

BILL ANALYSIS

S.B. 1764
By: Bettencourt
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law requires a tax collector to accept a check or credit card payment as a medium of payment for property taxes. However, a potential problem may arise when the owner of a property on which delinquent taxes are owed tenders payment with a check or a credit card. Currently, the collector is required to accept the tendered check or credit card in payment of the delinquent taxes which then immediately stops the execution of a tax warrant or tax sale on the property. If the check then is not honored by the financial institution due to insufficient funds or the property owner disputes the charge with the credit card company, the property owner has used fraudulent means to avoid the payment of the delinquent taxes. This fraud by the property owner can be repeated time and time again. S.B. 1764 seeks to remedy this problem by authorizing a collector to adopt a written policy that requires that delinquent taxes, penalties, interest, and recoverable costs and expenses on certain properties be paid only with U.S. currency, a cashier's check, a certified check, or an electronic funds transfer.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1764 amends the Tax Code to authorize a tax collector to adopt a written policy that requires payment of delinquent taxes, penalties, interest, and recoverable costs and expenses only with U.S. currency, a cashier's check, a certified check, or an electronic funds transfer if the payment relates to one of the following:

- personal property seized for the payment of a delinquent tax, penalty, or interest owed to a taxing unit on the property;
- property subject to a tax sale order; or
- real property seized by a municipality or county for the payment of delinquent property taxes, penalties, and interest the person owes on the property and the amount secured by a municipal health or safety lien on the property, as applicable.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.