

2020 Property Values Covid-19 and Appeal Procedures

Today, we face an excess of unknowns. The situation in which we find ourselves is truly extraordinary. All one must do is open the front door to see a new landscape, a completely different world from only a few months ago. We recognize that many in our community have been greatly impacted by both the health and economic concerns related to the ongoing COVID-19 pandemic.

With that in mind, the Tax Appraisal District of Bell County would like to address special concerns regarding the current economic situation and the property tax law for the 2020 property tax year.

According to the Comptroller's Property Tax Assistance Division 2019 Property Value Study, the values in some areas of Bell County, specifically Temple, Troy, and Salado ISDs, were below the market value that the state requires of appraisal districts to ensure that school districts do not lose state funding. This means they were below the market values as of January 1st, 2019. The Texas Property Tax Code requires that all property tax appraisals be set as of January 1st, and the Chief Appraiser has no discretion regarding this directive. As of this writing, with the exception of applicable exemptions, many 2020 property taxable values will increase in Bell County.

BREAKDOWN

There are many complex factors that come into play with regard to the property tax situation that exists at this time. We appreciate that this is a very complex issue. The elected officials in Austin are striving to do their best to make difficult decisions during an unprecedented time. Please do not construe the following as a criticism of their leadership.

A considerable number of agencies and state officials have sent letters to the Governor requesting action by his office to facilitate suspension of the year's January 1st property reappraisals. These requests came as a result of the events that have ravaged our economy post January 2020. Suspension of property reappraisals for 2020 would maintain property owners' values at the 2019 level, with the necessary exception of newly constructed property.

REAL ESTATE MARKET

As of January 1st, the real estate market was still very strong throughout this state, to include Bell County, and sale prices were continuing to increase. The Temple Board of Realtors reported that the available inventory of homes was at 2.1 months as of April 2020. This is the lowest ever inventory in Bell County since 1990, when this information began to be documented. A typical stable market has an inventory level of 6 months.

The Tax Appraisal District of Bell County recognizes that increasing property values for ad valorem tax purposes at this time could put additional strain on those already suffering financial hardship, as well as promote high protest volumes during a time of requisite social distancing and office closures. Appraisal districts, however, cannot unilaterally choose to forego reappraisal activities without legislative actions, as our property values are tested by the Comptroller's Property Value Study. In order for school districts to receive their full share of state funding, appraisal district's local property valuations are required to meet the Comptroller's Property Value Study valuation standards as of January 1st. Along with the rapidly changing real estate market to January 1st, 2020, these valuations include making up for where the Comptroller recognized values were not at market level as of 2019.

Without legislative action to facilitate suspension of these statutory requirements, the Tax Appraisal District of Bell County is required to reappraise your property at a value reflecting the market as of January 1st, 2020, and not as of the more recent economic downturn.

SCHOOL FUNDING

At the Tax Appraisal District of Bell County, we are well aware of the challenges currently being faced by our local public schools. School administrators are attempting to navigate the challenges of closing their doors, remotely educating children, providing meals for children in need, and developing a budget amidst the new funding intricacies of recent legislation. Texas has a very complex school funding mechanism, and it only became more complicated with the recent passage of House Bill 3 this past year. Our local property values/taxes are inextricably entangled with income from the state to provide local school funding.

If the state were to take the action to suspend or modify appraisal districts' 2020 property reappraisal requirements, it would likely increase the state's share of school funding well past what they originally projected when House Bill 3 was passed. The state is already involuntarily facing this tough reality for the 2021 tax year if these stressed economic conditions continue throughout 2020 and into 2021.

We will be doing everything possible to make Bell County property owners' right to protest as accessible as possible to lessen the impact of our property appraisal, for those that believe the value of your property exceeds what the market value of your home would have been on January 1st, 2020 or that it is inequitably appraised.

HOW TO PROTEST

At this time, when value notices arrive, we ask that, if you believe the appraised value of your property exceeds what the market value was on January 1st, 2020 (prior to any economic effects of the pandemic), you submit a formal protest through the online protest portal on www.bellcad.org.

We will be offering informal reviews with an appraiser by video conference only at this time. Many hearings could be resolved during these conferences. Those unable to reach a resolution during an informal session will be scheduled for a formal Appraisal Review Board hearing at a later time, possibly as late as fall of 2020. Please be flexible and patient and allow additional time for completion of this process.

As they become available, we will post any updates concerning notices and our protest procedures at the following link on our website: bellcad.org/covid-19-update/.