

By: Deshotel

H.B. No. 3490

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of an owner of residential rental
3 property on which a tenant has defaulted on the obligation to pay
4 rent during the COVID-19 pandemic to pay the ad valorem taxes
5 imposed on the property in installments.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Chapter 31, Tax Code, is amended by adding
8 Section 31.033 to read as follows:

9 Sec. 31.033. INSTALLMENT PAYMENT OF TAXES ON RESIDENTIAL
10 REAL PROPERTY RENTED TO TENANT AFFECTED BY COVID-19. (a) In this
11 section, "COVID-19" means the 2019 novel coronavirus disease.

12 (b) This section applies only to taxes imposed by a taxing
13 unit in a tax year on property that:

14 (1) is used for residential purposes;

15 (2) has fewer than five living units; and

16 (3) is leased or rented to a tenant who:

17 (A) as a result of the COVID-19 pandemic has
18 defaulted on the tenant's obligation to pay rent on the property;
19 and

20 (B) may not be evicted from the property under a
21 local, state, or federal order limiting or prohibiting evictions
22 for a specified period.

23 (c) A person may pay a taxing unit's taxes imposed on
24 property described by Subsection (b) in 12 or 18 equal installments

1 without penalty or interest if the first installment is paid before
2 the delinquency date and is accompanied by a notice to the taxing
3 unit that the person will pay the remaining taxes in 11 or 17 equal
4 monthly installments, as applicable. The notice must be
5 accompanied by an affidavit signed by the person stating that all or
6 part of the property on which the taxes are due is leased or rented
7 to a tenant who has defaulted on the tenant's obligation to pay rent
8 as a result of the COVID-19 pandemic and who may not be evicted from
9 the property under a local, state, or federal order.

10 (d) If the delinquency date is February 1, the second
11 installment must be paid before March 1, and each subsequent
12 installment must be paid before the first day of each subsequent
13 month.

14 (e) If the delinquency date is a date other than February 1,
15 the second installment must be paid before the first day of the
16 first month after the delinquency date, and each subsequent
17 installment must be paid before the first day of each subsequent
18 month.

19 (f) If the person fails to make a payment before the
20 applicable due date provided by this section, the unpaid
21 installment is delinquent and incurs a penalty of six percent and
22 interest as provided by Section 33.01(c). The penalty provided by
23 Section 33.01(a) does not apply to the unpaid installment.

24 (g) A person may pay more than the amount due for each
25 installment and the amount in excess of the amount due shall be
26 credited to the next installment. A person may not pay less than the
27 total amount due for each installment unless the collector provides

1 for the acceptance of partial payments under this section. If the
2 collector accepts a partial payment, penalties and interest are
3 incurred only by the amount of each installment that remains unpaid
4 on the applicable due date.

5 (h) The comptroller shall adopt rules to implement this
6 section.

7 (i) This section expires January 1, 2024.

8 SECTION 2. This Act applies only to ad valorem taxes for
9 which the delinquency date is on or after the effective date of this
10 Act.

11 SECTION 3. This Act takes effect September 1, 2021.