

BILL ANALYSIS

Senate Research Center
89R4144 PRL-F

H.B. 2742
By: Vasut (Paxton)
Local Government
5/9/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under state law, the governing body of a taxing unit that collects its own taxes may allow a person who pays one-half of the unit's taxes before December 1 to pay the remaining one-half of the taxes before July 1 without incurring penalty and interest. The bill author has informed the committee that sometimes there are delays that affect when property tax bills are mailed, which may result in a small, or even nonexistent, time frame between a property owner receiving the tax bill and the December 1 deadline to pay the first half of that bill. H.B. 2742 seeks to provide applicable property owners additional time to pay tax bills that were mailed after November 30.

H.B. 2742 amends current law relating to the split-payment of ad valorem taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.03, Tax Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Authorizes the governing body of a taxing unit that collects its own taxes to provide, in the manner required by law for official action by the body, that a person who pays one-half of the taxing unit's taxes before December 1 or, if applicable, the date provided by Subsection (a-1) is authorized to pay the remaining one-half of the taxes without penalty or interest before July 1 of the following year.

(a-1) Provides that, if taxing unit that has adopted the split-payment option provided by Subsection (a) mails its tax bills after November 30, the first one-half of the taxing unit's taxes must be paid before the first day of the next month following the first full calendar month following the date the tax bills are mailed.

SECTION 2. Amends Section 31.04(c), Tax Code, as follows:

(c) Provides that a discount adopted under Section 31.05(b) (relating to requiring the governing body of the taxing unit to determine certain information), rather than a payment option provided by Section 31.03 (Split Payment of Taxes) of this code or a discount adopted under Section 31.05(b) of this code, does not apply to taxes that are calculated too late for it to be available.

SECTION 3. Amends Section 42.08(c), Tax Code, as follows:

(c) Authorizes the property owner, if the taxes are subject to the split-payment option provided by Section 31.03, to comply with Subsection (b) (relating to requiring a property owner who appeals to pay taxes on the property subject to the appeal) of Section 42.08 (Forfeiture of Remedy For Nonpayment of Taxes) by paying one-half of the amount otherwise required to be paid under that subsection before December 1 or, if

applicable, the date provided by Section 31.03(a-1) and paying the remaining one-half of that amount before July 1 of the following year.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: January 1, 2026.