

BILL ANALYSIS

Senate Research Center
88R582 DRS-D

S.B. 59
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Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law prohibits subdividers of lots for residential use from selling them without meeting adequate water and sewer service requirements to ensure safe housing. To collect tax delinquencies without incurring the financial burden of installing water and sewer services, however, counties are allowed to sell lots without these services, as long as the buyer is properly notified of the need to meet water and sewage requirements to ensure the safety of the property for residential purposes. The sale is void without such notice.

The Local Government and the Tax Codes, however, are silent regarding sales by a taxing entity other than the county, such as an independent school or drainage district. Some of these entities have had their sales voided because they did not provide adequate notice to the buyer. Due to a lack of clarity on the relevant statutes, these entities were simply unaware of the notice requirement.

S.B. 59 would clarify that notice of water and wastewater requirements for the foreclosure sale of residential properties apply to non-county taxing entities. This change would ensure these entities follow their obligations and decrease the likelihood of voided property sales.

As proposed, S.B. 59 amends current law relating to notice of water and wastewater requirements for the foreclosure sale of residential properties by certain political subdivisions.

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 the heading to Section 232.0315, Local Government Code, to read as follows:

Sec. 232.0315. NOTICE OF WATER AND WASTEWATER REQUIREMENTS BY POLITICAL SUBDIVISIONS.

SECTION 2. Amends Sections 232.0315(a) and (b), Local Government Code, as follows:

(a) Provides that this section applies only to a county or other political subdivision located in the county that sells real property for certain residential uses.

(b) Makes a conforming change.

SECTION 3. Amends Section 34.01(e), Tax Code, as follows:

(e) Requires that the notice of sale under Subsection (c) (relating to requiring an officer to give written notice of the sale to each person who was a defendant) include:

(1) makes no changes to this subdivision;

(2)-(3) makes nonsubstantive changes to these subdivisions; and

(4) the statement required by Section 232.0315, Local Government Code, if the real property subject to the sale is located in a county subject to Subchapter B (Subdivision Platting Requirements in County Near International Border), Chapter 232, of that code and is presumed to be for residential use under Section 232.022 (Applicability) of that code.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2023.