

By: Shine

H.B. No. 535

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 the residence homestead of an individual who is elderly or disabled
5 or a disabled veteran.

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

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

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

1 limitation, laches, or want of prosecution does not apply against
2 the taxing unit because of deferral or abatement of collection as
3 provided by this section.

4 SECTION 2. Section 33.06(d), Tax Code, as amended by this
5 Act, applies to interest that accrued during a deferral or
6 abatement period under that section before September 1, 2021, if
7 the tax remains unpaid as of that date, and applies to interest that
8 accrues during a deferral or abatement period under that section on
9 or after that date, regardless of whether the deferral or abatement
10 period began before September 1, 2021, or begins on or after that
11 date.

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