

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 25, 2019

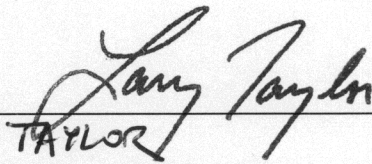
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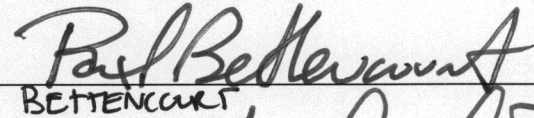
Honorable Dan Patrick  
President of the Senate

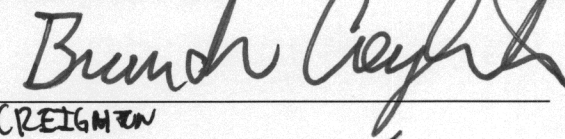
Honorable Dennis Bonnen  
Speaker of the House of Representatives

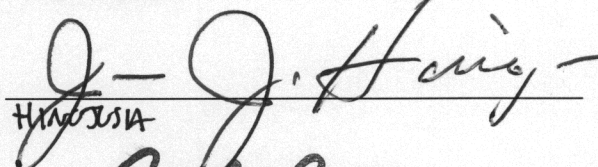
Sirs:

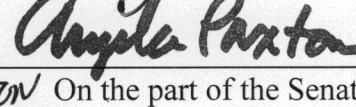
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 492 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

  
TAYLOR

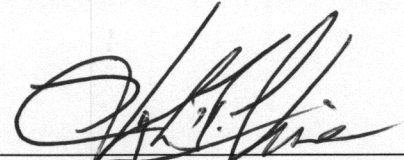
  
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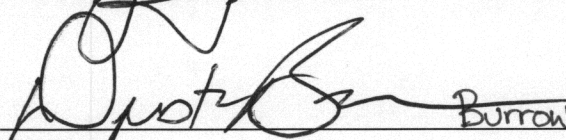
  
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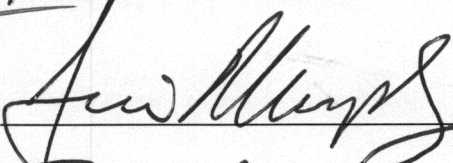
  
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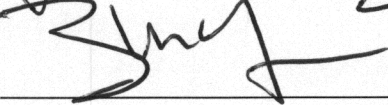
  
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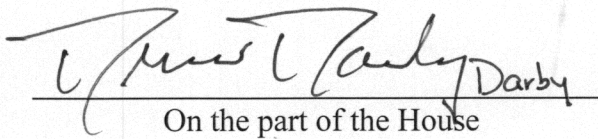
On the part of the Senate

  
Shine

  
Burrows

  
Murphy

  
Martinez Fischer

  
Darby

On the part of the House

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.



# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 492

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a temporary exemption from ad valorem taxation of a  
3 portion of the appraised value of certain property damaged by a  
4 disaster.

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

6 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
7 adding Section 11.35 to read as follows:

8 Sec. 11.35. TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY  
9 DAMAGED BY DISASTER. (a) In this section, "qualified property"  
10 means property that:

11 (1) consists of:

12 (A) tangible personal property used for the  
13 production of income;

14 (B) an improvement to real property; or

15 (C) a manufactured home as that term is defined  
16 by Section 1201.003, Occupations Code, that is used as a dwelling,  
17 regardless of whether the owner of the manufactured home elects to  
18 treat the manufactured home as real property under Section  
19 1201.2055, Occupations Code;

20 (2) is located in an area declared by the governor to  
21 be a disaster area following a disaster;

22 (3) is at least 15 percent damaged by the disaster, as  
23 determined by the chief appraiser under this section; and

24 (4) for property described by Subdivision (1)(A), is

1 the subject of a rendition statement or property report filed by the  
2 property owner under Section 22.01 that demonstrates that the  
3 property had taxable situs in the disaster area for the tax year in  
4 which the disaster occurred.

5 (b) A person is entitled to an exemption from taxation by a  
6 taxing unit of a portion of the appraised value of qualified  
7 property that the person owns in an amount determined under  
8 Subsection (h).

9 (c) Notwithstanding Subsection (b), if the governor first  
10 declares territory in a taxing unit to be a disaster area as a  
11 result of a disaster on or after the date a taxing unit adopts a tax  
12 rate for the tax year in which the declaration is issued, a person  
13 is not entitled to the exemption for that tax year unless the  
14 governing body of the taxing unit adopts the exemption in the manner  
15 provided by law for official action by the body.

16 (d) An exemption adopted by the governing body of a taxing  
17 unit under Subsection (c) must:

18 (1) specify the disaster to which the exemption  
19 pertains; and

20 (2) be adopted not later than the 60th day after the  
21 date the governor first declares territory in the taxing unit to be  
22 a disaster area as a result of the disaster.

23 (e) A taxing unit the governing body of which adopts an  
24 exemption under Subsection (c) shall, not later than the seventh  
25 day after the date the governing body adopts the exemption, notify  
26 the chief appraiser of each appraisal district in which the taxing  
27 unit participates, the assessor for the taxing unit, and the



1 comptroller of the adoption of the exemption.

2 (f) On receipt of an application for the exemption  
3 authorized by this section, the chief appraiser shall determine  
4 whether any item of qualified property that is the subject of the  
5 application is at least 15 percent damaged by the disaster and  
6 assign to each such item of qualified property a damage assessment  
7 rating of Level I, Level II, Level III, or Level IV, as appropriate,  
8 as provided by Subsection (g). In determining the appropriate  
9 damage assessment rating, the chief appraiser may rely on  
10 information provided by a county emergency management authority,  
11 the Federal Emergency Management Agency, or any other source the  
12 chief appraiser considers appropriate.

13 (g) The chief appraiser shall assign to an item of qualified  
14 property:

15 (1) a Level I damage assessment rating if the property  
16 is at least 15 percent, but less than 30 percent, damaged, meaning  
17 that the property suffered minimal damage and may continue to be  
18 used as intended;

19 (2) a Level II damage assessment rating if the  
20 property is at least 30 percent, but less than 60 percent, damaged,  
21 which, for qualified property described by Subsection (a)(1)(B) or  
22 (C), means that the property has suffered only nonstructural  
23 damage, including nonstructural damage to the roof, walls,  
24 foundation, or mechanical components, and the waterline, if any, is  
25 less than 18 inches above the floor;

26 (3) a Level III damage assessment rating if the  
27 property is at least 60 percent damaged but is not a total loss,

1 which, for qualified property described by Subsection (a)(1)(B) or  
2 (C), means that the property has suffered significant structural  
3 damage requiring extensive repair due to the failure or partial  
4 failure of structural elements, wall elements, or the foundation,  
5 or the waterline is at least 18 inches above the floor; or

6 (4) a Level IV damage assessment rating if the  
7 property is a total loss, meaning that repair of the property is not  
8 feasible.

9 (h) Subject to Subsection (i), the amount of the exemption  
10 authorized by this section for an item of qualified property is  
11 determined by multiplying the appraised value, determined for the  
12 tax year in which the disaster occurred, of the property by:

13 (1) 15 percent, if the property is assigned a Level I  
14 damage assessment rating;

15 (2) 30 percent, if the property is assigned a Level II  
16 damage assessment rating;

17 (3) 60 percent, if the property is assigned a Level III  
18 damage assessment rating; or

19 (4) 100 percent, if the property is assigned a Level IV  
20 damage assessment rating.

21 (i) If a person qualifies for the exemption authorized by  
22 this section after the beginning of the tax year, the amount of the  
23 exemption is calculated by multiplying the amount determined under  
24 Subsection (h) by a fraction, the denominator of which is 365 and  
25 the numerator of which is the number of days remaining in the tax  
26 year after the day on which the governor first declares the area in  
27 which the person's qualified property is located to be a disaster

1 area, including the day on which the governor makes the  
2 declaration.

3       (j) If a person qualifies for the exemption authorized by  
4 this section after the amount of the tax due on the qualified  
5 property is calculated and the effect of the qualification is to  
6 reduce the amount of the tax due on the property, the assessor for  
7 each applicable taxing unit shall recalculate the amount of the tax  
8 due on the property and correct the tax roll. If the tax bill has  
9 been mailed and the tax on the property has not been paid, the  
10 assessor shall mail a corrected tax bill to the person in whose name  
11 the property is listed on the tax roll or to the person's authorized  
12 agent. If the tax on the property has been paid, the tax collector  
13 for the taxing unit shall refund to the person who paid the tax the  
14 amount by which the payment exceeded the tax due. No interest is  
15 due on an amount refunded under this subsection.

16       (k) The exemption authorized by this section expires as to  
17 an item of qualified property on January 1 of the first tax year in  
18 which the property is reappraised under Section 25.18.

19       SECTION 2. Section 11.42(e), Tax Code, is amended to read as  
20 follows:

21       (e) A person who qualifies for an exemption under Section  
22 11.131 or 11.35 after January 1 of a tax year may receive the  
23 exemption for the applicable portion of that tax year immediately  
24 on qualification for the exemption.

25       SECTION 3. Section 11.43, Tax Code, is amended by amending  
26 Subsection (c) and adding Subsection (s) to read as follows:

27       (c) An exemption provided by Section 11.13, 11.131, 11.132,

1 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,  
2 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,  
3 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, [~~or~~] 11.315, or 11.35,  
4 once allowed, need not be claimed in subsequent years, and except as  
5 otherwise provided by Subsection (e), the exemption applies to the  
6 property until it changes ownership or the person's qualification  
7 for the exemption changes. However, except as provided by  
8 Subsection (r), the chief appraiser may require a person allowed  
9 one of the exemptions in a prior year to file a new application to  
10 confirm the person's current qualification for the exemption by  
11 delivering a written notice that a new application is required,  
12 accompanied by an appropriate application form, to the person  
13 previously allowed the exemption. If the person previously allowed  
14 the exemption is 65 years of age or older, the chief appraiser may  
15 not cancel the exemption due to the person's failure to file the new  
16 application unless the chief appraiser complies with the  
17 requirements of Subsection (q), if applicable.

18 (s) A person who qualifies for an exemption under Section  
19 11.35(b) must apply for the exemption not later than the 105th day  
20 after the date the governor declares the area in which the person's  
21 qualified property is located to be a disaster area. A person who  
22 qualifies for an exemption under Section 11.35(c) must apply for  
23 the exemption not later than the 45th day after the date the  
24 governing body of the taxing unit adopts the exemption. The chief  
25 appraiser may extend the deadlines prescribed by this subsection  
26 for good cause shown.

27 SECTION 4. Section 11.45, Tax Code, is amended by adding

1 Subsection (e) to read as follows:

2 (e) If the chief appraiser approves, modifies, or denies an  
3 application for an exemption under Section 11.35, the chief  
4 appraiser shall deliver a written notice of the approval,  
5 modification, or denial to the applicant not later than the fifth  
6 day after the date the chief appraiser makes the determination. The  
7 notice must include the damage assessment rating assigned by the  
8 chief appraiser to each item of qualified property that is the  
9 subject of the application and a brief explanation of the  
10 procedures for protesting the chief appraiser's determination. The  
11 notice required under this subsection is in lieu of any notice that  
12 would otherwise be required under Subsection (d).

13 SECTION 5. Section 26.012(15), Tax Code, is amended to read  
14 as follows:

15 (15) "Lost property levy" means the amount of taxes  
16 levied in the preceding year on property value that was taxable in  
17 the preceding year but is not taxable in the current year because  
18 the property is exempt in the current year under a provision of this  
19 code other than Section 11.251, ~~[or]~~ 11.253, or 11.35, the property  
20 has qualified for special appraisal under Chapter 23 in the current  
21 year, or the property is located in territory that has ceased to be  
22 a part of the taxing unit since the preceding year.

23 SECTION 6. Section 41.03(a), Tax Code, is amended to read as  
24 follows:

25 (a) A taxing unit is entitled to challenge before the  
26 appraisal review board:

27 (1) the level of appraisals of any category of

1 property in the district or in any territory in the district, but  
2 not the appraised value of a single taxpayer's property;

3 (2) an exclusion of property from the appraisal  
4 records;

5 (3) a grant in whole or in part of a partial exemption,  
6 other than an exemption under Section 11.35;

7 (4) a determination that land qualifies for appraisal  
8 as provided by Subchapter C, D, E, or H, Chapter 23; or

9 (5) a failure to identify the taxing unit as one in  
10 which a particular property is taxable.

11 SECTION 7. Section 41.41, Tax Code, is amended by adding  
12 Subsection (c) to read as follows:

13 (c) Notwithstanding Subsection (a), a property owner is  
14 entitled to protest before the appraisal review board only the  
15 following actions of the chief appraiser in relation to an  
16 exemption under Section 11.35:

17 (1) the modification or denial of an application for  
18 an exemption under that section; or

19 (2) the determination of the appropriate damage  
20 assessment rating for an item of qualified property under that  
21 section.

22 SECTION 8. Section 41.44(a), Tax Code, is amended to read as  
23 follows:

24 (a) Except as provided by Subsections (b), (c), (c-1), and  
25 (c-2), to be entitled to a hearing and determination of a protest,  
26 the property owner initiating the protest must file a written  
27 notice of the protest with the appraisal review board having



1 authority to hear the matter protested:

2 (1) not later than May 15 or the 30th day after the  
3 date that notice to the property owner was delivered to the property  
4 owner as provided by Section 25.19, whichever is later;

5 (2) in the case of a protest of a change in the  
6 appraisal records ordered as provided by Subchapter A of this  
7 chapter or by Chapter 25, not later than the 30th day after the date  
8 notice of the change is delivered to the property owner;

9 (3) in the case of a determination that a change in the  
10 use of land appraised under Subchapter C, D, E, or H, Chapter 23,  
11 has occurred, not later than the 30th day after the date the notice  
12 of the determination is delivered to the property owner; [~~or~~]

13 (4) in the case of a determination of eligibility for a  
14 refund under Section 23.1243, not later than the 30th day after the  
15 date the notice of the determination is delivered to the property  
16 owner; or

17 (5) in the case of a protest of the modification or  
18 denial of an application for an exemption under Section 11.35, or  
19 the determination of an appropriate damage assessment rating for an  
20 item of qualified property under that section, not later than the  
21 30th day after the date the property owner receives the notice  
22 required under Section 11.45(e).

23 SECTION 9. Section 403.302(d), Government Code, is amended  
24 to read as follows:

25 (d) For the purposes of this section, "taxable value" means  
26 the market value of all taxable property less:

27 (1) the total dollar amount of any residence homestead

1 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
2 Code, in the year that is the subject of the study for each school  
3 district;

4 (2) one-half of the total dollar amount of any  
5 residence homestead exemptions granted under Section 11.13(n), Tax  
6 Code, in the year that is the subject of the study for each school  
7 district;

8 (3) the total dollar amount of any exemptions granted  
9 before May 31, 1993, within a reinvestment zone under agreements  
10 authorized by Chapter 312, Tax Code;

11 (4) subject to Subsection (e), the total dollar amount  
12 of any captured appraised value of property that:

13 (A) is within a reinvestment zone created on or  
14 before May 31, 1999, or is proposed to be included within the  
15 boundaries of a reinvestment zone as the boundaries of the zone and  
16 the proposed portion of tax increment paid into the tax increment  
17 fund by a school district are described in a written notification  
18 provided by the municipality or the board of directors of the zone  
19 to the governing bodies of the other taxing units in the manner  
20 provided by former Section 311.003(e), Tax Code, before May 31,  
21 1999, and within the boundaries of the zone as those boundaries  
22 existed on September 1, 1999, including subsequent improvements to  
23 the property regardless of when made;

24 (B) generates taxes paid into a tax increment  
25 fund created under Chapter 311, Tax Code, under a reinvestment zone  
26 financing plan approved under Section 311.011(d), Tax Code, on or  
27 before September 1, 1999; and

1                   (C) is eligible for tax increment financing under  
2 Chapter 311, Tax Code;

3                   (5) the total dollar amount of any captured appraised  
4 value of property that:

5                   (A) is within a reinvestment zone:

6                   (i) created on or before December 31, 2008,  
7 by a municipality with a population of less than 18,000; and

8                   (ii) the project plan for which includes  
9 the alteration, remodeling, repair, or reconstruction of a  
10 structure that is included on the National Register of Historic  
11 Places and requires that a portion of the tax increment of the zone  
12 be used for the improvement or construction of related facilities  
13 or for affordable housing;

14                   (B) generates school district taxes that are paid  
15 into a tax increment fund created under Chapter 311, Tax Code; and

16                   (C) is eligible for tax increment financing under  
17 Chapter 311, Tax Code;

18                   (6) the total dollar amount of any exemptions granted  
19 under Section 11.251 or 11.253, Tax Code;

20                   (7) the difference between the comptroller's estimate  
21 of the market value and the productivity value of land that  
22 qualifies for appraisal on the basis of its productive capacity,  
23 except that the productivity value estimated by the comptroller may  
24 not exceed the fair market value of the land;

25                   (8) the portion of the appraised value of residence  
26 homesteads of individuals who receive a tax limitation under  
27 Section 11.26, Tax Code, on which school district taxes are not

1 imposed in the year that is the subject of the study, calculated as  
2 if the residence homesteads were appraised at the full value  
3 required by law;

4 (9) a portion of the market value of property not  
5 otherwise fully taxable by the district at market value because of:

6 (A) action required by statute or the  
7 constitution of this state, other than Section 11.311, Tax Code,  
8 that, if the tax rate adopted by the district is applied to it,  
9 produces an amount equal to the difference between the tax that the  
10 district would have imposed on the property if the property were  
11 fully taxable at market value and the tax that the district is  
12 actually authorized to impose on the property, if this subsection  
13 does not otherwise require that portion to be deducted; or

14 (B) action taken by the district under Subchapter  
15 B or C, Chapter 313, Tax Code, before the expiration of the  
16 subchapter;

17 (10) the market value of all tangible personal  
18 property, other than manufactured homes, owned by a family or  
19 individual and not held or used for the production of income;

20 (11) the appraised value of property the collection of  
21 delinquent taxes on which is deferred under Section 33.06, Tax  
22 Code;

23 (12) the portion of the appraised value of property  
24 the collection of delinquent taxes on which is deferred under  
25 Section 33.065, Tax Code; ~~and~~

26 (13) the amount by which the market value of a  
27 residence homestead to which Section 23.23, Tax Code, applies

1 exceeds the appraised value of that property as calculated under  
2 that section; and

3 (14) the total dollar amount of any exemptions granted  
4 under Section 11.35, Tax Code.

5 SECTION 10. Section 23.02, Tax Code, is repealed.

6 SECTION 11. Section 11.35, Tax Code, as added by this Act,  
7 applies only to ad valorem taxes imposed for a tax year that begins  
8 on or after the effective date of this Act.

9 SECTION 12. This Act takes effect January 1, 2020, but only  
10 if the constitutional amendment proposed by the 86th Legislature,  
11 Regular Session, 2019, authorizing the legislature to provide for a  
12 temporary exemption from ad valorem taxation of a portion of the  
13 appraised value of certain property damaged by a disaster is  
14 approved by the voters. If that amendment is not approved by the  
15 voters, this Act has no effect.

**House Bill 492**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.35 to read as follows:

(a) In this section, "qualified property" means property that:

(1) consists of:

(A) tangible personal property used for the production of income;

(B) an improvement to real property; or

(C) a manufactured home as that term is defined by Section 1201.003, Occupations Code, that is used as a dwelling, regardless of whether the owner of the manufactured home elects to treat the manufactured home as real property under Section 1201.2055, Occupations Code;

(2) is located in an area declared by the governor to be a disaster area following a disaster;

(3) is at least 15 percent damaged by the disaster, as determined by the chief appraiser under this section; and

(4) for property described by Subdivision (1)(A), is the subject of a rendition statement or property report filed by the property owner under Section 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred.

(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 *if the exemption is adopted by the governing body of the taxing unit in the manner provided by law for official action by the body.*

*No equivalent provision.*

SENATE VERSION (CS)

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.35 to read as follows:

(a) In this section, "qualified property" means property that:

(1) consists of:

(A) tangible personal property used for the production of income; or

(B) an improvement to real property;

(2) is located in an area declared by the governor to be a disaster area following a disaster;

(3) is at least 15 percent damaged by the disaster, as determined by the chief appraiser under this section; and

(4) for property described by Subdivision (1)(A), is the subject of a rendition statement or property report filed by the property owner under Section 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred.

(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).*

*No equivalent provision.*

CONFERENCE

SECTION 1. Same as House version except as follows:

(a) Same as House version.

(b) Substantially the same as Senate version.

(c) Notwithstanding Subsection (b), if the governor first declares territory in a taxing unit to be a disaster area as a result of a disaster on or after the date a taxing unit adopts a



**House Bill 492**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

(c) An exemption adopted by the governing body of a taxing unit under *this section* must:

- (1) specify the disaster to which the exemption pertains; and
- (2) be adopted not later than the 60th day after the date the governor first declares territory in the taxing unit to be a disaster area as a result of the disaster.

(d) A taxing unit the governing body of which adopts an exemption under *this section* shall, not later than the seventh day after the date the governing body adopts the exemption, notify the chief appraiser of each appraisal district in which the taxing unit participates, the assessor for the taxing unit, and the comptroller of the adoption of the exemption.

(e) On receipt of an application for the exemption authorized by this section, the chief appraiser shall determine whether any item of qualified property that is the subject of the application is at least 15 percent damaged by the disaster and assign to each such item of qualified property a damage assessment rating of Level I, Level II, Level III, or Level IV, as appropriate, as provided by Subsection (f). In determining the

*No equivalent provision.*

*No equivalent provision.*

(c) Substantially the same as House version.

tax rate for the tax year in which the declaration is issued, a person is not entitled to the exemption for that tax year unless the governing body of the taxing unit adopts the exemption in the manner provided by law for official action by the body.

*(The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.)*

(d) An exemption adopted by the governing body of a taxing unit under *Subsection (c)* must:

- (1) specify the disaster to which the exemption pertains; and
- (2) be adopted not later than the 60th day after the date the governor first declares territory in the taxing unit to be a disaster area as a result of the disaster.

(e) A taxing unit the governing body of which adopts an exemption under *Subsection (c)* shall, not later than the seventh day after the date the governing body adopts the exemption, notify the chief appraiser of each appraisal district in which the taxing unit participates, the assessor for the taxing unit, and the comptroller of the adoption of the exemption.

(f) Substantially the same as House version.

**House Bill 492**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

appropriate damage assessment rating, the chief appraiser may rely on information provided by a county emergency management authority, the Federal Emergency Management Agency, or any other source the chief appraiser considers appropriate.

(f) The chief appraiser shall assign to an item of qualified property:

(1) a Level I damage assessment rating if the property is at least 15 percent, but less than 30 percent, damaged, meaning that the property suffered minimal damage and may continue to be used as intended;

(2) a Level II damage assessment rating if the property is at least 30 percent, but less than 60 percent, damaged, which, for qualified property described by Subsection (a)(1)(B) or (C), means that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;

(3) a Level III damage assessment rating if the property is at least 60 percent damaged but is not a total loss, which, for qualified property described by Subsection (a)(1)(B) or (C), means that the property has suffered significant structural damage requiring extensive repair due to the failure or partial failure of structural elements, wall elements, or the foundation, or the waterline is at least 18 inches above the floor; or

(4) a Level IV damage assessment rating if the property is a total loss, meaning that repair of the property is not feasible.

(g) Subject to Subsection (h), the amount of the exemption authorized by this section for an item of qualified property is

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

(1) a Level I damage assessment rating if the property is at least 15 percent, but less than 30 percent, damaged, meaning that the property suffered minimal damage and may continue to be used as intended;

(2) a Level II damage assessment rating if the property is at least 30 percent, but less than 60 percent, damaged, which, for qualified property described by Subsection (a)(1)(B), means that the property has suffered only nonstructural damage, including nonstructural damage to the roof, walls, foundation, or mechanical components, and the waterline, if any, is less than 18 inches above the floor;

(3) a Level III damage assessment rating if the property is at least 60 percent damaged but is not a total loss, which, for qualified property described by Subsection (a)(1)(B), means that the property has suffered significant structural damage requiring extensive repair due to the failure or partial failure of structural elements, wall elements, or the foundation, or the waterline is at least 18 inches above the floor; or

(4) a Level IV damage assessment rating if the property is a total loss, meaning that repair of the property is not feasible.

(e) Substantially the same as House version.

(d) Same as House version.

(h) Substantially the same as House version.

**House Bill 492**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

determined by multiplying the appraised value, determined for the tax year in which the disaster occurred, of the property by:

- (1) 15 percent, if the property is assigned a Level I damage assessment rating;
- (2) 30 percent, if the property is assigned a Level II damage assessment rating;
- (3) 60 percent, if the property is assigned a Level III damage assessment rating; or
- (4) 100 percent, if the property is assigned a Level IV damage assessment rating.

(h) If a person qualifies for the exemption authorized by this section after the beginning of the tax year, the amount of the exemption is calculated by multiplying the amount determined under Subsection (g) 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 day on which the governor first declares the area in which the person's qualified property is located to be a disaster area, including the day on which the governor makes the declaration.

(i) If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for *each* taxing unit *that has adopted the exemption* shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall 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. If the

(f) Substantially the same as House version.

(g) If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for *the* taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall 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. If the tax on the property has been paid, the

(i) Substantially the same as House version.

(j) If a person qualifies for the exemption authorized by this section after the amount of the tax due on the qualified property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for *each applicable* taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall 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. If the tax on the property has been

**House Bill 492**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due. No interest is due on an amount refunded under this subsection.

(j) Expiration of exemption.

SECTION 2. Section 11.42(e), Tax Code, is amended.

SECTION 3. Section 11.43, Tax Code, is amended. Among other provisions, Subsection (s) is added to read as follows:

(s) A person who qualifies for an exemption under Section 11.35 must apply for the exemption not later than the 45th day after the date the governing body of the taxing unit adopts the exemption, provided that the chief appraiser may extend the deadline for good cause shown.

SECTIONS 4-10. Provisions of the Tax Code are amended. Provisions are added to the Tax Code and a provision is repealed.

SECTION 11. Saving provision.

SECTION 12. This Act takes effect January 1, 2020, but only

SENATE VERSION (CS)

tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due. No interest is due on an amount refunded under this subsection.

(h) Same as House version.

SECTION 2. Same as House version.

SECTION 3. Same as House version except as follows:

(s) A person who qualifies for an exemption under Section 11.35 must apply for the exemption not later than the 105th day after the date the governor declares the area in which the person's qualified property is located to be a disaster area, provided that the chief appraiser may extend the deadline for good cause shown.

SECTIONS 4-10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. This Act takes effect January 1, 2020, but only

CONFERENCE

paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due. No interest is due on an amount refunded under this subsection.

(k) Same as House version.

SECTION 2. Same as House version.

SECTION 3. Same as House version except as follows:

(s) A person who qualifies for an exemption under Section 11.35(b) must apply for the exemption not later than the 105th day after the date the governor declares the area in which the person's qualified property is located to be a disaster area. A person who qualifies for an exemption under Section 11.35(c) must apply for the exemption not later than the 45th day after the date the governing body of the taxing unit adopts the exemption. The chief appraiser may extend the deadlines prescribed by this subsection for good cause shown.

SECTIONS 4-10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as Senate version.

**House Bill 492**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary *local option* exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

SENATE VERSION (CS)

if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

CONFERENCE

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 25, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB492** by Shine (Relating to a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster.), **Conference Committee Report**

**Passage of the bill would create a mandatory percentage disaster exemption for property damaged by a disaster. Contingent on adoption of a constitutional amendment, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.**

The bill would amend Chapter 11 of the Tax Code regarding taxable property and exemptions, by adding Section 11.35 to create a mandatory percentage disaster exemption for property damaged by a disaster.

The chief appraiser would assign a disaster exemption rating of level one through four as follows:  
Level I: At least 15 percent but less than 30 percent damaged (exemption before proration of 15 percent);  
Level II: At least 30 percent but less than 60 percent damaged (exemption before proration of 30 percent);  
Level III: At least 60 percent damaged but less than a total loss (exemption before proration of 60 percent); or  
Level IV: The property is a total loss (exemption before proration of 100 percent).

The bill would provide for protests of the modification or denial of an application and of the disaster exemption rating.

The bill would repeal the local option reappraisal under Tax Code 23.02.

Contingent on adoption of a constitutional amendment authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster, the bill would create a cost to local taxing units and to the state through the school funding formula depending on the incidence and severity of future disasters. The frequency, timing, and severity of future disasters cannot be predicted. Consequently, the cost of the bill cannot be estimated.

The bill would take effect January 1, 2020, contingent on voter approval of a constitutional amendment authorizing the legislature to provide for a temporary exemption from ad valorem



taxation of a portion of the appraised value of certain property damaged by a disaster.

**Local Government Impact**

Passage of the bill would create a mandatory percentage disaster exemption for property damaged by a disaster. Contingent on adoption of a constitutional amendment, taxable property values and the related ad valorem tax revenue for units of local government could be reduced.


**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** WP, KK, SD, SJS

**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under House Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not subject to a point of order under Rule 13.

I certify that a copy of the conference committee report on HB 492 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

  
\_\_\_\_\_  
(name)  
Hugh D. Shine

May 24, 2019  
(date)