

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 32.06, Tax Code, is amended by amending  
Subsection (a-1) and adding Subsection (a-5) to read as follows:

(a-1) A person may authorize another person to pay the taxes  
imposed by a taxing unit on the person's real property by filing  
with the collector for the unit:

(1) a sworn document stating:

(A) the authorization;

(B) the name and street address of the transferee  
authorized to pay the taxes of the property owner;

(C) a description of the property by street  
address, if applicable, and legal description; ~~and~~

(D) notice has been given to the property owner  
that if the property owner is age 65 or disabled, the property owner  
may be eligible for a tax deferral under Section 33.06; and

(E) that the transferee delivered a notice to the  
property owner in accordance with Subsection (a-5); and

(2) the information required by Section 351.054,  
Finance Code.

(a-5) Not later than the 12th day before the date the  
property owner files with the collector for the unit the sworn

document and the information under Subsection (a-1), the transferee must deliver a notice to the property owner containing the following statement in capital letters: "IF THE PROPERTY TAXES ON YOUR RESIDENCE HOMESTEAD ARE DELINQUENT, YOU SHOULD CONTACT THE (NAME OF TAXING UNIT) REGARDING A RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY WITH THE (NAME OF TAXING UNIT) FOR THE PAYMENT OF THESE TAXES." The transferee shall retain a copy of the notice.

SECTION 2. 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

1 ~~[Interest]~~ and a penalty accrue as provided by Sections 33.01(a)  
2 and (c) ~~[Subsections (a) and (c) of Section 33.01]~~ on the unpaid  
3 balance during the period of the agreement.

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

8 SECTION 3. Section 33.04, Tax Code, is amended to read as  
9 follows:

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

14 (1) a bill for the tax was not mailed under Section  
15 31.01(f); or

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

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

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

27 Sec. 51.0011. DEFAULT ARISING FROM DELINQUENT AD VALOREM

1 TAXES: INSTALLMENT AGREEMENTS. Notwithstanding any agreement to  
2 the contrary, a debtor is not in default under a deed of trust or  
3 other contract lien on real property used as the debtor's residence  
4 for the delinquent payment of ad valorem taxes if:

5 (1) the debtor is in substantial compliance with an  
6 installment agreement with the taxing unit under Section 33.02, Tax  
7 Code, for the payment of the taxes; and

8 (2) the debtor has given notice of the installment  
9 agreement to the mortgage servicer.

10 SECTION 5. (a) The change in law made by this Act to Section  
11 32.06, Tax Code, applies only to an ad valorem tax lien transferred  
12 on or after the effective date of this Act. An ad valorem tax lien  
13 transferred before the effective date of this Act is governed by the  
14 law in effect on the date the tax lien was transferred, and the  
15 former law is continued in effect for that purpose.

16 (b) The change in law made by this Act to Section 33.02, Tax  
17 Code, applies only to an installment agreement for the payment of  
18 delinquent ad valorem taxes entered into on or after the effective  
19 date of this Act. An installment agreement for the payment of  
20 delinquent ad valorem taxes entered into before the effective date  
21 of this Act is governed by the law in effect on the date the  
22 agreement was entered into, and the former law is continued in  
23 effect for that purpose.

24 (c) The change in law made by this Act to Section 33.04, Tax  
25 Code, applies only to a notice of delinquency delivered on or after  
26 the effective date of this Act. A notice of delinquency delivered  
27 before the effective date of this Act is governed by the law in

S.B. No. 476

1 effect on the date the notice was delivered, and the former law is  
2 continued in effect for that purpose.

3 SECTION 6. This Act takes effect September 1, 2013.