

BILL ANALYSIS

Senate Research Center
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S.B. 916
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Section 32.06 (Transfer of Tax Lien), Tax Code, authorizes a person (transferee) to pay the real property taxes of a property owner. Section 32.06 was significantly amended by S.B. 1520, 80th Legislature, Regular Session, 2007. S.B. 1520 established that a transferee could pay a property owner's delinquent taxes or taxes that are not delinquent if the property is not subject to a mortgage lien, or a transferee had previously paid the delinquent taxes of a property owner.

Subsection 32.06(a-3) provides that when a property owner authorizes the transfer of tax liens for both the taxes on the property that are not delinquent and the taxes that are delinquent, the tax assessor-collector is required to certify the transfer in one document. The transfer occurs for both delinquent and non-delinquent property taxes in the same transaction. In many instances, a transferee will pay a property owner's delinquent taxes in one transaction, and subsequently pay a property owner's non-delinquent taxes in a separate transaction.

S.B. 916 amends Subsection (a-3) to clarify that a tax collector has the discretion to certify the transfer in one document if the payment of delinquent and non-delinquent property taxes occurs in the same transaction. If the payment of taxes occurs in separate transactions, certification by the tax collector of each transfer is currently required under Section 32.06(b) (relating to a tax receipt issued to the transferee).

Section 33.445 (Joinder of Tax Lien Transferee), Tax Code, as added by H.B. 1465, 81st Legislature, Regular Session, 2009, provides the procedure for a taxing unit to join a transferee in a suit to foreclose real property for delinquent taxes. This provision requires a taxing unit to join a tax lien transferee when the taxing unit files suit to foreclose its own lien for delinquent property taxes. Once joined, a transferee may pay all taxes, penalties, interest, court costs, and attorney's fees owing to the taxing units in the suit and is then entitled to a transfer of the liens securing the taxes it pays.

This change clarifies that when a joined transferee opts to pay all the taxes, penalties, interest, court costs, and attorney's fees owing to the taxing units in the suit, the transferee is not required to obtain authorization from the property owner before making the payment or for the transfer of the tax lien.

As proposed, S.B. 916 amends current law relating to ad valorem tax lien transfers.

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 32.06(a-3), Tax Code, to require, rather than authorize, the collector, if the property owner has executed an authorization under Subsection (a-2)(2)(B) (relating to a tax lien transfer authorized by the property owner under certain circumstances) consenting to a transfer of the tax liens for both the taxes on the property that are not delinquent and taxes on the property that are delinquent, to certify in one document the transfer of the liens for all the taxes.

SECTION 2. Amends Section 33.445(b), Tax Code, to provide that the transfer of a tax lien under this subsection does not require authorization by the property owner.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2011.