

By: Farrar

H.B. No. 3285

A BILL TO BE ENTITLED

AN ACT

relating to the liability for property taxes.

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

SECTION 1. Section 32.07, Property Tax Code, is amended to read as follows:

(a) Except as provided by Subsections (b) and (c) and (d) of this section, property taxes are the personal obligation of the person who owns or acquires the property on January 1 of the year of which the tax is imposed or would have been imposed had property not been omitted as described under Section 25.21. A person is not relieved of the obligation because he no longer owns the property.

(b) The person in whose name a property is required to be listed by Section 25.13 of this code is personally liable for the taxes imposed on the property.

(c) A qualifying trust as defined by Section 11.13(j) and each trustor of the trust are jointly and severally liable for the tax imposed on the interest of the trust in a residence homestead.

(d) Any person who receives or collects an ad valorem tax or any money represented to be a tax from another person holds the amount so collected in trust for the benefit of the taxing unit and is liable to the taxing unit for the full amount collected plus any accrued penalties and interest on the amount collected.

(e) With respect to an ad valorem tax or other money subject to the provisions of Subsection (d), an individual who controls or

1 supervises the collection of tax or money from another person, or an
2 individual who controls or supervises the accounting for and paying
3 over of the tax or money, and who wilfully fails to pay or cause to
4 be paid the tax or money is liable as a responsible individual for
5 an amount equal to the tax or money, plus all interest, penalties,
6 and costs, not paid or caused to be paid. The liability imposed by
7 this subsection is in addition to any other penalty provided by law.
8 The dissolution of a corporation, association, limited liability
9 company, or partnership does not affect a responsible individual's
10 liability under this subsection.

11 (f) Venue for suits arising under this section shall be
12 governed by Section 33.41(a).

13 (g) In this section:

14 (1) "Responsible individual" includes an officer,
15 manager, director, or employee of a corporation, association, or
16 limited liability company or a member of a partnership who, as an
17 officer, manager, director, employee, or member, is under a duty to
18 perform an act with respect to the collection, accounting, or
19 payment of a tax or money subject to the provisions of Subsection
20 (d).

21 (2) "Tax" includes any ad valorem tax or money subject
22 to the provisions of Subsection (d), including the penalty and
23 interest computed by reference to the amount of the tax or money.

24 (h) For purposes of Subsection (a), a person is considered
25 to be an owner of property subject to an installment contract of
26 sale if the person is:

27 (1) the seller of the property; or

1 (2) a purchaser of the property who has the duty under
2 the installment contract to pay taxes on the property.

3 SECTION 2. This Act takes place September 1, 2007.