

BILL ANALYSIS

Senate Research Center
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S.B. 1285
By: Bettencourt
Property Tax
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows counties to perform online auctions to sell foreclosed properties in addition to in-person auctions. Counties have had difficulty performing online auctions because they are statutorily unable to include the commission and fees for auctioneers who execute the online auction within the costs of a sale. This prevents counties from contracting with online vendors to perform the auction.

S.B. 1285 amends the Tax Code to require that a licensed auctioneer's commission and fees be included in calculating the amount owed on the property for which a tax warrant was issued.

As proposed, S.B. 1285 amends current law relating to the procedure for the sale by auction of real property pursuant to foreclosure of a tax lien.

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 Sections 34.01(b) and (p), Tax Code, as follows:

(b) Provides that the costs of a sale include the costs of advertising, a licensed auctioneer's commission and fees, and deed recording fees anticipating to be paid in connection with the sale of the property, rather than costs of advertising and deed recording fees anticipating to be paid in connection with the sale of the property.

(p) Prohibits property seized under Subchapter E (Seizure of Real Property), Chapter 33, except as provided by Subsection (o) (relating to authorizing the officer making a sale to sell a certain property to certain persons if a specified bid is not received), from being sold for an amount that is less than the lesser of the market value of the property as specified in the warrant or the total amount of taxes, penalties, interest, costs, auctioneer's commission and fees, and other claims, rather than taxes, penalties, interest, costs, and other claims, for which the warrant was issued.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2019.