By: Leo Wilson H.B. No. 1198

A BILL TO BE ENTITLED

AN ACT

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 flood or windstorm.

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

SECTION 1. The heading to Section 11.351, Tax Code, is amended to read as follows:

Sec. 11.351. TEMPORARY EXEMPTION FOR IMPROVEMENT TO RESIDENCE HOMESTEAD DESTROYED BY FIRE, FLOOD, OR WINDSTORM.

SECTION 2. Sections 11.351(b), (c), (d), and (e), Tax Code, are amended to read as follows:

(b) A person is entitled to an exemption from taxation by a taxing unit in an amount determined under Subsection (d) of the appraised value of an improvement to the person's residence homestead that:

(1) is completely destroyed by a fire, flood, or windstorm;

(2) is a habitable dwelling immediately before the date the fire, flood, or windstorm occurs; and

(3) remains uninhabitable for at least 30 days after the date the fire, flood, or windstorm occurs.

(c) A person is entitled to an exemption provided by this section only for the tax year in which the fire, flood, or windstorm occurs.

(d) The amount of the exemption authorized by this section is calculated by multiplying the appraised value of the improvement for the tax year in which the fire, flood, or windstorm occurs 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, flood, or windstorm occurs.

(e) A property owner must 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, flood, or windstorm occurs.

SECTION 3. The change in law made by this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 4. This Act takes effect January 1, 2028, but only if the constitutional amendment proposed by the 90th Legislature, Regular Session, 2027, 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 flood or windstorm is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.