

By: Pickett

H.B. No. 215

A BILL TO BE ENTITLED

1 AN ACT
2 relating to escrow accounts maintained by tax collectors for the
3 payment of ad valorem taxes.

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

5 SECTION 1. Sections 31.072(b), (c), (d), (f), (g), (h), and
6 (i), Tax Code, are amended to read as follows:

7 (b) A contract may establish an account to provide for the
8 payment of property taxes for one tax year or multiple tax years.
9 The [A] contract may not be made before October 1 of the year
10 preceding the first tax year for which the account is established.
11 The collector may agree to establish a combined account for more
12 than one item of property having the same owner on the property
13 owner's request. If a collector collects taxes for more than one
14 taxing unit, an account must apply to taxes on the affected property
15 for each of the taxing units.

16 (c) A contract under this section, for each tax year covered
17 by the contract, must require the property owner to make monthly
18 deposits to the escrow account until the amount set for that tax
19 year in the contract under Subsection (d) [~~of this section~~] accrues
20 in the account or until the tax bill for the property is prepared
21 for that tax year, whichever occurs earlier. For a contract
22 covering multiple tax years, deposits may not be made for a tax year
23 before October 1 of the preceding tax year.

24 (d) On request by a property owner to establish an escrow

1 account under this section, the collector shall estimate the amount
2 of taxes to be imposed on the property by the affected taxing units
3 for the first tax year covered by the contract. For each subsequent
4 tax year, the collector shall estimate the amount of taxes to be
5 imposed on the property by the affected taxing units before October
6 1 of the preceding tax [in that] year. A contract to establish an
7 escrow account, for each tax year covered by the contract, must
8 provide for deposits that would provide, as of the date the
9 collector estimates the tax bill for the property will be prepared,
10 an account balance [a total deposit] that is not less than the
11 amount of taxes estimated by the collector for that tax year or the
12 amount of taxes imposed on the property by the affected taxing units
13 in the preceding tax year, whichever is less. The collector may
14 agree to a deposit of a greater amount on the property owner's
15 request.

16 (f) The property owner may withdraw from the collector the
17 money the owner deposited in an escrow account for a tax year only
18 if the withdrawal is made before the date the tax bill is prepared
19 for that tax year or October 1 of that [the] tax year, whichever
20 occurs earlier. On and after that date and until the taxes are paid
21 for that tax year, the collector must agree to a withdrawal by the
22 taxpayer. The property owner may not withdraw less than the total
23 amount deposited in the escrow account.

24 (g) For each tax year, when [When] the tax bill is prepared
25 for property for which an escrow account is established, the
26 collector shall apply the money in the account to the taxes imposed
27 and deliver a tax receipt to the taxpayer together with a refund of

1 any amount in the account in excess of the amount of taxes paid for
2 that tax year. If the amount in the escrow account is not sufficient
3 to pay the taxes for that tax year in full, the collector shall
4 apply the money to the taxes and deliver to the taxpayer a tax
5 receipt for the partial payment and a tax bill for the unpaid
6 amount. If the escrow account applies to more than one taxing unit
7 or to more than one item of property, the collector shall apply the
8 amount to each taxing unit or item of property in proportion to the
9 amount of taxes imposed unless the contract provides otherwise.

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

21 (i) Notwithstanding Subsection (a), if the property owner
22 requesting a collector to establish an escrow account under this
23 section is the owner of a manufactured home and the escrow account
24 is to be used solely to provide for the payment of property taxes
25 collected by the collector on the property owner's manufactured
26 home for a single tax year, the collector shall enter into a
27 contract with the property owner under this section for that tax

1 year.

2 SECTION 2. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2013.