

Tarrant County Property Tax Protests Versus Texas-Wide

O'Connor details the distinctions between property tax protests in Tarrant County and across Texas.

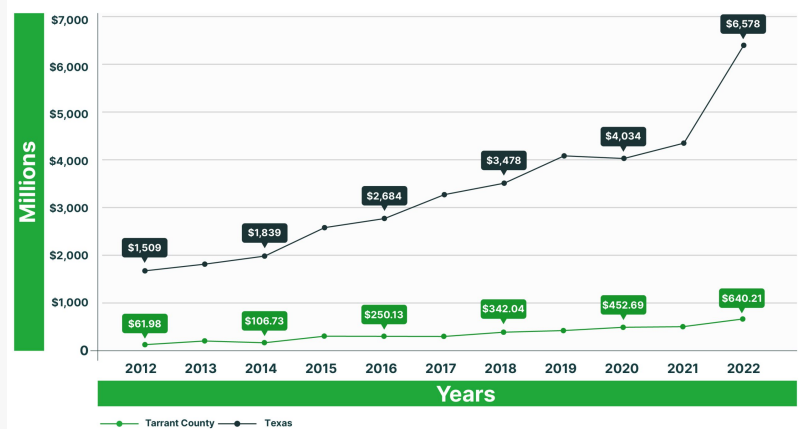
DALLAS , TEXAS , UNITED STATES , June 18, 2024 /EINPresswire.com/ -- The property tax savings resulting from protests in Tarrant County skyrocketed by an astounding 932%, soaring from \$61.9 million in 2012 to an impressive \$640.2 million in 2022 (the most recent data available). The state of Texas experienced a remarkable 190% increase in savings, climbing from \$1.50 billion in 2012 to an impressive \$6.57 billion.

Tarrant County Tax Protest Property Tax Savings

Similar to the previous year, commercial property owners continued to be the driving force behind Tarrant County's increased property tax savings through protests. In 2012, tax protests saved Tarrant County residents \$19.54 million, but this figure surged by 218% to \$62.27 million in 2022. Moreover, property tax savings from Tarrant County commercial property owners witnessed a staggering 1262% increase, rising from \$42.4 million in 2012 to a remarkable \$577.9 million in 2022.



Tarrant County Property Tax Savings vs Texas-wide



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Tarrant County Property Tax Savings by Property Type



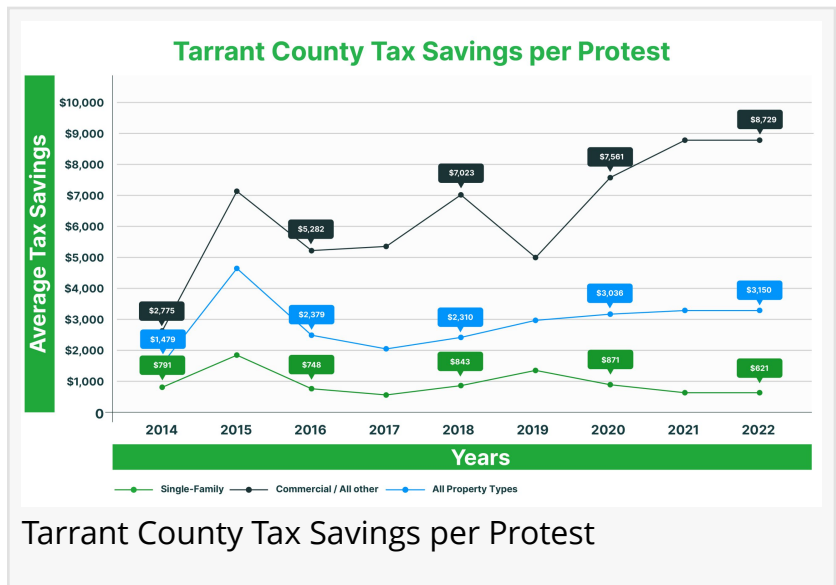
Tarrant County Property Tax Savings by Property Type

Texas Tax Protest Property Tax Savings

Property tax reductions for residences at the statewide level skyrocketed by 447% between 2012 and 2022, jumping from \$251 million to \$1.37 billion.

Similarly, the number of property tax savings for commercial property owners saw a notable 194% increase during the same period, soaring from \$1.258 billion to \$5.202 billion.

Commercial property owners played a significant role in driving Texas' average property tax savings during this period, contributing substantially to the overall increase.



Tarrant County Tax Savings per Protest

Are Tax Protests Worthwhile?

In 2022, there was a decrease in the average savings for homeowners who protested in Tarrant County, which fell to \$450, compared to the state's increase of \$1,093 from informal/ARB hearings. Meanwhile, commercial property owners in Tarrant County celebrated an impressive average savings of \$9,828 per protest, outpacing the statewide average of \$5,606. These significant savings from tax protests underscore their undeniable value and advantages.

Are Benefits of Protests Spread Equally?

No, as only a small fraction of homeowners file objections, the benefits of protests are tilted in favor of commercial owners. Less than 10% of homeowners opt to appeal. Statewide, owners receive a decrease in informal hearings in 80 to 90% of cases. These odds are notably higher in Tarrant County, where homeowners experience a decrease in 85 to 95% of informal protests for homes.

Tarrant County is the Second Highest Global Leader in Tax Protests

Property tax objections in the Tarrant Appraisal District certainly stand out among those in other appraisal districts across the United States. In 2022, HCAD recorded a staggering 495,129 tax protests, far exceeding all the demonstrations in any other county in Texas. Based on the most current year's statistics available, Tarrant County had the second-highest number of protests with 197,118 property tax protests, while Bexar County came in third with 179,498 protests.

Tarrant County Protest Rate High

Over the past several years, protests have been filed against 10.76% of Tarrant County tax properties. This marks a notable increase from the 4.95% contested Tarrant accounts in 2014. Owner protests of tax parcels statewide surged to 12.24% of all properties in Texas in 2022, up from 6.5% in 2014. Notably, Travis (35.6% of accounts) and Galveston (30.6% of accounts) were

the two cities with the highest percentage of accounts protesting in 2022.

Tarrant County Tax Protests versus Statewide

Throughout Texas, there are a total of 22,165,250 tax parcels, of which 2,712,970 equivalent to 12.24% were the subject of protests during the year 2022. This marks a significant increase from the 6.5% of accounts protested in 2014. Focusing on Tarrant County specifically, it boasts 1,832,461 accounts, with 197,118 of them being protested in 2022. Tarrant County's property tax protests made up 7.2% of all statewide tax protests. Notably, the percentage of protested accounts in Tarrant County has climbed from 4.5% in 2014 to 10.76% in 2022, showcasing a considerable rise in tax protests.

Between 2012 and 2022, Tarrant County witnessed a staggering increase in tax reductions, soaring from \$2.2 billion to \$23.71 billion, a remarkable 977% rise. Similarly, Texas assessment reductions surged from \$55.9 billion in 2012 to \$243.6 billion in 2022, marking a substantial 335% increase. These reductions stem from various processes such as judicial appeals, informal hearings, and appraisal review board hearings. However, data on assessment decreases resulting from binding arbitration is not available.

Assessment Reduction by Stage

Property tax reductions can be pursued through different channels, including binding arbitration, judicial appeals, informal hearings, and appraisal review board hearings. Although Texas operates under a single Tax Code covering both tax appeals and property valuations, practices can differ widely in implementation. While some districts lean towards informal hearings to address most objections, others may push accounts towards binding arbitration or judicial appeal, especially when settlements are elusive during informal or appraisal review board processes.

On the flip side, there's been a notable uptick in assessment decreases during informal hearings and judicial appeals. Between 2012 and 2022, assessment reductions skyrocketed by 1123%, leaping from \$1.3 billion to \$15.9 billion. Judicial appeals saw assessment reductions climb from \$0.76 billion to \$2.8 billion, a 268% increase. Meanwhile, assessment decreases at the ARB surged by 2521%, rising from \$0.19 billion to \$4.98 billion during the same period.

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 for 2022, assessments are reduced by 67%; in ARB hearings, they are reduced by 21%; and in judicial appeals, they are reduced by 12%. In the statewide system for 2022, informal hearings account for 46% of assessment reductions, ARB hearings for 40%, and judicial appeal reductions for 14%. A useful strategy for lowering property taxes is the judicial appeals process.

Are Informal Hearings Worth It at TAD?

In Tarrant County, a significant majority ranging from 65% to 90% of informal settlements result

in a reduction in property value. This success rate aligns closely with the statewide average of approximately 80% for informal hearings. Interestingly, homeowners tend to fare better than commercial property owners in both Tarrant County and across Texas. In Tarrant County, 85% to 95% of informal protests by homeowners lead to successful outcomes, compared to 70% to 77% for commercial property owners. Statewide data reveals that roughly 80% of homeowner informal protests result in a reduction in value, whereas this figure is approximately 62% for commercial property owners.

Are ARB Hearings Worth It?

Compared to statewide outcomes, hearings before the Tarrant County Appraisal Review Board (ARB) show a higher likelihood of resulting in property value reductions. In Tarrant County, 65% of protest hearings before the ARB conclude with a decrease in value, with 68% of single-family properties and 56% of commercial properties experiencing this reduction. These figures are notably more favorable than the statewide averages. Statewide data indicates that, on average, 57% of appraisal review board protests are successful. Among these, 60% to 70% involve single-family homes and 46% to 65% involve commercial properties.

Options after the Appraisal Review Board (ARB)

After concluding proceedings at the ARB, individuals have the choice to pursue binding arbitration, SOAH, or a judicial appeal in the county district court. While SOAH cases are rare, binding arbitration and judicial appeals are more prevalent. Notably, most disputes resolved through binding arbitration are settled without a formal hearing. Further details on the appeals process post-ARB will be covered in the upcoming Tarrant County blog post.

Taxpayer message: Taxpayer Tip: File an annual protest and persist with the appeal process until the best outcome is reached. Make it a yearly habit! Most annual protests can be resolved informally. However, some features are challenging to assess accurately, while others possess an intangible value that needs to be accounted for. Examples include the commercial enterprise value of a hotel or the credit standing of a lease guarantor.

Join the Property Tax Protection Program™ today! With no fixed costs or upfront payments, you'll only pay a fee if we successfully lower your taxes for the year. Enroll online in just three minutes—it's that simple!

Source: Texas Comptroller protest data and appraisal district assessments. The projected tax savings are based on a 2.7% tax rate, with no homestead caps or exemptions. O'Connor is an independent, privately owned company specializing in tax reduction and is not affiliated with the government, the appraisal district, or the Texas Comptroller.

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 900 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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