

By: Hinojosa

S.B. No. 1956

A BILL TO BE ENTITLED

AN ACT

relating to property tax lenders and property tax loans.

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) [~~(2)~~] "Property tax loan" means an advance of
2 money:

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

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

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

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

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

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

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

27 (3) a reasonable fee for providing information

1 regarding the current balance owed by the property owner authorized
2 under Section 32.06(g), Tax Code;

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

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

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

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

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

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

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

27 (11) fees for copies of transaction documents

1 requested by the property owner.

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

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

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

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

15 SECTION 4. Section 351.003(a), Finance Code, is amended to
16 read as follows:

17 (a) Except as provided by Subsection (b), this chapter does
18 not 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 SECTION 5. Section 351.005, Finance Code, is amended to
23 read as follows:

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

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

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

5 SECTION 7. Section 351.007, Finance Code, is amended to
6 read as follows:

7 Sec. 351.007. RULES. The finance commission may adopt
8 rules to ensure compliance with this chapter and Section [~~Sections~~]
9 32.06 [~~and 32.065~~], Tax Code.

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

12 (a) The commissioner or the commissioner's representative
13 shall, at the times the commissioner or the representative
14 considers necessary:

15 (1) examine each place of business of each property
16 tax lender; and

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

22 (c) During an examination, the commissioner or the
23 commissioner's representative may administer oaths and examine any
24 person under oath on any subject pertinent to a matter that the
25 commissioner or the representative is authorized or required to
26 consider, investigate, or secure information about under this
27 chapter or Section 32.06 [~~or 32.065~~], Tax Code.

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

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

13 SECTION 10. Sections 351.051(a) and (c), Finance Code, are
14 amended to read as follows:

15 (a) A person must hold a license issued under this chapter
16 to:

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

19 (2) contract for, charge, or receive, directly or
20 indirectly, in connection with a property tax loan subject to this
21 chapter, a charge, including interest, compensation, including
22 compensation received for a transaction described by Section
23 351.003(a), consideration, or another expense, authorized under
24 this chapter or Chapter 32, Tax Code.

25 (c) Except as provided by Section 351.003, this chapter does
26 not apply to:

27 (1) any of the following entities or an employee of any

1 of the following entities, if the employee is acting for the benefit
2 of the employer:

3 (A) a bank, savings bank, or savings and loan
4 association, or a subsidiary or an affiliate of a bank, savings
5 bank, or savings and loan association; or

6 (B) a state or federal credit union, or a
7 subsidiary, affiliate, or credit union service organization of a
8 state or federal credit union; or

9 (2) an individual [~~who~~]:

10 (A) who is related to the property owner within
11 the second degree of consanguinity or affinity, as determined under
12 Chapter 573, Government Code; or

13 (B) whose only activity that would require
14 licensure under Subsection (a) consists of making [~~makes~~] five or
15 fewer property tax loans in any consecutive 12-month period from
16 the individual's own funds.

17 SECTION 11. Section 351.054, Finance Code, is amended to
18 read as follows:

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

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

27 (c) If the property tax lender [~~transferee~~] is exempt from

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

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

13 SECTION 12. Section 351.156, Finance Code, is amended to
14 read as follows:

15 Sec. 351.156. LICENSE SUSPENSION OR REVOCATION. After
16 notice and a hearing the commissioner may suspend or revoke a
17 license if the commissioner finds that:

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

21 (2) the license holder, knowingly or without the
22 exercise of due care, violated this chapter or Section 32.06 [~~or~~
23 ~~32.065~~], Tax Code, or a rule adopted or an order issued under this
24 chapter or Section 32.06 [~~or 32.065~~], Tax Code;

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

1 denial of the application; or

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

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

9 Sec. 32.06. PROPERTY TAX LOANS; ATTACHMENT [~~TRANSFER~~] OF
10 [~~TAX~~] LIEN.

11 SECTION 14. Sections 32.06(a), (a-1), (a-2), (a-3), (a-4),
12 (a-5), (a-6), (a-7), (a-8), (b), (b-1), (c), (d), (d-1), (e),
13 (e-1), (e-2), (f), (f-1), (f-3), (f-4), (g), (h), (i), (j), (k-1),
14 and (l), Tax Code, are amended to read as follows:

15 (a) In this section, "mortgage servicer" [~~+~~
16 [~~(1) "Mortgage servicer"~~] has the meaning assigned by
17 Section 51.0001, Property Code.

18 [~~(2) "Transferee" means a person who is licensed under
19 Chapter 351, Finance Code, or is exempt from the application of that
20 chapter under Section 351.051(c), Finance Code, and who is:~~

21 [~~(A) authorized to pay the taxes of another, or~~

22 [~~(B) a successor in interest to a tax lien that is
23 transferred under this section.~~]

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

7 (D) that notice has been given to the property
8 owner that if the property owner is disabled, the property owner may
9 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) Except as provided by Subsection (a-8), a ~~[tax]~~ lien
13 on the property is created in favor of ~~[may be transferred to]~~ the
14 person who pays the taxes on behalf of the property owner under the
15 terms of a loan contract and execution and delivery of the
16 authorization described by Subsection (a-1) for:

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

19 (2) taxes that are due but not delinquent at the time
20 of payment if the property is not subject to a recorded mortgage
21 lien.

22 (a-3) A person who is 65 years of age or older may not
23 authorize the creation of a lien under Subsection (a-2) ~~[a transfer~~
24 ~~of a tax lien]~~ on real property on which the person is eligible to
25 claim an exemption from taxation under Section 11.13(c).

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

27 (1) prescribe the form and content of an appropriate

1 disclosure statement to be provided to a property owner before the
2 closing [~~execution~~] of a property tax loan [~~tax lien transfer~~];

3 (2) adopt rules relating to the reasonableness of
4 closing costs, fees, and other charges permitted under this
5 section;

6 (3) by rule prescribe the form and content of the sworn
7 document under Subsection (a-1) and the certified statement under
8 Subsection (b); and

9 (4) by rule prescribe the form and content of a request
10 a lender with an existing recorded lien on the property must use to
11 request a payoff statement and the [~~transferee's~~] response to the
12 request of the holder of a loan secured by a lien on the property
13 created under Subsection (a-2), including the period within which
14 the holder [~~transferee~~] must respond.

15 (a-5) At the time the property tax lender [~~transferee~~]
16 provides the disclosure statement required by Subsection (a-4)(1),
17 the lender [~~transferee~~] must also describe the type and approximate
18 cost range of each additional charge or fee that the property owner
19 may incur in connection with the property tax loan [~~transfer~~].

20 (a-6) Notwithstanding Subsection (f-3), a lender described
21 by Subsection (a-4)(4) may request a payoff statement before the
22 tax loan becomes delinquent. The Finance Commission of Texas by
23 rule shall require a holder of a loan secured by a lien created
24 under Subsection (a-2) [~~transferee~~] who receives a request for a
25 payoff statement to deliver the requested payoff statement on the
26 prescribed form within a period prescribed by finance commission
27 rule. The prescribed period must allow the holder [~~transferee~~] at

1 least seven business days after the date the request is received to
2 deliver the payoff statement. The consumer credit commissioner
3 may assess an administrative penalty under Subchapter F, Chapter
4 14, Finance Code, against a holder [~~transferee~~] who wilfully fails
5 to provide the payoff statement as prescribed by finance commission
6 rule.

7 (a-7) A contract between a person [~~transferee~~] and a
8 property owner that purports to authorize payment of taxes that are
9 not delinquent or due at the time of the authorization, or that
10 lacks the authorization described by Subsection (a-1), is void.

11 (a-8) A [~~tax~~] lien on property may not be created in favor of
12 [~~may not be transferred to~~] the person who pays the taxes on behalf
13 of the property owner under the authorization described by
14 Subsection (a-1) if the real property:

15 (1) has been financed, wholly or partly, with a grant
16 or below market rate loan provided by a governmental program or
17 nonprofit organization and is subject to the covenants of the grant
18 or loan; or

19 (2) is encumbered by a lien recorded under Subchapter
20 A, Chapter 214, Local Government Code.

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

1 have been paid [~~by the transferee on behalf of the property owner~~
2 ~~and that the taxing unit's tax lien is transferred to that~~
3 ~~transferee~~]. The collector shall attach to the certified
4 statement the collector's seal of office or sign the statement
5 before a notary public and deliver the certified statement and [a]
6 tax receipt [~~and the certified statement attesting to the transfer~~
7 ~~of the tax lien~~] to the person [~~transferee~~] within 30 days. The tax
8 receipt and certified 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~~] is entitled to foreclose the
4 lien in the manner provided by law for judicial foreclosure of
5 [~~tax~~] liens.

6 (d) A holder of a lien arising under Subsection (a-2)
7 [~~transferee~~] shall record the [~~a tax~~] lien [~~transferred as provided~~
8 ~~by this section~~] with the certified statement [~~attesting to the~~
9 ~~transfer of the tax lien~~] as described by Subsection (b) in the deed
10 records of each county in which the property encumbered by the lien
11 is located. The lien is subordinate to any prior recorded lien
12 against the property.

13 (d-1) A right of rescission described by 12 C.F.R. Section
14 226.23 applies to a loan for the payment of a property owner's taxes
15 described by Subsection (a-2) that is made in connection with
16 [~~transfer under this section of a tax lien on~~] residential property
17 owned and used by the property owner for personal, family, or
18 household purposes.

19 (e) A person [~~transferee~~] holding a [~~tax~~] lien arising under
20 Subsection (a-2) [~~transferred as provided by this section~~] may not
21 charge a greater rate of interest than 18 percent a year on the
22 funds advanced. Funds advanced are limited to the taxes,
23 penalties, interest, and collection costs paid as shown on the tax
24 receipt, expenses paid to record the lien, plus reasonable closing
25 costs.

26 (e-1) A person [~~transferee of a tax lien~~] may not charge a
27 fee for any expenses arising after the closing of the property tax

1 [a] loan [~~secured by a tax lien transferred under this section~~],
2 including collection costs, except for:

3 (1) interest expressly authorized under this section;
4 (2) the fees for filing the release of the [~~tax~~] lien
5 under Subsection (b);

6 (3) the fee for providing a payoff statement under
7 Subsection (f-3);

8 (4) the fee for providing information regarding the
9 current balance owed by the property owner under Subsection (g);
10 and

11 (5) the fees expressly authorized under Section
12 [351.0021](#), Finance Code.

13 (e-2) A property tax loan [~~The~~] contract between a property
14 tax lender and a [~~the~~] property owner [~~and the transferee~~] may
15 provide for interest for default, in addition to the interest
16 permitted under Subsection (e), if any part of the installment
17 remains unpaid after the 10th day after the date the installment is
18 due, including Sundays and holidays. If the lien [~~transferred~~] is
19 on residential property owned and used by the property owner for
20 personal, family, or household purposes, the additional interest
21 may not exceed five cents for each \$1 of a scheduled installment.

22 (f) The holder of a loan secured by a [~~transferred tax~~] lien
23 created under Subsection (a-2) that is delinquent for 90
24 consecutive days must send a notice of the delinquency by certified
25 mail on or before the 120th day of delinquency or, if the 120th day
26 is not a business day, on the next business day after the 120th day
27 of delinquency, to any holder of a recorded preexisting lien on the

1 property. The holder or mortgage servicer of a recorded
2 preexisting lien on property encumbered by a ~~[tax]~~ lien created
3 under Subsection (a-2) ~~[transferred as provided by Subsection (b)]~~
4 is entitled, within six months after the date on which the notice is
5 sent, to obtain a release of the ~~[transferred tax]~~ lien by paying
6 ~~[the transferee of the tax lien]~~ the balance ~~[amount]~~ owed by the
7 property owner under the property tax loan contract ~~[between the~~
8 ~~property owner and the transferee]~~.

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

23 (f-3) Notwithstanding any contractual agreement with the
24 property owner, the holder of a loan secured by a lien created under
25 Subsection (a-2) ~~[transferee of a tax lien]~~ must provide the payoff
26 information required by this section to the greatest extent
27 permitted by 15 U.S.C. Section 6802 and 12 C.F.R. Part 1016

1 [216]. The payoff statement must meet the requirements of a payoff
2 statement defined by Section 12.017, Property Code. The holder [A
3 ~~transferee~~] may charge a reasonable fee for a payoff statement that
4 is requested after an initial payoff statement is provided.
5 However, the holder [~~a transferee~~] is not required to release
6 payoff information pursuant to a notice under Subsection (f-1)
7 unless the notice contains the information prescribed by the
8 Finance Commission of Texas.

9 (f-4) Failure to comply with Subsection (b-1), (f), or (f-1)
10 does not invalidate a [~~tax~~] lien arising [~~transferred~~] under
11 Subsection (a-2) [~~this section~~] or a deed of trust.

12 (g) At any time after the end of the six-month period
13 specified by Subsection (f) and before a notice of foreclosure of
14 the [~~transferred tax~~] lien is sent, the holder [~~transferee~~] of the
15 [~~tax~~] lien may require the property owner to provide written
16 authorization and pay a reasonable fee before providing information
17 regarding the current balance owed by the property owner to the
18 holder of the lien [~~transferee~~].

19 (h) A mortgage servicer who pays a property tax loan secured
20 by a [~~tax~~] lien created under Subsection (a-2) [~~transferred under~~
21 ~~this section~~] becomes subrogated to all rights in the lien.

22 (i) A judicial foreclosure of a [~~tax~~] lien created under
23 Subsection (a-2) [~~transferred under this section~~] may not be
24 instituted within one year from the date on which the lien is
25 recorded in all counties in which the property is located, unless
26 the contract between the owner of the property and the property tax
27 lender [~~transferee~~] provides otherwise.

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

15 (k-1) The right of redemption provided by Subsection (k) may
16 be exercised on or before the second anniversary of the date on
17 which the purchaser's deed is filed of record if the property sold
18 was the residence homestead of the owner, was land designated for
19 agricultural use, or was a mineral interest. For any other
20 property, the right of redemption must be exercised not later than
21 the 180th day after the date on which the purchaser's deed is filed
22 of record. If a person redeems the property as provided by
23 Subsection (k) and this subsection, the purchaser at the
24 foreclosure [~~tax~~] sale or the purchaser's successor shall deliver a
25 deed without warranty to the property to the person redeeming the
26 property. If the person who owned the property at the time of
27 foreclosure redeems the property, all liens existing on the

1 property at the time of the foreclosure [~~tax~~] sale remain in effect
2 to the extent not paid from the sale proceeds.

3 (1) Except as specifically provided by this section, a
4 property owner cannot waive or limit any requirement imposed by
5 this section on a holder of a loan secured by a lien created under
6 Subsection (a-2) [~~transferee by this section~~].

7 SECTION 15. Sections [32.065](#), [33.445](#), [34.02\(e\)](#), and [34.021](#),
8 Tax Code, are repealed.

9 SECTION 16. The changes in law made by this Act to Section
10 [32.06](#), Tax Code, do not apply to the transfer of an ad valorem tax
11 lien that occurs before the effective date of this Act. An ad
12 valorem tax lien transferred under Section [32.06](#), Tax Code, before
13 the effective date of this Act is governed by the law in effect
14 immediately before the effective date of this Act, and that law is
15 continued in effect for that purpose.

16 SECTION 17. The repeal of Section [32.065](#), Tax Code, by this
17 Act does not affect a contract entered into under that section
18 before the effective date of this Act, and that section is continued
19 in effect for that purpose.

20 SECTION 18. The repeal of Section [33.445](#), Tax Code, by this
21 Act does not affect the joinder of a transferee in a foreclosure
22 suit resulting from a tax lien transfer before the effective date of
23 this Act, and that section is continued in effect for that purpose.

24 SECTION 19. The repeal of Section [34.021](#), Tax Code, by this
25 Act does not affect the distribution of excess proceeds for a
26 foreclosure of a tax lien under Rule 736, Texas Rules of Civil
27 Procedure, before the effective date of this Act, and that section

1 is continued in effect for that purpose.

2 SECTION 20. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2015.