

- SUBJECT:** Extending residence homestead exemptions in declared disaster areas
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 9 ayes — Burrows, Guillen, Bohac, Murphy, Noble, E. Rodriguez, Sanford, Shaheen, Wray
- 0 nays
- 2 absent — Cole, Martinez Fischer
- SENATE VOTE:** On final passage, April 11 — 30-1 (Schwertner), on Local and Uncontested Calendar
- WITNESSES:** For — Marya Crigler, Texas Association of Appraisal Districts; (*Registered, but did not testify:* Cheryl Johnson, Galveston County Tax Office; Ender Reed, Harris County Commissioners Court; Kevin Kieschnick, Tax Assessor-Collectors Association of Texas-Nueces County; Scott Norman, Texas Association of Builders; Julia Parenteau, Texas Realtors; Deborah Cartwright and Dale Craymer, Texas Taxpayers and Research Association)
- Against — None
- BACKGROUND:** Tax Code sec. 11.135 authorizes the continuation of a homestead exemption from property taxation for homeowners whose residence is rendered uninhabitable by wind or water damage. To qualify for a continued exemption, the homeowner must begin construction of a replacement residential structure within one year of vacating the former residence. The continuation of the exemption is limited to two years.
- Concerned parties have noted that after a major natural disaster, labor shortages can cause extensive construction delays, which can disqualify homeowners from the homestead exemption.
- DIGEST:** SB 443 would extend the window during which a homeowner must begin

construction on a replacement residence in order to continue to qualify for a homestead tax exemption from one year to five years. The bill also would extend the length of the exemption from two years to five years if the residence was located in a disaster area and the residence had been rendered uninhabitable.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

**NOTES:**

According to the Legislative Budget Board, passage of the bill would extend the period a property owner may receive a residence homestead exemption when a residence is under repair following a disaster that rendered the residence uninhabitable. As a result, 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.