87R2687 SMT-F

By:  Shine H.B. No. 991

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the owner of a residence homestead to receive a discount for making an early payment of the ad valorem taxes on the homestead.

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

SECTION 1.  Section 31.01(c), Tax Code, is amended to read as follows:

(c)  The tax bill or a separate statement accompanying the tax bill shall:

(1)  identify the property subject to the tax;

(2)  state the appraised value, assessed value, and taxable value of the property;

(3)  if the property is land appraised as provided by Subchapter C, D, E, or H, Chapter 23, state the market value and the taxable value for purposes of deferred or additional taxation as provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;

(4)  state the assessment ratio for the taxing unit;

(5)  state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;

(6)  state the total tax rate for the taxing unit;

(7)  state the amount of tax due, the due date, and the delinquency date;

(8)  explain the payment option and discounts provided by Sections 31.03 and 31.05, if available to the taxing unit's taxpayers, and state the date on which each of the discount periods provided by Section 31.05 concludes, if the discounts are available;

(8-a)  if the property is the owner's residence homestead, explain the discounts provided by Section 31.055 and state the date on which each of the discount periods provided by that section concludes;

(9)  state the rates of penalty and interest imposed for delinquent payment of the tax;

(10)  include the name and telephone number of the assessor for the taxing unit and, if different, of the collector for the taxing unit;

(11)  for real property, state for the current tax year and each of the preceding five tax years:

(A)  the appraised value and taxable value of the property;

(B)  the total tax rate for the taxing unit;

(C)  the amount of taxes imposed on the property by the taxing unit; and

(D)  the difference, expressed as a percent increase or decrease, as applicable, in the amount of taxes imposed on the property by the taxing unit compared to the amount imposed for the preceding tax year; and

(12)  for real property, state the differences, expressed as a percent increase or decrease, as applicable, in the following for the current tax year as compared to the fifth tax year before that tax year:

(A)  the appraised value and taxable value of the property;

(B)  the total tax rate for the taxing unit; and

(C)  the amount of taxes imposed on the property by the taxing unit.

SECTION 2.  Sections 31.04(a), (c), and (d), Tax Code, are amended to read as follows:

(a)  Except as provided by Subsection (d), if [~~If~~] a tax bill is mailed after January 10, the delinquency date provided by Section 31.02 [~~of this code~~] is postponed to the first day of the next month that will provide a period of at least 21 days after the date of mailing for payment of taxes before the taxes become delinquent [~~unless the taxing unit has adopted the discounts provided by Section 31.05(c) of this code, in which case the delinquency date is determined by Subsection (d) of this section~~].

(c)  A payment option provided by Section 31.03 [~~of this code~~] or a discount [~~adopted~~] under Section 31.05(b) or 31.055(b) [~~of this code~~] does not apply to taxes that are calculated too late for it to be available.

(d)  If a taxing unit mails its tax bills after September 30 and [~~adopts~~] the discounts provided by Section 31.05(c) or 31.055(c) apply to the taxes due [~~of this code~~], the delinquency date is postponed to the first day of the next month following the fourth full calendar month following the date the tax bills were mailed.

SECTION 3.  The heading to Section 31.05, Tax Code, is amended to read as follows:

Sec. 31.05.  DISCOUNTS FOR EARLY PAYMENT OF TAX ON PROPERTY OTHER THAN RESIDENCE HOMESTEAD.

SECTION 4.  Section 31.05(a), Tax Code, is amended to read as follows:

(a)  The governing body of a taxing unit may adopt the discounts provided by Subsection (b) or Subsection (c), or both, in the manner required by law for official action by the body. The discounts, if adopted, apply only to taxes on property other than a residence homestead and only to that taxing unit's taxes. If a taxing unit adopts both discounts under Subsections (b) and (c), the discounts adopted under Subsection (b) apply unless the tax bills for the taxing unit are mailed after September 30, in which case only the discounts under Subsection (c) apply. A taxing unit that collects taxes for another taxing unit that adopts the discounts may prepare and mail separate tax bills on behalf of the adopting taxing unit and may charge an additional fee for preparing and mailing the separate tax bills and for collecting the taxes imposed by the adopting taxing unit. If under an intergovernmental contract a county assessor-collector collects taxes for a taxing unit that adopts the discounts, the county assessor-collector may terminate the contract if the county has adopted a discount policy that is different from the discount policy adopted by the adopting taxing unit.

SECTION 5.  Chapter 31, Tax Code, is amended by adding Section 31.055 to read as follows:

Sec. 31.055.  DISCOUNT FOR EARLY PAYMENT OF TAX ON RESIDENCE HOMESTEAD. (a) A person is entitled to the discounts provided by Subsections (b) and (c) on the amount of tax due on real property that is the person's residence homestead.

(b)  If a taxing unit mails its tax bills on or before September 30, the following discounts apply:

(1)  three percent if the tax is paid in October or earlier;

(2)  two percent if the tax is paid in November; and

(3)  one percent if the tax is paid in December.

(c)  If a taxing unit mails its tax bills after September 30, the following discounts apply:

(1)  three percent if the tax is paid before or during the next full calendar month following the date on which the tax bills were mailed;

(2)  two percent if the tax is paid during the second full calendar month following the date on which the tax bills were mailed; and

(3)  one percent if the tax is paid during the third full calendar month following the date on which the tax bills were mailed.

SECTION 6.  Section 31.07(c), Tax Code, is amended to read as follows:

(c)  A collector may adopt a policy of accepting partial payments of property taxes. A payment option provided by Section 31.03 [~~of this code~~] or a discount [~~adopted~~] under Section 31.05 or 31.055 [~~of this code~~] does not apply to any portion of a partial payment. If a collector accepts a partial payment on a tax bill that includes taxes for more than one taxing unit, the collector shall allocate the partial payment among all the taxing units included in the bill in proportion to the amount of tax included in the bill for each taxing unit, unless the collector under Subsection (b) has adopted a policy of accepting payments of a taxing unit's taxes separate from the taxes of other taxing units included in the same bill and the taxpayer directs that the partial payment be allocated in specific amounts to one or more specific taxing units. Acceptance of a partial payment does not affect the date that the tax becomes delinquent, but the penalties and interest provided by Section 33.01 [~~of this code~~] are incurred only by the portion of a tax that remains unpaid on the date the tax becomes delinquent.

SECTION 7.  Subchapter B, Chapter 343, Finance Code, is amended by adding Section 343.107 to read as follows:

Sec. 343.107.  PAYMENT OF PROPERTY TAXES. (a) In this section, "mortgage servicer" has the meaning assigned by Section 51.0001, Property Code.

(b)  A mortgage servicer who pays property tax on behalf of a borrower shall, on the written request of the borrower, pay the property tax on a property occupied by the borrower as the borrower's residence homestead early enough for the borrower to qualify for the three percent discount provided by Section 31.055(b) or (c), Tax Code, as applicable.

SECTION 8.  The changes in law made by this Act apply only to ad valorem taxes imposed for an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 9.  Section 343.107, Finance Code, as added by this Act, applies only to a mortgage that is issued on or after the effective date of this Act.

SECTION 10.  This Act takes effect January 1, 2022.