Disaster Reappraisals

Once disaster strikes, will that affect
my property taxes for that year?

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The benefit of January 1st Appraisals…

Most all property taxes are based upon the appraised value of property as of January 1st of each year. The status of the property on that date determines the tax bill for the year.

If the property was partially constructed on January 1st, the value is based on the partial completion. If a home is moved in on January 2nd… it is not taxed until the following year. If a business is started after January 1st… it is not taxed until the following year.

The downside of January 1st Appraisals…

If a business closes after January 1st, it is still taxable as of its value on the 1st. The same thing for a structure that burns…

This applies even in the event of a disaster. The value of the property as of January 1st is still the taxable value for the year.

Can property tax appraisals be adjusted for disasters?

Yes. Section 23.02 of the Texas Property Tax Code allows for the reappraisal of property damaged in a disaster area.

How can a disaster reappraisal be invoked? (Step 1)

The Governor of Texas must declare the area to be a disaster area. This is the most critical step. Once that hurdle is overcome, then it is up to the local taxing units.

How can a disaster reappraisal be invoked? (Step 2)

Once the Governor issues a disaster proclamation, local taxing units within the disaster area are allowed by law to request the appraisal district to perform a reappraisal.

It is not mandatory for a local taxing unit to request a disaster reappraisal. It is a local option left up to local control.

How can a disaster reappraisal be invoked? (Step 3)

If the appraisal district receives a request for a disaster reappraisal from a taxing unit(s), the chief appraiser will direct reappraisals to be performed.

Once field appraisers complete their work, the chief appraiser enters into the appraisal roll for each affected property:

1. Date of the Disaster;
2. Appraised Value after the disaster; and
3. Taxing units the reappraisal applies to.

Then what happens to my tax bill?

The tax assessor will calculate taxes based on the January 1st value…AND…the taxes based on the post disaster value.

The January 1st taxes are prorated for the number of days in the year prior to the disaster….AND… the post disaster taxes are prorated for the number of days in the year after the disaster.

Having calculated the two prorated tax amounts, the tax assessor would then add them together to get the adjusted tax bill.

Do all affected taxing units have to request a disaster reappraisal?

No. Only the taxing units that request a reappraisal will have their taxes adjusted.

For example, if a city, school and county are all affected, the county and school might request a disaster reappraisal, but the city might not. In that case, the school and county taxes would be adjusted but not the city taxes.

A disaster reappraisal could be requested by all taxing units, some taxing units and not others, or no taxing units at all… this is the essence of local control versus state control.

Can the appraisal district reappraise the disaster area on its own?

No. The appraisal district is bound by law to appraise most properties as of their January 1st status. The appraisal district does not have the legal authority to perform disaster reappraisals unless authorized by the local taxing units through the Section 23.02 process.

Should I inform the appraisal district my property has been damaged?

The answer is yes. Even if local taxing units do not request a disaster reappraisal, the appraisal district still needs to know what properties were affected in order to inspect them for the following January 1st.

Who pays for the disaster reappraisal?

Under the law, the appraisal district may charge the taxing units that request disaster reappraisals for the cost of the reappraisal.

What properties can have an appraisal date other than January 1st?

Several references in this brochure talk about "most" property being appraised as of January 1st.

The exception to the January 1st rule regards business inventory. A business owner can apply for a September 1st inventory valuation under Section 23.12.