

BILL ANALYSIS

Senate Research Center
89R22277 RDS-D

C.S.S.B. 467
By: Paxton; Zaffirini
Local Government
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Committee Report (Substituted)

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.

S.B. 467 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.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 467 amends current law relating to a temporary exemption from ad valorem taxation of the appraised value of an improvement to a residence homestead that is completely destroyed by a fire.

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 B, Chapter 11, Tax Code, by adding Section 11.351, as follows:

Sec. 11.351. TEMPORARY EXEMPTION FOR IMPROVEMENT TO RESIDENCE HOMESTEAD DESTROYED BY FIRE. (a) Defines "residence homestead."

(b) Provides that a person is entitled to an exemption from taxation by a taxing unit of the appraised value of an improvement to the person's residence homestead that is completely destroyed by a fire in an amount determined under Subsection (c). Provides that the person is entitled to the exemption only for the tax year in which the fire occurs.

(c) Provides that the amount of the exemption authorized by this section for an improvement to a residence homestead completely destroyed by a fire in a tax year is calculated by multiplying the appraised value of the improvement for that tax year 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 date on which the fire occurs.

(d) Requires a property owner to submit an application for an exemption authorized by this section to the chief appraiser of the appraisal district in which the improvement that is the subject of the application is located not later than the 180th day after the date the fire occurs.

(e) Requires the chief appraiser, on receipt of an application under Subsection (d), to determine whether the improvement that is the subject of the application was

completely destroyed by a fire. Authorizes the chief appraiser, in determining whether an improvement is completely destroyed by a fire, to rely on information provided by any other source the chief appraiser considers appropriate, including a county fire marshal or an insurance adjuster.

(f) Requires the assessor for each applicable taxing unit, if a person qualifies for the exemption authorized by this section after the amount of tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, 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.

(g) Requires the Comptroller of Public Accounts of the State of Texas (comptroller), in consultation with appraisal districts, to develop guidelines for determining whether an improvement is completely destroyed by a fire.

SECTION 2. Requires the comptroller, not later than September 1, 2026, to develop the guidelines required by Section 11.351, 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: January 1, 2026, contingent upon passage of the constitutional amendment proposed by the 89th Legislature, Regular Session, 2025, to authorize the legislature to provide for a temporary exemption from ad valorem taxation of the appraised value of an improvement to a residence homestead that is completely destroyed by a fire.