

By: Schofield

H.B. No. 38

A BILL TO BE ENTITLED

AN ACT

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

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

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

(d) A tax lien remains on the property and interest continues to accrue during the period collection of taxes is deferred or abated under this section. The annual interest rate in effect for each calendar year or portion of a calendar year during the deferral or abatement period is the lower of the five-year Constant Maturity Treasury Rate reported by the Federal Reserve Board as of January 1 of that year or five percent instead of the rate provided by Section 33.01. Interest and penalties that accrued or that were incurred or imposed under Section 33.01 or 33.07 before the date the individual files the deferral affidavit under Subsection (b) or the date the judgment abating the suit is entered, as applicable, are preserved. A penalty under Section 33.01 is not incurred during a deferral or abatement period. The additional penalty under Section 33.07 may be imposed and collected only if the taxes for which collection is deferred or abated remain delinquent on or after the 181st day after the date the deferral or 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 December 1, 2025, if the
6 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 December 1, 2025, or begins on or after that
10 date.

11 SECTION 3. This Act takes effect December 1, 2025.