

- SUBJECT:** Specifying property qualified for temporary disaster exemption
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 8 ayes — Meyer, Thierry, Button, Guerra, Murphy, Noble, Rodriguez, Shine
- 1 nay — Cole
- 2 absent — Martinez Fischer, Sanford
- SENATE VOTE:** On final passage, April 29 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — Marya Crigler, Texas Association of Appraisal Districts; (*Registered, but did not testify:* James LeBas, AECT; Paul Pennington, Citizens For Appraisal Reform; Roland Altinger, Harris County Appraisal District; Daniel Gonzalez and Stephen Grant, Popp Hutcheson PLLC; Scott Retzloff, Ryan, LLC; R. Clint Smith, Texas Association of Property Tax Professionals; James Quintero, Texas Public Policy Foundation; Carl Walker, Texas Taxpayers and Research Association; Richard DeOtte; Yvette DeOtte)
- Against — (*Registered, but did not testify:* Julie Wheeler, Travis County Commissioners Court; Robert Norris)
- On — (*Registered, but did not testify:* Korry Castillo, Comptroller of Public Accounts)
- BACKGROUND:** Tax Code sec. 11.35 provides a temporary tax exemption of a portion of the appraised value of certain qualified property located in a governor-declared disaster area. Property must be at least 15 percent damaged by the disaster, as determined by the chief appraiser of the appraisal district, and meet other conditions to qualify.
- Interested parties have noted that while an attorney general opinion held that the temporary tax exemption for properties in a disaster area is

applicable only for physical damage sustained by a disaster, the statutory language is vague and should be clarified to prevent some from mistaking the exemption as applying to property that was economically damaged by a disaster.

DIGEST: SB 1427 would specify that for purposes of determining if property in a disaster area was eligible for a temporary property tax exemption, "damage" would mean physical damage.

The bill would state that this amendment was a clarification of existing law and would not imply that existing law could be construed as inconsistent with the law as amended by the bill.

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, 2021.

NOTES: According to the Legislative Budget Board, the bill could increase taxable values and the related savings to the state could be increased through the operation of the school finance formulas. Property tax revenue for local governments also could be increased.