

AN ACT

relating to installment payments of ad valorem taxes on property in a disaster area or emergency area.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 31.032, Tax Code, is amended to read as follows:

Sec. 31.032. INSTALLMENT PAYMENTS OF TAXES ON PROPERTY IN DISASTER AREA OR EMERGENCY AREA THAT HAS BEEN DAMAGED AS A RESULT OF DISASTER OR EMERGENCY.

SECTION 2. Section 31.032(a), Tax Code, is amended to read as follows:

(a) This section applies only to:

(1) real property that:

(A) is:

(i) the residence homestead of the owner or consists of property that is used for residential purposes and that has fewer than five living units; or

(ii) owned or leased by a business entity that had not more than the amount calculated as provided by Subsection (h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity;

(B) is located in a disaster area or emergency

1 area; and

2 (C) has been damaged as a direct result of the  
3 disaster or emergency;

4 (2) tangible personal property that is owned or leased  
5 by a business entity described by Subdivision (1)(A)(ii); and

6 (3) taxes that are imposed on the property by a taxing  
7 unit before the first anniversary of the disaster or emergency.

8 SECTION 3. Section 31.032(g), Tax Code, is amended by  
9 adding Subdivisions (3) and (4) to read as follows:

10 (3) "Emergency" means a state of emergency proclaimed  
11 by the governor under Section 433.001, Government Code.

12 (4) "Emergency area" means an area designated by the  
13 governor to be affected by an emergency under Section 433.001,  
14 Government Code.

15 SECTION 4. Chapter 31, Tax Code, is amended by adding  
16 Section 31.033 to read as follows:

17 Sec. 31.033. INSTALLMENT PAYMENTS OF TAXES ON PROPERTY IN  
18 DISASTER AREA OR EMERGENCY AREA THAT HAS NOT BEEN DAMAGED AS A  
19 RESULT OF DISASTER OR EMERGENCY. (a) In this section, "disaster,"  
20 "disaster area," "emergency," and "emergency area" have the  
21 meanings assigned by Section 31.032(g).

22 (b) This section applies only to:

23 (1) real property that:

24 (A) is owned or leased by a business entity that  
25 had not more than the amount calculated as provided by Section  
26 31.032(h) in gross receipts in the entity's most recent federal tax  
27 year or state franchise tax annual period, according to the

1 applicable federal income tax return or state franchise tax report  
2 of the entity;

3 (B) is located in a disaster area or emergency  
4 area; and

5 (C) has not been damaged as a direct result of the  
6 disaster or emergency;

7 (2) tangible personal property that is owned or leased  
8 by a business entity described by Subdivision (1)(A); and

9 (3) taxes that are imposed on the property by a taxing  
10 unit before the first anniversary of the disaster or emergency.

11 (c) The governing body of a taxing unit may authorize a  
12 person to pay the taxing unit's taxes imposed on property that the  
13 person owns in installments. If the governing body of a taxing unit  
14 adopts the installment-payment option under this subsection,  
15 Sections 31.032(b), (b-1), (c), and (d) apply to the payment by a  
16 person of the taxing unit's taxes imposed on property that the  
17 person owns in the same manner as those subsections apply to the  
18 payment of taxes imposed on property to which Section 31.032  
19 applies.

20 (d) The comptroller shall adopt rules to implement this  
21 section.

22 SECTION 5. Section 33.08(b), Tax Code, is amended to read as  
23 follows:

24 (b) The governing body of the taxing unit or appraisal  
25 district, in the manner required by law for official action, may  
26 provide that taxes that become delinquent on or after June 1 under  
27 Section 26.075(j), 26.15(e), 31.03, 31.031, 31.032, 31.033, 31.04,

1 or 42.42 incur an additional penalty to defray costs of collection.  
2 The amount of the penalty may not exceed the amount of the  
3 compensation specified in the applicable contract with an attorney  
4 under Section 6.30 to be paid in connection with the collection of  
5 the delinquent taxes.

6 SECTION 6. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2021.

S.B. No. 742

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 742 passed the Senate on April 8, 2021, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 742 passed the House on May 20, 2021, by the following vote: Yeas 143, Nays 3, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor