

By: N. Gonzalez of El Paso

H.B. No. 2324

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the calculation of penalty on a delinquent ad valorem  
3 tax.

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

5 SECTION 1. Section 33.01(a), Tax Code, is amended to read as  
6 follows:

7 (a) A delinquent tax incurs a penalty of interest calculated  
8 at an annual rate that is equal to the most recent prime rate quoted  
9 and published by the Federal Reserve Board as of the first day of  
10 the month in which the tax becomes delinquent, but not more than six  
11 percent, of the amount of the tax for the first calendar month it is  
12 delinquent plus one percent for each additional month or portion of  
13 a month the tax remains unpaid prior to July 1 of the year in which  
14 it becomes delinquent. However, a tax delinquent on July 1 incurs a  
15 total penalty of twelve percent of the amount of the delinquent tax  
16 without regard to the number of months the tax has been delinquent.  
17 A delinquent tax continues to incur the penalty provided by this  
18 subsection as long as the tax remains unpaid, regardless of whether  
19 a judgment for the delinquent tax has been rendered.

20 SECTION 2. This Act applies only to ad valorem taxes imposed  
21 for a tax year beginning on or after the effective date of this Act.

22 SECTION 3. This Act takes effect January 1, 2014.