EPCAD EL PASO CENTRAL APPRAISAL DISTRICT

PROTESTING UNEQUAL APPRAISALS

THE LAW

Section 41.43 of the Texas Tax Code sets out the evidence requirements and provisions for an unequal appraisal protest. These evidence requirements are stricter than commonly used protest of "my value is higher than its market value". Please read the requirements of the Sec. 41.43 available online at http://www.statutes.legis.state.tx.us/Docs/TX/htm/TX.41.htm#41.43.

DEFINITION:

MARKET VALUE: The price at which a property would be transferred for cash or its equivalent under prevailing market conditions if:
  ➢ It were exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
  ➢ Both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
  ➢ Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the other.

1.   **Y**ou should consider an unequal appraisal protest if you feel that your property is appraised at a higher percentage of its true market value than comparable properties in your neighborhood. For example, your property is appraised at 100% of value while comparable properties are appraised at 85%.

You will need an independent indicator of the market value of your home. If you purchased it within the last year, the sale price will probably do, unless you bought it from a family member or through a foreclosure or other similar situation or you have made significant changes to the property since the sale. In those instances, you will probably need to hire an appraiser to give you an independent appraisal.

Request in writing a copy of the El Paso Central Appraisal District's (EPCAD) evidence for your case. Also request a copy of El Paso CAD's sales report listing for your area and/or neighborhood. You can also get sales information from your local real estate professionals. Requests for protest evidence or any other documents can be filed in person at the district's Appraisal Review Board counter or mailed to El Paso Central Appraisal District, 5801 Trowbridge Drive, El Paso, TX 79925.

> The charge for copies provided to an owner or agent under this section may not exceed the charge for copies of public information as provided under Section 9, Chapter 424, Acts of the 63rd Legislature, Regular Session, 1973 (Article 6252-17a, Vernon's Texas Civil Statutes), except: …"the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed $15 for each residence; and the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed $25." Texas Tax Code, Sec. 41.461(b)

You may also use the terminals located in our Public Information Center to look up the current market value of your home and for each of the properties listed as having been sold within the last year. Be sure to get the current year market value for each property.

The District's evidence file will include a report showing what the Property Tax Division of the State Comptroller's Office established as the median level of appraisal for the immediately preceding year, as well as what the EPCAD believes to be the median level of appraisal for properties in the school district. If this report shows that the median appraisal ratio for the school district is lower than the ratio for your property, you may be entitled to a reduction based on unequal appraisal without any other evidence. However, if the report does not show a lower ratio or if you believe the report is incorrect, you will need to follow a few steps on the attached worksheet.

STEPS IN PREPARING A PROTEST FOR UNEQUAL APPRAISAL OF RESIDENTIAL PROPERTY

Step 1:   COMPLETE WORKSHEET

Divide the EPCAD **current year** **market** value (do not use the capped value, if one is shown) by your sales price or appraiser's estimate. Express the results as a percent. For example, if EPCAD's value is $75,000 and the sales price was $79,000, the ratio is $75,000/$79,000 or 95%. **Enter this information and complete Step 1 on Worksheet now.**

Compare your property's ratio to the EPCAD's median level of appraisal from the information you have received. If this shows that the median appraisal ratio for the District is lower than the ratio for your property, you may have a case for unequal appraisal.

If you believe that EPCAD's information is incorrect, you will need to follow and complete the next few steps.

For Steps 2, 3 & 4 of the provided worksheet and in accordance with Sec. 41.43(b) (1), (2) and (3), you must show your estimate of the median level of appraisal and your property's ratio to that median level of appraisal.

BE SURE YOU GET THE <u>CURRENT YEAR MARKET VALUE</u> FOR EACH PROPERTY--NOT PREVIOUS YEAR, OR NET TAXABLE VALUE, OR CAPPED VALUE.

Step 2: **List each property in your sample and divide the EPCAD value you looked up for each property on the worksheet by the sale price. Express the result as a percent.**

Step 3: **List the ratios from Step 2, sorted from the highest ratio to the lowest ratio.** If you have an odd number of properties, circle the ratio that is halfway between the first and the last. For example, if you have 11 ratios, the center ratio would be the sixth ratio from the first or the last. If you have an even number of properties, take the two middle ratios, add them together and divide by two. This ratio or the middle ratio, if you have an odd number, is the median appraisal ratio.

Compare this median appraisal ratio with the appraisal ratio for your property. If the median appraisal ratio is higher than the ratio for your property, you do not have a case. For example, if your property's ratio is .99% and the median for the neighborhood is 1.01%, you do not have an unequal appraisal case. If the median appraisal ratio for the neighborhood is 97% and your property's ratio is 1.08%, you may receive a reduction in value. On the other hand, if the median ratio is 97% and your property's ratio is 95%, your value may be raised.

Step 4: **If your sample shows unequal appraisal, determine the value that should be placed on your home.** To do this, multiply the sale price (or independent appraiser's estimate) by the median appraisal ratio. Do not use the EPCAD value for this step. Using the information given in Step 1 above, you would multiply the sales price ($79,000) by the median ratio from Step 3 (97%), resulting a requested value ($76,630), the value you should request from the Appraisal Review Board.

What to Bring to the Hearing

When you appear for your ARB appointment, you will need to bring four copies of the following items:

    a.   The closing statement (if your home was purchased within the last year) or an appraisal report for your home.
    b.   The evidence you requested from EPCAD or verification and listing for any other sales source.
    c.   Your list of properties and ratios. It is a good idea to get a screen print from EPCAD showing the CAD value for each property on the list. If you received value from confidential properties, include those on the list.
    d.   The calculations showing the ratio for your property, the median ratio, and the value you are requesting.

At the Hearing

1. You will have received a one-page information sheet titled, _Property Tax Protest and Appeals Procedures_ when you received your Notice of Appraised Value. You will receive the pamphlet _Taxpayer's Rights, Remedies and Responsibilities_ that describes the hearing process when you receive your appointment letter. If not already provided, the law requires that at the beginning of the hearing you and the EPCAD appraiser give each other copies of the written evidence you plan to introduce. You will also be asked to give one copy of your written evidence to each of the three members of the Appraisal Review Board panel.
2. You should indicate to the panel at the beginning of the hearing that an unequal appraisal is an issue in the hearing.
3. A Sample Completed Worksheet is attached to assist you.

WORKSHEET FOR CALCULATING UNEQUAL APPRAISAL

Step 1. CALCULATE APPRAISAL RATIO FOR YOUR PROPERTY

1. EPCAD Acct. Number	2. Property Address	3. Neighborhood Code
4. EPCAD Market Value	5. Sale Price or Independent Indicator of Market Value	6. EPCAD market value (#4) divided by sale price of appraised value (#5) = _____

Step 2. CALCULATE APPRAISAL RATIO FOR A SAMPLE OF PROPERTIES

PID/Property Address	EPCAD Market Value	Sale Date	Sale Price	EPCAD Market Value Divided by Sale Price = Ratio
CONTINUE ON ADDITIONAL PAGE IF NEEDED				

3. CALCULATE MEDIAN APPRAISAL RATIO

Ratio from step 2 in numerical order from highest to lowest				Select middle ratio (odd number of ratio) or average two middle numbers (even number of ratios)	Median Ratio

4. CALCULATE NEW VALUE IF UNEQUAL APPRAISAL EXISTS

Is the appraisal ratio for your property higher than the median ratio? ☐ Yes ☐ No   If yes, complete the following;

Sale price or appraised value of your property (from step 1, #5)	X	Median appraisal ratio from step 3.	=	$ Requested Value
				$

SAMPLE WORKSHEET FOR CALCULATING UNEQUAL APPRAISAL

Step 1. CALCULATE APPRAISAL RATIO FOR YOUR PROPERTY

1. EPCAD Acct. Number *H788-000-0000-0000*	2. Property Address *000 JOHN DOE STREET*	3. Neighborhood Code *H788XXX000*
4. EPCAD Market Value *$101,272*	5. Sale Price or Independent Indicator of Market Value **$99,500**	6. EPCAD market value (#4) divided by sale price of appraised value (#5) = *1.02*

Step 2. CALCULATE APPRAISAL RATIO FOR A SAMPLE OF PROPERTIES

PID/Property Address	EPCAD Market Value	Sale Date	Sale Price	EPCAD Market Value Divided by Sale Price = Ratio
104 JOHN DOE	*95,700*	*5/14/13*	*112,119*	*.854*
157 JOHN DOE	*105,300*	*4/23/13*	*114,469*	*.920*
173 JOHN DOE	*99,875*	*3/17/13*	*108,911*	*.917*
518 JOHN JONES	*110,400*	*6/10/12*	*110,138*	*1.002*
404 JOHN JONES	*98,400*	*11/26/12*	*112,370*	*.876*
311 MARY SMITH	*99,540*	*2/27/13*	*108,281*	*.919*
571 MARY SMITH	*103,800*	*10/5/12*	*115,759*	*.897*
532 MARY SMITH	*105,600*	*8/8/12*	*114,492*	*.922*
CONTINUE ON ADDITIONAL PAGE IF NEEDED				

Step 3 .CALCULATE MEDIAN APPRAISAL RATIO

Ratio from step 2 in numerical order from highest to lowest				Select middle ratio (odd number of ratio) or average two middle numbers (even number of ratios)	Median Ratio
1.002	**.922**	**.920**	**.919**		**.918** **(.919+.917)/2**
		.917	**.897**		
		.876	**.854**		

Step 4. CALCULATE NEW VALUE IF UNEQUAL APPRAISAL EXISTS

Is the appraisal ratio for your property higher than the median ratio? ☒ Yes ☐ No If yes, complete the following.

Adjusted sale price or appraised value of your property (from step 1, #5) **$99,500**	**X**	Median appraisal ratio from step 3. **.918**	**=**	$ Requested Value **$91,341**

EquityWrks

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