by a witness at the protest may be used to prove the witness's dishonesty or lack of credibility if statements change at trial.

Comptroller Rule 9.803 requires the ARB to keep records of the hearing. These are minimum standards that require the records to include:

- the names of the ARB members present and the date of the hearing or proceeding;
- the name and residence address of the property owner, or his or her agent, if applicable, or the challenging taxing unit;

- a description of the property subject to protest or challenge;
- summaries of both the nature of the case and of the chief appraiser's testimony;
- any documents or physical evidence (or reference numbers for the evidence) that the ARB admits;
- the name and residence address of every witness and a statement that the witness testified under oath;
- any formal motions made and the ARB's ruling on them;
- the affidavits signed by the ARB members that they have not communicated about the property subject to protest before the time of the protest hearings; and
- the ARB's final order or a reference number to it; actual testimony may be tape recorded and retained as part of the record.

Conflicts of interest

ARB members must comply with two "conflict of interest" laws that apply to them.

Local Government Code Chapter 171 is a more general law that requires you to abstain in any case in which you or one of your close relatives has a "substantial" interest. Under this law, you must not only abstain in such a case, you must file an affidavit stating your interest.

Tax Code Section 41.69 bars you from taking part in any taxpayer protest in which you or one of your close relatives has an interest. No affidavit need be filed. The ARB member simply cannot participate in the protest hearing or determination and must recuse himself or herself from the proceeding.

Chapter 171. Chapter 171 comes into play whenever you or one of your relatives has a substantial interest in a matter.

Chapter 171 says that you or your relative has a substantial interest:

- in a business, if you own 10 percent or more of its voting stock or shares, own 10 percent or more or \$15,000 or more of its fair market value or received more than 10 percent of your gross income from it in the previous year; and
- in real property, if you own \$2,500 or more of the fair market value of the property, whether your title is legal or equitable.

A person related to you in the first degree by consanguinity or affinity is a relative under Chapter 171. Service on the board of directors of private, nonprofit corporations for no compensation or other benefit does not create a conflict of interest.

When you determine you have a substantial interest, you must do two things. You must abstain from joining in any discussions or votes on the issue. You also must file an affidavit — a statement made under oath — with the ARB’s secretary that states the nature and extent of your interest. You must file this affidavit before the ARB takes any votes on the matter. A sample affidavit is in Appendix Q.

There is an exception to this rule. If the matter you are voting on doesn’t confer any special benefit on the business or property apart from the benefit it confers on all businesses or properties, you may vote on it. For example, if the ARB considers a taxing unit challenge that would decrease values on all business inventories in a certain area and your business is in that area, the action confers no special benefit on your business different from that conferred on all. You can still vote, but you must file an affidavit disclosing your interest.

Section 41.69. Section 41.69 bars you from discussing or deciding a taxpayer protest in which you or one of a wide group of relatives has an interest. This provision prevents you from acting in a matter that involves you or one of your relatives, even if your interest is too small to be considered a substantial interest under Chapter 171.

You may have an interest in the outcome of a protest for many reasons. If there could be the appearance of favoritism or a conflict of interest, even if you do not believe you would actually be influenced, you should not participate in the hearing. The public must perceive the ARB as a fair and impartial body where no person, business or property is favored over another.

You should take great care to avoid conflicts of interest or the appearance of improper actions. A court that finds you violated the law may nullify an important ARB decision. And, if you violate Chapter 171, you commit a Class A misdemeanor.

IV. Resolving Disputes and Approving Appraisal Records

Appraisal review boards do most of their work in early summer. They should begin their work by May 15 and complete it by July 20. The board of directors of an appraisal district in a county with a population of at least 1 million may, by resolution, extend the deadline to Aug. 30. During these months, ARB members resolve taxpayer protests and taxing unit challenges.

The ARB does *not* review the appraisal records for uniformity in a general review. The ARB’s review process involves these steps generally:

1. chief appraiser submits the appraisal records to the ARB;
2. ARB hears and determines taxing unit challenges;
3. ARB hears and determines taxpayer protests;
4. ARB issues “change orders” directing the chief appraiser to make changes in the appraisal records and sends these to the chief appraiser and to each protesting taxpayer or challenging taxing unit;
5. ARB approves the appraisal records; and
6. chief appraiser certifies an appraisal roll to each taxing unit.

Step 1 Chief appraiser submits records to the ARB.

The chief appraiser begins the review process by formally transferring the appraisal records to the ARB. May 15 is the deadline for doing so. The chief appraiser may submit all records at once, or may submit them in groups.

Required notices. Before submitting a group of records to the ARB, the chief appraiser must deliver all legally required notices. A list of these notices appears in Appendix V. If the chief appraiser has not delivered a required notice to a taxpayer, that taxpayer may be able to bring a late protest before the ARB.

Certification. Tax Code Section 25.22 requires the chief appraiser to submit a sworn statement with the appraisal records:

Step 2 ARB hears taxing unit challenges.

The ARB hears any taxing unit’s formal objections to the records. The Tax Code calls a taxing unit hearing a challenge; the taxpayer’s hearing is called a protest.

Taxing unit challenges are limited. Taxing units cannot dispute the appraised value placed on a particular property for review. However, taxing units may challenge:

- the level of appraisal of any category of property or geographical area in the district (but not the appraised value of a single parcel of property);

Certification

I, _____, chief appraiser for _____ Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me and that I have included in the records all property that I am aware of at an appraised value determined as required by law.

-
- exclusion of property from the appraisal records for the unit or the district;
 - a grant in whole or in part of a partial exemption;
 - a determination that land qualifies for special appraisals; and
 - failure to identify a taxing unit in which a property is taxable.

Appraisal level challenges can have a significant impact on the appraisal roll. If improper appraisal methods have affected a group of similar properties or a particular area, the taxing unit may challenge the district's overall appraisal level of that group or area.

For example, a taxing unit may believe that the chief appraiser has appraised single-family residences in the district below market value. In a challenge hearing, the unit attempts to prove it by presenting relevant evidence. If a taxing unit's evidence shows a group of properties is undervalued, the ARB should direct the chief appraiser to reappraise each property within the category or within the specified territory. The ARB can also direct the chief appraiser to make corrections to the appraisal records that are necessary to conform the records to the requirements of law.

Taxing units must file challenges before June 1, or within 15 days after the chief appraiser submits the appraisal records, whichever is later. Appendix A is an example of a challenge petition. Challenges should be scheduled by the ARB for hearings as soon as possible.

The Tax Code does not address the issue of late-filed challenges. An ARB confronted with this issue should consult with its attorney. This is especially so if the taxing unit asks for the challenge before the ARB approves the records, shows a good reason for missing the deadline and agrees to explain its reasons in its challenge grounds.

The ARB must notify the taxing unit in writing of the date, time and place of its challenge hearing. The ARB sends the notice by first-class mail at least 10 days before the hearing date. The ARB's secretary also shall deliver notice of the date, time and place for the challenge hearing to each taxing unit in which the property involved in the challenge is or may be taxable. Each taxing unit may appear to offer evidence or argument, as provided by Tax Code Section 41.05.

When the challenge includes property involving a taxable leasehold or other type of interest in property owned by the state or a taxing unit, the state or unit also receives notice of the ARB hearing. The state or taxing unit may appear at the ARB hearing to offer evidence and arguments.

If an ARB correction increases a property owner's tax liability, the affected owner must be sent a correction order

and given 30 days from the date of mailing to file a protest and request a hearing.

Step 3 **ARB hears property owner protests.**

Resolving disputes between the appraisal district and property owners is the ARB's most important function. If this process breaks down, the district or its taxing units may face costly court action later. The usual last day for filing a protest is May 31. The 80th Texas Legislature amended the May 31 deadline for certain property owners. However, the net result of the legislative changes was to keep the May 31 normal deadline for all property owners. Exceptions to the normal deadline are discussed later in this section.

Who may file. Normally, either the person who owned the property Jan. 1 or the person's agent files a protest. A taxpayer who acquires property between Jan. 1 and the protest deadline may file a protest in the place of the Jan. 1 owner. A taxpayer who acquires property while a protest is pending may apply to the ARB to continue the protest in the place of the original owner. A person who claims an interest in the property may file a protest even if the person is not shown as the owner on the appraisal district records. Both old and new property owners can file. The ARB should hold a joint hearing for both owners.

Section 41.413 allows a lessee — a person who is contractually obligated to reimburse the lessor (property owner) for property taxes — to protest to the ARB the appraised value of the leased property. The lessee may protest only if the lessor does not protest. The lessee's right to protest exists for leased personal or real property. The lessee assumes all rights to receive notices from the ARB relating to the protest because the lessee is considered the property owner for the protest.

Filing deadlines. The usual deadline for filing a protest is midnight, May 31. The filing deadline, however, is postponed until the next business day if the last day falls on a Saturday, Sunday or holiday. Timeliness of filing by mail is addressed in Tax Code Section 1.08, and the effect of weekends or holidays is addressed in Tax Code Section 1.06.

The usual deadline may be postponed in a number of cases. First, if the district mails a late notice of appraised value (after May 2), the deadline is 30 days from the mailing date. Second, a property owner who misses the original deadline for good cause may still file a protest. The deadline in this case is the day before the ARB approves the appraisal records. In such a case, the property owner receives a two-step hearing. First, the ARB decides whether the property owner had good cause for missing the deadline. Then — and only if the ARB determines the owner had good

cause — the ARB hears the protest. A good cause is usually something not within the taxpayer's control. An example of good cause is a medical emergency. Board policies should address the issue of what constitutes good cause. A special deadline applies to protests that result from changes the ARB makes to the appraisal records. The property owner must file a protest within 30 days of the date notice of the ARB change is delivered to the owner.

The deadline for filing a protest may be even later if the property owner claims the appraisal district or ARB didn't mail a required notice.

A lessor is required to send to the lessee a copy of the property's notice of appraised value. Failure to do so, however, does not affect the protest deadline for the property in question.

The law also allows property owners working offshore or on full-time active military duty out of the country on the date of the deadline to file a late protest. The owner or their agent must file the protest before taxes on the property become delinquent. A person working offshore would have to be continuously employed in the Gulf of Mexico for a period of at least 20 days during which the protest deadline passed. The owner may provide evidence of their offshore employment by furnishing the ARB a letter from their employer or supervisor or, if the owner is self-employed, a sworn affidavit. For active duty military personnel, the property owner must provide a valid military identification card and a deployment order.

Notice of protest. A property owner must file a written notice of protest. The notice may take any form, but must be in writing and show at least the following three elements: the property owner's identification, the property's identification and an indication of the owner's dissatisfaction with some determination by the appraisal district.

The Comptroller's office has adopted a model notice of protest form that ARBs and appraisal districts must make easily accessible to the public and deliver to an owner who requests the form. The Comptroller's model form (see Appendix B) permits the property owner to request a copy of the ARB's hearing procedures and to allow space for the lessee's name and address.

Notice of hearing. The ARB must provide a protesting taxpayer with written notice of the time, date and place of the protest hearing and of the taxpayer's entitlement to a postponement of the hearing. The ARB must deliver the notice by first-class mail at least 15 days before the scheduled hearing date. A property owner, however, may waive in writing his or her right to the hearing notice. Additionally, the chief appraiser is entitled to advance notice of the hearing, but the law does not specify how far in advance.

When the protest hearing is for property involving a taxable leasehold or other type of interest in property owned by the state or a taxing unit, the state or unit also receives notice of the ARB hearing. The state or taxing unit may appear at the ARB hearing to offer evidence and arguments.

Delivery of protest information. The chief appraiser must deliver certain materials and information to a property owner at least 14 days before a protest hearing. The chief appraiser must:

- deliver a copy of the Comptroller's publication *Taxpayers' Rights, Remedies and Responsibilities (Remedies)* to the property owner or to the owner's agent (on agent request);
- deliver a copy of the ARB's hearing procedures; and
- notify the property owner that the owner has a right to inspect and copy the data, schedules, formulas and any other material the chief appraiser plans to introduce at the hearing.

The Comptroller's office recommends that the chief appraiser have these materials readily available to a protesting property owner 14 days before the scheduled hearing.

Amendments to the Public Information Act excluding real property sales data given to appraisal districts from public disclosure do not affect the availability of evidence provided to a protesting property owner. A property owner has a right to obtain copies of sales and other data the chief appraiser used to establish the owner's appraised or market value. The owner or agent may also ask for and receive a copy of each item of information that the chief appraiser took into consideration but does not plan to introduce at the protest hearing. In addition, the protesting party may ask for and receive from the chief appraiser comparable sales data from a reasonable number of sales that is relevant to any matter to be determined by the ARB at the owner's protest. Once the property owner or agent has this information it remains confidential and cannot be disclosed or used except at the protest hearing.

Charges for the copies are limited. The chief appraiser may not charge more than \$15 for copies of material related to a residential property protest. The charge for materials related to one non-residential property is limited to \$25. If the charge is less than these limits, the appraisal district must only charge the amount permitted by the Public Information Act.

Members should know about a second law that requires the delivery of the ARB's protest procedures to a protesting property owner on request. The law doesn't specify the entity responsible for complying, but other provisions make it beneficial to the ARB to send or oversee sending this information. The Tax Code requires delivery of requested ARB

hearing procedures at least 10 days before the scheduled hearing. This law requires that the notice of protest have a space for the property owner to “accept or decline” delivery of the procedures. The Comptroller’s sample notice of protest hearing form appears in Appendix D.

The ARB and chief appraiser may consider delivering *Remedies*, hearing procedures and information about the availability of data at the same time the ARB delivers the notice of hearing. The ARB must deliver the notice at least 15 days before the hearing, so if the notice of hearing is delivered on time, the materials and information will be delivered ahead of schedule. One mailing thus ensures compliance with both laws.

Records with contract appraisal firm. For property appraised by private appraisal firms, under contract with appraisal districts, Tax Code Section 25.195 allows property owners and their agents to inspect and copy appraisal firm information used or considered in the owner’s appraisal at the appraisal firms’ offices. The appraisal firm must make the information available for inspection and copying not later than the 15th day after delivery of a written request to inspect the information. The information request does not include information made confidential under Tax Code Section 22.27.

If denied the information, the owner or agent may take the denial to the ARB for the ARB to conduct a special hearing. Failure by the appraisal firm to provide the requested information may result in an ARB decision not to approve the appraisal records relating to the property until the requested information is made available.

Waiver of protest. Many appraisal districts encourage a property owner to meet with a district staff member to try to resolve the dispute before the formal hearing. Often, the property owner and appraisal district representative will reach a mutually agreeable solution to the owner’s protest at these informal meetings. Both parties may sign a settlement and waiver of protest form (see Appendix F) and give it to the ARB. The property owner agrees on a settlement with the appraisal district and drops the protest on the matter. If the owner’s agent signs the form, the agreement between the agent and the appraisal district is final. The ARB may not review or reject agreements between an owner/agent and the appraisal district.

Grounds for protest. The Tax Code permits a property owner to protest any determination by the appraisal district, the chief appraiser or the ARB that applies to and adversely affects the owner. Section 41.41 specifically lists several grounds for protest. Owners may base their protests on any of these grounds:

- appraisal that exceeds the appraised or market value of the property;

- unequal appraisal;
- inclusion of the property on the appraisal records;
- denial in whole or in part of a partial exemption;
- determination that the property does not qualify for special appraisal;
- identification of the taxing units in which the property is taxable;
- determination of the property’s ownership;
- determination that the use of agricultural or timberland has changed; or
- any other action of the appraisal district, chief appraiser or ARB that applies to and adversely affects the property owner.

Property owner representation. A property owner may have an agent present his or her protest. The property owner must designate the agent in writing. A property manager or other person who has legal authority to act for the property owner in naming tax agents may also designate an agent. Comptroller Rule 9.3044 requires the property owner to use Comptroller Forms 50-162-1 or 50-241-1 for designating an agent (see Appendix C). Form 50-162-1 addresses designating an agent for property other than a single-family residence in which the owner resides. The second form — Form 50-241-1 — is for designating an agent for a single-family residence and states in boldface type that a taxpayer may wish to contact the appraisal office or taxing units for free information or forms. Use of the form is required unless the property owner filed a valid designation before Jan. 1, 1990. The ARB may not require a property owner to designate an agent in any other manner. An owner does not have to file a form for an attorney, mortgage lender, owner’s employee or for a person who simply acts as a courier.

Granting a hearing. The ARB determines whether or not it will hear a protest. The ARB decides if the protest notice is timely filed and the notice has the necessary elements that make up a protest. Carefully determining whether the property owner is entitled to a hearing protects the owner’s right to protest. In addition, the ARB may find itself defending a lawsuit if it denies a hearing to which a property owner was entitled under Tax Code Chapter 41.

A property owner who is denied a hearing has the right to bring suit directly to district court. The aggrieved owner may sue directly by filing a petition or an application to force the ARB to provide the hearing. If the court finds that the owner was wrongfully denied a hearing, it will order the ARB to hold the hearing. In addition, the court may award the property owner court costs and attorney’s fees.

A property owner with pooled or unitized mineral interests may file protests with the ARBs of more than one appraisal district. The ARB for the county where the production site is located must hear and decide on the protest before another ARB in the other district(s) may hold a hearing on

a protest filed with that ARB(s). If there are two or more production sites for the pooled or unitized mineral interests, the ARB in the county where at least two-thirds of the area of the mineral interest is located hears and decides the protest before the other ARB(s).

Step 4 **ARB orders changes resulting from hearings.**

The ARB may rule on a protest at the conclusion of the protest hearing or may postpone the decision to a later date. If the ARB divides into panels to hear separate cases, a hearing panel cannot make a final decision. A panel's decision is *not final* until a majority of the entire ARB approves the panel's recommendation.

The ARB's procedures should address how the ARB will handle panel recommendations. The procedures should include if and how the review board will handle requests by property owners or the chief appraiser to offer new or additional evidence, to rehear a taxpayer's protest before the full ARB or to limit issues to those presented to the panel.

If the ARB postpones a decision, it must tell the parties when it will make the final decision. Any postponed decisions must be in open sessions.

The ARB's final orders come in two forms: an order determining a protest and an order determining a challenge. These are written orders issued to the chief appraiser, signed by the ARB chair and specifying the ARB's disposition of the protest or challenge. The ARB also issues other types of orders and notices in certain cases. Appendices H-N include samples of these orders and notices.

A property owner may receive another panel hearing if the full ARB rejects the first panel's decision. The second panel must be composed of ARB members who did not hear the first protest hearing. If three members are not available to make up a new panel, the full ARB may determine the protest. The ARB must notify the taxpayer of the new hearing in the same manner provided for a regular ARB hearing.

Step 5 **ARB approves appraisal records.**

The ARB should approve appraisal records by July 20. The board of directors of an appraisal district in a county with a population of at least 1 million may, by resolution, extend the deadline to Aug. 30.

Taxing units may sue the ARB or chief appraiser in district court for failure to meet the Property Tax Code deadlines. If the court finds the deadline was missed for a good reason, it must set a new deadline. If the court finds there was

not a good reason, the deadline becomes 10 days from the date the court signs the judgment. The court may enforce its deadlines by holding parties in contempt. The court may make any other order that it finds necessary for compliance.

Even so, it may be impossible or impractical to approve the appraisal records by the July 20 deadline. Section 41.12 requires the ARB to complete substantially all protest hearings before approving the appraisal records. Specifically, if the sum of appraised values of property on which taxpayers have filed protests but have not received determinations exceeds 5 percent of the total appraised value of other properties in the district, the ARB cannot approve the appraisal records.

To help achieve 95 percent completion of the appraisal records, the ARB may wish to hear protests first on properties with larger appraised values. It may then hear protests on properties with lower appraised values, such as residential properties.

The value involved in pending protests at the time of appraisal record approval may not be greater than 5 percent of the appraised value of properties that are not under protest in the district.

The board of directors of an appraisal district in a county with a population of at least 1 million may change the threshold percentage from 95 percent to 90 percent. In other words, the value involved in pending protests at the time of appraisal record approval may not be greater than 10 percent of the appraised value of properties that are not under protest in the district.

If the ARB believes it will not complete its review by July 20, or Aug. 30 in the largest districts, it should notify the chief appraiser and the taxing units. The ARB should estimate the earliest probable date for completion and explain the reasons for the delay. However, the ARB should make every effort to meet the July 20 or Aug. 30 deadlines.

Step 6 **Chief appraiser certifies appraisal roll to each taxing unit.**

The appraisal records, as the ARB changes and approves them, constitute the appraisal roll for the appraisal district. July 25 is the deadline for the chief appraiser to prepare and certify each taxing unit's appraisal roll to its tax assessor. An example of the certification appears below.

When protests are still pending after certification, the chief appraiser gives each taxing unit a list of pending protests with the unit's certified appraisal roll. The list shows each

property and gives two values for each — the value proposed by the appraisal district and the value claimed by the property owner. The chief appraiser must estimate a probable value for the property if the owner doesn't indicate a value in the protest. The taxing unit uses the lower of the two values in calculating its effective and rollback tax rates.

A taxing unit cannot levy a tax on a property under protest until the ARB approves a final value for that property. The Tax Code contains procedures for adding approved supplemental records to appraisal and tax rolls.

V. Conducting Hearings

A quorum — a simple majority of review board members — must be present to conduct business. ARB's with more than three members may conduct hearings on taxpayer protests in panels of not fewer than three members. However, the *entire* ARB must decide the final determination of a protest.

The provisions of the Open Meetings Act apply to hearings. The ARB should also approve procedures to govern the proceedings.

If the entire ARB rejects a panel's decision, a second panel may rehear the protest. The second panel must be composed of ARB members who did not hear the first protest. If three new members are not available, the full ARB determines the protest.

ARB ex parte contacts and affidavit

An ARB member must be very careful to maintain a truly unbiased approach to each property under protest. An ARB member may not communicate with another person about any matters related to a property under protest, including evidence, argument, facts and the case's merits. A member may not communicate about the property under protest, unless the property is discussed in another protest or used before the board as a comparison or sample property in another protest or proceeding.

The affidavit form prescribed by the Comptroller's office (Appendix X) states that the member has not communicated about the property under protest in the ways discussed above. If the member has communicated in violation of the law, the member cannot sign the form and must be recused — or removed — from the hearing. The removed member may not hear, discuss or vote on the protest.

The law requires that the appraisal district's board of directors adopt a policy for temporarily replacing an ARB member who must be removed from a protest hearing. The policy may take many forms as previously discussed in this manual.

Example of certification

CERTIFICATION OF (tax year) APPRAISAL ROLL FOR _____	
“I, _____, Chief Appraiser for _____, solemnly swear that the attached is that portion of the approved appraisal roll of the _____ Appraisal District which lists property taxable by _____ and constitutes the appraisal roll for _____.”	
(tax year) Appraisal Roll Information	
Total appraised value	\$ _____
Total assessed value	\$ _____
Total taxable value	\$ _____
Number of accounts	_____
_____ Chief Appraiser	_____ Date
_____ Received by	_____ Date

An ARB member who communicates with the chief appraiser or an appraisal district employee concerning a taxpayer protest outside of the hearing may be penalized. Likewise, the chief appraiser or appraisal district employee may not communicate with the ARB member about a protest. Both offenses are punishable as Class C misdemeanors. Even if an ARB member doesn't sign the affidavit, if he or she has communicated outside the hearing to the chief appraiser or appraisal district staff about a pending protest, the ARB member has violated the law.

The same penalty, however, doesn't apply if an ARB member talks to a property owner outside of a hearing. The ARB member, however, cannot sign the sworn affidavit and cannot participate in that property owner's hearing. The penalty also does not apply to discussions with the ARB's attorney and other communications with the chief appraiser. Other communications would include meeting arrangements, training and general information that does not apply to a specific protested property or protesting property owner.

Appearance at the protest hearing

Most property owners will present their protests. Some property owners, however, may designate a lessee or agent to present the protest and perform other required actions.

An attorney may represent a client without filing an agent designation, as can most mortgage lenders and authorized corporate employees.

Agent appointments are not binding until the form is filed with the appraisal district. The ARB should require the form before taking any action on the basis of information from one claiming to be the owner's agent. The ARB also should study the form to determine whether the agent is authorized to receive all ARB communications.

The ARB must accept and consider a motion or protest filed by an owner's agent if the agent's authorization form is filed at or before the hearing begins on the motion or protest.

What if an agent appointed by a property owner has not registered with the Texas Department of Licensing and Regulation (TDLR)? Chapter 1152, Occupations Code, is the registration act for property tax consultants or agents. The law requires a person who provides property tax consulting services for compensation to be certified and registered with the state. If a consultant or agent who is not registered as required by law appears before the ARB, the ARB should decide how best to report noncompliance with the registration act and seek legal advice. For more information about the licensing act, call TDLR at (512) 463-6599 or (800) 803-9202 or visit their Web site at www.license.state.tx.us. TDLR's address is P.O. Box 12157, Austin, Texas 78711, and the fax number is (512) 475-2871.

A property owner need not appear at the hearing if the evidence is presented by affidavit. A property owner must file a notarized affidavit before the ARB hears the protest. In addition, the chief appraiser has a right to study and copy the affidavit. The property owner may use the Comptroller-prescribed affidavit, Form 50-283, in Appendix AA, available to owners without charge from the appraisal district. The owner, however, is not required to use this form. The owner may submit a notarized letter that includes (1) the owner's name; (2) a property description; and (3) the owner's statement specifying the appraisal district or ARB determination for which the owner seeks relief.

The Texas Supreme Court has held that a property owner must appear in person, by an attorney or agent or by an affidavit, before the owner may appeal the ARB's decision to district court. An ARB should consult with its attorney to determine what to do if the property owner did not appear or to include in its written orders a space indicating if the owner appeared at the protest. In a related case, a Texas court of appeals held that the owner must be present but need not present evidence at the hearing. This court said that the owner may appeal to district court after the ARB issues its order. Again, the ARB should consult its attorney for legal advice.

The notice of protest hearing (see Appendix D) informs an owner that failure to appear may bar a court appeal. On the advice of its attorney, an ARB may also add an indication on its Order Determining Protest (see Appendix I) that the owner did not appear.

As a matter of procedure, the ARB chair calls the cases in the order scheduled and makes certain each party takes an oath promising the accuracy of the party's testimony (see the sample oath on the next page). People may either swear or affirm. If a property owner refuses to take an oath, the ARB should note the refusal in its hearing records. The ARB may take the refusal into account as it weighs the evidence. Appraisal district staff must take an oath. After consulting with its attorney, the ARB should adopt a policy about the requirement for sworn testimony.

Hearing procedures

The ARB is not a court, and most property owners do not bring attorneys to ARB hearings. For this reason, the law requires that ARB hearings be as informal as possible. The ARB should make every effort to help the property owner in the presentation of evidence, cross-examination of witnesses, rebuttal testimony and other procedural matters.

The ARB should follow its written hearing procedures. Property owners receive these procedures before their hearings, and they expect that the hearings will progress as stated.

Evidence

After swearing in all witnesses, the ARB is ready to hear evidence about the protest or challenge. A property owner or taxing unit may present any evidence relevant to the issue being protested.

Tax Code Section 41.45(h) states that either before or after the hearing begins, the protesting party and the chief appraiser must provide each other with copies of any written materials that will be submitted to the ARB as evidence during the hearing.

As the ARB listens to the evidence, members should keep in mind the evidence presented by both sides, and the fact that the appraisal district has the burden of proof regarding protests related to appraised or market value, as well as unequal appraisal (see Tax Code Section 41.43). The appraisal district must prove by a preponderance of the evidence that its value is correct.

The law prohibits the ARB from considering any evidence supplied by the appraisal district unless the evidence is presented at the protest hearing. Neither the appraisal district nor the property owner may provide information to an ARB

Example oath

The State of Texas

County of _____

Affidavit of Sworn Testimony

I do solemnly swear or affirm that the testimony I shall present to the Appraisal Review Board for _____ County Appraisal District is true and correct.

Affiant

Subscribed and sworn to before me this the ____ day of _____, _____.

Chair, Appraisal Review Board

member about the property, except during the protest hearing. An ARB member who violates this rule cannot sign the required affidavit and must be removed from the hearing.

The ARB may not consider any evidence presented by the chief appraiser that was not made available to the property owner at least 14 days before the hearing. Section 41.67(d) states that information requested under Section 41.461 by the property owner that was not available at least 14 days before the hearing may not be used as evidence at the protest hearing.

The protesting party does not have 14 days to *study* the records made available by the appraisal district. But, if the owner could not gain *access* to all or part of the appraisal district's evidence 14 days before the hearing, the ARB must exclude the unavailable evidence. For example, the owner appears at the appraisal district two days before the hearing to inspect the evidence, and it is made available. The evidence is admissible at the regularly scheduled protest hearing, even though the owner may not have had time to study the records. On the other hand, the owner appears 14 days before the hearing to inspect the evidence and some of it is not made available. The appraisal district cannot use that evidence at the hearing. The property owner may waive the right to see the evidence during the 14 days before the hearing. The ARB is required to postpone the hearing if the property owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to provide the evidence. The board is not required to postpone a hearing more than one time.

Presentation of evidence. ARB procedures should establish the order of presenting evidence. Even though the appraisal district has the burden of proof, property owners may prefer to start with the presentation of their evidence and argument and should be allowed to do so by agreement of the appraisal district and according to ARB procedures. Rebuttal testimony must be allowed, and witnesses may be cross-examined by the parties. Values from prior years or the decisions of previous review boards do not bind the current ARB – each year and property must be considered individually.

The appraisal district may offer testimony and evidence concerning:

- property's legal description and location;
- type of property and its use;
- property's appraised value and the way it was appraised;
- description of any improvements to the land and their age, condition and appraised value;
- how the improvements were appraised;
- total value for each type of property considered;
- any information on sales of comparable properties in the neighborhood or elsewhere in the area;
- information about other appraisal methods considered;
- appraisal ratios and median appraisal levels of comparable properties, appropriately adjusted;
- reasons for denying exemption or special appraisal; and
- reasons for the decision by the chief appraiser concerning other matters under protest or challenge.

Relevant evidence. Evidence is simply information that helps the ARB to decide what the facts are. Evidence may include data, schedules, formulas and other information. The ARB should consider only relevant evidence. Relevant evidence is information that has particular meaning in the hearing in which it is introduced. If information introduced in an ARB hearing does not meet the definition of evidence, or if it's irrelevant, the ARB should disregard it even if it is heard.

For example, a homeowner may introduce information such as recent sales of similar properties to demonstrate too high of a home value. This is relevant evidence. A complaint that taxes are too high because a certain taxing unit's governing body spends money carelessly is irrelevant, and the ARB should disregard it.

Burden of proof. In a protest on appraised or market value or unequal appraisal, the law states that the appraisal district has the burden of establishing the property's value by a preponderance of the evidence or, in certain protests, by clear and convincing evidence presented at the hearing.

Appraised values may not be presumed to be correct in protest hearings. The appraisal district is required to prove that values are correct at the hearings by a preponderance of evidence. If the appraisal district fails to meet the burden of proof, the ARB must determine the protest in the property owner's favor.

In a protest of unequal appraisal, the ARB must determine a protest in favor of the protesting party unless the appraisal district establishes:

- the property's appraisal ratio is equal to or less than the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;
- the property's appraisal ratio is equal to or less than the median level of appraisal of a sample of properties, consisting of a reasonable number of other properties similarly situated to or of the same general kind or character; or
- the property's appraised value is equal to or less than the median appraised value of a reasonable number of comparable properties appropriately adjusted.

This provision deals with a property owner claiming that his or her value is right, but that neighboring properties are valued lower. While a vast majority of protests to the ARB are about over-appraisal, unequal appraisal protests are numerous and require considerable attention to requirements of law in the calculations of median level of appraisal.

In a protest on a property with a market or appraised value of \$1 million or less, the appraisal district has the burden of establishing the value of the property by clear and convincing evidence — as opposed to the weight or preponderance of the evidence — presented at the hearing when: (1) the property owner or agent deliver an appraisal to the chief appraiser at least 14 days before the hearing; (2) the appraisal was performed within 180 days of the hearing date; (3) the appraiser is certified under Chapter 1103 of the Occupations Code; (4) the appraisal is attested to before an officer authorized to administer oaths; and (5) includes the certified appraiser's name and address, the property description and statements that the appraised or market value, as applicable, as of Jan. 1, determined using appraisal methods authorized by Tax Code Chapter 23, and that the appraisal was performed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

If an owner fails to deliver a required rendition, a property report or information requested by the chief appraiser under Section 22.07(c) prior to the date of an ARB hearing, the owner has the burden of proving the property's value to the ARB rather than the appraisal district. When the property owner has the burden of proof under this circumstance

and fails to provide sufficient evidence that convinces the ARB that the value should be adjusted, the ARB should determine the protest in favor of the appraisal district.

Witnesses. Anyone may appear as a witness and give testimony, except children and certain persons with mental impairment. Witnesses should have personal knowledge about the facts of the protest or should provide expert opinions concerning appraisal issues. The ARB should consider only testimony pertinent to the facts.

Appraisal often requires a high degree of specialized knowledge and training. Both sides may present the testimony of expert appraisers, both about value and about methods of appraisal. These are matters of opinion based on specialized knowledge rather than firsthand observation of the facts.

The ARB should ask about the experts' qualifications and experience and be sure it understands the facts on which the experts base their opinions. Expert testimony may concern appraisal theory and methodology, and opinions provided by experts based on theory are admissible.

Above all, the ARB should ask expert witnesses whether they have any reservations about or qualifications to their opinions. As with any witness, the ARB is free to believe all, some or none of an expert's testimony.

Hearsay testimony. Firsthand observation and expert testimony will have the witness testifying, "I saw it," "I measured it," and "I did it." When the witness says, "I heard it from someone else," the testimony is hearsay. Hearsay is secondhand testimony. For example, in a protest over denial of a residence homestead exemption, the chief appraiser testifies, "The property owner's neighbor told me the owner does not live in the house." The statement is hearsay. Ideally, the neighbor should be at the hearing and under oath to substantiate the statement.

There may be cases where common sense tells you to consider hearsay testimony. The ARB should consider hearsay only if it is, in light of the facts, the sort of information upon which reliance is reasonable.

Appraiser testimony and evidence. Since appraisal often requires special knowledge and skills, appraisers are usually key witnesses in ARB hearings. Remember that such testimony is informed opinion, not necessarily verifiable fact. The ARB should ask about an appraiser's qualifications, and it should have access to the data the appraiser used in the appraisal. Finally, it should be aware of any misgivings the appraiser has about the appraisal.

There could be many reasons for over-appraisal. The property could have hidden flaws that the appraiser didn't consider, such as a cracked foundation or asbestos insulation.

Some key measurement of the property might be wrong. Some property data might have been incorrectly transcribed. Or, the market value of the property might have fallen since the last appraisal.

The most reliable indicators of market value are sales of comparable properties on or near the Jan. 1 appraisal date. Information about sales should be confirmed for reliability. Ideally, affidavits from parties to a sale would verify the terms of a comparable sale. Getting such affidavits is not always possible, but there should be some basis for determining if sales information is correct.

Appraisals by chief appraiser and relatives. The Tax Code places a special restriction on appraisals made by the chief appraiser in a private capacity on behalf of a taxpayer or taxing unit. The ARB may not consider such an appraisal as evidence in a protest or challenge. Similarly, if a relative within the second degree of the chief appraiser makes an appraisal, the ARB may not consider that appraisal as evidence.

Documentary evidence. Documents and papers are important items of evidence before the ARB. In general, the ARB may consider any documents, provided a witness identifies them under oath or the owner of the original certifies them as copies of the original.

Tax Code Section 41.67(b) provides that a party must submit the original of a document unless the ARB determines that it is not readily available. If a copy of a document is used, any party has the right to compare the copy with the original.

Documents submitted in evidence become a permanent part of the hearing record.

Official notice. As a general rule, the ARB must make its decision only on the evidence brought by the parties. However, the ARB may also consider certain kinds of basic facts that neither side presents as evidence. This is called “taking official notice” of the fact.

The ARB, like a judge, may take official notice of any fact that is reasonably certain, either because it is generally known in the community or capable of being easily confirmed by sources whose accuracy cannot reasonably be questioned. For example, an ARB may take official notice that a house borders a park that may affect its property value. If it takes official notice of a fact, the ARB must inform both parties and give them an opportunity to argue against this action.

Subpoenas and records. The Tax Code provides that the ARB and the parties involved in a hearing should gather all evidence relevant to the case. The property owner or a challenging taxing unit has a right to know the basis of the

appraisal district’s determinations. Similarly, the appraisal district has the right to know relevant facts in the taxpayer’s possession.

To ensure these rights, the Tax Code gives the ARB the power to:

- subpoena witnesses, books, records or other documents;
- inspect the records or other materials of the appraisal office that are not made confidential under the Tax Code; and
- request the Comptroller to assist in determining the accuracy of appraisals or to provide other professional assistance.

The ARB may subpoena witnesses, books, records or other documents only after holding a hearing to determine whether good cause for issuing the subpoena exists. A subpoena may only be issued if a property is under protest and may be issued only to a party to the protest. The ARB may not subpoena books, records or documents that belong to persons other than the property owner or the appraisal district involved in the protest.

To inspect confidential records or other materials that the appraisal office has, the ARB must subpoena the information from the appraisal district. Such records include renditions, income and expense data filed with the appraisal district and sales information granted confidentiality by the appraisal office.

An ARB may not issue a subpoena unless it holds a hearing to determine that good cause exists for issuing the subpoena. The ARB must establish a procedure for a good cause hearing for issuing a subpoena. The procedures must require the ARB to deliver written notice — not later than the 5th day before the date of the hearing — to the party to be subpoenaed. The party has the right to be heard at the hearing. Appendix G is a sample subpoena.

Postponement of hearings

Depending on the circumstances, the ARB may be required to postpone a protest hearing. A property owner who has not designated an agent under Section 1.111 is entitled to one postponement without showing cause. In addition, a property owner or their agent is entitled to an unlimited number of postponements if they show reasonable cause for the postponement or if the chief appraiser consents to the postponement. The ARB must postpone the hearing for five to 30 days. The chief appraiser and the property owner may agree to a shorter or longer postponement. A property owner may request a postponement in writing, including by facsimile or e-mail, by telephone or in person to the full ARB, a panel of the ARB or the chairperson of the ARB.

The chairperson or the chairperson's representative may grant, but may not deny, a postponement without the necessity of action by the full ARB. The full ARB must meet to deny a postponement. The ARB is not required to send the property owner additional written notice when a postponement is granted.

In addition, the ARB must postpone an ARB hearing if either the property owner or owner's agent is scheduled for an ARB hearing in another appraisal district on the same date. To qualify for the postponement, the owner or agent must show that the postmark on the other ARB's hearing notice is earlier than the postmark on the hearing notice delivered by the ARB in which the postponement is requested.

The ARB must also postpone a hearing if the property owner requests additional time to prepare for the hearing in a situation where the chief appraiser does not comply with the requirement to deliver at least 14 days before the hearing a copy of ARB hearing procedures and *Remedies*, and to inform the property owner that he or she may inspect and obtain a copy of the data schedules, formulas and all other information planned to be introduced as evidence at the protest hearing. The owner must ask for additional time to prepare for the hearing and prove the chief appraiser's failure to comply. Only one postponement is permitted in this case. If the information is requested by the owner and is not made available at least 14 days before the scheduled or postponed hearing, it may not be used as evidence at the hearing.

VI. Types of Property Owner Protests

Over-appraisal

The law forbids appraising a property for tax purposes at more than its market value. Only the property owner or lessee may bring a claim of excessive appraisal on a specific property.

Most ARB actions concern market value. The Tax Code defines market value as "the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- a. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- b. both the seller and purchaser know of all 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; and
- c. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the other."

All taxable property must be appraised at its market value unless the law provides for a different value. The most common type of different value is productivity value. Property qualified for agricultural or timber appraisal is taxed on its productivity value rather than its market value. Productivity valuation is an appraised value, and other special appraisals are provided in Tax Code Chapter 23.

Tax Code Section 23.01(b) also provides the following:

The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. If the appraisal district determines the appraised value of the property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice. The same or similar appraisal methods and techniques shall be used in appraising the same or similar kinds of property. However, each property shall be appraised based upon the individual characteristics that affect the property's market value.

Mass appraisal. An appraisal district must estimate the value of thousands of properties. The district has neither the time nor money to repeat the full appraisal process for each individual property. Instead, it uses an appraisal method known as "mass appraisal."

If the appraisal district determines appraised values using mass appraisal standards, those standards must comply with the Uniform Standards of Professional Appraisal Practice (USPAP). Copies of these standards are available from The Appraisal Foundation for \$30 by writing The Appraisal Foundation, 1155 15th St. N.W., Suite. 1111, Washington, D. C. 20005. Or you may call (202) 347-7722 or purchase a copy from their Web site at www.appraisalfoundation.org.

In a mass appraisal, the appraisal 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 data from recent property sales, the district appraises the value of typical properties in each classification. Using modifiers to adjust for minor differences such as age or location, the district uses the typical property values to appraise all the properties in the classification. Computers often make the process more efficient. ARB members should become familiar with the district's mass appraisal methods.

Methods of appraisal. ARB members should be familiar with the three approaches to value — cost, income and market — that the chief appraiser must consider in determining the market value of property. The chief appraiser

must consider all three and use the method most appropriate in appraising a particular property.

Cost approach. When using the cost method of appraisal, the appraisers will:

1. use cost data obtained from generally accepted sources;
2. adjust appropriately for physical, functional or economic obsolescence;
3. make available to the public on request, for a reasonable charge, cost data developed and used by the chief appraiser on properties within a property category;
4. state clearly the reason for any variation between generally accepted cost data and locally produced cost data, if the data vary by more than 10 percent; and
5. make available to a property owner on request all applicable market data that demonstrates the difference between an improvement's replacement cost and the improvement's depreciated value.

Income approach. When using the income method of appraisal, the appraisers will:

1. analyze comparable rental data available to the chief appraiser or the potential earnings capacity of the property, or both, to estimate the gross income potential of the property;
2. analyze comparable operating expense data available to the chief appraiser to estimate the operating expenses of the property;
3. analyze comparable data available to the chief appraiser to estimate rates of capitalization or rates of discount; and
4. base projections of future rent or income potential and expenses on reasonably clear and appropriate evidence.

Market approach. When using the market data comparison method of appraisal, the appraisers will use comparable sales data and adjust the comparable sales to the subject property.

Additional information about the approaches to value may be found in appraisal textbooks. Appraisers usually determine the value of producing mineral deposits — such as oil, gas and coal — by using the income approach to value. Most appraisal districts contract with consultants to appraise mineral properties. The chief appraiser can provide information concerning the method used to appraise mineral properties.

Special appraisals. The Tax Code also requires specific appraisal methods or the use of certain information or procedures in valuing the following types of property:

- land qualifying for agricultural, timber or wildlife management appraisal (Chapter 23, subchapters C, D, E and H);
- deed-restricted land qualifying for recreational, park and scenic land appraisal, or as public access airport property (Chapter 23, subchapters F and G);
- inventory (Section 23.12);
- taxable leaseholds (Section 23.13);
- dealer's motor vehicle inventory (Section 23.121);
- dealer's vessel, outboard motor and trailer inventory (Section 23.124);
- dealer's heavy equipment inventory (Section 23.1241);
- retailer's manufactured housing inventory (Section 23.127);
- intangible assets, such as stock, of insurance companies and savings and loan associations (Sections 23.15 and 23.16);
- non-producing mineral interests (Section 23.17); and
- property owned and used by members of a non-profit homeowners' association (Section 23.18).

Value limitations or other provisions. The Tax Code also requires limiting values on certain properties or addressing special situations.

Government restrictions. Section 23.22 requires appraisers to consider the effect of government restrictions on the appraised value of private property, including a restriction to preserve wildlife habitat, to which the owner has not consented.

Low-income housing. Appraisers must adjust for property rented or leased to a low-income individual or a family meeting income-eligibility standards established by a governmental entity. Sections 23.21 and 23.215 require the appraiser to account for that use and for the limit on rent or lease payments in the property's appraisal.

Homesteads. Section 23.23 limits or caps the increase on appraisals of homestead properties. The appraised value of a residence homestead for a tax year is limited to the lesser of either its market value or the sum of the market value of any new improvements and 110 percent of the appraised value for the preceding year.

When appraising a residence homestead, the chief appraiser must include in the appraisal records the home's market value and limited appraised value. A limitation takes effect for a residence homestead on Jan. 1 of the tax year following the first tax year the owner qualifies that property for the residence homestead exemption. The limitation expires on

the Jan. 1 of the first tax year that neither the owner nor the owner's spouse or surviving spouse qualifies for the homestead exemptions.

The limited homestead value may increase for any new improvement to the homestead. New improvement, however, does not include ordinary maintenance of the existing structure, the grounds or another feature of the homestead. A new improvement also does not include a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by mold or water damage.

Unequal appraisal

"Equal appraisal" means the district's appraisal methods produce consistent results from property to property. To measure equality, the ARB will consider appraisal ratios or median appraised values. To determine a property's appraisal ratio, you divide the appraisal roll value by the property's true market value. Usually, sales or independent appraisals establish the true market value. For example, if a property appraised by the appraisal district at \$95,000 recently sold for \$100,000, its appraisal level is $\$95,000/\$100,000$, or 0.95.

By computing the typical ratio for a sample of properties, appraisers can estimate the typical level of appraisal for a group of properties or for the appraisal district as a whole. Such a procedure is called a "ratio study." Under Texas law, the median ratio of such a sample is used to estimate the overall level. The median is determined by listing the ratios in numerical order and choosing the middle ratio. If the sample has an even number of properties, the appraiser would average the two middle numbers.

To compute median appraised values, a reasonable number of comparable properties are chosen as a sample. Their appraised values are then adjusted to reflect property size, condition, and other individual characteristics. Then the properties are listed in value order, and the median appraised value is determined.

A property owner may file a protest on unequal appraisal. Where appraisals in a district are not consistent, a taxpayer may be penalized even though that owner's property is appraised at or below market value. The appraisal district must establish that the property under protest was appraised equally. If the district does not prove equality and uniformity of appraisal as provided by Tax Code Section 41.43(b), the protest must be determined in favor of the property owner. This is true even if the appraised or market value as determined by the appraisal district is correct.

As an example, suppose that unequal and excessive appraisal protests are brought on the same property. The issues must be determined separately at the protest hearing. The property

is appraised at \$105,000, and evidence indicates that the market value is \$100,000. The ARB should lower the market value to \$100,000 because the appraisal is excessive. Next, the unequal appraisal protest must be considered. The appraisal district must prove by a preponderance of the evidence one of the following three matters: (1) the appraisal ratio of the property is equal to or less than the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district; (2) the appraisal ratio of the property is equal to or less than the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similar to, or of the same general kind or character as, the property subject to the protest; or (3) the appraised value of the property is equal to or less than the median appraised value of a reasonable number of comparable properties appropriately adjusted. If the district proves one of these three matters, then it has met its burden of proof.

The ARB must then consider the property owner's evidence and weigh the appraisal district evidence against the evidence presented by the property owner. If the property owner's evidence is more convincing and "out-weighs" the evidence presented by the appraisal district, then the ARB must reduce the value, as a separate determination concerning unequal appraisal. So if the property owner's evidence is more convincing than the appraisal district's evidence, and shows that the median level of appraisal is .85 the value should be reduced to \$85,000. Or, if the median appraised value of a reasonable number of comparable properties, appropriately adjusted, is \$90,000, the value of the property should be reduced to that amount. The ARB order would reflect the unequal appraisal protest determination, in addition to the appraised or market value determination. The appraisal roll would be changed to reflect the lower of the two values.

While the law does not require the ARB to include two determinations of value in an order determining protest, it may be preferable to do so when the protest concerns more than one issue. It is preferable to have a determination on appraised or market value and another on equal appraisal because the appraisal record would reflect accurately what the ARB ordered in the event of a taxpayer request for binding arbitration or an appeal to district court.

Comptroller study. Each year, the Comptroller of Public Accounts publishes a study of property appraisals *for the preceding year* in each appraisal district. The study estimates median appraisal levels and coefficients of dispersion for the previous year, not the current tax year. The median appraisal level measures how close a CAD's typical appraisal is to market value. The coefficient of dispersion measures appraisal uniformity, whether properties are being appraised at an equal percentage of market value. The study may be used as an indicator of overall appraisal performance, but not as evidence concerning a specific property.

Taxable situs

The word “situs” means location. The law links the taxability of property to its location. If a taxing unit can legally levy a tax on property, that property has taxable situs in the unit.

A taxing unit may challenge appraisal records that omit property it can tax. Similarly, a property owner may protest that the property should not be on the appraisal roll, either for the district or for a particular taxing unit.

Real property. Situs disputes rarely involve real property because it does not move. Real property includes land, improvements, mines, quarries, items fixed to land and interests in real property such as minerals in place. A mineral in place includes oil or gas reserves or coal. A taxing unit can tax the real property in its boundaries on Jan. 1. Boundary disputes or property description problems create the most common real property situs problems.

Personal property. Most situs problems involve movable personal property, or tangible items that are not real property. Personal property normally has situs at its Jan. 1 location unless it was there only temporarily. This is the general rule. Commercial interstate air carriers are allowed to designate the tax situs of their aircraft that land in Texas as either the carrier’s principal office in Texas or that Texas airport from which the carrier has the highest number of departures. Personal property that stays in one taxing unit during the year creates no problems. Situs problems usually involve property that crosses boundary lines during the year.

- **Property crossing state boundary lines.** Multi-state situs problems usually involve businesses that operate or move goods in more than one state. Goods or equipment gain taxable situs in Texas if present for more than a temporary period here. They also gain situs if continually used here. If they are temporarily outside the state on Jan. 1, but their owner resides here, they still have situs here. See Tax Code Section 11.01. Equipment used in several states may be partially taxed in some or all of the states. Goods shipped across a state may or may not be taxable.
- **Multi-state equipment.** A business that uses equipment in more than one state on a regular basis may qualify for allocation of property value. The chief appraiser reduces the property’s value according to the percentage of time or mileage in this state compared with total use in all states that could tax the property. Comptroller Rule 9.4033 governs allocation procedures and sets out guidelines for determining whether property could be taxed in another state. The difficult issue here is that under federal

court decisions, it doesn’t matter whether the other state actually taxes the property. What matters is whether the other state could tax the property without violating the U.S. Constitution. One court decision involving a private business jet held that the taxpayer must show that the property has acquired situs either by being operated along fixed and regular routes or by being habitually used in the other state to acquire the right to allocation.

Finally, two other general rules are important. Aircraft that fly over the state without landing in the state do not become taxable here. Also, property outside the state on Jan. 1 and for the entire preceding year is not taxable here.

- **Goods in interstate transit.** Items that cross Texas in transit from one state to another do not become taxable here. However, the transit must be unbroken. If the property stops in Texas for some business purpose unrelated to safe and efficient transportation, it becomes taxable here.
- **Property crossing taxing unit lines.** In most cases, property has situs in the taxing unit where it was located on Jan. 1, unless the evidence shows that it moves during the tax year. A property has only one taxable situs in Texas; there is no allocation of property value for property moving among Texas taxing units. Property that moves among taxing units is taxable in one unit if:
 - it is located in that unit for more than a temporary period on Jan. 1;
 - it is temporarily somewhere else on Jan. 1 but is normally located in the unit;
 - it normally returns to that unit between uses elsewhere; or
 - the owner resides or maintains a principal place of business in the unit and the property has no other situs under any of the preceding circumstances.

To disprove situs in a unit where property is located on Jan. 1, the property owner must prove that the property was there only temporarily. The owner must also show neither the owner nor the property has any continuing contact with the unit. To disprove any situs in the district at all, the property owner must show either that the property has taxable situs in some other appraisal district or that the property is not taxable in this state. Exceptions exist for certain portable drilling rigs located in Texas. If the property owner proves the property has situs in another appraisal district, the Tax Code directs the chief appraiser to notify the chief appraiser of the other district of the fact.

ARB members may consider time spent in various units in determining whether property is in one or another for more than a temporary period. Neither the Tax Code nor the courts have defined “temporary” or “more than temporary.” The most difficult problem arises when property spends considerable time in two or more units. For example, a truck divides its time nearly equally between two school districts during the tax year. There is no provision in the law for dividing the value of the truck. The ARB must decide, on the basis of the evidence and the rules just outlined, which school district has the greater ties with the property.

Taxation of business personal property used to produce income

The ARB may deal with issues concerning rendered property, such as business personal property. Tax Code Chapter 22 includes mandatory rendition requirements. A rendition identifies, describes and gives the location of taxable property on Jan. 1. Property owners must render annually to appraisal districts all tangible personal property used for the production of income in Texas. At their option, owners may render other types of property.

Rendition statements filed by property owners include the owner’s name and address; general property description by type or category; if inventory, description and general estimate of quantity; and property’s physical location or taxable situs; and owner’s good faith estimate of the property’s market value or, at the owner’s option, historical cost when new and the year of the property’s acquisition. However, for property with an aggregate value of less than \$20,000, the owner must render only the owner’s name and address, general property description by type or category and the property’s physical location or taxable situs. Rendition forms may not require — but may permit — a property owner to furnish other information not specifically required. For example, a property owner who is not required to give an estimate of value may, at the owner’s option, provide that opinion. Rendition forms must also allow the owner to check a box on the form indicating that the information in the previous year’s rendition filed by the owner is still accurate.

Evidence presented to the ARB may include the chief appraiser’s request for a statement from the owner of property valued at \$20,000 or more to explain how the owner arrived at the “good faith estimate” of market value for the subject property. The statement must summarize the information to:

- identify the property, including physical and economic characteristics and source of information;
- specify the effective date of the value estimate; and
- explain the basis of the rendered value. If the business owner has 50 employees or less, the owner may base the estimate on depreciation schedules used for income tax purposes.

The property owner or owner’s agent must deliver the statement in writing or electronically within 21 days of the chief appraiser’s request. The statement is inadmissible in an administrative or judicial proceeding, except to determine (1) compliance with Chapter 22, (2) any effort at tax evasion, or (3) the owner’s protest before an ARB. The statement is confidential, and the chief appraiser may only disclose it as provided in Section 22.27.

The ARB may hear issues about failure to file a rendition or to file it in a timely manner. The statutory deadline to file a rendition is April 15. A property owner may file a written request on or before April 15 to request an extension of that due date. The chief appraiser must extend that owner’s deadline to May 15. The chief appraiser also may extend the May 15 deadline another 15 days if the property owner shows, in writing, good cause.

When a “third party” — generally an appraisal firm under contract with an appraisal district — appraises the property and the property owner provides substantially equivalent information to this third party, then the owner does not have to file the rendition with the appraisal district. An owner of property regulated by the Public Utility Commission, Texas Railroad Commission, Surface Transportation Board or Federal Energy Regulatory Commission complies with rendition requirements by submitting a copy of the property’s annual regulatory report and sufficient allocation information. The chief appraiser must make a written request first for that report and information.

Property owners do not have to render exempt property, such as a church’s personal property or implements of husbandry used for farm, ranch and timber production. If the chief appraiser denies an exemption application, however, the owner must render the property within 30 days of the exemption denial.

A property owner may protest to the ARB the failure or refusal of the chief appraiser to waive any penalty dealing with a rendition. The owner first must send the chief appraiser a written request to waive any penalty and provide any appropriate supporting documentation within 30 days of being notified of the penalty. The chief appraiser must then determine whether or not to waive the penalty, considering the property owner’s compliance history; type, nature and taxability of the property involved; type of business involved; completeness of records; owner’s reliance on appraisal district advice; changes in district policies affecting renditions; and any other relevant factor. The chief appraiser may waive the penalty if the appraiser determines that the property owner exercised reasonable diligence to comply or has substantially complied with rendition requirements. If the chief appraiser refuses to waive the penalty, then the owner may protest that decision to the ARB.

Exemptions

Both property owners and taxing units may appeal the chief appraiser's exemption determinations. Property is taxable unless the owner shows clearly that it meets all legal requirements for an exemption. Requirements are strictly construed. If it appears questionable that property is exempt, then the ARB must deny an exemption.

A partial exemption removes a percentage or a fixed dollar amount of a property's value from taxation. An absolute exemption excludes the entire property from taxation.

In most cases, the law requires the property owner to apply for the exemption. If a property owner fails to file a required application on time, the owner usually forfeits the right to the exemption and the ARB has no authority to grant it. Timely exemption applications ask for most of the information ARB members need to decide an exemption issue. Most exemption cases will depend on one or more of three issues:

- owner's qualifications;
- property's qualifications; or
- property's use.

Owner's qualifications. With some exceptions, Jan. 1 is the date for determining qualifications for a specific exemption. Jan. 1 is the date for determining an owner's qualifications for general homestead exemptions. Property receiving exemptions for freeport, abatement, pollution control, historic or archeological site, solar- and wind-powered energy devices, offshore drilling rigs, water conservation initiatives and disabled veterans must qualify on Jan. 1.

Homeowners who turn 65 or who become disabled during a tax year, however, will qualify immediately for an age-65 and older or disability exemption as if the homeowner qualified on Jan. 1 of the tax year.

In addition, surviving spouses age 55 or older may qualify for an age-65 and older exemption if the spouse dies in the year he or she turns 65.

When the state, a political subdivision and other qualifying organizations acquire property, the chief appraiser determines the property's exemption qualifications as of the acquisition date. Organizations qualifying for immediate exemption include cemeteries, charitable organizations, religious organizations, private schools, community housing development organizations, youth development associations, nonprofit water and wastewater supply corporations, veteran's organizations and other nonprofit organizations.

Charitable organizations improving property for low-income housing and community housing development associations must file the application for exemption within 30

days of acquiring the property. Other organizations must file for exemption within one year of acquiring the property.

Ownership requirements vary by exemption. Exemptions such as those for individuals or families (homestead or disabled veterans' exemptions) may require evidence of age, physical condition or disability, military service, family relationship or other factors.

Exemptions for schools, charitable organizations, religious organizations, youth development organizations and water supply and wastewater service corporations require the property owner to have a charter or bylaws dedicating property to particular purposes. Special charter provisions must provide for disposition of property upon dissolution. Finally, the organization must operate as a nonprofit organization.

In some instances, an organization's charter and bylaws will be necessary evidence. In others, evidence about the way the organization or business operates will be needed.

Finally, an individual property owner may not challenge the grant of an exemption to another property owner. Tax Code Section 41.03 provides that only a taxing unit may challenge before the ARB the exemption of property from the appraisal records.

Property's qualifications. Many exemptions apply only to specific classes of property. The property owner must list all property subject to the exemption and demonstrate to the ARB that each property meets exemption requirements.

Property's use. How and when the property owner uses the property is critical in determining exemption cases. An important factor is whether a property's use is exclusive, primary or incidental.

"Exclusive use" means use of a property for one and only one specific purpose. Other uses of the property, unless incidental, invalidate the exemption. "Primary use" means that the required use is the most frequent or predominant use of the property. "Incidental use" means occasional use of the property that does not interfere with its main use.

Types of exemptions. Tax Code exemption requirements are extensive. ARB members should read applicable statutes carefully. The Comptroller's annotated **Property Tax Code** contains the text of the law and notes on significant court cases. Following is a short summary of the most important exemption provisions.

- **Section 11.11. Public Property.**
To qualify for the public property exemption, the state of Texas or a political subdivision of the state must own the property. Political subdivisions must use it for public purposes — primarily for the health, comfort and welfare of the public.

Property owned by the state must also meet the general public-purpose test.

State-owned property is taxable if it is rented to a private business that uses it for something inconsistent with the agency's duties. The property may not be used to provide housing to the public other than students or agency employees. However, if an educational institution uses the property primarily for instructional purposes and secondarily for residences, the property is exempt. Additionally, property held (as opposed to used) for the benefit of a state junior college, college or university is exempt under the same conditions.

Property of a higher education development foundation or an alumni association located on land owned by the state for the support, maintenance or benefit of a state institution of higher education is exempt provided that the foundation or organization meets the requirement of Section 11.18(e) and (f). The organization must also be organized exclusively to operate programs or perform activities for the benefit of institutions of higher education. Finally, the property must be used exclusively in those programs or activities.

An improvement that is privately owned is property used for public purposes if it is located on land owned by the Texas Department of Criminal Justice, leased and used by the department and subject to a lease-purchase agreement providing that legal title to the improvement will pass to the department at the end of the lease term.

Tangible personal property leased to the state or a political subdivision is exempt if the property is subject to a lease-purchase agreement providing that the state or political subdivision takes legal title to the property at the end of the lease term. The exemption ends 30 days after the lease terminates if the state or political subdivision does not take title to the personal property.

Section 11.11(i) exempts as public property real and personal property owned by a nonprofit corporation engaged primarily in providing chilled water and steam to certain health related facilities, as defined in Health and Safety Code Section 301.031. The corporation's property would be considered as if owned by the state and used for health and education purposes.

- **Section 11.111. Public Property Used To Provide Transitional Housing for the Indigent.** This section exempts property owned by the United States or a federal agency and used to provide

transitional housing to the poor under a program operated by the U.S. Department of Housing and Urban Development. The property is exempt by ordinance or order of the taxing units in which the property is located.

- **Section 11.12. Federal Exemptions.** Property owned by the federal government is usually exempt from property taxes unless federal law specifically makes the property taxable. In addition, federal law exemptions override state tax laws.
- **Section 11.13. Residence Homestead.** Most residential exemption cases concern the owner's qualifications for the exemption; whether the exemption covers specific improvements or amounts of land; or whether the property is the principal residence of the owner.

Owner qualifications. There are no specific owner qualifications for the general homestead exemption other than that the owner has an ownership interest in the property and uses the property as the owner's principal residence.

To qualify for the age-65 and older exemptions, the owner must be 65 or older and live in the house. If the age-65 and older homeowner dies, the surviving spouse may continue to receive the exemption if the surviving spouse is 55 years of age or older at the time of death and lives in and owns the home.

A disabled person must meet the definition of "disabled" for the purpose of receiving disability insurance benefits under Federal Old-Age, Survivors and Disability Insurance Act. To qualify for the exemption, the person need not actually receive these benefits.

A homeowner does not have to meet the definition of disabled or age 65 on the date of Jan. 1 of the tax year, but may qualify as disabled or age 65 at any time during the tax year. The exemption applies to the entire tax year as if the person was disabled or 65 on Jan. 1.

The trustor of a qualifying trust may qualify for the residence homestead exemption. A residence owned by an individual through an interest in a qualifying beneficial trust and occupied by such individual as a trustor may qualify. A beneficiary of a court-ordered trust may also qualify.

Section 11.26 places a ceiling on school taxes for residence homesteads owned by persons 65 and older or disabled. The tax ceiling continues for over-55 surviving spouses of age-65 and older owners who die while qualified for the tax ceiling. These homeowners may also transfer the percent of tax paid, based on their ceiling, when they purchase another home and use it as their principal residence.

Section 11.261 allows a county, city or junior college district to offer a tax limitation on homesteads of taxpayers disabled or 65 years of age or older. The taxing unit's governing body may adopt the limitation, or citizens in the taxing unit by petition and election may adopt the limitation. Once adopted, Section 11.261 provides for the tax ceiling for disabled and age-65 and older homeowners and their right to transfer to another homestead in that taxing unit the same benefit of that tax ceiling. It also provides for surviving spouses age 55 or older to retain the tax ceiling.

Exemption coverage. Normally the exemption applies to those portions of the house actually used for residential, as opposed to business, purposes. The homestead includes up to 20 acres of land and any additional improvements used for residential purposes.

Principal residence. The home must be the principal residence of the applicant. A qualified homeowner does not lose his or her homestead exemption if the homeowner does not establish a different principal residence, intends to return and occupy the residence and is temporarily absent for a period of less than two years. The law provides that homeowners in military service outside the United States or in a facility providing services related to health, infirmity or aging may be away from the home longer than two years and still keep the homestead exemption.

Manufactured homes may qualify for homestead exemptions. Detailed provisions concerning statements of location and ownership must be followed by owners in order to qualify as residential homesteads.

A property owner may also receive a homestead exemption for cooperative housing. Upon receiving an application from the co-op, the chief appraiser must separately appraise and list each individual stockholder's

interest. Each stockholder whose interest is separately appraised may protest and appeal the appraisal like any other property owner.

- **Sections 11.14 – 11.15. Tangible Personal Property Not Used to Produce Income and Family Supplies.**

Generally, these provisions provide that all tangible personal property, other than manufactured homes, that is not held or used for production of income is exempt from property taxes. However, the governing body of a taxing unit may, by official action, continue to tax property other than family supplies, household goods or personal effects.

Beginning Jan. 1, 2009, Section 11.14 also provides that a structure that is substantially affixed to real estate and is used or occupied as a residential dwelling is taxable. However, the term "structure" does not include trailer-type vehicles designed primarily for use as temporary living quarters in connection with recreational, camping, travel or seasonal use.

- **Sections 11.145 – 11.146. Income-Producing Tangible Personal Property and Mineral Interest Property Having Value of Less Than \$500.**

These two sections exempt income-producing personal property and mineral interest property valued at less than \$500. An owner's personal property used to produce income is aggregated to determine if the owner's total taxable value in each separate taxing unit is less than \$500 and, thus, exempt from taxation. The taxable value of a property owner's mineral interests is aggregated to determine if the taxable value within each taxing unit is less than \$500.

- **Section 11.16. Farm Products.**

This section exempts livestock, poultry, agricultural products and some nursery products when they are still in the hands of the person who raised them. Nursery products are exempt only if they are still growing on Jan. 1. Agricultural products held for sale by a cooperative marketing association are still considered exempt if owned by members of the co-op. Livestock and poultry must be owned by the person who is paying for their care on Jan. 1. Farm products include standing timber or timber that has been harvested and on Jan. 1 is located on the real property on which it was produced and is under the ownership of the person who owned the timber when it was standing.

- **Section 11.161. Implements of Husbandry.**

This section exempts machinery and equipment used for farming, ranching and timber production.

The exemption applies only to movable personal property.

- **Section 11.17. Cemeteries.**
This section exempts cemetery property. The property must be used exclusively for human burial. The property may not be held for profit.
- **Section 11.18. Charitable Organizations.**
This section exempts property owned by qualified charitable organizations.

An organization must meet requirements regarding how it is organized, what it does and how it uses its property. The bylaws must limit the organization to charitable activities, must pledge the group's properties to charitable purposes and must prevent anyone from realizing a profit from the organization's activities. In some cases, particularly involving medical care facilities, children's homes and nursing homes, questions will involve whether the institution serves people who cannot pay for services as well as those who can.

The exemption applies to any property owned by the charitable organization. The property must be used exclusively by the organization or other equally qualified organizations. If part of the property is leased to or used by a non-qualified person or business, the other use must be limited to activities that benefit the people the organization serves.

The exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements lasts for only three years. "Physical preparation" means architectural or engineering work, soil testing, land clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.

- **Section 11.181. Charitable Organization Improving Property for Low-Income Housing.**
This section provides an exemption for a charitable organization improving property for low-income housing. The charitable organization must meet Section 11.18(e) and (f) requirements and must use volunteer labor to build or repair housing for sale, without profit, to a low-income individual or family. Each property may be exempt for a maximum of three years after the property's acquisition date. If the organization sells the property to an individual or family that is not low income, the chief appraiser enters a penalty in the appraisal records and notifies the organization and the buyer. The

penalty is equal to the taxes that would have been imposed in each year the property was exempt.

- **Sections 11.182, 11.1825 and 11.1826. Community Housing Development Organizations for Low-Income Housing.**
These sections provide an exemption for organizations improving or constructing property for low and moderate-income housing. Section 11.182 was for those organizations that had an exemption for low-income and moderate-income housing in 2004 and prior years. Section 11.1825 applies to exemption applications for community housing projects for 2004 and future tax years. In all counties, the exemption amount for organizations selling single-family dwellings is 100 percent. The exemption amount for organizations renting dwellings is 50 percent; however, in counties with populations of 1.4 million or more, each taxing unit's governing body by official action must determine whether to permit the exemption and at what percentage amount. In these larger counties, the property owner must submit a written request to the governing body.
- **Section 11.183. Charitable Associations Providing Assistance to Ambulatory Health Care Centers.**
This section provides an exemption for an organization that assists ambulatory health care centers. The charitable organization must be exempt from federal income tax; be funded by a grant under Section 330, Federal Public Health Service; and not perform abortions or abortion services.
- **Section 11.184. Primarily Charitable Organizations.**
This section exempts real and personal property owned by organizations engaged primarily in performing charitable functions listed in Section 11.18(d). An exemption may not be granted unless the governing body of a taxing unit or a majority vote at an election called by the governing body (based on a petition of at least 20 percent of the qualified voters at the last taxing unit election) approves the exemption. Before applying for an exemption, an organization must obtain from the Comptroller a determination letter stating the organization is engaged primarily in performing charitable functions. The chief appraiser must accept a Comptroller determination letter as conclusive evidence that the organization engages primarily in performing charitable functions and is eligible for exemption. The chief appraiser determines if the organization uses its property for its charitable purposes. An organization is required to obtain a new Comptroller determination letter

every fifth year after the exemption is granted. To implement the determination process, the Comptroller has adopted rules and prescribed a form for applying for a determination letter.

The exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements lasts only for three years. “Physical preparation” means architectural or engineering work, soil testing, land-clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.

- **Section 11.19. Youth Spiritual, Mental and Physical Development Associations.**

This section exempts the property of youth development groups affiliated with a state or national organization. A youth development association may use its property in performing its functions or the functions of another youth development organization.

The exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements lasts only for three years. “Physical preparation” means architectural or engineering work, soil testing, land-clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.

- **Section 11.20. Religious Organizations.**

This section exempts worship places and clergy residences owned by qualified religious groups. Religious organizations must be organized and operated primarily for religious worship or the spiritual welfare of individuals. The religious organization must meet requirements similar to those imposed on charitable and youth organizations. Generally, if an organization qualifies under this section, it may exempt property of the following types: actual places of religious worship, personal property used at the place of worship, residences for clergy and personal property used at the residences. In all cases, the organization must actually own the property. A place leased for worship is not exempt. A religious organization may use its assets in performing its functions or the functions of another religious organization.

Public property owned by the state or a taxing unit and leased to a religious organization may receive the religious organization exemption if the property is used as a place of regular religious worship

and meets the other requirements of Section 11.20. The religious organization applies and takes other action relating to the exemption as if the organization owned the property. Other actions would include providing additional information to the appraisal district at the district’s request, notifying the appraisal district in writing if entitlement to the exemption ends and completing a new application sent by the appraisal district.

A property owned by a religious organization and leased for use as a school may be exempt as a school under Section 11.21.

A religious organization’s land held for expanding or constructing a place of worship may be exempt, so long as the land produces no revenue during the holding period. The land exemption has a limit of six years for contiguous property and three years for non-contiguous property.

The exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements only lasts for three years. “Physical preparation” means architectural or engineering work, soil testing, land-clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.

- **Section 11.21. Private Schools.**

The private school exemption exempts property used for school purposes. As with charitable, youth and religious organizations, the school must use its assets in performing its function or the function of another educational organization. A property owned by a religious organization and leased for use as a school may be exempt as a school.

The exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements lasts only for three years. “Physical preparation” means architectural or engineering work, soil testing, land-clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.

- **Section 11.22. Veterans’ Exemptions.**

The law provides tax exemptions for veterans who are disabled, spouses and survivors of deceased disabled veterans and spouses and survivors of military personnel who died on active duty. The amount of exemption is determined according to percentage of service-connected disability.

- **Section 11.23. Miscellaneous Exemptions.**

Section 11.23 lists a number of exemptions that, with one exception, have no specific constitutional authorization. Attorney General opinions suggest an organization may qualify for one of the exemptions under this section if it meets the constitutional tests for a public charity.

The exemption for property owned by a veterans' organization set out in Section 11.23 has constitutional authorization. Qualified veterans' organizations are defined as non-profit organizations composed primarily of members or former members of the armed forces of the United States or its allies and that are chartered or incorporated by the U.S. Congress.

The miscellaneous exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements lasts only for three years. "Physical preparation" means architectural or engineering work, soil testing, land-clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.

- **Section 11.24. Historic or Archeological Sites.**

To qualify for the historic or archeological site exemption in a given taxing unit, a structure must be designated a historic building or archeological site, and the taxing unit must vote to grant an exemption. The structure must be designated as a Recorded Texas Historic Landmark by the Texas Historical Commission or the taxing unit must designate it as historically significant and in need of tax relief. The taxing unit decides the amount of the exemption.

- **Section 11.25. Marine Cargo Containers Used Exclusively in International Commerce.**

Marine cargo containers used exclusively in international commerce are exempt. A marine cargo container is a container used to transport goods by ship, readily handled without reloading to transfer from one mode of transport to another and used repeatedly. The definition also includes a container that is fully or partially enclosed, has an open top suitable for loading or consists of a flat rack suitable for securing goods onto the container. The exemption is limited to property owned by a citizen or entity of a foreign country and taxed in a foreign country.

- **Section 11.251. Goods Exported from Texas.**

Section 11.251 provides for a "freeport" exemption to implement Art. VIII, Sec. 1-j of the Texas Constitution. The freeport exemption applies to goods, wares, ores and merchandise other than oil, gas and

petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas) and to aircraft or repair parts used by a certificated air carrier. The freeport goods qualify if they leave Texas within 175 days of the date they are brought into or acquired in the state.

However, for cotton stored in a warehouse to qualify for the freeport exemption, Section 11.436 provides that the warehouse operator may file a one-time application for the exemption. Property qualifies as freeport goods whether or not the person who transports it out of the state was the person who owned the property on Jan.1.

- **Section 11.252. Leased Vehicles for Personal Use.**

This section exempts motor vehicles (passenger cars or trucks with a shipping weight of not more than 9,000 pounds) leased for personal use. Personal use means using the vehicle more than 50 percent of its use — based on mileage — for activities that do not involve the production of income. By rule, the Comptroller has established exemption application requirements and procedures to determine whether a vehicle qualifies. The lessee completes a Comptroller adopted form certifying under oath that the vehicle is not primarily used for the production of income. The owner (lessor) maintains the lessee-executed forms for inspection and copying by the appraisal district. The owner renders non-exempt vehicles for taxation and provides the chief appraiser with an additional list of all leased vehicles. The exemption applies only to vehicles subject to a lease entered into on or after Jan. 2, 2001. A city, by ordinance adopted before Jan.1, 2002, may tax personal leased vehicles.

- **Section 11.253. Tangible Personal Property in Transit.**

Section 11.253 provides an exemption for "goods in transit," described as goods acquired inside or outside the state, detained at a facility in which the owner of the goods has no direct or indirect ownership of the facility, detained for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property, and then shipped to another location in or out of this state within 175 days. The goods do not include oil, gas or petroleum products or special inventories such as motor vehicles or boats in a dealer's retail inventory.

- **Section 11.253. Motor Vehicle used for Production of Income and for Personal Activities.**

This section exempts one passenger car or light truck if it is owned by an individual and used in the

individual's business or profession and also used for personal activities. The exemption does not apply to vehicles used to transport passengers for hire.

- **Section 11.27. Solar- and Wind-Powered Devices.** People who install a solar- or wind-powered device to produce energy are entitled to exempt the amount of value the device contributes to their property.
- **Section 11.271. Offshore Drilling Rigs.** Offshore drilling rigs that are stored in a county bordering the Gulf of Mexico, or a bay or other body of water immediately adjacent to the gulf, are exempt. Drilling rigs are exempt only if they are stored for a purpose other than repair and are not used for drilling. They must be designed for offshore drilling.
- **Section 11.28. Tax Abatement.** Tax Code Chapter 312 allows cities, counties and other taxing units, except school districts, to designate redevelopment zones and grant tax abatement exemptions by agreement with property owners in those zones. A person who has entered into a valid agreement is entitled to an exemption according to the terms of the agreement.
- **Section 11.29. Dredge Disposal Sites.** Section 11.29 exempts land used to dump sludge from dredging the main channel of the Gulf Intracoastal Waterway. The dredging must be done under state or federal direction, and the land must be dedicated for sludge disposal by a recorded easement. In Opinion No. DM-301, the Texas Attorney General ruled this section unconstitutional since there was no constitutional authority.
- **Section 11.30. Nonprofit Water Supply or Wastewater Service Corporation.** Property owned and reasonably necessary for a nonprofit water supply or wastewater service corporation's functions is exempt.

The exemption also applies to partially complete improvements or for physical preparation. The exemption for incomplete improvements lasts only for three years. "Physical preparation" means architectural or engineering work, soil testing, land-clearing activities, site improvement or beginning any environmental or land use study relating to constructing an improvement.
- **Section 11.31. Pollution Control.** Property acquired after Jan. 1, 1994, and used for pollution control may receive an exemption. The exemption applies to all or part of real and personal

property used solely or partly as a facility, device or method to control air, water or land pollution. The exemption also applies to an extensive list of clean energy technologies that are used to control pollution. The Texas Commission on Environmental Quality (TCEQ) is authorized to adopt rules to create a list of facilities, devices or methods to control pollution that are eligible for exemption. Property not eligible for the exemption includes residential; park or scenic land; vehicles; property subject to a tax abatement agreement before Jan. 1, 1994 and property owned by a person or company that manufactures pollution control equipment or provides pollution control services.

To qualify for a use determination, the person or company must apply to the TCEQ for a permit or permit exemption. TCEQ notifies the chief appraiser about the application and determines the proportion of the property that is used for pollution control. Then, TCEQ issues a determination letter to the applicant. The property owner includes the letter with the exemption application to the appraisal district. The chief appraiser must accept the letter's determination as conclusive evidence for the exemption.

- **Section 11.32. Certain Water Conservation Initiatives.** Section 11.32 exempts property designated by a taxing unit as property upon which approved initiatives have been implemented. The taxing unit may exempt part or all of the value of property with approved water conservation, desalination or brush control initiatives. The taxing unit's governing body must designate approved initiatives by adopting an ordinance or other law.
- **Section 11.33. Raw Cocoa and Green Coffee Held in Harris County.** This section exempts raw cocoa and green coffee held in Harris County. The owner need not claim the exemption, once granted, in subsequent years. The exemption will apply to all raw cocoa and green coffee the applicant holds in Harris County.

Agricultural and timber appraisal

Land qualified as agricultural or timberland is appraised on the basis of its productivity value — what typical land in its category can produce. It is also appraised at its market value, which is usually higher than the land's productivity value.

Wildlife management use also qualifies property for productivity valuation. However, to qualify for wildlife man-

agement use, the property must be qualified for agricultural appraisal at the time the owner changes to wildlife management use. In certain circumstances, an exception exists for land used to protect federally endangered species under a federal permit. Such land qualifies for special use appraisal regardless of its use in prior years.

An owner may protest to the ARB if the chief appraiser denies the application for any reason. An owner may protest the chief appraiser's appraisal, including the market value and the productivity value.

Once allowed, applications are not required in subsequent years. However, the chief appraiser may require the property owner to reapply if the appraiser believes the land's eligibility has ended. The appraiser will send the property owner a notice that a new application is required, along with the application. The property owner is also required to notify the appraisal office in writing before May 1 after eligibility of the land ends or after a change in the category of agricultural use.

The rollback tax, which is based on the difference in market and productivity values for the previous five years, is an additional penalty that applies when an owner of land qualified for 1-d-1 appraisal changes the use of the land to a non-agricultural or non-timber use. An owner subject to the rollback tax may protest the chief appraiser's determination that the use has changed.

Some changes to a nonagricultural use, however, do not trigger the rollback tax. Converting part of qualified agricultural land to the property owner's residence homestead does not trigger the rollback tax. Qualified agricultural land obtained by a religious organization is not subject to the rollback tax if, within five years, the organization converts the land to an eligible religious use provided by Section 11.20. Also, there is no rollback tax for qualified land that is owned by a charitable organization under Section 11.18 for providing housing and related services to persons 62 years of age or older in a retirement community and exempt for that purpose within five years. A change of use from timber to use by religious organizations and certain cemeteries, as well as residential homestead use, also will not trigger the rollback tax.

Qualified agricultural land transferred to the state or a political subdivision to be used for a public purpose is not subject to the rollback tax. In addition, the chief appraiser may not consider the period during which land is owned by the state in determining whether land has been diverted to a nonagricultural use for triggering a rollback tax.

The rules for qualifying agricultural and timberland are explained in three Comptroller publications: *Manual for the Appraisal of Agricultural Land*, *Guidelines for Qualification of Agricultural Land in Wildlife Management Use* and *Guidelines for the Appraisal of Timberlands*. These publications

also discuss in detail deadlines for applying for the appraisal. ARBs should be familiar with these rules because the chief appraiser is required to follow them in qualifying and appraising agricultural and timberland.

The Comptroller also publishes manuals explaining how to qualify for two other types of specially appraised properties: deed-restricted airport property and recreational-park-scenic land.

Dealer's motor vehicle inventory

Tax Code Section 23.121 provides a method for the appraisal of motor vehicle inventory. Owners of a motor vehicle inventory must file the Comptroller's *Dealer's Motor Vehicle Inventory Declaration* on or before Feb. 1 of each year with the chief appraiser. The declaration includes the market value of the dealer's inventory for the current year, based on the prior year's inventory sales divided by 12. Some motor vehicle inventory is excluded from this new process: fleet sales, transactions between dealers and subsequent sales. Property owners may protest to the ARB any action by the appraisal district that applies to and adversely affects the dealer.

Dealer's vessel, outboard motor and trailer inventory

Tax Code Section 23.123 provides a method for the appraisal of vessels, outboard motors and trailers inventory. Section 31.003, Parks and Wildlife Code, defines vessels and does not include those more than 65 feet in length (excluding sheer) and canoes, kayaks, punts, rowboats, rubber rafts or other vessels less than 14 feet in length when paddled, poled, oared or windblown. An outboard motor has the meaning in Section 31.003, Parks and Wildlife Code.

Owners of vessels, outboard motors and trailers inventory must file the Comptroller's *Dealer's Vessel, Trailer and Outboard Motor Inventory Declaration* on or before Feb. 1 of each year with the chief appraiser. The declaration includes the market value of the vessel, outboard motor and trailer inventory for the current year, based on the prior year's inventory sales divided by 12. Some inventory is not part of this process: fleet sales, transactions between dealers and subsequent sales. Property owners may protest to the ARB any action by the appraisal district that applies to and adversely affects the dealer.

Dealer's heavy equipment inventory

Tax Code Section 23.1241 provides a method for the appraisal of heavy equipment inventory. Heavy equipment is self-propelled, self-powered or pull-type equipment, including farm equipment or a diesel engine, that weighs

at least 3,000 pounds and is intended for agricultural, construction, industrial, maritime, mining or forestry use.

Owners of heavy equipment must file the Comptroller's Dealer's *Heavy Equipment Inventory Declaration* on or before Feb. 1 of each year with the chief appraiser. The declaration includes the market value of the heavy equipment inventory for the current year, based on the prior year's inventory sales divided by 12. Some heavy equipment inventory is excluded from this process: fleet sales, transactions between dealers and subsequent sales. Property owners may protest to the ARB any action by the appraisal district that applies to and adversely affects the dealer.

Retail manufactured housing inventory

Tax Code Section 23.127 provides a method for the appraisal of manufactured housing inventory. Manufactured housing retailers must file the Comptroller's *Retail Manufactured Housing Inventory Declaration* on or before Feb. 1 of each year with the chief appraiser. The declaration includes the market value of the manufactured housing inventory for the current year, based on the prior year's inventory sales divided by 12. Some manufactured housing inventory is excluded from this process: transactions between retailers and subsequent sales. Property owners may protest to the ARB any action by the appraisal district that applies to and adversely affects the retailer.

Sept. 1 appraisal

Tax Code Section 23.12 allows a business owner to have the owner's inventory appraised at its value on Sept. 1 of the prior year, four months before the normal Jan. 1 date. The owner must file a request before Aug. 1 of the prior year to qualify. Since inventories are valued according to the quantity of goods present on the appraisal date, a Sept. 1 appraisal can benefit a property owner who has lower inventory levels in September than in January. Sept. 1 inventory is not available to a business with an inventory subject to the motor vehicle; vessel, outboard motor and trailer, heavy equipment, or manufactured housing inventory appraisal described above.

Ownership issues

A property owner may protest the appraisal district's determination of a property's ownership. Jan. 1 is the date for determining ownership and tax liability for a tax year. The person who owns property on Jan. 1 is personally liable for the year's taxes.

Administrative policy regarding recording property transfers and ownership splits after Jan. 1 varies among appraisal districts. Some appraisal districts "freeze" the ownership records as of Jan. 1 and maintain a separate file of subsequent transfers for the next Jan. 1. Others continue to up-

date ownership changes on the appraisal records until the ARB receives them. The term "property owner" in Tax Code Chapters 41 and 42 includes the Jan. 1 owner, the new owner or both.

Other adverse actions

A chief appraiser may take other actions that adversely affect the property owner, such as canceling an exemption, back assessment or appraising a property, or imposing a penalty for late agricultural or timberland appraisal application. The property owner has a right to be notified of these actions and to protest them before the ARB. The chief appraiser must send notices modifying or denying an exemption or denying an application for special appraisal by certified mail.

VII. Duties after Records Approval

When the ARB approves the appraisal records for the year, the ARB loses most of its authority to change the records. However, an ARB's duties do not end after it approves the appraisal records. The board may need to address other matters throughout the tax year, including late-filed residence homestead exemptions, supplemental records, appraisal roll corrections, failure to deliver notice, cases of substantial error and joint motions on incorrect values.

Late-filed exemption applications

Section 11.431 allows property owners to file homestead exemption applications after the May 1 deadline for filing has passed. Homeowners must apply for the exemption no later than one year after the delinquency date for the tax year. Section 11.43 allows age-65 and older or disabled homeowners to file an application for this homestead exemption up to one year after the date the person turns 65 or becomes disabled. The chief appraiser approves, denies or modifies the exemption as appropriate and submits the proposed change to the records to the ARB.

Sections 11.432 through 11.4391 also provide for late-filed exemption applications for manufactured homesteads, religious organizations, schools, charitable organizations, low-income housing, cotton stored in warehouses, veteran's organizations, disabled veterans and freeport exemptions.

After the ARB approves the appraisal records and the late-filed homestead exemption, the chief appraiser notifies the collector for each taxing unit in which the home is located. The collector then calculates the new lower tax and sends the property owner a refund or new bill as appropriate.

If the chief appraiser denies a late-filed homestead exemption application, the property owner may file a notice of protest and request an ARB hearing.

Supplemental records

The chief appraiser often prepares and submits supplemental records to the ARB after approval of the initial appraisal records. Supplemental records list property that the chief appraiser discovers was not included in the initial records submission. These records also include property that was omitted from the appraisal roll in an earlier year.

The ARB reviews and approves supplemental records by the same process used for the original appraisal records. However, the time deadlines for a property owner to protest are different. A property owner has 30 days after the chief appraiser submits the supplemental records to file a notice of protest. The ARB has 30 days after the property owner files the protest to hear and determine it, or as soon after that date as possible.

Corrections after approval

There is an important difference between corrections to the appraisal records before approval and corrections after approval. Before approval, the ARB may reconsider any order it has already issued, provided it gives interested parties notice of the reconsideration. After approval, the ARB has limited authority to order changes.

Tax Code Sections 25.25 and 41.411 give the ARB authority to hear motions to correct appraisal rolls and to hear protests for failure of the appraisal district to provide notice to the property owner. The chief appraiser also has certain authority to correct errors in approved appraisal records. Correction procedures vary, depending on the type of correction. The ARB may correct some errors up to five years after the year of the error and may correct other errors only if the property owner acts before the tax year's delinquency date. The filing deadlines and types of corrections are discussed below.

Section 25.25 provides that a person who acquires a property after Jan. 1 of the tax year in question has the same rights to file a motion to correct the property's record as the Jan. 1 owner had. The new owner must meet the same deadline for filing the motion. In addition, the new owner may continue any motion filed by the Jan. 1 owner.

Changes by the chief appraiser. Section 25.25(b) provides that the chief appraiser may change the appraisal roll at any time to correct a name or address, determination of ownership, a description of property, multiple appraisals of the property, a clerical error or other inaccuracy as prescribed by ARB rule that does not increase a person's tax liability. The chief appraiser does not need to consult with the ARB before ordering these changes. The ARB, however, must adopt written rules setting out the circumstances under which the chief appraiser may correct errors that affect a person's tax liability. The ARB may wish to consult with its attorney on drafting

rules giving the chief appraiser authority to correct the appraisal rolls. Once adopted, these rules should become part of the ARB's written protest and hearing procedures.

Each quarter, the chief appraiser will submit a report to the ARB and appraisal district board of directors showing any changes to the appraisal rolls under Section 25.25(b). The report must include the property owner's name, address, property description and type of clerical error or other inaccuracy that caused an error on the appraisal rolls.

The failure or refusal of a chief appraiser to make a clerical error change to an appraisal roll under Section 25.25(b) is not subject to an ARB action or a taxpayer lawsuit.

Changes by ARB. On the motion of the chief appraiser or a property owner, the ARB may order changes to the appraisal roll to correct three different types of errors: clerical errors that affect a property owner's liability for a tax; multiple appraisals of a property in a single tax year; or the inclusion of property that does not exist, either in the form described on the appraisal roll or at the location described on the appraisal roll.

If the chief appraiser and property owner do not agree on a motion to correct the appraisal records under Section 25.25(c) within 15 days after the property owner files the motion, the property owner is entitled to a hearing on the motion if requested. The property owner is entitled to a hearing regardless of whether he or she protested the property value in a prior year. At least 15 days before the hearing, the ARB must deliver a written notice with the date, time and place of the hearing to the property owner, chief appraiser and presiding officer of the governing body of each taxing unit in which the property is located. The ARB should conduct hearings on Section 25.25(c) motions the same way it conducts regular protest hearings. A person forfeits the right to file a Section 25.25(c) motion if taxes are delinquent in a year for which the person seeks a correction.

Before delinquency date. On a motion by the chief appraiser or the property owner, the ARB may order changes to correct certain appraisal errors in the appraisal roll. The deadline for such a motion is before taxes on the property become delinquent.

On joint motion of the property owner and the chief appraiser, the ARB must approve an error that resulted in an incorrect appraised value for the owner's property. The deadline for filing this motion is before the taxes on the property become delinquent.

Finally, a taxpayer may file a protest after the normal protest deadline alleging failure of the ARB or the chief appraiser to provide or deliver a notice required by law. If the taxpayer can show that a notice was never delivered, the ARB must

hear any protest the taxpayer wishes to bring on the property affected by the notice. The taxpayer must file before the delinquency date.

Types of corrections

Clerical errors that affect tax liability. A clerical error is defined by law as an error caused by a mistake in writing, copying, transcribing, computer data entry or retrieval or a mathematical error that prevents the appraisal or tax roll from correctly showing what the chief appraiser, ARB or tax assessor said or did. A clerical error is not a mistake in reasoning or judgment in making a finding or determination. Corrections can be made in appraisal rolls for five prior years.

Multiple appraisals. A multiple appraisal occurs when a property is listed in the appraisal records more than once for the same year. On the timely motion of the chief appraiser or of the property owner, the ARB may order a correction to the appraisal roll for a multiple appraisal. The five-year filing deadline applies. Taxes may not be delinquent for the years corrected.

Non-existent property. Non-existent property included on the appraisal roll is property that doesn't exist either in the form or at the location described on the appraisal roll. On the motion of the chief appraiser or the property owner, the ARB may correct, before the end of five years after Jan. 1 of the tax year, any errors involving non-existent property. Again, taxes may not be delinquent for the years corrected.

One-third over-appraisal error. The chief appraiser or a property owner may file a motion to correct an appraisal error that results in a wrongly appraised value for the owner's property. If the chief appraiser and property owner do not agree on a motion to correct the appraisal records under Section 25.25(d) within 15 days after the property owner files the motion, the property owner is entitled to a hearing on the motion if requested.

Section 25.25(d) provides that the error may be corrected only if the appraised value exceeds the correct value by more than one-third. The ARB should determine the correct value. It may wish to include its calculation method for the one-third difference in its administrative procedures.

The correction motion must be brought before taxes on the property become delinquent. The ARB may correct the value if the property was not the subject of a protest or a written agreement. Section 25.25(d) prohibits the ARB from making a requested appraisal roll correction if (1) the owner's property was the subject of an ARB hearing in which the owner appeared and offered evidence or argument and the ARB made a determination on the merits or (2) the appraised value was the result of a written agreement between the owner or owner's agent and the appraisal district.

After a motion is filed and a hearing granted, the ARB must deliver a 15-day notice of the time, date and place of the hearing to the chief appraiser, the property owner and presiding officer of the governing body of each taxing unit in which the property is located. Each party is entitled to present evidence and argument at the hearing and to receive written notice of the board's determination. The property owner or the chief appraiser may file a suit to compel the ARB to make a change required by law.

The property owner must pay a late-correction penalty if the ARB makes a change. The amount of the penalty is 10 percent of the taxes due on the new value. The 10 percent penalty must be paid to each taxing unit affected by the change.

Joint motion on incorrect value. Section 25.25(h) requires the ARB — on a joint motion by the property owner and the chief appraiser — to correct an error that resulted in an incorrect appraised value for the owner's property. The deadline for filing this joint motion is before the delinquency date. An agreement between the property owner or the owner's agent and the appraisal district is final. The ARB may not review or reject the agreement.

Late protest based on failure to deliver notice. Section 41.411 allows a property owner to file a late protest, after the normal deadline but before the delinquency date or no later than the 125th day after the date the property owner claims to have received the tax bill from one or more of the taxing units that tax the property, alleging that the district or the ARB has not delivered or provided a notice required by law. The owner is entitled to a hearing solely on whether one or more taxing units timely delivered the tax bill. If the ARB determines that no taxing unit timely delivered a tax bill, the ARB must determine when at least one taxing unit delivered written notice of the taxes. For the purposes of filing the protest and making a tax compliance payment required by Tax Code Section 42.08, the delinquency date is postponed to the 125th day after that date.

If, at the hearing on whether the appraisal district delivered notice, the ARB finds that the notice was required but was not delivered, it must hear any protest regarding the property that the property owner cares to present. As noted, the taxpayer must comply with the tax payment requirements of Section 42.08.

In the context of the law, "delivery" means that the appraisal district mailed the notice, correctly addressed to the property owner at the last address furnished by the property owner. Tax Code Section 1.07 states that delivery is presumed unless the property owner provides some evidence that he or she did not receive the notice. In that case, the burden shifts to the appraisal district to show that the notice was properly mailed to the last correct address in its possession.

If the appraisal district can show proper mailing, then the taxpayer is not entitled to have the protest heard under this provision. If the taxpayer claims no receipt and the appraisal district cannot show proper mailing, then the property owner has shown failure of delivery. If the ARB determines that this is the case, the ARB must then hear and determine any and all protests the property owner wishes to make regarding the property that was the subject of the notice.

Tax payment during an appeal or request for binding arbitration

In most cases, the property owner must tender taxes as required by Tax Code Sections 42.08 and 41A.10. The owner must pay the lesser of the amount of taxes not in dispute or the amount of taxes due on the property based on the approved value that is being appealed or binding arbitration is sought before the delinquency date.

On motion of a party to a district court appeal, the court shall hold a hearing to determine if the taxpayer complied with this requirement. The court may dismiss the pending action for failure to comply or may require full compliance if the owner has only substantially complied. The owner has 30 days from the court's decision to fully comply.

Section 42.08 provides a procedure allowing a district court to excuse a property owner from the required payment of taxes to taxing units in a district court appeal. The property owner must file an oath of inability to pay the taxes in question and argue that the payment constitutes an unreasonable restraint on the right to obtain access to the courts to contest the matter. The court sets a hearing and determines reasonable terms or conditions for any relief from payment. The judge has the discretion to address the owner's needs to seek legal redress versus the taxing units' need for an adequate, reliable income stream.

VIII. Post-ARB Review

Review in State District Court

Taxing units and property owners may appeal decisions of the ARB to district court. Judicial review is the subject of Tax Code Chapter 42. In addition, a property owner who appeals an ARB decision has a right to court-approved, non-binding arbitration. Binding arbitration is required if the appraisal district joins in the motion or consents to the court-approved arbitration.

A property owner may appeal an ARB order determining a protest, including a protest filed under Section 25.25. The chief appraiser may appeal an ARB order determining a taxpayer protest if he or she has the written approval of the ap-

praisal district board of directors and the appraised or market value of the protested property is \$1 million or more. The chief appraiser may appeal an ARB order on property valued at less than \$1 million only when the board of directors has given written permission and the chief appraiser alleges the taxpayer or agent committed fraud or made material misrepresentations at the protest hearing. A taxing unit may appeal an ARB order determining a challenge.

Section 42.015 allows a lessee — a person who is contractually obligated to reimburse the lessor (property owner) for property taxes — to appeal to district court an ARB order if the lessee protested the original property tax appraisal. The lessee is presumed to be the owner of the property for appeal purposes. The chief appraiser must send any written notice concerning the appeal to both the lessee and lessor.

To appeal, a party other than a property owner must file written notice within 15 days after receiving the notice of an order that the ARB issued. Taxing units must file this notice with the chief appraiser. If the chief appraiser appeals, he or she must file the notice with the ARB.

If the chief appraiser or a taxing unit initiates an appeal, the ARB must deliver a copy of the notice to the property owner involved within 10 days after the chief appraiser or taxing unit files the notice.

The party initiating the appeal then files a petition for review with the district court no more than 45 days after receiving the notice of the ARB's order. A petition filed after the time limit bars district court appeal. These lawsuits are brought against the appraisal district — not the appraisal review board.

Binding Arbitration

The law provides an alternative to filing an appeal in district court. A property owner has the right to appeal ARB decisions through binding arbitration, outside of the judicial system. A property owner may seek binding arbitration of an ARB order determining a protest on real property if:

- the appraised or market value, as applicable, of the property as determined by the order is \$1 million or less; and
- the appeal does not involve any matter in dispute other than the determination of the appraised or market value of the property.

An ARB that delivers an order determining a protest concerning the appraised or market value of real property with a value of \$1 million or less to a property owner must include with the order a notice of the property owner's right to binding arbitration and a copy of the form to request arbitration.

Within 45 days of receiving the notice of determination from the ARB, the owner must file a request for binding arbitration with the appraisal district and include a \$500 deposit. The district will forward the deposit and application for arbitration to the Comptroller. The Comptroller will submit to the owner and the appraisal district a list of registered arbitrators who can hear the case so both parties can mutually choose an arbitrator. If the property owner and the district cannot agree on a particular arbitrator, the Comptroller will randomly select the arbitrator.

If the arbitrator's value decision is closer to the value the property owner claims to be correct, then \$450 of the \$500 deposit is returned to the property owner, and the appraisal district pays the arbitrator's fee. The Comptroller will retain \$50 to cover administrative costs. If the arbitrator's value decision is closer to the value the ARB decided on the order determining protest, then the arbitrator's fee is paid from the owner's deposit and any balance is refunded to the property owner.

Comptroller Rule 9.804 concerning the administration of this process and the "Request for Binding Arbitration" can be found at the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/arbitrations05/.

Appendices

Appendix A **Petition Challenging Appraisal Records.**

This is a form that a taxing unit may use to file a challenge with the ARB.

Appendix B **Notice of Protest.**

Property owners may use this form to file a protest with the ARB. The form is also available in Spanish.

Appendix C **Appointment of Agent for Property Taxes.**

Three forms address appointment of agent for property taxes.

A property owner must file this form to designate in writing another person to act as his or her agent for property other than a single-family residence. For example, a property owner may wish to have someone else present the protest to the ARB, or may wish to have the tax bills delivered to another person.

For designating an agent for a single-family residence, the property owner completes the second form. This form states in boldface type that a taxpayer may wish to contact the appraisal office or taxing units for free information or forms.

Finally, the third form provides for the agent to update accounts that he or she represents in the appraisal district.

Appendix D **Notice of Protest Hearing.**

This notice informs the property owner of the time, date and place of the protest hearing.

Appendix E **Waiver of 15-Day Notice of Protest Hearing.**

A property owner signs this affidavit for the ARB to confirm waiver of the right to the 15 days advance notice of a protest hearing.

Appendix F **Settlement and Waiver of Protest.**

The property owner and appraisal district representative sign this form and give it to the ARB. The property owner agrees on a settlement with the appraisal district and drops the protest on the matter. The property owner's agent may sign this form. An agreement made between an owner or the owner's agent and the appraisal district is final.

Appendix G **Form of Subpoena.**

The ARB issues a subpoena to command a witness to appear before it. The ARB may also tell the witness to bring specific documents to the hearing.

Appendix H **Order Determining Challenge.**

The ARB issues this order when it decides a taxing unit challenge. The ARB must send a copy of this order to the taxing unit by certified mail, together with a notice of issuance.

Appendix I **Order Determining Protest or Order of Dismissal.**

The ARB issues this order when it decides a taxpayer protest. It must send a copy of this order to the taxpayer by certified mail, together with a notice of final order issuance.

Appendix J **Notice of Final Order with Form for Notice of Appeal.**

This notice informs a party of an ARB's final decision and of the party's right to appeal the decision or seek binding arbitration. It may include a portion that the property owner can detach and return as the notice of appeal required by Section 42.06.

Appendix K **Notice of Issuance of ARB Order to Taxing Unit.**

The ARB must send this notice by certified mail together with a copy of the order that determined the taxing unit challenge.

Appendix L**Order to Correct Appraisal Records.**

The ARB uses this form to correct errors or omissions to the appraisal records.

Appendix M**Order Approving Appraisal Records.**

The ARB uses this form to indicate its completion of the review and equalization process and approval of the records. The ARB may use this form for supplemental appraisal records (see Appendix O) but it should change the title of the form to "Order Approving Supplemental Appraisal Records."

Appendix N**Notice to Taxpayer (Property Tax Code Section 41.11).**

If the ARB orders a value change based on a taxing unit challenge, a chief appraiser's motion or an ARB motion, the ARB must deliver this correction notice to the affected property owner at least 15 days before the ARB approves the appraisal records. In turn, the property owner has 30 days after the ARB delivers the notice to file a written protest.

Appendix O**Order Approving Supplemental Appraisal Records.**

After the initial records approval, the chief appraiser often discovers property omitted from the appraisal records. The chief appraiser sends a notice to the property owner and each of the taxing units involved. The property owner has 30 days to file a protest.

Appendix P**Order to Correct Appraisal Roll (After Certification).**

The chief appraiser must send to each taxing unit any supplemental appraisal records, as changed and approved by the appraisal review board and certified by the chief appraiser.

Appendix Q**Conflict of Interest Affidavit (Sample).**

This affidavit publicly discloses the nature and extent of "substantial interest" as required by Local Government Code Chapter 171.

Appendix R**Joint Motion to Correct Incorrect Appraised Value.**

This form provides for the property owner and chief appraiser to file a joint motion to correct an appraised value.

Appendix S**Motion for Hearing to Correct One-Third Over-Appraisal Error.**

This motion requests an ARB hearing to correct a one-third over-appraisal error.

Appendix T**Notice of Hearing.**

The notice informs the chief appraiser, property owner and taxing units that the ARB has set a hearing to correct a one-third over-appraisal error. Notice must be sent 15 days before the scheduled hearing.

Appendix U**Request for Binding Arbitration.**

The ARB must send this to the property owner with the order of determination.

Appendix V**Required Notices.**

Failure to deliver one of these notices may give the taxpayer the right to a late protest.

Appendix W**Notice of Public Hearing of the Appraisal Review Board (Sample).**

The ARB must post this notice 72 hours in advance of each meeting.

Appendix X**Affidavit for Protest Hearing.**

Each ARB member must sign an affidavit before the hearing on the protest. The affidavit states that the ARB member has not communicated with anyone concerning the property under protest except during the hearing or at another hearing in which the property was used as evidence.

Appendix Y**Kinship Chart.**

This appendix lists relatives by various degrees of affinity (marriage) and consanguinity (blood).

Appendix Z**Property Tax Protest and Appeal Procedures.**

On or after May 1 but before May 15, the chief appraiser must publish protest and appeal procedures.

Appendix AA**Property Owner's Affidavit of Evidence to the Appraisal Review Board.**

The property owner is not required to use this form.

APPENDICES

Appendix A

Case No. _____

PETITION CHALLENGING APPRAISAL RECORDS

1

This petition is brought before the Appraisal Review Board of _____
County, Texas to challenge the appraisal records for tax year _____. Taxing unit _____
Address _____

2

Taxing unit challenges the following with respect to the property, category of property or territory described below:

- The level of appraisal for the territory or category of property
- Exclusion of the property from the appraisal records
- Grant of exemption of the property
- Determination that the property qualifies for productivity appraisal
- Omission of the property from this unit's appraisal roll

3

Describe the property, category of property or territory involved in this challenge:

4

Briefly explain why the challenge is necessary:

5

Name

Title

sign
here →

Appendix B

 50-132 (Rev. 02-09/5)

PROPERTY TAX – NOTICE OF PROTEST

Appraisal district name		Phone (Area code and number)													
Address															
<p>INSTRUCTIONS: If you want the appraisal review board to hear and decide your case, you must file a written notice of protest with the appraisal review board (ARB) for the appraisal district that took the action you want to protest. If you are leasing the property subject to the protest, you must have a contract requiring you to pay the property taxes on the property.</p> <p>FILING DEADLINES: The usual deadline for filing your notice (<i>having it postmarked if you mail it</i>) is midnight, May 31.</p> <p>A different deadline will apply to you if:</p> <ul style="list-style-type: none"> • your notice of appraised value was delivered to you after May 2; • your protest concerns a change in the use of agricultural, open-space or timber land; • the appraisal district or the ARB was required by law to send you notice about a property and did not; or • the ARB made a change to the appraisal records that adversely affects you and you received notice of the change; • you had good cause for missing the May 31 protest filing deadline. <p>Contact the appraisal district for your specific protest filing deadline. The ARB will determine if good cause exists for missing a deadline. Good cause means that something beyond your control, such as a medical emergency, prevented you from meeting the deadline.</p> <p>WEEKENDS, HOLIDAYS: If your deadline falls on a Saturday, Sunday or other legal holiday, it is postponed until midnight of the next working day.</p> <p>POSTPONEMENT: You are entitled to one postponement of the hearing without showing good cause if you have not designated an agent to represent you at the hearing. You are also entitled to postpone your hearing if you or your agent show reasonable cause for the postponement. You must request this postponement to the appraisal review board before the date of the hearing.</p>															
Step 1: Owner's or lessee's name and address.	Owner's or lessee's first name and initial		Last name												
	Owner's or lessee's present mailing address (<i>number and street</i>)														
	City, town or post office, state, ZIP code		Phone (<i>area code and number</i>)												
Step 2: Describe property under protest.	Give street address and city if different from above, or legal description if no street address														
	Appraisal district account number (<i>optional</i>)														
	Mobile homes: (<i>Give make, model and identification number</i>)														
Step 3: Check reasons for your protest.	<table border="0"> <tr> <td><input type="checkbox"/> Value is over market value.</td> <td><input type="checkbox"/> Exemption was denied, modified or cancelled.</td> </tr> <tr> <td><input type="checkbox"/> Value is unequal compared with other properties.</td> <td><input type="checkbox"/> Change in use of land appraised as ag-use, open-space or timber land.</td> </tr> <tr> <td><input type="checkbox"/> Property should not be taxed in _____ (name of taxing unit)</td> <td><input type="checkbox"/> Ag-use, open-space or other special appraisal was denied, modified or cancelled.</td> </tr> <tr> <td><input type="checkbox"/> Failure to send required notice. _____ (type)</td> <td><input type="checkbox"/> Owner's name is incorrect.</td> </tr> <tr> <td><input type="checkbox"/> Other: _____</td> <td><input type="checkbox"/> Property description is incorrect.</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Property should not be taxed in this appraisal district or in one or more taxing units.</td> </tr> </table>			<input type="checkbox"/> Value is over market value.	<input type="checkbox"/> Exemption was denied, modified or cancelled.	<input type="checkbox"/> Value is unequal compared with other properties.	<input type="checkbox"/> Change in use of land appraised as ag-use, open-space or timber land.	<input type="checkbox"/> Property should not be taxed in _____ (name of taxing unit)	<input type="checkbox"/> Ag-use, open-space or other special appraisal was denied, modified or cancelled.	<input type="checkbox"/> Failure to send required notice. _____ (type)	<input type="checkbox"/> Owner's name is incorrect.	<input type="checkbox"/> Other: _____	<input type="checkbox"/> Property description is incorrect.		<input type="checkbox"/> Property should not be taxed in this appraisal district or in one or more taxing units.
<input type="checkbox"/> Value is over market value.	<input type="checkbox"/> Exemption was denied, modified or cancelled.														
<input type="checkbox"/> Value is unequal compared with other properties.	<input type="checkbox"/> Change in use of land appraised as ag-use, open-space or timber land.														
<input type="checkbox"/> Property should not be taxed in _____ (name of taxing unit)	<input type="checkbox"/> Ag-use, open-space or other special appraisal was denied, modified or cancelled.														
<input type="checkbox"/> Failure to send required notice. _____ (type)	<input type="checkbox"/> Owner's name is incorrect.														
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Property description is incorrect.														
	<input type="checkbox"/> Property should not be taxed in this appraisal district or in one or more taxing units.														
Step 4: Give facts that may help resolve your case (<i>continue on additional page if needed</i>).	<p>What do you think your property's value is? (<i>Optional</i>) \$ _____</p>														
Step 5: Check to receive ARB hearing procedures.	<p>I want the ARB to send me a copy of its hearing procedures.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No*</p> <p><i>*If your protest goes to a hearing, you will automatically receive a copy of the ARB's hearing procedures.</i></p>														
Step 6: Sign the application	Signature		Date												
	sign here 														

Appendix B (continued)

 50-132S (3/08)

IMPUESTOS SOBRE LA PROPIEDAD – AVISO DE PROTESTA

Nombre del distrito de tasación		Teléfono (área de código y número)	
Dirección			
<p>INSTRUCCIONES: Si desea que la junta de revisión de valoración/tasación escuche y decida su caso, debe presentar un aviso de protesta ante la junta de revisión de valoración/tasación para el distrito de valoración/tasación que tomó la acción por la cual usted desea protestar. Si arrienda la propiedad sujeta a protesta, debe tener un contrato que requiera que usted pague los impuestos de propiedad sobre dicha propiedad.</p> <p>FECHA LÍMITE PARA PRESENTAR: La fecha límite usual para presentar su aviso (tenerlo matasellado si lo envía por correo) es hasta la medianoche del 31 de mayo. Se aplicará una fecha límite diferente si:</p> <ul style="list-style-type: none"> • el aviso del valor tasado se le entregó después del 2 de mayo; • la protesta se refiere a cambios en el uso de la tierra agrícola, de espacio abierto o maderera; • la junta de revisión de valoración/tasación hizo un cambio en los archivos de tasación que le afecta desfavorablemente y recibió aviso del cambio; • por ley se requiere que el distrito de tasación o la junta de revisión de valoración / tasación le envíe un aviso sobre una propiedad y no lo hizo; o • tiene una buena causa para no presentar su protesta en la fecha límite del 31 de mayo. <p>Contacte al distrito de valoración/tasación para presentar en otra fecha su protesta. La junta de revisión de valoración/tasación determinará si existe una buena causa para no cumplir con el día de la fecha límite. Una buena causa significa que algo más allá de su control, como una emergencia médica, le impidió cumplir con la fecha límite.</p> <p>FINES DE SEMANA, DIAS FERIADOS: Si la fecha límite cae sábado, domingo o algún día feriado, se pospone hasta la medianoche del próximo día laboral.</p>			
Paso 1: Nombre y dirección del propietario o arrendatario	Nombre e inicial del propietario o arrendatario		Apellido
	Dirección actual del propietario o arrendatario (número y calle)		
	Ciudad, pueblo u oficina postal, estado, código postal		Teléfono (área de código y número)
Paso 2: Describa la propiedad bajo protesta	Proporcione dirección y ciudad si son diferentes a la anterior, o la descripción legal si no es una dirección de calle		
	Número de cuenta del distrito de valoración / tasación (opcional)		
	Casas móviles: (proporcione marca, modelo y número de identificación)		
Paso 3: Señale las razones de su protesta	<input type="checkbox"/> El valor se encuentra sobre el valor del mercado.	<input type="checkbox"/> La exención se negó, modificó o canceló.	
	<input type="checkbox"/> Valor desigual comparado con otras propiedades.	<input type="checkbox"/> Cambio en uso de tierra tasada como uso agrícola, de espacio abierto o maderera.	
	<input type="checkbox"/> La propiedad no debe imponerse en _____ (Nombre de la unidad impositiva)	<input type="checkbox"/> La tasación de uso agrícola, de espacio abierto u otra se negó, modificó o canceló.	
	<input type="checkbox"/> No envió el aviso requerido. _____ (Tipo)	<input type="checkbox"/> El nombre del dueño está incorrecto	
	<input type="checkbox"/> Otro: _____	<input type="checkbox"/> La descripción de la propiedad está incorrecta.	
		<input type="checkbox"/> La propiedad no debe imponerse en este distrito de tasación o en una o más unidades impositivas.	
Paso 4: Proporcione los hechos que pueden ayudar a resolver su caso	_____		

	¿Cuál cree que es el valor de su propiedad? (Opcional) \$ _____		
Paso 5: Señale si desea recibir el proceso de audiencias de la junta de revisión de valoración/tasación	Deseo que la junta de revisión de valoración/tasación me envíe una copia del proceso de audiencias.		
	<input type="checkbox"/> Sí <input type="checkbox"/> No*		
	*Si su protesta se va a una audiencia, automáticamente recibirá una copia del proceso de audiencias.		
Paso 6: Firme la Solicitud	Firma		Fecha
	Firme Aquí 		

Appendix C

 50-162-1 (Rev. 11-07/4)

APPOINTMENT OF AGENT FOR PROPERTY TAXES		Date received <i>(appraisal district use only)</i>
Appraisal district name		Phone <i>(area code and number)</i>
Address		
INSTRUCTIONS		
<p>You can use this form:</p> <ul style="list-style-type: none"> To name a tax agent to represent you on property tax matters; To direct that tax notices be mailed to a person you name. <p>Read the instructions carefully. This form will be in effect until you file another form with the appraisal district that revokes it or until you file a form that names a different agent.</p>		
Step 1: Owner's name and address	Owner's name	
	Present mailing address <i>(number and street)</i>	
	City, town or post office, state, ZIP code	Phone <i>(area code and number)</i>
Step 2: Describe the property	<input type="checkbox"/> All property listed for this owner at the above address	
	<input type="checkbox"/> The following property <i>(give account number or legal description)</i>	

	<i>(continue on attached page if needed)</i>	
Step 3: Specify the agent's authority for property tax matters <i>(skip to step 6 if you only want to change tax notice mailing)</i>	<input type="checkbox"/> General power to represent me in property tax matters concerning this property	
	<input type="checkbox"/> Specified powers: the agent has only the powers checked below	
	<input type="checkbox"/> file notices of protest and present protests before the appraisal review board	
	<input type="checkbox"/> receive confidential information	
<input type="checkbox"/> negotiate and resolve disputed tax matters		
<input type="checkbox"/> other action <i>(specify)</i> _____		

Step 4: Name the agent for property tax matters	Agent's name	
	Present mailing address <i>(number and street)</i>	
	City, town or post office, state, ZIP code	Phone <i>(area code and number)</i>
	Date	
Step 5: Date the agent's authority ends	If you do not fill in a date, the agent's authority will continue indefinitely. You must file a statement revoking this form or designate a new agent to end the agent's authority.	

Appendix C (continued)

50-162-2 (Rev. 11-07/4)

**Complete steps 6-9 if you want tax notices mailed to an agent.
SKIP TO STEP 10 IF YOU DON'T WANT TO CHANGE TAX NOTICE MAILING**

<p>Step 6: Check if you want property tax notices delivered to an agent</p>	<p><input type="checkbox"/> I want my agent to receive all my property tax notices and other communications for this property, including appraisal notices, appraisal review board orders and hearing notices, tax bills and collection notices.</p> <p><input type="checkbox"/> I want my agent to receive only the following:</p> <p><input type="checkbox"/> All communications from the chief appraiser.</p> <p><input type="checkbox"/> All orders, notices and other communications from the ARB.</p> <p><input type="checkbox"/> All tax bills and notices from all taxing entities served by the appraisal district.</p> <p><i>NOTE: These notices can affect your legal rights. The affected offices are not required by law to send you duplicate copies.</i></p>
<p>Step 7: Describe the property for which property tax notices will be delivered</p>	<p><input type="checkbox"/> The following property (<i>give account number or legal description</i>)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p style="text-align: center;"><i>(continue on attached pages if needed)</i></p> <p><input type="checkbox"/> My agent will provide a list</p> <p><i>NOTE: The designation of an agent to receive communications only applies to properties you expressly identify and only affects notices generated after the date you file the list identifying the property with the appraisal district.</i></p>
<p>Step 8: Name the person who will get the notices</p>	<p>Name of person or firm _____</p> <p>Present mailing address (<i>number and street</i>) _____</p> <p>City, town or post office, state, ZIP code _____ Phone (<i>area code and number</i>) _____</p>
<p>Step 9: Date the change of delivery ends</p>	<p>Date _____</p> <p>If you do not fill in a date, tax notices will continue to be mailed to your agent indefinitely. You must file a statement revoking this form or designate a new agent to end the agent's authority.</p>
<p>Step 10: Sign the form</p>	<p>Signature _____ Date the designation took effect _____</p> <p>sign here </p> <p>Title and firm name if not the property owner _____</p> <p>This form must be signed by the property owner; a person the owner has specifically authorized to name tax agents; or by a corporate officer (if the owner is a corporation). A property manager or other agent should attach a copy of the document authorizing the person to designate agents.</p>

Appendix C (continued)


 Comptroller of Public Accounts
 FORM 50-241-1 (08-06/1)

APPOINTMENT OF AGENT FOR SINGLE-FAMILY RESIDENTIAL PROPERTY TAX MATTERS		Date received (appraisal district use only)
Appraisal district name		Phone (area code and number)
Address		
INSTRUCTIONS		
<p>* In some cases, you may want to contact your appraisal district or other local taxing units for free information and/or forms concerning your case before designating an agent.</p> <p>You can use this form:</p> <ul style="list-style-type: none"> To name a tax agent to represent you on property tax matters involving single-family residential property; To direct that tax notices involving single-family residential property be mailed to a person you name. <p>Read the instructions carefully. This form will be in effect until you file another form with the appraisal district that revokes it or until you file a form that names a different agent.</p>		
Step 1: Owner's name and address	Owner's name	
	Present mailing address (number and street)	
	City, town or post office, state, ZIP code	Phone (area code and number)
Step 2: Describe the property	<input type="checkbox"/> All property listed for this owner at the above address <input type="checkbox"/> If not all property listed above, give account number or legal description of property: _____ _____ _____ (continue on attached pages if needed)	
Step 3: Specify the agent's authority for property tax matters (skip to step 6 if you only want to change tax notice mailing)	<input type="checkbox"/> General power to represent me in property tax matters concerning the single-family residential property <input type="checkbox"/> Specified powers: the agent has only the powers checked below: <input type="checkbox"/> file applications for exemptions. <input type="checkbox"/> file notices of protest and present protests before the appraisal review board. <input type="checkbox"/> receive confidential information. <input type="checkbox"/> negotiate and resolve disputed tax matters. <input type="checkbox"/> other action (specify) _____ _____ _____	
Step 4: Name the agent for property tax matters	Agents name	
	Present mailing address (number and street)	
	City, town or post office, state, ZIP Code	Phone (area code and number)
Step 5: Date the agent's authority ends	Date	
	If you do not fill in a date, the agent's authority will continue indefinitely. You must file a statement revoking this form or designate a new agent to end the agent's authority.	

Appendix C (continued)

50-241-2 (08-06/1)

**Complete steps 6-9 if you want tax notices mailed to an agent.
SKIP TO STEP 10 IF YOU DON'T WANT TO CHANGE TAX NOTICE MAILING.**

<p>Step 6: Check if you want property tax notices delivered to an agent</p>	<p><input type="checkbox"/> I want my agent to receive all my property tax notices and other communications for this single-family residential property, including appraisal notices, appraisal review board orders and hearing notices, tax bills and collection notices.</p> <p><input type="checkbox"/> I want my agent to receive only the following:</p> <p><input type="checkbox"/> All communications from the chief appraiser.</p> <p><input type="checkbox"/> All orders, notices and other communications from the appraisal review board.</p> <p><input type="checkbox"/> All tax bills and notices from all taxing units served by the appraisal district.</p> <p><i>NOTE: These notices can affect your legal rights. The affected offices are not required by law to send you duplicate copies.</i></p>		
<p>Step 7: Describe the property for which property tax notices will be delivered</p>	<p><input type="checkbox"/> Give account number or legal description of the single-family residential property:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p style="text-align: center;"><small>(continue on attached pages if needed)</small></p> <p><input type="checkbox"/> My agent will provide a list.</p> <p><i>NOTE: The designation of an agent to receive communications only applies to single-family residential properties you expressly identify and only affects notices generated after the date you file the list identifying the property with the appraisal district.</i></p>		
<p>Step 8: Name the person who will get the notices</p>	<p>Name of person or firm _____</p> <p>Present mailing address (number and street) _____</p> <p>City, town or post office, state, ZIP code _____ Phone (area code and number) _____</p>		
<p>Step 9: Date the change of delivery ends</p>	<p>Date _____</p> <p>If you do not fill in a date, tax notices will continue to be mailed to you agent indefinitely. You must file a statement revoking this form or designate a new agent to end the agent's authority.</p>		
<p>Step 10: Sign the form</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%; vertical-align: top;"> <p>Signature _____</p> <p>sign here </p> <p>Title and firm name if not the property owner _____</p> </td> <td style="width: 40%; vertical-align: top;"> <p>Date the designation took effect _____</p> </td> </tr> </table> <p>This form must be signed by the property owner; a person the owner has specifically authorized to name tax agent's; or by a corporate officer (if the owner is a corporation). A property manager or other agent should attach a copy of the document authorizing the person to designate agents.</p>	<p>Signature _____</p> <p>sign here </p> <p>Title and firm name if not the property owner _____</p>	<p>Date the designation took effect _____</p>
<p>Signature _____</p> <p>sign here </p> <p>Title and firm name if not the property owner _____</p>	<p>Date the designation took effect _____</p>		

Appendix C (continued)


 50-163 (Rev. 11-07/2)
COMPTROLLER OF PUBLIC ACCOUNTS FORM

ACCOUNT UPDATE FOR AGENT-REPRESENTED PROPERTY

Instructions							
<p>If you previously filed a valid agent appointment form for a specific property owner, you must use this form to update the appraisal district's agent records for that property owner. Please provide all requested information and attach a copy of the previously filed agent appointment form. Your authority to represent accounts to be added will be as defined in the agent appointment form. If your authority level has been changed by the property owner, you must file a new agent appointment form using State Comptroller's Form 1.111. File this form with (<i>appraisal district name and address for filing form</i>).</p>							
Step 1: Owner's name and address	Owner's name						
	CURRENT mailing address (number and street)						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">City, town or post office, state, ZIP code</td> <td style="width: 30%;">Phone (area code and number)</td> </tr> </table>	City, town or post office, state, ZIP code	Phone (area code and number)				
City, town or post office, state, ZIP code	Phone (area code and number)						
Step 2: Agent's name and address	Agent's name						
	CAD agent code						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Current mailing address (number and street)</td> <td style="width: 30%;">Phone (area code and number)</td> </tr> <tr> <td>City, town or post office, state, ZIP code</td> <td>Phone (area code and number)</td> </tr> </table>	Current mailing address (number and street)	Phone (area code and number)	City, town or post office, state, ZIP code	Phone (area code and number)		
Current mailing address (number and street)	Phone (area code and number)						
City, town or post office, state, ZIP code	Phone (area code and number)						
Step 3: To add or delete accounts check box (attach additional pages if needed).	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description		
	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account				
	Description						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description		
	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account				
	Description						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description		
	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account				
	Description						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description		
Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account					
Description							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description			
Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account					
Description							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description			
Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account					
Description							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description			
Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account					
Description							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Account number</td> <td style="width: 20%; text-align: center;"><input type="checkbox"/> Add account</td> <td style="width: 30%; text-align: center;"><input type="checkbox"/> Delete account</td> </tr> <tr> <td colspan="3">Description</td> </tr> </table>	Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account	Description			
Account number	<input type="checkbox"/> Add account	<input type="checkbox"/> Delete account					
Description							
Step 4: Sign and date the form and attach a copy of the agent appointment form.	I am the authorized agent of the property owner named herein and request the appraisal district to update its records as specified.						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Signature sign here </td> <td style="width: 30%;">Date</td> </tr> </table>	Signature sign here 	Date				
	Signature sign here 	Date					
Typed or printed name of agent							

Appendix D

 50-216
(Rev. 12-07/5)

NOTICE OF PROTEST HEARING

NOTICE OF PROTEST HEARING

For Tax Year _____

Appraisal Review Board for the _____ Appraisal District

Account number: _____
Name and mailing address: _____

Case no. _____

Property description: _____

Dear Property Owner:

You filed a notice of protest on the above referenced account and we have scheduled you for a hearing. The date, time, and place of your hearing are as follows:

DATE:

TIME:

PLACE:

(Note: If you have not designated a tax agent to represent you at your protest hearing you are entitled to have your protest hearing postponed one time to a date not less than 5 days or more than 30 days from the date above, unless you, the chief appraiser and the appraisal review board agree to a different date. If you or your agent show reasonable cause or the chief appraiser consents, you may receive one or more postponements of the hearing date(s). You may request a postponement in writing, including by facsimile or e-mail, by telephone, or in person to the full review board, panel of the review board, or chairperson of the review board.)

This particular hearing will consider the issues you raised concerning: _____

If you have requested that this property be divided (split-out) into one or more new accounts or combined with an existing account, please bring copies of relevant deeds, contracts, or plats to the hearing.

It is important that you be on time for your hearing. Hearings are scheduled at specific times and your protest may be dismissed if you fail to appear.* Most hearings are completed in about _____ minutes.

If you do not want to attend the hearing, the law allows you to submit your evidence in the form of a sworn affidavit. The affidavit must state that you swear or affirm that the information it contains is true and correct, and you must execute it before a Notary Public or other public official who is authorized to administer oaths. If you decide to submit an affidavit, please make sure it identifies you as the property owner and your address, that it reflects the account number and property description shown above, and that it shows the date and time of the hearing. For an affidavit to be considered, WE MUST RECEIVE IT AT THE HEARING LOCATION SHOWN ABOVE PRIOR TO THE TIME OF YOUR HEARING. An affidavit form is enclosed for your use.

You may also have a representative or agent appear for you. This person must have written authorization to represent you. The authorization form must be approved by the appraisal district and be signed by you.

For your hearing, you should bring written evidence and/or documentation of value to support your protest. You may request that the appraisal district furnish you with schedules and data used to appraise your property as well as any evidence the chief appraiser will present at your protest. The appraisal district may charge for any copies. If you have further questions, you may call _____.

*PLEASE NOTE: Failure to appear at your hearing either in person, by sending a sworn affidavit containing evidence to support your protest, or by authorized representative may jeopardize your right to appeal the appraisal review board's decision to district court.

Appendix E

 50-217
(Rev. 2-93/3)

WAIVER OF 15-DAY NOTICE OF PROTEST HEARING

Case no. _____

Appraisal Review Board

_____ County, Texas

WAIVER OF 15-DAY NOTICE OF PROTESTING HEARING

DATE: _____

I understand that under Section 41.46 and Section 25.25 (d), Property Tax Code, I have right to 15 days' notice before the Appraisal Review Board hears my protest. However, I wish to waive that right and meet with the Appraisal Review Board in less than 15 days. I hereby waive the right to a notice of hearing and agree to the following time and date of hearing:

_____ , at _____
sign here ▶ _____

**The ARB may wish to modify notice to provide waiver of 14-day information and material requirement. The waiver should be modified if the owner is waving a Sec. 41.46 protest and has not received the required information and materials.*

Appendix F

 50-218
Appraisal
FDRA
(Rev. 2-94/3)

SETTLEMENT AND WAIVER OF PROTEST

To the Appraisal Review Board

Property owner: _____

For _____ County

Description of property: _____

Case no. _____

Date filed: _____

SETTLEMENT AND WAIVER OF PROTEST

I acknowledge that the subject matter of the protest filed on the above date concerning the property described above has been settled. I hereby withdraw my protest and waive my right to any further proceeding in this matter.

Describe actions to be taken:

**sign
here** ➔

Property owner

**sign
here** ➔

Appraisal District Representative

**sign
here** ➔

Agent's signature if on behalf of property owner

**sign
here** ➔

Date

Order

On the _____ day of _____, the Appraisal Review Board with a quorum present ordered that the appraisal records shall be changed according to the settlement.

**sign
here** ➔

Chair

Date

Appendix G

 50-219
Appraisal
Form (Rev. 2-94/3)

FORM OF SUBPOENA

This subpoena must be issued upon order of the Appraisal Review Board and both the order and subpoena signed by the chairman.

THE STATE OF TEXAS

To any Sheriff or Constable of the State of Texas

Greetings:

YOU ARE COMMANDED, at the instance of _____ (name of party summoning witness) to serve a copy of this subpoena on _____ (name of witness), who may be found at _____ (address for service) and summon (him or her) to appear before the Appraisal Review Board of _____ County, Texas on _____ (date), _____, at _____ (time or instanter) in the _____ (name of building) at _____ (complete street and city address) County, Texas, at that time and place to testify as a witness on behalf of _____ (name of party), _____ (appellant or appellee), in the proceeding of the Appraisal Review Board in Case No. _____.

(When production of documents is sought, add:)

and to bring with _____ (him or her) for use as evidence in said proceeding, the _____ (books or papers or documents or other things) under (his or her) control _____ (as follows or as described in the memorandum attached as Exhibit A and incorporated herein by reference the same as if fully copied and set forth at length), and there to continue _____ (his or her) attendance from day to day until discharged by the Board, or by the party summoning _____ (him or her).

After serving a copy of this subpoena on the witness, deliver the original subpoena to the clerk of this Board, with your return showing how you executed the writ.

Given under my hand, at office in the City of _____, Texas, and issued this the _____ day of _____ (date), _____, by order of the Appraisal Review Board of _____ County, Texas.

Chairman, Appraisal Review Board

of _____ County, Texas

RETURN

Came to hand on the _____ day of _____ (date), _____, at _____ o'clock _____ m., and executed by delivering this _____ (subpoena or subpoena duces tecum)* to _____ (name of witness) at _____ (address) in _____ County, Texas, on the _____ day of _____ (date), _____. In executing this subpoena, I actually traveled _____ miles. My fee for the execution of this subpoena is \$8.00 _____ (or My fee for the execution of this subpoena was paid in advance).

(Sheriff or Constable)

_____ (typed name) County, Texas

By: _____
Deputy

* If only the presence of a witness is sought, the return identifies the subpoena as a "subpoena" and no production of documents is requested in the main body of the subpoena form. If both a witness and documents are sought, the return uses the description "subpoena duces tecum" and the documents or other records sought are identified in the main body of the subpoena form.

Appendix H

 50-220
Comptroller of Public Accounts
(Rev. 2-93/3)

ORDER DETERMINING CHALLENGE

Appraisal Review Board
_____ County, Texas
Case No. _____

ORDER DETERMINING CHALLENGE

On _____, _____, the Appraisal Review Board of _____ County, Texas, heard the challenge of _____ concerning the appraisal records for tax year _____.

The taxing unit and chief appraiser appeared. A summary of the chief appraiser's testimony, a list of witnesses and a list of evidence submitted appear as part of the records of this case.

The unit's challenge petition was filed in time. The Appraisal Review board found that it had jurisdiction over the case. The Appraisal Review Board delivered written notice of the hearing in the manner required by law.

Having heard the evidence and arguments from both sides, the Appraisal Review Board with a quorum present determined that:

[OPTION 1] The appraisal records are incorrect and should be changed.

— OR —

[OPTION 2] The appraisal records are correct and should not be changed.

The Appraisal Review Board therefore ORDERS that:

[OPTION 1] The chief appraiser shall change the appraisal records as follows:
(specify changes to be made)

— OR —

[OPTION 2] The chief appraiser shall make no change to the appraisal records concerning this property.

Chair, Appraisal Review Board

Signed on _____, _____

**sign
here** 

Appendix I

 50-221
(Rev. 02-09/8)

ORDER DETERMINING PROTEST

Appraisal Review Board
_____ County, Texas

Property Account No: _____
Property Legal Description: _____

Case No. _____
Owner's Name: _____

ORDER DETERMINING PROTEST OR ORDER OF DISMISSAL

On _____, _____, the Appraisal Review Board of _____ County, Texas, heard the protest of _____ concerning the appraisal records for tax year _____.

The Board delivered proper notice of the date, time, and place of the hearing. The property owner or agent and the chief appraiser of the appraisal district were given the opportunity to testify and to present evidence. After considering the evidence and arguments presented at the hearing, the Board has determined that the protest concerned the following action(s) permitted by Section 41.41(a), Tax Code:

- excessive appraised or market value,
- unequal appraisal,
- inclusion of the property on the appraisal records,
- denial in whole or in part of a partial exemption,
- determination that land does not qualify for appraisal according to Subchapters C, D, E, or H, Chapter 23, or
- any other matter permitted by Section 41.41(a).

Based on the evidence, the Board makes the following determination(s) as indicated by a mark and hereby issues the following as its ORDER DETERMINING PROTEST OR ORDER OF DISMISSAL:

The property's appraised value is excessive, and the appraisal records should be changed to \$ _____ from the CAD value of \$ _____.*

The property's market value is excessive, and the appraisal records should be changed to \$ _____ from the CAD value of \$ _____.*

The appraised or market value of the subject property is not excessive and the appraisal records should not be changed or should be increased. The appraised value is \$ _____, and the market value is \$ _____.

The subject property was unequally appraised, and the appraisal records should be adjusted to reflect a value of \$ _____.*

The subject property was not unequally appraised, and the appraisal records should not be changed.

The subject property qualified for the exemption for which application was made, and the appraisal records should be changed accordingly.

The subject property qualified for special appraisal, and the appraisal records should be changed to reflect an appraised value of \$ _____.

The property owner's protest concerning other matters permitted by Section 41.41(a) is upheld, and the appraisal records should be changed to reflect the following change(s): _____.

The property owner's protest concerning other matters permitted by Section 41.41(a) is denied, and the appraisal records should not be changed.

The appraisal review board lacks jurisdiction to determine the protest and hereby dismisses the protest.

- If changes to the appraisal records are ordered due to a determination of excessive appraised or market value and also a determination of unequal appraisal, the lower of the two determinations shall be shown in the appraisal records.

sign
here 

Chair, Appraisal Review Board

Date: _____

Appendix J

 50-222
(Rev. 07-06/7)

MODEL NOTICE OF FINAL ORDER WITH FORM FOR NOTICE OF APPEAL

Appraisal Review Board
for _____ County

To: _____

Case No. _____
Owner's Name: _____

Property Account No: _____
Property Legal Description: _____

NOTICE OF FINAL ORDER

THE APPRAISAL REVIEW BOARD HAS MADE A FINAL DECISION ON YOUR PROTEST. A COPY OF THE ORDER DETERMINING THE PROTEST OR ORDER OF DISMISSAL IS ENCLOSED WITH THIS NOTICE.

YOU HAVE A RIGHT TO APPEAL THIS ORDER TO THE DISTRICT COURT. AS AN ALTERNATIVE TO FILING AN APPEAL TO THE DISTRICT COURT, YOU MAY APPEAL THIS ORDER THROUGH BINDING ARBITRATION IF YOUR PROTEST CONCERNED THE APPRAISED OR MARKET VALUE OF REAL PROPERTY AND:

- (1) THE APPRAISED OR MARKET VALUE, AS APPLICABLE, OF THE PROPERTY AS DETERMINED BY THE ORDER IS \$1 MILLION OR LESS;
AND
- (2) THE APPEAL DOES NOT INVOLVE ANY MATTER IN DISPUTE OTHER THAN THE DETERMINATION OF THE APPRAISED OR MARKET VALUE OF THE PROPERTY.

IF YOU WANT TO APPEAL THE ARB ORDER TO DISTRICT COURT, YOU SHOULD CONSULT AN ATTORNEY. WITHIN 45 DAYS OF THE DATE THAT YOU RECEIVE THIS NOTICE, YOU MUST EITHER FILE A PETITION WITH THE DISTRICT COURT OR YOU MUST FILE A REQUEST FOR BINDING ARBITRATION WITH THE APPRAISAL DISTRICT FOR WHICH THIS ORDER IS ISSUED. IF YOU APPEAL TO DISTRICT COURT, YOU MUST PAY THE AMOUNT OF TAXES NOT IN DISPUTE OR THE TOTAL AMOUNT OF TAXES DUE ON THE PROPERTY UNDER THIS ORDER, WHICHEVER IS LESS, BEFORE TAXES FOR THE YEAR BECOME DELINQUENT. IF YOU SEEK BINDING ARBITRATION, YOU MUST PAY THE AMOUNT OF TAXES NOT IN DISPUTE UNDER THIS ORDER BEFORE TAXES FOR THE YEAR BECOME DELINQUENT.

You may use this form if you wish to notify the appraisal review board that you will appeal the above order.

Mail To: Chief Appraiser
For _____ County

From: _____

NOTICE OF APPEAL OF APPRAISAL REVIEW BOARD ORDER*

This is formal notice that I intend to appeal the order of the Appraisal Review Board in

Case No. _____ regarding the property subject to the protest.

Return address if different from above:

**sign
here** ▶

Date _____

*Required to be filed by a protesting party who is not the property owner.

Appendix K

 50-223
NOTICE
FORM (Rev. 6-92/2)

NOTICE OF ISSUANCE OF ARB ORDER TO TAXING UNIT

**APPRAISAL REVIEW BOARD
FOR THE**
_____ COUNTY APPRAISAL DISTRICT

Notice of Issuance of Order

TO: (name of presiding officer of taxing unit)
(address of taxing unit)

(date)

RE: (legal description of property)
Case No. _____

Dear _____ :

The _____ County Appraisal Review Board has issued an order in your challenge on the aboved-described property.

A copy of this order is enclosed for your inspection. Please contact _____ at the _____ County Appraisal District office, _____ if you have questions concerning this matter.

Sincerely,

Secretary
Appraisal Review Board

Appendix L

 50-224
(Rev. 2-94/3)

Appraisal Review Board
_____ County, Texas
Case No. _____

ORDER TO CORRECT APPRAISAL RECORDS

On _____, _____, the Appraisal Review Board of _____ County, Texas, with a quorum present, determined that the following appraisal record be changed, based on a taxing unit challenge or chief appraiser motion:

(describe problem to be corrected)

It is therefore ORDERED that the matter be referred to the chief appraiser for correction. The chief appraiser shall correct the appraisal record by:

(list action to be taken)

It is further ORDERED that a copy of this order and notice of the change in the record be delivered to [name of affected property owner(s)] at least 15 days before the board approves the appraisal records.

Chair, Appraisal Review Board

Signed on _____, _____

**sign
here** 

(If the appraisal records are changed and the above order results in an increase of the tax liability of the property owner, the secretary of the board must deliver written notice of the change to the property owner not later than the 15th day before the date the appraisal review board approves the appraisal records provided by Sec. 41.12, Property Tax Code. The notice, a sample copy of which appears as Appendix N, must provide the property owner the right to protest within 30 days after the date the notice of change is delivered. See also Sec. 41.44, Property Tax Code.)

Appendix M

 50-225
Form (Rev. Rev. 6-92/2)

ORDER APPROVING APPRAISAL RECORDS

Appraisal Review Board
_____ County, Texas

ORDER APPROVING APPRAISAL RECORDS FOR _____

On _____, _____, the Appraisal Review Board of _____ County,
Texas, met to approve the appraisal records for tax year _____.

The board finds that the appraisal records, as corrected by the chief appraiser according to the orders of the board, should be approved.

The board finds that the sum of appraised values, as determined by the chief appraiser, of all properties on which protests have been filed but not determined by this board is five percent or less of the total appraised value of all other taxable properties.

The board therefore APPROVES the appraisal records as corrected.

Chair, Appraisal Review Board

Signed on _____, _____

**sign
here** 

Appendix N

 50-226
Department of Public Accounts Center
(Rev. 6-92/2)

NOTICE TO TAXPAYER (PROPERTY TAX CODE SECTION 41.11)

**APPRAISAL REVIEW BOARD
FOR THE
_____ COUNTY APPRAISAL DISTRICT**

Notice of Change in Appraisal Records

TO: _____

Date _____
Re: _____ (Property)

Dear _____

In Case No. _____, the Appraisal Review board for _____ County Appraisal District ordered a change in the appraisal records that will increase your tax liability. The change was as follows:

You have the right to protest this action and have a hearing before the Appraisal Review Board. You must notify the board of your protest in writing. You can get a protest form from the _____ County Appraisal District office, or you can write a letter to the Appraisal Review Board. The letter must include your name, a description of your property and the reason you are protesting or disagreeing with the change. You may wish to include the case number listed above.

DEADLINE: The deadline for mailing your protest or delivering it in person is 30 days from the date of this letter. If you miss the deadline for good cause, call the appraisal district office and ask whether the Appraisal Review Board has approved the appraisal records. The board will decide whether or not to hear your protest based on the reason you missed the deadline. Good cause is not defined, but it is usually something not within your control (for example, a medical emergency).

You may send your written protest to the Appraisal Review Board, _____ County Appraisal District, _____. If you have any questions, please free to call the appraisal office at _____. All inquiries should refer to Case No. _____, which is the file number assigned to your case.

Sincerely

Secretary
Appraisal Review Board

Appendix 0

 50-227
FORM (Rev. 6-92/2)

ORDER APPROVING SUPPLEMENTAL APPRAISAL RECORDS

Appraisal Review Board
_____ County, Texas

ORDER APPROVING SUPPLEMENTAL APPRAISAL RECORDS FOR _____

On _____, _____, the Appraisal Review Board of _____ County, Texas, met to approve supplemental appraisal records for tax year _____.

The board finds that the supplemental records, as corrected by the chief appraiser according to the orders of the board, should be approved and added to the appraisal roll for the district.

The board therefore APPROVES the supplemental appraisal records as corrected.

Chair, Appraisal Review Board

Signed on _____, _____

**sign
here** 

Appendix P

 50-228
(Rev. 01-06/3)

ORDER TO CORRECT APPRAISAL ROLL *(After Certification)*

ORDER TO CORRECT APPRAISAL ROLL AFTER CERTIFICATION

TO: _____

I, _____, chief appraiser for _____ County
Appraisal District, certify the following correction(s) of your appraisal roll for tax year ____ .

[describe correction(s)]

This correction is made:

- Under my authority to correct names, addresses, property descriptions and clerical errors that do not affect tax liability.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to correct multiple appraisals and clerical errors that affect tax liability.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to correct the inclusion of property that does not exist in the form or at the location described on the appraisal roll.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to correct appraisal errors.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to correct an incorrect appraised value based on a joint motion from the property owner and chief appraiser.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to determine protests based on failure to deliver notice.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to approve a late-filed exemption application.
- Following the Appraisal Review Board's written order of _____, _____, under its authority to decide protests of the chief appraiser's determination that a change of use of agricultural land has occurred.

A copy of the Appraisal Review Board's order is attached.

Chair, Appraisal Review Board

**sign
here** 

Date _____

Section 25.25 allows the chief appraiser to correct the appraisal records after certification. He or she must certify each change, within five days after it is entered, to the assessor for each taxing unit affected by the change.

Appendix Q

 50-229
(Rev. 6-92/2)

CONFLICT OF INTEREST AFFIDAVIT

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____
_____, who, being by me duly sworn, on oath deposed and said:

“My name is _____. I am a member of the Appraisal Review Board for
_____ County Appraisal District. I own substantial interest in _____

The nature and extent of this substantial interest is as follows: [choose one: A.) 10% or more of the voting stock or shares
in (name of business entity); B.) ownership of 10 percent or more or \$15,000 or more of the fair market value of (name of business entity); C.) 10% of
my gross income from the previous year was from (name of business entity); D.) ownership of \$2,500 or more of the fair market value of (identify real estate).]

**sign
here** ➔ _____

Date _____

SUBSCRIBED AND SWORN TO before me this the ____ day of _____, _____.

Notary Public, State of Texas

Commission expires _____

**sign
here** ➔ _____

Appendix R

 50-249
(Revised 1-97/2)

JOINT MOTION TO CORRECT INCORRECT APPRAISED VALUE

In the County of _____ County
State of Texas Appraisal Review Board

MOTION TO CORRECT INCORRECT APPRAISED VALUE

Movants _____, Chief Appraiser for the _____ County Appraisal District, and _____, owner of property described as _____, parcel number _____, bring this joint motion to correct the value on the described property on the appraisal roll approved by this Appraisal Review Board on _____, and certified to the taxing units on _____.

Movants state that the property taxes due for the _____ tax year have not become delinquent, and the movant property owner has complied with the provisions of Sec. 42.08 of the Texas Property Tax Code and has not forfeited the right to appeal for non-payment of taxes.

Movants state that the property described above is located within the _____ County Appraisal District. Further, movants state that the property described above is located within the taxing units listed below:

Movants state the incorrect value is as follows:

Movants makes this motion pursuant to Sec. 25.25(h) – (j), Texas Property Tax Code, and request that the Appraisal Review Board correct the value.

Respectfully submitted,

Movant Property Owner	Date	Appraisal District Representative	Date
sign here ▶	_____	sign here ▶	_____
Agent's signature if on behalf of property owner			
sign here ▶	_____		

Appendix S

 50-230
(Rev. 2-94/2)

MOTION FOR HEARING TO CORRECT ONE-THIRD OVER-APPRAISAL ERROR

In the County of _____ County
State of Texas _____ Appraisal Review Board

MOTION TO CORRECT ONE-THIRD OVER-APPRAISAL ERROR

Movant _____, Chief Appraiser for the _____ County Appraisal District, or _____, owner of property described as _____, parcel number _____, brings this motion for a hearing to correct a one-third over-appraisal error regarding the described property on the appraisal roll certified by this Appraisal Review Board on _____.

Movant states that the property taxes due for the _____ tax year have not become delinquent, and the movant property owner has complied with the provisions of Sec. 42.08 of the Texas Property Tax Code and has not forfeited the right to appeal for non-payment of taxes.

Movant states that the property described above is located within the _____ County Appraisal District. Further, movant states that the property described above is located within the taxing units listed below.

Movant states the one-third over-appraisal error is as follows:

Movant makes this motion pursuant to Sec. 25.25(d) and (e), Texas Property Tax Code, and request that the Appraisal Review Board schedule a hearing to determine whether to correct the error. Movant requests that the Appraisal Review Board send notice of the time, date and place fixed for the hearing, not later than 15 days before the scheduled hearing, to the presiding officer of the governing body of each taxing unit where the property is located.

Respectfully submitted,

Movant
**sign
here** 

Date

The property owner or chief appraiser may use this motion to correct an appraisal error that results in a value one-third over the appraised value.

Appendix T

 50-231
(Rev.2-96/5)

NOTICE OF HEARING

In the County of _____ County
State of Texas _____ Appraisal Review Board

NOTICE OF HEARING

The _____ County Appraisal Review Board has scheduled a hearing to determine whether to correct an appraisal error on the appraisal roll for _____, _____, at _____ .m. The hearing will be held at _____ (Place).

This hearing concerns property described as follows: _____, parcel number _____.

The appraisal error alleged by movant is as follows:

Taxing units have a right to offer evidence and argument at the time of the hearing concerning why correction of the appraisal roll should not be made.

Chair

sign here 

_____ County Appraisal Review Board

Appendix U

REQUEST FOR BINDING ARBITRATION



SUSAN COMBS • COMPTROLLER OF PUBLIC ACCOUNTS

GENERAL INSTRUCTIONS

INFORMATION ON THIS FORM AND ITS ATTACHMENTS ARE SUBJECT TO DISCLOSURE UNDER THE PUBLIC INFORMATION ACT. THIS FORM MUST BE FILED WITH THE COUNTY APPRAISAL DISTRICT THAT APPRAISED THE PROPERTY FOR WHICH ARBITRATION IS REQUESTED. **DO NOT FILE THE REQUEST WITH THE COMPTROLLER OF PUBLIC ACCOUNTS.**

As an alternative to filing an appeal to district court, a property owner is entitled to appeal through binding arbitration an appraisal review board order that only determines a protest concerning the appraised or market value of **real** property if: (1) the appraised or market value of the property as determined by the order is \$1 million or less; and (2) the appeal does not involve any matter in dispute other than the determination of the appraised or market value of the property.

A property owner or agent must file with the appraisal district not later than the 45th day after the date the property owner receives the appraisal review board order determining protest: (1) a completed request for binding arbitration on this form only; and (2) an arbitration deposit in the amount of \$500, made payable to the Texas Comptroller of Public Accounts, **BY CHECK ISSUED AND GUARANTEED BY A BANKING INSTITUTION (A CASHIER'S OR TELLER'S CHECK) OR BY MONEY ORDER ONLY.**

Personal checks, cash, or other forms of payment will not be accepted. A deposit in the amount of \$500 is required for each request for arbitration. **Failure to remit the proper type of payment will result in the automatic rejection of the request(s) for binding arbitration by the appraisal district.**

Expenses incurred by the property owner in preparing for and attending the arbitration are the owner's responsibility. The arbitration deposit may only be used to pay for the cost of the arbitrator and the Comptroller's 10% administrative cost. All but the administration cost of the deposit will be refunded to the property owner if the arbitrator determines that the value is nearer to the amount that the owner contends is correct.

A property owner who fails to strictly comply with legal requirements waives the property owner's right to request binding arbitration. A property owner who appeals to district court an appraisal review board order determining a protest concerning appraised or market value waives the owner's right to request binding arbitration. An arbitrator shall dismiss any pending arbitration proceeding if the property owner's rights are waived.

The taxes on the property that are the subject of the arbitration must be paid timely. Failure to pay taxes before the delinquency date will result in the arbitration being dismissed with prejudice. A property owner, however, will receive a refund of all but 10% of the deposit, if the arbitration is dismissed under this circumstance.

FOR ASSISTANCE - If you have any questions about this application, contact the Texas State Comptroller's Office at 1-800-252-9121. The local number in Austin is 512/305-9999 or e-mail us at ptd.cpa@cpa.state.tx.us.

AMERICANS WITH DISABILITIES ACT - In compliance with the Americans with Disabilities Act, this document may be requested in alternative formats by calling toll-free 1-800-252-9121.

FEDERAL PRIVACY ACT - Disclosure of your social security number is required and authorized under law, for the purpose of tax administration and identification of any individual affected by applicable law. 42 U.S.C. §405(c)(2)(C)(i); Tex. Govt. Code §§403.011 and 403.078. Release of information on this form in response to a public information request will be governed by the Public Information Act, Chapter 552, Tex. Govt. Code, and applicable federal law.

PUBLIC INFORMATION ACT - Section 552.147, Tex. Govt. Code, excepts social security numbers from disclosure. If this form is requested as public information, your social security number will not be released.

PLEASE RETAIN A COPY OF THIS FORM AND THE DEPOSIT FOR YOUR RECORDS.

You have certain rights under Ch. 559, Tex. Govt. Code, to review, request, and correct information we have on file about you. Contact us at the address or toll-free number listed on this form.

AP-219-1 (Rev. 1-07/3)

Appendix U (continued)



SPECIFIC INSTRUCTIONS

This form is designed for use by property owners or agents, appraisal districts, and the Comptroller's office. Only complete the part of the form that applies to you.

Property Owners or Agents

Complete the form questions 1 through 23. You must type or print in black ink so that the information can be scanned. All questions must be answered so that your request can be processed in a timely fashion. Agents must submit a written authorization signed by the property owner that states the specific authority given to the agent for this request for binding arbitration. An agent's fiduciary form used for representation at the appraisal district or appraisal review board will not be accepted.

Any questions that you have about completing the form should be directed to the Comptroller's office. Please contact us by calling the number shown in the General Instructions and ask for arbitration assistance.

Appraisal Districts

Complete the first line of the form marked "CAD" on page 1 filling in:

- 1) your appraisal district number;
- 2) the year; and
- 3) the number that your appraisal district is assigning this arbitration request.

Next, complete the portion of the form marked "For Appraisal District Use Only" on page 2. You must provide the value determined by the appraisal review board for the subject property and the Geographic Identification Number (GEO#) and Record Identification Number (R#). You must also provide a copy of the order determining protest from the appraisal review board. It is important that the order indicates the appraisal or market value of the subject property. Any other determination cannot be the subject of an arbitration proceeding.

Check the applicable boxes concerning the request for binding arbitration. By checking the boxes, you are certifying the validity of the inquiries; therefore, care must be taken in the responses. The chief appraiser or designated appraisal district employee must sign the form in order to finalize the certification required by law.

PROPERTY OWNER OR AGENT CHECKLIST

- The property owner or agent has signed the request for arbitration.
- The request was filed with the appraisal district not later than the 45th day after the date the property owner received the appraisal review board order determining the protest.
- A deposit in the form of a check issued and guaranteed by a banking institution (such as a cashier's or teller's check) or by a money order is attached.
- If an agent is submitting the request, a written authorization signed by the property owner is attached.
- The request for arbitration concerns the appraised or market value of \$1 million or less for the real property for which an appraisal review board order was issued.
- The appeal does not involve any matter in dispute other than the determination of the appraised or market value of the property.
- All parts of the request for arbitration have been completed.
- Taxes are not delinquent at this time on the property that is the subject of this request for arbitration.
- The property that is the subject of this request for arbitration is not the subject of litigation for the tax year in question.

Appendix U (continued)



REQUEST FOR BINDING ARBITRATION

CLEAR ALL FIELDS

• TYPE OR PRINT IN BLACK INK • Do NOT write in shaded areas.

Page 1

T-CODE	PAYMENT AMOUNT	DEPOSIT CODE	POSTMARK DATE	CAD	ARBITRATION NUMBER		
99100	\$5000.00	068					
					CAD No.	Year	CAD Assigned No.

PROPERTY OWNER INFORMATION - INDIVIDUAL

1. Individual's Name (Last Name, First Name, Middle Initial, Suffix (i.e., Jr., III, etc.))

Last Name: _____ First Name: _____ M.I.: _____ Suffix: _____

2. Owner's Social Security Number*
* Your Social Security number is not subject to public disclosure according to Section 552.147, Tex. Govt. Code.

3. Taxpayer number for reporting any Texas tax OR Texas identification number if you now have or have ever had one.

PROPERTY OWNER INFORMATION - COMPANY -- NON COMPANY OWNERS SKIP TO ITEM 7 --

4. Corporation or Partnership or Estate _____ Contact Name _____

5. Taxpayer number for reporting any Texas tax OR Texas identification number if you now have or have ever had one _____

6. Federal employer's identification number (FEIN) assigned by the Internal Revenue Service _____

CONTACT INFORMATION

7. Mailing Address, City, State, Zip Code with extension
Street number, P.O. Box, or rural route and box number

City: _____ State/province: _____ ZIP code: _____ County (or country, if outside the U.S.): _____

8. Physical location
Street number or rural route and box number

City: _____ State/province: _____ ZIP code: _____ County (or country, if outside the U.S.): _____

9. Daytime phone and (optional) fax number _____
Phone Number - Fax Number (Optional)

10. Email address (optional)* _____
*Your e-mail address is confidential according to Section 552.137, Tex. Govt. Code; however, by including the e-mail address on this form, you are affirmatively consenting to its release under the Public Information Act.

PROPERTY AGENT INFORMATION -- IF YOU ARE NOT USING AN AGENT, SKIP TO ITEM 18 --

TO BE COMPLETED BY PROPERTY AGENT

11. Individual's Name (Last Name, First Name, Middle Initial, Suffix (i.e., Jr., III, etc.))

Last Name: _____ First Name: _____ M.I.: _____ Suffix: _____

12. Agent's Social Security Number* _____
* Your Social Security number is not subject to public disclosure according to Section 552.147, Tex. Govt. Code.

13. Agent's Mailing Address, City, State, Zip Code with extension
Street number or rural route and box number

City: _____ State/province: _____ ZIP code: _____ County (or country, if outside the U.S.): _____

14. Daytime phone and (optional) fax number _____
Phone Number - Fax Number (Optional)

15. Email address (optional)* _____
*Your e-mail address is confidential according to Section 552.137, Tex. Govt. Code; however, by including the e-mail address on this form, you are affirmatively consenting to its release under the Public Information Act.

16. If the owner will be represented by an agent, please indicate the applicable agent's designation required to represent an owner in binding arbitration:

An attorney licensed by the State of Texas State Bar No. _____

A real estate broker or salesperson licensed under Chapter 1101, Occupations Code License No. _____

A real estate appraiser licensed or certified under Chapter 1103, Occupations Code License No. **TX** - _____ - _____

A property tax consultant registered under Chapter 1152, Occupations Code Registration No. **P.R.O.P.T.C.** _____

A certified public accountant licensed or certified under Chapter 901, Occupations Code License No. _____

17. If the owner has designated an agent, attach the written authorization to this form.
 Indicate if agent is given authority to receive a refund: Yes No

PROPERTY INFORMATION

18a. Address or location of the property requested for arbitration: _____

18b. Appraisal district account number: _____

Appendix U (continued)

Comptroller of Public Accounts Form AP-219-4 (Rev. 1-07/3)

REQUEST FOR BINDING ARBITRATION

• TYPE OR PRINT IN BLACK INK • Do NOT write in shaded areas.

Page 2

OWNER OR AGENT (CONT.)

PROPERTY INFORMATION

19. Type of real property being appealed: Residential Land Commercial Minerals Agricultural Other
20. Primary county in which the property is located
21. Value that owner believes is accurate market or appraised value (**WHOLE DOLLARS ONLY**): \$
22. I would be willing to accept an arbitrator that would hear this case (check all that apply):
- A In person
- B By teleconference
- C By written documents submitted by the property owner and appraisal district without a meeting
23. I am appealing the market or appraised value of my property for the following reasons (check all that apply):
- A The property could not sell for the amount of value shown on the appraisal roll.
- B The property has hidden damages or flaws that were not considered in the appraised value.
- C The methodology used by the appraisal district was inappropriate.
- D Evidence presented to the appraisal review board was not fully considered.
- E The appraisal district did not correctly calculate the value limitation for residence homesteads.
- F The productivity value of the land or the special appraisal of the property allowed by law was not calculated correctly.
- G Other

I hereby request arbitration, have completed the form, and have attached a **MONEY ORDER OR CASHIER'S CHECK** payable to the Comptroller of Public Accounts for \$500.

sign here _____ Month Day Year
Owner or agent signature Date

This form and the \$500 deposit must be hand-delivered or mailed certified to the CAD for which the ARB order was issued.

TO BE COMPLETED BY APPRAISAL DISTRICT

FOR APPRAISAL DISTRICT USE ONLY

24. Date ARB order received by owner _____ 25. ARB order number _____
Month Day Year
26. Appraisal District Property Identification Number: _____ AND _____
GEOGRAPHIC IDENTIFICATION NUMBER (GEO#) IF APPLICABLE RECORD IDENTIFICATION NUMBER (R#) IF APPLICABLE
27. Value determined by the Appraisal Review Board order (**WHOLE DOLLARS ONLY**) \$
28. Cashier's check or money order number of attached deposit
29. If an agent is submitting the request, a written authorization signed by the property owner is attached.
30. The Appraisal District has examined the documentation and certifies that:
- The property owner or agent has signed the request for arbitration.
 - The request was filed with the appraisal district not later than the 45th day after the date the property owner received the appraisal review board order determining the protest.
 - A deposit in the form of a check issued and guaranteed by a banking institution (such as a cashier's or teller's check) or by a money order is attached.
 - The request for arbitration concerns the appraised or market value of \$1 million or less for the real property for which an appraisal review board order was issued.
 - The appeal does not involve any matter in dispute other than the determination of the appraised or market value of the property.
 - All parts of the request for arbitration have been completed.
 - Taxes are not delinquent at this time on the property that is the subject of this request for arbitration.
 - The property that is the subject of this request for arbitration is not the subject of litigation for the tax year in question.

31. Fill out **ARBITRATION NUMBER** at the top of Page 1

I further certify that the request for binding arbitration and deposit, along with a copy of the order determining protest, have been submitted to the Comptroller of Public Accounts on the date indicated below:

sign here _____ Month Day Year
Chief appraiser or CAD employee signature Date

Mail the application, ARB Order and deposit
BY CERTIFIED MAIL OR HAND DELIVERY to:

Texas Comptroller - Request for Arbitration
 111 East 17th Street , 7th Floor
 Austin, Texas 78774-0100

Appendix V

Required Notices

Notice	Code Section
Notice of new application for exemption	Sec. 11.43(c)
Notice cancelling exemption.....	Sec. 11.43(h)
Notice of annual exemption application.....	Sec. 11.44(a)
Notice of modification or denial of exemption	Sec. 11.45(d)
Notice of decision on report of decreased value	Sec. 22.03(c)
Notice of annual application for agricultural appraisal	Sec. 23.43(e)
Notice of denial of agricultural appraisal.....	Sec. 23.44(d)
Notice of new application for open-space land appraisal.....	Sec. 23.54(e)
Notice of penalty for failure of property owner to notify chief appraiser that open-space land no longer qualifies for special appraisal.....	Sec. 23.54(i)
Notice of denial of open-space land appraisal	Sec. 23.57
Notice of change of use determination	Secs. 23.46, 23.55, 23.76
Notice of new application for timber land appraisal.....	Sec. 23.75(e)
Notice of new application for public access airport property appraisal.....	Sec. 23.94(c)
Notice of penalty for failure of property owner to notify chief appraiser that timber land no longer qualifies for special appraisal.....	Sec. 23.75(j)
Notice of denial for timber land appraisal.....	Sec. 23.79(d)
Notice of new application for recreational, park and scenic land appraisal	Sec. 28.84(c)
Notice of denial for recreational, park and scenic land appraisal	Sec. 23.85(d)
Notice of penalty for violating deed restriction for recreational, park and scenic land appraisal	Sec. 23.87(b)
Notice of denial of application for public access airport property appraisal	Sec. 23.95(d)
Notice of penalty for violating deed restriction for public access airport property appraisal.....	Sec. 23.97(b)
Notice of appraised value.....	Sec. 25.19
Notice to property owner of a change in appraisal records.....	Sec. 41.11(a)
Notice of protest hearing	Sec. 41.46
Notice of certain matters before the protest hearing.....	Sec. 41.461

Appendix W

 50-232
(Rev. 2-94/4)

NOTICE OF PUBLIC HEARING OF THE APPRAISAL REVIEW BOARD

APPRAISAL REVIEW BOARD FOR THE _____ COUNTY APPRAISAL DISTRICT, TEXAS

Notice of Public Meeting of the Appraisal Review Board:

Notice is hereby given that a public meeting of the Appraisal Review Board of the _____ County Appraisal District will convene at _____ a.m. on _____, _____, at the meeting room in the county courthouse, and will continue in session at that time and place on _____.

The board will hear and determine taxpayer and taxing unit appeals on all matters permitted by TEX. PROPERTY TAX CODE.

The Appraisal Review Board will be in session on other days, notice for which will be duly posted, until all timely filed appeals are heard and resolved.

This notice is given pursuant to the Open Meeting Act, Chapter 551, Government Code.

Chair, Appraisal Review Board

**sign
here** 

Appendix X

 50-133 (12-91)
Accounts
Formal [41.66 (12/89)]

AFFIDAVIT FOR PROTEST HEARING

Appraisal district name	Phone (area code and number)
Address	
Description of property	

STATE OF TEXAS

COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared

_____,
who, being by me duly sworn, on oath deposed and said:

“I have not communicated with another person about the evidence, argument, facts, merits or any other matters related to the property owner’s protest, nor have I communicated with another person about the property that is the subject of this protest, excluding cases where the property was used as part of a sample or compared with other properties in another proceeding before the board, and excluding instances in which I was expressly permitted under the Tax Code, Chapter 41, to communicate with the board or another person about the property owner’s protest or the property under protest.”

Witness my hand, this the _____ day of _____, _____.

Member, Appraisal Review Board

SUBSCRIBED AND SWORN TO before me this the _____ day of

_____, _____.

Officer

Title

Appendix Y

Chart of Kinship for Appraisal Personnel Degrees of Consanguinity and Affinity Prohibitions

1st DEGREE	2nd DEGREE	3rd DEGREE
<p>By Consanguinity</p> <ul style="list-style-type: none">• Parents• Children <p>By Affinity</p> <ul style="list-style-type: none">• Spouses of relatives listed under consanguinity• Spouse• Spouse's parents• Spouse's children• Stepparents• Stepchildren	<p>By Consanguinity</p> <ul style="list-style-type: none">• Grandparents• Grandchildren• Brother & sisters <p>By Affinity</p> <ul style="list-style-type: none">• Spouses of relatives listed by consanguinity• Spouse's grandparents• Spouse's grandchildren• Spouse's brothers & sisters	<p>By Consanguinity</p> <ul style="list-style-type: none">• Great grandparents• Great grandchildren• Nieces & nephews• Aunts & Uncles <p>By Affinity</p> <p>NO PROHIBITIONS</p>

Restrictions on Eligibility of Chief Appraisers, Directors, Appraisal Review Board Members and Others

- Chief appraisers are disqualified from employment if related within the second degree by consanguinity or affinity to someone engaged in the business of appraising property for compensation for use in proceedings before the appraisal district or appraisal review board or of representing property owners for compensation in that district. *Section 6.035 (a), Tax Code*
- Directors of appraisal districts are ineligible to serve if related within the second degree by consanguinity or affinity to someone engaged in the business of appraising property for compensation for use in proceedings before the appraisal district or appraisal review board or of representing property owners for compensation in that district. *Section 6.035 (a), Tax Code*
- Chief appraisers or individuals related to chief appraisers within the second degree by consanguinity or affinity may not prepare appraisals to be used as evidence in protests or challenges concerning property that is taxable in the appraisal district in which the chief appraiser is employed. *Section 6.035 (d), Tax Code*
- Directors of appraisal districts are ineligible to serve if they or their spouses have substantial interests in contracts with the appraisal district or taxing units participating in the district. *Section 6.036 (d), Tax Code*
- Persons may not be employed by the appraisal district if they are related to a member of the board of directors within the second degree by affinity or within the third degree by consanguinity. *Section 6.05 (f), Tax Code*
- Persons or their spouses may not be employed by or contract with the appraisal district if they are related to the chief appraiser within the first degree by consanguinity or affinity. *Section 6.05 (g), Tax Code*
- Appraisal review board members are ineligible to serve if they are related within the second degree by consanguinity or affinity to someone engaged in the business of appraising property for compensation for use in proceedings before the appraisal district or appraisal review board or of representing property owners for compensation in that district. *Section 6.412 (a), Tax Code*
- Appraisal review board members are ineligible to serve if they or their spouses have substantial interests in contracts with the appraisal district or taxing units participating in the district. *Section 6.413 (a), Tax Code*
- Appraisal Review board members may not participate in a taxpayer protest in which they are related to a party by affinity within the second degree or by consanguinity within the third degree. *Section 41.69, Tax Code*

Appendix Z



50-195 (03-08/6)
[41.41, 41.70]

Property Tax Protest and Appeal Procedures

The law gives property owners the right to protest actions concerning their property tax appraisals. You may follow these appeal procedures if you have a concern about:

- the market or appraised value of your property
- the unequal appraisal of your property
- the inclusion of your property on the appraisal roll
- any exemptions that may apply to you
- the qualification for an agricultural or timber appraisal
- the taxable status of your property
- the local governments which should be taxing your property
- the ownership of property
- the change of use of land receiving special appraisal
- any action taken by the chief appraiser, appraisal district or appraisal review board that applies to and adversely affects you.

Informal Review

(Insert description of appraisal district's informal review process, if any, then give name and telephone number of person taxpayer should contact.)

Review by the Appraisal Review Board

If you can't resolve your problem informally with the county appraisal district (CAD) staff, you may have your case heard by the appraisal review board (ARB).

The ARB is an independent board of citizens that reviews problems with appraisals or other concerns listed above. It has the power to order the CAD to make the necessary changes to solve problems. If you file a written request for an ARB hearing (called a notice of protest) before the deadline, the ARB will set your case for a hearing. You'll receive written notice of the time, date and place of the hearing. If necessary, you may request a hearing in the evening, Saturday or Sunday. Prior to your hearing, you may ask to review the evidence the CAD will use to uphold their determination. The CAD may ask you for a copy of the evidence you plan to present. The hearing will be informal. You or a designated agent may appear in person to present evidence or you may send notarized evidence for the ARB to review at your hearing. The CAD representative will present evidence about your case. You may cross-examine the CAD representative. The ARB will make its decision based on the evidence presented. The CAD has the burden of establishing the property's value by a preponderance

of the evidence presented. In certain protests where the owner has submitted an independent appraisal to the ARB before the hearing, the chief appraiser has the burden of proving the property's value by clear and convincing evidence. You can get a copy of a protest form from the appraisal district office at

(Insert address.)

Note: You shouldn't try to contact ARB members outside of the hearing. The law requires ARB members to sign an affidavit saying that they haven't talked about your case before the ARB hears it.

Review by the District Court or an Arbitrator

After it decides your case, the ARB must send you a copy of its order by certified mail. If you're not satisfied with the decision, you have the right to appeal. If you choose to go to court, you must start the process by filing a petition within 45 days of the date you receive the ARB's order. As an alternative and within the same time period, you may file a request for binding arbitration with the county appraisal district in certain cases.

Tax Payment

You must pay either the amount of taxes due on the portion of the taxable value not in dispute or the amount of taxes due on the property under the order from which the appeal is taken.

More Information

You can get more information by contacting your appraisal district at *(Insert appraisal district name, address, telephone number.)*

You can also get a pamphlet describing how to prepare a protest from the appraisal district or from the State Comptroller's Property Tax Division at P.O. Box 13528, Austin, Texas 78711-3528.

Deadline for Filing Protests with the ARB*

Usual Deadline

On or before May 31 (or 30 days after a notice of appraised value was mailed to you, whichever is later).

Late protests are allowed if you miss the usual deadline for good cause. Good cause is some reason beyond your control, like a medical emergency. The ARB decides whether you have good cause.

Late protests are due the day before the appraisal review board approves records for the year. Contact your appraisal district for more information.

Special Deadlines

For change of use (the appraisal district informed you that you are losing agricultural appraisal because you changed the use of your land), the deadline is before the 30th day after the notice of the determination was mailed to you.

For ARB changes (the ARB has informed you of a change that increases your tax liability and the change didn't result from a protest you filed), the deadline is before the 30th day after the notice of the determination was mailed to you.

(You may insert deadline for protests concerning omitted property if doing so would avoid taxpayer confusion.)

If you believe the appraisal district or ARB should have sent you a notice and did not, you may file a protest until the day before taxes become delinquent (usually February 1) or no later than the 125th day after the date you claim you received a tax bill from one or more of the taxing units that tax your property. The ARB decides whether it will hear your case based on evidence about whether a required notice was mailed to you.

* The deadline is postponed to the next business day if it falls on a weekend or holiday.

Appendix AA

 50-283 (1-2000)
 Affidavit Form [Sec. 41.45, Tax Code]

PROPERTY OWNER'S AFFIDAVIT OF EVIDENCE TO THE APPRAISAL REVIEW BOARD

Tax Year _____

Appraisal district name _____ Phone (area code and number) _____

Address _____

Instructions: If you are unable to appear in person at your scheduled protest hearing before the appraisal review board, you may offer evidence or argument by affidavit. You must deliver the evidence or argument and this affidavit to the review board before your scheduled protest hearing. You must attest to this affidavit and evidence before an officer authorized to administer oaths (such as a notary public). The deadline for filing your affidavit (have it postmarked if you mail it) is the date before your scheduled hearing.

You are not required to use this Comptroller form. You may submit a sworn affidavit by letter or other form, but it must contain the protesting property owner's name, description of the property under protest, and the evidence or argument.

Description of Owner and Property

Property owner's name _____

Property owner's mailing address _____

City, town or post office, state, ZIP code _____

Property's legal description _____

Appraisal district account number (optional) _____

Type of property subject to protest _____

Mobile home (give make, model, or identification number) _____

Action or Decision Being Protested

<input type="checkbox"/> Value is over market value.	<input type="checkbox"/> Property should not be taxed in _____ (name of taxing unit)
<input type="checkbox"/> Value is unequal compared with other properties.	<input type="checkbox"/> Property should not be taxed in this appraisal district or in one or more taxing units.
<input type="checkbox"/> Exemption denied, modified, or cancelled.	<input type="checkbox"/> Failure to send required notice.
<input type="checkbox"/> Ag-use, open-space, or other special appraisal was denied, modified, or cancelled.	<input type="checkbox"/> Property description is incorrect.
<input type="checkbox"/> Change in use of land appraised as ag-use, open space, or timber land.	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Owner's name is incorrect.	

Evidence

(Please list all evidence attached and describe briefly its contents.)

# _____	Description _____	Pages _____
# _____	Description _____	Pages _____
# _____	Description _____	Pages _____
# _____	Description _____	Pages _____
# _____	Description _____	Pages _____
# _____	Description _____	Pages _____

Continue on Page 2

INDEX

- Additional ARB members, 2
- Affidavit of evidence, 15, 71
- Agenda, meeting, 6
- Agent, presentation of protests by, 11, 15
- Agricultural appraisal, 30
- Ambulatory health care centers, 27
- Appearance by property owner, 14
- Appointment of agent forms, 40-46
- Appointment to ARB, 1
- Appraisal firm on contract, 11
- Appraisal level defined, 20
- Appraisal methods, 19
- Appraisal ratio, 20
- Appraisal roll certification, 13
- Approaches to value, 19
- ARB approves records, 12
- ARB change orders, 12
- ARB hearings, 14
- ARB location, 3
- ARB member removal, 3
- Attorney, ARB, 5
- Automobiles, 31
- Binding Arbitration, 35
- Burden of proof, 16
- Category challenge by taxing unit, 9
- Cemeteries, 26
- Certification of appraisal roll, 13
- Chairman, duties and election, 4
- Challenge hearing notice, 9
- Challenge petition form, 40
- Challenge, 9
- Challenge, late, 9
- Charitable organizations, 26
- Clerical error, 33
- Closed session, 6
- Comptroller study, 21
- Confidential information, 7
- Conflict of interest, 7
- Conflict of interest affidavit, 61
- Contract appraisal firm, 11
- Corrections after approval, 32
- Cross-examination, 15
- Deadline, challenge, 9
- Deadline, protest, 10
- Deadline, records approval, 12
- Delivery, defined, 34
- Documents as evidence, 17
- Dredge disposal site, 29
- Duties, ARB, 1
- Evidence, 15
- Ex parte affidavit, 13
- Excessive appraisal, 18
- Exemption, qualification date, 23
- Exemptions, 23
- Expert witnesses, 16
- Farm and timber products, 30
- Federal exemptions, 24
- Final order, 12
- Freeport exemption, 28
- Grounds for protest, 11
- Hearings, joint, 5
- Hearings, procedures, 4
- Hearsay evidence, 16
- Heavy equipment inventory, 31
- Historic sites, 28
- Homestead exemption, 25
- Household goods, personal effects, 26
- Housing for indigents, 26
- Implements of husbandry, 26
- Judicial review, 35
- Joint motion to correct value, 34
- Late homestead exemptions, 32
- Late protest for failure to deliver notice, 34
- Leased vehicles for personal use, 29
- Lessee protest, 9, 33
- Manufactured housing inventory, 31
- Marine cargo containers, 28
- Market value, defined, 18
- Mass appraisal, 19
- Median appraisal level, 20
- Mineral interest, pooled or unitized, 12
- Miscellaneous exemptions, 28
- Motor vehicle inventory, 31
- Multi-state equipment, 21
- Multiple appraisals, 33
- New owner, protest, 9
- Non-binding arbitration, 35
- Nonexistent property, 33
- Non-profit water supply by wastewater service corporation, 29
- Notice of ARB order (taxing unit), form, 55
- Notice of hearing form, 48
- Notice of protest form, 41
- Notice of protest hearing, 10
- Notice of protest, 10
- Notice, challenge hearing, 9
- Notices required by tax code, 66
- Oath for witnesses, 15
- Oath of office for ARB, 3
- Official notice, 17
- Offshore drilling rigs, 29
- One-third over-appraisal, 33, 63
- Open Meetings Act, 6
- Open meetings notice, form, 67
- Open Records Act, 6
- Order approving appraisal records form, 57
- Order approving supplemental records form, 58
- Order correcting appraisal records form, 56
- Order correcting appraisal roll form, 60
- Order determining challenge form, 52
- Order determining protest form, 53
- Order, final, 12
- Other adverse actions, 32
- Over-appraisal, 18
- Owner exemption qualifications, 23
- Ownership issues, 32
- Panels, 13
- Pay for ARB, 3
- Pending protests, 12
- Personal property, 22
- Pollution control, 30
- Postponement of deadlines, 10
- Primarily charitable organizations, 27
- Private schools, 28
- Property level protest, 20
- Property use, 23
- Protest filing deadlines, 10
- Protest grounds, 11
- Protest hearing, 13
- Protest notice, 10
- Protests, 10
- Public Information Act, 6
- Public office, paid, 1
- Public property, 24
- Public relations, 4
- Ratio, appraisal, 20
- Raw cocoa and green coffee, 30
- Real property, 21
- Record of closed session, 6
- Record of hearing, 7
- Record, contents, 7
- Records approval, deadline, 12
- Records, appraisal, 8
- Records, contract appraisal firm, 11
- Records, open, 7
- Relatives, conflict of interest, 7
- Relevant evidence, 16
- Religious organizations, 27
- Renditions, 22
- Residence homestead, 25
- Robert's Rules of Order, 5
- Sample appraisal record certification, 13
- Scheduling, 5
- Sec. 41.11 notice form, 58
- Secretary, duties and election, 5
- September 1 appraisal, 31
- Settlement and waiver of protest, 11
- Situs, interstate commerce, 21
- Situs, real property, 21
- Situs, taxing unit, 21
- Solar- and wind-powered devices, 29
- State boundary lines, 21
- State or taxing unit property interest, 11
- Submission of records, 8
- Subpoena form, 51
- Subpoenas and records, 17
- Substantial interest, 1, 8
- Support staff, 5
- Tax abatement, 29
- Taxable situs, 21
- Taxing unit boundary lines, 21
- Taxing unit challenge, 9
- Taxpayer protests, 10
- Temporary ARB members, 2
- Temporary presence, 21
- Term of office, 1
- Timber appraisal, 30
- Title disputes, 32
- Transfers of property, 32
- Types of exemptions, 23
- Unequal appraisal, 20
- Vessels, outboard motor, and trailer inventory, 31
- Veterans' exemptions, 28
- Veto of appointment to ARB, 3
- Waiver of 15-day notice form, 49
- Water conservation initiatives, 30
- Wildlife management standards, 30
- Witnesses, 16
- Youth development associations, 27