

By: Paxton

H.B. No. 1465

A BILL TO BE ENTITLED

AN ACT

relating to the joinder of a tax lien transferee in a suit to collect a delinquent ad valorem tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 32.06(i), Tax Code, is amended to read as follows:

(i) Except as provided by Section 33.445, a [A] foreclosure of a tax lien transferred as provided by this section may not be instituted within one year from the date on which the lien is recorded in all counties in which the property is located, unless the contract between the owner of the property and the transferee provides otherwise.

SECTION 2. Subchapter C, Chapter 33, Tax Code, is amended by adding Section 33.445 to read as follows:

Sec. 33.445. JOINDER OF TAX LIEN TRANSFEREE. (a) A taxing unit acting under Section 33.44(a) shall also join each transferee of a tax lien against the property that may appear of record under Section 32.06. After the joinder, the transferee of the tax lien may file its claim and seek foreclosure in the suit for all amounts owed the transferee that are secured by the transferred tax lien, regardless of when the original transfer of tax lien was recorded or whether the original loan secured by the transferred tax lien is delinquent. In the alternative, the transferee may pay all taxes, penalties, interest, court costs, and attorney's fees owing to the

1 taxing unit that filed the foreclosure suit and each other taxing
2 unit that is joined.

3 (b) In consideration of the payment by the transferee of
4 those taxes and charges, each joined taxing unit shall transfer its
5 tax lien to the transferee in the form and manner provided by
6 Section 32.06(b) and enter its disclaimer in the suit.

7 (c) On transfer of all applicable tax liens, the transferee
8 may seek to foreclose the tax liens in the pending suit or in any
9 other manner provided by Section 32.06, regardless of when the
10 original transfer of tax lien was recorded or whether the original
11 loan secured by the transferred tax lien is delinquent. The
12 foreclosure may include all amounts owed to the transferee,
13 including any amount secured by the original transfer of tax lien.

14 (d) All liens held by a transferee who is joined under this
15 section but fails to act in the manner provided by this section are
16 extinguished, and the court's judgment shall reflect the
17 extinguishment of those liens.

18 SECTION 3. Section 33.445, Tax Code, as added by this Act,
19 applies to a suit for foreclosure of an ad valorem tax lien that is
20 pending on the effective date of this Act or that is brought on or
21 after the effective date of this Act.

22 SECTION 4. This Act takes effect September 1, 2009.