

By: Hughes

S.B. No. 738

A BILL TO BE ENTITLED

1 AN ACT

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

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

6 SECTION 1. Section 33.06(d), Tax Code, is amended to read as
7 follows:

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

1 the taxing unit because of deferral or abatement of collection as
2 provided by this section.

3 SECTION 2. Section 33.065(g), Tax Code, is amended to read
4 as follows:

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

25 SECTION 3. Sections 33.06(d) and 33.065(g), Tax Code, as
26 amended by this Act, apply to interest that accrued during a
27 deferral or abatement period under either of those sections before

1 September 1, 2019, if the tax remains unpaid as of that date, and
2 apply to interest that accrues during a deferral or abatement
3 period under either of those sections on or after that date,
4 regardless of whether the deferral or abatement period began before
5 September 1, 2019, or begins on or after that date.

6 SECTION 4. This Act takes effect September 1, 2019.