

A NOTE TO TAXPAYERS

AN APPRAISAL DISTRICT is administered by a chief appraiser and it sets the value of your property each year. A Board of Directors, who are voted in by the City, County and School governing bodies, hire the chief appraiser and approves the appraisal district budget. The Deaf Smith County Appraisal District Board of Directors holds quarterly meetings; these meetings are open to the public.

PROPERTY APPRAISAL CYCLE. Between January 1 and May 15, the appraisal district processes tax exemption applications, property renditions and appraises or determines the value for all taxable property within Deaf Smith County. Afterward the appraisal review board begins hearing protests from property owners. In August or September the elected officials of each taxing unit will adopt tax rates. Tax collections begin around October 1 when tax bills are sent to property owners.

EXEMPTIONS: To qualify for a general homestead exemption you must own your home on January 1. You can qualify for the overage 65 or disabled homeowners exemptions as soon as you turn 65 or become disabled. You must own the home and it must be your principal residence. A person may not receive a homestead exemption for more than one residence homestead in the same year. If you qualify for both the overage 65 and the disabled person exemption you must choose one or the other, you cannot receive both. When you receive an overage 65 exemption or a disabled person exemption you also receive a tax ceiling for your school taxes.

A disabled veteran or their surviving spouse can qualify for additional property tax exemptions. Contact the appraisal district for more information.

How to Apply for Exemptions. Obtain an application form from the appraisal district or the district's website. Return the form to the appraisal district after January 1 but no later than April 30. If the Chief appraiser denies or modifies your exemption, you will be notified and you can protest before the ARB.

The Chief Appraiser may require you to submit a new application by sending you a written notice and an application form. If you don't return it you may lose your exemptions.

Agricultural Appraisals. Agricultural land is appraised at its market value, however if it qualifies, an alternative appraisal called Agricultural appraisal (Ag Value) can be used that lowers the taxable value of land. The value is based on the land's capacity to produce crops, livestock or wildlife. If all or part of your land changes from agricultural use to another use (residential, commercial or industrial) then a rollback tax is imposed. The rollback tax is the difference between the taxes you paid on your land's agricultural value and the taxes you would have paid if the land had been taxed on the higher market value plus 7% interest. Check with the appraisal district for the details.

BUSINESS PERSONAL PROPERTY. If you own a business, you must report, or render, your income-producing personal property, including furniture, fixtures, equipment and inventory. You will pay taxes on the property that you own on January 1.

Motor vehicle dealers, boat and outboard motor dealers and heavy equipment dealers have a different reporting system for their inventory. Check with the appraisal district or the County Tax Assessor Collector's offices for the details.

If you dispose of the property or go out of business after the first of the year, you are still responsible for the taxes on the personal property you owned on January 1.

Renditions – A rendition is a form that the appraisal district will send you that you can use to report the business personal property that you own on January 1 to the appraisal district as required by state law. The deadline for submitting the rendition is April 15, however you can receive a 30 day extension if you request the extension in writing. An additional 15 day extension may be granted if you show good cause for needing an extension. Renditions are kept confidential by the appraisal district.

If you fail to render your business personal property to the appraisal district, a 10% penalty will be added to your tax bill. A fraudulent rendition will result in a 50% penalty.

The appraisal district's staff may enter and inspect your premises to determine what taxable personal property you own and its value. They make such inspections during normal business hours or a time agreeable to both parties.

HOW PROPERTY IS APPRAISED. The appraisal district must appraise property at least once every three years; it may be appraised more often if rapidly changing market conditions make reappraisal necessary. The appraisal district uses "mass appraisal" to value the property in the county. Mass appraisal saves time and money and can deliver accurate and uniform values. Mass appraisal is a procedure of steps. These steps include creating and maintaining ownership records and maps, developing land and improvement schedules and classifying properties according to their individual characteristics; like size, age, use, location, condition, construction and other factors. Sales data is used to value "typical" property in the class and then the appraiser takes into account the differences between the typical property value and the actual property being appraised.

These standardized appraisal procedures are used to: 1) Appraise property accurately, that is the appraisal should come close to 100% of market value. Ratios from 90% to 110% are very good and probably represent the highest degree of accuracy the appraisal district can realistically expect to attain. It is notable that the Texas Comptroller holds the appraisal district to an overall ratio of between 95 and 105%, called a confidence interval. Falling out of this range for two years in a row could be grounds for the Comptroller to appoint a "Master" to come in and compels the appraisal district to make adjustments until the overall ratio falls within the confidence interval. 2) Appraise similar property in the same way thus promoting uniform appraisals. This is an important goal, as the appraisal district does not want to treat one property differently from any others.

Appraisal Notices. The appraisal district will send a notice to you if it intends to increase the value of your property. If you disagree with this value, you have until May 31 or 30 days from the date the notice was mailed to you to file a protest with the Appraisal Review Board.

PROTESTS. You may protest if you disagree with any of the appraisal district's actions concerning your property. The Deaf Smith County Appraisal District encourages you to have an informal review of your concerns with the appraisers. We find that 95+% of all concerns can be worked out this way.

If you cannot work out your concerns with the appraisers then you can have a hearing with the Appraisal Review Board (ARB). An ARB is a group of citizens authorized to resolve disputes between taxpayers and the appraisal district. The ARB must base its decisions on evidence so it will hear testimony from both you and the appraisal district. You will be notified of your meeting time with the ARB 15 days in advance. You are entitled to one postponement if needed and you can appear in person or by affidavit or through an agent. If you do not appear at this hearing you lose your right to go to arbitration or district court.

If you are dissatisfied with the ARB's ruling, you have the right to appeal its decision to district court. Contact your attorney as you will have to file a petition with the court within 60 days of receiving the ARB's written order.

An alternative to filing an appeal in district court is arbitration. This option is limited to market value determinations for residential homesteads or a property with an appraised value of one million dollars or less. You must file with the appraisal district within 45 days after receiving your notice from the ARB. You must complete the request form and submit a \$500 deposit payable to the Texas Comptroller. If you want expedited arbitration your deposit will be \$250. Expedited arbitration is limited to one hour of testimony for you and one hour for the appraisal district. If you win you will receive 90% of your deposit and the appraisal district will have to pay the arbitrator's fee. If you lose, the arbitrator's fee will be paid out of your deposit.

TAX RATES. Starting around the first of August the Appraisal District calculates and publishes the "effective" and "rollback tax rates" for each taxing entity.

The effective tax rate takes the current year's value and raises the same amount of tax dollars as last year. Typically if property values rise the effective tax rate will go down, if property values go down the effective tax rate will go down. If a governing body wants to increase its property tax rate above the effective rate, it must publish ads in the newspaper and hold 2 public hearings allowing taxpayers to voice their concerns and ask questions.

The rollback rate is the effective tax rate plus 8% more (for school districts it is 8 cents more than the effective rate). If a taxing unit adopts a tax rate that is higher than the rollback rate, voters in the unit can circulate a petition calling for an election to limit or rollback the tax rate to the rollback rate.

COLLECTIONS. Tax bills are mailed around the first of October. Taxpayers have until January 31 of the following year to pay their taxes. On February 1, penalty and interest charges begin accumulating on unpaid tax bills. Taxing units will impose an additional penalty on July for legal costs on unpaid taxes. If you fail to pay your taxes you may be sued and even have your property sold at a public auction. If you do get behind on your taxes, contact the appraisal district for any installment plan that may be available.

Homeowners age 65 or older or disabled persons also can pay their taxes on their home in quarterly payments. One fourth of your taxes are due before February 1, and then one fourth is due by April 1, June 1 and August 1. There is no penalty or interest if the payments are made on time.

If you are a homeowner aged 65 or older or if you are a disabled person, you may defer or postpone paying property taxes on your home for as long as you own and live in it. A tax deferral only postpones your tax liability. Interest on the taxes accrues at the rate of 8 percent a year. Once you or your surviving spouse no longer own your home or live in it, past taxes and interest become due 181 days later. No effort will be made to collect the taxes or take any legal action to collect or seize the homestead property. Any penalty and interest that was due on the tax bill for the home before the tax deferral will remain on the property and become due when the deferral ends.