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Valuation Dispute Strategies - 4 Easy Pieces -

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“Taking the right steps can be critical for winning an assessment dispute.”

By Howard Donovan, Esq. - as published by **CPE Executive Blog** - April 2010

When it's tax appeal time, taking the right steps can be critical for winning an assessment dispute. Follow these four steps to make the best case.

1. Provide current and accurate property information. Review the assessor's property card at least annually and correct any errors. This is also an opportunity to determine if there is reason to dispute the valuation. Consider public records, appraiser credentials, and national cost or capitalization guides. Look for inaccurate information regarding land size or improvements, as well as inaccurate depreciation of improvements.
2. Make sure the proper party files the administrative protest. In most jurisdictions, only the owner or owner's agent can file a protest or appeal a decision of the administrative board. An agent's authorization by the current owner must be legal or dismissal may result. If there has been an ownership change during the year, determine whether the party filing the appeal is the owner as of the lien date, or as of the payment date. In some states, parties other than the owner can protest, such as tenants or mortgage holders.
3. Make sure that submitted lease information supports the taxpayer's position as to fair market value. Almost every state requires the assessment of property at fair market value. Not every lease represents the market, however, or results in a proper value calculation.
4. Make sure that all encumbrances, deed covenants and restrictions, environmental contamination or other impairments are considered in the fair market value determination. Any factor may be considered in determining fair market value, so consider the impact of the state of the property's title, such as easements, conditions and restrictions. Did the assessor compare the asset to similar properties, or to real estate with more profitable uses than those allowed on the taxpayer's property?

These steps enhance your chances for a successful appeal.

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