

# Harris County Property Tax Binding Arbitration and Lawsuits

*In its analysis of the 2022 Harris County Property Tax cases, O'Connor focused on binding arbitration and lawsuits.*

HOUSTON , TEXAS , UNITED STATES , April 10, 2024 /EINPresswire.com/ -- According to the latest data, Harris County leads the state in both binding arbitration cases and judicial appeals in 2022. The Harris Central Appraisal District reported 8427 binding arbitration cases, the highest in the state by far. Following closely are Travis County with 558 cases, Dallas County with 509 cases, Galveston County with 374 cases, and Tarrant County with 322 binding arbitration cases.

## Harris County Binding Arbitration Filings

With the latest 2022 figures in hand, Harris County property owners continue to assert their dominance by leading the state in numerous judicial appeals, recording an impressive 7,602 cases. Following suit are Dallas County with 2,643 cases, Travis County with 1,654 cases, Tarrant County with 1,506 cases, and Bexar County with 1,259 cases, rounding out the top five counties in Texas.

## Harris County Judicial Appeal Filings

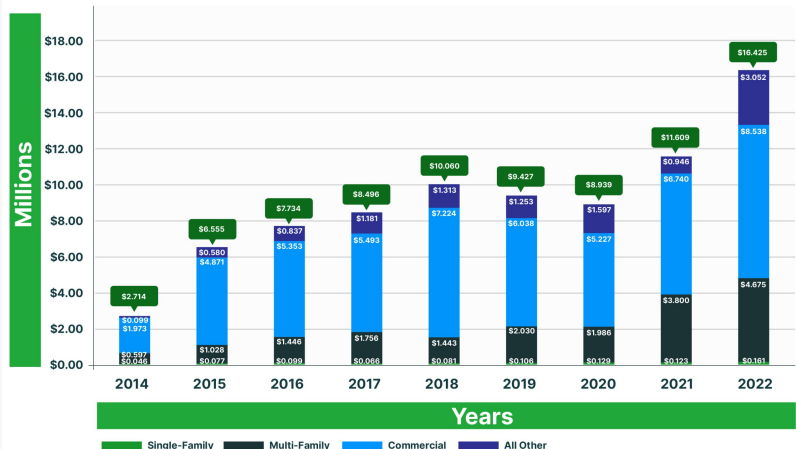
## O'CONNOR Tax Reduction Experts

Harris County Property Tax Binding Arbitration and Lawsuits



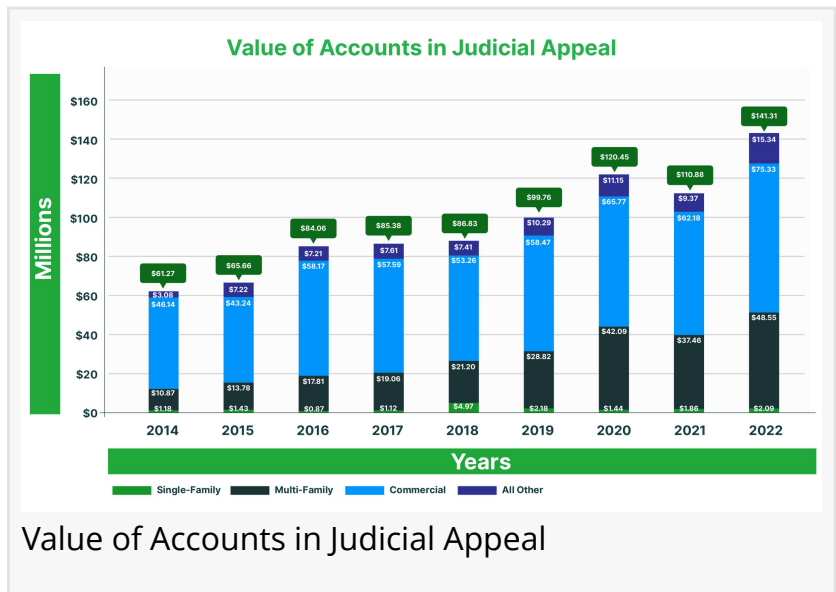
## Harris County Property Tax Binding Arbitration and Lawsuits

Value Reduction from Judicial Appeals



## Value Reduction from Judicial Appeals

Of the \$788 billion worth of property appraised by the Harris Central Appraisal District in 2022, Harris County property owners filed judicial appeals for \$141 billion. This amounts to 17.8% of Harris County's total property value, in contrast to the statewide average of 8.1% of property subject to judicial appeal. Statewide, judicial appeals in Texas covered property valued at \$430 billion out of a total of \$5.296 trillion.



## Harris County Judicial Appeal Tax Savings

Property tax savings through judicial appeals have surged in Harris County and across the state. In 2012, property owners in Harris County trimmed their property taxes by \$59.3 million. By 2022, the savings from judicial appeals in Harris County skyrocketed to \$443.4 million, indicating an impressive 647.7% increase. Statewide, property tax savings through judicial appeals in Texas climbed from \$215.9 million in 2012 to \$929.1 million in 2022, marking a substantial 330.3% increase.

## Binding Arbitration versus Judicial Appeals

Binding arbitration, limited to properties valued under \$5 million (excluding homestead residences), requires a deposit of \$450 or more, mostly refundable (except \$50) if settled or won by the property owner. Unlike judicial appeals, it sidesteps discovery processes, favorable in districts with paper-intensive methods. Judicial appeals, in contrast, incur extra fees such as filing/service fees (~\$375), legal fees, and expert reports. Typically resolved in 6 to 9 months, binding arbitration contrasts with judicial appeals' longer duration of 12 to 36 months.

## Value of Accounts in Judicial Appeal

The costs of judicial appeals discourage most property tax consultants and property owners from pursuing judicial appeals valued below \$20 million. The average value of single-family accounts in lawsuits is just under \$3 million in Harris County and \$3.6 million in Texas. However, the average assessed value of multifamily in judicial appeal accounts is more than \$29 million in Harris County and \$33.3 million in Texas. Commercial property involved in a judicial appeal had an average value of \$15.4 million in Harris County and \$16.3 million statewide in 2022.

## O'Connor Aggressively Coordinates Judicial Appeals – Provides Turnkey Service

O'Connor works in lock step with attorneys specializing in property tax who handle judicial appeals, client coordination, and expert witness report preparation for market value and unequal appraisal. They also negotiate settlements and cover all associated costs like filing fees, legal fees, and expert witness fees. Clients incur no expenses unless their property taxes decrease below the appraisal review board level. Notably, few competitors cover all judicial appeal costs, with most targeting accounts valued over \$10 to \$15 million. However, O'Connor extends its services to commercial accounts over \$750,000 and residential properties over \$1,500,000. Additionally, O'Connor can pursue binding arbitration for properties valued well below \$1,500,000.

O'Connor operates differently from a law firm; rather than solely providing legal services, O'Connor oversees and covers expenses for attorneys, filing fees, tax consultants, expert witnesses, and coordination staff.

### Are Property Tax Savings from Judicial Appeals Successful?

Total annual property tax savings through Harris County Judicial Appeals typically range from \$250 million to \$300 million. However, it's unfortunate that many Harris County property owners who could potentially benefit from a judicial appeal end their pursuit after the Appraisal Review Board (ARB) stage.

**Tax Tips:** If you own commercial property in Harris County valued at \$750,000 or more, pursuing a judicial appeal or binding arbitration could likely be beneficial for you.

### O'Connor Handles Binding Arbitration

O'Connor manages all facets of binding arbitration cases, from paying the arbitration deposit and assuming the risk of losing it (\$450 to \$1,500), to handling the filing, negotiation of settlement, and/or attendance at the arbitration hearing. Unlike most property tax consultants who require property owners to cover the arbitration deposit, O'Connor bears this responsibility. Additionally, O'Connor prepares expert reports on market value and unequal appraisal. Clients only incur costs related to pursuing binding arbitration if their property taxes are reduced, with the fee being a portion of the property tax savings.

### Additional Reduction to Support Binding Arbitration

For O'Connor to initiate binding arbitration on your behalf, even a dispute as small as \$20,000 to \$30,000 is adequate. With O'Connor, you won't incur any upfront costs or flat fees. O'Connor covers all expenses, and you only pay if your property taxes are further reduced below the appraisal review board level.

### What is SOAH?

The State Office of Administrative Hearings (SOAH) offers a quasi-judicial alternative to binding arbitration or judicial appeals. SOAH judges handle disputes involving Texas licensees like brokers, appraisers, and barbers. Unlike binding arbitration, there's no maximum value limit. However, there's a \$1 million minimum set by the appraisal review board, along with a \$1,500 deposit requirement. This deposit is refundable if the case settles and can be used for trial expenses if needed.

SOAH filings statewide have stayed below 100 but seem to be on the rise. SOAH is particularly beneficial in specific cases, offering minimal discovery and enabling a concentrated focus on market value and unequal appraisal arguments. Conversely, in some judicial appeals, appraisal district attorneys prioritize extensive discovery, often with limited relevance to resolving the value dispute.

### Should You File a Judicial Appeal or Use Binding Arbitration?

Appeals following the Appraisal Review Board (ARB) are relatively infrequent compared to initial protests. Each year, binding arbitration cases amount to about 10,000, while judicial appeals reach approximately 17,000, totaling around 27,000 including both binding arbitration and judicial appeals. This figure pales in comparison to the 2,190,000 initial protests recorded in 2021, with only 1.2% proceeding beyond the ARB. Many property owners who halt their appeals at the ARB may be missing out on potential savings. Notably, a significant portion of binding arbitration and judicial appeals results in property tax reductions below the ARB level. Appraisal districts typically exhibit flexibility in reviewing binding arbitration cases submitted in good faith.

Practice tip – if the amount of value in dispute exceeds Practice tip: If the disputed value exceeds \$20,000 to \$30,000 and the case is strongly supported by evidence, pursuing binding arbitration is often advisable at most appraisal districts. Many districts are inclined to settle cases when presented with well-documented evidence.

\$20,000 to \$30,000, and the case is rock solid, binding arbitration would make sense at most appraisal districts. Most appraisal districts are inclined to settle cases with well-documented evidence.

Call 713 290 9700 for a complimentary analysis of your options if you have already been to the ARB.

### Harris County Appeals after ARB Exceeds Statewide Average

Including binding arbitration and judicial appeals (16,029 in 2022) versus total initial tax protests (495,130), Harris County protests extended past the ARB for 3.2% of accounts versus 1.2% statewide.

#### 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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