

FOR RELEASE AT 12:00 NOON MONDAY APRIL 8, 2019
MARK BOEHNKE
GRIMES CENTRAL APPRAISAL DISTRICT
(936)873-2163 EXT224
mboehnke@grimescad.org

An exceptionally strong demand for Grimes County real estate, especially in the Anderson area, is translating into higher property tax valuations for 2019, according to the Grimes Central Appraisal District.

The appraisal district is putting the finishing touches on appraisal notices that are scheduled for mailing on April 17th.

“Our preliminary estimates are indicating that overall values in the county, as a whole, will increase 10 to 15 %,” Chief Appraiser Mark Boehnke said. “Some individual properties will experience substantially larger percentage increases while others will see smaller increases, depending on factors such as location and property characteristics. The bottom line is that many property owners, such as those in the Anderson area, will see their values increase this year more than they have in the past.”

“When we were working last year’s values, we saw a trend begin to develop where some properties in the Anderson area were selling at premium prices but we only made some moderate increases in value because we wanted to see if that trend held up before making more significant increases,” Boehnke explained. “In hindsight, we probably should have raised values more than we did last year because the trend of higher sales prices not only continued---it accelerated. Now we have fallen behind the market and are forced to make these large increases to catch up.”

Sales prices in other areas of the county continue to be extremely strong with purchasers buying property for residential use as well as investment purposes, according to the appraisal district.

“Grimes County’s proximity to the Greater Houston Area, Montgomery County and Bryan-College, with their increasing populations and growing economies, continues to have a major impact on the local real estate market”, Boehnke added.

The appraisal district is required by state law to appraise property at its market value as of January 1st. Each year the appraisal district compares the level of its values to the level of sales prices that are being paid for property. In cases where the appraised values are generally lower than the sales prices, the appraised values have to be increased.

The appraisal district reminds property owners of several provisions in state law that provide some degree of protection from rising property values.

First of all, homeowners who are receiving the over- 65 or disabled persons tax limitation will not see any increase in the school or county taxes on their homestead property even though their values will increase. The county and school taxes on those qualified properties cannot exceed the amount of taxes that were levied the first year the homeowner qualified for the exemption. The tax limitation applies only to county and school taxes and applies only to property that is qualified for the homestead exemption.

Secondly, the law limits the amount that values can increase on certain homestead properties. Properties where homeowners received a homestead exemption in 2018 and continue to receive the exemption for 2019 are subject to a cap that limits the amount of increase on the value of their homestead property to 10%. For example, if the appraised value on a property subject to the cap increases from \$100,000 to \$117,000, the property will be assessed at only \$110,000 rather than \$117,000. The cap applies only to property that is qualified for the homestead exemption. Properties that do not qualify for the homestead cap can increase more than 10%.

The final provision concerns land that is qualified for agricultural use valuation. Ag-qualified land is appraised according to two different standards--- market value and productivity value. The market value is determined by using a sales comparison approach that values properties on the basis of comparable sales. The productivity value is calculated by using a statutory formula that generates a value which is considerably lower than market value. The productivity value is the basis on which the taxes are assessed. The values are determined independently of one another. In other words, there can be a large increase in market value while the productivity value can remain the same or increase by a small amount.

Since the taxes are assessed on the productivity value, a large increase on the market value of ag-qualified land will have no effect on the taxes levied on the land. The agricultural use appraisal applies only to the land and not to any buildings on the land.

The deadline for filing a notice of protest is May 17th or 30 days after the appraisal district mailed the notice of appraised value, whichever is later, Property owners who wish to file a notice of protest may use the form that is included in the valuation notice packet or they may file electronically by following the instructions on the notice.

Taxpayers are encouraged to contact a member of the appraisal staff to see if their issues can be resolved on an informal basis before filing a notice of protest. Contact information for each staff member and a description of the areas assigned to individual appraisers can be found at grimescad.org.

The appraisal district is located at 360 Hill Street in Anderson, Texas. Office hours are 8:00 a.m. to 12:00 noon and from 1:00 p.m. to 5:00 p.m. Monday thru Friday. The appraisal district is closed from 12:00 noon until 1:00 p.m. The appraisal district may be reached by phone at (936) 873-2163.