

## MEMORANDUM

**TO:** Claire Powell, City Manager

**FROM:** David Erb, Director of Finance

**DATE:** May 15, 2023

**SUBJECT:** **Approval of Waiving the Penalty and Interest on Property Tax Account 676742DEN for Tax Year 2022.**

### BACKGROUND

The taxpayer for property tax account #676742DEN has requested a waiver of penalty & interest from Denton County. The property owner states that a number of factors originating from the tax assessor collector's office resulted in the delay in paying the 2022 tax bill. Detail into the factors that played into the delinquent payment are provided below.

Inclement weather during the week of January 31, 2023 led to closures of all Denton County offices. Because of the timing of the closure, the tax assessor collector's office allowed on-time payments to be made through February 6, 2023. It was discovered later that the tax office phone system was errantly playing the office is closed message on February 6, 2023 when it was actually open for business. The closed message was being played as the call queue had reached the maximum limit of active calls. This preempted the normal business hours message. The taxpayer attempted to call for clarification and assistance regarding an online payment however, they received the message that the tax office was closed. Efforts by the property owner to contact the tax assessor collector's office were unsuccessful. It has been determined by the tax assessor collector's office that these happenings resulted in this property owner to not pay taxes within the given time allowed. While this is a very unusual occurrence, Denton County officials have determined that this does meet the requirements of 33.011 of the Texas Tax Code.

### ANALYSIS

State law provides, in relevant part, that the city council of a municipality "shall waive penalties and may provide for the waiver of interest on a delinquent tax if an act or omission caused or resulted in the taxpayer's failure to pay the tax before delinquency and if the tax is paid not later than the 21st day after the date the taxpayer knows of the delinquency" per Texas Tax Code Section 33.011(a)(1). The taxpayer has paid all taxes, included the penalty and interest as required and has filed this request for waiver and refund of the penalty and interest portion. It is the opinion of Sawko & Burroughs LLP, the City's property tax attorneys, based on the information provided, the circumstances in this case satisfy the waiver provision in state law. The penalty & interest waiver for the taxpayer \$110.55.

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The last time an item to waive penalty & interest went before Council was in September 14, 2020 at which time the waiver was approved.

**CITY STAFF'S RECOMMENDATION**

That the City Council approve the City to waive the penalty and interest per Texas Tax Code Section 33.011(a)(1).