

Temporary Exemption for Disaster Damage

Did Your Property Sustain Damage During the February 2021 Winter Storm Uri? You may qualify for a new property tax exemption.

In an area declared a disaster area by the Governor, Tax Code Section 11.35 allows a qualified property that is at least 15 percent damaged by a disaster to receive a temporary exemption of a portion of the appraised value of the property. **A property owner must apply for the temporary exemption and the deadline for application is 105 days after the governor declares a disaster area.** As it applies to Winter Storm Uri, Governor Abbott declared the entire state of Texas a disaster area on February 12, 2021 so this exemption applies to all counties in Texas. The deadline for filing the application for exemption is **May 28, 2021**.

The exemption applies only to qualified property. Qualified property includes:

- Tangible business personal property used for income production if the owner filed a 2021 rendition;
- An improvement to real property, which would include residential buildings (homes), commercial buildings (businesses), industrial buildings (manufacturing), multi-family buildings (apartments), and other real property buildings; and
- certain manufactured homes used as a dwelling.

The appraisal district determines if the property qualifies for the temporary exemption and assigns a damage assessment rating of Level I, II, III or IV based upon available information. The district may rely on information from a county emergency management authority, the Federal Emergency Management Agency (FEMA) or other appropriate sources like insurance adjusters or repair estimates when making this determination.

Level	Damage Assessment	Damage Description	Exemption Percentage
I	15% < 30%	Minimal, may continue to be used as intended	15%
II	30% < 60%	Nonstructural damage and waterline <18" above floor if flooded.	30%
III	60% < 100%	Significant structural damage and waterline 18"+ above floor if flooded	60%
IV	100%	Total loss; repair is not feasible	100%

The amount of the exemption is determined by multiplying the building (note: this is the value for the structure only, land is not qualified property and land value is not included in the calculations) or personal property value, as applicable, by the exemption percentage based on the damage assessment level and is then multiplied by a proration factor (the number of days remaining in the tax year after the date the governor declares the disaster is divided by 365). The proration factor for this disaster is 0.88 ($322/365 = 0.88$).

Sample disaster exemption calculation:

A \$100,000 house (structure value only) received \$20,000 in damage from burst pipes that resulted in nonstructural damage.

$\$20,000 \text{ Damage} / \$100,000 \text{ House value} = 20\%$. Damage assessment level is Level 1

$\$100,000 \text{ House Value times } 15\% \text{ exemption percentage} = \$15,000$

$\$15,000 \text{ times proration factor } 0.88 = \$13,200 \text{ exemption amount reducing the taxable value for 2021}$

The appraisal district must send written notice of the approval, modification, or denial of the application to the applicant. The temporary disaster area exemption expires on Jan. 1 of the first tax year in which the property is reappraised.

The deadline for filing the 2021 Temporary Disaster Exemption application is May 28, 2021.

You may download a copy of form 50-312 from the link to the Texas Comptroller forms or call the appraisal district at 432-377-2201 for a copy. You can mail your application to the *Loving County Appraisal District, PO Box 352, Mentone TX 79754.*