HOUSE RESEARCH

Bill Summary

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Overview

Provides for a three-year phase-in of taxable market value for homes that have been damaged in a natural disaster, and that have a market value after reconstruction that is greater than the market value before the disaster occurred.

Section

1 **Limit on taxable value.** Establishes a valuation limit for homes located in a disaster or emergency area that sustain at least $5,000 of physical damage due to the disaster, and that are reconstructed to the point that the estimated market value after reconstruction exceeds the taxable value before the disaster.

- In the first assessment year following reconstruction, the taxable value is three-quarters of the pre-disaster value plus one-quarter of the estimated market value after reconstruction.
- In the second assessment year following reconstruction, the taxable value is one-half of the pre-disaster value plus one-half of the estimated market value after reconstruction.
- In the third assessment year following reconstruction, the taxable value is one-quarter of the pre-disaster value plus three-quarters of the estimated market value after reconstruction.

For those three years, the property is not subject to the "normal" limited market value rules.

(b) Defines "disaster or emergency area" as an area declared to be a disaster area by the president, secretary of agriculture, or the administrator of the small business administration, or an area where a local emergency has been declared by the city or county.