

1-1 By: Ritter, Deshotel (Senate Sponsor - Huffman) H.B. No. 1118
1-2 (In the Senate - Received from the House April 20, 2011;
1-3 April 26, 2011, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 19, 2011, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 19, 2011, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the resale of property purchased by a taxing unit at a
1-10 tax sale.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 33.52(d), Tax Code, is amended to read as
1-13 follows:

1-14 (d) Except as provided by Section 34.05(k), a [A] taxing
1-15 unit's claim for taxes that become delinquent after the date of the
1-16 judgment is not affected by the entry of the judgment or a tax sale
1-17 conducted under that judgment. Those taxes may be collected by any
1-18 remedy provided by this title.

1-19 SECTION 2. Section 34.05, Tax Code, is amended by adding
1-20 Subsections (j), (k), and (l) to read as follows:

1-21 (j) In lieu of a sale pursuant to Subsections (c) and (d),
1-22 the taxing unit that purchased the property may sell the property at
1-23 a private sale for an amount equal to or greater than its market
1-24 value, as shown by the most recent certified appraisal roll, if:

1-25 (1) the sum of the amount of the judgment plus
1-26 post-judgment taxes, penalties, and interest owing against the
1-27 property exceeds the market value; and

1-28 (2) each taxing unit entitled to receive proceeds of
1-29 the sale consents to the sale for that amount.

1-30 (k) A sale under Subsection (j) discharges and extinguishes
1-31 all liens foreclosed by the judgment and, with the exception of the
1-32 prorated tax for the current year that is assessed under Section
1-33 26.10, the liens for post-judgment taxes that accrued from the date
1-34 of judgment until the date the taxing unit purchased the property.
1-35 The presiding officer of a taxing unit selling real property under
1-36 Subsection (j) shall execute a deed to the property conveying to the
1-37 purchaser the right, title, and interest acquired or held by each
1-38 taxing unit that was a party to the judgment foreclosing tax liens
1-39 on the property. The conveyance is subject to any remaining right of
1-40 redemption at the time of the sale and to the purchaser's obligation
1-41 to pay the prorated taxes for the current year as provided by
1-42 Section 26.10. The deed must recite that the liens foreclosed by the
1-43 judgment and the post-judgment tax liens are discharged and
1-44 extinguished by virtue of the conveyance.

1-45 (l) A taxing unit that does not consent to a sale under
1-46 Subsection (j) is liable to the taxing unit that purchased the
1-47 property for a pro rata share of the costs incurred by the
1-48 purchasing unit in maintaining the property, including the costs of
1-49 preventing the property from becoming a public nuisance, a danger
1-50 to the public, or a threat to the public health. The nonconsenting
1-51 unit's share of the costs described by this subsection is
1-52 calculated from the date the unit fails to consent to the sale and
1-53 is equal to the percentage of the proceeds from a sale of the
1-54 property to which the nonconsenting unit would be entitled
1-55 multiplied by the costs incurred by the purchasing unit to maintain
1-56 the property.

1-57 SECTION 3. The change in law made by this Act applies to
1-58 real property sold to a taxing unit that is a party to a judgment to
1-59 foreclose a tax lien regardless of whether the judgment was entered
1-60 before, on, or after the effective date of this Act.

1-61 SECTION 4. This Act takes effect immediately if it receives
1-62 a vote of two-thirds of all the members elected to each house, as
1-63 provided by Section 39, Article III, Texas Constitution. If this
1-64 Act does not receive the vote necessary for immediate effect, this

2-1 Act takes effect September 1, 2011.

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