

Temporary Exemption for Property Damaged by Disaster

Property Tax Code 11.35 allows property owners to claim a temporary exemption for those who have sustained physical damage to their property in a governor declared disaster area. On February 12, 2021, all 254 counties in Texas were declared a disaster area by Governor Abbott due to the severe weather conditions.

Qualified property includes:

- tangible personal property used for income production if the owner filed a rendition;
- residential buildings (homes), commercial buildings (businesses),
- industrial buildings (manufacturing),
- multi-family buildings (apartments), and other real property buildings and
- Certain manufactured housing

The deadline for filing this form is May 28, 2021. The amount of the exemption is prorated and will vary according to the value and level of damage as determined by the appraisal district. **To qualify the property must have incurred at least 15% of the value in damages.** The exemption amount is then prorated by the number of days remaining since the day of the disaster declaration by the governor ($322/365$ or 88%).

There are 4 levels of damage assessment:

Level 1= 15%

Level 2= 30%

Level 3= 60%

Level 4= 100%

Example: A house valued at \$100,000 by the appraisal district is determined to have sustained \$20,000 in damages. The appraisal district assigns it a Level 1 damage assessment= 15%.

$20,000/100,000= 20\%$ Property qualifies for Level 1 damage assessment rating of 15%

$\$100,000 * 15\% * .88 = \$13,200$ amount of exemption. The taxable value of the house is then reduced by \$13,200. $\$100,000 - \$13,200 = \$86,800$ taxable value.