

How is my property appraised?



At least once every three years each parcel of property in Henderson County is visited and reviewed by an appraiser from the appraisal district in accordance with Texas Law.

During that visit, the appraiser reviews property characteristics and records any changes from the last review cycle; for example, if you have added or removed a metal building or storage building. The appraiser also looks closely at your improvements to see if there is any change in the exterior condition of your property.

Appraisal district appraisers never ask to inspect your home from the interior.

Typically, an appraiser will validate:

- Size of your improvements
- Construction quality of your improvements
- Physical condition of your improvements

If your property has an interior problem that is not visible from the exterior, please provide pictures or call to set up an appointment for the appraiser to view the inside of your home. Using these facts, the appraisal district will determine the market value of your property as of January 1 considering one of three methods of appraisal:

- Sales
- Comparison/market approach
- Cost approach
- Income approach

And because the appraisal district is placing a value on a large number of properties annually the appraisal district must utilize applicable features of each method and apply them uniformly to similar properties in a process known as mass appraisal.

There are basically only two kinds of appraisal: fee appraisal or mass appraisal. Both types of appraisals utilize the same basic appraisal principles and theories. A fee appraisal utilizes the three methods discussed above but with only one parcel of property being valued. Mass appraisal values the entire county where market areas, neighborhoods, subdivisions, and large groupings of similar properties are appraised at one time by adopted standards.

Sales Approach

In order to determine the value of your property the appraisal district must first know what properties have sold and how much they are selling for in today's market. By maintaining a database of real estate transactions, we can arrive at the property value by studying sales of comparable properties.

Cost Approach

This method of appraising property is based on how much it would cost today to build an identical structure on the property. If the property is not new, we must also determine how much value the building has lost over time (depreciated).

Income Approach

This method is preferred when appraising an income-producing property. This approach determines value through analysis of income and expenses to determine market value. Consideration is given for operating expenses, maintenance costs and the return (or profit) that could be reasonably expected on the property.

What about my oil or gas property?

The value of your oil or gas property is based upon the reserves left in the ground rather than the amount of money you received in the last calendar year. We contract the mineral appraisals to an outside firm. If you need more information about the appraisal of this complex property, please contact TY Pickett at <http://www.tyco.com/>

Market Value and Taxable Value

– What is the difference?

When you receive a Notice of Appraised Value from the appraisal district in April or May you will see a listing of market values both from last year and proposed for this year for your land and improvements. If you have a residential homestead exemption on your property, you might notice that your taxable value is less than your market value. That's because Texas law provides that the taxable value of a residence homestead property can only increase by 10% a year regardless of how much the market value increases.

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(Your taxable value may increase at a rate of 10% per year until it matches the district's appraised market value.)

For example:

2024 Market Value	\$ 325,000
2023 Appraised Value	\$ 225,000
Homestead Cap 10%	+ 22,500
2024 Appraised Value	\$ 247,500

Beginning in 2024, all real property valued at \$5,000,000 or less will have a 20% circuit breaker cap on the total appraised value, with the exclusion of land receiving the agriculture-use special appraisal. (Your taxable value may increase at a rate of 20% per year until it matches the district's appraised market value.)

For example:

2024 Market Value	\$ 325,000
2023 Appraised Value	\$ 225,000
Circuit Breaker 20%	+ 45,000
2024 Appraised Value	\$ 270,000

If you have applied for and are receiving a special valuation for agricultural, timber or wildlife management use on your land you will also see the productivity value that has been assigned to your property. In this case your taxes in October will be based upon the productivity value rather than the market value of the property.

How can appraised value change from year to year?

Property tax is "ad valorem" which means "based upon value". When the market value of a property changes so may its appraised value. Your property's market value can change as a result of the economy in general or because of changes you've made to the property making it more valuable. A sluggish economy, slow growth and no demand or few potential buyers in the market may cause a decline in property values. Likewise, a growing economy with rapid growth may cause a rapid increase in property values.

What if I disagree with the value placed on my property by the appraisal district?

If you disagree with the value that has been proposed on your property, you should contact the appraisal district within thirty days of receiving a Notice of Appraised Value. If you are not satisfied with the explanation that has been given to you, you have the right to file a formal protest with the Appraisal Review Board (ARB). The ARB is a panel of local citizens that will listen to evidence presented by both you and appraisal district and make a determination regarding the issues you have protested.

Appraisal Value and the Tax Rate

Appraisal district appraisers are not the tax collector and have nothing to do with the total amount to taxes assessed.

The appraisal district is only responsible for determining what the market value of your property was on January 1.

The taxing jurisdictions (county, cities, school, and special districts determine your tax burden based upon the tax rates they adopt to fund their operating budgets.

These tax rates are expressed as a dollar amount for every \$100 of taxable value and are adopted every year in August or September after public hearings.

How are my taxes calculated?

Your taxes are calculated by dividing your taxable value by one hundred and multiplying by the jurisdiction's tax rate.

For example:

Market value	\$ 225,000
Less Exemptions	- \$ 100,000
Taxable Value	125,000
Apply Tax Rate	x .25/100
Assessed Tax	\$ 312.50

Is there anything I can do to lessen my tax burden?

There are a variety of exemptions that are available to homeowners and disabled veterans. If you own a farm or ranch or grow some type of crop you may be eligible to receive a special valuation under the provisions of open space land where your taxes will be based upon your land's productivity capability rather than its market value.

For more information, visit our website or contact us.

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