

By: Ellis

S.B. No. 1834

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the payment of excess proceeds from ad valorem tax
3 foreclosure sales to the comptroller for deposit to the credit of
4 the fair defense account.

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

6 SECTION 1. Sections 34.03(b) and (c), Tax Code, are amended
7 to read as follows:

8 (b) If no claimant establishes entitlement to the proceeds
9 within the period provided by Subsection (a), the clerk shall remit
10 ~~[distribute]~~ the excess proceeds to the comptroller, not less than
11 quarterly, for deposit to the credit of the fair defense account
12 established under Section 71.058, Government Code ~~[each taxing unit~~
13 ~~participating in the sale in an amount equal to the proportion its~~
14 ~~taxes, penalties, and interests bear to the total amount of taxes,~~
15 ~~penalties, and interest due all participants in the sale]~~.

16 (c) The clerk shall note on the execution docket in each
17 case the amount of the excess proceeds, the date the excess proceeds
18 ~~[they]~~ were received, and the date the excess proceeds ~~[they]~~ were
19 remitted ~~[transmitted]~~ to the comptroller ~~[taxing units~~
20 ~~participating in the sale]~~.

21 SECTION 2. The change in law made by this Act applies to the
22 disposition of excess proceeds of a property tax foreclosure sale
23 paid into the court regardless of the date on which the foreclosure
24 sale occurred or the date on which the proceeds were paid into the

1 court. If on the effective date of this Act the clerk of a court is
2 retaining excess proceeds that have been retained for longer than
3 the period provided by Section 34.03(a), Tax Code, the clerk shall
4 remit those proceeds to the comptroller for deposit to the credit of
5 the fair defense account as provided by Section 34.03(b), Tax Code,
6 as amended by this Act.

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