

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1468  
By: Lucio  
Intergovernmental Relations  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1468 aligns Section 34.0445 (Persons Eligible to Purchase Real Property), Civil Practice and Remedies Code, with the current bidder eligibility requirements for Section 34.015 (Persons Eligible to Purchase Real Property), Tax Code. The bill provides requirements under Section 34.015, Tax Code, for persons to qualify to be eligible with the county tax assessor-collector before bidding on a property at a tax sale property.

The county assessor-collector issues the bidder a statement showing the bidder has no delinquent property taxes in the county and no delinquent taxes for a school district or municipality located in the county. The successful bidder must provide this document to the official conducting the sale before the bidder can receive a deed.

As proposed, S.B. 1468 amends current law relating to the eligibility of persons to participate in the public sale of certain real property and the purchase of that property, and provides a penalty.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Section 34.0445, Civil Practice and Remedies Code, to read as follows:

Sec. 34.0445. PERSONS ELIGIBLE TO BID ON AND PURCHASE REAL PROPERTY.

SECTION 2. Amends Section 34.0445, Civil Practice and Remedies Code, by amending Subsections (a) and (c) and adding Subsections (a-1) and (b-1), as follows:

(a) Requires a person, to be eligible to bid on real property at a sale under this subchapter, to, before the sale begins, exhibit to the officer conducting the sale a written statement issued to the person in the manner prescribed by Section 34.015 (Persons Eligible to Purchase Real Property), Tax Code, along with a tax certificate for each property tax account listed in the statement, showing that the county assessor-collector of the county in which the sale is conducted has determined that:

(1) there are no delinquent ad valorem taxes owed by the person to that county;  
and

(2) for each school district or municipality having territory in the county there are no known or reported delinquent ad valorem taxes owed by the person to that school district or municipality.

(a-1) Prohibits an officer conducting a sale of real property under this subchapter from accepting a bid from, executing a deed to, or deliveing a deed to a person who, before the sale begins, does not exhibit to the officer an unexpired written statement issued to the

person in the manner prescribed by Section 34.015, Tax Code, along with a tax certificate for each property tax account listed in the statement, showing that the county assessor-collector of the county in which the sale is conducted has determined that:

- (1) there are no delinquent ad valorem taxes owed by the person to that county; and
- (2) for each school district or municipality having territory in the county there are no known or reported delinquent ad valorem taxes owed by the person to that school district or municipality.

Replaces a reference to "purchaser of the property" with a reference to "person."

(b-1) Prohibits an officer conducting a sale of real property under this subchapter from executing or delivering a deed to the purchaser of the property unless the purchaser exhibits to the officer a tax certificate showing that no taxes are due on the purchased property as required by Section 34.015(b-1) (relating to delinquent taxes owed), Tax Code.

(c) Requires the deed executed by the officer conducting the sale to name the successful bidder as the grantee and recite that the successful bidder exhibited to that officer a tax certificate showing that no taxes are due on the property purchased and that, before the sale began, the successful bidder exhibited to that officer an unexpired written statement issued to the person in the manner prescribed by Section 34.015, Tax Code, along with a tax certificate for each property tax account listed in the statement, showing that the county assessor-collector of the county in which the sale was conducted determined that:

- (1) there are no delinquent ad valorem taxes owed by the person to that county; and
- (2) for each school district or municipality having territory in the county there are no known or reported delinquent ad valorem taxes owed by the person to that school district or municipality.

SECTION 3. Amends the heading to Section 34.015, Tax Code, to read as follows:

Sec. 34.015. PERSONS ELIGIBLE TO BID ON AND PURCHASE REAL PROPERTY.

SECTION 4. Amends Section 34.015, Tax Code, by adding Subsections (a-1) and (b-1) and amending Subsections (b), (k), (k-1), and (1), as follows:

(a-1) Requires a person, to be eligible to bid on real property at a tax sale, to, before the sale begins, exhibit to the officer conducting the sale an unexpired written statement issued under this section to the person by the county assessor-collector of the county in which the sale is conducted, along with a tax certificate for each property tax account listed on the statement, showing that:

- (1) there are no delinquent taxes owed by the person to that county; and
- (2) for each school district or municipality having territory in the county there are no known or reported delinquent ad valorem taxes owed by the person to that school district or municipality.

(b) Prohibits an officer conducting a sale of real property under Section 34.01 (Sale of Property) from:

- (1) accepting a bid from, executing a deed to, or delivering a deed to a person who, before the sale begins, does not exhibit to the officer an unexpired written statement issued under this section to the person by the county assessor-collector

of the county in which the sale is conducted, along with a tax certificate for each property tax account listed on the statement, showing that:

(A) there are no delinquent taxes owed by the person to that county; and

(B) for each school district or municipality having territory in the county there are no known or reported delinquent ad valorem taxes owed by the person to that school district or municipality; or

(2) executing a deed in the name of or delivering a deed to a person other than the person who was the successful bidder.

Deletes existing text prohibiting an officer from executing a deed in the name of or delivering a deed to any person other than the person who was the successful bidder. Deletes existing text prohibiting an officer from executing or delivering a deed to the purchaser of the property unless the purchaser exhibits to the officer an unexpired written statement issued under this section to the person by the county assessor-collector of the county in which the sale is conducted. Makes nonsubstantive changes.

(b-1) Prohibits an officer conducting a sale of real property under Section 34.01 from executing or delivering a deed to the purchaser of the property unless the purchaser exhibits to the officer a tax certificate, as described by Section 31.08 (Tax Certificate), showing that no taxes are due on the purchased property.

(k) Requires that a statement under Subsection (c) be issued in the name of the requestor, bear the requestor's name, include the dates of issuance and expiration, and be eligible for recording under Section 12.001(b) (relating to an instrument conveying real property), Property Code. Provides that a statement expires on March 1 of the year following the year, rather than on the 90th day after the date, of issuance.

(k-1) Requires the officer who conducted the sale, if within six months of the date of a sale of real property under Section 34.01, the successful bidder does not exhibit to the officer who conducted the sale a tax certificate as required by Subsection (b-1), rather than an unexpired statement that complies with Subsection (k), to provide a copy of the officer's return to the county assessor-collector for each county in which the real property is located. Requires the county assessor-collector, on receipt of the officer's return, to file the copy with the county clerk of the county in which the county assessor-collector serves. Requires the county clerk to record the return in records kept for that purpose and to index and cross-index the return in the name of the successful bidder at the auction and each former owner of the property. Authorizes the chief appraiser of each appraisal district that appraises the real property for taxation to list the successful bidder in the appraisal records of that district as the owner of the property.

(l) Requires the deed executed by the officer conducting the sale to name the successful bidder as the grantee and recite that the successful bidder exhibited to that officer a tax certificate showing that no taxes are due on the property purchased and that, before the sale began, the successful bidder exhibited to that officer an unexpired written statement issued to the person in the manner prescribed by this section, showing that the county assessor-collector of the county in which the sale was conducted determined that:

(1) there are no delinquent ad valorem taxes owed by the person to that county; and

(2) for each school district or municipality having territory in the county there are no known or reported delinquent ad valorem taxes owed by the person to that school district or municipality.

SECTION 5. (a) Provides that, except as provided by this section, the change in law made by this Act applies only to a public sale of real property conducted on or after the effective date of

this Act. Provides that, a public sale of real property conducted before the effective date of this Act is governed by the law in effect on the date the sale was conducted, and the former law is continued in effect for that purpose.

(b) Provides that the change in law made by this Act to Section 34.015(k), Tax Code, applies to a statement issued on or after the effective date of this Act or an unexpired statement issued before the effective date of this Act. Provides that, notwithstanding the expiration date included in the unexpired statement, an unexpired statement issued before the effective date of this Act expires on March 1, 2012.

SECTION 6. Effective date: September 1, 2011.