

By: West

S.B. No. 1027

A BILL TO BE ENTITLED

AN ACT

relating to the authority of an owner of certain residential real property 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 CERTAIN RESIDENTIAL REAL PROPERTY. (a) This section applies only to taxes imposed by a taxing unit in a tax year on property that:

(1) is used for residential purposes; and

(2) has fewer than three living units.

(b) A person may pay a taxing unit's taxes imposed on property described by Subsection (a) that the person owns in eight equal installments without penalty or interest if the person:

(1) provides written notice to the taxing unit not later than December 31 of the year for which the taxes are imposed that the person will pay the taxes in eight equal monthly installments; and

(2) pays the first installment before the date on which the taxes become delinquent.

(c) Notwithstanding Subsection (b), a person may not make installment payments of taxes under this section on more than five properties at any one time.

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

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

10 (f) If the person fails to make a payment before the
11 applicable due date provided by this section, the unpaid
12 installment is delinquent and incurs a penalty of six percent and
13 interest as provided by Section 33.01(c), except that the total
14 amount of penalty and interest incurred may not exceed 15 percent of
15 the amount of the installment without regard to the number of months
16 the installment is delinquent. The penalty provided by Section
17 33.01(a) does not apply to the unpaid installment.

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

26 SECTION 2. Section 33.08(b), Tax Code, is amended to read as
27 follows:

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

10 SECTION 3. This Act applies only to ad valorem taxes for
11 which the delinquency date is on or after the effective date of this
12 Act.

13 SECTION 4. This Act takes effect September 1, 2021.