

By: Noble

H.B. No. 4686

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to penalty and interest incurred on a delinquent ad  
3 valorem tax imposed on the residence homestead of an individual who  
4 is elderly or disabled.

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

6 SECTION 1. Section 31.031(b), Tax Code, is amended to read  
7 as follows:

8 (b) Except as provided by Section 33.01(g), if [~~If~~] the  
9 individual fails to make a payment, including the first payment,  
10 before the applicable date provided by Subsection (a-1), the unpaid  
11 installment is delinquent and incurs a penalty of six percent and  
12 interest as provided by Section 33.01(c). The penalty provided by  
13 Section 33.01(a) does not apply to the unpaid installment.

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

16 (c) Except as provided by Section 33.01(g), if [~~If~~] the  
17 person fails to make a payment before the applicable date provided  
18 by Subsection (b), the unpaid installment is delinquent and incurs  
19 a penalty of six percent and interest as provided by Section  
20 33.01(c).

21 SECTION 3. Section 33.01, Tax Code, is amended by adding  
22 Subsection (g) to read as follows:

23 (g) Notwithstanding the other provisions of this section, a  
24 delinquent tax on property that qualifies as the owner's residence

1 homestead under Section 11.13(c) or (d), including a delinquent  
2 partial payment of taxes under Section 31.03, 31.031, or 31.032:

3 (1) accrues interest at the rate:

4 (A) prescribed by Section 33.06(d) until the  
5 181st day after the date the tax becomes delinquent; and

6 (B) as prescribed by other law applicable to the  
7 delinquency beginning on that 181st day;

8 (2) does not incur a penalty until the 181st day after  
9 the date the tax becomes delinquent; and

10 (3) except as provided by Section 31.031(b), incurs a  
11 penalty as prescribed by other law applicable to the delinquency on  
12 the 181st day after the date the tax becomes delinquent.

13 SECTION 4. Section 33.04, Tax Code, is amended by adding  
14 Subsection (d) to read as follows:

15 (d) The collector for a taxing unit shall send an additional  
16 notice to a person whose name appears on the current delinquent tax  
17 roll and who qualifies the property subject to a delinquency notice  
18 required by Subsection (a) as the person's residence homestead  
19 under Section 11.13(c) or (d). The collector must send the  
20 additional notice not later than the 30th day after the date the  
21 notice of delinquency required by Subsection (a) is delivered to  
22 the person. The additional notice must include in 14-point  
23 boldfaced type or 14-point uppercase letters, a statement that  
24 reads substantially as follows: "THE TAXES ON THIS PROPERTY ARE  
25 DELINQUENT. THE INTEREST AND PENALTY IMPOSED ON THE DELINQUENT  
26 TAXES WILL IN MOST CASES INCREASE ON (DATE THAT IS THE 181ST DATE  
27 AFTER THE DELINQUENCY DATE). IF THE PROPERTY DESCRIBED IN THIS

1 DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE TAX  
2 COLLECTOR FOR (NAME OF TAXING UNIT) REGARDING A RIGHT YOU MAY HAVE  
3 TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY WITH THE TAX  
4 COLLECTOR FOR (NAME OF TAXING UNIT) FOR THE PAYMENT OF THESE TAXES.  
5 IF YOU HAVE THE RIGHT TO DEFER YOUR TAXES, YOU SHOULD CONTACT THE  
6 (NAME OF APPRAISAL DISTRICT) FOR AN APPLICATION."

7 SECTION 5. The changes in law made by this Act apply only to  
8 the penalty and interest for failure to pay a tax that becomes  
9 delinquent on or after the effective date of this Act. The penalty  
10 and interest for failure to pay a tax that became delinquent before  
11 the effective date of this Act are governed by the law in effect on  
12 the date the tax became delinquent, and the former law is continued  
13 in effect for that purpose.

14 SECTION 6. The collector for a taxing unit is required to  
15 send the additional notice required by Section 33.04(d), Tax Code,  
16 as added by this Act, to a person in the 2023 tax year only if the  
17 collector mails a notice of delinquency to the person under Section  
18 33.04(a), Tax Code, on or after the effective date of this Act.

19 SECTION 7. This Act takes effect September 1, 2023.