

By: González of Dallas

H.B. No. 740

A BILL TO BE ENTITLED

AN ACT

relating to the deferral or abatement of the collection of ad valorem taxes on an appreciating residence homestead.

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

SECTION 1. Sections 33.065(a), (f), and (g), Tax Code, are amended to read as follows:

(a) An individual is entitled to defer collection of a tax or abate a suit to collect a delinquent tax imposed on the portion of the appraised value of property the individual owns and occupies as the individual's residence homestead that exceeds the sum of:

(1) 105 percent of the appraised value of the property for the preceding year; and

(2) the market value of all new improvements to the property.

(f) If the collection of ~~delinquent~~ taxes on the property was deferred in a prior tax year and the sum of the amounts described by Subsections (a)(1) and (2) exceeds the appraised value of the property for the current tax year, the amount of taxes the collection of which may be deferred is reduced by the amount calculated by multiplying the taxing unit's tax rate for the current year by the amount by which that sum exceeds the appraised value of the property.

(g) A tax lien remains on the property and interest continues to accrue during the period collection of ~~delinquent~~

1 taxes is deferred or abated under this section. The annual interest
2 rate during the deferral or abatement period is five ~~[eight]~~
3 percent instead of the rate provided by Section 33.01. Interest and
4 penalties that accrued or that were incurred or imposed under
5 Section 33.01 or 33.07 before the date the individual files the
6 deferral affidavit under Subsection (c) or the date the judgment
7 abating the suit is entered, as applicable, are preserved. A
8 penalty is not incurred ~~[on the delinquent taxes for which~~
9 ~~collection is deferred or abated]~~ during a deferral or abatement
10 period. The additional penalty under Section 33.07 may be imposed
11 and collected only if the ~~[delinquent]~~ taxes for which collection
12 is deferred or abated remain delinquent on or after the 91st day
13 after the date the deferral or abatement period expires. A plea of
14 limitation, laches, or want of prosecution does not apply against
15 the taxing unit because of deferral or abatement of collection as
16 provided by this section.

17 SECTION 2. Section 33.065(g), Tax Code, as amended by this
18 Act, applies only to interest that accrues during a deferral or
19 abatement period on or after the effective date of this Act,
20 regardless of whether the deferral or abatement period began before
21 that date or begins on or after that date. Interest that accrued
22 during a deferral or abatement period before the effective date of
23 this Act is governed by the law in effect when the interest accrued,
24 and that law is continued in effect for that purpose.

25 SECTION 3. This Act takes effect January 1, 2024.