

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

June 21, 2008

Jerry Mohn, President, called the Board of Directors meeting for the West Galveston Island POA to order at 9:00 a.m. Directors making up the quorum were, Tom Booth – Condominium; Peggy Zahler – Spanish Grant Beach; Marty Bilek – Dunes of the West Beach; Clay Lewis – Sportsman Road; John Schiller – Acapulco Village; Al Galli – Jamaica Beach; Lynn Thomas – Bermuda Beach; Ed Nadalin – Terramar; and, Sidney McClendon – Pirates Beach/Cove.

In attendance was Karen Mahoney – District 6 City Council Member; guest speaker Cheryl Johnson, Galveston County Tax Assessor/Collector; and, Galveston Parks Board Chair – Jeri Kinnear. Corporate sponsors recognized were Peggy Zahler - Johnson Space Center Federal Credit Union and Gary Greene – Gary Greene Realty.

MINUTES: Minutes of the May 17, 2008 meeting were sent by email and reviewed by the Board. Upon motion duly made by Peggy Zahler and seconded by Tom Boothe, the following resolution was adopted by unanimous vote. **RESOLVED THAT**, the minutes of May 17 meeting were approved as presented.

District 6 Report from City Council: Karen Mahoney reported sewers for Palm Beach will begin and she has a flow chart where the capital projects for the west end will take place. Karen has been appointed to the Galveston County Beach Erosion Task Force, the TIRZ 14 Board, and the Animal Shelter Committee. Karen would like to know the west end issues and concerns and will hold a "town hall" meeting at the next WGIPOA meeting on July 19. She would like to know the west end "wish list" and to call her at: 737-1912. She did learn at the WGIPOA/Jamaica Beach joint Hurricane Preparedness and Recovery meeting to turn your water off (excluding Jamaica Beach) before you evacuate your home from an oncoming storm.

Parks Board: Jeri Kinnear reported about the upcoming July 4th parade and fireworks. She also mentioned the Parks Board program to clean beaches of subdivisions that have applied for a permit. For the Parks Board to clean the beaches, send a letter to them and mark both West and East end of the beach area with the Subdivision name.

Motion made by Sidney McClendon and seconded by Marty Bilek for the WGIPOA to send to each City Council Member and the Mayor to re-nominate Jeri Kinnear again to the Galveston Parks Board.

Galveston Windstorm Action Committee – Otie Zapp: Otie Zapp asked everyone's help in the upcoming legislative session in Austin to stop any proposed increases in windstorm insurance rates.

HB 2819: Myrna Reingold, Attorney for the County, discussed the proposed setback guidelines from the General Land Office. HB 2819 was passed in the 80th Legislative Session and the GLO submitted the proposed rule changes in the Texas Register May 16. Public comment was until June 16 but it has been extended now to July 15. There will be a public hearing in Galveston as well. Myrna would like west enders to make comments and address the GLO at the public hearing.

Effectively Protesting Your Property Value for Taxes (& other very important property tax info) by Galveston County Tax Assessor/Collector Cheryl Johnson

What you will learn today:

- **How the property tax system works**
- **How to work within the system**
- **What options are available to you**

Market Value – What is it?

There are five *very different* opinions of value for every single property...

- What you paid
- What you would sell it for
- What you would insure it for
- What you list on a financial statement
- The amount you want to be taxed on

In fact, market value is...

- The price a property would sell for cash or its equivalent under prevailing market conditions
- Exposed for sale in the open market a reasonable time
- Neither in a position to take advantage of the other

Pieces of the Tax Puzzle - Texas Legislature – determines the law

Appraisal District – determines the value

- CAD Board of Directors
- Chief Appraiser
- Staff Appraisers
- Appraisal Review Board (ARB)
- Arbitrators
- District Court and Judge

Taxing Entities – determine the tax rate

Tax Assessor/Collector performs calculations, produces & mails the statements and collects the taxes

Very Important Dates on the Property Tax Calendar

- January 1 – the date the property is valued for a specific tax year.
- May 31st (or 30 days from date of the appraisal notice) – last day to schedule a conference or protest with the CAD

Some of the Terms

- **Notice of appraised value** - includes both prior year and proposed values and estimate of taxes
- **Market value** - The value required by law.
- **Assessed value** – the value that will be used to calculate your taxes.
- **Homestead appraisal cap** – Taxable value limit for Texas homesteads (*Beginning in 2008, no more than 10% in any one year – thanks to Prop 3*)

Should I Protest?

- Yes – if you believe the proposed value is higher than the actual market value

- Yes – if your value is out of line with similar properties in your neighborhood.
- Yes – if there is a problem with your property (*damaged after January 1 will likely not affect value until the following tax year*)
- Yes – if you disagree with any of the CAD's actions concerning your property

What should I expect?

- Informal conference with staff appraiser. Agree? You are done!
- Don't agree – go to the ARB in about 15 days (*unless you mailed in the form or sign a waiver*)
- Prior to leaving, make a formal documentation request (*restricts other information from being presented in the ARB hearing*):
 - your appraisal 'card'
 - all sales used to value your property (HB 2188)
 - Neighborhood map (or a plat map noting your neighborhood boundaries)

What to expect with the ARB

- You present your facts (bring 4 copies)
- CAD will present its facts (same as presented in the informal and provided with your documentation request)
- The ARB panel may ask questions, will reach a decision and read it into the record
- The ARB may:
 - Leave the value alone
 - Increase the value above what was proposed
 - Decrease the value

Not Happy with the Decision?

- Appeal to an arbitrator (pay fee to Chief Appraiser). Arbitration is limited to real property valued at less than <\$1M.
- File a lawsuit in District Court.

ABC's for Savvy Property Owners to Follow the Scout Motto – "Be Prepared"

1. If you actually paid less than the CAD value--take a copy of the contract or settlement statement.
2. Obtain all of the information from the CAD
3. Review the appraisal card for errors (*incorrect square footage, improvements, land area, quality and condition, property class—see booklet*). These issues can be resolved during the informal conference. Discuss easements and conditions of your property that may affect the value.

Available on the GCAD Website

www.galvestoncad.org

Available on the HCAD Website

www.hcad.org

4. If your property has serious problems, take photos and obtain bids for repair from reputable companies. (*Deferred maintenance does not affect market value unless it is unusual for the neighborhood.*)

5. Be sure that you are taking advantage of all exemptions available to you (*homestead, over-65, disabled person, disabled veteran, etc.*)
6. You can no longer obtain sales before the informal conference, so search for sales in your neighborhood that support your opinion (ones that occurred within the last 12-18 months). Take photos and prepare a map showing their location in comparison to your property.
7. Review and research the sales and adjust for differences
8. Are the sales used by the CAD truly comparable? Do *any* outside influences affect your property (*flooding, easements, etc.*)?
9. Contact the buyer and sellers or the real estate agents involved in the sales.
 - *Were there any unusual conditions of the sale*
 - *Was any personal property included?*
 - *Were either of the parties highly motivated?*

Do your homework!

Your analysis of comparable sales—both the ones you find and those used by the CAD—is *the most important* part of your presentation. You must demonstrate that your property is appraised too high on a dollar/square foot basis when compared to the sales. Make adjustments for swimming pools, garages, porches, age, condition, and any other differences.

YOU Have the Advantage!

- The CAD uses mass appraisal and values thousands of properties every year. They are looking at similar characteristics (the norm) of the entire neighborhood—not specifically YOUR property.
- The best line is: "*You have many properties to value..I am an expert on one – my own.*"
- Provide information unique about *your* property.

More Scout Tips

- Practice your presentation—be concise.
- Be honest.
- Smile. Be positive & polite. Do NOT get angry!
- Avoid name calling. The speediest path to failure is to be insulting!
- No one at the CAD or on the ARB is interested in buying your property so don't suggest it!
- Crying doesn't help.
- Do not expect the ARB to change the law.
- Forget that your taxes are too high. Nearly everyone believes their taxes are too high!
- The tax liability is not relevant to the market value and that is the only thing the CAD has any control over.

Unequal Appraisal

- Also a basis for protesting value—this means that your property is out of line on a price/square foot basis compared to similar properties in your neighborhood.
- If an analysis of the properties on your street creates a case, use it as a back-up. Do the homework necessary to support it. In most cases, the ARB is more likely to be influenced by this than the CAD.

A high rate of success results when property owners do their homework and present a reasonable case.

Accountability 101

- The CAD is answerable to the Comptroller via the Property Value Study. *(The CAD must achieve market value or risk endangering the State funding for the school districts within their jurisdiction.)*
- Local government officials are answerable to YOU when adopting their budgets and setting the tax rates that are applied to your market value.

Protesting your property values is the most effective and immediate tax relief available to you.

Other Options? Hire a Property Tax Agent - There are many and all are different.

Have a Problem

- Call or write the Taxpayer Liaison Officer
- Talk to the Chief Appraiser or Chief Deputy
- Attend a monthly meeting of the Board of Directors and let them know of your experience or write a letter.

What Else Can You Do? When the Legislature is in Session, track bills of interest and call, send emails and letters to your Legislators. Testify on bills during committee hearings.

It's YOUR government and you need to participate! The Galveston County Tax Office is here to help!

Cheryl E. Johnson

Tax Assessor/Collector

There being no further business to come before the members and the Board the meeting was adjourned at 11:45 a.m.

Susan Gonzales - Recording Secretary
