

How to calculate the 1/3 over-assessed qualification in a 25.25(d) Hearing.

There are two methodologies that allow you to judge whether a value meets the 1/3 over-assessed rule:

1) Using the Current Assessed Value:

Calculation:

**Current Assessed Value X 75% = Threshold for Corrected Value

Ex. Current Assessment: \$100,000
\$100,000 x 75% = \$75,000 Threshold for Corrected Value

In order for the appeal to qualify under section 25.25(d), the Appraisal Review Board must determine that the value of the property in question has a market value of \$75,000 or less.

Simplification:

Current Assessment = \$100K

Threshold for Corrected Value = \$75K

\$25K	\$25K
\$25K	\$25K
\$25K	\$25K
\$25K	

As you can see, 25% of the Current Assessment equals 33.33% of the Threshold Value. This illustrates that the ARB must reduce the Current Assessment to \$75,000 or it does not qualify. Thus, if the ARB ruling is \$75,000 or lower, the property qualifies as overvalued.

2) Based on the Corrected Value (ARB Ruling):

Calculation:

** $(\text{Corrected Value} \times 1/3) + (\text{Corrected Value}) = \text{Threshold for Current Assessed Value}$

Or

** $\text{Corrected Value} / 75\% = \text{Threshold for Current Assessed Value}$

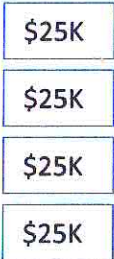
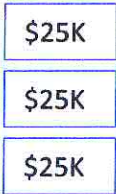
Ex. Corrected Value = \$75,000
 $(\$75,000 \times 1/3) + \$75,000 = \$100,000$ Threshold for Current Assessed Value
Or
 $\$25,000 + \$75,000 = \$100,000$ Threshold for Current Assessed Value

In order for the appeal to qualify under section 25.25(d), the Assessed Value must be more than \$100,000.

Simplification:

Corrected Value (aka ARB Ruling) = \$75K

Threshold for Assessed Value = \$100K



If the ARB ruled that the Corrected Value for a property is \$75k, then you would increase the Corrected Value by 1/3. In this case you would increase the Corrected Value by \$25,000, giving you a Threshold for Assessed Value of \$100,000. If the property is assessed for \$100,000 or greater, then the ARB ruling meets the qualification of being over-assessed by 1/3.
