

By: Hinojosa

S.B. No. 1957

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the payment of property taxes through the use of  
3 property tax loans or other means.

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

5 SECTION 1. Section 351.0021, Finance Code, is amended by  
6 adding Subsection (c-1) to read as follows:

7 (c-1) A property tax lender may not charge a property owner  
8 discount points in connection with a property tax loan.

9 SECTION 2. Subchapter A, Chapter 351, Finance Code, is  
10 amended by adding Section 351.0024 to read as follows:

11 Sec. 351.0024. INTEREST-ONLY PAYMENTS PROHIBITED FOR  
12 CERTAIN LOANS. A property tax loan secured by the property owner's  
13 residence homestead, as defined by Section 11.13(j), Tax Code, may  
14 not have a scheduled or optional interest-only loan payment for any  
15 month.

16 SECTION 3. Section 31.031(a), Tax Code, as amended by  
17 Chapters 122 (H.B. 97), 643 (H.B. 709), and 935 (H.B. 1597), Acts of  
18 the 83rd Legislature, Regular Session, 2013, is reenacted and  
19 amended to read as follows:

20 (a) This section applies only to[+]  
21 [~~1~~] an individual who is[+]  
22 [~~(A) disabled or at least 65 years of age, and~~  
23 [~~(B)~~] qualified for an exemption under Section  
24 11.13, [~~11.13(c)~~], or

1           ~~[(2) an individual who is:~~

2                   ~~[(A) a disabled veteran or the unmarried~~  
3 ~~surviving spouse of a disabled veteran; and~~

4                   ~~[(B) qualified for an exemption under Section]~~  
5 11.132, or 11.22.

6           SECTION 4. Section 32.06(a-2), Tax Code, is amended to read  
7 as follows:

8           (a-2) Except as provided by Subsection (a-8), a tax lien may  
9 be transferred to the person who pays the taxes on behalf of the  
10 property owner under the authorization described by Subsection  
11 (a-1) for:

12                   (1) taxes that are delinquent at the time of payment;  
13 or

14                   (2) taxes that are due but not delinquent at the time  
15 of payment ~~[if the property is not subject to a recorded mortgage~~  
16 ~~lien].~~

17           SECTION 5. Section 351.0021, Finance Code, as amended by  
18 this Act, and Section 351.0024, Finance Code, as added by this Act,  
19 apply only to a contract for a property tax loan entered into on or  
20 after the effective date of this Act. A contract for a property tax  
21 loan entered into before the effective date of this Act is governed  
22 by the law in effect on the date the contract was entered into, and  
23 the former law is continued in effect for that purpose.

24           SECTION 6. The changes in law made by this Act to Sections  
25 31.031 and 32.06, Tax Code, apply only to the payment of ad valorem  
26 taxes that become due on or after the effective date of this Act.  
27 The payment of ad valorem taxes that become due before the effective

1 date of this Act is governed by the law as it existed immediately  
2 before the effective date of this Act, and that law is continued in  
3 effect for that purpose.

4 SECTION 7. This Act takes effect September 1, 2015.