

By: Harris, Watson

S.B. No. 582

A BILL TO BE ENTITLED

AN ACT

relating to service of process on certain domestic and foreign entities for the collection of delinquent property taxes.

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

SECTION 1. Section 5.257, Business Organizations Code, is amended to read as follows:

Sec. 5.257. SERVICE OF PROCESS BY POLITICAL SUBDIVISION.

(a) A process, notice, or demand required or permitted by law to be served by a political subdivision of this state or by a person, including another political subdivision or an attorney, acting on behalf of a political subdivision in connection with the collection of a delinquent ad valorem tax may be served on a domestic or foreign corporation whose corporate privileges are forfeited under Section 171.251, Tax Code, a domestic or foreign limited liability company whose right to transact business in this state is forfeited under Section 171.2515, Tax Code, or a corporation or limited liability company that is involuntarily terminated under Chapter 11[7] or whose registration is revoked under Chapter 9 by delivery of the process, notice, or demand to any officer or director of the corporation or manager or member of the limited liability company, as listed in the most recent records of the secretary of state.

(b) If the officers or directors of a corporation or the managers or members of the limited liability company are unknown or cannot be found, service on the corporation or limited liability

1 company may be made in the same manner as service is made on unknown
2 shareholders under law.

3 (c) Notwithstanding any disability or reinstatement of a
4 corporation or limited liability company, service of process under
5 this section is sufficient for a judgment against the corporation
6 or limited liability company or a judgment in rem against any
7 property to which the corporation or limited liability company
8 holds title.

9 SECTION 2. Section 17.091, Civil Practice and Remedies
10 Code, is amended by amending Subsection (a) and adding Subsection
11 (f) to read as follows:

12 (a) In a suit to collect delinquent property taxes by the
13 state or a political subdivision of the state in which a ~~[person who~~
14 ~~is a]~~ defendant in the suit is a nonresident, the secretary of state
15 is an agent for service of process on that defendant if the
16 defendant owns, has, or claims an interest in or a lien against
17 property in this state that is the subject of the suit. This
18 section applies regardless of whether the defendant has resided in
19 this state.

20 (f) In this section, "nonresident" includes:

21 (1) an individual who is not a resident of this state;

22 and

23 (2) a foreign corporation, foreign unincorporated
24 association, foreign general partnership, foreign limited
25 partnership, foreign limited liability company, foreign
26 professional association, foreign business trust, foreign
27 cooperative, or foreign real estate investment trust that is not

1 required to appoint a registered agent for service of process in
2 this state under the provisions of the Business Organizations Code.

3 SECTION 3. Section 5.257, Business Organizations Code, as
4 amended by this Act, and Section 17.091, Civil Practice and
5 Remedies Code, as amended by this Act, apply only to service of
6 process issued on or after the effective date of this Act. Service
7 of process issued before the effective date of this Act is governed
8 by the law as it existed immediately before the effective date of
9 this Act, and that law is continued in effect for that purpose.

10 SECTION 4. This Act takes effect September 1, 2011.