

BILL ANALYSIS

Senate Research Center
86R197 CJC-D

S.B. 1007
By: Bettencourt et al.
Property Tax
3/30/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current statutes, each taxing jurisdiction can decide on its own whether to accept prepayment of property taxes. For those property owners whose taxes are not paid via their mortgage, the option of prepayment throughout the year for taxes should be available.

S.B. 1007 would require taxing entities to accept such prepayment throughout the year via an account similar to an escrow account.

As proposed, S.B. 1007 amends current law relating to the prepayment of ad valorem taxes.

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 Section 31.072(a), (c), and (d), Tax Code, as follows:

(a) Requires, rather than authorizes, the collector for a taxing unit, at the request of a property owner, to enter a contract under which the property owner deposits money in an escrow account maintained by the collector to provide for the payment of property taxes collected by the collector on any property the person owns.

(c) Requires a contract under this section to allow, rather than require, the property owner to make deposits, rather than monthly deposits, to the escrow account at any time until the earlier of the following occurs:

(1) the estimated amount of taxes as provided, rather than the amount set, in the contract under Subsection (d), rather than Subsection (d) of this section, accrues in the account; or

(2) the tax bill for the property is prepared, rather than until the tax bill for the property is prepared, whichever occurs earlier.

(d) Requires the collector, on request by a property owner to establish an escrow account under this section, to estimate the amount of taxes to be imposed on the property by the affected taxing units in that year and include that amount in the contract to establish the escrow account. Requires the contract to also include an estimate of the amount of money the property owner would need to deposit to the escrow account each month in order to provide, rather than requiring a contract to establish an escrow account to provide for deposits that would provide, as of the date the collector estimates the tax bill for the property will be prepared, a total deposit to the escrow account that is not less than the amount of taxes estimated by the collector or the amount of taxes imposed on the property by the affected taxing units in the preceding year, whichever is less. Prohibits the contract from requiring the property owner to comply with a schedule of deposits or prescribing a minimum amount that may be deposited to the escrow account.

SECTION 2. Repealer: Section 31.072(h) (relating to when the property owner requesting a collector to establish an escrow account is a disabled veteran), Tax Code; and

Repealer: Section 31.072(i) (relating to when the property owner requesting a collector to establish an escrow account is the owner of a manufactured home), Tax Code.

SECTION 3. Makes application of Section 31.072, Tax Code, prospective.

SECTION 4. Effective date: September 1, 2019.