



Did Your Property Sustain Damage During the February 2021 Winter Storm?

You may qualify for a temporary 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 RETURN for 2021.
- 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.
- 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 application and information provided. 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.

The application must contain attachments that clearly identify the damage is related to the specific disaster, what the damage is and other information which may include FEMA reports, insurance claims and adjuster reports, along with estimates. It may not be pre-existing damage or other pending repairs and/or remodeling.

| 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 12/31/2021.

The deadline for filing the 2021 Temporary Disaster Exemption application is May 28, 2021. This exemption will only apply to the 2021 tax year.

[Click here for a copy of the application, form 50-312.](#)

You can mail your application to the *Smith County Appraisal District – 245 SSE Loop 323 – Tyler, TX 75702* or via email to inquiry@scad.org.