

BILL ANALYSIS

C.S.H.B. 655
By: Solomons
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The 80th Legislature, Regular Session, 2007, enacted H.B. 2738 to address problems that arise when a courthouse or county clerk's office closes due to a natural disaster or inclement weather. In an effort to address fraud concerns at auction biddings on foreclosures, the purchase price in a sale held by a trustee was required to be payable immediately. As an unintended consequence, this language allows trustees to refuse any potential parties from bidding on the property without the exact amount of the awarded bid in the form of a cashier's check or certified check.

C.S.H.B. 655 allows payment to a trustee or substitute trustee after public sale of foreclosed property to be made within a reasonable period after acceptance of the bid on request of the purchaser.

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

C.S.H.B. 655 amends the Property Code to establish that the purchase price in a sale of foreclosed property held by a trustee or substitute trustee of the property is due and payable without delay, rather than immediately, on acceptance of the bid or, on the purchaser's request, within a reasonable period after acceptance of the bid agreed to by the trustee or substitute trustee and the purchaser.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 655 differs from the original by establishing that the purchase price in a sale of foreclosed property is due and payable without delay on acceptance of the bid or within a reasonable period after acceptance of the bid on the purchaser's request, whereas the original establishes that the purchase price is payable within one hour after acceptance of the bid.