

BILL ANALYSIS

Senate Research Center

H.B. 1050
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Jurisprudence
5/11/2001
Engrossed

This analysis is based on the House Committee Report, which is the most recent version available to the Senate Research Center.

DIGEST AND PURPOSE

Current law provides that a document related to real property must be recorded in order for it to be effective notice of its existence to third parties. Some proposed legislation imposes an automatic lien against property in favor of a state agency, but does not require the lien to be recorded. H.B. 1050 provides that a lien on real property in favor of a governmental entity must be recorded in the real property records of the county in which the property or a portion of the property is located.

RULEMAKING AUTHORITY

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

ANALYSIS

H.B. 1050 amends the Property and Transportation codes relating to a lien on real property in favor of a governmental entity. The bill provides that the lien must be recorded in the real property records of the county in which the property or a portion of the property is located unless the lien is imposed as a result of failure to pay ad valorem taxes or a penalty or interest owed in connection with those taxes, or the law establishing the lien expressly states otherwise, regardless of whether the lien arose before, on, or after September 1, 2001. If the lien arose before September 1, 2001, the lien must be recorded no later than December 31, 2002.

The bill provides that any notice of the lien required by law that is provided on or after September 1, 2001, must contain a legal description of the property. The notice must give, in addition to existing provisions, the name of the subdivision and affected blocks if the street abuts a subdivision for which a plat has been recorded in the county clerk's office for liens that arise on or after September 1, 2001. The bill provides that an assessment against abutting property is a lien on the property that is superior to any other lien or claim except a lien or claim for ad valorem taxes and a personal liability and charge against the owner of the property, for any lien arising on or after September 1, 2001. The bill provides that these provisions do not apply to a lien pertaining to well-site equipment or a state tax lien.

Effective date: September 1, 2001.