

BILL ANALYSIS

Senate Research Center
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S.B. 1047
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Installment payments are allowed on the homestead of those over 65, disabled persons, disabled veterans, or the unmarried surviving spouse of a disabled veteran and those affected by a disaster. Any person under these categories can pay their property taxes in four equal installments as long as the first payment is made before the delinquency date.

In the 83rd legislative session, the Tax Code was revised to allow those qualified to make these installments and who failed to make the first quarter timely to pay a penalty of six percent and interest on the unpaid installment to reinstate the payment option before March 1st. This change was not extended to those affected by a disaster. S.B. 1047 addresses this issue by extending this option to those affected by a disaster.

S.B. 1047 amends Chapter 31, Tax Code, to expand the right to quarter payments for those affected by a disaster if the penalty and interest on the first quarter is paid by March 1st. This would establish standardization in tax offices for all installment payment types as well as allow customers affected by a disaster a second chance at qualifying for installment payments even if the first payment was not made by the deadline.

As proposed, S.B. 1047 amends current law relating to installment payments 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. Reenacts Section 31.031(a), Tax Code, as amended by Chapters 122 (H.B. 97), 643 (H.B. 709), and 935 (H.B. 1597), Acts of the 83rd Legislature, Regular Session, 2013, as follows:

(a) Provides that this section applies only to an individual who is disabled or at least 65 years of age; and qualified for an exemption under Section 11.13(c) (relating to an exemption from taxation by a school district for certain persons); or a disabled veteran or the unmarried surviving spouse of a disabled veteran, and qualified for an exemption under Section 11.132 or 11.22.

SECTION 2. Amends Section 31.032, Tax Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Authorizes a person to pay a taxing unit's taxes imposed on property that the person owns in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments. Deletes existing text requiring a person to pay at least one-fourth of a taxing unit's taxes imposed on property that the person owns before the delinquency date. Makes conforming changes.

(b-1) Authorizes a person to whom this section applies, notwithstanding the deadline prescribed by Subsection (b) for payment of the first installment, to pay the taxes in four equal installments as provided by Subsection (b) if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: January 1, 2018.