

BILL ANALYSIS

Senate Research Center
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S.B. 337
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DIGEST

Currently, Texas law requires any excess proceeds of a tax sale, pursuant to a foreclosure of a tax lien, to be held by the clerk of a court for a period of seven years. This bill would require the clerk of a court to hold any excess proceeds for a period of two years.

PURPOSE

As proposed, S.B. 337 authorizes the clerk of a court to hold any excess proceeds from a property tax foreclosure sale for two, rather than seven years.

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 Sections 34.03(a) and (b), Tax Code, to require the clerk of a court to keep the excess proceeds paid into court as provided by Section 34.02(c), rather than Section 34.02 of this code, for a period of two, rather than seven, years. Requires the clerk to distribute the excess proceeds to each taxing unit, if no claimant establishes entitlement to the proceeds within the period provided by Subsection (a), rather than seven years.

SECTION 2. Amends Sections 34.04(a) and (d), Tax Code, to authorize a person to file a petition within two, rather than seven, years. Prohibits a claim for excess proceeds from being filed after the expiration of the period provided by Subsection (a) from the date the property is sold. Makes a conforming change.

SECTION 3. (a) Effective date: September 1, 1999.

(b) Makes application of this Act retroactive. Requires the clerk to distribute the excess proceeds that have been retained for longer than the period provided by Section 34.03(a), Tax Code.

SECTION 4. Emergency clause.