

Bexar County Property Tax Protests Versus Texas-Wide

O'Connor effectively assessed Bexar County property tax protests compared to statewide protests in Texas.

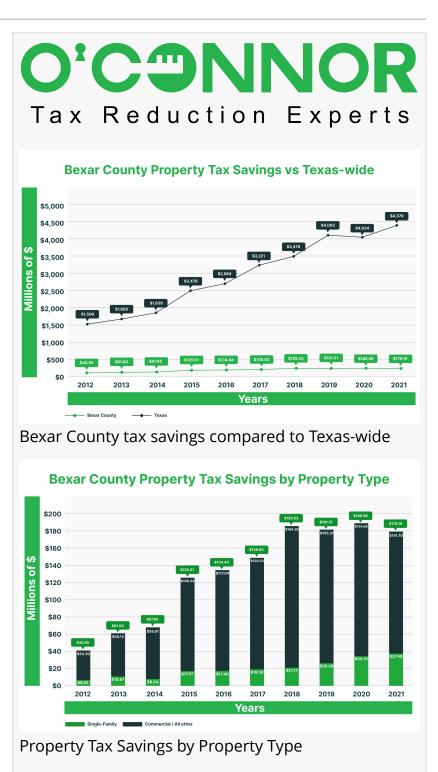
AUSTIN, TEXAS, UNITED STATES, March 14, 2024 /EINPresswire.com/ -- Bexar County witnessed a remarkable 337% surge in property tax savings resulting from tax protests last year, soaring from \$40.95 million in 2012 to \$179.19 million in 2021. Meanwhile, statewide property tax savings experienced a 190% increase, ascending from \$1.509 billion in 2012 to \$4.38 billion.

Bexar County Tax Protest Property Tax Savings

The increase in property tax reductions from Bexar County tax protests was mainly due to commercial property owners. Property tax savings for these owners surged by 313.12%, from \$34.3 million in 2012 to \$141.7 million in 2021. Meanwhile, tax protests in 2012 saved Bexar County homeowners \$6.65 million, which soared by 463.7% to \$37.49 million by 2021.

Texas Tax Protest Property Tax Savings

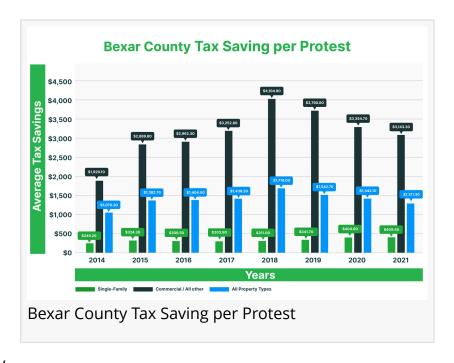
There was a notable surge in statewide property tax savings for homes, rising



from \$251 million in 2012 to \$677 million in 2021, marking a remarkable growth of 170%. Meanwhile, property tax savings for business owners experienced substantial growth, climbing from \$1.258 billion in 2012 to \$3.702 billion in 2021, representing a significant surge of 194%.

Are Tax Protests Worthwhile?

The typical savings for Bexar County homeowners who protested averaged \$409, compared to the statewide average of \$527 from informal/ARB hearings. In 2021, commercial property



owners in Bexar County realized an average savings of \$3,143, although the statewide average savings per commercial tax protest was \$4,086. Participating in tax protests offers notable advantages, resulting in considerable savings.

Are the Benefits of Protests Spread Equally?

No, as only a small number of homeowners lodge complaints, the benefits of protests are disproportionately advantageous to commercial property owners. Less than 10% of homeowners raise objections. In 80 to 90% of informal protests statewide, property owners receive a decrease during the informal hearing. The likelihood is notably higher in Bexar County. In 85 to 95% of informal protests for homes, homeowners experience a decrease in informal hearing.

Bexar County was not the Global Leader in Tax Protests

Bexar Appraisal District was not among the top Texas appraisal districts in the number of tax protests, reporting 136,650 protests in 2021. When it comes to Texas, Harris County leads the pack with the highest total protests. Tarrant County comes in second with 148,004 property tax protests, followed by Dallas in third place with 147,665 protests in 2021, the latest year for available data.

Bexar County Protest Rate High

Bexar County has one of the highest rates of property tax protests in the county, and the proportion of accounts challenged exceeds that of Texas. In recent years, 35.6% of tax parcels in Bexar County have been protested, marking an increase from 23% in 2014. The statewide percentage of protested parcels in Texas rose from 6.5% in 2014 to 10.5% in 2021. In 2021, only

Bexar (35.6%) and Galveston (30.6%) had a higher proportion of protested accounts.

Bexar County Tax Protests versus Statewide

In 2021, Texas saw 2,191,000 tax parcels protested out of 20,960,000 statewide, a notable increase from the 6.5% protest rate in 2014. In Bexar County, out of 721,060 accounts, 136,650 were protested, marking a jump from 9.88% to 18.95% since 2014.

Assessment reductions in Bexar County surged by 337% from \$1.51 billion in 2012 to \$6.63 billion in 2021, while Texas-wide reductions climbed 190% from \$55.9 billion to \$162.2 billion. These reductions stem from various processes like judicial appeals, informal hearings, and hearings before the appraisal review board; however, there is no data on reductions due to binding arbitration.

Assessment Reduction by Stage

In Texas, property owners can reduce their property taxes through various avenues: the informal hearing, appraisal review board hearing, or binding arbitration / judicial appeal. Although Texas has a unified Tax Code covering property valuation and protest procedures, the application of these procedures varies across counties for various reasons. While some districts prefer resolving protests informally, others may opt for escalation to binding arbitration or judicial appeal instead of settling at the appraisal review board.

Assessment reductions have significantly increased during the informal hearing and judicial appeal stages. Between 2012 and 2021, assessment reductions surged by 342%, rising from \$0.61 billion to \$2.7 billion. Assessments reduced through judicial appeals also saw a notable 15% increase, growing from \$0.51 billion to \$1.8 billion. Meanwhile, assessment decreases by the ARB skyrocketed by 1284%, climbing from \$0.57 billion to \$7.89 billion.

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

Here are some insights into the assessment reduction process in Bexar County and statewide. In Bexar County, assessment reductions happen 41% of the time during informal hearings, 47% at ARB hearings, and 40% occur through judicial appeals. Statewide, informal hearings contribute to 45% of assessment reductions, ARB hearings to 36%, and judicial appeals to 19%. It's worth noting that judicial appeals are a frequently overlooked avenue for reducing property taxes.

Are Informal Hearings Worth It at BAD?

In Bexar County, informal settlements often lower property values in 70-90% of cases, with a statewide success rate of about 80%. Homeowners generally fare better than commercial property owners. Specifically, in Bexar County, 90% of homeowner protests succeed, while for commercial property owners, success rates range from 58-84%. Statewide, around 80% of

homeowner protests result in reductions, compared to roughly 62% for commercial property owners.

Are ARB Hearings Worth It?

In Bexar County, ARB hearings often lead to lowered valuations compared to the state average. Specifically, 86% of protest hearings result in reduced values at the Bexar County Appraisal Review Board, with rates of 92% for single-family properties and 60% for commercial properties. Statewide, the success rate for ARBs is notably lower, averaging around 20% overall, approximately 30-60% for single-family properties, and roughly 5-10% for commercial property protests.

Options after the Appraisal Review Board (ARB)

After the ARB, alternatives include the State Office of Administrative Hearings (SOAH), judicial appeal (lawsuit in county district court), and binding arbitration. While judicial appeals and binding arbitration filings are abundant, the number of SOAH cases is relatively limited. Most binding arbitration cases are resolved without a hearing. The next entry in this Bexar County blog will delve into appeals following the appraisal review board.

Taxpayer Tip: It's recommended to protest annually and pursue the appeal process until achieving the desired outcome. Make it a yearly practice. Usually, yearly protests can be resolved through an informal hearing. However, certain factors pose valuation challenges, while others involve intangible worth that needs to be distinguished from the overall value. Intangible value could be demonstrated by factors like the commercial enterprise value of a hotel or the credit rating of a lease guarantor.

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, 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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