

BILL ANALYSIS

Senate Research Center

S.B. 974
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Intergovernmental Relations
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As Filed

DIGEST

Currently, Texas law requires a taxing unit which intends to resell the property it has foreclosed on for taxes to resell it only for the total amount of taxes due or the market value of the property, whichever is less. The taxing unit is not allowed to make a profit. As a result, many properties which have underground storage tanks are not foreclosed on by jurisdictions because no buyer is willing to purchase the property with potentially hazardous environmental problems. Moreover, the taxing jurisdictions lack incentive to incur the costs of cleanup because they are unable to recoup those costs when reselling the property. This bill would add a provision to current law to allow a taxing jurisdiction that incurs environmental cleanup costs to add those costs into the resale price, thereby enabling taxing jurisdictions to foreclose on the property, clean up the property, and resell it.

PURPOSE

As proposed, S.B. 974 allows a taxing jurisdiction to recover from the proceeds of a resale of a property it has foreclosed on any cost incurred in inspecting the property to determine whether there is a release or threatened release of solid waste, and in taking action to clean up any such waste.

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 34.06, Tax Code, by adding Subsection (c), to provide that notwithstanding Subsection (b), the purchasing taxing unit is entitled to recover from the proceeds of a resale of the property any cost incurred in inspecting the property to determine whether there is a release or threatened release of solid waste from the property and in taking certain actions.

SECTION 2. Emergency clause.
Effective date: upon passage.