

Appealing Your 2024 Denton County Property Appraisal

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1

Agenda

- Appraisal vs. Taxation
- Denton CAD (Central Appraisal District)
- Calendar of Events
- Residence Exemptions
- Homestead Cap Reduction
- Example of Exemptions & Caps
- How does the Tax Freeze work?
- Appealing Your Appraisal
- Case Study – Using Excel to Find Comparables
- Property Tax Summary

2

2

Appraisal vs. Taxation

- **Appraisals are performed by the Denton Central Appraisal District (CAD)**
- **Taxation & Collection:**
 1. **Tax Rates are set individually by:**
 - a. Denton County
 - b. Cities, Town, Villages
 - c. School Districts, and
 - d. Any other taxing entity shown on your notice
 2. **Tax Collection is performed mostly by the Denton County Tax Assessor/Collector:**
and disbursed to all taxing entities

4

4

Denton CAD

- **Denton CAD (Central Appraisal District) is a political subdivision of the state of TX**
 - Not a subdivision of Denton County nor under its authority
- **~460,000 Accounts to Appraise each year**
 - Provides property valuations to 159 taxing units within Denton County (44 cities, 17 school districts, plus water districts, fire districts, etc.)
- **New Chief Appraiser**
 - Office is running efficiently again

5

5

Calendar of Events

Date (may be approximate)	Activity
By April 1 st	File Homestead Exemption (if have never filed or newly purchased)
April 5 th	Notice of Appraised Values mailed to owners and posted on CAD website
May 15 th	Must protest or submit notice of appeal of <u>market</u> value to Denton CAD (120,000 protests anticipated)
May 6 th thru July 15 th	Appraisal Review Board hearings (10,000 hearings anticipated) You can apply to be an ARB judge if you desire (paid position)
July 25 th	Certified Property Value Totals sent to Taxing Jurisdictions for budgeting
September 30 th	Taxing units budget submission including new tax rate
October	County Tax Assessor/Collector sends out tax bills (due by January 31 st)
Pay by December 31 st (for current-year federal itemized deduction)	Pay <u>full</u> or <u>portion</u> of property tax to be included on current year federal tax return or <u>at least</u> 1/4 th if over 65 or disabled (and request quartile payments)
Pay by January 31 st (for next-year federal itemized deduction)	Pay <u>full</u> or <u>remaining portion</u> of tax to be included on following year federal tax return or <u>at least</u> 1/4 th if over 65 or disabled
March 31 st , May 31 st , July 31 st	Pay at least 1/4 th of taxes due if requested installment payments

6

6

Residence Exemptions

Exemption	Taxing Unit	Total or Partial	Mandatory or Local Option	Exemption Amount
Gen Residence Homestead	School Districts	Partial	Mandatory	\$100,000
Age 65+ or Disabled	School Districts	Partial	Mandatory	\$10,000 (Surviving Spouse >54)
Gen Residence Homestead	Cities, Counties, or Specials (CCS)	Partial	Local Option	An additional amount up to 20% of the property's values, but not less than \$5,000 (Denton City: > \$5,000 or 0.5%, Denton County: > \$5,000 or 1%) *
Age 65+ or Disabled	SDs & CCS	Partial	Local Option	An additional amount adopted by the taxing unit, but no less than \$3,000 (Denton City: \$50,000, Denton County: \$55,000 (65) / \$15,000 (Dis)) (SS >54)
Disabled Vets	SDs & CCS	Total	Mandatory	100% disability = 100% exemption (carries to Surviving Spouse)
Surviving Spouse of US Armed Services Member or 1 st Responder KIA	SDs & CCS	Total	Mandatory	100%

7

7

Exemption Descriptions

Description of Exemptions

Please see a brief explanation of these total or partial exemption of property from taxation required or authorized by the Property Tax Code.

General Residence Homestead Exemption (HS) - (Tax Code Section 11.13(a) and (b))

A property owner who acquires property after Jan. 1 may receive the residence homestead exemption for the applicable portion of that tax year immediately on qualification of the exemption, if the previous owner did not receive the same exemption for the tax year. The property owner must occupy the property as the owner's primary residence and the residence homestead exemption cannot be claimed by the property owner on any other property.

Disabled Person Exemption (DP) - (Tax Code Section 11.13(c) and (d))

Persons under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance. Property owners not identified on a deed or other instrument recorded in the applicable real property records as an owner of the residence homestead must provide an affidavit or other compelling evidence establishing the applicant's ownership interest in the homestead. (See Form 50-114-A) An eligible disabled person age 65 or older may receive both exemptions in the same year, but not from the same taxing units. Contact the appraisal district for more information.

Age 65 or Older Exemption (OV65) - (Tax Code Section 11.13(c) and (d))

This exemption is effective Jan. 1 of the tax year in which the property owner becomes age 65. Property owners not identified on a deed or other instrument recorded in the applicable real property records as an owner of the residence homestead must provide an affidavit or other compelling evidence establishing the applicant's ownership interest in the homestead. (See Form 50-114-A) An eligible disabled person age 65 or older may receive both exemptions in the same year, but not from the same taxing units. Contact the appraisal district for more information.

Surviving Spouse of an Individual Who Qualified for Age 65 or Older Exemption (OV65s) - (Tax Code Section 11.13(q))

Surviving spouse of person who qualified for the age 65 or older exemption may receive this exemption if the surviving spouse was 55 years of age or older when the qualifying spouse died. The property must have been the surviving spouse's residence homestead at the time of death and remain the surviving spouse's residence homestead. This exemption cannot be combined with an exemption under 11.13(d).

100 Percent Disabled Veterans Exemption (DVHS) - (Tax Code Section 11.131(b))

Property owner who has been awarded a 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or individual unemployability from the U.S. Department of Veterans Affairs or its successor. Documentation must be provided to support this exemption request.

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Exemptions (continued)

Surviving Spouse of a Disabled Veteran Who Qualified or Would Have Qualified for the 100 Percent Disabled Veteran's Exemption (DVHSS) -

(Tax Code Section 11.131(c) and (d)) Surviving spouse of a disabled veteran (who qualified for an exemption under Tax Code Section 11.131(b) at the time of his or her death or would have qualified for the exemption if the exemption had been in effect on the date the disabled veteran died) who has not remarried since the death of the veteran. The property must have been the surviving spouse's residence homestead at the time of the veteran's death and remain the surviving spouse's residence homestead.

Donated Residence Homestead of Partially Disabled Veteran (DVCH) - Tax Code Section 11.132(b))

A disabled veteran with a disability rating of less than 100 percent with a residence homestead donated by a charitable organization at no cost or at some cost that is not more than 50 percent of the good faith estimate of the market value of the residence homestead as of the date the donation is made. Documentation must be provided to support this exemption request.

Surviving Spouse of a Disabled Veteran Who Qualified for the Donated Residence Homestead Exemption (DVCHS) - (Tax Code Section 11.132(c) and (d))

Surviving spouse of a disabled veteran (who qualified for an exemption under Tax Code Section 11.132(b) at the time of his or her death) who has not remarried since the death of the disabled veteran and maintains the property as his or her residence homestead.

Surviving Spouse of an Armed Services Member Killed in the Line of Duty (MASSS) - (Tax Code Section 11.133(b) and (c))

Surviving spouse of a U.S. armed services member who is killed or fatally injured in the line of duty who has not remarried since the death of the service member. Documentation must be provided to support this exemption request.

Surviving Spouse of a First Responder Killed in the Line of Duty (FRSS) - (Tax Code Section 11.134)

Surviving spouse of a first responder who is killed or fatally injured in the line of duty who has not remarried since the death of the first responder. Documentation must be provided to support this exemption request.

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Homestead Cap Reduction

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

10

10

Example of Exemptions & Caps

Year	Valuation	City Exemption	ISD Exemption	County Exemption
2013	Moved in mid-year, paid tax for land value basically	55,000	25,000	55,000
2014	Purchase Price (Didn't know better)	55,000	25,000	55,000
2015	Appealed down \$12.5K	55,000	35,000	55,000
2016	No increase - Frozen by ARB (unknown to me)	55,000	35,000	55,000
2017	Up \$32K (just above 10% cap), Appealed to \$24K	55,000	35,000	55,000
2018	No increase - Frozen by ARB (dawning on me)	55,000	35,000	55,000
2019	Up \$43.7K, Protested to \$36K, Capped at \$34K	55,000 57,000	35,000 37,000	55,000 57,000
2020	Up \$9.5K, Protested to \$2K	55,000	35,000	60,000
2021	Up \$50K, Capped at \$38K, Protested to \$37K	55,000	35,000	60,000
2022	Up \$110K, Capped at \$41.5K, Protested to \$102K	55,000 115,500	50,000 110,500	60,000 120,670
2023	Up \$84.5K, Capped at \$45.65K, Appealed to \$43K	55,000 112,850	110,000 167,850	60,600 118,450
2024	No increase, Capped at \$50.24K - Frozen by ARB ☹️	55,000 62,365	110,000 117,865	60,600 68,465

11

11

How does the Tax Freeze work?

- Freezes Homestead tax dollars (not the appraised value) for Disabled or Over 65 owners.
 - If you sell the property, the freeze does not transfer to the new owner.
 - If you file a permit to improve the property, the value of the improvement adds to the freeze tax dollar.
 - The Freeze Ratio from another principal residence in TX can be used to establish a new principal residence.
 - The Freeze is removed when the person over 65 dies if surviving spouse is not at least 55.

12

12

Appealing Your Appraisal

- Two types of appeals:
 - Based on comparable sales
 - Based on comparable appraisals
- In a declining market, you should appeal based on sales
- In a rising market, you should appeal based on comparable appraisals
- What type of market are we in?

13

13

Appealing Your Appraisal

- For comparable appraisal appeals, find three and only three similar properties if going before the ARB.
 - Same or slightly larger living area square footage
 - Same or slightly larger lot size
 - Same lot type (interior, green space, golf course, etc.)
 - Lower appraised value
 - **Construction +/- one year and same class**

14

14

Case Study Example

Prop ID	Situs Address	Land Geo ID	Land Ft. ²	Land Value	Land Prem	Year Built	Liv Area	Last Sale Date	2023 Actual				Land % Chg	22-23 Chg	2022 Actual	
									Final	Original	Home	\$/ft ²				
Homes with Similar Square Footage (+/- 1 sq. ft.)																
Sort Col																
75vvvv	Tephrite Trl, vvvv	SD5057A	6839	\$82,067	0%	2022	2098	Aug-22	\$507,000	\$560,553	\$424,933	\$202.54	\$82,067	-9.6%	New	\$46,573
75xxxx	Crestview Dr, xxxx	SD5057A	6621	\$79,453	0%	2021	2098	Mar-21	\$536,000	\$553,068	\$456,547	\$217.61	\$79,453	-3.1%	26.2%	\$424,701
75yyyy	Tephrite Trl, yyyy	SD5057A	6839	\$82,067	0%	2021	2098	Nov-21	\$539,000	\$555,767	\$456,933	\$217.79	\$82,067	-3.0%	26.4%	\$426,421
95zzzz	Cocobolo Dr, zzzz	SD5171A	8407	\$100,885	0%	2022	2099	Nov-22	\$467,000	\$574,698	\$473,813	\$225.73	\$100,885	-18.7%	New	\$60,531
Homes purchased in Late-2022 that were all built in 2022 (+/- 2 months)																
Sort Col																
75ssss	Siltstone Dr, ssss	SD5057A	8276	\$99,317	0%	2022	2178	Sep-22	\$542,000	\$602,854	\$442,683	\$203.25	\$99,317	-10.1%	New	\$50,609
75tttt	Tephrite Trl, tttt	SD5057A	7710	\$92,521	0%	2022	2077	Sep-22	\$535,000	\$564,186	\$442,479	\$213.04	\$92,521	-5.2%	New	\$49,645
95uuuu	Cocobolo Dr, uuuu	SD5171A	7231	\$86,772	0%	2022	2021	Nov-22	\$518,000	\$545,680	\$431,228	\$213.37	\$86,772	-5.1%	New	\$52,063
95zzzz	Cocobolo Dr, zzzz	SD5171A	8407	\$100,885	0%	2022	2099	Nov-22	\$467,000	\$574,698	\$473,813	\$225.73	\$100,885	-18.7%	New	\$60,531
Homes in same Neighborhood (Geo-ID) built in 2022 on non-golf course and non-greenspace lots																
Sort Col																
95pppp	Ebony Way, pppp	SD5171A	10237	\$122,510	0%	2022	3056	Oct-22	\$530,000	\$758,728	\$407,490	\$133.34	\$122,510	-30.2%	New	\$73,506
95qqqq	Tallowood St, qqqq	SD5171A	8843	\$106,112	0%	2022	2759	Nov-22	\$600,000	\$685,781	\$493,888	\$179.01	\$106,112	-12.5%	New	\$63,667
95rrrr	Karri Way, rrrr	SD5171A	11587	\$126,561	0%	2022	2924	Dec-22	\$707,000	\$741,208	\$580,439	\$198.51	\$126,561	-4.6%	New	\$75,937
95zzzz	Cocobolo Dr, zzzz	SD5171A	8407	\$100,885	0%	2022	2099	Nov-22	\$467,000	\$574,698	\$473,813	\$225.73	\$100,885	-18.7%	New	\$60,531
									After							
									\$366,115 \$174.42 \$100,885							

15

15

Property Tax Summary

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

24

24

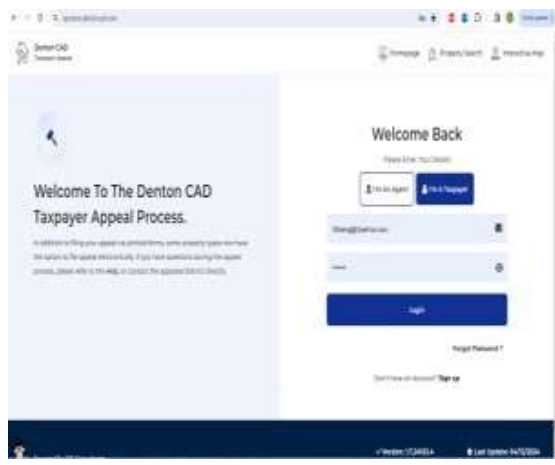
Web Addresses

- Denton Central Appraisal District
www.DentonCAD.com
- Denton County Tax Assessor/Collector
TaxWeb.DentonCounty.gov/
- For-pay service (to protest or appeal appraisal):
PropertyTax.io BUT Why???

25

25

Using CAD Web Portal



Appealing Your Appraisal

Questions...



Comments...



If you enjoy helping people, especially seniors like yourself, and if you are comfortable using a computer, and if you aren't afraid to learn more about taxes, we need your help at AARP Tax-Aide. Please see or contact me. GKoenig@OpenFour.com (940-205-6167) Thank you for your time and attention.

P.S. In the fall I hope to be scheduled to teach my class on Financial Decisions – Ages 50-75