

BILL ANALYSIS

Senate Research Center
87R3162 DRS-F

H.B. 3629
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Local Government
5/19/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Should an individual over 65, disabled or disabled veteran delay or defer payment of their property taxes on their homestead as permitted under Section 33.06, Tax Code, the unpaid taxes accrue interest at a rate of six percent for each year the taxes remain unpaid and a penalty does not accrue. Under current law, a taxing unit may not file suit and the property may not be sold until the 181st day after the date the individual no longer owns and occupies the property as their homestead.

Families are often unaware that their elderly or disabled family members have opted to defer payment of taxes. Often, they do not discover the delinquency until a suit has been filed to collect the taxes as the process of notification takes several months. If a will is probated, notification may be much longer.

H.B. 3629 would delay the sale or suit until the 181st day after the collector delivers notice of the delinquency of the taxes rather than 181 days from the date of death, thereby providing additional time for family members to either pay the taxes or sell the property. The difference in tax obligation can be substantial, particularly when after a January 1 date, all tax ceilings and exemptions are removed from the property.

H.B. 3629 amends current law relating to the date a deferral or abatement of the collection of ad valorem taxes on the residence homestead of an elderly or disabled person or disabled veteran expires.

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 33.06, Tax Code, by amending Subsections (b), (c), (c-1), and (f), as follows:

(b) Provides that after an affidavit is filed under this subsection, a taxing unit is prohibited from filing suit to collect delinquent taxes on the property and the property is prohibited from being sold at a sale to foreclose the tax lien until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead, rather than the 181st day after the date the individual no longer owns and occupies the property as a residence homestead.

(c) Requires the court, if no controverting affidavit is filed by the taxing unit filing suit or if, after a hearing, the court finds the individual is entitled to the deferral, to abate the suit until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead, rather than the 181st day after the date the individual no longer owns and occupies the property as a residence homestead.

(c-1) Prohibits the property, after an affidavit is delivered under this subsection, from being sold at a tax sale until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead, rather than the 181st day after the date the individual no longer owns and occupies the property as a residence homestead. Makes a nonsubstantive change.

(f) Provides that if an individual who qualifies for a deferral or abatement of collection of taxes on property as provided by this section dies, notwithstanding the other provisions of this section, the deferral or abatement continues in effect until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the surviving spouse of the individual no longer owns and occupies the property as a residence homestead under certain circumstances, rather than the 181st day after the date the surviving spouse of the individual no longer owns and occupies the property as a residence homestead under certain circumstances.

SECTION 2. Effective date: September 1, 2021.