

SUBJECT: Requiring delinquent tax judgments to be applied first to court costs

COMMITTEE: Ways and Means — favorable, with amendment

VOTE: 9 ayes — Oliveira, McCall, Bonnen, Y. Davis, Hilbert, Keffer, T. King, Ramsay, Sadler

0 nays

2 absent — Craddick, Heflin

WITNESSES: For — Sandy Prindle, Justices of the Peace and Constables Association of Texas

Against — None

BACKGROUND: In addition to delinquent taxes, interest, and penalties, taxing units are authorized to collect court costs, the costs of filing a notice against a property, and foreclosure expenses. Taxing units also may collect reasonable expenses of legal research and attorney's fees. Taxing units often do not collect court costs, leaving the court uncompensated for its expenses.

DIGEST: HB 3308, as amended, would require that proceeds collected from a defendant in a delinquent tax suit be applied first to court costs, filing costs, and expenses of a foreclosure sale. Once these obligations were paid, the taxing unit would receive the remainder to cover delinquent taxes, interest, and penalties. The bill would require a person who received proceeds from a defendant to remit those proceeds promptly to the court for distribution.

The bill would take effect on September 1, 1999, and would apply to suits filed on or after that date.

NOTES: The committee amendment would delete a section of the original bill that would require a taxing unit to pay promptly all court costs for which the unit was liable, including fees for service of process in suits filed in error.