

## **BILL ANALYSIS**

H.B. 2491  
By: Puente  
Local Government Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The current law under section 32.06 of the Tax Code allows real estate owners to pay for property taxes with loans. Concerns have been raised about certain ambiguities in the statutory language. The proposed changes provide a definition of costs, clarifies the terms for redemption of the property, and clarifies the requirements for notification to the mortgage lender.

### **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**

1. Section 32.06(a): Applies the same benefits to companies or individuals that owe property taxes on personal property as to those that owe taxes on real estate.
2. Section 32.06(b): Provides the tax collector flexibility in their operations.
3. Section 32.06(b): Provides the verification in the chain of document to assure the tax collector the validity of the transaction
4. Section 32.06(f) & (i): New language clarifies the notification requirements of the Mortgage lender; and, it clarifies the terms and ability of person to redeem the property.

### **EFFECTIVE DATE**

This act takes effect on September 1, 2005