

The following explanation on Hurricane Ike Tax Relief is from Ro'Vin Garrett, Brazoria County Tax Assessor/Collector.

The subject of Reappraisal of Property Damaged in a Natural Disaster as allowed in the Texas Property Tax Code has been discussed. I feel it is important to make sure we understand how the process of disaster reappraisal works. Without proper understanding some citizens could be led into making bad decisions for their families in a time when it is especially incumbent upon them to be informed about the process and make good decisions.

As per the Texas Constitution, all property is taxed each year as of its status on January 1. The current appraisal roll certified to each taxing unit in July of this year is based on Jan 1, 2008 values. All taxing units in the county have adopted budgets and tax rates to fund those budgets and the services each unit provides based on those values. Those budgets all include their annual payments to fund the regular operations of the appraisal district.

Chapter 23.02 of The Property Tax Code allows each taxing unit, at their own discretion, in a declared natural disaster area to authorize reappraisal of property damaged in the disaster at its market value after the disaster.

The appraisal district shall complete the reappraisal as soon as practicable. (A process that could take months.)

If a taxing unit authorizes a reappraisal, it **must pay** the appraisal district **all of the costs** of making the reappraisal. If two or more taxing units in the same area authorize the reappraisal, they shall share the cost of the reappraisal proportionately based on their tax levy in the previous year. If there is no disaster reappraisal authorized, property tax bills will be sent based on the values certified by the appraisal district, based on the Jan 1, 2008 status and using the adopted tax rates of each taxing unit.

For example: (For purposes of simplicity I will use the tax rates and exemptions for the taxing entity of Brazoria County for 2008.)

The appraised value of a homestead property on the Brazoria County appraisal roll is \$133,150, as of its status on Jan 1, 2008. The county has a 20% homestead exemption, making the taxable value of this home \$106,520 x the adopted tax rate of \$.39/\$100 = total county taxes of \$415.43 for 2008.

All properties will be reappraised on Jan 1, 2009 and any still suffering damage, or that no longer exist on January 1, 2009 will receive reappraisal by the appraisal district based on that Jan 1, 2009 status and their values will be adjusted accordingly and relief will be felt on the 2009 tax bill.

If damaged property is reappraised, the governing body shall provide for prorating the taxes on the property for the year in which the disaster occurred. **This does not mean there will be no taxes to pay on property that has been reappraised.**

If damaged property is reappraised due to natural disaster the tax bill is prorated based on the Jan 1, 2008 value and the post disaster value.

For example: (For purposes of simplicity I will use the tax rates and exemptions for the taxing entity of Brazoria County for 2008.)

The appraised value of a homestead property on the Brazoria County appraisal roll is \$133,150, as of its status on Jan 1, 2008. The county has a 20% homestead exemption, making the taxable value of this home \$106,520. Let us say a natural disaster reappraisal has been requested by Brazoria County. The appraisal district has determined the appraised value of this same homestead property in Brazoria County on September 14, 2008 is \$65,700. There will be a prorated amount of taxes for the homeowner. It will look like this:

Jan 1 - Sept 13 appraised value \$133,150, less 20% homestead exemption = taxable value
 $\$106,520 \times \$.39/\$100 = \$415.43/365 \text{ days} \times 257 \text{ (days taxable at Jan 1 2008 value)} = \292.51
Taxes for 257 days taxable at Jan 1 2008 value.

Sept 14 - Dec 31 appraised value \$65,700, less 20% homestead exemption = taxable value
 $\$52,560 \times \$.39/\$100 = \$204.98/365 \times 109 \text{ (days taxable post disaster value)} = \61.21 Taxes for 109 days taxable at Post Disaster Value.

For total tax bill add $\$292.51 + 61.21 = \353.72 . The new tax bill will be for a total of \$353.72, an amount \$61.71 less than the original tax bill without the disaster proration.

EVERYONE WILL STILL PAY TAXES ON THEIR PROPERTY. WITH THE DISASTER REAPPRAISAL THEIR PROPERTY IS TAXABLE AT THE JANUARY 1 VALUE FOR 257 DAYS OUT OF THE 365 DAY YEAR AND AT THE POST DISASTER VALUE FOR 109 DAYS OUT OF THE YEAR . I would hate to have people signing petitions believing they will not have to pay taxes if they could force taxing units to order a reappraisal. Money is tight and they need to understand property taxes will still be due, NO MATTER WHAT.

Budgets have been set in order to provide services taxpayers are in great need of to continue with their daily lives. Cities, counties and schools still need to function. Citizens could realize a reduction in those services if local governments experience budget shortfalls at a time when it is crucial that services continue. Consider the costs of reappraising every disaster damaged property within the boundaries of Brazoria County or just within the boundaries of Pearland ISD. The appraisal district budget is currently just over \$3M. What would the cost be to taxpayers for a reappraisal? Would it be justified? **These issues are decided at the local level. Each taxing unit considers what is in the best interest of each and the public should work to understand the process, the implications and the affect. Local boards and councils are given the authority in the tax code to decide what is best for their citizens, as they were elected by those citizens to do.**