

By: Schofield

H.B. No. 721

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the rate at which interest accrues in connection with
3 the deferral or abatement of the collection of ad valorem taxes on
4 certain residence homesteads.

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

6 SECTION 1. Section 33.06(d), Tax Code, is amended to read as
7 follows:

8 (d) A tax lien remains on the property and interest
9 continues to accrue during the period collection of taxes is
10 deferred or abated under this section. The annual interest rate in
11 effect for each calendar year or portion of a calendar year during
12 the deferral or abatement period is the lower of the five-year
13 Constant Maturity Treasury Rate reported by the Federal Reserve
14 Board as of January 1 of that year or five percent instead of the
15 rate provided by Section 33.01. Interest and penalties that
16 accrued or that were incurred or imposed under Section 33.01 or
17 33.07 before the date the individual files the deferral affidavit
18 under Subsection (b) or the date the judgment abating the suit is
19 entered, as applicable, are preserved. A penalty under Section
20 33.01 is not incurred during a deferral or abatement period. The
21 additional penalty under Section 33.07 may be imposed and collected
22 only if the taxes for which collection is deferred or abated remain
23 delinquent on or after the 181st day after the date the deferral or
24 abatement period expires. A plea of limitation, laches, or want of

1 prosecution does not apply against the taxing unit because of
2 deferral or abatement of collection as provided by this section.

3 SECTION 2. Section 33.06(d), Tax Code, as amended by this
4 Act, applies to interest that accrued during a deferral or
5 abatement period under that section before September 1, 2023, if
6 the tax remains unpaid as of that date, and applies to interest that
7 accrues during a deferral or abatement period under that section on
8 or after that date, regardless of whether the deferral or abatement
9 period began before September 1, 2023, or begins on or after that
10 date.

11 SECTION 3. This Act takes effect September 1, 2023.