

By: Watson

S.B. No. 1920

A BILL TO BE ENTITLED

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AN ACT

relating to the deferral or abatement of the collection of delinquent ad valorem taxes on certain residence homesteads in certain economically disadvantaged urban areas.

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

SECTION 1. Subchapter A, Chapter 33, Tax Code, is amended by adding Section 33.061 to read as follows:

Sec. 33.061. DEFERRED COLLECTION OF TAXES ON CERTAIN LOW INCOME RESIDENCE HOMESTEADS IN CERTAIN ECONOMICALLY DISADVANTAGED URBAN AREAS. (a) An individual is entitled to defer collection of a tax, abate a suit to collect a delinquent tax, or abate a sale to foreclose a tax lien if:

(1) the individual's family income is not more than the greater of:

(A) the area median family income for the household's place of residence, as adjusted for family size and as established by the United States Department of Housing and Urban Development; or

(B) the statewide area median family income, as adjusted for family size and as established by the United States Department of Housing and Urban Development; and

(2) the tax was imposed against property that:
(A) the individual owns and occupies, and has owned and occupied for the preceding 14 tax years, as a residence

1 homestead;

2 (B) is located in an economically disadvantaged
3 census tract; and

4 (C) complies with other criteria established by
5 the chief appraiser with the advice and consent of the taxing
6 authority.

7 (b) This section does not apply to taxes imposed by a school
8 district or hospital district.

9 (c) To obtain a deferral, an individual must file with the
10 chief appraiser for the appraisal district in which the property is
11 located an affidavit stating the facts required to be established
12 by Subsection (a). The chief appraiser shall notify each taxing
13 unit participating in the district of the filing. After an
14 affidavit is filed under this subsection, a taxing unit may not file
15 suit to collect delinquent taxes on the property and the property
16 may not be sold at a sale to foreclose the tax lien until the 181st
17 day after the date the individual no longer owns and occupies the
18 property as a residence homestead.

19 (d) To obtain an abatement of a pending suit, the individual
20 must file in the court in which suit is pending an affidavit stating
21 the facts required to be established by Subsection (a). If no
22 controverting affidavit is filed by the taxing unit filing suit or
23 if, after a hearing, the court finds the individual is entitled to
24 the deferral, the court shall abate the suit until the 181st day
25 after the date the individual no longer owns and occupies the
26 property as a residence homestead. The clerk of the court shall
27 deliver a copy of the judgment abating the suit to the chief

1 appraiser of each appraisal district that appraises the property.

2 (e) To obtain an abatement of a pending sale to foreclose
3 the tax lien, the individual must deliver an affidavit stating the
4 facts required to be established by Subsection (a) to the chief
5 appraiser of each appraisal district that appraises the property,
6 the collector for the taxing unit that requested the order of sale
7 or the attorney representing that unit for the collection of
8 delinquent taxes, and the officer charged with selling the
9 property, not later than the fifth day before the date of the sale.
10 After an affidavit is delivered under this subsection, the property
11 may not be sold at a tax sale until the 181st day after the date the
12 individual no longer owns and occupies the property as a residence
13 homestead. If property is sold in violation of this section, the
14 property owner may file a motion to set aside the sale under the
15 same cause number and in the same court as a judgment reference in
16 the order of sale. The motion must be filed during the applicable
17 redemption period as set forth in Section 34.21(a) or, if the
18 property is bid off to a taxing unit, on or before the 180th day
19 following the date the taxing unit's deed is filed of record,
20 whichever is later. This right is not transferable to a third
21 party.

22 (f) A tax lien remains on the property and interest
23 continues to accrue during the period collection of taxes is
24 deferred or abated under this section. The annual interest rate
25 during the deferral or abatement period is eight percent instead of
26 the rate provided by Section 33.01. Interest and penalties that
27 accrued or that were incurred or imposed under Section 33.01 or

1 33.07 before the date the individual files the deferral affidavit
2 under Subsection (b) or the date the judgment abating the suit is
3 entered, as applicable, are preserved. A penalty under Section
4 33.01 is not incurred during a deferral or abatement period. The
5 additional penalty under Section 33.07 may be imposed and collected
6 only if the taxes for which collection is deferred or abated remain
7 delinquent on or after the 181st day after the date the deferral or
8 abatement period expires. A plea of limitation, laches, or want of
9 prosecution does not apply against the taxing unit because of
10 deferral or abatement of collection as provided by this section.

11 (g) Each year the chief appraiser for each appraisal
12 district shall publicize in a manner reasonably designed to notify
13 all residents of the district or county of the provisions of this
14 section and, specifically, the method by which eligible persons may
15 obtain a deferral or abatement.

16 (h) Notwithstanding the other provisions of this section,
17 if an individual qualifies for a deferral or abatement of
18 collection of taxes on property and the census tract in which the
19 property is located ceases to meet the requirements of Subsection
20 (a)(2)(B), the deferral or abatement continues in effect until the
21 181st day after the date the individual no longer owns and occupies
22 the property as a residence homestead if the individual remains
23 qualified under the other requirements of Subsection (a).

24 (i) In this section:

25 (1) "Economically disadvantaged census tract" means a
26 census tract delineated by the U.S. Bureau of the Census in the most
27 recent decennial census in which the median family income is

1 reported by the U.S. Bureau of the Census to be less than 60 percent
2 of the area median family income.

3 SECTION 2. Section 6.035(a), Tax Code, is amended to read as
4 follows:

5 (a) An individual is ineligible to serve on an appraisal
6 district board of directors and is disqualified from employment as
7 chief appraiser if the individual:

8 (1) is related within the second degree by
9 consanguinity or affinity, as determined under Chapter 573,
10 Government Code, to an individual who is engaged in the business of
11 appraising property for compensation for use in proceedings under
12 this title or of representing property owners for compensation in
13 proceedings under this title in the appraisal district; or

14 (2) owns property on which delinquent taxes have been
15 owed to a taxing unit for more than 60 days after the date the
16 individual knew or should have known of the delinquency unless:

17 (A) the delinquent taxes and any penalties and
18 interest are being paid under an installment payment agreement
19 under Section 33.02; or

20 (B) a suit to collect the delinquent taxes is
21 deferred or abated under Section 33.06, 33.061, or 33.065.

22 SECTION 3. Section 6.412(a), Tax Code, is amended to read as
23 follows:

24 (a) An individual is ineligible to serve on an appraisal
25 review board if the individual:

26 (1) is related within the second degree by
27 consanguinity or affinity, as determined under Chapter 573,

1 Government Code, to an individual who is engaged in the business of
2 appraising property for compensation for use in proceedings under
3 this title or of representing property owners for compensation in
4 proceedings under this title in the appraisal district for which
5 the appraisal review board is established; or

6 (2) owns property on which delinquent taxes have been
7 owed to a taxing unit for more than 60 days after the date the
8 individual knew or should have known of the delinquency unless:

9 (A) the delinquent taxes and any penalties and
10 interest are being paid under an installment payment agreement
11 under Section 33.02; or

12 (B) a suit to collect the delinquent taxes is
13 deferred or abated under Section 33.06, 33.061, or 33.065.

14 SECTION 4. Section 403.302(d), Government Code, is amended
15 to read as follows:

16 (d) For the purposes of this section, "taxable value" means
17 the market value of all taxable property less:

18 (1) the total dollar amount of any residence homestead
19 exemptions lawfully granted under Section 11.13(b) or (c), Tax
20 Code, in the year that is the subject of the study for each school
21 district;

22 (2) one-half of the total dollar amount of any
23 residence homestead exemptions granted under Section 11.13(n), Tax
24 Code, in the year that is the subject of the study for each school
25 district;

26 (3) the total dollar amount of any exemptions granted
27 before May 31, 1993, within a reinvestment zone under agreements

1 authorized by Chapter 312, Tax Code;

2 (4) subject to Subsection (e), the total dollar amount
3 of any captured appraised value of property that:

4 (A) is within a reinvestment zone created on or
5 before May 31, 1999, or is proposed to be included within the
6 boundaries of a reinvestment zone as the boundaries of the zone and
7 the proposed portion of tax increment paid into the tax increment
8 fund by a school district are described in a written notification
9 provided by the municipality or the board of directors of the zone
10 to the governing bodies of the other taxing units in the manner
11 provided by Section 311.003(e), Tax Code, before May 31, 1999, and
12 within the boundaries of the zone as those boundaries existed on
13 September 1, 1999, including subsequent improvements to the
14 property regardless of when made;

15 (B) generates taxes paid into a tax increment
16 fund created under Chapter 311, Tax Code, under a reinvestment zone
17 financing plan approved under Section 311.011(d), Tax Code, on or
18 before September 1, 1999; and

19 (C) is eligible for tax increment financing under
20 Chapter 311, Tax Code;

21 (5) for a school district for which a deduction from
22 taxable value is made under Subdivision (4), an amount equal to the
23 taxable value required to generate revenue when taxed at the school
24 district's current tax rate in an amount that, when added to the
25 taxes of the district paid into a tax increment fund as described by
26 Subdivision (4)(B), is equal to the total amount of taxes the
27 district would have paid into the tax increment fund if the district

1 levied taxes at the rate the district levied in 2005;

2 (6) the total dollar amount of any exemptions granted
3 under Section 11.251, Tax Code;

4 (7) the difference between the comptroller's estimate
5 of the market value and the productivity value of land that
6 qualifies for appraisal on the basis of its productive capacity,
7 except that the productivity value estimated by the comptroller may
8 not exceed the fair market value of the land;

9 (8) the portion of the appraised value of residence
10 homesteads of individuals who receive a tax limitation under
11 Section 11.26, Tax Code, on which school district taxes are not
12 imposed in the year that is the subject of the study, calculated as
13 if the residence homesteads were appraised at the full value
14 required by law;

15 (9) a portion of the market value of property not
16 otherwise fully taxable by the district at market value because of:

17 (A) action required by statute or the
18 constitution of this state that, if the tax rate adopted by the
19 district is applied to it, produces an amount equal to the
20 difference between the tax that the district would have imposed on
21 the property if the property were fully taxable at market value and
22 the tax that the district is actually authorized to impose on the
23 property, if this subsection does not otherwise require that
24 portion to be deducted; or

25 (B) action taken by the district under Subchapter
26 B or C, Chapter 313, Tax Code;

27 (10) the market value of all tangible personal

1 property, other than manufactured homes, owned by a family or
2 individual and not held or used for the production of income;

3 (11) the appraised value of property the collection of
4 delinquent taxes on which is deferred under Section 33.06 or
5 33.061, Tax Code;

6 (12) the portion of the appraised value of property
7 the collection of delinquent taxes on which is deferred under
8 Section 33.065, Tax Code; and

9 (13) the amount by which the market value of a
10 residence homestead to which Section 23.23, Tax Code, applies
11 exceeds the appraised value of that property as calculated under
12 that section.

13 SECTION 5. This Act takes effect September 1, 2007.