

# Important Information About the Correction Process



Please read this information carefully. It is intended to help explain the process of having errors contained in the appraisal roll corrected by the Harris County Appraisal Review Board.

**Beginning the Correction Process** - Texas law currently allows a property owner a limited right of appeal to correct certain types of errors in the appraisal roll. To do so the owner must file a motion with the appraisal review board (ARB) to change the appraisal roll under Section 25.25 of the Texas Property Tax Code. The appraisal district may ask the ARB to correct similar errors by filing its own motion under this law. If the property owner and the chief appraiser agree that the correction should be made, the chief appraiser may make the correction by written agreement with the owner. If however, either the property owner or appraisal district disagrees with a motion, then the matter is sent to the ARB for a hearing. Here, the law authorizes the ARB to decide if a change to the appraisal roll is appropriate.

To start the correction process you should file a written motion with the ARB. The ARB has approved certain forms for this purpose. You can get copies of the forms, along with general assistance in preparing them, through the appraisal district's Information & Assistance Division. Be sure that you explain in detail, and provide proper documentation when completing your motion, otherwise your motion will likely be denied.

**Review by the Appraisal District** - Initially, a staff appraiser with the appraisal district may review your motion after you file it. The appraiser will compare the district's information with your own and recommend to the chief appraiser to either agree or disagree with your request. If the chief appraiser agrees, the appraisal roll will be changed and you will be notified accordingly. If the chief appraiser disagrees, your motion will then be referred to the ARB for a hearing. Should this happen, the ARB will likely schedule a hearing before a panel composed of board members.

**What Happens in the Hearing** - Three-member panels conduct ARB correction hearings. **It is very important that you appear at the hearing, otherwise your motion will be dismissed.** The panel begins the hearing by introducing its members. The appraiser will then begin recording the hearing and read your account number and type of hearing into the record. Afterwards, you'll be asked to attest to a statement stating who you are and that your testimony will be true. Each panel member will then sign an affidavit stating that the member has not discussed anything about your property before the hearing. A representative of the appraisal district will be present. The jurisdictions that tax your property may also have representatives present.

The panel chair will verify whether there is any legal reason why the hearing should not be held. The principal reasons why a hearing cannot be held include: failure to ask for a type of correction that can legally be made; failure to file the motion before the statutory deadline; failure of an agent to file a proper fiduciary form; or failure to pay undisputed taxes for the year in question before delinquency. If one of these issues exists, state law directs that the ARB dismiss your hearing since it lacks the necessary authority to make a final determination.

Provided no legal bar impedes the hearing, the panel chair will then ask the parties whether they have exchanged all documents they intend to present to the panel. If they have not, the parties will exchange the documents at this time. Next, the chair will ask the appraiser to describe the property and state the basis for the correction. The appraiser will give a legal and physical description of the property as shown on the district's records and briefly state the basis for the correction. The chair will then ask whether you agree with the appraiser's statements. If you do not, the panel will ask why you disagree, determine necessary changes, and continue the hearing.

Next, you will be asked to explain the basis for the correction. After you've completed your presentation, the district will present its evidence and arguments to the panel. Once both sides have completed their presentation, questions may be asked of either side and closing statements may be made. After all parties have had an opportunity to state their position, the chair will announce that the hearing is closed. The panel will then confer to reach a decision. The chair announces the decision and may elaborate on the decision. A copy of the panel's written decision will be provided.

A majority of all ARB members must approve this decision before it becomes final. During the peak hearing season, the full ARB meets to approve decisions every other week. In other times, the ARB meets once a month. Thus, a delay may occur between the date of your hearing and the time you receive the written ARB order. Once approved, a written order is issued by the ARB and will be sent to you by certified mail. This order will direct the chief appraiser to make the changes to the appraisal roll, if applicable. Occasionally, the full ARB does not approve a panel decision. If this occurs, a new hearing is scheduled.

## Harris County Appraisal Review Board

Procedures to Follow Involving a Personal Appearance by a Property Owner or Representative

### A. Order of Hearing

1. Announcement of account number and property owner.
2. Swearing of representatives and witnesses as required by Tax Code, Sec. 41.67(a).
3. Signing of affidavits.
4. Exchange of evidence.
5. Property description and basis for motion presented by HCAD staff.
6. Presentation of issues and evidence by property owner.
7. Presentation of issues and evidence by HCAD staff.
8. If appropriate, the ARB chair will permit questions and brief, closing remarks.
9. Deliberation followed by the panel announcement of recommendation.
10. Formal disposition of motion and written order by entire ARB.
11. Delivery of notice and ARB order to property owner and chief appraiser.

### B. Presentation and Receipt of Testimony and Evidence by Members of the ARB

1. Testimony shall be narrative in form and subject to question by ARB members and HCAD representatives.
2. The ARB panel shall permit examination and cross-examination of witnesses and evidence.
3. The ARB shall decide what testimony and evidence will or will not be considered.
4. An original and four copies of documentary evidence must be submitted. Copies must be made by the property owner or agent prior to the hearing at their expense.
5. The ARB may take official notice of any fact that falls within the realm of public knowledge.

# Appraisal Errors Subject to Correction

The Texas Property Tax Code authorizes the chief appraiser and the appraisal review board (ARB) to correct only certain kinds of errors in the appraisal roll and only under limited circumstances. The deadlines and requirements vary with the type of error to be corrected. Thus, if the error needing correction cannot wholly satisfy the requirements set forth in the Tax Code, then both the ARB and chief appraiser are without authority to make the changes requested. What follows is a description of the most common types of errors and the circumstances in which they may be corrected.

## Corrections by the ARB involving a Non-Valuation Error

On the motion of the chief appraiser or a property owner, the ARB may order changes to the appraisal roll to correct four different types of non-valuation errors:

- a) clerical errors that affect a property owner's tax liability;
- b) multiple appraisals of a property in a single tax year;
- c) the inclusion of property that does not exist, either in the form or at the location described on the appraisal roll; or
- d) an error in which a property is shown as owned by a person who did not own the property on January 1 of that tax year.

These errors can be addressed even when the property was the subject of a prior protest hearing before the ARB.

Clerical errors are defined as errors caused by mistakes in writing, copying, transcribing, computer data entry or retrieval, or a mathematical error that prevents the appraisal roll from accurately showing what the chief appraiser or ARB intended. **A clerical error is not a mistake in reasoning or judgment.** Simply stated, these types of errors, i.e., inaccuracies in estimation such as estimating the square footage of a house, cannot be changed.

A multiple appraisal occurs when the same property is listed on the appraisal roll more than once in the same year. For instance, this occurs when a mobile home is listed on a personal property account and on a real property account. The property is appraised twice, which is wrong.

Non-existent property involves property that doesn't exist either in the form or at the location described on the appraisal roll. The term "form," in the context of correcting the appraisal roll, has been legally interpreted to mean that the owner must show that no property of the type described on the printed appraisal roll existed at the specified location on January 1. Corrections of form errors are generally limited to situations where no business personal property existed at a particular location on January 1, no improvement existed on a particular real property parcel on January 1, or the property was improperly coded for one or more jurisdictions. Errors in the appraisal district's records other than the appraisal roll are not considered form or location errors.

The four types of errors described above can only be corrected on the appraisal rolls for any of the five preceding years. If the error involves a year that falls beyond this time limitation, for instance six years ago, then the ARB is without the authority to change the appraisal roll. This is true even when the existence of the error is acknowledged.

Finally, the law provides that a person will forfeit his or her right to have any one of the errors mentioned corrected if undisputed taxes were not paid before the delinquency date for the year to be corrected. You do not necessarily have to show that you paid all of the taxes, however. Rather, you need only have paid taxes to **all** jurisdictions on the amount of property value that was not under dispute, and before the date the taxes would otherwise have become delinquent. This date is usually February 1 of the following year.

## Corrections by the ARB Involving A Valuation Error

The law requires most valuation errors to be corrected during the protest period. There are two exceptions: a substantial error; and a joint motion correction.

**Substantial Error** - Current law allows the ARB, on a motion filed by the property owner or the chief appraiser, to correct an error in the appraisal of a property that results in the over-appraisal by at least one third. This is commonly called a "substantial error." A substantial error is an error resulting from judgment or reasoning, and not from a clerical error, multiple appraisal, or listing non-existent property. **The error must cause the property to be over-appraised by more than one-fourth for a residence homestead or one-third for property that is not a residence homestead. If this cannot be shown, the appraisal roll cannot be corrected.**

Additional restrictions include the following:

**1. Payment of Taxes:** If the correction hearing takes place after the date taxes become delinquent (normally February 1 of the following year), the law requires that the property owner must have paid the amount of taxes not in dispute by the delinquency date. Certain exceptions are addressed in Section 25.26 Tax Code.

**2. Filing Deadline:** You must file a motion to correct a substantial error before the date the taxes become delinquent. The payment deadline is usually January 31 of the year following the tax year to be corrected. The fact the taxes are paid, although relevant for other reasons, does not affect the filing deadline.

**3. Penalty:** If the appraisal roll is changed to correct a substantial error, the property owner must pay to each affected taxing unit a late-correction penalty equal to 10 percent of the amount of taxes as calculated on the basis of the corrected appraised value. Payment of the late-correction penalty is secured by the lien that attaches to the property under Tax Code Section 32.01 and is subject to enforced collection under Tax Code Chapter 33.

**4. Prior Protest:** The ARB may not correct the value if the ARB held a hearing and determined a protest on the property for the year in question. Similarly, the ARB cannot correct a value that was set by written agreement between the owner (or agent) and the appraisal district.

**Joint Motion Correction** - In very limited circumstances, the chief appraiser may agree to correct appraisal errors that cannot be corrected as a substantial error. The ARB has no authority over this type of correction unless the chief appraiser and the property owner file a joint motion requesting the correction. There are certain rules, however, to follow. The motion must be in writing, agreed to by both the property owner and an authorized member of the appraisal district staff, and filed before the delinquency date. The ARB rarely has to rule on this type of motion because normally, if the chief appraiser agrees that the correction should be made, it will be made by written agreement with the property owner.

### Correction Deadlines

Type	Earliest Year Correctable	Filing Deadline	Disposition Deadline
Clerical error, multiple appraisal, form or location error	2012	December 31 of the fifth year following the year in which the error occurred	Same
Over appraisal by more than 1/3	2017	Before February 1, 2018	None
Agreed joint motion for appraisal error correction	2017	December 15, 2017*	None

\* To allow district staff to join prior to statutory deadline.