

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

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.