

By: Shine

H.B. No. 1608

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the electronic payment of ad valorem taxes; authorizing
3 a fee.

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

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

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

10 (a-1) Except as provided by Section 31.061, taxes are
11 payable only as provided by this section. Except as provided by
12 Subsection (e), a collector shall accept United States currency or
13 a check or money order in payment of taxes and shall accept an
14 electronic payment of taxes made in the manner provided by Section
15 31.062 [payment by credit card or electronic funds transfer].

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

24 SECTION 2. Chapter 31, Tax Code, is amended by adding

1 Section 31.062 to read as follows:

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

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

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

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

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

- 25 (1) an e-mail address;
26 (2) a financial account number; and
27 (3) any other information the collector determines is

1 necessary to properly receive, process, and confirm the receipt of
2 an electronic payment made by the property owner or the person
3 designated by the owner.

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

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

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

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

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

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

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

25 (i) If a collector fails to provide timely notice of a
26 change in procedure under Subsection (h) of this section to a
27 property owner or a person designated by a property owner under

1 Section 1.111(f), an electronic payment of taxes made to the
2 collector by the property owner or person designated by the owner is
3 considered to be timely delivered until the notice is received.

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

9 (k) A collector shall immediately confirm the receipt of an
10 electronic payment of taxes made to the collector by a property
11 owner or a person designated by a property owner under Section
12 1.111(f).

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

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

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

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

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

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

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

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

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

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

15 (b) The officer or employee responsible for collecting
16 property taxes for a taxing unit located wholly or primarily in a
17 county with a population of less than 120,000 shall comply with
18 Section 31.062, Tax Code, as added by this Act, beginning with the
19 2025 tax year.

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