

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

1 whether any item of qualified property that is the subject of the
2 application has been rendered uninhabitable and assign to each such
3 item of qualified property a damage assessment rating of Level I,
4 Level II, or Level III, as appropriate, as provided by Subsection
5 (d).

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

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

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

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

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

27 (1) 30 percent, if the property is assigned a Level I

1 damage assessment rating;

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

4 (3) 100 percent, if the property is assigned a Level
5 III damage assessment rating.

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

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

26 (h) The exemption authorized by this section expires as to
27 an item of qualified property on January 1 of the first tax year in

1 which the property is reappraised under Section 25.18.

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

5 SECTION 3. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect on the 91st day after the last day of the
10 legislative session.