

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 13, 2015**

**TO:** Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB525 by Birdwell (Relating to ad valorem tax lien transfers.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 32 of the Tax Code, regarding property tax liens and personal liability, to permit a property owner to authorize another person to pay real property taxes imposed by a taxing unit by executing and filing with the taxing unit's collector a sworn document. The document would be required to:

- 1) state that the required disclosure statement has been provided to the property owner;
- 2) state that the required lien transferral notice has been mailed by certified mail to any mortgage servicer and to each holder of a recorded preexisting lien encumbering the property; and
- 3) make other statements required under current law.

Not later than the 12th day before the date the property owner files the required sworn document with the taxing unit collector, rather than the 10th business day after the date the certified statement is received by the transferee, a lien transferee would be required to send a notice to any mortgage servicer and to each holder of a recorded preexisting lien (rather than first lien). The notice would state that the property owner has requested that the transferee pay the taxes on the property, that the tax lien will be transferred to the transferee, and that the transferred tax lien will be superior to the mortgage.

The bill would provide that the mortgage servicer or the holder of the first lien may send a notice of delinquency to the transferee of a tax lien if an obligation secured by a preexisting first lien on the property is delinquent, rather than is delinquent for at least 90 consecutive days.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

The bill would take effect September 1, 2015, and would apply only to a property tax lien transferred on or after the effective date.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, CL, SD, SJS