88R3211 DRS-F

By:  Bettencourt, et al. S.B. No. 1486

A BILL TO BE ENTITLED

AN ACT

relating to the electronic payment of ad valorem taxes; authorizing a fee.

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

SECTION 1.  Section 31.06, Tax Code, is amended by amending Subsections (a) and (c) and adding Subsection (a-1) to read as follows:

(a)  In this section, "electronic payment" has the meaning assigned by Section 31.062.

(a-1)  Except as provided by Section 31.061, taxes are payable only as provided by this section. Except as provided by Subsection (e), a collector shall accept United States currency or a check or money order in payment of taxes and shall accept an electronic payment of taxes made in the manner provided by Section 31.062 [~~payment by credit card or electronic funds transfer~~].

(c)  If a tax is paid by an electronic payment [~~credit card~~], the collector may collect a fee for processing the payment. The collector shall set the fee in an amount that is reasonably related to the expense incurred by the collector or taxing unit in processing the payment [~~by credit card~~], not to exceed five percent of the amount of taxes and any penalties or interest being paid. The fee is in addition to the amount of taxes, penalties, or interest.

SECTION 2.  Chapter 31, Tax Code, is amended by adding Section 31.062 to read as follows:

Sec. 31.062.  ELECTRONIC TAX PAYMENTS. (a) In this section, "electronic payment" means a payment made by credit card, debit card, electronic check, electronic funds transfer, wire transfer, or automated clearinghouse withdrawal.

(b)  Notwithstanding any other provision of this title, a collector shall accept an electronic payment of taxes from a property owner or a person designated by a property owner under Section 1.111(f) if the property owner or person elects to make electronic payments under Subsection (c) of this section.

(c)  A collector shall establish a procedure that allows a property owner or a person designated by a property owner under Section 1.111(f) to make the election described by Subsection (b) of this section. The procedure must specify the manner by which the property owner or the person designated by the owner will make electronic payments of taxes and the method that will be used to confirm the receipt by the collector of an electronic payment.

(d)  An election under Subsection (c) of this section by a property owner or a person designated by a property owner under Section 1.111(f) remains in effect until rescinded in writing by the property owner or person designated by the owner.

(e)  A collector may require a property owner or a person designated by a property owner under Section 1.111(f) who elects to make electronic payments of taxes to provide:

(1)  an e-mail address;

(2)  a financial account number; and

(3)  any other information the collector determines is necessary to properly receive, process, and confirm the receipt of an electronic payment made by the property owner or the person designated by the owner.

(f)  A collector shall prominently display the information necessary to make an electronic payment of taxes to the collector on the collector's Internet website if the collector maintains an Internet website.

(g)  An electronic payment of taxes by a property owner or a person designated by a property owner under Section 1.111(f) to a collector is timely if the payment is:

(1)  addressed to the correct delivery portal or electronic delivery system; and

(2)  sent or uploaded on or before the date on which the payment is due.

(h)  A collector shall notify a property owner or a person designated by a property owner under Section 1.111(f) who elects to make electronic payments of taxes under this section and who has not rescinded the election of a change in the procedure for making an electronic payment to the collector, including a change relating to the collector's e-mail address or the collector's routing or account number to which a payment must be made, not later than the earlier of:

(1)  the 45th day after the date the change is made; or

(2)  the 60th day before the date the taxes are due.

(i)  If a collector fails to provide timely notice of a change in procedure under Subsection (h) of this section to a property owner or a person designated by a property owner under Section 1.111(f), an electronic payment of taxes made to the collector by the property owner or person designated by the owner is considered to be timely delivered until the notice is received.

(j)  An electronic signature that is included on or with an electronic payment of taxes made under this section is considered to be a digital signature for purposes of Section 2054.060, Government Code, and that section applies to the electronic signature.

(k)  A collector shall immediately confirm the receipt of an electronic payment of taxes made to the collector by a property owner or a person designated by a property owner under Section 1.111(f).

(l)  The comptroller shall adopt rules for the implementation of this section.

SECTION 3.  Section 33.011(h), Tax Code, is amended to read as follows:

(h)  The governing body of a taxing unit shall waive penalties and interest on a delinquent tax if:

(1)  the taxpayer has elected to make electronic payments of taxes under Section 31.062 [~~tax is payable by electronic funds transfer under an agreement entered into under Section 31.06(a)~~]; and

(2)  the taxpayer submits evidence sufficient to show that:

(A)  the taxpayer attempted to pay the tax by electronic payment [~~funds transfer~~] in the proper manner before the delinquency date;

(B)  the taxpayer's failure to pay the tax before the delinquency date was caused by an error in the transmission of the payment [~~funds~~]; and

(C)  the tax was properly paid by electronic payment [~~funds transfer~~] or otherwise not later than the 21st day after the date the taxpayer knew or should have known of the delinquency.

SECTION 4.  The changes in law made by this Act apply only to a tax year that begins on or after the effective date of this Act.

SECTION 5.  (a) The officer or employee responsible for collecting property taxes for a taxing unit located wholly or primarily in a county with a population of 120,000 or more shall comply with Section 31.062, Tax Code, as added by this Act, beginning with the 2024 tax year.

(b)  The officer or employee responsible for collecting property taxes for a taxing unit located wholly or primarily in a county with a population of less than 120,000 shall comply with Section 31.062, Tax Code, as added by this Act, beginning with the 2025 tax year.

SECTION 6.  This Act takes effect January 1, 2024.