

By: Shine

H.B. No. 4890

A BILL TO BE ENTITLED

AN ACT

relating to installment payments of ad valorem taxes.

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

SECTION 1. The heading to Section 31.031, Tax Code, is amended to read as follows:

Sec. 31.031. INSTALLMENT PAYMENTS OF [~~CERTAIN HOMESTEAD~~]
TAXES ON HOMESTEADS.

SECTION 2. Section 31.031(a), Tax Code, is amended to read as follows:

(a) This section applies only to:

(1) an individual who is [~~+~~

~~[(A) disabled or at least 65 years of age; and~~

~~[(B)]~~ qualified for an exemption under Section

11.13 [~~11.13(c)~~]; or

(2) an individual who is:

(A) a disabled veteran or the unmarried surviving spouse of a disabled veteran; and

(B) qualified for an exemption under Section [~~11.132 or~~] 11.22.

SECTION 3. Chapter 31, Tax Code, is amended by adding Section 31.0315 to read as follows:

Sec. 31.0315. INSTALLMENT PAYMENTS OF TAXES ON CERTAIN BUSINESS PROPERTY. (a) This section applies only to:

(1) real property that is owned or leased by a business

entity that had not more than the amount calculated as provided by Subsection (f) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity; and

(2) tangible personal property that is owned or leased by a business entity described by Subdivision (1).

(b) A person may pay a taxing unit's taxes imposed on property that the person owns in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments. If the delinquency date is February 1, the second installment must be paid before April 1, the third installment must be paid before June 1, and the fourth installment must be paid before August 1. If the delinquency date is a date other than February 1, the second installment must be paid before the first day of the second month after the delinquency date, the third installment must be paid before the first day of the fourth month after the delinquency date, and the fourth installment must be paid before the first day of the sixth month after the delinquency date.

(c) Notwithstanding the deadline prescribed by Subsection (b) for payment of the first installment, a person to whom this section applies may pay the taxes in four equal installments as provided by Subsection (b) if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.

1 (d) If the person fails to make a payment before the
2 applicable date provided by Subsection (b), the unpaid installment
3 is delinquent and incurs a penalty of six percent and interest as
4 provided by Section 33.01(c).

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

13 (f) For the 2023 tax year, the limit on gross receipts under
14 Subsection (a)(1) is \$7 million. For each subsequent tax year, the
15 comptroller shall adjust the limit to reflect inflation by using
16 the index that the comptroller considers to most accurately report
17 changes in the purchasing power of the dollar for consumers in this
18 state and shall publicize the adjusted limit. Each collector shall
19 use the adjusted limit as calculated by the comptroller under this
20 subsection to determine whether property is owned or leased by a
21 business entity described by Subsection (a)(1).

22 SECTION 4. Section 31.032(a), Tax Code, is amended to read
23 as follows:

24 (a) This section applies only to:

25 (1) real property that:

26 (A) ~~is:~~

27 ~~[(i) the residence homestead of the owner~~

~~or~~] consists of property that is used for residential purposes and that has fewer than five living units; ~~[or~~

~~[(ii) owned or leased by a business entity that had not more than the amount calculated as provided by Subsection (h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity;]~~

(B) is located in a disaster area or emergency area; and

(C) has been damaged as a direct result of the disaster or emergency; and

(2) ~~[tangible personal property that is owned or leased by a business entity described by Subdivision (1)(A)(ii); and~~

~~[(3)]~~ taxes that are imposed on the property by a taxing unit before the first anniversary of the disaster or emergency.

SECTION 5. Section 33.08(b), Tax Code, is amended to read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.075(j), 26.15(e), 31.03, 31.031, 31.0315, 31.032, ~~[31.033]~~, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with

1 the collection of the delinquent taxes.

2 SECTION 6. The following provisions of the Tax Code are
3 repealed:

4 (1) Section [31.032\(h\)](#); and

5 (2) Section [31.033](#).

6 SECTION 7. This Act applies only to ad valorem taxes for
7 which the delinquency date is on or after the effective date of this
8 Act.

9 SECTION 8. This Act takes effect January 1, 2024.