

SUBJECT: Changing requirements on sales of property seized for delinquent taxes

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 10 ayes — D. Bonnen, Bohac, Darby, E. Johnson, Murphy, Murr, Raymond, Shine, Springer, Stephenson

0 nays

1 absent — Y. Davis

WITNESSES: For — Harvey Allen

Against — None

BACKGROUND: Tax Code, ch. 34 allows the sale of real property at an auction pursuant to foreclosure of a tax lien. Sec. 34.015 requires the officer conducting the sale to assign the deed to the person who was the successful bidder.

Observers note that Tax Code, ch. 34 does not speak to sales caused by tax liens on personal property, such as mobile homes, and has certain requirements relating to the bidding and conveyance process that require the ultimate owner to be physically present at the sale.

DIGEST: CSHB 3062 would amend Tax Code, sec. 34.015 to allow an officer conducting a tax sale to assign a deed of real property to the spouse of the successful bidder or to a business, religious, charitable, or civic organization whom the successful bidder represented.

The bill would broaden language in parts of ch. 34 to allow the sale, pursuant to a tax lien, of personal property, such as a manufactured home, subject to the same requirements that currently apply to real property sales. Sales of personal property could occur at a sale of real property.

The bill would take effect September 1, 2017, and would apply only to sales of property on or after that date.