

By: Shine

H.B. No. 991

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authority of the owner of a residence homestead to
3 receive a discount for making an early payment of the ad valorem
4 taxes on the homestead.

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

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

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

- 10 (1) identify the property subject to the tax;
- 11 (2) state the appraised value, assessed value, and
12 taxable value of the property;
- 13 (3) if the property is land appraised as provided by
14 Subchapter C, D, E, or H, Chapter 23, state the market value and the
15 taxable value for purposes of deferred or additional taxation as
16 provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;
- 17 (4) state the assessment ratio for the taxing unit;
- 18 (5) state the type and amount of any partial exemption
19 applicable to the property, indicating whether it applies to
20 appraised or assessed value;
- 21 (6) state the total tax rate for the taxing unit;
- 22 (7) state the amount of tax due, the due date, and the
23 delinquency date;
- 24 (8) explain the payment option and discounts provided

1 by Sections 31.03 and 31.05, if available to the taxing unit's
2 taxpayers, and state the date on which each of the discount periods
3 provided by Section 31.05 concludes, if the discounts are
4 available;

5 (8-a) if the property is the owner's residence
6 homestead, explain the discounts provided by Section 31.055 and
7 state the date on which each of the discount periods provided by
8 that section concludes;

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

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

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

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

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

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

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

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

1 before that tax year:

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

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

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

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

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

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

21 (d) If a taxing unit mails its tax bills after September 30
22 and ~~[adopts]~~ the discounts provided by Section 31.05(c) or
23 31.055(c) apply to the taxes due ~~[of this code]~~, the delinquency
24 date is postponed to the first day of the next month following the
25 fourth full calendar month following the date the tax bills were
26 mailed.

27 SECTION 3. The heading to Section 31.05, Tax Code, is

1 amended to read as follows:

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

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

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

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

27 Sec. 31.055. DISCOUNT FOR EARLY PAYMENT OF TAX ON RESIDENCE

1 HOMESTEAD. (a) A person is entitled to the discounts provided by
2 Subsections (b) and (c) on the amount of tax due on real property
3 that is the person's residence homestead.

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

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

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

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

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

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

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

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

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

23 (c) A collector may adopt a policy of accepting partial
24 payments of property taxes. A payment option provided by Section
25 31.03 [~~of this code~~] or a discount [~~adopted~~] under Section 31.05 or
26 31.055 [~~of this code~~] does not apply to any portion of a partial
27 payment. If a collector accepts a partial payment on a tax bill

1 that includes taxes for more than one taxing unit, the collector
2 shall allocate the partial payment among all the taxing units
3 included in the bill in proportion to the amount of tax included in
4 the bill for each taxing unit, unless the collector under
5 Subsection (b) has adopted a policy of accepting payments of a
6 taxing unit's taxes separate from the taxes of other taxing units
7 included in the same bill and the taxpayer directs that the partial
8 payment be allocated in specific amounts to one or more specific
9 taxing units. Acceptance of a partial payment does not affect the
10 date that the tax becomes delinquent, but the penalties and
11 interest provided by Section 33.01 [~~of this code~~] are incurred only
12 by the portion of a tax that remains unpaid on the date the tax
13 becomes delinquent.

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

16 Sec. 343.107. PAYMENT OF PROPERTY TAXES. (a) In this
17 section, "mortgage servicer" has the meaning assigned by Section
18 51.0001, Property Code.

19 (b) A mortgage servicer who pays property tax on behalf of a
20 borrower shall, on the written request of the borrower, pay the
21 property tax on a property occupied by the borrower as the
22 borrower's residence homestead early enough for the borrower to
23 qualify for the three percent discount provided by Section
24 31.055(b) or (c), Tax Code, as applicable.

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

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

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