By: Creighton S.B. No. 2630

A BILL TO BE ENTITLED

AN ACT

relating to prohibiting the foreclosure of a lien-free or mortgage-free residence homestead by a local taxing entity.

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

SECTION 1. Section 33.06, Tax Code, is amended by adding Subsections (i), (j), and (k) to read as follows:

(i) Notwithstanding any other provision of this code, a local taxing entity, including a county, municipality, school district, or special taxing district, may not initiate foreclosure proceedings against a residence homestead if:

(1) the homeowner owns the property outright, with no active mortgage, home equity loan, reverse mortgage, or any other recorded lien held by a financial institution or lender; and

(2) the homeowner's delinquent property taxes are less than $25,000, including penalties and interest.

(j) If the delinquent property taxes exceed the threshold in Subsection (i)(2), the local taxing entity must first offer the homeowner a structured repayment plan of at least five years before initiating foreclosure proceedings.

(k) Any property tax debt less than $25,000 that remains unpaid shall be converted into a non-enforceable tax lien that must be satisfied before the property can be sold, transferred, or inherited.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.