

# **Property Tax Consultant Related Topics**

## **Title 1. Property Tax Code**

### **Subtitle E. Collections and Delinquency**

#### **PTC Related Topics**

#### **CHAPTER 31. COLLECTIONS**

##### **Sec. 31.01. TAX BILLS.**

(a) Except as provided by Subsections (f), (i-1), and (k), the assessor for each taxing unit shall prepare and mail a tax bill to each person in whose name the property is listed on the tax roll and to the person's authorized agent. The assessor shall mail tax bills by October 1 or as soon thereafter as practicable. The assessor shall mail to the state agency or institution the tax bill for any taxable property owned by the agency or institution. The agency or institution shall pay the taxes from funds appropriated for payment of the taxes or, if there are none, from funds appropriated for the administration of the agency or institution. The exterior of the tax bill must show the return address of the taxing unit. If the assessor wants the United States Postal Service to return the tax bill if it is not deliverable as addressed, the exterior of the tax bill may contain, in all capital letters, the words "RETURN SERVICE REQUESTED," or another appropriate statement directing the United States Postal Service to return the tax bill if it is not deliverable as addressed.

(b) The county assessor-collector shall mail the tax bill for Permanent University Fund land to the comptroller. The comptroller shall pay all county tax bills on Permanent University Fund land with warrants drawn on the General Revenue Fund and mailed to the county assessors-collectors before February 1.

(c) The tax bill or a separate statement accompanying the tax bill shall:

(1) identify the property subject to the tax;

- (2) state the appraised value, assessed value, and taxable value of the property;
- (3) if the property is land appraised as provided by Subchapter C, D, E, or H, Chapter 23, state the market value and the taxable value for purposes of deferred or additional taxation as provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;
- (4) state the assessment ratio for the unit;
- (5) state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;
- (6) state the total tax rate for the unit;
- (7) state the amount of tax due, the due date, and the delinquency date;
- (8) explain the payment option and discounts provided by Sections 31.03 and 31.05, if available to the unit's taxpayers, and state the date on which each of the discount periods provided by Section 31.05 concludes, if the discounts are available;
- (9) state the rates of penalty and interest imposed for delinquent payment of the tax;
- (10) include the name and telephone number of the assessor for the unit and, if different, of the collector for the unit;
- (11) for real property, state for the current tax year and each of the preceding five tax years:
  - (A) the appraised value and taxable value of the property;
  - (B) the total tax rate for the unit;
  - (C) the amount of taxes imposed on the property by the unit; and
  - (D) the difference, expressed as a percent increase or decrease, as applicable, in the amount of taxes imposed on the property by the unit compared to the amount imposed for the preceding tax year; and

(12) for real property, state the differences, expressed as a percent increase or decrease, as applicable, in the following for the current tax year as compared to the fifth tax year before that tax year:

(A) the appraised value and taxable value of the property;

(B) the total tax rate for the unit; and

(C) the amount of taxes imposed on the property by the unit.

(c-1) If for any of the preceding six tax years any information required by Subsection (c)(11) or (12) to be included in a tax bill or separate statement is unavailable, the tax bill or statement must state that the information is not available for that year.

(c-2) For a tax bill that includes back taxes on an improvement that escaped taxation in a prior year, the tax bill or separate statement described by Subsection (c) must state that no interest is due on the back taxes if those back taxes are paid not later than the 120th day after the date the tax bill is sent.

(d) Each tax bill shall also state the amount of penalty, if any, imposed pursuant to Sections 23.431, 23.54, 23.541, 23.75, 23.751, 23.87, 23.97, and 23.9804.

(d-1) This subsection applies only to a school district. In addition to stating the total tax rate for the school district, the tax bill or the separate statement shall separately state:

(1) the maintenance and operations rate of the school district;

(2) if the school district has outstanding debt, as defined by Section 26.012, the debt rate of the district;

(3) the maintenance and operations rate of the school district for the preceding tax year;

(4) if for the current tax year the school district imposed taxes for debt, as defined by Section 26.012, the debt rate of the district for the current tax year;

(5) if for the preceding tax year the school district imposed taxes for debt, as defined by Section 26.012, the debt rate of the district for that year; and

(6) the total tax rate of the district for the preceding tax year.

(d-2) Expired.

(e) An assessor may include taxes for more than one taxing unit in the same tax bill, but he shall include the information required by Subsection (c) of this section for the tax imposed by each unit included in the bill.

(f) A collector may provide that a tax bill not be sent until the total amount of unpaid taxes the collector collects on the property for all taxing units the collector serves is \$15 or more. A collector may not send a tax bill for an amount of taxes less than \$15 if before the tax bill is prepared the property owner files a written request with the collector that a tax bill not be sent until the total amount of unpaid taxes the collector collects on the property is \$15 or more. The request applies to all subsequent taxes the collector collects on the property until the property owner in writing revokes the request or the person no longer owns the property.

(g) Except as provided by Subsection (f), failure to send or receive the tax bill required by this section, including a tax bill that has been requested to be sent by electronic means under Subsection (k), does not affect the validity of the tax, penalty, or interest, the due date, the existence of a tax lien, or any procedure instituted to collect a tax.

(h) An assessor who assesses taxes for more than one taxing unit may prepare and deliver separate bills for the taxes of a taxing unit that does not adopt a tax rate for the year before the 60th day after the date the chief appraiser certifies the appraisal roll for the unit under Section 26.01 of this code or, if the taxing unit participates in more than one appraisal district, before the 60th day after the date it receives a certified appraisal roll from any of the appraisal districts in which it participates. If separate tax bills are prepared and delivered under this subsection, the taxing unit or taxing units that failed to adopt the tax rate before the prescribed deadline must pay the additional costs incurred in preparing and mailing the separate bills in addition to any other compensation required or agreed to be paid for the appraisal services rendered.

(i) For a city or town that imposes an additional sales and use tax under Section 321.101(b) of this code, or a county that imposes a sales and use tax under Chapter 323 of this code, the tax bill shall indicate the amount of additional ad valorem taxes, if any, that would have been imposed on the property if additional ad valorem taxes had been imposed in an amount equal to the amount of revenue estimated to be collected from the additional city sales and use tax or from the county sales and use tax, as applicable, for the year determined as provided by Section 26.041 of this code.

(i-1) If an assessor mails a tax bill under Subsection (a) or delivers a tax bill by electronic means under Subsection (k) to a mortgagee of a property, the assessor is not required to mail or deliver by electronic means a copy of the bill to any mortgagor under the mortgage or to the mortgagor's authorized agent.

(j) If a tax bill is mailed under Subsection (a) or delivered by electronic means under Subsection (k) to a mortgagee of a property, the mortgagee shall mail a copy of the bill to the owner of the property not more than 30 days following the mortgagee's receipt of the bill.

(k) The assessor for a taxing unit shall deliver a tax bill as required by this section by electronic means if on or before September 15 the individual or entity entitled to receive a tax bill under this section and the assessor enter into an agreement for delivery of a tax bill by electronic means. An assessor who delivers a tax bill electronically under this subsection is not required to mail the same bill under Subsection (a). An agreement entered into under this subsection:

(1) must:

(A) be in writing or in an electronic format;

(B) be signed by the assessor and the individual or entity entitled to receive the tax bill under this section;

(C) be in a format acceptable to the assessor;

(D) specify the electronic means by which the tax bill is to be delivered; and

(E) specify the e-mail address to which the tax bill is to be delivered; and

(2) remains in effect for all subsequent tax bills until revoked by an authorized individual in a written revocation filed with the assessor.

(1) The comptroller may:

(1) prescribe acceptable media, formats, content, and methods for the delivery of tax bills by electronic means under Subsection (k); and

(2) provide a model form agreement.

Acts 1979, 66th Leg., p. 2284, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., p. 2359, ch. 581, Sec. 3, eff. Jan. 1, 1982; Acts 1981, 67th Leg., 1st C.S., p. 166, ch. 13, Sec. 122, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 15, ch. 5, Sec. 1, eff. March 14, 1983; Acts 1985, 69th Leg., ch. 429, Sec. 1, eff. June 11, 1985; Acts 1987, 70th Leg., ch. 11, Sec. 13, eff. April 2, 1987; Acts 1987, 70th Leg., ch. 834, Sec. 1, eff. June 18, 1987; Acts 1989, 71st Leg., ch. 2, Sec. 14.27(d)(2), 14.28(2), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 969, Sec. 1, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 836, Sec. 9.1, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 47, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 926, Sec. 2, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 1012, Sec. 2, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 906, Sec. 1, eff. Jan. 1, 1998; Acts 1997, 75th Leg., ch. 1039, Sec. 32, eff. Jan. 1, 1998; Acts 1999, 76th Leg., ch. 547, Sec. 1, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 631, Sec. 8, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. [846](#), Sec. 1, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. [1255](#), Sec. 2, eff. January 1, 2006.

Acts 2005, 79th Leg., Ch. [1368](#), Sec. 5, eff. June 18, 2005.

Acts 2006, 79th Leg., 3rd C.S., Ch. [5](#), Sec. 1.15(a), eff. May 31, 2006.

Acts 2006, 79th Leg., 3rd C.S., Ch. [5](#), Sec. 1.15(b), eff. May 31, 2006.

Acts 2006, 79th Leg., 3rd C.S., Ch. [5](#), Sec. 1.15(c), eff. May 31, 2006.

Acts 2007, 80th Leg., R.S., Ch. [107](#), Sec. 1, eff. September 1, 2007.

Acts 2007, 80th Leg., R.S., Ch. [1106](#), Sec. 2, eff. January 1, 2008.

Acts 2009, 81st Leg., R.S., Ch. [1205](#), Sec. 1, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. [138](#), Sec. 2, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. [483](#), Sec. 2, eff. January 1, 2012.

## **Sec. 31.02. DELINQUENCY DATE.**

(a) Except as provided by Subsection (b) of this section and by Sections 31.03 and 31.04 of this code, taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

(b) An eligible person serving on active duty in any branch of the United States armed forces during a war or national emergency declared in accordance with federal law may pay delinquent property taxes on property in which the person owns any interest without penalty or interest no later than the 60th day after the date on which the earliest of the following occurs:

- (1) the person is discharged from active military service;
- (2) the person returns to the state for more than 10 days;
- (3) the person returns to non-active duty status in the reserves; or
- (4) the war or national emergency ends.

(c) "Eligible person" means a person on active military duty in this state who was transferred out of this state as a result of a war or national emergency declared in accordance with federal law or

a person in the reserve forces who was placed on active military duty and transferred out of this state as a result of a war or national emergency declared in accordance with federal law.

(d) A person eligible under Subsection (b) or any co-owner of property that is owned by an eligible person may notify the county tax assessor or collector or central appraisal district for the county in which the property is located of the person's eligibility for exemption under Subsection (b). The county tax assessor or collector or central appraisal district shall provide the forms necessary for those individuals giving notice under this subsection. If the notice is timely given, a taxing unit in the county may not bring suit for delinquent taxes for the tax year in which the notice is given. Failure to file a notice does not affect eligibility for the waiver of penalties and interest.

(e) On verification that notice was properly filed under Subsection (d), a suit for delinquent taxes must be abated without cost to the defendant. The exemptions provided for under this section shall immediately stop all actions against eligible persons until the person's eligibility expires as provided in Subsection (b).

(f) This section applies only to property in which the person eligible for the exemption owned an interest on the date the person was transferred out of this state as described by Subsection (c) or in which the person acquired the interest by gift, devise, or inheritance after that date.

(g) For the purposes of this section, a person is considered to be on active military duty if the person is covered by the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App. U.S.C. Section 501 et seq.) or the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.), as amended.

(h) Repealed by Acts 2003, 78th Leg., ch. 129, Sec. 2.

Acts 1979, 66th Leg., p. 2285, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1991, 72nd Leg., ch. 381, Sec. 1, eff. Aug. 26, 1991; Acts 2003, 78th Leg., ch. 129, Sec. 1, 2, eff. May 27, 2003.

### **Sec. 31.03. SPLIT PAYMENT OF TAXES.**

a) The governing body of a taxing unit that collects its own taxes may provide, in the manner required by law for official action by the body, that a person who pays one-half of the unit's taxes before December 1 may pay the remaining one-half of the taxes without penalty or interest before July 1 of the following year.

(b) Except as provided by Subsection (d), the split-payment option, if adopted, applies to taxes for all units for which the adopting taxing unit collects taxes.

(c) If one or more taxing units contract with the appraisal district for collection of taxes, the split-payment option provided by Subsection (a) of this section does not apply to taxes collected by the district unless approved by resolution adopted by a majority of the governing bodies of the taxing units whose taxes the district collects and filed with the secretary of the appraisal district board of directors. After an appraisal district provides for the split-payment option, the option applies to all taxes collected by the district until revoked. It may be revoked in the same manner as provided for adoption.

(d) This subsection applies only to a taxing unit located in a county having a population of not less than 285,000 and not more than 300,000 that borders a county having a population of 3.3 million or more and the Gulf of Mexico. The governing body of a taxing unit that has its taxes collected by another taxing unit that has adopted the split-payment option under Subsection (a) may provide, in the manner required by law for official action by the body, that the split-payment option does not apply to the taxing unit's taxes collected by the other taxing unit.

Acts 1979, 66th Leg., p. 2285, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 167, ch. 13, Sec. 123, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 4827, ch. 851, Sec. 20, eff. Aug. 29, 1983; Acts 1983, 68th Leg., p. 4875, ch. 862, Sec. 1, eff. Sept. 1, 1983.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. [395](#), Sec. 1, eff. June 15, 2007.

Acts 2011, 82nd Leg., R.S., Ch. [1163](#), Sec. 115, eff. September 1, 2011.

**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) If before the delinquency date an individual to whom this section applies pays at least one-fourth of a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead, accompanied by notice to the taxing unit that the person will pay the remaining taxes in installments, the person may pay the remaining taxes without penalty or interest in three equal installments. The first installment must be paid before April 1, the second installment before June 1, and the third installment before August 1.

(b) If the individual fails to make a payment before the applicable date provided by Subsection (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).

(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) by the number of months that the delinquency date was postponed.

Added by Acts 1989, 71st Leg., ch. 746, Sec. 1, eff. Sept. 1, 1990. Amended by Acts 1993, 73rd Leg., ch. 171, Sec. 1, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 510, Sec. 1, eff. Aug. 28, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. [1274](#), Sec. 1, eff. September 1, 2005.

Acts 2011, 82nd Leg., 1st C.S., Ch. [4](#), Sec. 36.01, eff. January 1, 2012.

### **Sec. 31.032. INSTALLMENT PAYMENTS OF TAXES ON PROPERTY IN DISASTER AREA.**

(a) This section applies only to:

(1) real property that:

(A) is:

(i) the residence homestead of the owner or consists of property that is used for residential purposes and that has fewer than five living units; or

(ii) owned or leased by a business entity that had not more than the amount calculated as provided by Subsection (h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity;

(B) is located in a disaster area; and

(C) has been damaged as a direct result of the disaster;

(2) tangible personal property that is owned or leased by a business entity described by Subdivision (1)(A)(ii); and

(3) taxes that are imposed on the property by a taxing unit before the first anniversary of the disaster.

(b) If, before the delinquency date, a person pays at least one-fourth of a taxing unit's taxes imposed on property that the person owns, accompanied by notice to the taxing unit that the person will pay the remaining taxes in installments, the person may pay the remaining taxes without penalty or interest in three equal installments. The first installment must be paid before April 1, the second installment before June 1, and the third installment before August 1.

(c) If the person fails to make a payment before the applicable date provided by Subsection (b), the unpaid amount is delinquent and incurs a penalty of six percent and interest as provided by Section 33.01(c).

(d) A person 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. A person 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 (b).

(e) 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 (b) by the number of months that the delinquency date was postponed. The collector may not extend the third installment deadline beyond December 31.

(f) The comptroller shall adopt rules to implement this section.

(g) In this section:

(1) "Disaster" has the meaning assigned by Section 418.004, Government Code.

(2) "Disaster area" has the meaning assigned by Section 151.350.

(h) For the 2009 tax year, the limit on gross receipts under Subsection (a)(1)(A)(ii) is \$5 million. For each subsequent tax year, the comptroller shall adjust the limit to reflect inflation by using the index that the comptroller considers to most accurately report changes in the purchasing power of the dollar for consumers in this state and shall publicize the adjusted limit. Each collector shall use the adjusted limit as calculated by the comptroller under this subsection to determine whether property is owned or leased by a business entity described by Subsection (a)(1)(A)(ii).

Added by Acts 1995, 74th Leg., ch. 1041, Sec. 1, eff. June 17, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. [359](#), Sec. 2, eff. June 19, 2009.

Acts 2011, 82nd Leg., R.S., Ch. [387](#), Sec. 1, eff. September 1, 2011.

### **Sec. 31.035. PERFORMANCE OF SERVICE IN LIEU OF PAYMENT OF TAXES ON HOMESTEAD OF ELDERLY PERSON.**

(a) The governing body of a taxing unit by order or resolution may permit an individual who is at least 65 years of age to perform service for the taxing unit in lieu of paying taxes imposed by the taxing unit on property owned by the individual and occupied as the individual's residence homestead.

(b) The governing body of the taxing unit shall determine:

(1) the number of property owners who will be permitted to perform service for the taxing unit under this section; and

(2) the maximum number of hours of service that a property owner may perform for the taxing unit under this section.

(c) The governing body shall require that each property owner permitted to perform service for the taxing unit under this section execute a contract with the taxing unit. The contract must be executed before the delinquency date and must:

(1) specify:

(A) the nature of the service that the property owner will perform for the taxing unit;

(B) the facility or location where the service will be performed;

(C) the number of hours of service the property owner will perform; and

(D) when the property owner will perform the service; and

(2) set out or describe the provisions of Subsections (d), (e), and (f).

(d) For each hour of service performed for the taxing unit, the property owner receives a credit against the taxes owed in an amount equal to the amount that would be earned by working one hour at the federal hourly minimum wage rate. The contract must require the property owner to perform the service not later than one year after the delinquency date for the taxes against which the property owner receives credit.

(e) Taxes for which the property owner is to receive credit under the contract do not become delinquent on the delinquency date otherwise provided by this chapter as long as the contract is in effect and are considered paid when the service is performed. If the property owner fails to perform the service, or if the taxing unit determines that the service of the property owner is unsatisfactory, the taxing unit shall terminate the contract and notify the property owner of the termination. The unpaid taxes for which the property owner was to receive credit under the contract for service not yet performed become delinquent and incur penalty and interest provided by Section 33.01 on the later of:

- (1) the delinquency date otherwise provided by this chapter for the unpaid taxes; or
  - (2) the first day of the next calendar month that begins at least 21 days after the date the taxing unit delivers notice to the property owner that the contract has been terminated.
- (f) While performing service for a taxing unit, the property owner:
- (1) is not an employee of the taxing unit; and
  - (2) is not entitled to any benefit, including workers' compensation coverage, that the taxing unit provides to an employee of the taxing unit.
- (g) Property owners performing services for a taxing unit under this section may only supplement or complement the regular personnel of the taxing unit. A taxing unit may not reduce the number of persons the taxing unit employs or reduce the number of hours to be worked by employees of the taxing unit because the taxing unit permits property owners to perform services for the taxing unit under this section.
- (h) A person performing service for a taxing unit under this section is not entitled to indemnification from the taxing unit for injury or property damage the person sustains or liability the person incurs in performing service under this section. The taxing unit is not liable for any damages arising from an act or omission of the person in performing service under this section.

Added by Acts 1999, 76th Leg., ch. 637, Sec. 1, eff. Aug. 30, 1999.

**Sec. 31.036. PERFORMANCE OF TEACHING SERVICES IN LIEU OF PAYMENT OF SCHOOL TAXES ON HOMESTEAD.**

- (a) The governing body of a school district by resolution may permit qualified individuals to perform teaching services for the school district at a junior high school or high school of the district in lieu of paying taxes imposed by the district on property owned and occupied by the individual as a residence homestead.
- (b) The governing body of the school district shall determine:

(1) the number of qualified individuals who will be permitted to perform teaching services for the district under this section;

(2) the courses that a qualified individual may teach for the district under this section; and

(3) the amount of the tax credit that a qualified individual may earn.

(c) The governing body shall require that each qualified individual permitted to perform teaching services for the district under this section execute a contract with the district. The contract must be executed before the delinquency date and must:

(1) specify:

(A) the course or courses that the qualified individual will teach for the district;

(B) the high school or junior high school of the district where the qualified individual will perform the teaching services;

(C) the semester in which the qualified individual will perform the teaching services; and

(D) the amount of the tax credit that the qualified individual will receive on successful completion of the individual's contractual obligations; and

(2) set out or describe the provisions of Subsections (d)-(g).

(d) A qualified individual who teaches a course for an entire school semester is entitled to a maximum credit of \$500 against the taxes imposed, except that if the qualified individual teaches a course for which a student receives a full year's credit for one semester, the qualified individual is entitled to a maximum credit of \$1,000 for each such course taught for one semester by the qualified individual. A qualified individual may not receive credits for teaching more than two courses in any school year.

(e) The district shall terminate the contract if:

(1) the qualified individual fails to perform the teaching services; or

(2) the district determines that the teaching services of the qualified individual are unsatisfactory.

(f) If the contract is terminated under Subsection (e), on the termination date the district may grant the individual a portion of the tax credit based on the portion of the teaching services performed.

(g) While performing teaching services for a school district, the qualified individual:

(1) is not an employee of the district; and

(2) is not entitled to any benefit, including workers' compensation coverage, that the district provides to an employee of the district.

(h) An individual is qualified to perform teaching services for a school district under this section only if the individual holds a baccalaureate or more advanced degree in a field related to each course to be taught and:

(1) is certified as a classroom teacher under Subchapter B, Chapter 21, Education Code; or

(2) obtains a school district teaching permit under Section 21.055, Education Code.

Added by Acts 1999, 76th Leg., ch. 637, Sec. 2, eff. Aug. 30, 1999.

**Sec. 31.037. PERFORMANCE OF TEACHING SERVICES BY  
EMPLOYEE IN LIEU OF PAYMENT OF SCHOOL TAXES ON  
PROPERTY OF BUSINESS ENTITY.**

(a) The governing body of a school district by resolution may authorize a corporation or other business entity to permit a qualified individual employed by the business entity to perform teaching services in a high school or a junior high school for the school district in lieu of paying taxes imposed by the district on property owned by the business entity.

(b) The governing body of the school district shall determine:

(1) the number of business entities that will be eligible for a tax credit under this section;

(2) the courses that an employee of the business entity may teach for the district under this section; and

(3) the amount of the tax credit that a business entity may earn.

(c) The governing body shall require that each business entity permitted to provide an employee to perform teaching services for the district under this section execute a contract with the district. The contract must be executed before the delinquency date and must:

(1) specify:

(A) the course or courses that the employee will teach for the district;

(B) the high school or junior high school of the district where the employee will perform the teaching services;

(C) the semester in which the employee will perform the teaching services; and

(D) the amount of the tax credit that the business entity will receive on successful completion of the contractual obligations of the business entity and its employee; and

(2) set out or describe the provisions of Subsections (d)-(h).

(d) For each course taught for the entire school semester by an employee of the business entity for the school district, the business entity is entitled to a maximum credit of \$500 against the taxes imposed, except that if the employee teaches a course for which a student receives a full year's credit for one semester, the business entity is entitled to a maximum credit of \$1,000 for each such course taught for one semester by the employee.

(e) The district shall terminate the contract if:

(1) the employee fails to perform the teaching services; or

(2) the district determines that the teaching services of the employee of the business entity are unsatisfactory.

(f) If the contract is terminated under Subsection (e), on the termination date the district may grant the business entity a portion of the tax credit based on the portion of the teaching services performed.

(g) While performing teaching services for a school district, the employee of the business entity:

(1) is not an employee of the district; and

(2) is not entitled to any benefit, including workers' compensation coverage, that the district provides to an employee of the district.

(h) An individual may not perform teaching services for which a business entity receives a tax credit under this section if the individual enters into a contract with the same school district to provide teaching services for a tax credit for the same tax year under Section 31.036.

(i) An individual is qualified to perform teaching services for a school district under this section only if the individual holds a baccalaureate or more advanced degree in a field related to the course to be taught and:

(1) is certified as a classroom teacher under Subchapter B, Chapter 21, Education Code; or

(2) obtains a school district teaching permit under Section 21.055, Education Code.

Added by Acts 1999, 76th Leg., ch. 637, Sec. 2, eff. Aug. 30, 1999.

#### **Sec. 31.04. POSTPONEMENT OF DELINQUENCY DATE.**

(a) If a tax bill is mailed after January 10, the delinquency date provided by Section 31.02 of this code is postponed to the first day of the next month that will provide a period of at least 21 days after the date of mailing for payment of taxes before delinquent unless the taxing unit has adopted the discounts provided by Section 31.05(c) of this code, in which case the delinquency date is determined by Subsection (d) of this section.

(a-1) If a tax bill is mailed that includes taxes for one or more preceding tax years because the property was erroneously omitted from the tax roll in those tax years, the delinquency date provided by Section 31.02 is postponed to February 1 of the first year that will provide a period of at least 180 days after the date the tax bill is mailed in which to pay the taxes before they become delinquent.

(b) If the delinquency date is postponed as provided by this section, the assessor who mails the bills shall notify the governing body of each taxing unit whose taxes are included in the bills of the postponement.

(c) A payment option provided by Section 31.03 of this code or a discount adopted under Section 31.05(b) of this code does not apply to taxes that are calculated too late for it to be available.

(d) If a taxing unit mails its tax bills after September 30 and adopts the discounts provided by Section 31.05(c) of this code, the delinquency date is postponed to the first day of the next month following the fourth full calendar month following the date the tax bills were mailed.

(e) If the delinquency date for a tax is postponed under Subsection (a) or (a-1), that postponed delinquency date is the date on which penalties and interest begin to be incurred on the tax as provided by Section 33.01.

Acts 1979, 66th Leg., p. 2285, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 16, ch. 5, Sec. 2, eff. March 14, 1983; Acts 1985, 69th Leg., ch. 753, Sec. 1, eff. June 14, 1985; Acts 2003, 78th Leg., ch. 151, Sec. 1, eff. Sept. 1, 2003.

### **Sec. 31.05. DISCOUNTS.**

(a) The governing body of a taxing unit may adopt the discounts provided by Subsection (b) or Subsection (c), or both, in the manner required by law for official action by the body. The discounts, if adopted, apply only to that taxing unit's taxes. If a taxing unit adopts both discounts under Subsections (b) and (c), the discounts adopted under Subsection (b) apply unless the tax bills for the unit are mailed after September 30, in which case only the discounts under

Subsection (c) apply. A taxing unit that collects taxes for another taxing unit that adopts the discounts may prepare and mail separate tax bills on behalf of the adopting taxing unit and may charge an additional fee for preparing and mailing the separate tax bills and for collecting the taxes imposed by the adopting taxing unit. If under an intergovernmental contract a county assessor-collector collects taxes for a taxing unit that adopts the discounts, the county assessor-collector may terminate the contract if the county has adopted a discount policy that is different from the discount policy adopted by the adopting taxing unit.

(b) A taxing unit may adopt the following discounts to apply regardless of the date on which it mails its tax bills:

(1) three percent if the tax is paid in October or earlier;

(2) two percent if the tax is paid in November; and

(3) one percent if the tax is paid in December.

(c) A taxing unit may adopt the following discounts to apply when it mails its tax bills after September 30:

(1) three percent if the tax is paid before or during the next full calendar month following the date on which the tax bills were mailed;

(2) two percent if the tax is paid during the second full calendar month following the date on which the tax bills were mailed; and

(3) one percent if the tax is paid during the third full calendar month following the date on which the tax bills were mailed.

(d) The governing body of a taxing unit may rescind a discount adopted by the governing body in the manner required by law for official action by the body. The rescission of a discount takes effect in the tax year following the year in which the discount is rescinded.

Acts 1979, 66th Leg., p. 2285, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 167, ch. 13, Sec. 124, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 16, ch. 5, Sec. 2, eff. March 14, 1983; Acts 1983, 68th Leg., pp. 4875, 4876, ch. 862, Sec. 2, 3, eff. Sept. 1, 1983.

Amended by:

Acts 2005, 79th Leg., Ch. [1126](#), Sec. 9, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. [999](#), Sec. 1, eff. June 17, 2011.

### **Sec. 31.06. MEDIUM OF PAYMENT.**

(a) Except as provided by Section 31.061, taxes are payable only as provided by this section. A collector shall accept United States currency or a check or money order in payment of taxes and shall accept payment by credit card or electronic funds transfer.

(1) Expired.

(2) Expired.

(3) Expired.

(b) Acceptance by a collector of a check or money order or of payment by credit card constitutes payment of a tax as of the date of acceptance if the check, money order, or credit card invoice is duly paid or honored. If the check, money order, or credit card invoice is not duly paid or honored, the collector shall deliver written notice of nonpayment to the person who attempted payment by check, money order, or credit card. Until payment is made in full by cash or by a check, money order, or credit card that is duly paid or honored, the lien securing payment of the tax remains in effect, whether or not the person receives notice of nonpayment.

(c) If a tax is paid by credit card, the collector may collect a fee for processing the payment. The collector shall set the fee in an amount that is reasonably related to the expense incurred by the collector or taxing unit in processing the payment by credit card, not to exceed five percent of

the amount of taxes and any penalties or interest being paid. The fee is in addition to the amount of taxes, penalties, or interest.

(d) If a check or money order accepted in payment of taxes or the invoice for a payment of taxes by credit card is not duly paid or honored, the amount of any charge against the taxing unit for processing the check, order, or credit card invoice is added to the amount of tax due in the same manner as penalties and interest are added for taxes that are delinquent. The tax lien on the property also secures payment of the amount of the charge.

Acts 1979, 66th Leg., p. 2285, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 167, ch. 13, Sec. 125, eff. Jan. 1, 1982; Acts 1989, 71st Leg., ch. 737, Sec. 1, eff. Aug. 28, 1989; Acts 1993, 73rd Leg., ch. 697, Sec. 1, eff. Sept. 1, 1993; Acts 1999, 76th Leg., ch. 606, Sec. 1, eff. June 18, 1999; Acts 2001, 77th Leg., ch. 529, Sec. 2, eff. June 11, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. [1328](#), Sec. 88, eff. September 1, 2009.

### **Sec. 31.061. PAYMENT OF TAXES ASSESSED AGAINST REAL PROPERTY BY CONVEYANCE TO TAXING UNIT OF PROPERTY.**

(a) An owner of real property may, subject to the approval of the governing body of all of the taxing units, by deed convey the property to the taxing unit that is owed the largest amount of the taxes, penalties, and interest assessed against the property in payment of the taxes, including delinquent taxes, penalties, and interest assessed against the property by each taxing unit. The taxing unit acquiring the property holds title to the property on behalf of each taxing unit. The lien of each taxing unit on the property conveyed is extinguished at the time of the conveyance. The taxing unit acquiring the property may, subject to the approval of the governing body of another taxing unit, by deed convey the property to that taxing unit. The taxing unit acquiring the property holds title to the property on behalf of each taxing unit.

(b) A taxing unit acquiring property under this section may sell the property. The sale may be conducted in a manner provided by Section 34.05. If the taxing unit sells the property within six months after the date the owner conveys the property, the taxing unit shall pay to each taxing unit its proportionate share of the sale proceeds according to each taxing unit's share of the total amount of the taxes, penalties, and interest owed at the time of the acquisition.

(c) A taxing unit that does not sell property acquired under this section within six months after the date the owner conveys the property shall pay to each taxing unit its proportionate share, as determined under Subsection (b), of the appraised market value of the property as shown on the most recent tax roll, less the value of all encumbrances burdening the property. On making the payment provided by this subsection, the taxing unit owns the property outright and not on behalf of each taxing unit. The period during which a taxing unit may hold title to the property on behalf of each taxing unit may be extended subject to the approval of the governing body of each taxing unit.

(d) The collector shall credit against the taxes, penalties, and interest owed each taxing unit:

(1) the taxing unit's share, as determined under Subsection (b), of the sale price if the property is sold within six months after the date the owner conveys the property; or

(2) the taxing unit's share, as determined under Subsection (b), of the appraised market value of the property as shown on the most recent tax roll, less the value of all encumbrances burdening the property, if the property is not sold within six months after the date the owner conveys the property.

(e) The owner remains personally liable to each taxing unit to the extent the amount of the taxes, penalties, and interest owed each taxing unit exceeds the amount credited under Subsection (d). The owner is entitled to a refund from each taxing unit to the extent the amount credited under Subsection (d) exceeds the amount of the taxes, penalties, and interest owed the taxing unit.

(f) A conveyance of property to a taxing unit under this section is voidable by the taxing unit at any time that the taxing unit owns the property and determines that the condition of the property

on the date the owner conveyed it was or may have been in violation of a federal or state law, regulation, rule, or order. If the taxing unit voids the conveyance:

(1) the taxing unit shall execute a quitclaim deed of the property to the owner, file the deed in the county records, and give notice of the deed and its filing to the owner;

(2) the collector shall remove the credit against the taxes, penalties, and interest owed each taxing unit made under this section;

(3) a taxing unit that does not acquire the property shall refund the payment made to it by the taxing unit that acquires the property and reinstate the taxes, penalties, and interest owed the taxing unit; and

(4) the lien of each taxing unit is reinstated as of the date it originally attached.

(g) Repealed by Acts 1997, 75th Leg., ch. 1111, Sec. 8, eff. Sept. 1, 1997.

Added by Acts 1993, 73rd Leg., ch. 697, Sec. 2, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 1111, Sec. 1, 8, eff. Sept. 1, 1997.

### **Sec. 31.07. CERTAIN PAYMENTS ACCEPTED.**

(a) A person may pay the tax imposed on any one property without simultaneously paying taxes imposed on other property he owns.

(b) A collector shall accept payment of the tax imposed on a property by a taxing unit that has adopted the discounts under Section 31.05 of this code separately from taxes imposed on that property by other taxing units using the same collector, even if the taxes are included in the same bill. The collector may adopt a policy of accepting separate payments in other circumstances. If the tax paid is included in the same bill as other taxes that are not paid, the collector shall send a revised bill or receipt to reflect the tax payment, if a discount applies to the payment, and may send a revised bill or receipt to reflect the tax payment in other circumstances. The sending of a revised bill does not affect the date on which the unpaid taxes become delinquent.

(c) A collector may adopt a policy of accepting partial payments of property taxes. A payment option provided by Section 31.03 of this code or a discount adopted under Section 31.05 of this code does not apply to any portion of a partial payment. If a collector accepts a partial payment on a tax bill that includes taxes for more than one taxing unit, the collector shall allocate the partial payment among all the taxing units included in the bill in proportion to the amount of tax included in the bill for each taxing unit, unless the collector under Subsection (b) has adopted a policy of accepting payments of a taxing unit's taxes separate from the taxes of other taxing units included in the same bill and the taxpayer directs that the partial payment be allocated in specific amounts to one or more specific taxing units. Acceptance of a partial payment does not affect the date that the tax becomes delinquent, but the penalties and interest provided by Section 33.01 of this code are incurred only by the portion of a tax that remains unpaid on the date the tax becomes delinquent.

(d) Notwithstanding Subsection (c), a collector shall accept a partial payment of property taxes on a tax bill that includes taxes for more than one taxing unit if one or more of the taxing units has adopted the discounts under Section 31.05 of this code, the taxpayer directs that the partial payment be allocated first to the payment of the taxes owed one or more of the taxing units that have adopted the discounts, and the amount of the payment is equal to or greater than the amount of the taxes owed the taxing units designated by the taxpayer.

Acts 1979, 66th Leg., p. 2286, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 4827, ch. 851, Sec. 21, eff. Aug. 29, 1983; Acts 1985, 69th Leg., ch. 493, Sec. 1, eff. June 12, 1985; Acts 1989, 71st Leg., ch. 745, Sec. 2, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 539, Sec. 1, eff. Sept. 1, 1993.

### **Sec. 31.071. CONDITIONAL PAYMENTS.**

(a) The collector of a taxing unit shall accept conditional payments of taxes before the delinquency date for property taxes that are subject to a pending challenge or protest.

(b) A property owner whose property is subject to a pending protest or challenge may pay the tax due on the amount of value of the property involved in the pending action that is not in dispute or the amount of tax paid on the property in the preceding year, whichever is greater, but

not to exceed the amount of tax that would be due on the appraised value that is subject to protest or challenge. The collector of the taxing unit shall provide the property owner with a temporary receipt of taxes paid under this section.

(c) If the property is no longer subject to a challenge, protest, or appeal at any time before the delinquency date, the collector shall apply the amount paid by the property owner under this section to the tax imposed on the property and shall refund the remainder, if any, to the property owner. If the property is still subject to an appeal on the last working day before the delinquency date, or at an earlier date if so requested by the property owner, the collector shall apply the amount paid under this section to the payment required by Section 42.08(b) of this code and shall retain the remainder, if any, until the appeal is completed. When the appeal is completed, the collector shall apply any amount retained under this section to the tax ultimately imposed on the property that is not covered by the payment under Section 42.08(b) and shall refund the remainder, if any, to the property owner.

Added by Acts 1987, 70th Leg., ch. 999, Sec. 1, eff. Aug. 31, 1987.

### **Sec. 31.072. ESCROW ACCOUNTS.**

(a) The collector for a taxing unit may enter a contract with a property owner under which the property owner deposits money in an escrow account maintained by the collector to provide for the payment of property taxes collected by the collector on any property the person owns.

(b) A contract may not be made before October 1 of the year preceding the tax year for which the account is established. The collector may agree to establish a combined account for more than one item of property having the same owner on the property owner's request. If a collector collects taxes for more than one taxing unit, an account must apply to taxes on the affected property for each of the taxing units.

(c) A contract under this section must require the property owner to make monthly deposits to the escrow account until the amount set in the contract under Subsection (d) of this section accrues in the account or until the tax bill for the property is prepared, whichever occurs earlier.

(d) On request by a property owner to establish an escrow account under this section, the collector shall estimate the amount of taxes to be imposed on the property by the affected taxing units in that year. A contract to establish an escrow account must provide for deposits that would provide, as of the date the collector estimates the tax bill for the property will be prepared, a total deposit that is not less than the amount of taxes estimated by the collector or the amount of taxes imposed on the property by the affected taxing units in the preceding year, whichever is less. The collector may agree to a deposit of a greater amount on the property owner's request.

(e) The county tax assessor-collector shall maintain the escrow account in the county depository. Any other collector shall maintain the escrow account in the depository of the taxing unit or other entity that employs the collector. The collector is not required to maintain a separate account in the depository for each escrow account but shall maintain separate records for each escrow account.

(f) The property owner may withdraw from the collector the money the owner deposited in an escrow account only if the withdrawal is made before the date the tax bill is prepared or October 1 of the tax year, whichever occurs earlier. On and after that date and until the taxes are paid, the collector must agree to a withdrawal by the taxpayer. The property owner may not withdraw less than the total amount deposited in the escrow account.

(g) When the tax bill is prepared for property for which an escrow account is established, the collector shall apply the money in the account to the taxes imposed and deliver a tax receipt to the taxpayer together with a refund of any amount in the account in excess of the amount of taxes paid. If the amount in the escrow account is not sufficient to pay the taxes in full, the collector shall apply the money to the taxes and deliver to the taxpayer a tax receipt for the partial payment and a tax bill for the unpaid amount. If the escrow account applies to more than one taxing unit or to more than one item of property, the collector shall apply the amount to each taxing unit or item of property in proportion to the amount of taxes imposed unless the contract provides otherwise.

(h) Notwithstanding Subsection (a), if the property owner requesting a collector to establish an escrow account under this section is a disabled veteran as defined by Section 11.22 or a recipient

of the Purple Heart, the Congressional Medal of Honor, the Bronze Star Medal, the Silver Star, the Legion of Merit, or a service cross awarded by a branch of the United States armed forces and the escrow account is to be used solely to provide for the payment of property taxes collected by the collector on the property owner's residence homestead, the collector shall enter into a contract with the property owner under this section.

(i) Notwithstanding Subsection (a), if the property owner requesting a collector to establish an escrow account under this section is the owner of a manufactured home and the escrow account is to be used solely to provide for the payment of property taxes collected by the collector on the property owner's manufactured home, the collector shall enter into a contract with the property owner under this section.

Added by Acts 1989, 71st Leg., ch. 737, Sec. 2, eff. Aug. 28, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. [85](#), Sec. 1, eff. May 17, 2005.

Acts 2007, 80th Leg., R.S., Ch. [863](#), Sec. 71, eff. January 1, 2008.

### **Sec. 31.073. RESTRICTED OR CONDITIONAL PAYMENTS PROHIBITED.**

A restriction or condition placed on a check in payment of taxes, penalties, or interest by the maker that limits the amount of taxes, penalties, or interest owed to an amount less than that stated in the tax bill or shown by the tax collector's records is void unless the restriction or condition is authorized by this code.

Added by Acts 1993, 73rd Leg., ch. 539, Sec. 2, eff. Sept. 1, 1993.

Amended by:

Acts 2005, 79th Leg., Ch. [1126](#), Sec. 10, eff. September 1, 2005.

### **Sec. 31.075. TAX RECEIPT.**

(a) At the request of a property owner or a property owner's agent, the collector for a taxing unit shall issue a receipt showing the taxable value and the amount of tax imposed by the unit on the property in one or more tax years for which the information is requested, the tax rate for each of those tax years, and the amount of tax paid in each of those years. The receipt must describe the property in the manner prescribed by the comptroller. If the amount of the tax for the current year has not been calculated when the request is made, the collector shall on request issue to the property owner or agent a statement indicating that taxes for the current year have not been calculated.

(b) In any judicial proceeding, including a suit to collect delinquent taxes under Chapter 33 of this code, a tax receipt issued under this section that states that a tax has been paid constitutes prima facie evidence that the tax has been paid as stated by the receipt.

Added by Acts 1987, 70th Leg., ch. 52, Sec. 1, eff. May 6, 1987. Amended by Acts 1991, 72nd Leg., ch. 836, Sec. 5.5, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., 2nd C.S., ch. 6, Sec. 48, eff. Sept. 1, 1991.

Amended by:

Acts 2005, 79th Leg., Ch. [1154](#), Sec. 2, eff. September 1, 2005.

### **Sec. 31.08. TAX CERTIFICATE.**

(a) At the request of any person, a collector for a taxing unit shall issue a certificate showing the amount of delinquent taxes, penalties, interest, and any known costs and expenses under Section 33.48 due the unit on a property according to the unit's current tax records. If the collector collects taxes for more than one taxing unit, the certificate must show the amount of delinquent taxes, penalties, interest, and any known costs and expenses under Section 33.48 due on the property to each taxing unit for which the collector collects the taxes. The collector shall charge a fee not to exceed \$10 for each certificate issued. The collector shall pay all fees collected under this section into the treasury of the taxing unit that employs the collector.

(b) Except as provided by Subsection (c) of this section, if a person transfers property accompanied by a tax certificate that erroneously indicates that no delinquent taxes, penalties, or interest are due a taxing unit on the property or that fails to include property because of its omission from an appraisal roll as described under Section 25.21, the unit's tax lien on the property is extinguished and the purchaser of the property is absolved of liability to the unit for delinquent taxes, penalties, or interest on the property or for taxes based on omitted property. The person who was liable for the tax for the year the tax was imposed or the property was omitted remains personally liable for the tax and for any penalties or interest.

(c) A tax certificate issued through fraud or collusion is void.

Acts 1979, 66th Leg., p. 2286, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 662, ch. 149, Sec. 1, eff. Sept. 1, 1983; Acts 1987, 70th Leg., ch. 105, Sec. 1, eff. Sept. 1, 1987.

Amended by:

Acts 2005, 79th Leg., Ch. [846](#), Sec. 2, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. [1126](#), Sec. 11, eff. September 1, 2005.

### **Sec. 31.081. PROPERTY TAX WITHHOLDING ON PURCHASE OF BUSINESS OR INVENTORY.**

(a) This section applies only to a person who purchases a business, an interest in a business, or the inventory of a business from a person who is liable under this title for the payment of taxes imposed on personal property used in the operation of that business.

(b) The purchaser shall withhold from the purchase price an amount sufficient to pay all of the taxes imposed on the personal property of the business, plus any penalties and interest incurred, until the seller provides the purchaser with:

(1) a receipt issued by each appropriate collector showing that the taxes due the applicable taxing unit, plus any penalties and interest, have been paid; or

(2) a tax certificate issued under Section 31.08 stating that no taxes, penalties, or interest is due the applicable taxing unit.

(c) A purchaser who fails to withhold the amount required by this section is liable for that amount to the applicable taxing units to the extent of the value of the purchase price, including the value of a promissory note given in consideration of the sale to the extent of the note's market value on the effective date of the purchase, regardless of whether the purchaser has been required to make any payments on that note.

(d) The purchaser may request each appropriate collector to issue a tax certificate under Section 31.08 or a statement of the amount of the taxes, penalties, and interest that are due to each taxing unit for which the collector collects taxes. The collector shall issue the certificate or statement before the 10th day after the date the request is made. If a collector does not timely provide or mail the certificate or statement to the purchaser, the purchaser is released from the duties and liabilities imposed by Subsections (b) and (c) in connection with taxes, penalties, and interest due the applicable taxing unit.

(e) An action to enforce a duty or liability imposed on a purchaser by Subsection (b) or (c) must be brought before the fourth anniversary of the effective date of the purchase. An action to enforce the purchaser's duty or liability is subject to a limitation plea by the purchaser as to any taxes that have been delinquent at least four years as of the date the collector issues the statement under Subsection (d).

(f) This section does not release a person who sells a business or the inventory of a business from any personal liability imposed on the person for the payment of taxes imposed on the personal property of the business or for penalties or interest on those taxes.

(g) For purposes of this section:

(1) a person is considered to have purchased a business if the person purchases the name of the business or the goodwill associated with the business; and

(2) a person is considered to have purchased the inventory of a business if the person purchases inventory of a business, the value of which is at least 50 percent of the value of the total inventory of the business on the date of the purchase.

Added by Acts 1999, 76th Leg., ch. 1481, Sec. 10, eff. Jan. 1, 2000.

### **Sec. 31.10. REPORTS AND REMITTANCES OF OTHER TAXES.**

(a) Each month the collector of taxes for a taxing unit shall prepare and submit to the governing body of the unit a written report made under oath accounting for all taxes collected for the unit during the preceding month. Reports of collections made in the months of October through January are due on the 25th day of the month following the month that is the subject of the report. Reports of collections made in all other months are due on the 15th day of the month following the month that is the subject of the report. A collector for more than one taxing unit may prepare one report accounting for taxes collected for all units, and he may submit a certified copy of the report as his monthly report to the governing body of each unit.

(b) The collector for a taxing unit shall prepare and submit to the governing body of the unit an annual report made under oath accounting for all taxes of the unit collected or delinquent on property taxed by the unit during the preceding 12-month period. Annual reports are due on the 60th day following the last day of the fiscal year.

(c) Except as otherwise provided by Subsection (d) of this section, at least monthly the collector for a taxing unit shall deposit in the unit's depository all taxes collected for the unit. The governing body of a unit may require deposits to be made more frequently.

(d) If the taxes of a taxing unit are collected by the collector or other officer or employee of another taxing unit or by an appraisal district as provided by the law creating or authorizing creation of the unit or as the result of an election held under Section 6.26 of this code, the entity that collects the taxes shall deposit the taxes in the unit's depository daily, unless the governing body of that unit by official action provides that those deposits may be made less often than daily.

Acts 1979, 66th Leg., p. 2286, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1983, 68th Leg., p. 5462, ch. 1027, Sec. 1, eff. Aug. 29, 1983; Acts 1987, 70th Leg., ch. 488, Sec. 1, eff. Jan. 1, 1988.

**Sec. 31.11. REFUNDS OF OVERPAYMENTS OR ERRONEOUS PAYMENTS.**

(a) If a taxpayer applies to the tax collector of a taxing unit for a refund of an overpayment or erroneous payment of taxes, the collector for the unit determines that the payment was erroneous or excessive, and the auditor for the unit agrees with the collector's determination, the collector shall refund the amount of the excessive or erroneous payment from available current tax collections or from funds appropriated by the unit for making refunds. However, the collector may not make the refund unless:

(1) in the case of a collector who collects taxes for one taxing unit, the governing body of the taxing unit also determines that the payment was erroneous or excessive and approves the refund if the amount of the refund exceeds:

(A) \$5,000 for a refund to be paid by a county with a population of two million or more; or

(B) \$500 for a refund to be paid by any other taxing unit; or

(2) in the case of a collector who collects taxes for more than one taxing unit, the governing body of the taxing unit that employs the collector also determines that the payment was erroneous or excessive and approves the refund if the amount of the refund exceeds:

(A) \$5,000 for a refund to be paid by a county with a population of two million or more; or

(B) \$2,500 for a refund to be paid by any other taxing unit.

(b) A taxing unit that determines a taxpayer is delinquent in ad valorem tax payments on property other than the property for which liability for a refund arises may apply the amount of an overpayment or erroneous payment to the payment of the delinquent taxes if the taxpayer was the sole owner of the property:

(1) for which the refund is sought on January 1 of the tax year in which those taxes were assessed; and

(2) on which the taxes are delinquent on January 1 of the tax year for which those taxes were assessed.

(c) Except as provided by Subsection (c-1), an application for a refund must be made within three years after the date of the payment or the taxpayer waives the right to the refund. A taxpayer may apply for a refund by filing:

(1) an application on a form prescribed by the comptroller by rule; or

(2) a written request that includes information sufficient to enable the collector and the auditor for the taxing unit and, if applicable, the governing body of the taxing unit to determine whether the taxpayer is entitled to the refund.

(c-1) The governing body of the taxing unit may extend the deadline provided by Subsection (c) for a single period not to exceed two years on a showing of good cause by the taxpayer.

(d) The collector for a taxing unit shall provide a copy of the refund application form without charge on request of a taxpayer or a taxpayer's representative.

(e) An application for a refund must:

(1) include an affirmation by the taxpayer that the information in the application is true and correct; and

(2) be signed by the taxpayer.

(f) This subsection applies only to a refund that is required to be approved by the governing body of a taxing unit. The presiding officer of the governing body of the taxing unit is not required to sign the application for the refund or any document accompanying the application to indicate the governing body's approval or disapproval of the refund. The collector for the taxing

unit shall indicate on the application whether the governing body approved or disapproved the refund and the date of the approval or disapproval.

(g) If a taxpayer submits a payment of taxes that exceeds by \$5 or more the amount of taxes owed for a tax year to a taxing unit, the collector for the taxing unit, without charge, shall mail to the taxpayer or the taxpayer's representative a written notice of the amount of the overpayment accompanied by a refund application form.

(h) This section does not apply to an overpayment caused by a change of exemption status or correction of a tax roll. Such an overpayment is covered by Section 26.15 or 42.43, as applicable.

(i) Notwithstanding the other provisions of this section, in the case of an overpayment or erroneous payment of taxes submitted by a taxpayer to a collector who collects taxes for one or more taxing units one of which is a county with a population of two million or more:

(1) a taxpayer is not required to apply to the collector for the refund to be entitled to receive the refund if the amount of the refund is at least \$5 but does not exceed \$5,000; and

(2) the collector is not required to comply with Subsection (g) unless the amount of the payment exceeds by more than \$5,000 the amount of taxes owed for a tax year to a taxing unit for which the collector collects taxes.

Added by Acts 1981, 67th Leg., 1st C.S., p. 167, ch. 13, Sec. 126, eff. Jan. 1, 1982. Amended by Acts 1993, 73rd Leg., ch. 198, Sec. 1, eff. Sept. 1, 1993; Acts 1999, 76th Leg., ch. 565, Sec. 1, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 915, Sec. 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 673, Sec. 1, eff. Jan. 1, 2002; Acts 2001, 77th Leg., ch. 843, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1430, Sec. 8, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 756, Sec. 1, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. [464](#), Sec. 1, eff. June 16, 2007.

Acts 2009, 81st Leg., R.S., Ch. [69](#), Sec. 1, eff. January 1, 2010.

Acts 2009, 81st Leg., R.S., Ch. [494](#), Sec. 1, eff. January 1, 2010.

### **Sec. 31.111. REFUNDS OF DUPLICATE PAYMENTS.**

(a) The collector of a taxing unit who determines that a person erred in making a payment of taxes because the identical taxes were paid by another person shall refund the amount of the taxes to the person who erred in making the payment.

(b) A refund under Subsection (a) shall be made as soon as practicable after the collector discovers the erroneous payment. The refund shall be accompanied by a description of the property subject to the taxes sufficient to identify the property. If the property is assigned an account number, the collector shall include that number.

(c) Each month, the collector shall inform the auditor of each appropriate taxing unit of refunds of taxes made under Subsection (a) during the preceding month.

Added by Acts 2001, 77th Leg., ch. 673, Sec. 2, eff. Jan. 1, 2002 and by Acts 2001, 77th Leg., ch. 1430, Sec. 9, eff. Sept. 1, 2001.

### **Sec. 31.115. PAYMENT OF TAX UNDER PROTEST.**

Payment of an ad valorem tax is involuntary if the taxpayer indicates that the tax is paid under protest:

- (1) on the instrument by which the tax is paid; or
- (2) in a document accompanying the payment.

Added by Acts 1995, 74th Leg., ch. 993, Sec. 1, eff. June 17, 1995.

## **Sec. 31.12. PAYMENT OF TAX REFUNDS; INTEREST.**

(a) If a refund of a tax provided by Section 11.431(b), 26.07(g), 26.15(f), 31.11, or 31.111 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the unit of the approval of the late homestead exemption;

(2) if the refund is required by Section 26.07(g), on the date the results of the election to reduce the tax rate are certified;

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the unit approves the refund; or

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous.

(c) This section does not apply to a refund in an amount less than \$5.

Added by Acts 1987, 70th Leg., ch. 112, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 796, Sec. 30, eff. June 15, 1989; Acts 1999, 76th Leg., ch. 915, Sec. 2, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 673, Sec. 3, eff. Jan. 1, 2002; Acts 2001, 77th Leg., ch. 1430, Sec. 10, eff. Sept. 1, 2001.