86R5355 SMH-F

By:  J. Johnson of Dallas H.B. No. 4295

A BILL TO BE ENTITLED

AN ACT

relating to default under a deed of trust or contract lien on certain residential property for the delinquent payment of ad valorem taxes.

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

SECTION 1.  Section 51.0011, Property Code, is amended to read as follows:

Sec. 51.0011.  DEFAULT ARISING FROM DELINQUENT AD VALOREM TAXES: INSTALLMENT AGREEMENTS AND DEFERRAL OR ABATEMENT OF COLLECTION OF TAXES. [~~(a)~~]  Notwithstanding any agreement to the contrary:

(1)  [~~,~~] a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor's residence for the delinquent payment of ad valorem taxes if:

(A) [~~(1)~~]  the debtor has entered [~~gave notice to the mortgage servicer of the intent to enter~~] into an installment agreement with the taxing unit under Section 33.02, Tax Code, for the payment of the taxes [~~at least 10 days before the date the debtor entered into the agreement~~]; and

(B) [~~(2)~~]  the property is protected from seizure and sale and a suit may not be filed to collect a delinquent tax on the property as provided by Section 33.02(d), Tax Code; and

(2)  a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor's residence homestead for the delinquent payment of ad valorem taxes if:

(A)  the debtor has obtained a deferral or abatement of the collection of the ad valorem taxes on the property under Section 33.06, Tax Code; and

(B)  the deferral or abatement remains in effect.

[~~(b)  A mortgage servicer who receives a notice described by Subsection (a)(1) may pay the taxes subject to the installment agreement at any time.~~

[~~(c)  A mortgage servicer who receives a notice described by Subsection (a)(1) and gives the debtor notice that the mortgage servicer intends to accelerate the note securing the deed of trust or other contract lien as a result of the delinquency of the taxes that are subject to the installment agreement must rescind the notice if the debtor enters into the agreement not later than the 30th day after the date the debtor delivers the notice.~~]

SECTION 2.  The change in law made by this Act applies only to a deed of trust or contract lien entered into on or after the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2019.