

By: Hill, et al.

H.B. No. 1951

Substitute the following for H.B. No. 1951:

By: Hegar

C.S.H.B. No. 1951

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the collection of and the penalties incurred on
3 delinquent ad valorem taxes.

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

5 SECTION 1. Section 6.24(d), Tax Code, is amended to read as
6 follows:

7 (d) A contract under this section may provide for the entity
8 that collects taxes to contract with an attorney or other person, as
9 provided by Section 6.30 [~~of this code~~], for collection of
10 delinquent taxes.

11 SECTION 2. Section 6.30, Tax Code, is amended to read as
12 follows:

13 Sec. 6.30. PERSON RESPONSIBLE FOR DELINQUENT TAX COLLECTION
14 [~~ATTORNEYS REPRESENTING TAXING UNITS~~]. (a) The county attorney
15 or, if there is no county attorney, the district attorney shall
16 represent the county to enforce the collection of delinquent taxes
17 if the commissioners court does not contract with another person [~~a~~
18 ~~private attorney~~] as provided by Subsection (c) [~~of this section~~].

19 (b) The governing body of a taxing unit other than a county
20 may determine who represents the unit to enforce the collection of
21 delinquent taxes. If a taxing unit collects taxes for another
22 taxing unit, the person [~~attorney~~] representing the unit to enforce
23 the collection of delinquent taxes may represent the other unit
24 with consent of its governing body.

1 (c) The governing body of a taxing unit may contract with
2 any competent person, including an attorney, to represent the unit
3 to enforce the collection of delinquent taxes. The person's
4 ~~[attorney's]~~ compensation shall be ~~[is]~~ set in the contract, but
5 the total amount of compensation provided may not exceed 20 percent
6 of the amount of delinquent tax, penalty, and interest collected.

7 (d) A person other than an attorney that enters into a
8 contract with the governing body of a taxing unit under Subsection
9 (c) may engage an attorney to enforce the collection of delinquent
10 taxes on behalf of the taxing unit if the contract authorizes the
11 person to do so.

12 (e) A contract with a person to collect delinquent taxes on
13 behalf of a taxing unit ~~[an attorney]~~ that does not conform to the
14 requirements of this section is void.

15 (f) A person that enters into a contract with the governing
16 body of a taxing unit under Subsection (c) must enforce the
17 collection of the delinquent taxes in the same manner as, and
18 subject to the same restrictions applicable to, a debt collector
19 engaging in the collection of consumer debt, including the
20 restrictions on a debt collector provided by Subchapter D, Chapter
21 392, Finance Code.

22 SECTION 3. Section 33.07(a), Tax Code, is amended to read as
23 follows:

24 (a) The governing body of a ~~[A]~~ taxing unit or appraisal
25 district may provide, in the manner required by law for official
26 action by the body, that taxes that become delinquent on or after
27 February 1 of a year but not later than May 1 of that year and that

1 remain delinquent on July 1 of the year in which they become
2 delinquent incur an additional penalty to defray costs of
3 collection~~[, if the unit or district or another unit that collects~~
4 ~~taxes for the unit has contracted with an attorney pursuant to~~
5 ~~Section 6.30]~~. The amount of the penalty may not exceed 20 percent
6 of the amount of the delinquent taxes, penalty, and interest.
7 Revenue from the penalty, less any ~~[may not exceed the]~~ amount
8 retained as ~~[of the]~~ compensation by a person under a ~~[specified in~~
9 ~~the]~~ contract under Section 6.30 ~~[with the attorney to be paid]~~ in
10 connection with the collection of the delinquent taxes, shall be
11 retained by the unit or district.

12 SECTION 4. Sections 33.08(a) and (b), Tax Code, are amended
13 to read as follows:

14 (a) This section applies to a taxing unit or appraisal
15 district only if~~+~~

16 ~~[(1)]~~ the governing body of the taxing unit or
17 appraisal district has imposed the additional penalty for
18 collection costs under Section 33.07~~[, and~~

19 ~~[(2) the taxing unit or appraisal district, or another~~
20 ~~taxing unit that collects taxes for the unit, has entered into a~~
21 ~~contract with an attorney under Section 6.30 for the collection of~~
22 ~~the unit's delinquent taxes].~~

23 (b) The governing body of the taxing unit or appraisal
24 district, in the manner required by law for official action, may
25 provide that taxes that become delinquent on or after June 1 under
26 Section 26.07(f), 26.15(e), 31.03, 31.031, 31.032, or 31.04 incur
27 an additional penalty to defray costs of collection. The amount of

1 the penalty may not exceed 20 percent of the delinquent taxes,
2 penalty, and interest. Revenue from the penalty, less any [~~may not~~
3 ~~exceed the~~] amount retained as [~~of the~~] compensation by a person
4 under a [~~specified in the applicable~~] contract [~~with an attorney~~]
5 under Section 6.30 [~~to be paid~~] in connection with the collection of
6 the delinquent taxes, shall be retained by the unit or district.

7 SECTION 5. (a) This Act takes effect September 1, 2003.

8 (b) Sections 6.24 and 6.30, Tax Code, as amended by this
9 Act, apply only to a contract for the collection of delinquent taxes
10 that is entered into on or after the effective date of this Act. A
11 contract for the collection of delinquent taxes entered into before
12 the effective date of this Act is governed by the law in effect on
13 the date the contract was entered into, and the former law is
14 continued in effect for that purpose.

15 (c) Sections 33.07 and 33.08, Tax Code, as amended by this
16 Act, apply only to the additional penalty on taxes that become
17 delinquent on or after the effective date of this Act. The
18 additional penalty on taxes that become delinquent before the
19 effective date of this Act is governed by the law in effect when the
20 taxes become delinquent, and the former law is continued in effect
21 for that purpose.