

## **BILL ANALYSIS**

S.B. 916  
By: Wentworth  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

State tax law allows a person other than the property owner, referred to as a transferee, to pay the property owner's real property taxes. A recent amendment to that tax law established that a transferee may pay a property owner's delinquent taxes or taxes that are not delinquent if the property is not subject to a mortgage lien or a transferee has previously paid the delinquent taxes of a property owner. Currently, if a property owner authorizes the transfer of tax liens for both the taxes on the property that are not delinquent and the taxes that are delinquent, the tax assessor-collector is required to certify the transfer of those tax liens in one document. The transfer occurs for both delinquent and nondelinquent property taxes in the same transaction. In many instances, a transferee will pay a property owner's delinquent taxes in one transaction and subsequently pay a property owner's nondelinquent taxes in a separate transaction.

S.B. 916 seeks to address these matters by providing a tax collector with discretion to certify both the lien transfer and the payment of the property taxes and any applicable penalties and interest in one document and by clarifying that authorization is not required for a transferee to pay the specified amount in a foreclosure suit.

### **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**

S.B. 916 amends the Tax Code to authorize a property tax collector to certify in one document, if a property owner has executed an authorization consenting to a transfer of the tax liens for both the taxes on the property that are not delinquent and taxes on the property that are delinquent to a transferee, that the taxes and any penalties and interest on the subject property and collection costs have been paid by the transferee on behalf of the property owner and that the taxing unit's tax lien is transferred to that transferee, rather than requiring the collector to certify in one document the transfer of the liens for all the taxes.

S.B. 916 provides that, in a joinder of taxing units in a suit to foreclose a tax lien, the transfer of a tax lien by each joined taxing unit to the transferee in consideration of the transferee's payment of the delinquent taxes and charges does not require authorization by the property owner.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.