

By: Creighton

S.B. No. 1725

A BILL TO BE ENTITLED

AN ACT

relating to notice of excess proceeds following an ad valorem tax sale.

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

SECTION 1. Section 34.03(a), Tax Code, is amended to read as follows:

(a) The clerk of the court shall:

(1) if the amount of excess proceeds is more than \$25, before the 31st day after the date the excess proceeds are received by the clerk, send by certified mail, return receipt requested, a written notice to the former owner of the property, at the former owner's last known address according to the records of the court or any other source reasonably available to the court, that:

(A) states the amount of the excess proceeds;

(B) informs the former owner of that owner's rights to claim the excess proceeds under Section 34.04; and

(C) includes a copy or the complete text of this section and Section 34.04; ~~and~~

(2) regardless of the amount, keep the excess proceeds paid into court as provided by Section 34.02(d) [~~34.02(e)~~] for a period of two years after the date of the sale unless otherwise ordered by the court; and

(3) regardless of the amount, send to the attorney general notice of the deposit and amount of excess proceeds if the

1 attorney general or a state agency represented by the attorney
2 general is named as an in rem defendant in the underlying suit for
3 seizure of the property or foreclosure of a tax lien on the
4 property.

5 SECTION 2. The change in law made by this Act applies to the
6 disposition of excess proceeds of a property tax foreclosure sale
7 paid into court regardless of the date on which the foreclosure sale
8 occurred or the date on which the proceeds were paid into the court.
9 If on the effective date of this Act the clerk of a court is
10 retaining excess proceeds and Section 34.03(a)(3), Tax Code, as
11 added by this Act, applies, the clerk shall mail the notice required
12 by that subdivision as soon as practicable after the effective date
13 of this Act. The clerk may not distribute those proceeds as
14 provided by Section 34.03(b), Tax Code, before the second
15 anniversary of the date the notice is mailed. A claim for the
16 proceeds made on or before that second anniversary is considered to
17 have been made within the period provided by Section 34.03(b), Tax
18 Code.

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