

1-1 By: Hinojosa S.B. No. 476
1-2 (In the Senate - Filed February 11, 2013; February 13, 2013,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 25, 2013, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 March 25, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hinojosa	X		
1-10	Nichols	X		
1-11	Garcia	X		
1-12	Paxton	X		
1-13	Taylor	X		

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 476 By: Hinojosa

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to installment agreements for the payment of delinquent ad
1-18 valorem taxes.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 33.02, Tax Code, is amended by amending
1-21 Subsections (a) and (b) and adding Subsection (b-1) to read as
1-22 follows:

1-23 (a) The collector for a taxing unit may enter into an
1-24 agreement with a person delinquent in the payment of the tax for
1-25 payment of the tax, penalties, and interest in installments. The
1-26 collector for a taxing unit shall, on request by a person delinquent
1-27 in the payment of the tax on a residence homestead, enter into an
1-28 agreement with the person for payment of the tax, penalties, and
1-29 interest in installments if the person has not entered into an
1-30 installment agreement with the collector for the taxing unit under
1-31 this section in the preceding 24 months. An installment [The]
1-32 agreement under this section:

1-33 (1) must be in writing;

1-34 (2) must provide for payments to be made in equal
1-35 monthly installments;

1-36 (3) must extend for a period of at least 12 months; and

1-37 (4) may not extend for a period of more than 36 months.

1-38 (b) Except as provided by Subsection (b-1), interest
1-39 [Interest] and a penalty accrue as provided by Sections 33.01(a)
1-40 and (c) [Subsections (a) and (c) of Section 33.01] on the unpaid
1-41 balance during the period of the agreement.

1-42 (b-1) A penalty does not accrue as provided by Section
1-43 33.01(a) on the unpaid balance during the period of the agreement if
1-44 the property that is the subject of the agreement is a residence
1-45 homestead.

1-46 SECTION 2. Section 33.04, Tax Code, is amended to read as
1-47 follows:

1-48 Sec. 33.04. NOTICE OF DELINQUENCY. (a) At least once each
1-49 year the collector for a taxing unit shall deliver a notice of
1-50 delinquency to each person whose name appears on the current
1-51 delinquent tax roll. However, the notice need not be delivered if:

1-52 (1) a bill for the tax was not mailed under Section
1-53 31.01(f); or

1-54 (2) the collector does not know and by exercising
1-55 reasonable diligence cannot determine the delinquent taxpayer's
1-56 name and address.

1-57 (b) A notice of delinquency must contain the following
1-58 statement in capital letters: "IF THE PROPERTY DESCRIBED IN THIS
1-59 DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE (NAME
1-60 OF TAXING UNIT) REGARDING A RIGHT YOU MAY HAVE TO ENTER INTO AN

2-1 INSTALLMENT AGREEMENT DIRECTLY WITH THE (NAME OF TAXING UNIT) FOR
 2-2 THE PAYMENT OF THESE TAXES."

2-3 (c) The collector for a taxing unit must deliver a notice of
 2-4 delinquency to a person who is in breach of an installment agreement
 2-5 under Section 33.02 and to any other owner of an interest in the
 2-6 property subject to the agreement whose name appears on the
 2-7 delinquent tax roll before the collector may seize and sell the
 2-8 property or file a suit to collect a delinquent tax subject to the
 2-9 agreement.

2-10 SECTION 3. Chapter 51, Property Code, is amended by adding
 2-11 Section 51.0011 to read as follows:

2-12 Sec. 51.0011. DEFAULT ARISING FROM DELINQUENT AD VALOREM
 2-13 TAXES: INSTALLMENT AGREEMENTS. (a) Notwithstanding any
 2-14 agreement to the contrary, a debtor is not in default under a deed
 2-15 of trust or other contract lien on real property used as the
 2-16 debtor's residence for the delinquent payment of ad valorem taxes
 2-17 if:

2-18 (1) the debtor gave notice to the mortgage servicer of
 2-19 the intent to enter into an installment agreement with the taxing
 2-20 unit under Section 33.02, Tax Code, for the payment of the taxes at
 2-21 least 10 days before the date the debtor entered into the agreement;
 2-22 and

2-23 (2) the property is protected from seizure and sale
 2-24 and a suit may not be filed to collect a delinquent tax on the
 2-25 property as provided by Section 33.02(d), Tax Code.

2-26 (b) A mortgage servicer who receives a notice described by
 2-27 Subsection (a)(1) may pay the taxes subject to the installment
 2-28 agreement at any time.

2-29 (c) A mortgage servicer who receives a notice described by
 2-30 Subsection (a)(1) and gives the debtor notice that the mortgage
 2-31 servicer intends to accelerate the note securing the deed of trust
 2-32 or other contract lien as a result of the delinquency of the taxes
 2-33 that are subject to the installment agreement must rescind the
 2-34 notice if the debtor enters into the agreement not later than the
 2-35 30th day after the date the debtor delivers the notice.

2-36 SECTION 4. (a) The change in law made by this Act to
 2-37 Section 33.02, Tax Code, applies only to an installment agreement
 2-38 for the payment of delinquent ad valorem taxes entered into on or
 2-39 after the effective date of this Act. An installment agreement for
 2-40 the payment of delinquent ad valorem taxes entered into before the
 2-41 effective date of this Act is governed by the law in effect on the
 2-42 date the agreement was entered into, and the former law is continued
 2-43 in effect for that purpose.

2-44 (b) The change in law made by this Act to Section 33.04, Tax
 2-45 Code, applies only to a notice of delinquency delivered on or after
 2-46 the effective date of this Act. A notice of delinquency delivered
 2-47 before the effective date of this Act is governed by the law in
 2-48 effect on the date the notice was delivered, and the former law is
 2-49 continued in effect for that purpose.

2-50 SECTION 5. This Act takes effect September 1, 2013.

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