86R4664 TJB-F

By:  Kolkhorst S.B. No. 540

A BILL TO BE ENTITLED

AN ACT

relating to the period for which a property owner may receive a residence homestead exemption from ad valorem taxation for property that is rendered uninhabitable or unusable as a result of a disaster.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 11.135, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a)  If a qualified residential structure for which the owner receives an exemption under Section 11.13 is rendered uninhabitable or unusable by a casualty or by wind or water damage, the owner may continue to receive the exemption for the structure and the land and improvements used in the residential occupancy of the structure while the owner constructs a replacement qualified residential structure on the land if the owner does not establish a different principal residence for which the owner receives an exemption under Section 11.13 during that period and intends to return and occupy the structure as the owner's principal residence.  To continue to receive the exemption, the owner must begin active construction of the replacement qualified residential structure or other physical preparation of the site on which the structure is to be located not later than the first anniversary of the date the owner ceases to occupy the former qualified residential structure as the owner's principal residence.

(a-1)  An [~~The~~] owner may not receive an [~~the~~] exemption under Section 11.13 for [~~that~~] property under the circumstances described by Subsection (a) [~~this subsection~~] for more than:

(1)  five years if:

(A)  the property is located in an area declared to be a disaster area by the governor following a disaster; and

(B)  the residential structure located on the property is rendered uninhabitable or unusable as a result of the disaster; or

(2)  two years if Subdivision (1) does not apply.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.