

MEMORANDUM

TO: Claire Powell, City Manager

FROM: David Erb, Director of Finance

DATE: March 18, 2024

SUBJECT: Approval of Waiving the Penalty and Interest on Property Tax Account 288838DEN Located at 2460 Sunderland Lane for Tax Year 2023 per Texas Tax Code Section 33.011(a)(1).

BACKGROUND

The taxpayer for property tax account 288838DEN has requested a waiver of penalty & interest from Denton County. The property owner states that address changes related to the deed filing and homestead application made on this property resulted in the delay in paying the 2023 tax bill. Detail into the factors that played into the delinquent payment are provided below.

In a statement of fact provided by Denton Central Appraisal District, the owner address, which had been correctly updated as part of the deed filing, was subsequently overwritten using the previous owner's information. This caused the billing notice that was sent out from Denton County to be mailed out to the wrong party. 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 is \$109.89. The City's portion of this waiver is \$26.49.

The last time an item to waive penalty & interest went before Council was in May 15, 2023, at which time the waiver was approved.

CITY STAFF'S RECOMMENDATION

That City Council approve the waiver of the penalty and interest on the property tax account as set forth in the caption above.