

1-1 By: Flores (Senate Sponsor - Staples) H.B. No. 1125
1-2 (In the Senate - Received from the House April 25, 2003;
1-3 April 28, 2003, read first time and referred to Committee on
1-4 Finance; May 23, 2003, reported favorably by the following vote:
1-5 Yeas 12, Nays 0, 1 present not voting; May 23, 2003, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the period for the redemption of a mineral interest sold
1-10 for unpaid ad valorem taxes at a tax sale.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Sections 34.21(a), (b), (c), and (e), Tax Code,
1-13 are amended to read as follows:

1-14 (a) The owner of real property sold at a tax sale to a
1-15 purchaser other than a taxing unit that was used as the residence
1-16 homestead of the owner or that was land designated for agricultural
1-17 use when the suit or the application for the warrant was filed, or
1-18 the owner of a mineral interest sold at a tax sale to a purchaser
1-19 other than a taxing unit, may redeem the property on or before the
1-20 second anniversary of the date on which the purchaser's deed is
1-21 filed for record by paying the purchaser the amount the purchaser
1-22 bid for the property, the amount of the deed recording fee, and the
1-23 amount paid by the purchaser as taxes, penalties, interest, and
1-24 costs on the property, plus a redemption premium of 25 percent of
1-25 the aggregate total if the property is redeemed during the first
1-26 year of the redemption period or 50 percent of the aggregate total
1-27 if the property is redeemed during the second year of the redemption
1-28 period.

1-29 (b) If property that was used as the owner's residence
1-30 homestead or was land designated for agricultural use when the suit
1-31 or the application for the warrant was filed, or that is a mineral
1-32 interest, is bid off to a taxing unit under Section 34.01(j) or (p)
1-33 and has not been resold by the taxing unit, the owner having a right
1-34 of redemption may redeem the property on or before the second
1-35 anniversary of the date on which the deed of the taxing unit is
1-36 filed for record by paying the taxing unit:

1-37 (1) the lesser of the amount of the judgment against
1-38 the property or the market value of the property as specified in
1-39 that judgment, plus the amount of the fee for filing the taxing
1-40 unit's deed and the amount spent by the taxing unit as costs on the
1-41 property, if the property was judicially foreclosed and bid off to
1-42 the taxing unit under Section 34.01(j); or

1-43 (2) the lesser of the amount of taxes, penalties,
1-44 interest, and costs for which the warrant was issued or the market
1-45 value of the property as specified in the warrant, plus the amount
1-46 of the fee for filing the taxing unit's deed and the amount spent by
1-47 the taxing unit as costs on the property, if the property was seized
1-48 under Subchapter E, Chapter 33, and bid off to the taxing unit under
1-49 Section 34.01(p).

1-50 (c) If real property that was used as the owner's residence
1-51 homestead or was land designated for agricultural use when the suit
1-52 or the application for the warrant was filed, or that is a mineral
1-53 interest, has been resold by the taxing unit under Section 34.05,
1-54 the owner of the property having a right of redemption may redeem
1-55 the property on or before the second anniversary of the date on
1-56 which the taxing unit files for record the deed from the sheriff or
1-57 constable by paying the person who purchased the property from the
1-58 taxing unit the amount the purchaser paid for the property, the
1-59 amount of the fee for filing the purchaser's deed for record, the
1-60 amount paid by the purchaser as taxes, penalties, interest, and
1-61 costs on the property, plus a redemption premium of 25 percent of
1-62 the aggregate total if the property is redeemed in the first year of
1-63 the redemption period or 50 percent of the aggregate total if the
1-64 property is redeemed in the second year of the redemption period.

2-1 (e) The owner of real property sold at a tax sale other than
2-2 property that was used as the residence homestead of the owner or
2-3 that was land designated for agricultural use when the suit or the
2-4 application for the warrant was filed, or that is a mineral
2-5 interest, may redeem the property in the same manner and by paying
2-6 the same amounts as prescribed by Subsection (a), (b), (c), or (d),
2-7 as applicable, except that:

2-8 (1) the owner's right of redemption may be exercised
2-9 not later than the 180th day following the date on which the
2-10 purchaser's or taxing unit's deed is filed for record; and

2-11 (2) the redemption premium payable by the owner to a
2-12 purchaser other than a taxing unit may not exceed 25 percent.

2-13 SECTION 2. (a) This Act takes effect January 1, 2004, but
2-14 only if the constitutional amendment proposed by the 78th
2-15 Legislature, Regular Session, 2003, to establish a two-year period
2-16 for the redemption of a mineral interest sold for unpaid ad valorem
2-17 taxes at a tax sale is approved by the voters. If that amendment is
2-18 not approved by the voters, this Act has no effect.

2-19 (b) This Act applies only to the redemption of a mineral
2-20 interest sold at a tax sale for which the purchaser's deed is filed
2-21 for record on or after the effective date of this Act. The
2-22 redemption of a mineral interest sold at a tax sale for which the
2-23 purchaser's deed is filed for record before the effective date of
2-24 this Act is covered by the law in effect when the deed is filed, and
2-25 the former law is continued in effect for that purpose.

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