

By: Murphy

H.B. No. 108

A BILL TO BE ENTITLED

AN ACT

relating to the rate at which interest accrues in connection with the deferral or abatement of the collection of ad valorem taxes on certain residence homesteads.

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

SECTION 1. (a) This section takes effect only if the constitutional amendment proposed by H.J.R. 21, 85th Legislature, Regular Session, 2017, is approved by the voters.

(b) Section 33.06(d), Tax Code, as amended by H.B. 150, Acts of the 85th Legislature, Regular Session, 2017, effective January 1, 2018, is amended to read as follows:

(d) A tax lien remains on the property and interest continues to accrue during the period collection of taxes is deferred or abated under this section. The annual interest rate during the deferral or abatement period is the five-year Constant Maturity Treasury Rate reported by the Federal Reserve as of January 1 of the year in which the deferral or abatement was obtained ~~[five percent]~~ instead of the rate provided by Section 33.01. Interest and penalties that accrued or that were incurred or imposed under Section 33.01 or 33.07 before the date the individual files the deferral affidavit under Subsection (b) or the date the judgment abating the suit is entered, as applicable, are preserved. A penalty under Section 33.01 is not incurred during a deferral or abatement period. The additional penalty under Section 33.07 may

1 be imposed and collected only if the taxes for which collection is  
2 deferred or abated remain delinquent on or after the 181st day after  
3 the date the deferral or abatement period expires. A plea of  
4 limitation, laches, or want of prosecution does not apply against  
5 the taxing unit because of deferral or abatement of collection as  
6 provided by this section.

7 SECTION 2. (a) This section takes effect only if the  
8 constitutional amendment proposed by H.J.R. 21, 85th Legislature,  
9 Regular Session, 2017, is not approved by the voters.

10 (b) Section 33.06(d), Tax Code, is amended to read as  
11 follows:

12 (d) A tax lien remains on the property and interest  
13 continues to accrue during the period collection of taxes is  
14 deferred or abated under this section. The annual interest rate  
15 during the deferral or abatement period is the five-year Constant  
16 Maturity Treasury Rate reported by the Federal Reserve as of  
17 January 1 of the year in which the deferral or abatement was  
18 obtained ~~[eight percent]~~ instead of the rate provided by Section  
19 33.01. Interest and penalties that accrued or that were incurred or  
20 imposed under Section 33.01 or 33.07 before the date the individual  
21 files the deferral affidavit under Subsection (b) or the date the  
22 judgment abating the suit is entered, as applicable, are preserved.  
23 A penalty under Section 33.01 is not incurred during a deferral or  
24 abatement period. The additional penalty under Section 33.07 may  
25 be imposed and collected only if the taxes for which collection is  
26 deferred or abated remain delinquent on or after the 181st day after  
27 the date the deferral or abatement period expires. A plea of

1 limitation, laches, or want of prosecution does not apply against  
2 the taxing unit because of deferral or abatement of collection as  
3 provided by this section.

4 SECTION 3. Section 33.065(g), Tax Code, is amended to read  
5 as follows:

6 (g) A tax lien remains on the property and interest  
7 continues to accrue during the period collection of delinquent  
8 taxes is deferred or abated under this section. The annual interest  
9 rate during the deferral or abatement period is the five-year  
10 Constant Maturity Treasury Rate reported by the Federal Reserve as  
11 of January 1 of the year in which the deferral or abatement was  
12 obtained ~~[eight percent]~~ instead of the rate provided by Section  
13 33.01. Interest and penalties that accrued or that were incurred or  
14 imposed under Section 33.01 or 33.07 before the date the individual  
15 files the deferral affidavit under Subsection (c) or the date the  
16 judgment abating the suit is entered, as applicable, are preserved.  
17 A penalty is not incurred on the delinquent taxes for which  
18 collection is deferred or abated during a deferral or abatement  
19 period. The additional penalty under Section 33.07 may be imposed  
20 and collected only if the delinquent taxes for which collection is  
21 deferred or abated remain delinquent on or after the 91st day after  
22 the date the deferral or abatement period expires. A plea of  
23 limitation, laches, or want of prosecution does not apply against  
24 the taxing unit because of deferral or abatement of collection as  
25 provided by this section.

26 SECTION 4. Sections 33.06(d) and 33.065(g), Tax Code, as  
27 amended by this Act, apply to interest that accrued during a

1 deferral or abatement period under either of those sections before  
2 January 1, 2018, if the tax remains unpaid as of that date, and  
3 apply to interest that accrues during a deferral or abatement  
4 period under either of those sections on or after that date,  
5 regardless of whether the deferral or abatement period began before  
6 January 1, 2018, or begins on or after that date.

7       SECTION 5. This Act takes effect January 1, 2018.