

By: Miller of Comal

H.B. No. 2901

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the priority of a lien for funds advanced by the
3 transferee of an ad valorem tax lien.

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

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

7 (e) A transferee holding a tax lien transferred as provided
8 by this section may not charge a greater rate of interest than 18
9 percent a year on the funds advanced. Funds advanced are limited
10 to the taxes, penalties, interest, and collection costs paid as
11 shown on the tax receipt, expenses paid to record the lien, plus
12 reasonable closing costs. A transferee assumes the lien priority
13 of the taxing unit for funds advanced to pay taxes, penalties,
14 interest, and collection costs as shown on the tax receipt. The
15 lien priority of funds advanced by a transferee to pay closing
16 costs, fees, and any other expenses incurred by the transferee
17 after the date the lien is transferred is determined by the date the
18 statement attesting to the transfer of the tax lien is recorded
19 under Subsection (d).

20 SECTION 2. The change in law made by this Act applies only
21 to a tax lien transferred under Section 32.06, Tax Code, on or after
22 the effective date of this Act. A tax lien transferred under
23 Section 32.06, Tax Code, before the effective date of this Act is
24 governed by the law in effect on the date the tax lien is

1 transferred, and the former law is continued in effect for that
2 purpose.

3 SECTION 3. This Act takes effect September 1, 2011.