

GUIDE TO DISPUTING
PROPERTY TAXES



Priority
HOME LENDING

Are you in the 60% of people overpaying?

Dispute your property taxes

When is it the right decision to dispute? If you're a homeowner, you could benefit from appealing your property taxes if you feel like your home's value has been assessed too high.

The National Taxpayers Union Foundation estimates that [30 to 60 percent](#) of properties are over-assessed. But less than 5 percent of homeowners will challenge this.

The average annual property tax bill has risen 4.4 percent and may be [as much as \\$3,719](#). Individual factors vary, but if you're among the homeowners overpaying by up to 60 percent, disputing could yield savings of over \$1,800.

BEFORE YOU BEGIN, IT HELPS TO REMEMBER:

- Disputing your property taxes doesn't mean you're fighting with your local taxing body.
- Really, it's a matter-of-course; appealing property taxes is simply a request for review.
- You won't be penalized more in tax by requesting a review.
- You can dispute your property tax on your own — without an attorney or realtor, though professional guidance can help.
- Even if you bought your home this year, your property taxes may not necessarily be valued at the recent purchase price.

And, you can dispute your property taxes in about the time it takes to read this step-by-step guide: Think 15 minutes. It may be foolish not to. For many homeowners, appealing is worth it, considering the hundreds to thousands of dollars a year you could save.



Why do I need to dispute my property taxes?

The two most common reasons most homeowners dispute their property taxes are:

1. YOU REALIZE YOU HAVEN'T FILED THE CORRECT EXEMPTIONS.

Exemptions may vary by state and can include a main residence exemption, veteran or disabled person status, assistance for senior citizens, and disaster relief. [The homestead exemption](#) could exempt hundreds of thousands of dollars from being taxed on your home's assessed value, in some states.

Example: Let's say you're a veteran who's entitled to a discount on property taxes, or maybe you're using your property for religious purposes. Both of these scenarios could grant you an exemption.

2. YOU SUSPECT THE ASSESSED VALUE OF YOUR HOME EXCEEDS ITS TRUE MARKET VALUE.

Counties use crude methods to calculate property taxes: Your home's assessed value is multiplied by your local tax rate. Most properties value annually, by January 1 of the year. Homes are valued based on fair market value, which is the amount a buyer is willing to pay and a seller is willing to sell for in an open market. In some cases, property valuations can be extremely low or extremely high.

If the property valuation is too high, **you'll pay taxes higher than you should.** Not only will you be paying more taxes, but it **could make your house harder to sell.**

In the case of a double assessment, **you may be on the hook** for two times the taxes if your property was **accidentally valued twice.**

Appealing the Valuation Notice you received for your property is called an equalization appeal.

HAVING AN INCORRECT ASSESSMENT IS A LOT MORE COMMON THAN MISSING THE CORRECT EXEMPTIONS. REMEMBER:

- Property taxes are generally based on the assessed value of the home.
- Sometimes, there are errors.
- Changes to your property can change its value. A home that once had an inground pool but doesn't any longer may have a new assessed value that must be reflected in a lower tax bill.

Appealing the Valuation Notice you received for your property is called an equalization appeal. You may have less than 30 days to dispute after you receive this letter or notice, but regional timelines vary. If your property was damaged in a natural disaster, you may have up to six months to contest.

When do I need to dispute my property taxes?

When you need to appeal your property taxes varies by the state and county you live in. In Colorado, for example, there's a small window to dispute property taxes in the spring.

TAKE TWO MINUTES NOW:

- Check with your county or use the [National Property Tax Group calendar](#) to find the deadline to dispute in your state.

Set yourself a reminder to appeal your property taxes whenever your local taxing body sends its assessment of your home's value. In some areas, that's once a year. In others, it's every few years. Note that if you've suffered financial hardship as a result of COVID-19, you can also contact your county to see if you're eligible for an extension or another form of tax relief.

Your guide to protesting property taxes: Do it in 5 steps

Onto the legwork. These simple steps can help you prepare for filing and completing your property tax dispute:

1. KEEP METICULOUS RECORDS OF EVERYTHING.

If you want to come out ahead in the property tax dispute process, you'll need to do your prep work. The most effective way to appeal property taxes is by taking care of the details first.

DO THIS:

- **Pay on time.** Paying property taxes can normally be done online. Appealing your property taxes does not release you from your annual payment. You may be entitled to a return when your appeal is resolved, in which case the tax auditor will process your refund.
- **Be organized.** Keep copies of all paperwork related to your home assessment and tax payment receipts. Paperwork may also include proof of any changes to your property, like removing an attached garage or adding an extension.
- **Find out who to talk to.** Locate the office in your municipality that deals with property tax issues. Most towns have three to five elected officials on the property tax board of listers.
- **Set a reminder.** Use it to alert you of all the local deadlines you researched above.
- **Ask about the process.** Reach out to your contact person at your local municipality to get their recommended steps for disputing.
- **See what you can appeal.** In some states, you may be able to contest your home's appraised or market value, wrongful inclusion of property, denial of an exemption, incorrect determination of the property owner, and more.

Above all, do your research. The more you know, the more prepared you will be.

2. CONTACT YOUR LOCAL ASSESSOR'S OFFICE.

It's always a good practice to ensure all deductions entitled to you are granted. This can happen when you first check your property assessment. You can also contact the local assessor's office directly at any time to do your homework.

DO THIS:

- **Check the assessor's math.** If the County Assessor reviews the grounds for your dispute and finds an error (like an incorrect number of bedrooms), your property tax amount may be corrected without the need to appeal.
- **Check the description of your property.** Look for missing details and lot size and structural accuracy.
- **Compare this information.** It can help to contrast your property against at least five equivalent homes in your neighborhood.
- **Set up an informal meeting.** Some counties use a preliminary informal meeting with the County Appraiser or their designee (if required by your county) to allow you to explain your grounds for dispute. After the meeting, the County Appraiser will mail you the written results.

If you aren't satisfied, you can progress to the property tax appeal hearing.

3. CONTACT YOUR REALTOR.

You can look up comparable properties on your own to complete the steps above, but it may be easier to request them from your realtor.

DO THIS:

- **Chat with your agent.** See if they're willing to help you pull five comparable sales to show the county what your property is actually worth.
- **Ask about cost.** Many real estate agents will be more than happy to give these comps to you at no charge. But be mindful: Some agents have begun adding property tax appeals to their list of services.
- **Consider their opinion.** Based on their knowledge of local comps in your area, your realtor can provide you with helpful insight into if they think an appeal is worth making.

Realtors are typically the experts when it comes to value, so they can point you in the right direction, answering most, if not all, of your initial questions.

4. CONTACT YOUR LOCAL ASSESSOR'S OFFICE AGAIN TO SET UP AN APPOINTMENT TO APPEAL.

If the first three steps check out, meaning you believe you've missed some exemptions you're entitled to or that your property value assessment is too high, you're now ready to take step four.

DO THIS:

- **Call your local assessor's office.** Set up an appointment to appeal. If a letter is required to make the appeal, submit using [this sample format](#).
- **Fill out the [property tax assessment appeal application](#).** It can be found on your county tax website. Then, follow the necessary instructions.
- **File your completed appeal application.** Submit it to the county tax clerk, either in person or through the U.S. mail.
- **Pay any required fees.** The cost to appeal property taxes is normally charged upfront and varies by area and property value. Filing fees may start at \$10. Some states may also allow you to [file without payment](#), if you're eligible for support and can't afford the filing fee.
- **Wait for a confirmation postcard.** This will tell you when the application arrives, normally sent within two weeks.
- **Prepare to share.** You can request an "exchange of information" from your County Assessor at any time to find out what comps or other documents they may present to determine your property value. If your home's assessed at over \$100,000, the assessor will usually request the exchange from you. You have up to 30 days prior to your hearing to request, and then the other party must respond at least 15 days before the hearing.
- **Hire a professional.** If you don't want to do this on your own, consider contacting a company that specializes in this service.

A third-party property tax appeal company will normally charge you for about half of the amount they save you in taxes if their dispute is successful.

5. MAKE YOUR APPEAL.

It's the big day. If you've completed steps one through four, you have the power of preparedness on your side. Most taxing bodies make it clear how to dispute your home's property taxes.

DO THIS:

- **Find out whether your city allows you to appeal in writing.** Otherwise, they may require your attendance at the appeal. You can find this information in your Notice of Assessment or by contacting your municipality in step one.
- **Gather all the relevant info.** This may include items needed for your appeal, like recent sales information for properties in similar condition and of similar age, a sales contract for your home if you've purchased within the last two to three years, photos and contractor estimates of the cost to repair any structural damage to your property, a recent appraisal report (ideally from an outside, [nationally-certified source](#)), and income and expense statements for the property for the past three years, if used as a rental.
- **Don't be late.** Aim to arrive to the local assessor's office for your appointment early or on time. Your appeal can also be denied for nonappearance and potentially closed if you forget or miss your hearing date.
- **Think about bringing representation.** You can represent yourself at your hearing, or, in many states, you can bring a licensed property tax consultant, a CPA, a licensed attorney, or a tax service employee to argue your appeal with you. If bringing representation, you may need to sign and submit written authorization permitting that person to represent you prior to the hearing. You may also be allowed to fill out a Declaration of Representative form to let another person (i.e., an immediate family member) represent you.
- **Be prepared to argue.** You'll get about five minutes to present your appeal before the local Board of Review. The hearing will typically be held with the Appraisal District staff and will be informal, not under oath. Each side will be given time to present evidence.
- **Wait for a decision.** The outcome of your dispute may be announced at your hearing, or the board may review the matter in private. If a judgment isn't made at your hearing, the Board Clerk will mail a written decision to you or your representation.
- **Take it higher.** If you aren't happy with the decision and believe you have proof your property taxes have been over-assessed, you can appeal to your state's appraiser or the Superior Court. It's recommended to consider hiring an attorney if you appeal to the Superior Court. For an appeal to the State Appraiser, you may still represent yourself. You'll have 30 days to appeal from the day you receive the decision from your local tax board.

When you've finished your appeal process, pat yourself on the back and remember: A human will review your appeal. Being organized and presenting your appeal coherently puts the odds in your favor.

A third-party property tax appeal company

will normally charge you for about half of the amount they save you in taxes if their dispute is successful.

Take on the taxman: **Property taxes are probably going to increase**

[Property taxes by state](#) can vary, according to U.S. Census Bureau data and WalletHub's 2021 stats. Top-ranking states like New Jersey and Connecticut, where annual taxes on a home priced at the state median value pay out at \$8,362 and \$5,898 respectively, are the most expensive. Cheaper states include Arkansas, West Virginia, and Alabama, where \$798, \$698, and \$587 pay out in annual property taxes.

Of course, property taxes have a purpose – to fund city and county services. Your property taxes often go to nearby schools, social services, fire departments, road and bridge development, and more, strengthening your local community. New Hampshire, a state without broad-based income or general sales tax, is one of the most reliant on property tax revenue.

After owning your home for several years, you, like many homeowners, may notice your property taxes continue to rise. Even after you've paid off your mortgage, property taxes are likely to increase.

This is because property taxes are based on the assessed value of your home, or its grand list. As a result, your property taxes may rise or fall as the economy fluctuates, related to current interest rates, inflation, tax laws, and the state of the housing market. As mentioned, [renovating your home](#) can be beneficial to increase its value, with the side effect of causing your annual property taxes to increase.

For many homeowners, taxes go up every year. Property taxes could also rise again in 2022 because of the pandemic; economic changes have left some cities hurting for tax revenue. To combat rising tax bills, your annual property taxes are always worth investigating – and disputing. Need guidance? Your loan officer is only a call or an email away.

THE AVERAGE HOMEOWNER PAYS AS MUCH AS \$3,719 IN PROPERTY TAXES A YEAR.



Whenever you have questions on how to make your tax bill
(or your mortgage) cheaper, your loan officer is only a call or an email away.



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