

BILL ANALYSIS

Senate Research Center

C.S.S.B. 974
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Intergovernmental Relations
3-27-97
Committee Report (Substituted)

DIGEST

Currently, Texas law requires a taxing unit which intends to resell the property it has foreclosed on for taxes to resell it only for the total amount of taxes due or the market value of the property, whichever is less. The taxing unit is not allowed to make a profit. As a result, many properties which have underground storage tanks are not foreclosed on by jurisdictions because no buyer is willing to purchase the property with potentially hazardous environmental problems. Moreover, the taxing jurisdictions lack incentive to incur the costs of cleanup because they are unable to recoup those costs when reselling the property. This bill would add a provision to current law to allow a taxing jurisdiction that incurs environmental cleanup costs to add those costs into the resale price, thereby enabling taxing jurisdictions to foreclose on the property, clean up the property, and resell it.

PURPOSE

As proposed, C.S.S.B. 974 allows a taxing jurisdiction to recover from the proceeds of a resale of a property it has foreclosed on any cost incurred in inspecting the property to determine whether there is a release or threatened release of solid waste, and in taking action to clean up any such waste.

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 34.06, Tax Code, by adding Subsection (c), to provide that notwithstanding Subsection (b), the purchasing taxing unit is entitled to recover from the proceeds of a resale of the property any cost incurred in inspecting the property to determine whether there is a release or threatened release of solid waste from the property in violation of Chapter 361, Health and Safety Code, or a rule adopted or permit or order issued by the Texas Natural Resource Conservation Commission under that chapter, or a discharge or threatened discharge of waste or a pollutant into or adjacent to water in this state from a point of discharge on the property in violation of Chapter 26, Water Code, or a rule adopted or permit or order issued by the commission under that chapter, and in taking action to remove or remediate the release or threatened release or discharge or threatened discharge regardless of whether the taxing unit was required by law to incur the cost, or obtained the consent of each taxing unit entitled to receive proceeds of the sale under the judgment of foreclosure to incur the cost.

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

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends proposed Section 36.06(c), Tax Code, to add additional provisions regarding violations related to solid waste.