

## **BILL ANALYSIS**

Senate Research Center  
78R11371 JD-F

H.B. 335  
By: Hamric (Lindsay)  
Intergovernmental Relations  
4/30/2003  
Engrossed

### **DIGEST AND PURPOSE**

Current Texas law permits property owners that are delinquent in their taxes to still purchase property at judicial execution and/or tax foreclosure sales. H.B. 335 prohibits a purchaser at a judicial execution or tax foreclosure sale that owes delinquent county or school district or municipality ad valorem taxes from receiving the property.

### **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 Subchapter C, Chapter 34, Civil Practice and Remedies Code, by adding Section 34.0445, as follows:

Sec. 34.0445. PERSONS ELIGIBLE TO PURCHASE REAL PROPERTY. (a) Prohibits an officer conducting a sale of real property under this subchapter from executing or delivering a deed to the purchaser of the property unless the purchaser exhibits to the officer an unexpired written statement issued to the person in the manner prescribed by Section 34.015, Tax Code, showing that the county assessor-collector of the county in which the sale is conducted has determined that there are no delinquent ad valorem taxes owed by the person to that county or to a school district or municipality having territory in that county.

(b) Prohibits an individual from bidding on or purchasing the property in the name of any other individual. Prohibits an officer conducting a sale under this subchapter from executing a deed in the name of or deliver a deed to any person other than the person who was the successful bidder.

(c) Provides that until the first anniversary of the date of the sale, a deed executed or delivered in violation of this section is voidable. Provides that if an unexpired statement issued under Section 34.015(c), Tax Code, to the purchaser of the property on or before the date of the sale, accompanied by the applicable filing fee, is accepted for recording by the county clerk of the county in which the property is located, and the statement shows that there are no delinquent ad valorem taxes owed by the purchaser to that county or to a school district or municipality having territory in that county, it is conclusively presumed that each requirement of this section was complied with.

(d) Provides that a person who knowingly violates this section commits an offense. Provides that an offense under this subsection is a Class B misdemeanor.

(e) Provides that to the extent of a conflict between this section and any other law, this section controls.

SECTION 2. Amends Subchapter A, Chapter 34, Tax Code, by adding Section 34.015, as follows:

Sec. 34.015. PERSONS ELIGIBLE TO PURCHASE REAL PROPERTY. (a) Provides that

in this section, "person" does not include a taxing unit or an individual acting on behalf of a taxing unit.

(b) Prohibits an officer conducting a sale of real property under Section 34.01 from executing or delivering a deed to the purchaser of the property unless the purchaser exhibits to the officer an unexpired written statement issued under this section to the person by the county assessor-collector of the county in which the sale is conducted showing that there are no delinquent taxes owed by the person to that county or to a school district or municipality having territory in that county. Prohibits the officer from executing a deed in the name of or delivering a deed to any person other than the person who was the successful bidder.

(c) Requires on the written request of any person, a county assessor-collector to issue a written statement stating whether there are any delinquent taxes owed by the person to that county or to a school district or municipality having territory in that county. Requires a request for the issuance of a statement by the county assessor-collector under this subsection to meet certain criteria.

(d) Requires the county-assessor collector, on receipt of a request under Subsection (c), to send to the collector for each school district and municipality having territory in the county, other than a school district or municipality for which the county assessor-collector is the collector, a request for information as to whether there are any delinquent taxes owed by the person to that school district or municipality. Requires the county assessor-collector to specify the date by which the collector must respond to the request.

(e) Requires the county-assessor collector, if the county assessor-collector determines that there are delinquent taxes owed to the county or to a school district or municipality for which the county assessor-collector is the collector for which the person is personally liable, or receives information from the collector for a school district or municipality having territory in the county indicating that there are delinquent taxes owed to that school district or municipality on the person's current or former property for which the person is personally liable, to include in the statement issued under Subsection (c) the amount of delinquent taxes owed by the person to that county, school district, or municipality and the name and address of the collector for that school district or municipality.

(f) Requires the county-assessor collector, if the county assessor-collector does not receive a response from the collector for any school district or municipality to whom the county assessor-collector sent a request under Subsection (d) as to whether there are delinquent taxes on the person's current or former property owed by the person to that school district or municipality, to indicate in the statement issued under Subsection (c) that the county assessor-collector is unable to certify that there are no delinquent taxes owed by the person to that school district or municipality and include the name and address of the collector for that school district or municipality.

(g) Authorizes a county-assessor collector, to cover the costs associated with the issuance of statements under Subsection (c), to charge the person requesting a statement a fee not to exceed \$10 for each statement requested.

(h) Requires a statement under Subsection (c) to be issued in the name of the requestor, bear the requestor's name, include the dates of issuance and expiration, and be eligible for recording under Section 12.001(b), Property Code. Provides that a statement expires on the 90th day after the date of issuance.

(i) Provides that until the first anniversary of the date of the sale, a deed executed or delivered in violation of this section is voidable. Provides that if an unexpired statement issued under Subsection (c) to the purchaser of the property on or before the date of the sale, accompanied by the applicable filing fee, is accepted for

recording by the county clerk of the county in which the property is located, and the statement shows that there are no delinquent taxes owed by the purchaser to that county or to a school district or municipality having territory in that county, it is conclusively presumed that each requirement of this section was complied with.

(j) Provides that a person who knowingly violates this section commits an offense. Provides that an offense under this subsection is a Class B misdemeanor.

(k) Provides that to the extent of a conflict between this section and any other law, this section controls.

SECTION 3. Effective date: September 1, 2003.  
Makes application of this Act prospective to October 1, 2003.