

BILL ANALYSIS

Senate Research Center
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H.B. 2832
By: Oliveira et al. (Nichols)
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Property tax lenders operate under a business model whereby they make loans to property owners who are delinquent in paying their property taxes in exchange for assuming the first lien position on the property. The position assumed by the property tax lien lender usurps the position of a mortgage holder and violates the property owner's deed of trust.

H.B. 2832 requires a property owner to notify their mortgage servicer at least 10 days before entering into an agreement with a property tax lender to pay delinquent property taxes on the property owner's behalf. This notification period will ensure that property owners and mortgage lenders have an opportunity to work together to cure any default prior to the mortgage servicer losing its ability to enforce contractual rights under the mortgage.

H.B. 2832 amends current law relating to notice by a property owner to a mortgage servicer that the owner intends to enter into a contract with a property tax lender.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 32.06, Tax Code, by amending Subsection (a-1) and adding Subsection (a-10), as follows:

(a-1) Authorizes a property owner to 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) and (B) makes no changes to these paragraphs;

(C) and (D) makes nonsubstantive changes;

(E) that the notice required by Subsection (a-10) has been mailed by certified mail to any applicable mortgage servicer; and

(2) makes no changes to this subdivision.

(a-10) Requires the property owner, not later than the 10th day before the date a property owner executes a contract with a transferee, to send by certified mail to any applicable mortgage servicer a notice that the property owner intends to enter into a contract with the transferee authorizing the transferee to pay the delinquent taxes on the property.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.