

PROPERTY TAXES IN TEXAS



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GENERAL GUIDELINES

- Property Tax Valuation notices are issued by the Central Appraisal District (CAD) of each county in the Spring.
- The Property Tax Valuation notices contain two key pieces of information:
 - Market value – what the CAD believes the property to be worth
 - Taxable-assessed value – based on current exemptions, what the CAD believes the tax office will use to calculate the annual bill *
- The tax bill is calculated by multiplying the taxable-assessed value of the property by the tax rate for each entity that taxes the property
- The tax office determines the bill for the calendar year (Jan 1st to Dec. 31st) and issues it between October and November of each year.
- Taxes are collected annually; due by January 31st of the following year.**
- Taxes are considered delinquent on February 1st or later. Interest charges and penalties will accrue.

** The CAD establishes the values; the tax office collects the bills. Although the two agencies work closely together, they are not the same so value questions should be directed to the CAD while bill questions need to be directed to the tax office.*

*** You may want to check with your CPA about making your property tax payment prior to December 31st for income tax purposes.*

PROPERTY TAX EXEMPTIONS

What is a Homestead Exemption?

- A homestead exemption reduces a homeowner's property tax bill by removing part of the home's value from taxation.

Qualifications:

- The property must qualify as a residence on January 1st of the year for which you are applying.
- The property must be your primary residence in Texas.
- You may apply as soon as you close on your home.
- You only have to apply once. How do I apply?
- You can find the application online by searching your county Central Appraisal District website for the Residential Homestead Application.

What other exemptions are available?

- You may be eligible for other exemptions such as over-65, disability, or veteran related exemptions. Please check your county Central Appraisal District website for more details.

Who is responsible for applying for any applicable exemptions?

- YOU ARE. As the property owner, if you believe you are eligible for any exemptions, you must contact the CAD to apply. No one will do this for you and beware of paying anyone to help you with it. It is free and easy with the CAD and can help you save money on your property taxes.





DFW AREA APPRAISAL DISTRICTS

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Valuing Property

Each county's appraisal district determines the value of all taxable property within the county. Before the appraisals begin, the district compiles a list of taxable property. The listing for each property contains a description and the name and address of the owner.

The appraised home value for a homeowner who qualifies his or her homestead for exemptions in the preceding and current year may not increase more than 10 percent per year.

Property Tax Code Section 23.23(a) sets a limit on the appraised value of a residence homestead, stating that its appraised value for a tax year may not exceed the lesser of: (1) the market value of the property; or (2) the sum of: (A) 10 percent of the appraised value of the property for last year; (B) the appraised value of the property for last year; and (C) the market value of all new improvements to the property, excluding a replacement structure for one that was rendered uninhabitable or unusable by a casualty or by mold or water damage. The appraisal limitation first applies in the year after the homeowner qualifies for the homestead exemption.

How is your property valued?

The appraisal district must repeat its appraisal process for property at least once every three years.

To save time and money, the appraisal district uses mass appraisal to appraise large numbers of properties. In a mass appraisal, the district first collects detailed descriptions of each taxable property in the district. It then classifies properties according to a variety of factors, such as size, use and construction type. Using data from recent property sales, the district appraises the value of typical properties in each class. Taking into account differences such as age or location, the district uses "typical" property values to appraise all the properties in each class.

The appraisal district may use three common methods to value property: the market, income and cost approaches.

The market approach is most often used and simply asks, "What are properties similar to this property selling for?" The value of your home is an estimate of the price your home would sell for on Jan. 1. The appraisal district compares your home to similar homes that have sold recently and determines your home's value.

Other methods are used to appraise types of properties that don't often sell, such as utility companies and oil leases. The income approach asks, "What would an investor pay in anticipation of future income from the property?" The cost approach asks, "How much would it cost to replace the property with one of equal utility?"

Collin County

collincad.org
469-742-9200

Dallas County

dallascad.org
214-631-0910

Denton County

dentoncad.com
940-349-3800

Ellis County

elliscad.org
972-937-3552

Hood County

co.hood.tx.us
817-573-2471

Hunt County

hunt-cad.org
903-454-3510

Johnson County

johnsoncad.com
817-648-3000

Kaufman County

kaufman-cad.org
972-932-6081

Parker County

parkercad.org
817-596-0077

Rockwall County

rockwallcad.com
972-771-2034

Tarrant County

tad.org
817-284-0024

Wise County

wise-cad.com
940-627-3081

Texas Comptroller

www.window.state.tx.us