

By: Coleman

H.B. No. 2327

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the installment payment of ad valorem taxes imposed on a
3 residence homestead.

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

5 SECTION 1. Section 25.19, Tax Code, is amended by adding
6 Subsection (j-1) to read as follows:

7 (j-1) In the case of a residence homestead, the chief
8 appraiser shall include with a notice required by Subsection (a) or
9 (g) a conspicuous statement reasonably designed to notify the
10 property owner of the provisions of Section 31.072, including the
11 entitlement of the property owner to contract with the collector
12 for any taxing unit that imposes taxes on the residence homestead to
13 establish an escrow account to provide for the payment of taxes
14 imposed by that taxing unit. The statement must include the name,
15 business address, and business telephone number of the collector
16 for each taxing unit that imposes taxes on the residence homestead.

17 SECTION 2. Section 31.01, Tax Code, is amended by adding
18 Subsection (e-1) to read as follows:

19 (e-1) In the case of a residence homestead, the assessor
20 shall include in a tax bill or separate statement a conspicuous
21 statement reasonably designed to notify the property owner of the
22 provisions of Section 31.072, including the entitlement of the
23 property owner to contract with the collector for any taxing unit
24 that imposes taxes on the residence homestead to establish an

1 escrow account to provide for the payment of taxes imposed by that
2 taxing unit. The statement must include the name, business
3 address, and business telephone number of the collector for each
4 taxing unit that imposes taxes on the residence homestead.

5 SECTION 3. Section 31.072, Tax Code, is amended by amending
6 Subsections (g) and (h) and adding Subsection (g-1) to read as
7 follows:

8 (g) When the tax bill is prepared for property for which an
9 escrow account is established, the collector shall apply the money
10 in the account to the taxes imposed and, except as provided by
11 Subsection (g-1), deliver a tax receipt to the taxpayer together
12 with a refund of any amount in the account in excess of the amount of
13 taxes paid. If the amount in the escrow account is not sufficient
14 to pay the taxes in full, the collector shall apply the money to the
15 taxes and deliver to the taxpayer a tax receipt for the partial
16 payment and a tax bill for the unpaid amount. If the escrow account
17 applies to more than one taxing unit or to more than one item of
18 property, the collector shall apply the amount to each taxing unit
19 or item of property in proportion to the amount of taxes imposed
20 unless the contract provides otherwise.

21 (g-1) This subsection applies only to an escrow account
22 established solely to provide for the payment of taxes imposed on
23 the property owner's residence homestead. If authorized by the
24 contract to establish the escrow account, in the event that the
25 amount in the escrow account is greater than the amount of taxes
26 paid:

27 (1) the account is continued for the purpose of

1 providing for the payment of the taxes to be imposed on the property
2 owner's residence homestead in subsequent years and that are
3 collected by the collector; and

4 (2) the collector shall deliver a tax receipt to the
5 taxpayer together with a written statement that informs the
6 taxpayer of the amount remaining in the account.

7 (h) Notwithstanding Subsection (a), if the [~~property owner~~
8 ~~requesting a collector to establish an escrow account under this~~
9 ~~section is a disabled veteran as defined by Section 11.22 or a~~
10 ~~recipient of the Purple Heart, the Congressional Medal of Honor,~~
11 ~~the Bronze Star Medal, the Silver Star, the Legion of Merit, or a~~
12 ~~service cross awarded by a branch of the United States armed forces~~
13 ~~and the] escrow account is to be used solely to provide for the
14 payment of [~~property~~] taxes collected by the collector on the
15 property owner's residence homestead, the collector, on request of
16 the property owner, shall enter into a contract with the property
17 owner under this section.~~

18 SECTION 4. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2007.