

- SUBJECT:** Required payment plans for delinquent taxes on residence homestead
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 8 ayes — Hilderbran, Otto, Bohac, Button, Eiland, N. Gonzalez, Ritter, Strama
- 0 nays
- 1 absent — Martinez Fischer
- WITNESSES:** For — Cheryl Johnson, Galveston County Tax Office; Emily Rickers, Alliance for Texas Families; (*Registered, but did not testify:* Charles Brown, Texas Property Tax Lienholders Association; Daniel Gonzalez, Texas Association of REALTORS; Steve Scurlock, Independent Bankers Association of Texas; Sheryl Swift, Galveston Tax Office; Chelsey Thomas, Texas Association of Realtors; James Collins; Doug Ruby; Elfant)
- Against — None
- BACKGROUND:** Under current law, a tax assessor-collector may enter a payment agreement with a person delinquent in paying their property taxes, penalties, and interest. A tax assessor-collector is required to enter into a payment plan for delinquent taxes on a residential homestead of someone who was disabled or at least 65 years old or who was the unmarried surviving spouse of a disabled veteran.
- In general, a county tax assessor-collector may initiate proceedings to foreclose a tax lien to collect delinquent taxes owed for a residential homestead.
- DIGEST:** HB 1597 would require a county tax assessor-collector to enter into a payment agreement with a person who owed delinquent taxes on a residential homestead. The agreement would provide for payment of the tax, penalties, and interest in installments if the person had not entered into an installment agreement with the collector in the preceding 24 months. An installment agreement would have to be in writing and:

- would have to provide for payments to be made in equal monthly installments;
- would have to extend for a period of at least 12 months; and
- could not extend for a period of more than 36 months.

No penalty would accrue on the unpaid balance during the payment agreement unless an owner failed to make a payment.

A debtor would not be in default under a deed of trust or other contract lien on the debtor's residence for the delinquent payment of property taxes if:

- the debtor gave notice to the mortgage servicer of the intent to enter into an installment agreement with the taxing unit at least 10 days before entering the agreement; and
- the property was protected from seizure and sale and a suit could not be filed to collect a delinquent tax on the property for breach of a payment contract.

A mortgage servicer who received a notice of intent to enter into an installment agreement could pay the taxes subject to the installment agreement at any time.