

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

April 16, 2011

The West Galveston Island Property Owners Association Member's meeting. President Jerry Mohn called the meeting late to order at 9:10 a.m. since the breakfast burritos were late in coming. A quorum of Directors was present with the attendance of: Ken Diestler – Spanish Grant Bay, Peggy Zahler – Spanish Grant Beachside, Al Galli – Jamaica Beach, Matt Wigle – Acapulco Village, Lee Slataper – Pirates Beach/Cove, Clay Lewis – Sportsman Road, Greg Mack – Pointe San Luis, Jeff Southard – Dunes of the West, Tom Boothe – Condos, John Lightfoot – Bermuda Beach, Carolyn Farmer – Terramar Beach, and Lee Petros – Pointe West Condo Asso..

Introductions of Officials and Corporate Sponsors were held. Judge Jim Schweitzer was introduced as well as District 6 City Council Member Dianna Puccetti and the guest speaker, Galveston County Tax Assessor/Collector Cheryl Johnson.

Corporate sponsors Peggy Zahler from JCS Federal Credit Union, Marie Robb from Coastal Solutions, and Lois Robinson from Prudential Gary Greene Realtors were introduced.

Newsletter: Peggy Zahler introduced the first Galveston Westender Newsletter put out by the West Galveston Island Property Owners Association. The newsletter can be viewed on www.galvestonwestender.com. The WGIPOA appreciate the efforts of Chair Peggy Zahler and Committee members Marty Bilek, Lee Slataper, Tom Boothe, and Brad Boney. The newsletter will be published quarterly and the next one should be in July/August time frame. All members are invited to submit articles for the newsletter.

District 6 Happenings: City Council Member Dianna Puccetti advised the following were approved and are underway:

- Lift stations in Pirates Cove will be repaired and the project is underway
- 11 Mile Road will be widened and repaved
- Sportsman Road Bridge is being worked on
- Bermuda Beach road is also being worked on

Dianna talked about bringing back what the voters decided in 1998 and that is a 6-1 Plan where the number of single members districts would be reduced to four and they would be separated by a north-south boundary. Two council members and the mayor would be elected at-large. This program was never initiated because the Justice Department advised it was in violation of the voting rights act. Now that the 2010 census is done, the demographics have changed and it is time to look at the 6-1 plan again. Currently, the District 6 population is the most stable. If the City goes to a 4-2-1 or 6-1 plan, Dianna would run at large.

Dianna will have Code Enforcement investigate the derelict and illegal signs on FM 3005. She advised for anyone to call the Planning Department for code enforcement and to request the "Clean Team".

Dianna talked about how the City should get more responsive to economic development and have hired former Galveston County Judge Jim Yarbrough for the position to make it a reality.

As far as public housing, Magnolia Homes will be rebuilt with mixed income and mixed homes in the project.

There is a statement for Bermuda Beach Drive now with FEMA, US Fish, and the GLO and are trying to resolve issues.

Scholes Airport had a ribbon cutting ceremony for rehabilitation and renovation. It is listed as one of the top 100 general aviation airports, especially for helicopters to go off shore.

Cheryl Johnson – Galveston County Tax Assessor/Collector:

Cheryl provided another fact filling presentation in how to protest your tax appraisal. The following information is from the power point presentation provided by Cheryl. If anyone would like a copy of the power point to please let me know .

Effectively Protest Your Property Value

You are about to learn...

- **How the property tax system works**
- **Techniques, tips, and tools to help you lower your tax burden**
- **Ways to become involved**

Tax Facts

Fact #1: Property taxes are a reliable source of funding local government services (schools, police and fire protection, the courts, water and sewer, emergency management, etc.).

Fact #2: More than half of all Texas homeowners rate property appraisals and property taxes as a major concern.

Tax Puzzle between the Texas Legislature and the Appraisal District

Very Important Dates on the Property Tax Calendar

January 1 - The date property is valued for that tax year

April 15th - The last day for businesses to render value of personal property

May 31st* - Last day to schedule a conference with an appraiser

*** Or 30 days from the date of the appraisal notice – whichever is later**

Should I Protest?

- **Yes – if you believe the proposed value is too high**
- **Yes – if your value is out of line with similar properties in your neighborhood**
- **Yes- if your property has any depreciation (*physical, economic, or functional*)**

- **Yes - if you disagree than action taken by the appraisal district concerning your property (*denial of exemptions, failure to receive notice, etc.*)**

State law requires your property to be valued by the appraisal district at market value. What is your property worth? What is its market value?

- **What you paid? (*only true value*)**
- **What you insure it for? (*replacement cost*)**
- **What you would *like* to sell it for?**
- **What you list on a financial statement?**
- **The amount you want to be taxed on?**

How Do CADs Determine Value?

- **CADs use mass appraisal in order to appraise *thousands* of properties every year.**
- **When using mass appraisal the "universe" is defined (the county), then smaller groups (school districts), and smaller areas (neighborhoods).**

What is a Neighborhood?

- **A neighborhood consists of properties that have substantially similar characteristics that are used to value your property. Rarely do you go outside of a neighborhood for comps!**
- **Property Tax Code (23.013(d)) defines similar to include location, land and building size, age, condition, access, amenities, views, income and operating expenses, occupancy, existence of easements, deed restrictions or other burdens that affect marketability.**

What Is the Process?

- **In most appraisal districts, you first meet informally with a staff appraiser and review the records and sales information.**

If protesting value for condition, present documentation:

- **Insurance claims**
- **Contractor estimates, bids, receipts**
- **Photographs**
- **Documentation of special situations (*lack of utilities, costly building requirements, etc.*)**
- **If protesting value for unequal appraisal creates a comparison of properties on your street/in your neighborhood and adjusts for differences (*age, condition, porches, pools, etc.*). Unequal appraisal *means* that your property is out of line on a price per square foot when compared to similar properties in your neighborhood.**

Sales & Foreclosures!!!

- According to HB 3454 (*passed in last Legislative Session*) sales must occur within 24 months of January 1.
- According to HB 1038 (*passed in last Legislative Session*) foreclosures must be considered and a declining economy is a cause for reduced value.

At the ARB Hearing

1. All parties sworn in
2. You present your facts (*original + 4 copies*)
3. CAD presents its facts
4. Questions may be asked
5. The ARB will reach a decision & read it into the record. ARB can:

- Leave value alone

- Increase value

- Decrease value

Not Satisfied?

Request binding arbitration (*pay fee of \$250 for expedited or \$500 for standard to Chief Appraiser. If successful refunded all but \$50 of fee*)

OR File a lawsuit in District Court

Have a Problem?

- Call or write the Taxpayer Liaison Officer
- Talk to the Chief Appraiser or Chief Deputy
- Write a letter (copy your elected officials)
- Attend a monthly meeting of the Board of Directors and let them know of your experience

Do Your Homework!

Confirm CAD information and gather data:

- *Are exemptions in place?*
- *Are the improvements listed accurately?*
- *Are the condition and classification correct?*
- *Does your property have any conditions that could impact the value that the CAD is not aware of (easements, etc.) that could impact the value that the CAD is not aware of?*

Available

on the GCAD Website

www.galvestoncad.org

Available

on the HCAD Website

www.hcad.org

Harris County is technologically advanced and offers iFile and iSettle. All counties will soon be required to offer this protest method.

And in Harris County - How are iFile & iSettle Doing?

- **In 2007, 58% of the offers were accepted**
- **In 2008, 55% of the offers were accepted**
- **In 2010 74% of the offers were accepted**

Important Tips & Tools

Be Your Own Best Friend

- **First - remember that the amount of your taxes has nothing to do with your value**
- **Be honest, positive, and polite...smile!**
- **DO NOT get angry and avoid name calling (you people). This is a fast track to failure.**
- **No one at the CAD or on ARB wants to buy your property – don't suggest it!**
- **If you actually paid less, take your settlement statement.**
- **If you have a fee appraisal – take it!**
- **Discuss easements and conditions of your property that make it different.**
- **Determine whether the sales used by the CAD are truly comparable. Prepare to discuss and adjust for differences.**
- **Do not feel pressured to accept an offer. If it is valid, it would likely be supported by the ARB.**
- **You cannot obtain sales before the informal conference, so search for sales in your neighborhood that support your opinion (*ones that occurred within the typical marketing time*) as well as prepare comparisons of comps used by CAD**
- **For the ARB hearing, you may want to take photos of your comps and prepare a map showing their location in comparison to your property.**

- **If the condition of your property is below most in the neighborhood, analyze values of other properties per square foot and see where you fall in the range (*should be at the bottom of the range if your condition is below norm*).**
- **Contact buyers, sellers, or real estate agents:**
 - **Were there any unusual selling conditions?**
 - **Was personal property included?**
 - **Were either of the parties highly motivated?**

Your Goal - To provide information unique about your property that makes it less valuable than the sales or others it is being compared to. You have the advantage! A high rate of success results when property owners do their homework and present a reasonable case. Protesting your property value is the most effective and immediate form of tax relief available.

Interesting Tidbit

- **In 2010, only 29% of property owners 'noticed' attended an informal conference.**
The stats have continued to bear out that roughly 95% of informal conferences are resolved to the property owner's satisfaction (*meaning an agreement was signed*)
- **The average value reduction for Galveston County residential property owners is 3.9%.**
- **The average value reduction for all other owners is 3.88%.**

What Else Can You Do?

- **Hire a property tax agent. 63% of Galveston County protests are handled by agents.**
- **When the Legislature is in Session, track issues that interest you. Participate by calling or sending emails and letters to your Legislators.**
- **Testify on bills in committee hearings.**

It's YOUR government and you need to participate!

In conclusion....Mark Twain said that, "The only difference between a tax man and a taxidermist is the taxidermist leaves the skin."

Program provided courtesy of Cheryl E. Johnson, RTA

Galveston County Tax Assessor/Collector

Meeting adjourned at 11:20 PM
