

BILL ANALYSIS

Senate Research Center

H.B. 2587
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Intergovernmental Relations
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Engrossed

DIGEST

Currently, the Tax Code regulates the sale of tax foreclosed property. However, provisions of the Tax Code periodically become outdated, develop conflicts because of changes in other laws, or fail to function. This bill changes Tax Code to expedite the sale of tax foreclosed property, to make more efficient use of the judicial process of foreclosing for delinquent taxes, and to simplify the calculation of post-judgment interest on delinquent taxes.

PURPOSE

As proposed, H.B. 2587 amends the Tax Code to expedite the sale of tax foreclosed property, to make more efficient use of the judicial process of foreclosing for delinquent taxes, and to simplify the calculation of post-judgment interest on delinquent taxes.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.061(b), Tax Code, to authorize a taxing unit acquiring a property under this section to sell the property. Authorizes the sale to be conducted in a manner provided by Section 34.05. Requires the taxing unit to pay certain proceeds, if the taxing unit sell the property within six months after the date the owner conveys the property.

SECTION 2. Amends Section 33.51, Tax Code, to require the judgment of a court to provide for the issuance by the clerk of the court of a writ of possession to the purchaser at the sale or to the purchaser's assigns within 20 days after the date on which the purchaser's deed from the officer making the sale is filed of record, rather than after the period of redemption expires.

SECTION 3. Amends Section 33.52, Tax Code, to require the judgment, on the motion of the taxing unit, to order that the taxing unit recover from the proceeds of the sale the amount of tax on the property for the current year, rather than prorated to the day of judgment, if the court orders the foreclosure of a tax lien and the sale of real property. Provides that the tax sale does not affect the lien securing the taxes for the current year or the personal liability of the owner of the property for the taxes for the current year, if taxes for the current year are not included in the judgment.

SECTION 4. Amends Chapter 33C, Tax Code, by adding Section 33.55, as follows:

Sec. 33.55. EFFECT OF JUDGMENT ON ACCRUAL OF PENALTIES AND INTEREST. Provides that a judgment for delinquent taxes does not affect the accrual after the date of the judgment of penalties and interest under this chapter on the taxes included in the judgment.

SECTION 5. Amends Section 34.05(a), Tax Code, to authorize the taxing unit to sell the property at any time by public or private sale. Provides that the taxing unit is authorized to, but not required to, use the procedures provided by Section 263.001, Local Government Code, or Section 272.001, Local Government Code, in selling property. Provides that the sale is subject to any right of redemption of the former owner. Provides that the redemption period begins on the date the deed

to the taxing unit is filed for record. Deletes a provision authorizing the taxing unit to sell property at any time subject to any right of redemption existing at the time of the sale.

SECTION 6. Amends Section 34.21(e), Tax Code, to define "agricultural use," "costs," and "purchaser." Makes a nonsubstantive change.

SECTION 7. Amends Section 4, Article 5069-1.05, V.T.C.S., to provide that this article does not apply to certain judgments, including judgments in favor of a taxing unit in a delinquent tax suit under Chapter 33C, Tax Code.

SECTION 8. Repealers: Sections 31.061(g), 34.05(g), and 34.21(f), Tax Code (Payment of Taxes Assessed Against Real Property by Conveyance to Taxing Unit of Property; Resale by Taxing Unit; Right of Redemption).

SECTION 9. Makes application of this Act prospective.

SECTION 10. Emergency clause.
 Effective date: upon passage.