

# Harris County Property Tax Protests Versus Texas - Wide

*O'Connor conducted an exhaustive analysis comparing the 2022 Harris County Property Tax Protests with the property taxes across the state of Texas.*

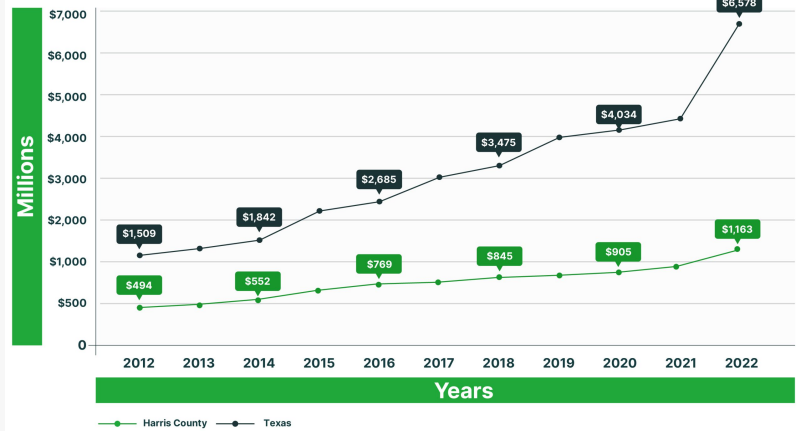
HOUSTON , TEXAS , UNITED STATES , April 4, 2024 /EINPresswire.com/ -- The amount saved on property taxes in Harris County through property tax protests has jumped from \$494.26 million in 2012 to \$1.163 billion in 2022, representing a significant 153.3% increase. Similarly, statewide property tax savings have surged from \$1.509 billion in 2012 to \$6.578 billion, indicating a substantial 335.9% rise.

## Harris County Tax Protest Property Tax Savings

The increase in property tax savings from protests in Harris County was primarily due to updated data for homeowners. In 2012, tax protests saved Harris County homeowners \$69.8 million, but by 2022, savings had risen significantly to \$229 million, representing a remarkable 228% increase. Similarly, property tax savings for Harris County commercial property owners increased from \$365.1 million in 2012 to \$490.5 million in 2022, showing a notable 34.3% rise.

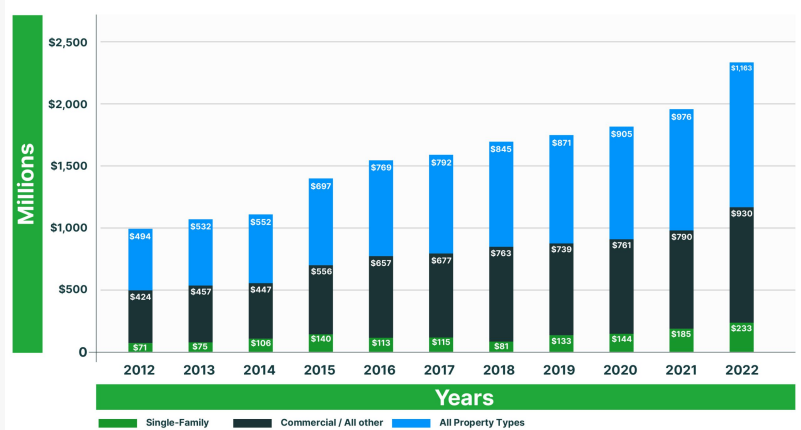


Harris County Property Tax Savings vs Texas-wide



Property Tax Savings vs Texas - Wide

Harris County Property Tax Savings by Property Type



Property Tax Savings by Property Type

## Texas Tax Protest Property Tax Savings

Statewide, property tax savings for homeowners increased by 447.8%, from \$251 million in 2012 to \$1.375 billion in 2022. Commercial property tax savings increased significantly, from \$1.258 billion in 2012 to \$5.202 billion in 2022, representing a 313.5% increase.

### Are Tax Protests Worthwhile?

The updated 2022 Harris County homeowners who protested averaged savings of \$641 versus statewide savings from informal / ARB hearings of \$1,093. Harris County commercial property owners averaged savings of \$7,065 in 2022 versus \$5,606 per commercial tax protest statewide. Tax protests are worthwhile, and savings are substantial.

### Are the Benefits of Protests Spread Equally?

The benefits of protesting are largely in favor of commercial owners due to the low participation of homeowners in protests, with less than 10% taking part. Statewide, property owners typically experience reductions in 80 to 90% of informal protests. In Harris County, the odds are even more favorable, with homeowners seeing reductions in 85 to 95% of informal protests for residential properties.

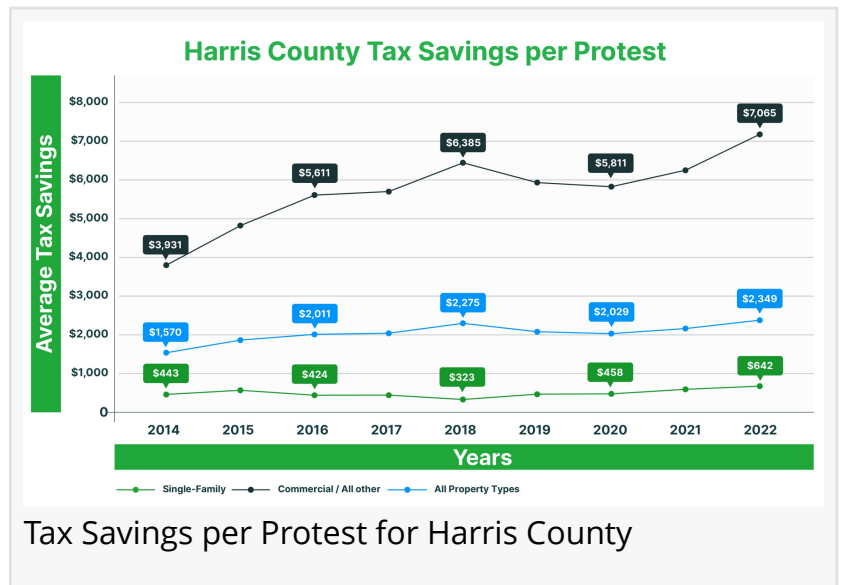
### Harris County is a Global Leader in Tax Protests

The number of property tax protests at the Harris Central Appraisal District likely surpasses those at any other U.S. district. In 2021 alone, HCAD recorded 495,130 tax protests, far exceeding the total protests in any other Texas county. Tarrant County had the second-highest level of protests with 197,120 property tax protests, followed by Dallas with 159,490 protests in 2021 (the most recent year for which data is available).

### Harris County Protest Rate High

While Harris County experiences nearly three times as many property tax protests as the next highest county, the percentage of accounts protested is more than double the statewide rate for Texas. In 2022, 26% of tax parcels in Harris County were protested, compared to 20% in 2014. Statewide, the percentage of protested parcels increased from 6.5% in 2014 to 12.24% in 2022.

### Harris County Tax Protests versus Statewide



Tax Savings per Protest for Harris County

Out of a total of 22,165,200 tax parcels in the state, 2,713,000 were the subject of protests in 2022, or 12.24%. The protested percentage of accounts increased from 6.5% in 2014 to 12.24% in 2022. In 2022, there are 1,902,200 accounts in Harris County, of which 495,130 were protested. Property tax protests in Harris County comprised 13.76 percent of all tax protests in the state. Protests in Harris County have increased from 20.0% of accounts in 2014 to 26% of accounts in 2022.

Property tax protest assessment reductions have doubled in Harris County since 2012 and tripled in Texas. In Harris County, assessment reductions rose from \$18.3 billion in 2012 to \$43.08 billion in 2022, marking a 135% increase. Statewide, assessment reductions increased from \$55.9 billion in 2012 to \$243.6 billion in 2022, representing a 335.7% increase. These assessment reductions encompass informal hearings, appraisal review board hearings, and judicial appeals. However, data for assessment reduction from binding arbitration is not available.

### Assessment Reduction by Stage

Property taxes can be decreased through informal hearings, appraisal review board sessions, or arbitration/appeals. While Texas operates under a unified Tax Code for property valuation and protests, practices differ among districts. Some prefer informal resolutions, while others escalate cases to arbitration or judicial appeals.

In the latest update, assessment reductions at the informal hearing and judicial appeal stages have seen significant increases. From 2012 to 2022, assessment reductions rose from \$7.8 billion to \$16.7 billion, marking an 82% increase. Similarly, assessment reductions achieved during judicial appeals soared from \$2.2 billion to \$16.4 billion, reflecting a remarkable 645% increase. Meanwhile, assessment reduction at the Appraisal Review Board (ARB) increased from \$8.2 billion to \$9.87 billion, representing a 20.3% increase.

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

According to the latest 2022 update, here are the notes on the assessment reduction process in Harris County and statewide. In Harris County, assessment reductions occur as follows: 39% in informal hearings, 23% in ARB hearings, and 38% in judicial appeals. Statewide, 46% of assessment reductions occur at informal hearings, with 40% at ARB hearings and 14% in judicial appeal reductions. Judicial appeals, although often overlooked, are a valuable tool in property tax reduction.

### Are Informal Hearings Worth It at HCAD?

In Harris County, about 80 to 90% of informal settlements result in a reduction in value, with a similar statewide success rate of around 80% at informal hearings. Homeowners have a higher

success rate compared to commercial property owners both in Harris County and across Texas. In Harris County, 85% to 95% of informal protests for homeowners are successful, while the success rate for commercial property owners ranges from 70 to 75%. Statewide, approximately 80% of homeowner informal protests lead to a reduction, compared to about 62% for commercial property owners.

### Are ARB Hearings Worth It?

In Harris County, ARB hearings are more likely to result in a reduction compared to statewide. 77% of Harris County ARB hearings lead to a reduction, with 83% for single-family and 61% for commercial properties. Statewide, the success rate is lower, with an overall rate of 20%, ranging from 30 to 60% for single-family properties and 5 to 10% for commercial properties.

### Options after the Appraisal Review Board (ARB)

After the ARB, there are three options: 1) binding arbitration, 2) State Office of Administrative Hearings (SOAH), and 3) judicial appeal (lawsuit in county district court). While there are numerous binding arbitration filings and judicial appeals, SOAH cases are relatively few. Most binding arbitration cases are settled without a hearing. Stay tuned for the next blog post on appeals after the appraisal review board in Harris County.

Taxpayer tip: Protest your property taxes every year and escalate the appeal as needed for the best outcome. It's usually possible to settle annual protests at the informal hearing, but some properties pose valuation challenges or include intangible values, such as the business enterprise value of a hotel or the credit rating of a lease guarantor, which require careful consideration.

### 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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