

By: Shine

H.B. No. 990

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the repeal of the penalty on a delinquent ad valorem tax
3 on a residence homestead.

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

5 SECTION 1. Section 31.031(b), Tax Code, is amended to read
6 as follows:

7 (b) If the individual fails to make a payment, including the
8 first payment, before the applicable date provided by Subsection
9 (a-1), the unpaid installment is delinquent and incurs ~~[a penalty~~
10 ~~of six percent and]~~ interest as provided by Section 33.01(c). ~~[The~~
11 ~~penalty provided by Section 33.01(a) does not apply to the unpaid~~
12 ~~installment.]~~

13 SECTION 2. Section 31.032(c), Tax Code, is amended to read
14 as follows:

15 (c) Except as otherwise provided by this subsection, if ~~[if]~~
16 the person fails to make a payment before the applicable date
17 provided by Subsection (b), the unpaid installment is delinquent
18 and incurs a penalty of six percent and interest as provided by
19 Section 33.01(c). A delinquent installment payment of taxes on
20 property that qualifies as the property owner's residence homestead
21 under Section 11.13 does not incur the penalty imposed under this
22 subsection.

23 SECTION 3. Section 31.035(e), Tax Code, is amended to read
24 as follows:

1 (e) Taxes for which the property owner is to receive credit
2 under the contract do not become delinquent on the delinquency date
3 otherwise provided by this chapter as long as the contract is in
4 effect and are considered paid when the service is performed. If
5 the property owner fails to perform the service, or if the taxing
6 unit determines that the service of the property owner is
7 unsatisfactory, the taxing unit shall terminate the contract and
8 notify the property owner of the termination. The unpaid taxes for
9 which the property owner was to receive credit under the contract
10 for service not yet performed become delinquent and incur [~~penalty~~
11 ~~and~~] interest provided by Section 33.01 on the later of:

12 (1) the delinquency date otherwise provided by this
13 chapter for the unpaid taxes; or

14 (2) the first day of the next calendar month that
15 begins at least 21 days after the date the taxing unit delivers
16 notice to the property owner that the contract has been terminated.

17 SECTION 4. Section 33.01, Tax Code, is amended by adding
18 Subsection (b-1) to read as follows:

19 (b-1) Notwithstanding any other provision of this section,
20 a delinquent tax on property that qualifies as the property owner's
21 residence homestead under Section 11.13 does not incur the penalty
22 imposed under Subsection (a) or (b) of this section.

23 SECTION 5. Section 33.02(b), Tax Code, is amended to read as
24 follows:

25 (b) Except as provided by Section 33.01(b-1) [~~Subsection~~
26 ~~(b-1)~~], interest and a penalty accrue as provided by Sections
27 33.01(a) and (c) on the unpaid balance during the period of the

1 agreement.

2 SECTION 6. Section 33.06(d), Tax Code, is amended to read as
3 follows:

4 (d) A tax lien remains on the property and interest
5 continues to accrue during the period collection of taxes is
6 deferred or abated under this section. The annual interest rate
7 during the deferral or abatement period is five percent instead of
8 the rate provided by Section 33.01. Interest and penalties that
9 accrued or that were incurred or imposed under Section 33.01 or
10 33.07 before the date the individual files the deferral affidavit
11 under Subsection (b) or the date the judgment abating the suit is
12 entered, as applicable, are preserved. [~~A penalty under Section
13 33.01 is not incurred during a deferral or abatement period.~~] The
14 additional penalty under Section 33.07 may be imposed and collected
15 only if the taxes for which collection is deferred or abated remain
16 delinquent on or after the 181st day after the date the deferral or
17 abatement period expires. A plea of limitation, laches, or want of
18 prosecution does not apply against the taxing unit because of
19 deferral or abatement of collection as provided by this section.

20 SECTION 7. Section 33.065(g), Tax Code, is amended to read
21 as follows:

22 (g) A tax lien remains on the property and interest
23 continues to accrue during the period collection of delinquent
24 taxes is deferred or abated under this section. The annual interest
25 rate during the deferral or abatement period is eight percent
26 instead of the rate provided by Section 33.01. Interest and
27 penalties that accrued or that were incurred or imposed under

1 Section 33.01 or 33.07 before the date the individual files the
2 deferral affidavit under Subsection (c) or the date the judgment
3 abating the suit is entered, as applicable, are preserved. [A
4 ~~penalty is not incurred on the delinquent taxes for which~~
5 ~~collection is deferred or abated during a deferral or abatement~~
6 ~~period.~~] The additional penalty under Section 33.07 may be imposed
7 and collected only if the delinquent taxes for which collection is
8 deferred or abated remain delinquent on or after the 91st day after
9 the date the deferral or abatement period expires. A plea of
10 limitation, laches, or want of prosecution does not apply against
11 the taxing unit because of deferral or abatement of collection as
12 provided by this section.

13 SECTION 8. Section 33.02(b-1), Tax Code, is repealed.

14 SECTION 9. The change in law made by this Act applies only
15 to the penalty for failure to pay a tax that becomes delinquent on
16 or after the effective date of this Act. The penalty for failure to
17 pay a tax that became delinquent before the effective date of this
18 Act is governed by the law in effect when the tax became delinquent,
19 and the former law is continued in effect for that purpose.

20 SECTION 10. This Act takes effect September 1, 2021.