

BILL ANALYSIS

S.B. 443
By: Hancock
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently a property owner can qualify to continue to receive a residence homestead property tax exemption on a residential structure rendered uninhabitable or unusable by casualty, wind, or water damage for two years while the owner constructs a replacement qualified residential structure on the land. To receive this continued exemption, a property owner must begin active construction of the replacement qualified residential structure or other physical preparation of the site on which the structure is to be located within a year of the date the owner ceases to occupy the former residential structure. Concerns have been raised that Hurricane Harvey victims, particularly those over the age of 65, are at risk of losing their tax exemptions because labor shortages and delays in negotiating settlements with insurance companies are preventing some residents from beginning construction on their new homes. S.B. 443 seeks to address these concerns by providing for a five-year period for which certain homeowners may continue to receive a residence homestead exemption for property that is rendered uninhabitable or unusable as a result of a disaster.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 443 amends the Tax Code to extend from two years to five years the maximum period during which an owner of property rendered uninhabitable or unusable by a casualty or by wind or water damage may continue receiving a residence homestead exemption for the structure and the land and improvements used in the residential occupancy of the structure while the owner constructs a replacement qualified residential structure on the land if the property is located in an area declared to be a disaster area by the governor following a disaster and the residential structure located on the property is rendered uninhabitable or unusable as a result of the disaster. The bill establishes that, to continue to receive the exemption, such an owner must begin active construction of the replacement qualified residential structure or other physical preparation of the site on which the structure is to be located not later than fifth anniversary of the date the owner ceases to occupy the former qualified residential structure as the owner's principal residence.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.