

BILL ANALYSIS

Senate Research Center
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H.B. 1883
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Property Tax
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The federal Servicemember Civil Relief Act (SCRA) allows courts considering tax payment contests to postpone court proceedings for up to 180 days after discharge of an active-duty service member, and allows the right of redemption of any property sold in a tax sale for 180 days after discharge. This courtesy, and the ability to defer payment of outstanding property tax for sixty days, has been extended to Texas military personnel serving in theatres of war or during a declared emergency, but not to all active duty service members. As a result, active-duty military personnel are afforded no flexibility when property tax payments are due during the property owner's military service away from home.

H.B. 1883 updates the Tax Code to allow military personnel to defer payment of any outstanding property taxes without penalty or interest for 60 days.

H.B. 1883 is an identical re-file of H.B. 1632 from the 85th Regular Session, which passed the House.

H.B. 1883 amends current law relating to deferred payment of ad valorem taxes for certain persons serving in the United States armed forces.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 31.02(b) and (c), Tax Code, as follows:

(b) Authorizes an eligible person serving on active duty in any branch of the United States armed forces, rather than an eligible person serving on active duty in any branch of the United States armed forces during a war or national emergency declared in accordance with federal law, to pay delinquent property taxes on property in which the person owns any interest without penalty or interest no later than the 60th day after the date on which the earliest of the following occurs:

- (1) makes no changes to this subdivision;
- (2)–(3) makes nonsubstantive changes to these subdivisions; or
- (4) deletes this subdivision and existing text relating to the date on which the war or national emergency ends.

(c) Redefines "eligible person" to mean a person on active military duty in this state who was transferred out of this state, rather than who was transferred out of this state as a result of war or national emergency declared in accordance with federal law, or a person in the reserve forces who was placed on active military duty and transferred out of this state, rather than a person in the reserve forces who was placed on active military duty and transferred out of this state as result of a war or national emergency declared in accordance with federal law.

SECTION 2. Amends Section 33.01, Tax Code, by adding Subsection (f) as follows:

(f) Provides that, notwithstanding the other provisions of this section, a delinquent tax for which a person defers payment under Section 31.02(b) (Penalties and Interest) that is not paid on or before the date the deferral period prescribed by that subsection expires:

(1) accrues interest at a rate of six percent for each year or portion of a year the tax remains unpaid; and

(2) does not incur a penalty.

SECTION 3. Provides that this Act applies to penalties and interest on delinquent taxes if the taxes are paid on or after the effective date of this Act, even if the penalties or interest accrued before the effective date of this Act.

SECTION 4. Effective date: September 1, 2019.