

BILL ANALYSIS

Senate Research Center

C.S.H.B. 3306
By: Heflin (Wentworth)
State Affairs
5-15-97
Committee Report (Substituted)

DIGEST

Currently, the Tax Code provides various sections of governance under which taxpayers, appraisal districts, and taxing units interact within the property appraisal system. This bill sets forth provisions regarding the penalties and interest, writs, suits, judgment amount, right of redemption, and distributions of proceeds in ad valorem tax matters.

PURPOSE

As proposed, C.S.H.B. 3306 sets forth provisions regarding the penalties and interest, writs, suits, judgment amount, right of redemption, and distributions of proceeds in ad valorem tax matters.

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 Section 31.01(a), Tax Code, to require the exterior of the tax bill to show the return address of the taxing unit, rather than the interior of the envelope in which a tax bill is sent, and to contain certain information.

SECTION 2. Amends Section 32.07, Tax Code, by adding Subsections (d)-(g), as follows:

- (d) Provides that certain persons are liable to the taxing unit for the full amount collected under this section plus any accrued penalties and interest on the amount collected.
- (e) Sets forth provisions regarding persons liable for certain amounts regarding ad valorem taxes or other money subject to the provisions of Subsection (d).
- (f) Requires venue for suits arising under this section to be governed by Section 33.41(a).
- (g) Defines "responsible individual" and "tax."

SECTION 3. Amends Sections 33.01(a) and (c), Tax Code, to provide that a delinquent tax continues to incur the penalty provided by this subsection under certain conditions. Makes a conforming change.

SECTION 4. Amends Section 4, Article 5069-1.05, V.T.C.S., to provide that this article does not apply to a judgment in favor of a taxing unit in a suit to collect a delinquent tax under Chapter 33C, Tax Code.

SECTION 5. Amends Section 33.02(b), Tax Code, to provide that interest and payment accrue as provided by Subsections (a) and (c), rather than Subsection (c), of Section 33.01 on the unpaid balance during the period of agreement.

SECTION 6. Amends Section 33.48(a), Tax Code, to provide that a taxing unit is entitled to recover certain costs and expenses in a suit to collect a delinquent tax including reasonable expenses, not subject to approval by the court, that are incurred by the taxing unit in determining the name,

identity, and location of necessary parties and in procuring necessary legal descriptions of the property on which a delinquent tax is due and attorney's fees in the amount of 15 percent of the total amount to taxes, penalties, and interest due the unit. Makes application of this Act prospective.

SECTION 7. Amends Section 33.51, Tax Code, to require the judgment to provide for the issuance by the clerk of a court, if the court orders the foreclosure of a tax lien and sale of real property, of a writ of possession to the purchaser at the sale or the purchaser's assigns no sooner than 20 days following the date on which the purchaser's deed from the sheriff or constable is filed of record, rather than within 20 days after the period of redemption expires.

SECTION 8. Amends Section 33.52, Tax Code, by amending Subsections (a) and (b) and adding Subsection (c), to authorize a judgment to include a foreclosure on any unpaid tax on the property for the current year under certain conditions. Deletes a provision requiring the judgment to order the taxing unit to recover a certain amount that is prorated to the day of the judgment. Authorizes, rather than requires, the court to order recovery of a foreclosure on the amount of tax imposed on the property for the preceding tax year. Provides that the real property is subject to the taxes for the current tax year and to the lien that secures those taxes, and any subsequent purchaser takes the property subject to those taxes and the tax lien under certain conditions.

SECTION 9. Amends Sections 34.05(a) and (g), Tax Code, to require all resales under this section to be subject to any right of redemption existing at the time of the sale. Deletes a provision providing that Sections 263.001 and 272.001(a), Local Government Code, do not apply to certain property in a municipality with a population of 1.5 million or more. Authorizes the taxing unit to elect to follow the Local Government Code provisions in reselling such property.

SECTION 10. Amends Section 34.06(b), Tax Code, to require the purchasing taxing unit to distribute the remainder of the proceeds to each taxing unit participating to a certain degree in the sale, rather than distribute the proceeds as provided by Sections 34.02 of this code for distributions of proceeds after payment of costs.

SECTION 11. Amends Section 34.21, Tax Code, to set forth procedures regarding the redemption of property for owners of real property that was the owner's residence homestead or was land designated for agricultural use when the suit to collect the tax was filed or for property that has been sold at a tax sale. Defines "costs." Makes conforming and nonsubstantive changes.

SECTION 12. Amends Section 34.23(b), Tax Code, to prohibit the owner of property sold for taxes to a taxing unit from redeeming the property from the taxing unit after the property has been resold. Deletes existing Subsection (b).

SECTION 13. Amends Section 41.11(a), Tax Code, to require an owner who receives a notice as provided by this section to be entitled to protest such actions provided by Section 41.44(a)(2).

SECTION 14. Effective date: January 1, 1998.

SECTION 15. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 5.

Amends Section 33.02(b), Tax Code, to make a nonsubstantive change.

Adds new SECTION 6 and renumbers subsequent sections accordingly.

SECTION 6.

Amends Section 33.48, Tax Code, to sets forth provisions regarding certain costs and expenses recovered by a taxing unit in a suit to collect a delinquent tax.

Adds new SECTION 7 and renumbers subsequent sections accordingly.

SECTION 7.

Amends Section 33.51, Tax Code, regarding writ of possession.

SECTION 13.

Amends Section 41.11(a), Tax Code, to make a nonsubstantive change.

SECTION 15.

Deletes a superfluous effective date.