


City Council Regular Meeting

DEPARTMENT: Legal
FROM: Matt Ribitzki, Sr. Deputy City Attorney/Director of Legal Services
MEETING: May 4, 2026

SUBJECT:

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 Contact: Matt Ribitzki, Sr. Deputy City Attorney/Director of Legal Services)*

STRATEGIC PRIORITY AND GOAL(S):

| Strategic Priority | Strategic Goal |
|---|---|
|  <p>High Performing City Organization Providing Exceptional, People Focused Services</p> | 1.2 Continue to improve the efficiency and productivity of operations 1.3 Deliver high-quality service and communications to external and internal customers |

SUMMARY:

In order to begin the early collection of business personal property taxes, the City Council must take official action. Currently, delinquent taxes on personal property are not turned over to the City's delinquent tax collection firm until July 1 of a year. In the proposed resolution, pursuant to Section 33.11 of the Texas Tax Code, 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 in collection the tax. The early collection and additional penalty only apply 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, City staff believe moving up the collection date of delinquent taxes on personal property is 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.

RECOMMENDATION:

None.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

None.

REFERENCE:

None.

FISCAL IMPACT:

None.

STAFF CONTACT:

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