

**SUBJECT:** Seizure of abandoned property for delinquent ad valorem taxes

**COMMITTEE:** Ways and Means — favorable, without amendment

**VOTE:** 8 ayes — Craddick, Wolens, Finnell, Holzheuser, Horn, Marchant, Place, Romo  
0 nays  
3 absent — Heflin, T. Hunter, Oliveira

**SENATE VOTE:** On final passage, May 4 — 31-0 (Local and Uncontested Calendar)

**WITNESSES:** (*On House companion, HB 2319*):  
For — Robert Litke, James B. Cameron-Stuart, City of Houston  
Against — None

**DIGEST:** SB 1545 would allow cities to use a tax warrant to seize certain abandoned property on which taxes were delinquent. The bill would amend the Tax Code, Civil Practice Code, Health and Safety Code and the Local Government Code to allow home-rule or Type A general law municipalities to seize property that is less than one acre in size and had been abandoned for at least one year.

Such seizures could be executed if property taxes had been delinquent for each of the five preceding years, or each of the preceding three years if a property lien had been created in favor of the municipality for the cost of remedying a health or safety hazard.

The municipal tax collector would determine if seizing the property would be in the best interest of the municipality and other taxing units and could apply for a tax warrant in the county's district court.

A tax warrant would direct the sheriff or constable and the collector to seize the property, subject to the right of redemption, for the payment of the ad valorem taxes, penalties, interest, lien amount and costs of seizure

and sale. The warrant would also direct the owner of the property to disclose the name and address of any other person having an interest in the property.

The collector would be required to deliver as soon as possible after a seizure a notice stating the time and place of the sale and a property description to the owner and any other person with interest in the property. The property could be bid off for less than the tax warrant or market value to a charitable organization for improving low-income housing if a sufficient bid on the property was not received.

Suits to set aside a sale of property seized would have to be brought within a year after the date the property was sold. A purchaser could then conclusively presume the validity of the sale and take free of any claim of a party with prior interest.

The bill would take effect immediately if approved by two-thirds of the membership of each house.

**SUPPORTERS  
SAY:**

SB 1545 would give cities a new remedy to address vacant or abandoned urban properties that often harbor illegal criminal activities or health hazards and reduce neighborhood property values. SB 1545 contains authorizations similar to those cities currently hold for the seizure and sale of personal property by tax warrant.

Property owner rights would be protected because the bill would apply only to vacant or abandoned properties — no one could be kicked out of their home or business. Property rights would also be protected because the owner would have had to have been delinquent in taxes for several years and after seizure they would retain their right of redemption and would be notified of all tax collector actions.

Current options of foreclosures and liens are often lengthy legal processes that are not effective in maintaining property condition and value. Property, especially in poorer neighborhoods, will usually deteriorate rapidly and reduce the local tax base and erode the quality of the neighborhood. Cities also incur costs in foreclosures and health and safety liens, measures that can often exceed the value of the property.

Seizures and provisions to allow nonprofit charitable organizations to bid under would help a city stabilize or revive a neighborhood and maintain part of its tax base.

OPPONENTS  
SAY:

No apparent opposition.