

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 5, 2005

TO: Honorable Fred Hill, Chair, House Committee on Local Government Ways & Means

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2926 by Hamric (Relating to the procedure for listing property in the appraisal records following certain ad valorem tax sales.), **As Introduced**

The provisions of the bill could result in the inclusion of taxable property on local appraisal rolls that otherwise would remain off the rolls and in the name of foreclosing taxing units. The addition of taxable property as a result of this bill could result in a savings to the Foundation School Fund.

The bill would allow an appraisal district to list certain property on the appraisal roll following a property tax foreclosure sale.

Current law requires a successful bidder at a foreclosure sale to provide the selling officer a statement from the county assessor-collector indicating whether there are any delinquent taxes owed by the bidder to the county or other taxing units within the county. The selling officer is prohibited from delivering a deed to the successful bidder until such a statement is provided indicating that no delinquent taxes are owed by the bidder.

The bill would provide that, if, within six months of a foreclosure sale, the successful bidder had not provided the selling officer with a delinquent property tax statement, the county would record the transaction in its records; and the appraisal district could list the property for taxation in the name of the successful bidder.

Section 403.302 of the Government Code requires the Comptroller to conduct a property value study to determine the total taxable value for each school district. Total taxable value is an element in the state's school funding formula. Passage of the bill could cause a change in school district taxable values reported to the Commissioner of Education by the Comptroller.

Local Government Impact

The provisions of the bill could result in the inclusion of taxable property on local appraisal rolls that otherwise would remain off the rolls and in the name of foreclosing taxing units. The addition of taxable property to local tax rolls as a result of this bill could provide additional revenue to units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, WP, DLBe, KJG