

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 8, 2007**

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

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

**IN RE: HB1353** by Paxton (Relating to the contents and effect of a deed conveying property sold at an ad valorem tax sale.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would add Section 34.052 and amend Section 34.07 of the Tax Code to require taxing units that sell real property at foreclosure sales to warrant the title to those properties against claims involving notice of the foreclosure action given or received by the defendant or the defendant's attorney.

Under the bill, the warranty of title requirement would apply only to real property with a market value of not more than \$100,000.

Because the state is constitutionally prohibited from imposing a state property tax, there would be no direct fiscal impact on the state.

The bill would take effect September 1, 2007.

**Local Government Impact**

Passage of the bill would shift the financial risk for warranting title to certain foreclosed property from the private to the public sector (local taxing units) and could result in costs to some units determined to be liable under the provisions of the bill. The Comptroller's Property Tax Division does not receive or maintain information from units of local government that would be helpful in determining the impact of the bill.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, CT, SD, SJS