



## Disaster and Property Taxes

**Can I get my property taxes reduced because of the disaster?** Probably. If your property was damaged, ask your county tax appraiser to reappraise your property to determine its current (post-disaster) taxable value. Do this before you make any repairs or rebuild. Your taxes can be prorated to show the lower reappraised value. Different rules apply to new houses built to replace a homestead rendered uninhabitable due to disaster.

**I have to rebuild my home. Can I continue to get my homestead exemption?** Yes. An exemption removes part of the value of your property from taxation and lowers your property tax bill. Your home qualifies for a homestead exemption if you own it and it is your principal residence on January 1, when property taxes are assessed. If you have to rebuild after a disaster, you can continue to receive the homestead exemption while rebuilding. What you need to know:

- You must rebuild on the same property and live there afterward as your principal residence.
- You must begin active construction or physical preparation for construction within a year after vacating the property. 'Physical preparation' includes land clearing and architectural work.
- Your homestead exemption can be continued for up to two years while you rebuild.
- If you sell your property before rebuilding or replacement, you may have to pay additional taxes and interest.
- If the square footage of your rebuilt home is greater than it was before the disaster, your property taxes will increase. Your property taxes might also rise if the exterior of the rebuilt home is of higher quality construction and materials than the home it replaced.
- The continuation of the homestead exemption also applies to special exemptions like homeowners age 65 or older, or those with a disability, or a spouse or survivor of a disabled veteran or of a veteran killed in active duty.

**I can't afford to pay my property taxes when they're due. What now?** Property owners are legally required to pay property taxes and other charges, like sewer and water services. If your home was damaged in a disaster, you are still expected to pay your property taxes on time. There is no automatic protection from tax foreclosure, no extension of payment or other forgiveness provisions. If you don't pay on time, the county can place a priority lien against your property. This means that the county's lien will have priority over all other liens (such as mortgages and judgments). If you have trouble paying your property taxes after a disaster, contact your local tax appraisal authority to see if they will agree to other payment arrangements like the one below.

**Can I pay my property taxes in installments?** If disaster-related expenses are making it difficult for you to pay your property taxes, you may be eligible to split your property tax payments into 4 equal interest free installments. Requirements:

- The property must be in a declared disaster area (state or federal) that has been damaged as a direct result of the disaster.
- The property must be your residence homestead or used for residential purposes with less than 5 dwelling units.
- The installment payments apply to property taxes assessed before the first anniversary of the disaster.
- You must pay at least one-fourth of the taxes before the Feb. 1 deadline and give notice that you will be paying the remaining taxes in installments.
- You may be required to provide proof of the property damage (insurance claims; photographs of damage, copy of repair estimate or paid invoices).
- The remaining payments are due before April 1, June 1 and Aug. 1, without any penalty or interest.

For more information on the disaster/installment plan, visit the Texas Comptroller of Public Accounts at <http://comptroller.texas.gov/taxinfo/proptax/disasters.html>.