87R11636 RDS-D

By:  Muñoz, Jr. H.B. No. 3824

A BILL TO BE ENTITLED

AN ACT

relating to the calculation of the penalty imposed on a delinquent ad valorem tax.

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

SECTION 1.  Sections 33.01(a) and (b), Tax Code, are amended to read as follows:

(a)  A delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent plus one percent for each additional month or portion of a month the tax remains unpaid prior to April [~~July~~] 1 of the year in which it becomes delinquent. However, a tax delinquent on April [~~July~~] 1 incurs a total penalty of eight [~~twelve~~] percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax continues to incur the penalty provided by this subsection as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered.

(b)  If a person who exercises the split-payment option provided by Section 31.03 [~~of this code~~] fails to make the second payment before July 1, the second payment is delinquent and incurs a penalty of eight [~~twelve~~] percent of the amount of unpaid tax.

SECTION 2.  The change in law made by this Act applies only to the penalty for failure to pay a tax that becomes delinquent on or after the effective date of this Act. The penalty for failure to pay a tax that became delinquent before the effective date of this Act is governed by the law in effect when the tax became delinquent, and the former law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2021.