

Early Turnover of Delinquent Personal Property Taxes

CITY COUNCIL

MAY 4, 2026

Early Turnover of Delinquent Personal Property Taxes

- Currently, delinquent taxes on personal property are not turned over to the City's delinquent tax collection firm until July 1 of a year.
- Section 33.11 of the Texas Tax Code allows the City Council to take action to authorize the turnover of delinquent personal property taxes sooner than July 1st.
- In the proposed resolution the City Council moves up the collection date for delinquent personal property taxes from July 1st to 60 days after February 1st.
- The proposed resolution authorizes an additional penalty of 20% of the delinquent tax, penalty, and interest to defray the expense collecting the delinquent taxes.
- The additional penalty is allowed under law only if the City has contracted with an attorney for delinquent tax collection services under Section 6.30 of the Texas Tax Code, and the City's proposed contract with the Perdue law firm is such a contract.
- In the end, moving up the collection date of delinquent taxes on personal property can be advantageous for the City because personal property taxes can be harder to collect than real property taxes since personal property can be moved or sold.

Action Item

Consider and take possible action on a resolution authorizing an additional penalty on delinquent taxes for Tax Year 2026 and subsequent tax years as provided by Section 33.11, Texas Tax Code, in the amount of 20% of the delinquent tax, penalty, and interest if the tax becomes delinquent on or after February 1 of a year and remains delinquent on the 60th day thereafter.

- Staff Recommendation: None.

Questions or Comments