

BILL ANALYSIS

Senate Research Center
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S.B. 812
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Property Tax
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2013, the 83rd Legislature established Section 23.23(g) of the Texas Tax Code to protect certain disaster victims from exorbitant property taxes when rebuilding or fixing their homes through the state's disaster reconstruction program.

Prior to this 2013 tax provision, Texans who were forced to rebuild or fix their severely damaged homesteads faced the possibility that any improvement or replacement of homes could be appraised as a "new improvement." Consequently, by not taking into account the unique circumstances of disaster victims, the Tax Code allowed disaster survivors the possibility of facing exorbitant tax jumps in their property taxes. In effect, disaster victims (e.g., those whose homesteads were damaged by Hurricanes Dolly and Ike, and the Bastrop wildfires) could have been taxed out of their rebuilt, fixed homes.

To prevent this, Section 23.23(g) provided that a replacement home or improvement made to a disaster-damaged home was not considered a "new improvement" under the Tax Code if the "improvement" or replacement home was made to satisfy requirements of the Texas General Land Office (GLO) Disaster Reconstruction Program.

S.B. 812 by Lucio and Bettencourt extends the 2013 protection of prior disaster victims to Hurricane Harvey victims who are homeowner participants (as well as those of future disasters) of the Disaster Reconstruction Program administered by the State of Texas.

Specifically, S.B. 812 updates the Tax Code by providing general language not tied to a specific Congressional Budget Resolution ensuring protection from exorbitant property taxes to any homeowner disaster victim participating through the federally funded GLO-administered Disaster Reconstruction Program.

As proposed, S.B. 812 amends current law relating to the application of the limit on appraised value of a residence homestead for ad valorem tax purposes to an improvement that is a replacement structure for a structure that was rendered uninhabitable or unusable by a casualty or by wind or water damage.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 23.23(g), Tax Code, to provide that the disaster recovery program defined by this subsection is administered by the Texas General Land Office and funded with community development block grant disaster recovery money authorized by federal law, rather than authorized by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. No. 110-329) and the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112-55).

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2020.