

By: Ratliff

S.B. No. 1267

A BILL TO BE ENTITLED

1 AN ACT

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

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

1 with consent of its governing body.

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

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

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

16 (f) This section does not authorize a person who is not a
17 member of the State Bar of Texas to engage in the practice of law, as
18 defined by Section 81.101, Government Code.

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

21 (a) A taxing unit or appraisal district may provide, in the
22 manner required by law for official action by the body, that taxes
23 that become delinquent on or after February 1 of a year but not
24 later than May 1 of that year and that remain delinquent on July 1 of
25 the year in which they become delinquent incur an additional
26 penalty to defray costs of collection, if the unit or district or
27 another unit that collects taxes for the unit has contracted with a

1 person to enforce the collection of delinquent taxes [~~an attorney~~]
2 pursuant to Section 6.30. The amount of the penalty may not exceed
3 20 percent of the amount of the delinquent taxes, penalty, and
4 interest. Any amount by which the amount of the penalty exceeds the
5 amount of the compensation specified in the contract with the
6 person [~~attorney~~] to be paid in connection with the collection of
7 the delinquent taxes shall be retained by the taxing unit or
8 appraisal district.

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

11 (a) This section applies to a taxing unit or appraisal
12 district only if:

13 (1) the governing body of the taxing unit or appraisal
14 district has imposed the additional penalty for collection costs
15 under Section 33.07; and

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

20 (b) The governing body of the taxing unit or appraisal
21 district, in the manner required by law for official action, may
22 provide that taxes that become delinquent on or after June 1 under
23 Section 26.07(f), 26.15(e), 31.03, 31.031, 31.032, or 31.04 incur
24 an additional penalty to defray costs of collection. The amount of
25 the penalty may not exceed 20 percent of the delinquent taxes,
26 penalty, and interest. Any amount by which the amount of the
27 penalty exceeds the amount of the compensation specified in the

1 applicable contract with the person [~~an attorney~~] under Section
2 6.30 to be paid in connection with the collection of the delinquent
3 taxes shall be retained by the taxing unit or appraisal district.

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

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

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