

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.

President of the Senate

Speaker of the House

I certify that H.B. No. 1933 was passed by the House on April 23, 2015, by the following vote: Yeas 138, Nays 1, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1933 was passed by the Senate on May 15, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor