

Harris County Property Tax Protest Numbers are either up or just the norm

An examination of Harris County Property Tax Protest figures reveals whether the increase is extraordinary or typical.

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EINPresswire.com/ -- Harris County property tax savings from property tax protests have risen from \$434.3 million in 2012 to \$662.2 million in 2021 (latest year data available), a 52% increase. Property tax savings statewide rose from \$1.509 billion in 2012 to \$4.38 billion, a 190% increase.

Harris County Tax Protest Property Tax Savings

Homeowners were the driving factor in increasing property tax savings from property tax protests in Harris County. Tax protests saved Harris County homeowners \$93.5 million in 2012 but savings rose to \$181.9 million in 2021, a 94% increase. Property tax savings from Harris County commercial property owners rose from \$341.4 million in 2012 to \$480.3 million in 2021, a 41% increase.

Texas Tax Protest Property Tax Savings

O'CONNOR

Tax Reduction Experts

Harris County Property Tax Savings vs Texas-wide



Comparing Harris County Property Tax Savings to Statewide

Harris County Property Tax Savings by Property Type

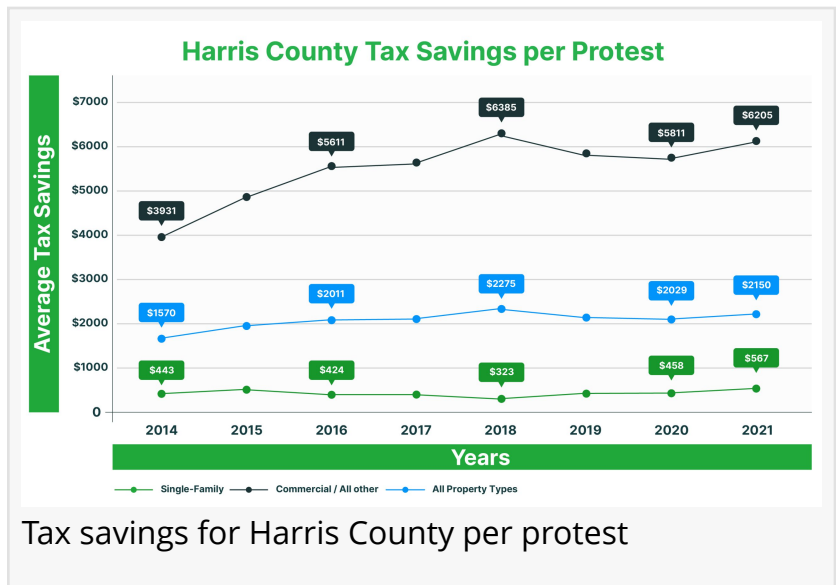


Tax savings for different property types in Harris County

Statewide property tax savings for houses rose from \$251 million in 2012 to \$677 million in 2021, a 170% increase. Property tax savings from commercial owners rose from \$1.258 billion in 2012 to \$3.702 billion in 2021, a 194% increase.

Are Tax Protests Worthwhile?

Harris County homeowners who protested averaged savings of \$567 versus statewide savings from informal / ARB hearings of \$527. Harris County commercial property owners averaged savings of \$6,205 in 2021 versus \$4,086 per commercial tax protest statewide. Tax protests are worthwhile, and savings are substantial.



Are Benefits of Protests Spread Equally?

No, protest benefits are skewed to commercial owners since few homeowners protest. Less than 10% of homeowners protest. Statewide owners gain a reduction in the informal hearing in 80 to 90% of informal protests. In Harris County, the odds are even better. Homeowners who protest get a reduction at the informal hearing in 85 to 95% of informal protests for houses.

Harris County is Global Leader in Tax Protests

Harris Central Appraisal District property tax protests likely exceed protests at any other U.S. appraisal district. HCAD had 453,842 tax protests in 2021. They easily exceed the total protests at any other Texas county. Tarrant County had the second highest level of protests with 148,004 property tax protests and Dallas was third with 147,665 protests in 2021 (most recent year data available).

Harris County Protest Rate High

While the raw number of Harris County property tax protests is almost three times the next highest county, the portion of accounts protested is more than double the rate for Texas. Fully 24% of Harris County tax parcels have been protested the last few years. The portion of Harris accounts protested is up from 20% in 2014. Texas-wide, owners protest 10.5% of parcels in 2021, up from 6.5% of tax parcels protested in 2014. Only Travis (35.6% of accounts protested) and Galveston (30.6% of accounts protested in 2021) had a higher proportion of accounts protested in 2021.

Harris County Tax Protests versus Statewide

Statewide there are 20,960,000 tax parcels and 2,191,000, or 10.5% were protested in 2021. The portion of accounts protested rose from 6.5% in 2014 to 10.5% in 2021. Harris County has 1,871,840 accounts in 2021 and 453,840 accounts were protested in 2021. Harris County property tax protests accounted for 20.6% of statewide tax protests. Harris County protests have risen from 20.0% of accounts in 2014 to 24.2% in 2021.

Property tax protest assessment reductions have doubled in Harris County since 2012 and have tripled in Texas. Assessment reductions in Harris County rose from \$18.3 billion in 2012 to \$36.1 billion in 2021, a 97% increase. Texas assessment reductions increased from \$55.9 billion in 2012 to \$162.2 billion in 2021, a 190% increase. These assessment reductions include informal hearings, appraisal review board hearings and judicial appeals. Data for assessment reduction from binding arbitration is not available.

Assessment Reduction by Stage

Property taxes can be reduced at the informal hearing, appraisal review board hearing or in binding arbitration / judicial appeal. It is true Texas has one Tax Code that includes the process for valuing property and tax protests. In practice, practice varies for a variety of reasons. Some appraisal districts prefer to resolve most protests in the informal hearing process. At the other end of the spectrum, some appraisal districts are reluctant to settle at the informal or appraisal review board and effectively push accounts into either binding arbitration or a judicial appeal.

While assessment reduction at the informal hearing and judicial appeal stage have increased sharply. Assessment reductions rose from \$7.8 billion to \$14.2 billion, an 82% increase, during 2012 to 2021. Assessment reductions achieved during a judicial appeal soared from \$2.2 billion to \$11.6 billion, a 427% increase. Meanwhile, assessment reduction at the ARB increased from \$8.2 billion to \$0.28 billion, a 25% increase.

Harris County Resolves Most Single-Family Accounts at the Informal Hearing

Following are notes on the process where assessment reduction occurs in Harris County and statewide. Harris County assessment reduction occurs 39% in informal hearings, 28% in ARB hearings and 32% in judicial appeals. Statewide 45% of assessment reduction occurs at informal hearings, with 36% at ARB hearings and 19% in judicial appeal reductions. Judicial appeals are an often-overlooked tool in property tax reduction.

Are Informal Hearings Worth It at HCAD?

Yes, 80 to 90% of Harris County informal settlements include a reduction in value. Statewide the success rate is about 80% at informal hearings. Homeowners are more likely to succeed than commercial property owners in both Harris County and across Texas. In Harris County, 85% to 95% of informal protests for homeowners are successful versus 70 to 75% for commercial

property owners. Statewide, ~80% of homeowner informal protests involved a reduction versus about 62% for commercial property owners.

Are ARB Hearings Worth It?

Harris County ARB hearings are more likely to generate a reduction than statewide results. There is a reduction in value at the Harris County Appraisal Review Board in 73% of protest hearings, including 76% of single-family and 65% of commercial. Statewide results reported by appraisal districts are much lower. The statewide success rate at appraisal review boards is 20% overall, including ~30 to 60% for single family and about 5 to 10% for commercial property protests.

Options after the Appraisal Review Board (ARB)

There are three options after the ARB: 1) binding arbitration, 2) State Office of Administrative Hearings (SOAH) and 3) judicial appeal (lawsuit in county district court). There are a volume of binding arbitration filings and judicial appeals but relatively few SOAH cases. Most of the binding arbitration cases are settled without a hearing. The next posting for this blog on Harris County will address appeals after the appraisal review board.

Taxpayer tip – protest every year, and continue the appeal to the level necessary to get the best result. Repeat annually. In most cases, annual protests can be settled at the informal hearing. However, some properties are more difficult to value than others and other properties include intangible value that needs to be extracted from the total value. An example of intangible value includes the business enterprise value of a hotel or the credit rating of a lease guarantor.

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Source:

Appraisal district assessment and protest data from Texas Comptroller. Tax savings are estimated based on a 2.7% tax rate and no exemptions or homestead caps. O'Connor is a private company specializing in tax reduction and is not affiliated with the Texas Comptroller or any government entity or appraisal district.

About O'Connor:

O'Connor is among the largest property tax consulting firms in the United States, providing residential property tax reduction services in Texas, Illinois, and Georgia, as well as commercial property tax reduction services across the United States. O'Connor's team of professionals possess the resources and market expertise in the areas of property tax, cost segregation, and commercial and residential real estate appraisals. The firm was founded in 1974 and employs more than 600 professionals worldwide. O'Connor's core focus is enriching the lives of property owners through cost-effective tax reduction.

Property owners interested in assistance appealing their assessment can enroll in O'Connor's Property Tax Protection Program™. There is no upfront fee, or any fee unless we reduce your property taxes, and easy online enrollment only takes 2 to 3 minutes.

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