By:  Bucy H.B. No. 39

A BILL TO BE ENTITLED

AN ACT

relating to a temporary exemption for a residence homestead rendered uninhabitable.

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

SECTION 1.  Chapter 11, Property Tax Code, is amended by adding Section 11.36 to read as follows:

Section 11.36.  TEMPORARY EXEMPTION FOR RESIDENCE HOMESTEAD RENDERED UNINHABITABLE.

(a)  In this section:

(1)  "Damage" means physical damage.

(2)  "Qualified property" means an improvement to real property:

(A)  that a person owns and has qualified as his residence homestead and that receives an exemption under Section 11.13; and

(B)  that has been rendered uninhabitable because of physical damage but that is not located in an area the governor has declared a disaster area.

(b)  A person is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of qualified property that the person owns in an amount determined under Subsection (e).

(c)  On receipt of an application for the exemption authorized by this section, the chief appraiser shall determine whether any item of qualified property that is the subject of the application has been rendered uninhabitable and assign to each such item of qualified property a damage assessment rating of Level I, Level II, or Level III, as appropriate, as provided by Subsection (d).

(d)  The chief appraiser shall assign to an item of qualified property:

(1)  a Level I damage assessment rating if the property is at least 30 percent, but less than 60 percent, damaged, meaning that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;

(2)  a Level II damage assessment rating if the property is at least 60 percent damaged but is not a total loss, meaning that the property has suffered significant structural damage requiring extensive repair due to the failure or partial failure of structural elements, wall elements, or the foundation, or the waterline, if any, is at least 18 inches above the floor; or

(3)  a Level III damage assessment rating if the property is a total loss, meaning that repair of the property is not feasible.

(e)  Subject to Subsection (f), the amount of the exemption authorized by this section for an item of qualified property is determined by multiplying the appraised value, determined for the tax year in which the disaster occurred, of the property by:

(1)  30 percent, if the property is assigned a Level I damage assessment rating;

(2)  60 percent, if the property is assigned a Level II damage assessment rating; or

(3)  100 percent, if the property is assigned a Level III damage assessment rating.

(f)  If a person qualifies for the exemption authorized by this section after the beginning of the tax year, the amount of the exemption is calculated by multiplying the amount determined under Subsection (e) by a fraction, the denominator of which is 365 and the numerator of which is the number of days remaining in the tax year after the day on which the person's qualified property is damaged, including the day on which the damage occurred.

(g)  If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each applicable taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due. No interest is due on an amount refunded under this subsection.

(h)  The exemption authorized by this section expires as to an item of qualified property on January 1 of the first tax year in which the property is reappraised under Section 25.18.

SECTION 2.  The exemption provided by this action applies only to an application received on or after the effective date of this section.

SECTION 3.  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 on the 91st day after the last day of the legislative session.