

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 812
By: Lucio; Bettencourt
Property Tax
3/28/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2013, the 83rd Legislature established Section 23.23(g) of the Texas Tax Code to protect certain disaster victims from exorbitant property taxes when rebuilding or fixing their homes through the state's disaster reconstruction program.

Prior to this 2013 tax provision, Texans who were forced to rebuild or fix their severely damaged homesteads faced the possibility that any improvement or replacement of homes could be appraised as a "new improvement." Consequently, by not taking into account the unique circumstances of disaster victims, the Tax Code allowed disaster survivors the possibility of facing exorbitant tax jumps in their property taxes. In effect, disaster victims (e.g., those whose homesteads were damaged by Hurricanes Dolly and Ike, and the Bastrop wildfires) could have been taxed out of their rebuilt, fixed homes.

To prevent this, Section 23.23(g) provided that a replacement home or improvement made to a disaster-damaged home was not considered a "new improvement" under the Tax Code if the "improvement" or replacement home was made to satisfy requirements of the Texas General Land Office (GLO) Disaster Reconstruction Program.

S.B. 812 by Lucio and Bettencourt extends the 2013 protection of prior disaster victims to Hurricane Harvey victims who are homeowner participants (as well as those of future disasters) of the Disaster Reconstruction Program administered by the State of Texas.

Specifically, S.B. 812 updates the Tax Code by providing general language not tied to a specific Congressional Budget Resolution ensuring protection from exorbitant property taxes to any homeowner disaster victim participating through the federally funded GLO-administered Disaster Reconstruction Program. (Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 812 amends current law relating to the application of the limit on appraised value of a residence homestead for ad valorem tax purposes to an improvement that is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage.

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 Section 23.23(g), Tax Code, to provide that the disaster recovery program defined by this subsection is administered by the Texas General Land Office (GLO) or by a political subdivision of this state and funded with community development block grant disaster recovery money authorized by federal law, rather than authorized by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. No. 110-329) and the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112-55).

SECTION 2. (a) Requires GLO and each political subdivision that administers a disaster recovery program described by Section 23.23(g), Tax Code, as amended by this Act, as soon as practicable after the effective date of this Act, but not later than the 14th day after that date, to:

(1) prepare a list of each replacement structure described by Section 23.23(g), Tax Code, that has been constructed since January 1, 2018, under a disaster recovery program administered by the entity; and

(2) provide a list to the chief appraiser of each appraisal district of the property on the list described by Subdivision (1) of this subsection that is located in that appraisal district.

(b) Provides that, as soon as practicable, but not later than the 60th day after the date the chief appraiser of an appraisal district receives a list under Subsection (a)(2) of this section:

(1) the chief appraiser is required, if necessary, to take the following actions regarding each affected property on the list:

(A) correct or supplement, as appropriate, the appraisal records for the appraisal district to indicate the correct appraised value for the affected property for the current tax year;

(B) deliver a corrected notice of appraised value to the owner of the affected property if a notice of appraised value for that property was previously sent to the property owner for the current tax year; and

(C) notify the assessor and collector for each taxing unit in which the affected property is located of the correction or supplementation of the appraisal records for the appraisal district if the appraisal records have been approved for the current tax year;

(2) the assessor for each taxing unit all or part of the territory of which is located in the appraisal district is required to deliver a corrected tax bill to each owner of property for which the chief appraiser corrected the appraised value under Subdivision (1)(A) of this subsection if the taxing unit previously delivered a bill for the taxes on the property for the current tax year and the taxes on the property have not been paid; and

(3) the collector for each taxing unit all or part of the territory of which is located in the appraisal district is required to refund to each owner of property for which the chief appraiser corrected the appraised value under Subdivision (1)(A) of this subsection the amount by which the taxes paid exceeded the amount of taxes due if the taxing unit previously delivered a bill for the taxes on the property for the current tax year and the taxes on the property have been paid.

SECTION 3. Provides that this Act applies only to the appraisal of a residence homestead for ad valorem tax purposes for a year that begins on or after January 1, 2019.

SECTION 4. Effective date: upon passage or September 1, 2019.