

By: Hinojosa, Bettencourt

S.B. No. 624

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. The second installment must be paid before the first day of the second month after the delinquency date [~~April 1~~], the third installment must be paid before the first day of the fourth month after the delinquency date [~~June 1~~], and the fourth installment must be paid before the first day of the sixth month after the delinquency date [~~August 1~~].

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

(b) If the individual fails to make a payment, including the

1 first payment, before the applicable date provided by Subsection
2 (a-1), the unpaid installment [~~amount~~] is delinquent and incurs a
3 penalty of six percent and interest as provided by Section
4 33.01(c). The penalty provided by Section 33.01(a) does not apply
5 to the unpaid installment [~~amount~~].

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

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

19 (c) If the person fails to make a payment before the
20 applicable date provided by Subsection (b), the unpaid installment
21 [~~amount~~] is delinquent and incurs a penalty of six percent and
22 interest as provided by Section 33.01(c).

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

25 (d) A request for a waiver of penalties and interest under
26 Subsection (a)(1) or (3), (b), (h), or (j) must be made before the
27 181st day after the delinquency date. A request for a waiver of

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

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

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

19 (2) the delinquency is the result of taxes imposed on:

20 (A) omitted property entered in the appraisal
21 records as provided by Section 25.21;

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

24 or

25 (C) property added to the appraisal roll under a
26 different account number or parcel when the property was owned by a
27 prior owner.

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

4 (a) The collector for a taxing unit may enter into an
5 agreement with a person delinquent in the payment of the tax for
6 payment of the tax, penalties, and interest in installments. The
7 collector for a taxing unit shall, on request by a person delinquent
8 in the payment of the tax on a residence homestead for which the
9 property owner has been granted an exemption under Section 11.13,
10 enter into an agreement with the person for payment of the tax,
11 penalties, and interest in installments if the person has not
12 entered into an installment agreement with the collector for the
13 taxing unit under this section in the preceding 24 months.

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

15 (1) must be in writing;

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

18 (3) must extend for a period of at least 12 months if
19 the property that is the subject of the agreement is a residence
20 homestead for which the person entering into the agreement has been
21 granted an exemption under Section 11.13; and

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

23 (b-1) Except as otherwise provided by this subsection, a
24 penalty does not accrue as provided by Section 33.01(a) on the
25 unpaid balance during the period of the agreement if the property
26 that is the subject of the agreement is a residence homestead for
27 which the property owner has been granted an exemption under

1 Section 11.13. If the property owner fails to make a payment as
2 required by the agreement, a penalty accrues as provided by Section
3 33.01(a) on the unpaid balance as if the owner had not entered into
4 the agreement.

5 (f) The collector for a taxing unit must deliver a notice of
6 default to a person who is in breach of an installment agreement
7 under this section and to any other owner of an interest in the
8 property subject to the agreement whose name appears on the
9 delinquent tax roll before the collector may seize and sell the
10 property or file a suit to collect a delinquent tax subject to the
11 agreement.

12 SECTION 5. Section 33.04, Tax Code, as amended by Chapters
13 935 (H.B. 1597) and 967 (H.B. 1913), Acts of the 83rd Legislature,
14 Regular Session, 2013, is amended to read as follows:

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

19 (1) a bill for the tax was not mailed under Section
20 31.01(f); or

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

24 (b) A notice of delinquency under this section must contain
25 the following statement in capital letters: "IF THE PROPERTY
26 DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD
27 CONTACT THE TAX COLLECTOR FOR (NAME OF TAXING UNIT) REGARDING A

1 RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY
2 WITH THE TAX COLLECTOR FOR (NAME OF TAXING UNIT) FOR THE PAYMENT OF
3 THESE TAXES."

4 (c) [~~(b)~~] If the delinquency is the result of taxes imposed
5 on property described by Section 33.011(i), the first page of the
6 notice of delinquency must include, in 14-point boldfaced type or
7 14-point uppercase letters, a statement that reads substantially as
8 follows: "THE TAXES ON THIS PROPERTY ARE DELINQUENT. THE PROPERTY
9 IS SUBJECT TO A LIEN FOR THE DELINQUENT TAXES. IF THE DELINQUENT
10 TAXES ARE NOT PAID, THE LIEN MAY BE FORECLOSED ~~[ON]~~."

11 [~~(c) The collector for a taxing unit must deliver a notice~~
12 ~~of delinquency to a person who is in breach of an installment~~
13 ~~agreement under Section 33.02 and to any other owner of an interest~~
14 ~~in the property subject to the agreement whose name appears on the~~
15 ~~delinquent tax roll before the collector may seize and sell the~~
16 ~~property or file a suit to collect a delinquent tax subject to the~~
17 ~~agreement.]~~

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

20 SECTION 7. (a) The changes in law made by this Act to
21 Sections 31.031, 31.032, and 33.02, Tax Code, apply only to an
22 installment agreement for the payment of ad valorem taxes entered
23 into on or after the effective date of this Act. An installment
24 agreement for the payment of ad valorem taxes entered into before
25 the effective date of this Act is governed by the law in effect on
26 the date the agreement was entered into, and the former law is
27 continued in effect for that purpose.

1 (b) The change in law made by this Act to Section 33.04, Tax
2 Code, applies only to a notice of delinquency delivered on or after
3 the effective date of this Act. A notice of delinquency delivered
4 before the effective date of this Act is governed by the law in
5 effect on the date the notice was delivered, and the former law is
6 continued in effect for that purpose.

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

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