

BILL ANALYSIS

Senate Research Center

H.B. 1463
By: Bosse (Brown)
Jurisprudence
5-1-97
Engrossed

DIGEST

Prior to 1978, property which had been foreclosed for non-payment of local taxes was offered for sale by the sheriff of the county in which the property was located. Proceeds from the sale of the property were used to satisfy the unpaid tax debt. Lots that were not sold at county tax foreclosure sales became the property of the state. The General Land Office is designated as the agency responsible for the sale of these properties. The General Land Office sells tax foreclosure lots when a potential purchaser makes an offer on the property. Proceeds from these sales are deposited to the Capital Trust Fund.

While the sale of these properties has been relatively routine, the Land Office has encountered problems with the sale of properties sold in Bexar County. Bexar County officials contend that a liability for unpaid taxes does not end when the property reverts to state ownership. In fact, purchasers of tax foreclosure property in Bexar County have received sizeable tax bills immediately after transactions are closed. Discussions with officials of Bexar County have been unsuccessful in resolving this issue. H.B. 1463 amends the Natural Resources Code to clarify that the purchaser of a tax foreclosure property has clear title to the property, free of any previous tax debt.

PURPOSE

As proposed, H.B. 1463 amends the Natural Resources Code to clarify that the purchaser of a tax foreclosure property has clear title to the property, free of any previous tax debt.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 32.112, Natural Resources Code, to authorize property placed in the name of the state as a result of a tax lien, whether the property was sold, bid off, or otherwise transferred to the state to be sold or leased free of a certain tax lien. Sets forth rights of the parties when selling property. Provides that the School Land Board is not required to pay any portion of proceeds to certain taxing units.

SECTION 2. Emergency clause.
Effective date: upon passage.