

By: Hinojosa

S.B. No. 476

A BILL TO BE ENTITLED

AN ACT

relating to installment agreements for the payment of delinquent ad
valorem taxes.

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

SECTION 1. Section 33.02, Tax Code, is amended by amending
Subsections (a) and (b) and adding Subsection (b-1) to read as
follows:

(a) The collector for a taxing unit may enter into an
agreement with a person delinquent in the payment of the tax for
payment of the tax, penalties, and interest in installments. The
collector for a taxing unit shall, on request by a person delinquent
in the payment of the tax on a residence homestead, enter into an
agreement with the person for payment of the tax, penalties, and
interest in installments if the person has not entered into an
installment agreement with the collector for the taxing unit under
this section in the preceding 24 months. An installment [The]
agreement under this section:

(1) must be in writing;

(2) must provide for payments to be made in equal
monthly installments;

(3) must extend for a period of at least 12 months; and

(4) may not extend for a period of more than 36 months.

(b) Except as provided by Subsection (b-1), interest
[Interest] and a penalty accrue as provided by Sections 33.01(a)

1 and (c) [~~Subsections (a) and (c) of Section 33.01~~] on the unpaid
2 balance during the period of the agreement.

3 (b-1) A penalty does not accrue as provided by Section
4 33.01(a) on the unpaid balance during the period of the agreement if
5 the property that is the subject of the agreement is a residence
6 homestead.

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

9 Sec. 33.04. NOTICE OF DELINQUENCY. (a) At least once each
10 year the collector for a taxing unit shall deliver a notice of
11 delinquency to each person whose name appears on the current
12 delinquent tax roll. However, the notice need not be delivered if:

13 (1) a bill for the tax was not mailed under Section
14 31.01(f); or

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

18 (b) A notice of delinquency must contain the following
19 statement in capital letters: "IF THE PROPERTY DESCRIBED IN THIS
20 DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE (NAME
21 OF TAXING UNIT) REGARDING A RIGHT YOU MAY HAVE TO ENTER INTO AN
22 INSTALLMENT AGREEMENT DIRECTLY WITH THE (NAME OF TAXING UNIT) FOR
23 THE PAYMENT OF THESE TAXES."

24 (c) The collector for a taxing unit must deliver a notice of
25 delinquency to a person who is in breach of an installment agreement
26 under Section 33.02 and to any other owner of an interest in the
27 property subject to the agreement whose name appears on the

1 delinquent tax roll before the collector may seize and sell the
2 property or file a suit to collect a delinquent tax subject to the
3 agreement.

4 SECTION 3. Chapter 51, Property Code, is amended by adding
5 Section 51.0011 to read as follows:

6 Sec. 51.0011. DEFAULT ARISING FROM DELINQUENT AD VALOREM
7 TAXES: INSTALLMENT AGREEMENTS. (a) Notwithstanding any
8 agreement to the contrary, a debtor is not in default under a deed
9 of trust or other contract lien on real property used as the
10 debtor's residence for the delinquent payment of ad valorem taxes
11 if:

12 (1) the debtor gave notice to the mortgage servicer of
13 the intent to enter into an installment agreement with the taxing
14 unit under Section 33.02, Tax Code, for the payment of the taxes at
15 least 10 days before the date the debtor entered into the agreement;
16 and

17 (2) the property is protected from seizure and sale
18 and a suit may not be filed to collect a delinquent tax on the
19 property as provided by Section 33.02(d), Tax Code.

20 (b) A mortgage servicer who receives a notice described by
21 Subsection (a)(1) may pay the taxes subject to the installment
22 agreement at any time.

23 (c) A mortgage servicer who receives a notice described by
24 Subsection (a)(1) and gives the debtor notice that the mortgage
25 servicer intends to accelerate the note securing the deed of trust
26 or other contract lien as a result of the delinquency of the taxes
27 that are subject to the installment agreement must rescind the

1 notice if the debtor enters into the agreement not later than the
2 30th day after the date the debtor delivers the notice.

3 SECTION 4. (a) The change in law made by this Act to
4 Section 33.02, Tax Code, applies only to an installment agreement
5 for the payment of delinquent ad valorem taxes entered into on or
6 after the effective date of this Act. An installment agreement for
7 the payment of delinquent ad valorem taxes entered into before the
8 effective date of this Act is governed by the law in effect on the
9 date the agreement was entered into, and the former law is continued
10 in effect for that purpose.

11 (b) The change in law made by this Act to Section 33.04, Tax
12 Code, applies only to a notice of delinquency delivered on or after
13 the effective date of this Act. A notice of delinquency delivered
14 before the effective date of this Act is governed by the law in
15 effect on the date the notice was delivered, and the former law is
16 continued in effect for that purpose.

17 SECTION 5. This Act takes effect September 1, 2013.