

By: Hinojosa of Hidalgo

S.B. No. 1531

A BILL TO BE ENTITLED

1 AN ACT

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
14 electronic payment of taxes made in each form described by Section
15 31.062 in the manner provided by that section [payment by credit
16 card or electronic funds transfer].

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

1 SECTION 2. Chapter 31, Tax Code, is amended by adding
2 Section 31.062 to read as follows:

3 Sec. 31.062. ELECTRONIC TAX PAYMENTS. (a) In this section,
4 "electronic payment" means a payment made by credit card, debit
5 card, or electronic check.

6 (b) Each collector shall:

7 (1) establish a procedure that allows a property owner
8 or a person designated by a property owner under Section 1.111(f) to
9 make any form of electronic payment of taxes and receive
10 confirmation of the submission of an electronic payment; and

11 (2) prominently display on the Internet website
12 maintained by the collector, if the collector maintains an Internet
13 website, the information necessary to make an electronic payment of
14 taxes to the collector.

15 (c) If necessary to complete the applicable form of
16 electronic payment, a collector may require a property owner or a
17 person designated by a property owner under Section 1.111(f) to
18 provide:

19 (1) an e-mail address;

20 (2) a financial account number;

21 (3) sufficient electronic remittance information for
22 the collector to apply an electronic payment to the property
23 owner's account; and

24 (4) any other information the collector determines is
25 necessary to properly receive, process, and confirm the receipt of
26 an electronic payment made by the property owner or the person
27 designated by the owner.

1 (d) An electronic payment of taxes by a property owner or a
2 person designated by a property owner under Section 1.111(f) to a
3 collector is timely if the payment is made in the proper manner on
4 or before the date on which the payment is due.

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

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

12 (h) The governing body of a taxing unit shall waive
13 penalties and interest on a delinquent tax if [+]

14 ~~[(1) the tax is payable by electronic funds transfer~~
15 ~~under an agreement entered into under Section 31.06(a); and~~

16 [(2)] the taxpayer submits evidence sufficient to show
17 that:

18 (1) [A] the taxpayer attempted to pay the tax by
19 electronic payment under Section 31.062 ~~[funds transfer]~~ in the
20 proper manner before the delinquency date;

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

24 (3) [C] the tax was properly paid by electronic
25 payment ~~[funds transfer]~~ or otherwise not later than the 21st day
26 after the date the taxpayer knew or should have known of the
27 delinquency.

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

3 SECTION 5. (a) The officer or employee responsible for
4 collecting property taxes for a taxing unit located wholly or
5 primarily in a county with a population of 120,000 or more shall
6 comply with Section 31.062, Tax Code, as added by this Act,
7 beginning with the 2026 tax year.

8 (b) The officer or employee responsible for collecting
9 property taxes for a taxing unit located wholly or primarily in a
10 county with a population of less than 120,000 shall comply with
11 Section 31.062, Tax Code, as added by this Act, beginning with the
12 2027 tax year.

13 SECTION 6. This Act takes effect January 1, 2026.