

Many people want to know about the relationship between a county assessed value of their home versus the "true" market value of their home. Boy does this issue change over the years back and forth.

1. Remember Texas is a no-income-tax state. So the primary tax revenue vessel is property tax. So when business taxes and sales taxes are down, the state needs money elsewhere, and by "state," I mean taxing authorities allowed by law to tax your property. You can see that list by going to your county property county appraisal district website and searching for your property. I.e., for Harris Co (Houston), you go to [hcad.org](http://hcad.org) and on your property sheet under "[Jurisdiction](#)," (click to see example of a public property) you will see a list of taxing entities and their little piece of your overall tax rate -- the entities range from hospital districts to school district to municipal water district (if you're in one) to emergency service district, etc. When you add up all the pieces, you get your total property tax rate. The other part of the tax revenue equation is what your property value is assessed at.

Rate x Assessed Vaue = Annual Tax Revenue to the Great State of Texas and its municipalities, school districts, highway patrols, etc.

2. Most people are sensitive to tax RATES and feel that RATE hikes are tax hikes, but when their home values are raised by assessors' offices, they don't think of that as a tax hike as much. They still protest when their home assessments are raised because many homeowners feel the impact, but a) they have to argue that their home is worth less (which isn't a good feeling for a lot of people), and b) with the past several "plush" years when appraisal districts could afford to regularly under-assess property values, they now have room to push those assessments up and stay within "market value" reason, and a majority of property owners don't have much of an argument given how property values are generally holding in major Texas metro areas -- this is what we think we're seeing.

3. But to answer the issue question directly: No, assessments by tax workers are not de-facto fair market value. They are merely a derivative of data that professionals like real estate brokers and appraisers actually have and use to render professional and I'd argue far more accurate judgments of real market value, plus you can talk through the numbers with these professionals if you hire one of these professionals instead of just looking at a number some bureaucrat has plopped out for purposes OTHER than for selling your home.

Hope this helps or entertains or otherwise takes your mind off something...