

BILL ANALYSIS

Senate Research Center
76R5123 MXM-F

H.B. 2109
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Economic Development
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Engrossed

DIGEST

Currently, it may not be clear whether a taxing unit is liable for underground storage tanks acquired through the foreclosure of an ad valorem tax lien on real property. The Texas Natural Resource Conservation Commission believes that a taxing unit is liable for such an acquisition. H.B. 2109 would provide limits on liability of a taxing unit that has foreclosed an ad valorem tax lien on real property on which an underground or aboveground storage tank is located.

PURPOSE

As proposed, H.B. 2109 establishes limits on liability of a taxing unit for storage tanks.

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 Chapter 26I, Water Code, by adding Section 26.3516, as follows:

Sec. 26.3516. LIMITS IN LIABILITY OF TAXING UNIT. Sets forth applications of this section regarding a taxing unit that has foreclosed on an ad valorem tax lien on certain real property. Establishes that a taxing unit is not liable as an owner or operator solely because the taxing unit holds indicia of ownership because of a tax foreclosure sale. Requires the taxing unit to perform corrective action, if the taxing unit removes a tank from service or takes corrective action. Provides that a taxing unit is not liable as an owner or operator solely because the taxing unit fulfills certain conditions regarding a secured aboveground or underground storage tank before sale or other disposition of the storage tank or property if the taxing unit establishes certain conditions. Authorizes a taxing unit to establish that the ownership indicia maintained after foreclosure continue to be held primarily to protect payment of ad valorem taxes if the taxing unit fulfills certain conditions.

SECTION 2. Effective date: September 1, 1999.

Makes application of this Act prospective.

SECTION 3. Emergency clause.