

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB1899 by England (Relating to the sale of certain real property at an ad valorem tax sale and to the right of redemption in connection with that real property.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would add Section 33.58 to the Tax Code to allow the aggregation of multiple tracts to be sold at a foreclosure sale when there are five or more years (currently 10 years) of delinquent taxes on a group of similarly situated parcels. The amendment would apply only in cases where the delinquent parcels were in a municipality with a population of more than 100,000 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-tenth of an acre or more.

The bill would allow aggregation after a court allowed the aggregated tracts to be sold in solido (together) to facilitate transfer.

The new section of code would expire September 1, 2017 and would apply only to an action brought on or after the effective date of the bill, which would be September 1, 2007.

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

Local Government Impact

Passage of the bill would be purely local in impact and would facilitate the passage of title to property subject to delinquent taxes to local units for later sale to defray costs to the units. Based on the 2000 U.S. Census and the population criteria set out in the bill, the bill would apply only to the City of Grand Prairie.

Source Agencies: 304 Comptroller of Public Accounts

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