

Tarrant County Property Tax Protests Versus Texas-Wide

Using fall 2023 data, O'Connor's experts examined property tax protests in Tarrant County compared to those statewide in Texas.

DALLAS, TEXAS, UNITED STATES, February 29, 2024 /EINPresswire.com/ -- The amount of property tax savings Tarrant County received as a result of property tax protests increased by 652%, from \$61.9 million in 2012 to \$466.5 million in 2021 (the most recent year for which data is available). The property owner savings from property taxes for all of Texas increased by 190%, from \$1.50 billion in 2012 to \$4.38 billion.

Tarrant County Tax Protest Property Tax Savings

Commercial property owners were the primary force behind Tarrant County owner's increased property tax savings via property tax protests. Tax protests saved Tarrant County residential owners \$19.54 million in 2012, but savings increased 223% to \$63.29 million in 2021. Property tax savings from Tarrant County commercial property owners increased by 850% from \$42.4 million in 2012 to \$403.28 million in 2021.

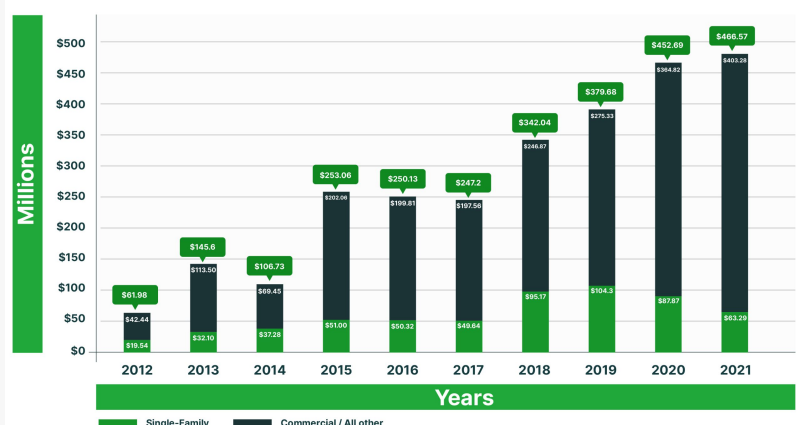
O'CONNOR Tax Reduction Experts

Tarrant County Property Tax Savings vs Texas-wide



Tarrant County Property Tax Savings vs Texas - Wide

Tarrant County Property Tax Savings by Property Type



Tarrant County Property Tax Savings by Property Type

Texas Tax Protest Property Tax Savings

Property tax reductions for residences at the statewide level increased by 170% between 2012 and 2021, from \$251 million to \$677 million. The property tax savings of commercial proprietors increased by 194% between 2012 and 2021, from \$1,258 billion to \$3,702.

Are Tax Protests Worthwhile?

The average savings of homeowners who protested in Tarrant County were \$621, compared to \$527 for the state as a whole from informal/ARB hearings. In 2021, commercial property owners in Tarrant County achieved an average savings of \$8,729 per commercial tax protest, compared to \$4,086 statewide. Tax protests are worthwhile savings and are therefore advantageous.

Are the Benefits of Protests Spread Equally?

No, since few homeowners object, protest advantages are skewed toward commercial owners. Fewer than 10% of homeowners appeal. In 80 to 90% of informal protests, statewide owners get a decrease in the informal hearings. The probabilities are even greater in Tarrant County. In 85 to 95% of informal protests for homes, homeowners get a decrease in the informal hearings.

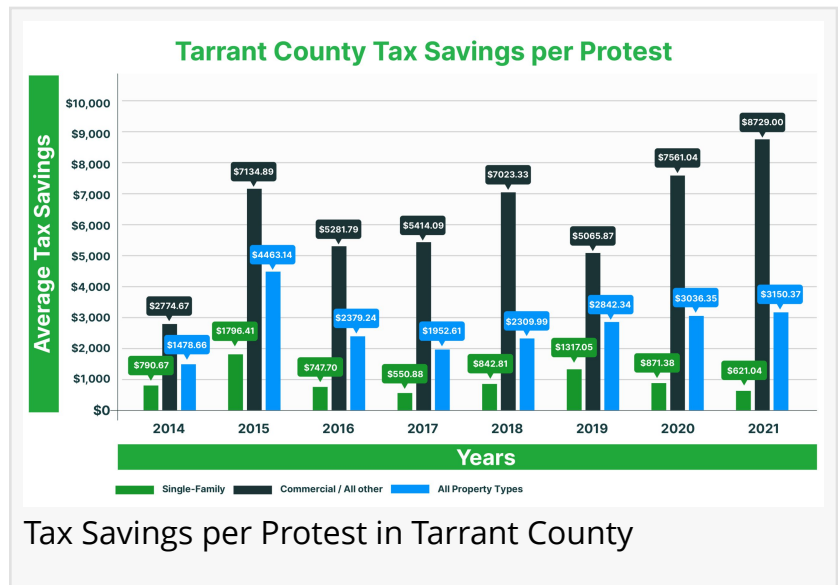
Tarrant County is the Second Highest Global Leader in Tax Protests

Property tax objections in the Tarrant Appraisal District don't outnumber those in all other appraisal districts in the state of Texas. In 2021, HCAD recorded 453,842 tax protests. Harris County protests far outnumber all other counties in Texas. According to the most current year's statistics available, Tarrant County had the second-highest number of protests with 148,004 property tax protests, while Dallas came in third with 147,665 protests.

Tarrant County Protest Rate High

Protests have been filed against 8.05% of Tarrant County tax properties in the last several years. The percentage of contested Tarrant accounts has increased from 4.95% in 2014. Owner protests of tax parcels increased to 10.5% of all properties in Texas in 2021 from 6.5% in 2014. The two cities with the highest percentage of accounts protesting in 2021 were Travis (35.6% of accounts) and Galveston (30.6% of accounts).

Tarrant 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. Tarrant County has 1,840,880 accounts in 2021 and 148,100 accounts were protested in 2021. Tarrant County property tax protests accounted for 6.8% of statewide tax protests. Tarrant County protests have risen from 4.5% of accounts in 2014 to 8.05% in 2021.

In Tarrant County, reductions in taxes went from \$2.2 billion in 2012 to \$17.2 billion in 2021, a 652% rise. From \$55.9 billion in 2012 to \$162.2 billion in 2021, Texas assessment reductions went up by 190%. Judicial appeals, informal hearings, and hearings before the appraisal review board are examples of these assessment decreases. There is no relevant data on assessment decrease from binding arbitration.

Assessment Reduction by Stage

Property taxes may be lowered via binding arbitration or judicial appeal, informal hearings, and appraisal review board hearings. It is true that Texas has a single Tax Code that covers both tax appeals and property valuations. There are many reasons why the execution of these differs in practice. A few appraisal districts would rather use informal hearings to settle most objections. On the other hand, some appraisal districts essentially force accounts into either binding arbitration or judicial appeal because they are unwilling to settle for the informal or appraisal review board.

In contrast, there has been a noticeable rise in assessment decrease in the informal hearing and judicial appeal levels. From 2012 to 2021, assessment reductions increased by 623%, from \$1.3 billion to \$9.4 billion. Judicial appeals resulted in assessment reductions that jumped up from \$0.76 billion to \$3.15 billion, a 312% increase. In the meanwhile, the ARB's assessment decrease climbed by 2310%, from \$0.19 billion to \$4.6 billion.

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

The process for assessment reduction in Tarrant County and throughout the entire state is detailed in the notes that follow. In informal hearings, assessments are reduced by 55%; in ARB hearings, they are reduced by 27%; and in judicial appeals, they are reduced by 18%. In the statewide system, informal hearings account for 45% of assessment reductions, ARB hearings for 36%, and judicial appeal reductions for 19%. A useful strategy for lowering property taxes is the judicial appeals process.

Are Informal Hearings Worth It at TAD?

Yes, 65 to 90% of Tarrant County's 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 Tarrant County and across Texas. In Tarrant County, 85% to

95% of informal protests for homeowners are successful versus 70 to 77% 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?

Hearings before the Tarrant County ARB are more likely to result in a decrease than statewide outcomes. At the Tarrant County Appraisal Review Board, there is a value drop in 59% of protest hearings, with 61% of single-family and 45% of commercial properties experiencing this reduction. The statewide figures that assessment districts have released are much less. Overall, 20% of statewide appraisal review board protests are successful; this includes from 30% to 60% of complaints involving single-family homes and 5–10% of protests involving commercial property.

Options after the Appraisal Review Board (ARB)

Following the ARB, one may pursue a binding arbitration, the State Office of Administrative Hearings (SOAH), or a judicial appeal (filing an appeal in county district court). Very few SOAH cases are filed, compared to a large number of binding arbitration filings and judicial appeals. The majority of disputes involving binding arbitration are resolved without a hearing. The appeals process after the appraisal review board will be discussed in the next Tarrant County blog post.

Taxpayer message: file an annual protest and keep up the appeal until the best outcome is achieved. Repeat once a year! Annual protests can usually be resolved at an informal hearing. However certain characteristics are harder to value than others, and others have intangible worth that has to be subtracted from the overall value. The commercial enterprise value of a hotel or the credit standing of a lease guarantor are two examples of intangible value.

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 possesses 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 reductions.

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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