

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1899
By: England (Harris)
Intergovernmental Relations
5/18/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Section 33.57 (Alternative Notice of Tax Foreclosure on Certain Parcels of Real Property), Tax Code, authorizes taxing authorities to file one lawsuit joining all of the properties which have delinquent taxes. However, each tract is required to be sold separately. There are judicial limitations to filing individual suits. For example, most district courts in Dallas County carry a docket of 5,000 cases or more.

C.S.H.B. 1899 authorizes district courts to foreclose on lots, in solido or in bulk, where the tracts have been abandoned by the owners and delinquent taxes are owed on the property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 33, Tax Code, by adding Section 33.58, to read as follows:

Sec. 33.58. ALTERNATIVE NOTICE OF FORECLOSURE FOR PARCELS IN CERTAIN MUNICIPALITIES. (a) Authorizes this section to be invoked and used by one or more taxing units if there are delinquent taxes, penalties, interest, and attorney's fees owing to a taxing unit on a parcel of real property and there are five or more years for which delinquent taxes are owed on the parcel, if the parcel is located in a certain municipality having a population of more than 100,000 that is situated in two or more counties, at least two of which have a population of more than one million, and in a subdivision having an average lot size of one-fifth of an acre or less.

(b) Provides that if a taxing unit invokes this section the procedures and other provisions of Section 33.57 (Alternative Notice of Tax Foreclosure on Certain Parcels of Real Property), Tax Code, apply except as otherwise provided by this section.

(c) Provides that a petition for foreclosure under this section is sufficient if it is in substantially the form prescribed by Section 33.43 (Petition), Tax Code, and further alleges the grounds for invoking this section provided by Subsection (a), notwithstanding Section 33.57(c) (regarding the filing of petitions for foreclosure that includes multiple parcels of property and multiple owners), Tax Code.

(d) Requires a court to approve a motion under Section 33.57(d) (requiring a taxing unit to file a motion with the court seeking an order approving notice of the petition to each defendant in a certain manner and including certain information), Tax Code, if the documents in support of the motion show that the grounds for invoking this section provided by Subsection (a) exist, notwithstanding Section 33.57(e) (requiring the court to approve a certain motion if the documents in support of the motion show certain information regarding the parcel), Tax Code.

(e) Requires the court's order of sale 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, if a taxing unit's petition includes multiple parcels of property and if requested by the taxing unit.

(f) Requires the officer conducting the sale of the property to use certain amounts or values in calculating the minimum bid amount under Section 33.50(b) (regarding an order of sale if the judgment in a suit to collect a delinquent tax is for the foreclosure of a tax lien on property) or (c) (requiring the order of sale to specify that the property is prohibited from being sold to certain persons), Tax Code, as appropriate, if the officer is ordered to sell the property in solido under Subsection (e).

(g) Requires the amounts prescribed Section 34.21 (Right of Redemption), Tax Code, that must be paid in redeeming property for the purpose of redeeming an individual parcel of property to be in an amount equal to the taxes, penalties, interest, and attorney's fees adjusted against that individual parcel, if multiple parcels of property are sold in solido under an order of sale issued under Subsection (e).

(h) Provides that this section expires September 1, 2017.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.