

BILL ANALYSIS

Senate Research Center
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H.B. 3951
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3951 will help facilitate the bidding and deed issuance process in conjunction with the current first Tuesday auction of delinquent real property and the online auction of delinquent real property authorized under S.B. 1452.

At present, Harris County has a voluntary bidder registration procedure; there is no requirement in the Tax Code that requires a bidder to actually register. This frequently makes it difficult to determine if the bidder is qualified under the law to purchase property at a delinquent tax sale. H.B. 3951 will allow all counties the authority to require bidders register in advance to ensure that bidders are qualified and that the tax sales will be completed.

Section 34.015(b) of the Tax Code currently prohibits the officer conducting the tax sale from executing or delivering a deed to the purchaser unless the purchaser exhibits to the officer an unexpired written statement issued by the county assessor-collector showing that the purchaser owes no delinquent taxes to the county, any school district, or any municipality within the county.

Section 1 of H.B. 3951 adds a new Section 34.011 of the Tax Code to permit the commissioners court to adopt a bidder registration process that clearly identifies both the bidder and the intended purchaser, if different from the bidder, and requires the bidder/purchaser to at least annually certify to the assessor-collector that the person or entity owes no delinquent taxes to any of the specified entities in the county. Once the bidder satisfies these requirements, the county assessor will issue that individual a written registration statement.

Section 2 of the bill specifies that the mandatory registration procedure does not apply in a county with a population of 250,000 or more in which the commissioners court has not adopted the new bidder registration procedure.

Section 3 specifies that in counties where the commissioners court has adopted the bidder registration procedures, the officer conducting the sale is allowed to accept a written registration statement issued to the bidder by the county assessor-collector pursuant to new Section 34.011. In other counties, the current certification procedure would be unchanged.

H.B. 3951 amends current law relating to the eligibility of persons to participate in an ad valorem tax sale of real property and creates creating a criminal offense.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the county assessor-collector in SECTION 1 (Section 34.011, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 34, Tax Code, by adding Section 34.011, as follows:

Sec. 34.011. BIDDER REGISTRATION. (a) Provides that this section applies only to a sale of real property under this chapter conducted in a county in which the commissioners court by order has adopted the provisions of this section.

(b) Authorizes a commissioners court to require that, to be eligible to bid at a sale of real property under this chapter, a person must be registered as a bidder with the county assessor-collector before the sale begins. Authorizes the county assessor-collector to adopt rules governing the registration of bidders under this section. The county assessor-collector may require a person registering as a bidder:

(1) to designate the person's name and address;

(2) to provide valid proof of identification;

(3) to provide written proof of authority to bid on behalf of another person, if applicable;

(4) to provide any additional information reasonably required by the county assessor-collector; and

(5) to at least annually execute a statement on a form provided by the county assessor-collector certifying that there are no delinquent ad valorem taxes owed by the person registering as a bidder to the county or to any taxing unit having territory in the county.

(c) Requires the county assessor-collector to issue a written registration statement to a person who has registered as a bidder under this section. Provides that a person is not eligible to bid at a sale of real property under this chapter unless the county assessor-collector has issued a written registration statement to the person before the sale begins.

SECTION 2. Amends Section 34.015(p), Tax Code, as follows:

(p) Provides that this section applies only to a sale of real property under Section 34.01 (Sale of Property) that is conducted in:

(1) a county with a population of 250,000 or more in which the commissioners court has not by order adopted the provisions of Section 34.011; or

(2) Makes no change to this subdivisions.

SECTION 3. Amends Sections 34.0445(a) and (c), Civil Practice and Remedies Code, as follows:

(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:

(1) an unexpired written statement issued to the person in the manner prescribed by Section 34.015 (Persons Eligible to Purchase Real Property), Tax Code, showing that the county assessor-collector of the county in which the sale is conducted has determined that

(A) and (B) Makes nonsubstantive changes; or

(2) the written registration statement issued to the person in the manner prescribed by Section 34.011, Tax Code, showing that the person is a registered bidder at the sale at which the property is sold.

(c) Requires the deed executed by the officer conducting the sale to name the successful bidder as the grantee and recite that the successful bidder exhibited to that officer:

(1) 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 was conducted determined that:

(A) and (B) Makes nonsubstantive changes; or

(2) the written registration statement issued to the person in the manner prescribed by Section 34.011, Tax Code, showing that the person is a registered bidder at the sale at which the property is sold.

SECTION 4. Provides that the changes in law made by this Act apply only to the sale of real property under Subchapter C, Chapter 34, Civil Practice and Remedies Code, or Chapter 34, Tax Code, on or after the effective date of this Act.

SECTION 5. Effective date: January 1, 2016.