

AN ACT

relating to reducing the penalty for a failure by a disabled or elderly person to make a timely installment payment of ad valorem taxes imposed on the person's residence homestead.

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

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

(b) If the individual fails to make a payment before the applicable date provided by Subsection (a), the unpaid amount is delinquent and incurs a penalty of six [~~12~~] percent and interest as provided by Section 33.01(c). The penalty provided by Section 33.01(a) does not apply to the unpaid amount.

SECTION 2. Section 31.031(b), Tax Code, as amended by this Act, applies only to the penalty for a failure to make a timely installment payment of taxes that occurs on or after the effective date of this Act. The penalty for a failure to make a timely installment payment of taxes that occurred before the effective date of this Act is governed by the law in effect when the failure occurred, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 2254 was passed by the House on May 13, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 2254 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor