SECTION 4. (a) The legal notice of the intention to introduce this Act, setting forth the
general substance of this Act, has been published as provided by law, and the notice and a
copy of this Act have been furnished to all persons, agencies, officials, or entities to which
they are required to be furnished under Section 59, Article XVI, Texas Constitution, and
Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the
Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations
relating to this Act with the governor, the lieutenant governor, and the speaker of the house
of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures
of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled
and accomplished.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the
members elected to each house, as provided by Section 39, Article III, Texas Constitution. If
this Act does not receive the vote necessary for immediate effect, this Act takes effect
September 1, 2013.

Passed by the House on May 2, 2013: Yeas 146, Nays 1, 2 present, not voting; passed
by the Senate on May 20, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective June 14, 2013.

CHAPTER 935

H.B. No. 1597

AN ACT

relating to installment payments of ad valorem taxes.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 31.031, Tax Code, is amended to read as follows:

Sec. 31.031. INSTALLMENT PAYMENTS OF CERTAIN HOMESTEAD TAXES. (a)
This section applies only to:

(1) an individual who is:
   (A) disabled or at least 65 years of age; and
   (B) qualified for an exemption under Section 11.13(c); or

(2) an individual who is
   [(A) the unmarried surviving spouse of a disabled veteran; and
   (B)] qualified for an exemption under Section 11.22.

(a-1) An individual to whom this section applies may pay [pay at least one fourth of] a taxing unit’s taxes imposed on property that the person
owns and occupies as a residence homestead 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. The second installment must be paid before April 1, the third installment before June 1, and the fourth installment before August 1.

(a-2) Notwithstanding the deadline prescribed by Subsection (a-1) for payment of the first installment, an individual to whom this section applies may pay the taxes in four equal installments as provided by Subsection (a-1) if the first installment is paid and the required notice is provided before March 1.

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(b) If the individual fails to make a payment, including the first payment, before the applicable date provided by Subsection (a-1) [§a], the unpaid amount is delinquent and incurs a penalty of six percent and interest as provided by Section 33.01(c). The penalty provided by Section 33.01(a) does not apply to the unpaid amount.

(c) An individual may pay more than the amount due for each installment and the amount in excess of the amount due shall be credited to the next installment. An individual may not pay less than the total amount due for each installment unless the collector provides for the acceptance of partial payments under this section. If the collector accepts a partial payment, penalties and interest are incurred only by the amount of each installment that remains unpaid on the applicable date provided by Subsection (a-1) [§a].

(d) If the delinquency date for taxes to which this section applies is postponed to May 1 or a later date, the collector shall extend each installment deadline provided by Subsection (a-1) [§a] by the number of months that the delinquency date was postponed.

SECTION 2. Section 33.02, Tax Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

(a) The collector for a taxing unit may enter into an agreement with a person delinquent in the payment of the tax for payment of the tax, penalties, and interest in installments. The collector for a taxing unit shall, on request by a person delinquent in the payment of the tax on a residence homestead, enter into an agreement with the person for payment of the tax, penalties, and interest in installments if the person has not entered into an installment agreement with the collector for the taxing unit under this section in the preceding 24 months. An installment agreement under this section:

(1) must be in writing;
(2) must provide for payments to be made in equal monthly installments;
(3) must extend for a period of at least 12 months; and
(4) may not extend for a period of more than 36 months.

(b) Except as provided by Subsection (b-1) [§b-1], interest and a penalty accrue as provided by Sections 33.01(a) and (c) [Subsections (a) and (c) of Section 33.01] on the unpaid balance during the period of the agreement.

(b-1) Except as otherwise provided by this subsection, a penalty does not accrue as provided by Section 33.01(a) on the unpaid balance during the period of the agreement if the property that is the subject of the agreement is a residence homestead. If the property owner fails to make a payment as required by the agreement, a penalty accrues as provided by Section 33.01(a) on the unpaid balance as if the owner had not entered into the agreement.

SECTION 3. Section 33.04, Tax Code, is amended to read as follows:

Sec. 33.04. NOTICE OF DELINQUENCY. (a) At least once each year the collector for a taxing unit shall deliver a notice of delinquency to each person whose name appears on the current delinquent tax roll. However, the notice need not be delivered if:

(1) a bill for the tax was not mailed under Section 31.01(f); or
(2) the collector does not know and by exercising reasonable diligence cannot determine the delinquent taxpayer’s name and address.

(b) A notice of delinquency must contain the following statement in capital letters: “IF THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOME-STEAD, YOU SHOULD CONTACT THE [NAME OF TAXING UNIT] REGARDING A RIGHT YOU MAY HAVE TO ENTER INTO AN INSTALLMENT AGREEMENT DIRECTLY WITH THE [NAME OF TAXING UNIT] FOR THE PAYMENT OF THESE TAXES.”

(c) The collector for a taxing unit must deliver a notice of delinquency to a person who is in breach of an installment agreement under Section 33.02 and to any other owner of an interest in the property subject to the agreement whose name appears on the delinquent tax roll before the collector may seize and sell the property or file a suit to collect a delinquent tax subject to the agreement.

SECTION 4. Chapter 51, Property Code, is amended by adding Section 51.0011 to read as follows:
Sec. 51.0011. DEFAULT ARISING FROM DELINQUENT AD VALOREM TAXES: INSTALLMENT AGREEMENTS. (a) Notwithstanding any agreement to the contrary, a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor’s residence for the delinquent payment of ad valorem taxes if:

(1) the debtor gave notice to the mortgage servicer of the intent to enter into an installment agreement with the taxing unit under Section 33.02, Tax Code, for the payment of the taxes at least 10 days before the date the debtor entered into the agreement; and

(2) the property is protected from seizure and sale and a suit may not be filed to collect a delinquent tax on the property as provided by Section 33.02(d), Tax Code.

(b) A mortgage servicer who receives a notice described by Subsection (a)(1) may pay the taxes subject to the installment agreement at any time.

(c) A mortgage servicer who receives a notice described by Subsection (a)(1) and gives the debtor notice that the mortgage servicer intends to accelerate the note securing the deed of trust or other contract lien as a result of the delinquency of the taxes that are subject to the installment agreement must rescind the notice if the debtor enters into the agreement not later than the 30th day after the date the debtor delivers the notice.

SECTION 5. (a) The change in law made by this Act to Section 31.031, Tax Code, applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

(b) The change in law made by this Act to Section 33.02, Tax Code, applies only to an installment agreement for the payment of delinquent ad valorem taxes entered into on or after the effective date of this Act. An installment agreement for the payment of delinquent ad valorem taxes entered into before the effective date of this Act is governed by the law in effect on the date the agreement was entered into, and the former law is continued in effect for that purpose.

(c) The change in law made by this Act to Section 33.04, Tax Code, applies only to a notice of delinquency delivered on or after the effective date of this Act. A notice of delinquency delivered before the effective date of this Act is governed by the law in effect on the date the notice was delivered, and the former law is continued in effect for that purpose.

SECTION 6. This Act takes effect September 1, 2013.

Passed by the House on May 7, 2013: Yeas 143, Nays 1, 2 present, not voting; passed by the Senate on May 22, 2013: Yeas 31, Nays 0.

Approved June 14, 2013.

Effective September 1, 2013.

CHAPTER 936

H.B. No. 1607

AN ACT

relating to the authority of the commissioners court of a county to alter speed limits on county roads.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 545.355(c), Transportation Code, is amended to read as follows:

(c) The commissioners court may not modify the rule established by Section 545.351(a) or establish a speed limit of more than 70 [60] miles per hour.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Passed by the House on April 25, 2013: Yeas 136, Nays 0, 2 present, not voting; passed by the Senate on May 20, 2013: Yeas 31, Nays 0.

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