87R5131 RDS-D

By:  Birdwell S.B. No. 742

A BILL TO BE ENTITLED

AN ACT

relating to installment payments of ad valorem taxes on property in a disaster area.

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

SECTION 1.  The heading to Section 31.032, Tax Code, is amended to read as follows:

Sec. 31.032.  INSTALLMENT PAYMENTS OF TAXES ON PROPERTY IN DISASTER AREA THAT HAS BEEN DAMAGED AS A RESULT OF DISASTER.

SECTION 2.  Chapter 31, Tax Code, is amended by adding Section 31.033 to read as follows:

Sec. 31.033.  INSTALLMENT PAYMENTS OF TAXES ON PROPERTY IN DISASTER AREA THAT HAS NOT BEEN DAMAGED AS A RESULT OF DISASTER. (a) In this section, "disaster" and "disaster area" have the meanings assigned by Section 31.032(g).

(b)  This section applies only to:

(1)  real property that:

(A)  is  owned or leased by a business entity that had not more than the amount calculated as provided by Section 31.032(h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity;

(B)  is located in a disaster area; and

(C)  has not been damaged as a direct result of the disaster;

(2)  tangible personal property that is owned or leased by a business entity described by Subdivision (1)(A); and

(3)  taxes that are imposed on the property by a taxing unit before the first anniversary of the disaster.

(c)  The governing body of a taxing unit may authorize a person to pay the taxing unit's taxes imposed on property that the person owns in installments. If the governing body of a taxing unit adopts the installment-payment option under this subsection, Sections 31.032(b), (b-1), (c), and (d) apply to the payment by a person of the taxing unit's taxes imposed on property that the person owns in the same manner as those subsections apply to the payment of taxes imposed on property to which Section 31.032 applies.

(d)  The comptroller shall adopt rules to implement this section.

SECTION 3.  Section 33.08(b), Tax Code, is amended to read as follows:

(b)  The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.075(j), 26.15(e), 31.03, 31.031, 31.032, 31.033, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.