

Property Tax Binding Arbitration

Frequently Asked Questions

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What is binding arbitration?

Generally, binding arbitration means that an independent arbitrator hears and examines the facts of an appeal and the decision of the arbitrator is binding on both parties.

Who qualifies for arbitration?

An owner of real property may request binding arbitration if:

- the property in dispute is real property;
- the county appraisal review board (ARB) has issued a written determination on the appraised or market value of the property;
- the disputed property's value as determined by the ARB does not exceed \$1,000,000;
- the ARB order determining protest concerns value only—either the appraised or market value of the property;
- taxes have been timely paid; and
- a lawsuit has not been filed in district court.

What appraisal disputes do not qualify for arbitration?

Binding arbitration is not available if:

- the ARB has not heard the protest and issued an order;
- more than 45 days has passed since the ARB order was received;
- the dispute concerns anything other than the value assigned to the property, such as exemptions or a property owner's right to an exemption or the uniformity or equality of appraisals in a given area or region;
- the property value dispute concerns property other than real property, such as inventory, vehicles and other personal property; or
- the property is valued at more than \$1,000,000, as determined by the ARB order.

Are there restrictions on when I can file for binding arbitration?

Yes. A request for binding arbitration must be filed with the appraisal district within 45 days of the property owner receiving the ARB order determining the protest.

What happens after the property owner submits the request?

The appraisal district has 10 calendar days to certify the application and forward the request and the money order/cashier's check along, with a copy of the ARB order, to the Comptroller.

Does it cost anything to arbitrate my dispute?

Yes. The property owner must pay a \$500 deposit to the Comptroller to request a binding arbitration. Regardless of the outcome, \$50 is retained by the Comptroller's office for administrative costs. If the property owner "wins" the dispute (the arbitrator sets a value for the property nearer to the owner's opinion of value than the appraisal district's value as shown on the request form) the property owner will be refunded \$450, and the appraisal district is required to pay the arbitrator's fees. If the arbitrator's assigned value is not nearer to the owner's opinion of

value than the appraisal district's value, the arbitrator is paid from the property owner's \$450 deposit. If the arbitrator charges less than \$450, any remainder will be refunded to the property owner.

What if I change my mind and decide not to arbitrate? Can I get my money back?

You may ask for a withdrawal of your request for binding arbitration up to 14 days in advance of the scheduled hearing. If you request the withdrawal 14 or more days prior to the scheduled hearing, the Comptroller will refund \$450 of the property owner's \$500, keeping \$50 in administrative costs. If you request a withdrawal 13 days or less before the hearing, the case will automatically default in favor of the appraisal district and the arbitrator will be paid from the property owner's deposit. If the arbitrator's fee is less than \$450, the remainder of the funds will be remitted to the property owner.

Why would an appraisal district reject my request for arbitration?

The appraisal district may reject the request for arbitration if the requisite \$500 cashier's check or money order is not provided. This is the only situation that the appraisal district may reject a request. All other determinations must be made by the Comptroller.

What happens if my arbitration request is rejected?

The Comptroller's office will refund \$450 for a rejected request for binding arbitration and retain \$50 for administrative costs. If your request is rejected because of missing information, you may be able to file a second request if 45 days have not elapsed since you received the ARB order. Your request will also be returned to you if you file your request with the Comptroller's office without going through the county appraisal district. If your request is returned to you, you may be able to file a second request if 45 days have not elapsed since you received the ARB order. Your original check or money order will also be returned to you with your request for binding arbitration.

There are a number of reasons why a request for arbitration could be rejected by the Comptroller. They are:

- the disputed real property is valued at more than \$1,000,000 by the ARB order;
- the request was not filed timely with the appraisal district;
- the property owner's agent is not qualified to represent the property owner;
- the taxes on the subject property are (or have become) delinquent;
- the disputed property is not real property;
- the issue in dispute concerning the subject property is not about appraised or market value, but equality and uniformity, exemption qualification, or another appraisal matter;
- the property owner or agent does not provide additional information requested by the Comptroller within 10 days of the request.

After the arbitrator is chosen, what happens?

The arbitrator contacts both sides and arranges a date, time and location for the arbitration. The arbitrator must manage the arbitration. Each party is required to provide copies of all evidence to the other. Once the arbitrator has heard both sides of the dispute, the arbitrator must render a decision and complete Comptroller form.

Can I arbitrate and still sue the appraisal district?

No. The arbitration proceedings are binding. An appeal of the arbitrator's award in district court cannot be filed if you are simply dissatisfied with the value determination.

Do I have to physically attend a formal hearing?

The property owner may choose to have the arbitration in person, by teleconference or by submitting written documentation to the arbitrator. The Comptroller's office will make every effort to assign an arbitrator willing to hear the dispute according to the method chosen by the property owner. However, if an arbitrator is unavailable to hear the dispute in person, the property owner may need to choose a different method of arbitration or choose to wait until an arbitrator is available to hear the dispute in person.

Who decides where and when a hearing will be held?

The arbitrator is responsible for arranging for the location and time of the arbitration, and will presumably work with the parties involved in that decision. In-person hearings are to be held in the county where the property is located, but the arbitration can be conducted elsewhere if the parties agree.

As a result of arbitration, can your property's value be increased above the amount of the appraisal review board order?

No. The chief appraiser can only correct the appraisal roll if the arbitration award is below the appraisal review board order.

What if I disagree with the outcome of the arbitration?

The decision of the arbitrator is final and binding on both parties. By arbitrating the dispute you agreed to abide by the arbitrator's decision.

TO REQUEST BINDING ARBITRATION:

We are excited about this new lower cost avenue of appeal and encourage you to allow us the opportunity to take this next step in determining your property's valuation. If you are interested in this new process, Please contact Texas Protax Austin, Inc. at 512-339-6671.

You will need to provide your Social Security Number and \$500 cashier's check or money order payable to the Texas Comptroller of Public Accounts along with the signed letter of authorization (we will provide).