

BILL ANALYSIS

H.B. 2571
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Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Voided sales of residential properties have become increasingly common due to noncompliance with the requirement for certain counties to provide notices regarding water and wastewater requirements in foreclosure sales of properties that are presumed to be residential. Current law establishes sales prohibitions for residential property without adequate water or sewer services and requires counties that sell residential property as a result of a tax delinquency to give notice regarding water and wastewater requirements and the risks associated with the purchase of such property. Failure to comply with this requirement renders a property sale void. This has been a growing issue for certain counties, such as Webb County. H.B. 2571 seeks to address this issue by expanding the applicability of the requirement for certain counties to provide notice regarding the foreclosure sale of property intended for residential use that does not have adequate water or sewer service to also apply to certain non-county taxing entities.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2571 amends the Local Government Code to expand the applicability of the requirement for certain counties near an international border to include in the public notice and the deed for the foreclosure sale of real property presumed to be for residential use a statement on water and wastewater requirements and the risks associated with the purchase of such property to also make the requirement applicable to a political subdivision located in the county.

H.B. 2571 amends the Tax Code to require a notice for a foreclosure sale to include such a statement if the real property subject to the sale is located in an applicable county near an international border and is presumed to be for residential use.

H.B. 2571 applies only to a sale for which public notice is required on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.