

1-1 By: Parker S.B. No. 2173  
1-2 (In the Senate - Filed March 10, 2025; March 24, 2025, read  
1-3 first time and referred to Committee on Local Government;  
1-4 April 22, 2025, reported favorably by the following vote: Yeas 7,  
1-5 Nays 0; April 22, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Bettencourt	X		
1-9	Middleton	X		
1-10	Cook	X		
1-11	Gutierrez	X		
1-12	Nichols	X		
1-13	Paxton	X		
1-14	West	X		

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the effect of a tax certificate accompanying a transfer  
1-18 of certain property.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 31.08, Tax Code, is amended by amending  
1-21 Subsection (b) and adding Subsection (d) to read as follows:

1-22 (b) Except as provided by Subsections ~~[Subsection]~~ (c) and  
1-23 (d) ~~[of this section]~~, if a person transfers property accompanied  
1-24 by a tax certificate that erroneously indicates that no delinquent  
1-25 taxes, penalties, or interest are due a taxing unit on the property  
1-26 or that fails to include property because of its omission from an  
1-27 appraisal roll as described under Section 25.21, the taxing unit's  
1-28 tax lien on the property, including, if applicable, the tax lien  
1-29 securing the payment of any delinquent taxes, penalties, or  
1-30 interest that are subsequently determined to be due the taxing unit  
1-31 on the property because a residence homestead exemption was  
1-32 erroneously allowed for the property and was subsequently canceled,  
1-33 is extinguished and the purchaser of the property is absolved of  
1-34 liability to the taxing unit for delinquent taxes, penalties, or  
1-35 interest on the property or for taxes based on omitted property.  
1-36 The person who was liable for the tax for the year the tax was  
1-37 imposed or the property was omitted remains personally liable for  
1-38 the tax and for any penalties or interest.

1-39 (d) A tax certificate that accompanies a transfer of  
1-40 property and erroneously indicates that no delinquent taxes,  
1-41 penalties, or interest are due a taxing unit on the property because  
1-42 a residence homestead exemption was erroneously allowed for the  
1-43 property and was subsequently canceled does not extinguish the tax  
1-44 lien securing the payment of any delinquent taxes, penalties, or  
1-45 interest that are subsequently determined to be due the taxing unit  
1-46 on the property if the chief appraiser or the collector for a taxing  
1-47 unit determines that the transfer of the property occurred between:

1-48 (1) two individuals who are related within the first  
1-49 degree by consanguinity or affinity, as determined under Chapter  
1-50 573, Government Code;

1-51 (2) an employer and an employee;

1-52 (3) a parent company and a subsidiary of that parent  
1-53 company; or

1-54 (4) a trust and a beneficiary of that trust.

1-55 SECTION 2. The change in law made by this Act applies only  
1-56 to a tax certificate issued on or after the effective date of this  
1-57 Act. A tax certificate issued before the effective date of this Act  
1-58 is covered by the law in effect on the date of issuance, and the  
1-59 former law is continued in effect for that purpose.

1-60 SECTION 3. This Act takes effect September 1, 2025.

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