A BILL TO BE ENTITLED

AN ACT
relating to the authority of an owner of residential rental property on which a tenant has defaulted on the obligation to pay rent during the COVID-19 pandemic to pay the ad valorem taxes imposed on the property in installments.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.033 to read as follows:

Sec. 31.033. INSTALLMENT PAYMENT OF TAXES ON RESIDENTIAL REAL PROPERTY RENTED TO TENANT AFFECTED BY COVID-19. (a) In this section, "COVID-19" means the 2019 novel coronavirus disease.

(b) This section applies only to taxes imposed by a taxing unit in a tax year on property that:

(1) is used for residential purposes;
(2) has fewer than five living units; and
(3) is leased or rented to a tenant who:

(A) as a result of the COVID-19 pandemic has defaulted on the tenant's obligation to pay rent on the property; and

(B) may not be evicted from the property under a local, state, or federal order limiting or prohibiting evictions for a specified period.

(c) A person may pay a taxing unit's taxes imposed on property described by Subsection (b) in 12 or 18 equal installments.
without penalty or interest if the first installment is paid before
the delinquency date and is accompanied by a notice to the taxing
unit that the person will pay the remaining taxes in 11 or 17 equal
monthly installments, as applicable. The notice must be
accompanied by an affidavit signed by the person stating that all or
part of the property on which the taxes are due is leased or rented
to a tenant who has defaulted on the tenant's obligation to pay rent
as a result of the COVID-19 pandemic and who may not be evicted from
the property under a local, state, or federal order.

(d) If the delinquency date is February 1, the second
installment must be paid before March 1, and each subsequent
installment must be paid before the first day of each subsequent
month.

(e) If the delinquency date is a date other than February 1,
the second installment must be paid before the first day of the
first month after the delinquency date, and each subsequent
installment must be paid before the first day of each subsequent
month.

(f) If the person fails to make a payment before the
applicable due date provided by this section, the unpaid
installment is delinquent and incurs a penalty of six percent and
interest as provided by Section 33.01(c). The penalty provided by
Section 33.01(a) does not apply to the unpaid installment.

(g) A person may pay more than the amount due for each
installment and the amount in excess of the amount due shall be
credited to the next installment. A person may not pay less than the
total amount due for each installment unless the collector provides
for the acceptance of partial payments under this section. If the
collector accepts a partial payment, penalties and interest are
incurred only by the amount of each installment that remains unpaid
on the applicable due date.

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

(i) This section expires January 1, 2024.

SECTION 2. This Act applies only to ad valorem taxes for
which the delinquency date is on or after the effective date of this
Act.

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