

By: Darby

H.B. No. 1933

A BILL TO BE ENTITLED

AN ACT

relating to installment payments of ad valorem taxes.

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

SECTION 1. Sections 31.031(a-1), (a-2), and (b), Tax Code, are amended to read as follows:

(a-1) An individual to whom this section applies may pay a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments. If the delinquency date is February 1, the [The] second installment must be paid before April 1, the third installment must be paid before June 1, and the fourth installment must be paid before August 1. If the delinquency date is a date other than February 1, the second installment must be paid before the first day of the second month after the delinquency date, the third installment must be paid before the first day of the fourth month after the delinquency date, and the fourth installment must be paid before the first day of the sixth month after the delinquency date.

(a-2) Notwithstanding the deadline prescribed by Subsection (a-1) for payment of the first installment, an individual to whom this section applies may pay the taxes in four equal installments as

1 provided by Subsection (a-1) if the first installment is paid and  
2 the required notice is provided before the first day of the first  
3 month after the delinquency date [~~March 1~~].

4 (b) If the individual fails to make a payment, including the  
5 first payment, before the applicable date provided by Subsection  
6 (a-1), the unpaid installment [~~amount~~] is delinquent and incurs a  
7 penalty of six percent and interest as provided by Section  
8 33.01(c). The penalty provided by Section 33.01(a) does not apply  
9 to the unpaid installment [~~amount~~].

10 SECTION 2. Sections 31.032(b) and (c), Tax Code, are  
11 amended to read as follows:

12 (b) If, before the delinquency date, a person pays at least  
13 one-fourth of a taxing unit's taxes imposed on property that the  
14 person owns, accompanied by notice to the taxing unit that the  
15 person will pay the remaining taxes in installments, the person may  
16 pay the remaining taxes without penalty or interest in three equal  
17 installments. If the delinquency date is February 1, the [The]  
18 first installment must be paid before April 1, the second  
19 installment must be paid before June 1, and the third installment  
20 must be paid before August 1. If the delinquency date is a date  
21 other than February 1, the first installment must be paid before the  
22 first day of the second month after the delinquency date, the second  
23 installment must be paid before the first day of the fourth month  
24 after the delinquency date, and the third installment must be paid  
25 before the first day of the sixth month after the delinquency date.

26 (c) If the person fails to make a payment before the  
27 applicable date provided by Subsection (b), the unpaid installment

1 [~~amount~~] is delinquent and incurs a penalty of six percent and  
2 interest as provided by Section 33.01(c).

3 SECTION 3. Sections 33.011(d) and (i), Tax Code, are  
4 amended to read as follows:

5 (d) A request for a waiver of penalties and interest under  
6 Subsection (a)(1) or (3), (b), (h), or (j) must be made before the  
7 181st day after the delinquency date. A request for a waiver of  
8 penalties and interest under Subsection (a)(2) must be made before  
9 the first anniversary of the date the religious organization  
10 acquires the property. A request for a waiver of penalties and  
11 interest under Subsection (i) must be made before the 181st day  
12 after the date the property owner making the request receives  
13 notice of the delinquent tax that satisfies the requirements of  
14 Section 33.04(c) [~~33.04(b)~~]. To be valid, a waiver of penalties or  
15 interest under this section must be requested in writing. If a  
16 written request for a waiver is not timely made, the governing body  
17 of a taxing unit may not waive any penalties or interest under this  
18 section.

19 (i) The governing body of a taxing unit may waive penalties  
20 and interest on a delinquent tax that relates to a date preceding  
21 the date on which the property owner acquired the property if:

22 (1) the property owner or another person liable for  
23 the tax pays the tax not later than the 181st day after the date the  
24 property owner receives notice of the delinquent tax that satisfies  
25 the requirements of Section 33.04(c) [~~33.04(b)~~]; and

26 (2) the delinquency is the result of taxes imposed on:  
27 (A) omitted property entered in the appraisal

1 records as provided by Section 25.21;

2 (B) erroneously exempted property or appraised  
3 value added to the appraisal roll as provided by Section 11.43(i);  
4 or

5 (C) property added to the appraisal roll under a  
6 different account number or parcel when the property was owned by a  
7 prior owner.

8 SECTION 4. Section 33.02, Tax Code, is amended by amending  
9 Subsections (a) and (b-1) and adding Subsections (a-1) and (f) to  
10 read as follows:

11 (a) The collector for a taxing unit may enter into an  
12 agreement with a person delinquent in the payment of the tax for  
13 payment of the tax, penalties, and interest in installments. The  
14 collector for a taxing unit shall, on request by a person delinquent  
15 in the payment of the tax on a residence homestead for which the  
16 property owner has been granted an exemption under Section 11.13,  
17 enter into an agreement with the person for payment of the tax,  
18 penalties, and interest in installments if the person has not  
19 entered into an installment agreement with the collector for the  
20 taxing unit under this section in the preceding 24 months.

21 (a-1) An installment agreement under this section:

22 (1) must be in writing;

23 (2) must provide for payments to be made in [~~equal~~]  
24 monthly installments;

25 (3) must extend for a period of at least 12 months if  
26 the property that is the subject of the agreement is a residence  
27 homestead for which the person entering into the agreement has been

1 granted an exemption under Section 11.13; and

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

3 (b-1) Except as otherwise provided by this subsection, a  
4 penalty does not accrue as provided by Section 33.01(a) on the  
5 unpaid balance during the period of the agreement if the property  
6 that is the subject of the agreement is a residence homestead for  
7 which the property owner has been granted an exemption under  
8 Section 11.13. If the property owner fails to make a payment as  
9 required by the agreement, a penalty accrues as provided by Section  
10 33.01(a) on the unpaid balance as if the owner had not entered into  
11 the agreement.

12 (f) The collector for a taxing unit must deliver a notice of  
13 default to a person who is in breach of an installment agreement  
14 under this section and to any other owner of an interest in the  
15 property subject to the agreement whose name appears on the  
16 delinquent tax roll before the collector may seize and sell the  
17 property or file a suit to collect a delinquent tax subject to the  
18 agreement.

19 SECTION 5. Section 33.04, Tax Code, as amended by Chapters  
20 935 (H.B. 1597) and 967 (H.B. 1913), Acts of the 83rd Legislature,  
21 Regular Session, 2013, is amended to read as follows:

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

26 (1) a bill for the tax was not mailed under Section  
27 31.01(f); or

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

4           (b) A notice of delinquency under this section must contain  
5 the following statement in capital letters: "IF THE PROPERTY  
6 DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD  
7 CONTACT THE TAX COLLECTOR FOR (NAME OF TAXING UNIT) REGARDING A  
8 RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY  
9 WITH THE TAX COLLECTOR FOR (NAME OF TAXING UNIT) FOR THE PAYMENT OF  
10 THESE TAXES."

11           (c) [~~(b)~~] If the delinquency is the result of taxes imposed  
12 on property described by Section 33.011(i), the first page of the  
13 notice of delinquency must include, in 14-point boldfaced type or  
14 14-point uppercase letters, a statement that reads substantially as  
15 follows: "THE TAXES ON THIS PROPERTY ARE DELINQUENT. THE PROPERTY  
16 IS SUBJECT TO A LIEN FOR THE DELINQUENT TAXES. IF THE DELINQUENT  
17 TAXES ARE NOT PAID, THE LIEN MAY BE FORECLOSED [~~ON~~]."

18           ~~[(c) The collector for a taxing unit must deliver a notice~~  
19 ~~of delinquency to a person who is in breach of an installment~~  
20 ~~agreement under Section 33.02 and to any other owner of an interest~~  
21 ~~in the property subject to the agreement whose name appears on the~~  
22 ~~delinquent tax roll before the collector may seize and sell the~~  
23 ~~property or file a suit to collect a delinquent tax subject to the~~  
24 ~~agreement.]~~

25           SECTION 6. Sections 31.031(d) and 31.032(e), Tax Code, are  
26 repealed.

27           SECTION 7. (a) The changes in law made by this Act to

1 Sections 31.031, 31.032, and 33.02, Tax Code, apply only to an  
2 installment agreement for the payment of ad valorem taxes entered  
3 into on or after the effective date of this Act. An installment  
4 agreement for the payment of ad valorem taxes entered into before  
5 the effective date of this Act is governed by the law in effect on  
6 the date the agreement was entered into, and the former law is  
7 continued in effect for that purpose.

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

14 SECTION 8. To the extent of any conflict, this Act prevails  
15 over another Act of the 84th Legislature, Regular Session, 2015,  
16 relating to nonsubstantive additions to and corrections in enacted  
17 codes.

18 SECTION 9. This Act takes effect September 1, 2015.