

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 18, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3062 by Kacal (Relating to the sale of property for delinquent ad valorem taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 34 of the Civil Practice and Remedies Code, regarding execution on judgments, to prohibit an officer conducting a sale of real property from executing or delivering a deed to the purchaser of a property unless the purchaser or the individual submitting the successful bid on behalf of the purchaser (rather than just the purchaser) exhibits to the officer an unexpired written statement issued to the purchaser (rather than the person) in the manner prescribed by Section 34.015 of the Tax Code, regarding persons eligible to purchase real property. The bill would strike redundant language which currently exists in Section 34.015 of the Tax Code.

The deed executed by the officer conducting the sale would be required to name the purchaser (rather than successful bidder) as the grantee and recite that the purchaser or the individual submitting the successful bid on behalf of the purchaser (rather than successful bidder) exhibited certain specified written statements to the officer.

The bill would amend Chapter 34 of the Tax Code, regarding tax sales and redemption, to clarify that real or personal property (rather than just real property) seized under a tax warrant issued under Subchapter E, Chapter 33, of the Tax Code, regarding seizure of real property, or ordered sold pursuant to a judgment for foreclosure (rather than pursuant to foreclosure) shall be sold in the manner specified in current law. The bill would add the board of directors of the appraisal district, if the appraisal district collects taxes imposed by the county, as an entity that may authorize public auctions using online bidding and sale. A tax-sale officer, in consultation with the assessor-collector for the county, if the commissioners court authorized the officer to conduct the auctions, or with the chief appraiser, if the board of directors of the appraisal district authorized the officer to conduct the auctions, would be required to propose rules governing the auctions. The governing body that authorized the officer to conduct the auctions (rather than the commissioners court) would be permitted to adopt rules governing the auctions, including the rules proposed by the officer. Personal property, including a manufactured home, would be subject to a tax sale, and the sale of such personal property would be permitted at the same location as the real property sale or at the location of the personal property.

"Purchaser" would be defined to include the legal spouse of a successful bidder authorized to be named as a grantee. An officer conducting a tax sale of real property would be permitted to execute or deliver a deed to:

1. the legal spouse of the successful bidder regardless of whether the spouse is physically present or has provided written authorization to the successful bidder; or
2. a business, religious, charitable or civic organization that has authorized in writing an individual to submit the successful bid on behalf of the organization. Current law permits execution or delivery of the deed only to the successful bidder.

The officer conducting a tax sale of real property would not be permitted to execute or deliver a deed to the purchaser of the property unless the purchaser or the individual submitting the successful bid on behalf of the purchaser (rather than only the purchaser) exhibits to the officer a specified unexpired written statement to each person that will be a grantee on the deed (rather than to the person).

The chief appraiser for an appraisal district established for a county would be required to perform the tax-sale duties assigned to the assessor-collector for that county if the appraisal district collects the taxes for the county.

The bill would repeal Section 34.0445(b) of the Civil Practice and Remedies Code, regarding a prohibition on bidding on, or purchasing property at, a tax sale in the name of any other individual.

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, 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, SJS