

AD VALOREM TAXES

CESP	CAEP	Topic/Issue
		THE BASICS
X	X	<ul style="list-style-type: none"> Laws governing real property taxation in Texas
X	X	<ul style="list-style-type: none"> Definition of Ad Valorem
X	X	<ul style="list-style-type: none"> Property Taxes and obligations of the property owner beginning January 1 of the tax year
X	X	<ul style="list-style-type: none"> Property taxes on real property and the automatic lien on the land on January 1 of the tax year
X	X	<ul style="list-style-type: none"> Personal Property vs. Real Property
		THE PROCESS
X		<ul style="list-style-type: none"> Role of the Appraisal District – sets the value
X		<ul style="list-style-type: none"> Role of the Taxing Unit – sets the tax rate
X		<ul style="list-style-type: none"> Role of the Tax Assessor/Collector – collects the tax
		TIMELINES
X	X	<ul style="list-style-type: none"> January 1st – Property appraised/taxes based on value as of January 1
X	X	<ul style="list-style-type: none"> October 1st – Statements available for payment
X	X	<ul style="list-style-type: none"> January 31st – Deadline for payment without penalty
X	X	<ul style="list-style-type: none"> February 1st – Taxes become delinquent
		LIEN PRIORITY
X	X	<ul style="list-style-type: none"> Tax lien attaches on all properties on January 1st of the tax year
X	X	<ul style="list-style-type: none"> Tax lien superior to all other liens
X	X	<ul style="list-style-type: none"> Tax lien is automatic without recordation in the real property records
X		<ul style="list-style-type: none"> Tax lien is not subject to a homestead defense
		EXEMPTIONS
X		<ul style="list-style-type: none"> Homestead
X		<ul style="list-style-type: none"> Over 65
X		<ul style="list-style-type: none"> Disabled
X		<ul style="list-style-type: none"> Government
X		<ul style="list-style-type: none"> Charitable and Religious Organizations
X		<ul style="list-style-type: none"> School Property
		SPECIAL USE VALUATION
X		<ul style="list-style-type: none"> Agricultural
X		<ul style="list-style-type: none"> Open Space
	X	<ul style="list-style-type: none"> Timber

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CESP	CAEP	Topic/Issue
		TAXES AND TITLE INSURANCE
X	X	<ul style="list-style-type: none"> Title Policy Coverages and Exceptions
X		<ul style="list-style-type: none"> Personal Property Taxes - not covered by title insurance
X		<ul style="list-style-type: none"> Methods of obtaining tax information: official Tax Certificate (from tax collector) or private certificate (from third-party provider)
X		<ul style="list-style-type: none"> <ul style="list-style-type: none"> Benefits and drawbacks of each
X		<ul style="list-style-type: none"> Procedural Rule P-20, Rate Rule R-19, Rate Rule R-24
		PAYMENT OF TAXES
X		<ul style="list-style-type: none"> Delinquent taxes generally include both penalty and interest
X		<ul style="list-style-type: none"> If a tax suit has been filed, court costs must also be determined and paid
X	X	<ul style="list-style-type: none"> If a tax suit has been filed the taxes and costs of the suit must be paid, and the suit must be released of record
X		<ul style="list-style-type: none"> Supplemental tax bills for missed improvements or disallowed exemptions
		CLOSING AND ESCROW ISSUES
X		<ul style="list-style-type: none"> Procedural Rule P-1f – definition of closing the transaction – duties related to taxes
X		<ul style="list-style-type: none"> Terms of Contract may require proration of personal property taxes
X		<ul style="list-style-type: none"> Terms of Contract or lender instructions and Special Use valuations