

BILL ANALYSIS

Senate Research Center
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S.B. 453
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Property Tax
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In current law, the governing body of a taxing entity may authorize a reappraisal of property damaged in a disaster if that area was declared a disaster by the governor. Following Hurricane Harvey, there was a lack of consistency of reappraisals depending on the taxing entity.

S.B. 453 requires the chief appraiser of an appraisal district that appraises property for a taxing unit that is located partly or entirely inside an area declared to be a disaster area by the governor to reappraise all property damaged in the area to its market value following the disaster. The reappraisal shall be complete no later than the 45th day after the date the governor declares the disaster.

For any reason a property owner may refuse to have their property reappraised.

A taxing unit for which property is reappraised must pay the appraisal district all the costs of making the reappraisal. If property in the same territory is reappraised for two or more taxing units each taxing unit shall share the costs of the reappraisal.

If property damaged in a disaster is reappraised for a taxing unit, the governing body of the taxing unit shall provide for prorating the taxes on the property for the year in which the disaster occurred.

S.B. 453 applies only to the reappraisal of property declared to be a disaster on or after the effective date of this Act.

As proposed, S.B. 453 amends current law relating to the reappraisal for ad valorem tax purposes of property damaged in a disaster.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts of the State of Texas in SECTION 1 (Section 23.02, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 23.02, Tax Code, as follows:

Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN DISASTER AREA. (a) Requires the chief appraiser of an appraisal district that appraises property for a taxing unit that is located partly or entirely inside an area declared to be a disaster area by the governor to reappraise, rather than authorizing the governing body of a taxing unit that is located partly or entirely inside an area declared to be a disaster area by the governor to authorize reappraisal, of all property damaged in the disaster at its market value immediately after the disaster.

(a-1) Authorizes a property owner, notwithstanding Subsection (a), to refuse to have the owner's property reappraised under this section.

(b) Requires the chief appraiser to complete the reappraisal not later than the 45th day after the date the governor declares the area to be a disaster area, rather than requiring the appraisal office to complete the reappraisal as soon as practicable if a taxing unit authorizes a reappraisal pursuant to this section.

(b-1) Makes a conforming change.

(1)–(2) Makes nonsubstantive changes to these subdivision.

(3) Deletes existing Subdivision (3) requiring the appraisal office to include on the appraisal record, if the appraisal is not authorized by all taxing units in which the property is located, an indication of the taxing units to which the reappraisal applies.

(c) Requires a taxing unit for which property is reappraised, rather than a taxing unit that authorizes a reappraisal, under this section to pay the appraisal district all the costs of making the reappraisal. Requires each taxing unit, if property in the same territory is reappraised for two or more taxing units, to share the costs of the reappraisal in that territory in the proportion the total dollar amount of taxes each taxing unit imposed in that territory in the preceding year bears to the total dollar amount of taxes all taxing units imposed in that territory in the preceding year. Deletes existing text relating to providing for the reappraisal in the same territory.

(d) Makes conforming changes.

(e) Authorizes the comptroller of public accounts of the State of Texas to adopt rules to implement and administer this section.

SECTION 2. Makes application of this Act prospective. Provides that the reappraisal of property located in an area that was declared to be a disaster area by the governor before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. Effective date: upon passage or September 1, 2019.