

By: Hinojosa

S.B. No. 1449

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of an ad valorem tax lien

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

SECTION 1. The heading to Chapter 351, Finance Code is amended to read as follows:

CHAPTER 351. PROPERTY TAX LENDERS AND ASSOCIATED LIENS

SECTION 2. Section 351.002, Finance Code, is amended to read as follows:

Sec. 351.002. DEFINITIONS. In this chapter:

(1) "Lienholder" means the holder of a lien created in favor of a property tax lender as provided by Section 32.06(a-2), Tax Code, including a successor in interest.

(2) "Property tax lender" means a person that engages in activity requiring a license under Section 351.051. The term does not include:

(A) a person who is sponsored by a licensed property tax lender to assist with or perform the acts of a property tax lender; or

(B) a person who performs only clerical functions such as delivering a loan application to a property tax lender, gathering or requesting information related to a property tax loan application on behalf of the prospective borrower or property tax lender, word processing, sending correspondence, or assembling files.

1 (3) "Property tax loan" means an advance of money:

2 (A) [~~in connection with a transfer of lien under~~
3 ~~Section 32.06, Tax Code, or a contract under Section 32.065 32.06,~~
4 ~~Tax Code,~~]

5 ~~(B)~~ in connection with a contract between a
6 lender and a property owner under which the lender [~~which the person~~
7 ~~making the transfer~~] arranges for the payment, with the [~~a~~]
8 property owner's written consent, of property taxes and related
9 closing costs on behalf of the property owner in accordance with
10 Section 32.06, Tax Code; and

11 (B) [~~(C)~~] that is secured by a [~~special~~] lien
12 against the property created in favor of the lender under Section
13 32.06, Tax Code [~~transferred from a taxing unit to the property tax~~
14 ~~lender and which may be further secured by the lien or security~~
15 ~~interest created by a deed of trust, security deed, or other~~
16 ~~security instrument~~].

17 SECTION 3. Sections 351.0021(a), (c), and (d), Finance
18 Code, are amended to read as follows:

19 (a) The contract between a property tax lender and a
20 property owner may require the property owner to pay the following
21 costs after closing:

22 (1) a reasonable fee for filing the release of a [~~tax~~]
23 lien authorized under Section 32.06(b), Tax Code;

24 (2) a reasonable fee for a payoff statement authorized
25 under Section 32.06(f-3), Tax Code;

26 (3) a reasonable fee for providing information
27 regarding the current balance owed by the property owner authorized

1 under Section 32.06(g), Tax Code;

2 (4) reasonable and necessary attorney's fees,
3 recording fees, and court costs for actions that are legally
4 required to respond to a suit filed under Chapter 33, Tax Code, or
5 to perform a foreclosure, including fees required to be paid to an
6 official and fees for an attorney ad litem;

7 (5) to the extent permitted by the United States
8 Bankruptcy Code, attorney's fees and court costs for services
9 performed after the property owner files a voluntary bankruptcy
10 petition;

11 (6) a reasonable fee for title examination and
12 preparation of an abstract of title by an attorney, a title company,
13 or a property search company authorized to do business in this
14 state;

15 (7) a processing fee for insufficient funds, as
16 authorized under Section 3.506, Business & Commerce Code;

17 (8) a fee for collateral protection insurance, as
18 authorized under Chapter 307;

19 (9) a prepayment penalty, unless the loan [~~lien~~
20 ~~transferred~~] is made in connection with ~~on~~ residential property
21 owned and used by the property owner for personal, family, or
22 household purposes;

23 (10) recording expenses incurred in connection with a
24 modification necessary to preserve a borrower's ability to avoid a
25 foreclosure proceeding; and

26 (11) fees for copies of transaction documents
27 requested by the property owner.

1 (c) A property tax lender or any successor in interest may
2 not [~~charge~~]:

3 (1) after closing, charge any fee, other than
4 interest, [~~after closing~~] in connection with the loan [~~transfer of~~
5 ~~a tax lien~~] unless the fee is expressly authorized under this
6 section; or

7 (2) charge any interest that is not expressly
8 authorized under Section 32.06, Tax Code.

9 (d) Except for charges authorized under Subsections (a)(1),
10 (2), (3), (9), and (11), any amount charged by a lienholder
11 [~~property tax lender~~] after closing must be for services performed
12 by a person that is not an employee of the lienholder [~~property tax~~
13 ~~lender~~].

14 SECTION 4. Section 351.003, Finance Code, is amended to
15 read as follows:

16 Sec. 351.003. SECONDARY MARKET TRANSACTIONS. (a)
17 Except as provided by Subsection (b), this [~~This~~] chapter does not
18 prohibit a lienholder [~~property tax lender~~] from receiving
19 compensation from a party other than the property tax loan
20 applicant for the sale, transfer, assignment, or release of rights
21 on the closing of a property tax loan transaction.

22 (b) A lienholder may not sell, transfer, assign a lien
23 created in favor of a property tax lender under Section 32.06, Tax
24 Code, to a person who is not licensed under Section 351.051, or
25 exempt from licensure under Section 351.051(c).

26 SECTION 5. Section 351.005, Finance Code, is amended to
27 read as follows:

1 Sec. 351.005. APPLICATION OF TAX CODE. This chapter does
2 not affect the application of Section 32.06 [~~or 32.065~~], Tax Code.

3 SECTION 6. Section 351.006(a), Finance Code, is amended to
4 read as follows:

5 (a) In addition to any other applicable enforcement
6 provisions, Subchapters E, F, and G, Chapter 14, apply to a
7 violation of this chapter or Section 32.06 [~~or 32.065~~], Tax Code, in
8 connection with property tax loans.

9 SECTION 7. Section 351.007, Finance Code, is amended to
10 read as follows:

11 Sec. 351.007. RULES. The finance commission may adopt
12 rules to ensure compliance with this chapter and Section [~~Sections~~]
13 32.06 [~~and 32.065~~], Tax Code.

14 SECTION 8. Sections 351.008(a) and (c), Finance Code, are
15 amended to read as follows:

16 (a) The commissioner or the commissioner's representative
17 shall, at the times the commissioner or the representative
18 considers necessary:

19 (1) examine each place of business of each property
20 tax lender; and

21 (2) investigate the lender's transactions, including
22 loans, and records, including books, accounts, papers, and
23 correspondence, to the extent the transactions and records pertain
24 to the business regulated under this chapter and Section [~~Sections~~]
25 32.06 [~~and 32.065~~], Tax Code.

26 (c) During an examination, the commissioner or the
27 commissioner's representative may administer oaths and examine any

1 person under oath on any subject pertinent to a matter that the
2 commissioner or the representative is authorized or required to
3 consider, investigate, or secure information about under this
4 chapter or Section 32.06 [~~or 32.065~~], Tax Code.

5 SECTION 9. Section 351.009(a), Finance Code, is amended to
6 read as follows:

7 (a) To discover a violation of this chapter or Section 32.06
8 [~~or 32.065~~], Tax Code, or to obtain information required under this
9 chapter or Section 32.06 [~~or 32.065~~], Tax Code, the commissioner or
10 the commissioner's representative may investigate the records,
11 including books, accounts, papers, and correspondence, of a person,
12 including a property tax lender, who the commissioner or the
13 representative has reasonable cause to believe is violating this
14 chapter or Section 32.06 [~~or 32.065~~], Tax Code, regardless of
15 whether the person claims to not be subject to this chapter or
16 Section 32.06 [~~or 32.065~~], Tax Code.

17 SECTION 10. Section 351.051, Finance Code, is amended by
18 amending Subsections (a) and (c) to read as follows:

19 (a) A person must hold a license issued under this chapter
20 to:

21 (1) engage in the business of making, transacting, or
22 negotiating property tax loans; or

23 (2) contract for, charge, or receive, directly or
24 indirectly, in connection with a property tax loan subject to this
25 chapter, a charge, including interest, compensation, including
26 compensation received for a transaction described by 351.003(a),
27 consideration, or another expense, authorized under this chapter or

1 Chapter 32, Tax Code.

2 (c) Except as provided by Sections 351.003, this ~~[This]~~
3 chapter does not apply to:

4 (1) any of the following entities or an employee of any
5 of the following entities, if the employee is acting for the benefit
6 of the employer:

7 (A) a bank, savings bank, or savings and loan
8 association, or a subsidiary or an affiliate of a bank, savings
9 bank, or savings and loan association; or

10 (B) a state or federal credit union, or a
11 subsidiary, affiliate, or credit union service organization of a
12 state or federal credit union; or

13 (2) an individual whose only activity that would
14 otherwise require licensure under Subsection (a) consists of ~~[who]~~:

15 (A) making ~~[makes]~~ a property tax loan from the
16 individual's own funds to a spouse, former spouse, or persons in the
17 lineal line of consanguinity of the individual lending the money;
18 or

19 (B) making ~~[makes]~~ five or fewer property tax loans
20 in any consecutive 12-month period from the individual's own funds.

21 SECTION 11. Section 351.054, Finance Code, is amended to
22 read as follows:

23 Sec. 351.054. NOTICE TO TAXING UNIT. (a) A property tax
24 lender ~~[transferee of a tax lien]~~ must include with the sworn
25 document executed by the borrower and delivered to ~~[filed with]~~ the
26 collector of a taxing unit under Section 32.06(a-1), Tax Code, the
27 information required by this section.

1 (b) If the property tax lender [~~transferee~~] is licensed
2 under this chapter, the lender [~~transferee~~] shall include with the
3 filing the licensee's license number assigned by the commissioner.

4 (c) If the property tax lender [~~transferee~~] is exempt from
5 this chapter under Section 351.051(c)(1), the lender [~~transferee~~]
6 shall include with the filing an affidavit stating the entity's
7 type of organization that qualifies it for the exemption, any
8 charter number assigned by the governmental authority that issued
9 the entity's charter, and the address of the entity's main office.

10 (d) If the property tax lender [~~transferee~~] is exempt from
11 this chapter under Section 351.051(c)(2), the lender [~~transferee~~]
12 shall include a certificate issued by the commissioner indicating
13 the entity's exemption. The commissioner shall establish
14 procedures for issuance of a certificate under this subsection,
15 application requirements, and requirements regarding information
16 that must be submitted with an application.

17 SECTION 12. Section 351.156, Finance Code, is amended to
18 read as follows:

19 Sec. 351.156. LICENSE SUSPENSION OR REVOCATION. After
20 notice and a hearing the commissioner may suspend or revoke a
21 license if the commissioner finds that:

22 (1) the license holder failed to pay the annual
23 license fee, an examination fee, an investigation fee, or another
24 charge imposed by the commissioner under this chapter;

25 (2) the license holder, knowingly or without the
26 exercise of due care, violated this chapter or Section 32.06 [~~or~~
27 ~~32.065~~], Tax Code, or a rule adopted or an order issued under this

1 chapter or Section 32.06 [~~or 32.065~~], Tax Code;

2 (3) a fact or condition exists that, if it had existed
3 or had been known to exist at the time of the original application
4 for the license, clearly would have justified the commissioner's
5 denial of the application; or

6 (4) the license holder has failed to ensure that an
7 individual acting as a residential mortgage loan originator, as
8 defined by Section 180.002, in the making, transacting, or
9 negotiating of a property tax loan for a principal dwelling is
10 licensed under this chapter in accordance with Section 351.0515.

11 SECTION 13. The heading to Section 32.06, Tax Code, is
12 amended to read as follows:

13 Sec. 32.06. PROPERTY TAX LOANS; ATTACHMENT OF [~~TRANSFER OF~~
14 ~~TAX~~] LIEN

15 SECTION 14. Sections 32.06, (a), (a-1), (a-2), (a-3), (a-4),
16 (b), (b-1), (c), (d), (d-1), (e), (e-1), (e-2), (f), (f-1), (f-3),
17 (f-4), (g), (h), (i), (j), and (k-1), Tax Code, are amended to read
18 as follows:

19 (a) In this section, "mortgage servicer" :

20 [~~(1) "Mortgage servicer"~~] has the meaning assigned by
21 Section 51.0001, Property Code.

22 [~~(2) "Transferee" means a person authorized to pay the~~
23 ~~taxes of another~~]

24 (a-1) A [~~person~~] property owner may authorize another
25 person to pay the taxes imposed by a taxing unit on the [~~person's~~]
26 owner's real property by executing and delivering to [~~filing with~~]
27 the collector for the taxing unit:

1 (1) a sworn document stating:

2 (A) the authorization for payment of the taxes;

3 (B) the name and street address of the person
4 ~~[transferee]~~ authorized to pay the taxes of the property owner;

5 (C) a description of the property by street
6 address, if applicable, and legal description;

7 (D) that notice has been given to the property
8 owner that if the property owner is age 65 or disabled, the property
9 owner may be eligible for a tax deferral under Section 33.06; and

10 (2) the information required by Section 351.054,
11 Finance Code.

12 (a-2) A ~~[tax]~~ lien on the property is created in favor of
13 ~~[may be transferred to]~~ the person who pays the taxes on behalf of
14 the property owner under the terms of a loan contract and execution
15 and delivery of the authorization under Subsection (a-1) for:

16 (1) taxes that are delinquent at the time of payment;
17 or

18 (2) taxes that are due but not delinquent at the time
19 of payment if~~+~~

20 ~~[(A)]~~ the property is not subject to a recorded
21 mortgage lien~~, or~~

22 ~~[(B) a tax lien transfer authorized by the~~
23 ~~property owner has been executed and recorded for one or more prior~~
24 ~~years on the same property and the property owner has executed an~~
25 ~~authorization consenting to a transfer of the tax liens for both the~~
26 ~~taxes on the property that are not delinquent and taxes on the~~
27 ~~property that are delinquent in the manner provided by Subsection~~

1 ~~(a-1)]~~.

2 (a-3) ~~[If the property owner has executed an authorization~~
3 ~~under Subsection (a-2)(2)(B) consenting to a transfer of the tax~~
4 ~~liens for both the taxes on the property that are not delinquent and~~
5 ~~taxes on the property that are delinquent, the collector's~~
6 ~~certification under Subsection (b) may be in one document.]~~

7 ~~[(a-4)]~~ The Finance Commission of Texas shall:

8 (1) prescribe the form and content of an appropriate
9 disclosure statement to be provided to a property owner before the
10 closing ~~[execution]~~ of a ~~[tax lien transfer]~~ property tax loan;

11 (2) adopt rules relating to the reasonableness of
12 closing costs, fees, and other charges permitted under this
13 section; and

14 (3) by rule prescribe the form and content of the sworn
15 document under Subsection (a-1) and the certified statement under
16 Subsection (b).

17 (a-4) A contract between a person and a property owner that
18 purports to authorize payment of taxes that are not delinquent or
19 due at the time of the authorization, or that lacks the
20 authorization described by Subsection (a-1), is void.

21 (b) When a person ~~[If a transferee]~~ authorized to pay a
22 property owner's taxes under ~~[pursuant to]~~ Subsection (a-1) pays
23 the taxes and any penalties, [and] interest, and collection costs
24 imposed, the collector shall issue a tax receipt to the person who
25 pays the taxes ~~[that transferee]~~. In addition, the collector or a
26 person designated by the collector shall certify that the taxes and
27 any penalties, [and] interest, and collection costs on the subject

1 property [~~and collection costs~~] have been paid [~~by the transferee~~
2 ~~on behalf of the property owner and that the taxing unit's tax lien~~
3 ~~is transferred to that transferee~~]. The collector shall attach to
4 the certified statement the collector's seal of office or sign the
5 statement before a notary public and deliver the certified
6 statement and the [a] tax receipt [~~and the statement attesting to~~
7 ~~the transfer of the tax lien~~] to the [~~transferee~~] person within 30
8 days. The tax receipt and statement may be combined into one
9 document. [~~The collector shall identify in a discrete field in the~~
10 ~~applicable property owner's account the date of the transfer of a~~
11 ~~tax lien transferred under this section.~~] When a [~~tax~~] lien
12 created in favor of a lender under Subsection (a-2) is released, the
13 holder of the lien [~~transferee~~] shall file a release with the county
14 clerk of each county in which the property encumbered by the lien is
15 located for recordation by the clerk [~~and send a copy to the~~
16 ~~collector~~]. The holder of the lien [~~transferee~~] may charge the
17 property owner a reasonable fee for filing the release.

18 (b-1) Not later than the 10th business day after the date
19 the certified statement is received [~~by the transferee~~], the
20 property tax lender [~~transferee~~] shall send by certified mail a
21 copy of the sworn document described by Subsection (a-1) to any
22 mortgage servicer and to each holder of a recorded first lien
23 encumbering the property. The copy must be sent, as applicable, to
24 the address shown on the most recent payment invoice, statement, or
25 payment coupon provided by the mortgage servicer to the property
26 owner, or the address of the holder of a recorded first lien as
27 shown in the real property records.

1 (c) A holder of a lien created in favor of a property tax
2 lender under Subsection (a-2) [~~Except as otherwise provided by this~~
3 ~~section, the transferee of a tax lien and any successor in interest~~]
4 is entitled to foreclose the lien[+]

5 [~~(1)~~] in the manner provided by law for judicial
6 foreclosure of [~~tax~~] liens[+ ~~or~~

7 [~~(2)~~ in the manner specified in Section 51.002,
8 ~~Property Code, and Section 32.065, after the transferee or a~~
9 ~~successor in interest obtains a court order for foreclosure under~~
10 ~~Rule 736, Texas Rules of Civil Procedure, except as provided by~~
11 ~~Subsection (c-1) of this section, if the property owner and the~~
12 ~~transferee enter into a contract that is secured by a lien on the~~
13 ~~property~~].

14 (d) A holder of the lien arising under Subsection (a-2)
15 [~~transferee~~] shall record the [~~a tax~~] lien [~~transferred as provided~~
16 ~~by this section~~] with the certified statement [~~attesting to the~~
17 ~~transfer of the tax lien~~] as described by Subsection (b) in the deed
18 records of each county in which the property encumbered by the lien
19 is located. The lien is subordinate to any prior recorded
20 encumbrance.

21 (d-1) A right of rescission described by 12 C.F.R. Section
22 226.23 applies to a loan for the payment of a property owner's taxes
23 described by Subsection (a-2) that is made in connection with
24 [~~transfer under this section of a tax lien on~~] residential property
25 owned and used by the property owner for personal, family, or
26 household purposes.

27 (e) A person [~~transferee~~] holding a [~~tax~~] lien arising under

1 Subsection (a-2) [~~transferred as provided by this section~~] may not
2 charge a greater rate of interest than 18 percent a year on the
3 funds advanced. Funds advanced are limited to the taxes,
4 penalties, interest, and collection costs paid as shown on the tax
5 receipt, expenses paid to record the lien, plus reasonable closing
6 costs.

7 (e-1) A person [~~transferee of a tax lien~~] may not charge a
8 fee for any expenses arising after the closing of the property tax
9 loan, including collection costs, except for:

- 10 (1) interest expressly authorized under this section;
- 11 (2) the fees for filing the release of the [~~tax~~] lien
12 under Subsection (b);
- 13 (3) the fee for providing a payoff statement under
14 Subsection (f-3);
- 15 (4) the fee for providing information regarding the
16 current balance owed by the property owner under Subsection (g);
17 and
- 18 (5) the fees expressly authorized under Section
19 351.0021, Finance Code.

20 (e-2) A property tax loan [~~The~~] contract between a property
21 tax lender and a [~~the~~] property owner [~~and the transferee~~] may
22 provide for interest for default, in addition to the interest
23 permitted under Subsection (e), if any part of the installment
24 remains unpaid after the 10th day after the date the installment is
25 due, including Sundays and holidays. If the lien [~~transferred~~] is
26 on residential property owned and used by the property owner for
27 personal, family, or household purposes, the interest may not

1 exceed five cents for each \$1 of a scheduled installment.

2 (f) The holder of a loan secured by a [~~transferred tax~~] lien
 3 created under Subsection (a-2) that is delinquent for 90
 4 consecutive days must send a notice of the delinquency by certified
 5 mail on or before the 120th day of delinquency or, if the 120th day
 6 is not a business day, on the next business day after the 120th day
 7 of delinquency, to any holder of a recorded preexisting lien on the
 8 property. The holder or mortgage servicer of a recorded
 9 preexisting lien on property encumbered by a [~~tax~~] lien created
 10 under Subsection (a-2) [~~transferred as provided by Subsection (b)~~]
 11 is entitled, within six months after the date on which the notice is
 12 sent, to obtain a release of the [~~transferred tax~~] lien by paying
 13 [~~the transferee of the tax lien~~] the balance [~~amount~~] owed by the
 14 property owner under the property tax loan contract [~~between the~~
 15 ~~property owner and the transferee~~].

16 (f-1) If an obligation secured by a preexisting first lien
 17 on the property is delinquent for at least 90 consecutive days and
 18 the obligation has been referred to a collection specialist, the
 19 mortgage servicer or the holder of the first lien may send a notice
 20 of the delinquency to the holder of a loan secured by a lien created
 21 under Subsection (a-2) [~~transferee of a tax lien~~]. The mortgage
 22 servicer or the first lienholder is entitled, within six months
 23 after the date on which that notice is sent, to obtain a release of
 24 the [~~transferred tax~~] lien by paying the holder of the lien the
 25 balance [~~transferee of the tax lien the amount~~] owed by the property
 26 owner under the property tax loan contract [~~between the property~~
 27 ~~owner and the transferee~~]. The Finance Commission of Texas by rule

1 shall prescribe the form and content of the notice under this
2 subsection.

3 (f-3) Notwithstanding any contractual agreement with the
4 property owner, the holder of a loan secured by a lien created under
5 Subsection (a-2) [~~transferee of a tax lien~~] must provide the payoff
6 information required by this section to the greatest extent
7 permitted by 15 U.S.C. Section 6802 and 12 C.F.R. Part 216. The
8 payoff statement must meet the requirements of a payoff statement
9 defined by Section 12.017, Property Code. The holder [~~A~~
10 ~~transferee~~] may charge a reasonable fee for a payoff statement that
11 is requested after an initial payoff statement is
12 provided. However, the holder [~~a transferee~~] is not required to
13 release payoff information pursuant to a notice under Subsection
14 (f-1) unless the notice contains the information prescribed by the
15 Finance Commission of Texas.

16 (f-4) Failure to comply with Subsection (b-1), (f), or (f-1)
17 does not invalidate a [~~tax~~] lien arising under Subsection (a-2)
18 [~~this chapter, a contract lien, or a deed of trust~~].

19 (g) At any time after the end of the six-month period
20 specified by Subsection (f) and before a notice of foreclosure of
21 the [~~transferred tax~~] lien is sent, [~~the transferee of the tax lien~~
22 ~~or~~] the holder of the [~~tax~~] lien may require the property owner to
23 provide written authorization and pay a reasonable fee before
24 providing information regarding the current balance owed by the
25 property owner to the [~~transferee or the~~] holder of the [~~tax~~] lien.

26 (h) A mortgage servicer who pays a property tax loan secured
27 by a lien created under Subsection (a-2) [~~a transferred tax lien~~]

1 becomes subrogated to all rights in the lien.

2 (i) A judicial [~~Except as provided by Section 33.445, a~~]
3 foreclosure of a [~~tax~~] lien created under subsection (a-2)
4 [~~transferred as provided by this section~~] may not be instituted
5 within one year from the date on which the lien is recorded in all
6 counties in which the property is located, unless the contract
7 between the owner of the property and the transferee provides
8 otherwise.

9 (j) After one year from the date on which a [~~tax~~] lien
10 created under Subsection (a-2) [~~transferred as provided by this~~
11 ~~section~~] is recorded in all counties in which the property is
12 located, the holder [~~transferee~~] of the lien may foreclose the lien
13 in the manner provided by Subsection (c) unless the [~~a~~] contract
14 between the holder of the lien and the owner of the property
15 encumbered by the lien provides otherwise. The proceeds of a sale
16 following a judicial foreclosure as provided by this subsection
17 shall be applied first to the payment of court costs, then to
18 payment of the judgment, including accrued interest, and then to
19 the payment of any attorney's fees fixed in the judgment. Any
20 remaining proceeds shall be paid to other holders of liens on the
21 property in the order of their priority and then to the person whose
22 property was sold at the [~~tax~~] foreclosure sale.

23 (k-1) The right of redemption provided by Subsection (k) may
24 be exercised on or before the second anniversary of the date on
25 which the purchaser's deed is filed of record if the property sold
26 was the residence homestead of the owner, was land designated for
27 agricultural use, or was a mineral interest. For any other

1 property, the right of redemption must be exercised not later than
2 the 180th day after the date on which the purchaser's deed is filed
3 of record. If a person redeems the property as provided by
4 Subsection (k) and this subsection, the purchaser at the
5 foreclosure [~~tax~~] sale or the purchaser's successor shall deliver a
6 deed without warranty to the property to the person redeeming the
7 property. If the person who owned the property at the time of
8 foreclosure redeems the property, all liens existing on the
9 property at the time of the foreclosure [~~tax~~] sale remain in effect
10 to the extent not paid from the sale proceeds.

11 SECTION 15. The following provisions are repealed:

12 Sections 32.06(c-1), 32.065, 33.445, 34.02(e), and Section
13 34.021, Tax Code.

14 SECTION 16. The changes in law made by this Act to Section
15 32.06, Tax Code, do not apply to the transfer of an ad valorem tax
16 lien that occurs before the effective date of this Act. An ad
17 valorem tax lien transferred under 32.06, Tax Code, before the
18 effective date of this Act is governed by the law in effect
19 immediately before the effective date of this Act, and that law is
20 continued in effect for that purpose.

21 SECTION 17. The repeal of Section 32.065, Tax Code, by this
22 Act, does not affect a contract entered into under that section
23 before the effective date of this Act, and that section is continued
24 in effect for that purpose.

25 SECTION 18. The repeal of Section 33.445, Tax Code, by this
26 Act, does not affect the joinder of a transferee in a foreclosure
27 suit resulting from a tax lien transfer before the effective date of

1 this Act, and that section is continued in effect for that purpose.

2 SECTION 19. The repeal of Section 34.021, Tax Code, by this
3 Act, does not affect the distribution of excess proceeds for a
4 foreclosure of a tax lien under Rule 736 of the Texas Rules of Civil
5 Procedure before the effective date of this Act, and that section is
6 continued in effect for that purpose.

7 SECTION 20. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect on September 1, 2013.