

BILL ANALYSIS

Senate Research Center
87R5589 TJB-F

S.B. 1764
By: Bettencourt
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The proposed amendment to Section 31.06 of the Tax Code will solve the problem of a delinquent property owner tendering a "hot" check or disputing a charge to a credit card for the purpose of obtaining a cancellation of a pending tax sale on their account.

S.B. 1764 is necessary due to the exhaustive steps a taxing entity must take to get to a delinquent property tax dispute to a tax sale after the defendant property owner has not paid their property taxes by June 30.

A delinquent property owner is sent several notices of delinquency. If the delinquent property does not pay or enter into an installment payment agreement, a lawsuit is filed.

Citation is served on the defendant property owner. Once service is perfected, the case is set for trial. A notice of trial is sent to the defendant property owner or the defendant property owner's attorney.

If the court signs a judgment in favor of the taxing unit for the delinquent taxes, a post judgment letter is sent advising that if payment is not made, the property of the delinquent property owner will be "posted" for a tax sale. (After all these attempts to obtain payment of the delinquent taxes, final remedy is to proceed with a tax sale. If the delinquent property owner has not paid at this point, a tax sale is the only remedy available.)

S.B. 1764 would require the account holder to pay with certified funds to satisfy their tax liability and stop the process of "gaming" the system in a tax sale.

As proposed, S.B. 1764 amends current law relating to the payment of delinquent ad valorem taxes on property subject to a tax sale.

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 31.06, Tax Code, by amending Subsection (a) and adding Subsection (e), as follows:

(a) Requires a tax collector, except as provided by Subsection (e), to accept United States currency or a check or money order in payment of taxes and to accept payment by credit card or electronic funds transfer.

(e) Authorizes a collector to adopt a written policy that requires payment of delinquent taxes, penalties, interest, and costs and expenses recoverable under Section 33.48 (Recovery of Costs and Expenses) only with United States currency, a cashier's check, a certified check, or an electronic funds transfer if the payment relates to personal property seized under Subchapter B (Seizure of Personal Property), Chapter 33 (Delinquency); property subject to an order of sale under Subchapter C (Delinquent Tax

Suits), Chapter 33; or real property seized under Subchapter E (Seizure of Real Property), Chapter 33.

SECTION 2. Effective date: upon passage or September 1, 2021.