

BILL ANALYSIS

Senate Research Center
89R747 RDS-D

S.B. 467
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Local Government
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

An unexpected, tragic loss of a home through a fire or other casualty is devastating to the affected family. Property appraisals are assessed January 1 of each year and without a process for if there is a major change in value; for instance, if a house burns down.

This bill provides some relief by requiring a method to request a reappraisal of the residential property and directing the Comptroller of Public Accounts of the State of Texas to develop guidelines for the tax entity to calculate a prorated rate based on when the casualty occurred.

As proposed, S.B. 467 amends current law relating to the reappraisal for ad valorem taxation purposes of real property on which a building completely destroyed by a casualty is located.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 23, Tax Code, by adding Section 23.025, as follows:

Sec. 23.025. REAPPRAISAL OF PROPERTY DESTROYED BY CASUALTY. (a) Authorizes a property owner to request the chief appraiser of an appraisal district in which a residence homestead owned and occupied by the property owner is located to reappraise property that is the property owner's residence homestead if a building located on the property is completely destroyed by a casualty. Requires the owner to make the request in writing not later than the 180th day after the date the casualty occurs.

(b) Requires the chief appraiser, except as provided by this subsection, to reappraise property described by Subsection (a) if requested to do so by the owner of the property. Provides that the chief appraiser is not required to reappraise the property if the property qualifies for an exemption under Section 11.35 (Temporary Exemption for Qualified Property Damage by Disaster) as the result of the same casualty.

(c) Requires the Comptroller of Public Accounts of the State of Texas (comptroller), in consultation with appraisal districts, to develop guidelines for determining the process for reappraising property under this section, including for determining whether property is completely destroyed by a casualty and for calculating an appropriate value of any residence homestead exemption and appraisal limitation applied during or after the tax year for which the property is reappraised.

(d) Requires the chief appraiser to complete the reappraisal of property as soon as practicable after a request is made.

(e) Requires the chief appraiser to include certain information in the appraisal records.

(f) Provides that the amount of the taxes imposed by a taxing unit on property reappraised under this section for the tax year in which a casualty occurs is calculated by:

(1) multiplying the amount of the taxes that otherwise would be imposed by the taxing unit on the property for the entire year by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed before the date the casualty occurred;

(2) multiplying the amount of the taxes that would be imposed by the taxing unit on the property for the entire year based on the reappraised value of the property by a fraction, the denominator of which is 365 and the numerator of which is the number of days, including the date the casualty occurred, remaining in the tax year; and

(3) adding the amounts calculated under Subdivisions (1) and (2).

(g) Requires the assessor for each taxing unit, if property is reappraised under this section, to calculate the amount of the tax due on the property as provided by this section. Requires the assessor, if the property is reappraised after the amount of the tax due on the property is calculated, to recalculate the amount of the tax due on the property and correct the tax roll. Requires the assessor, if the tax bill has been mailed and the tax on the property has not been paid, to 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. Requires the tax collector for the taxing unit, if the tax on the property has been paid, to refund to the person who paid the tax the amount by which the payment exceeded the tax due.

SECTION 2. Requires the comptroller, not later than September 1, 2026, to develop guidelines required by Section 23.025, Tax Code, as added by this Act, and distribute those guidelines to each appraisal district.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2025.