

By: Birdwell

S.B. No. 525

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem tax lien transfers.

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

SECTION 1. Sections 32.06(a-1), (a-4), (b-1), and (f-1), Tax Code, are amended to read as follows:

(a-1) A property owner may authorize another person to pay the taxes imposed by a taxing unit on the owner's real property by executing and filing with the collector for the taxing unit:

(1) a sworn document stating:

(A) the authorization for payment of the taxes;

(B) the name and street address of the transferee authorized to pay the taxes of the property owner;

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

(D) that notice has been given to the property owner that if the property owner is disabled, the property owner may be eligible for a tax deferral under Section 33.06;

(E) that the disclosure statement required by Subsection (a-4)(1) has been provided to the property owner; and

(F) that the notice required by Subsection (b-1) has been mailed by certified mail to any mortgage servicer and to each holder of a recorded preexisting lien encumbering the property; and

(2) the information required by Section 351.054,

1 Finance Code.

2 (a-4) The Finance Commission of Texas shall:

3 (1) prescribe the form and content of an appropriate
4 disclosure statement to be provided to a property owner not later
5 than the 12th day before the execution of a tax lien transfer;

6 (2) adopt rules relating to the reasonableness of
7 closing costs, fees, and other charges permitted under this
8 section;

9 (3) by rule prescribe the form and content of the sworn
10 document under Subsection (a-1) and the certified statement under
11 Subsection (b); and

12 (4) by rule prescribe the form and content of a request
13 a lender with an existing recorded lien on the property must use to
14 request a payoff statement and the transferee's response to the
15 request, including the period within which the transferee must
16 respond.

17 (b-1) Not later than the 12th day before the date the
18 property owner files the sworn document required by Subsection
19 (a-1) with the collector for the taxing unit [~~10th business day~~
20 ~~after the date the certified statement is received by the~~
21 ~~transferee~~], the transferee shall send by certified mail [~~a copy of~~
22 ~~the sworn document described by Subsection (a-1)~~] to any mortgage
23 servicer and to each holder of a recorded preexisting [~~first~~] lien
24 encumbering the property a notice that the property owner has
25 requested that the transferee pay the taxes on the property, that
26 the tax lien will be transferred to the transferee, and that the
27 transferred tax lien will be superior to the mortgage. The notice

1 [copy] must be sent, as applicable, to the address shown on the most
2 recent payment invoice, statement, or payment coupon provided by
3 the mortgage servicer to the property owner, or the address of the
4 holder of a recorded preexisting [~~first~~] lien as shown in the real
5 property records.

6 (f-1) If an obligation secured by a preexisting first lien
7 on the property is delinquent [~~for at least 90 consecutive days~~] and
8 the obligation has been referred to a collection specialist, the
9 mortgage servicer or the holder of the first lien may send a notice
10 of the delinquency to the transferee of a tax lien. The mortgage
11 servicer or the first lienholder is entitled, within six months
12 after the date on which that notice is sent, to obtain a release of
13 the transferred tax lien by paying the transferee of the tax lien
14 the amount owed under the contract between the property owner and
15 the transferee. The Finance Commission of Texas by rule shall
16 prescribe the form and content of the notice under this subsection.

17 SECTION 2. The change in law made by this Act applies only
18 to an ad valorem tax lien transferred on or after the effective date
19 of this Act. An ad valorem tax lien transferred before the
20 effective date of this Act is governed by the law in effect on the
21 date the tax lien was transferred, and the former law is continued
22 in effect for that purpose.

23 SECTION 3. This Act takes effect September 1, 2015.