

BILL ANALYSIS

C.S.H.B. 1899
By: England
Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under Section 33.57, Tax Code, taxing units are permitted to file a single petition to foreclose multiple properties if: (a) 10 or more years in delinquent taxes owed on the parcel; or, (b) the total amount of delinquent taxes, penalties, interest and attorney's fees exceed the appraised value of the parcel. Further, the statute sets out particular steps and requirements in order to ensure that due process concerns are met relative to the property owner(s). Section 33.57 assists taxing units by minimizing the cost of foreclosure relative to properties that carry indicia of abandonment, and whose individual appraised values are below the total amount of liens against the properties.

Permitting *in solido* sales for certain areas makes individual parcels (which may be too small in size to have any value) more attractive when they are considered in bulk with other parcels. CSHB 1899 allows certain taxing units to sell, in solido property filed for tax foreclosure and to maintain the right of redemption in connection with such sales.

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

Committee Substitute House Bill 1899 amends the Tax Code to provide that if a taxing unit's petition filed for tax foreclosure on multiple parcels of property and if the tax unit requests, that the court's order of sale is required to provide that the officer conducting the sale is required to sell the parcels in solido, regardless of whether the parcels adjoin one another or have common ownership.

CSHB 1899 requires an officer who is conducting an in solido, sale, in calculating the minimum bid amount, to use either (1) the aggregate amount of the judgment; or (2) the aggregate of the adjudged market value in the judgment.

The bill reduces the number of tax years necessary to file for tax foreclosure under these provisions from ten (10) years to five (5) years.

The bill also provides that the amounts that must be paid in redeeming an individual parcel of property under an in solido sale, be in an amount equal to the taxes, penalties, interest, and attorney's fees adjudged against that individual parcel.

The provisions apply only to a subdivision which has an average lot size of no more than one-tenth of an acre and is located in a municipality with a population of more than 100,000 and that is at least in two counties of which has a population of more than one million

EFFECTIVE DATE

September 1, 2007.

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COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute provides that the provisions of the bill apply only to a subdivision which has an average lot size of no more than one-tenth of an acre and is located in a municipality with a population of more than 100,000 and that is at least in two counties of which has a population of more than one million

The substitute adds a new section which provides that if a taxing unit's petition filed for tax foreclosure on multiple parcels of property and if the tax unit requests, that the court's order of sale is required to provide that the officer conducting the sale is required to sell the parcels in solido, regardless of whether the parcels adjoin one another or have common ownership.

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