

BILL ANALYSIS

C.S.H.B. 1913
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law requires the governing body of a taxing unit to waive penalties and authorizes the governing body to provide for the waiver of interest on a delinquent tax if an act or omission of an officer, employee, or agent of the taxing unit or the appraisal district in which the taxing unit participates caused or resulted in the taxpayer's failure to pay the tax before delinquency and if the tax is paid within a specified period.

Interested parties note that, at times, a taxing unit or appraisal district fails to give notice to a current owner or lender of subsequent assessment, which creates a delinquency to the property owner. In addition, the parties contend that, when the property owner is not the original taxpayer, the property owner rarely receives notice within the specified period to seek a waiver of penalties and interest and that a new owner often may not receive any notice at all. C.S.H.B. 1913 seeks to advance tax equity for new property owners and ensure that taxing authorities receive amounts owed.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1913 amends the Tax Code to authorize the governing body of a taxing unit to waive penalties and interest on a delinquent property tax that relates to a date preceding the date on which the property owner acquired the property if the property owner or another person liable for the tax pays the tax not later than the 181st day after the date the property owner receives appropriate notice of the delinquent tax and the delinquency is the result of taxes imposed on omitted property entered in the appraisal records, on erroneously exempted property or appraised value added to the appraisal roll, or on property added to the appraisal roll under a different account number or parcel when the property was owned by a prior owner. The bill requires a request for such a waiver to be made before the 181st day after the date the property owner making the request receives notice of the delinquent tax and sets out provisions relating to a statement to be included in the notice.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1913 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 33.011, Tax Code, is amended by amending Subsection (d) and adding Subsections (i) and (j) to read as follows:

(d) A request for a waiver of penalties and interest under Subsection (a)(1) or (3), (b), or (h) must be made before the 181st day after the delinquency date. A request for a waiver of penalties and interest under Subsection (a)(2) must be made before the first anniversary of the date the religious organization acquires the property. A request for a waiver of penalties and interest under Subsection (i) must be made before the 181st day after the date the property owner making the request receives notice of the delinquent tax. To be valid, a waiver of penalties or interest under this section must be requested in writing. If a written request for a waiver is not timely made, the governing body of a taxing unit may not waive any penalties or interest under this section.

(i) Subject to Subsection (j), the governing body of a taxing unit may waive penalties and interest on a delinquent tax for any tax year preceding the tax year in which the property owner acquired the property if:

(1) the property owner or another person liable for the tax pays the tax not later than the 181st day after the date the property owner receives notice of the delinquent tax; and

(2) the delinquency is the result of taxes imposed on:

(A) omitted property entered in the appraisal records as provided by Section 25.21; or

(B) erroneously exempted property or appraised value added to the appraisal roll as provided by Section 11.43(i).

(j) A waiver of penalties and interest under Subsection (i) applies only to the tax lien on the property and does not relieve the person who owned or acquired the property on January 1 of the year for which the delinquent tax was imposed from any personal obligation for the accrued penalties and interest on the tax.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 33.011, Tax Code, is amended by amending Subsection (d) and adding Subsection (i) to read as follows:

(d) A request for a waiver of penalties and interest under Subsection (a)(1) or (3), (b), or (h) must be made before the 181st day after the delinquency date. A request for a waiver of penalties and interest under Subsection (a)(2) must be made before the first anniversary of the date the religious organization acquires the property. A request for a waiver of penalties and interest under Subsection (i) must be made before the 181st day after the date the property owner making the request receives notice of the delinquent tax that satisfies the requirements of Section 33.04(b). To be valid, a waiver of penalties or interest under this section must be requested in writing. If a written request for a waiver is not timely made, the governing body of a taxing unit may not waive any penalties or interest under this section.

(i) The governing body of a taxing unit may waive penalties and interest on a delinquent tax that relates to a date preceding the date on which the property owner acquired the property if:

(1) the property owner or another person liable for the tax pays the tax not later than the 181st day after the date the property owner receives notice of the delinquent tax that satisfies the requirements of Section 33.04(b); and

(2) the delinquency is the result of taxes imposed on:

(A) omitted property entered in the appraisal records as provided by Section 25.21;

(B) erroneously exempted property or appraised value added to the appraisal roll as provided by Section 11.43(i); or

(C) property added to the appraisal roll under a different account number or parcel when the property was owned by a prior owner.

No equivalent provision.

SECTION 2. Section 33.04, Tax Code, is amended to read as follows:

Sec. 33.04. NOTICE OF DELINQUENCY.

(a) At least once each year the collector for a taxing unit shall deliver a notice of delinquency to each person whose name appears on the current delinquent tax roll. However, the notice need not be delivered if:

(1) a bill for the tax was not mailed under Section 31.01(f); or

(2) the collector does not know and by exercising reasonable diligence cannot determine the delinquent taxpayer's name and address.

(b) If the delinquency is the result of taxes imposed on property described by Section 33.011(i), the first page of the notice must include, in 14-point boldfaced type or 14-point uppercase letters, a statement that reads substantially as follows: "THE TAXES ON THIS PROPERTY ARE DELINQUENT. THE PROPERTY IS SUBJECT TO A LIEN FOR THE DELINQUENT TAXES. IF THE DELINQUENT TAXES ARE NOT PAID, THE LIEN MAY BE FORECLOSED ON."

SECTION 2. This Act takes effect September 1, 2013.

SECTION 3. Same as introduced version.