

By: J. Johnson of Dallas

H.B. No. 4295

A BILL TO BE ENTITLED

1 AN ACT
2 relating to default under a deed of trust or contract lien on
3 certain residential property for the delinquent payment of ad
4 valorem taxes.

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

6 SECTION 1. Section [51.0011](#), Property Code, is amended to
7 read as follows:

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

12 (1) [~~7~~] a debtor is not in default under a deed of
13 trust or other contract lien on real property used as the debtor's
14 residence for the delinquent payment of ad valorem taxes if:

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

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

23 (2) a debtor is not in default under a deed of trust or
24 other contract lien on real property used as the debtor's residence

1 homestead for the delinquent payment of ad valorem taxes if:

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

5 (B) the deferral or abatement remains in effect.

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

9 ~~[(c) A mortgage servicer who receives a notice described by~~
10 ~~Subsection (a)(1) and gives the debtor notice that the mortgage~~
11 ~~servicer intends to accelerate the note securing the deed of trust~~
12 ~~or other contract lien as a result of the delinquency of the taxes~~
13 ~~that are subject to the installment agreement must rescind the~~
14 ~~notice if the debtor enters into the agreement not later than the~~
15 ~~30th day after the date the debtor delivers the notice.]~~

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

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