

BILL ANALYSIS

C.S.H.B. 335
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Civil Practices
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, property owners that are delinquent in their taxes may still purchase property at judicial execution and/or tax foreclosure sales.

CSHB 335 prohibits a purchaser at a judicial execution or tax foreclosure sale that owes delinquent county or school district or municipality ad valorem taxes from receiving the property.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

CSHB 335 amends Subchapter C, Chapter 34, Civil Practice and Remedies Code, by adding Section 34.0445 which requires a person to exhibit an unexpired written statement issued under Section 34.015, Tax Code, demonstrating that the county assessor-collector has determined that person owes no delinquent taxes to the county or to a school district or to a municipality having territory in the county. Further, it prohibits an individual from bidding or purchasing in the name of another individual. A deed executed or delivered in violation of this section is voidable for one year. A violation under this Section is a Class B misdemeanor. Makes this section the controlling section in conflicts of law.

CSHB 335 amends Subchapter A, Chapter 34, Tax Code, by adding Section 34.015 to exclude from the definition of "person", in this section, a taxing unit or individual bidding on behalf of a taxing unit and prohibits an officer conducting a tax foreclosure sale from executing or delivering a deed to a person who fails to exhibit an unexpired written statement issued under this section demonstrating that the county assessor-collector of the county has determined that person owes no delinquent taxes to the county or to a school district or to a municipality having territory in the county; and, prohibits an officer conducting a judicial execution sale from executing or delivering a deed in the name of any person other than the person who was the successful bidder. Further, it requires a county assessor-collector, upon request, to issue a written statement stating whether the requestor owes delinquent taxes and sets up requirements for that statement and the process whereby school districts and municipalities report their delinquents to the assessor-collector. Allows the county assessor-collector to charge a fee not to exceed \$10 for issuance of statements and establishes a 90 day expiration date for the statements. A deed executed or delivered in violation of this section is voidable for one year. Additionally, CSHB 335 creates a Class B misdemeanor where a person knowingly violates this section and establishes this section as the controlling section in conflicts of law.

EFFECTIVE DATE

This Act takes effect September 1, 2003. The change in law made by this Act applies only to a public sale of real property conducted on or after October 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute includes school districts and municipalities and changes the point of presentment to after the purchase, but prior to execution or delivery of deed.