

BILL ANALYSIS

Senate Research Center
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S.B. 1572
By: Lindsay
Intergovernmental Relations
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DIGEST AND PURPOSE

Under current law, an order to disperse excess proceeds from a tax foreclosure sale may be appealed, but this right of appeal is not explicitly stated in the statute. Also, the statute providing for the assignment of claims in such appeals does not protect the average owner. As proposed, S.B. 1572 provides that an order to disperse excess proceeds from a tax sale may be appealed. This bill also provides that if a person takes an assignment of an owner's claim, the person must follow certain guidelines and produce certain documentation that clearly exhibits an owner's willingness to make the assignment and limits the amount of compensation an assignee is authorized to receive for pursuing a claim.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 34.04, Tax Code, by adding Subsections (e) and (f), as follows:

(e) Provides that an order entered under this section is appealable.

(f) Prohibits a person from taking an assignment of an owner's claim to excess proceeds except under certain conditions. Requires a claim for excess proceeds filed by an assignee to include a sworn statement that the assignee has complied with the requirements of this subsection. Provides that it is the assignee's burden to prove at the hearing that the assignee has complied with this subsection. Provides that any person who obtains excess proceeds without compliance with this subsection is liable to the owner for the amount of excess proceeds obtained plus attorney's fees.

SECTION 2. (a) Effective date: September 1, 2001.

(b) Provides that the change in law made by this Act applies to the disposition of excess proceeds of a property tax foreclosure sale paid into the court regardless of the date on which the foreclosure sale occurred or the date on which the proceeds were paid into the court.