

**SUBJECT:** Providing a property tax exemption for certain property destroyed by fire

**COMMITTEE:** Ways & Means — committee substitute recommended

**VOTE:** 11 ayes — Meyer, Martinez Fischer, Bernal, Button, Capriglione,  
Hickland, Muñoz, Noble, V. Perez, Troxclair, Turner

0 nays

2 absent — Gervin-Hawkins, Vasut

**SENATE VOTE:** On final passage (April 29) — 31 - 0

**WITNESSES:** For — (*Registered, but did not testify:* Cheryl Johnson, GC Tax Office;  
Charles Maley, South Texans' Property Rights Association; Julia  
Parenteau, Texas Realtors)

Against — None

**BACKGROUND:** Concerns have been raised that a property owner who experiences a loss  
of a home or an improvement to a home through fire can still be taxed on  
the value of the property prior to the catastrophic loss.

**DIGEST:** CSSB 467 would entitle a person to a property tax exemption of the  
appraised value of an improvement to the person's residence homestead  
that was completely destroyed by a fire, was a habitable dwelling before  
the fire, and remained uninhabitable for at least 30 days after the fire. The  
exemption would only apply for the tax year in which the fire occurred.

The amount of the exemption would be calculated by multiplying the  
appraised value of the improvement by a fraction with a denominator of  
365 and a numerator that was the number of days remaining in the tax  
year.

A property owner would have to submit an application for the exemption  
to the chief appraiser by the 180th day after the date the fire occurred. The

chief appraiser would be required to determine whether the improvement qualified for the exemption and could rely on information provided by any other appropriate source to make the determination.

If a person became entitled to the exemption after taxes had been calculated and the exemption would reduce the person's tax due, the assessor for the taxing unit would have to recalculate the tax due on the property, correct the tax roll, and mail a corrected tax bill to the person if necessary. If the tax had been paid, the tax collector would have to provide a refund of the overpayment to the person.

The bill would take effect January 1, 2026, but only if a constitutional amendment proposed by this Legislature was approved by voters. If the constitutional amendment was not approved, the bill would have no effect.

**NOTES:**

CSSB 467 is the enabling legislation for SJR 84, which is set for second reading consideration on the Constitutional Amendments Calendar today.

According to the Legislative Budget Board (LBB), taxable property values could be reduced as a result of the temporary tax exemption under the bill, and the related costs to the Foundation School Program could be increased through the operation of the school finance formulas. However, the frequency, timing, and severity of future damages, and the number of taxing units that would be impacted cannot be predicted, and LBB cannot estimate the cost of the bill.