

By: Dutton

H.B. No. 1582

A BILL TO BE ENTITLED

AN ACT

relating to the period for redeeming the residence homestead of an elderly person sold at an ad valorem tax sale.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 34.21, Tax Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (d-1) to read as follows:

(a) The owner of real property sold at a tax sale to a purchaser other than a taxing unit that was used as the residence homestead of the owner or that was land designated for agricultural use when the suit or the application for the warrant was filed, or the owner of a mineral interest sold at a tax sale to a purchaser other than a taxing unit, may redeem the property on or before the second anniversary of the date on which the purchaser's deed is filed for record, or on or before a later anniversary of that date as provided by Subsection (d-1), by paying the purchaser the amount the purchaser bid for the property, the amount of the deed recording fee, and the amount paid by the purchaser as taxes, penalties, interest, and costs on the property, plus a redemption premium of 25 percent of the aggregate total if the property is redeemed during the first year of the redemption period or 50 percent of the aggregate total if the property is redeemed during a subsequent [~~the second~~] year of the applicable redemption period.

(b) If property that was used as the owner's residence

1 homestead or was land designated for agricultural use when the suit
2 or the application for the warrant was filed, or that is a mineral
3 interest, is bid off to a taxing unit under Section 34.01(j) or (p)
4 and has not been resold by the taxing unit, the owner having a right
5 of redemption may redeem the property on or before the second
6 anniversary of the date on which the deed of the taxing unit is
7 filed for record, or on or before a later anniversary of that date
8 as provided by Subsection (d-1), by paying the taxing unit:

9 (1) the lesser of the amount of the judgment against
10 the property or the market value of the property as specified in
11 that judgment, plus the amount of the fee for filing the taxing
12 unit's deed and the amount spent by the taxing unit as costs on the
13 property, if the property was judicially foreclosed and bid off to
14 the taxing unit under Section 34.01(j); or

15 (2) the lesser of the amount of taxes, penalties,
16 interest, and costs for which the warrant was issued or the market
17 value of the property as specified in the warrant, plus the amount
18 of the fee for filing the taxing unit's deed and the amount spent by
19 the taxing unit as costs on the property, if the property was seized
20 under Subchapter E, Chapter 33, and bid off to the taxing unit under
21 Section 34.01(p).

22 (c) If real property that was used as the owner's residence
23 homestead or was land designated for agricultural use when the suit
24 or the application for the warrant was filed, or that is a mineral
25 interest, has been resold by the taxing unit under Section 34.05,
26 the owner of the property having a right of redemption may redeem
27 the property on or before the second anniversary of the date on

1 which the taxing unit files for record the deed from the sheriff or
2 constable, or on or before a later anniversary of that date as
3 provided by Subsection (d-1), by paying the person who purchased
4 the property from the taxing unit the amount the purchaser paid for
5 the property, the amount of the fee for filing the purchaser's deed
6 for record, and the amount paid by the purchaser as taxes,
7 penalties, interest, and costs on the property, plus a redemption
8 premium of 25 percent of the aggregate total if the property is
9 redeemed in the first year of the redemption period or 50 percent of
10 the aggregate total if the property is redeemed during a subsequent
11 ~~[in the second]~~ year of the applicable redemption period.

12 (d-1) Notwithstanding the general redemption period
13 prescribed by Subsection (a), (b), or (c), a person 65 years of age
14 or older who was an owner of real property subject to a tax sale
15 under Section 34.01 that was the owner's residence homestead when
16 the suit or the application for the warrant was filed may redeem the
17 property on or before the fourth anniversary of the date on which:

18 (1) the purchaser's deed is filed for record, if the
19 property is redeemed under Subsection (a);

20 (2) the deed of the taxing unit is filed for record, if
21 the property is redeemed under Subsection (b); or

22 (3) the taxing unit files for record the deed from the
23 sheriff or constable, if the property is redeemed under Subsection
24 (c).

25 SECTION 2. Section 33.06(c-1), Tax Code, is amended to read
26 as follows:

27 (c-1) To obtain an abatement of a pending sale to foreclose

1 the tax lien, the individual must deliver an affidavit stating the
2 facts required to be established by Subsection (a) to the chief
3 appraiser of each appraisal district that appraises the property,
4 the collector for the taxing unit that requested the order of sale
5 or the attorney representing that taxing unit for the collection of
6 delinquent taxes, and the officer charged with selling the property
7 not later than the fifth day before the date of the sale. After an
8 affidavit is delivered under this subsection, the property may not
9 be sold at a tax sale until the 181st day after the date the
10 collector for the taxing unit delivers a notice of delinquency of
11 the taxes following the date the individual no longer owns and
12 occupies the property as a residence homestead. If property is sold
13 in violation of this section, the property owner may file a motion
14 to set aside the sale under the same cause number and in the same
15 court as a judgment reference in the order of sale. The motion must
16 be filed during the applicable redemption period as set forth in
17 Section 34.21(a) or (d-1) or, if the property is bid off to a taxing
18 entity, on or before the 180th day following the date the taxing
19 unit's deed is filed of record, whichever is later. This right is
20 not transferable to a third party.

21 SECTION 3. The change in law made by this Act applies only
22 to the redemption of real property sold or bid off at a tax sale for
23 which the deed from the sale or transfer is filed for record on or
24 after the effective date of this Act. The redemption of real
25 property sold or bid off at a tax sale for which the deed from the
26 sale or transfer is filed for record before the effective date of
27 this Act is governed by the law in effect when the deed is filed, and

1 the former law is continued in effect for that purpose.

2 SECTION 4. This Act takes effect January 1, 2024, but only
3 if the constitutional amendment proposed by the 88th Legislature,
4 Regular Session, 2023, to lengthen the period for redeeming the
5 residence homestead of a person 65 years of age or older sold at an
6 ad valorem tax sale is approved by the voters. If that amendment is
7 not approved by the voters, this Act has no effect.