

BILL ANALYSIS

Senate Research Center
76R6993 JD-D

C.S.S.B. 337
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Intergovernmental Relations
2/25/1999
Committee Report (Substituted)

DIGEST

Currently, Texas law requires any excess proceeds of a property tax sale, pursuant to a foreclosure of a tax lien, to be held by the clerk of a court for a period of seven years. This bill would require the clerk of a court to hold any excess proceeds for a period of two years. This bill would also authorize the clerk of a court to notify the former owner of the excess proceeds and of the owner's rights.

PURPOSE

As proposed, C.S.S.B. 337 authorizes the clerk of a court to hold any excess proceeds from a property tax sale for two, rather than seven years. Authorizes the clerk to notify the former owner of the excess proceeds and of the owner's rights.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Requires the court clerk to send by certified mail a written notice to the former owner of the property, that states the amount of the excess proceeds; informs the former owner of that owner's rights to claim the excess proceeds; includes a copy or complete text of this section and Section 34.04; and regardless of the amount, keep the excess proceeds paid into court for two years, rather than seven years after the sale. Makes conforming changes.

SECTION 2. Amends Sections 34.04(a) and (d), Tax Code, to authorize a person to file a petition within two, rather than seven, years. Prohibits a claim for excess proceeds from being filed after the expiration of the period provided by Subsection (a) from the date the property is sold. Makes a conforming change.

SECTION 3. (a) Effective date: September 1, 1999.

(b) Requires the clerk of a court to mail the notice after the effective date of this Act, if on the effective date of this Act the clerk of a court is retaining excess proceeds. Prohibits the clerk of a court from distributing those proceeds before the second anniversary of the date the notice is mailed. Provides that a claim for the proceeds made on or before that second anniversary is considered to have been made within the period provided by Section 34.03(b), Tax Code.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

Relating clause.

Amends the relating clause as follows: "relating to the distribution of the proceeds from a property tax sale," rather than a property tax foreclosure sale.

SECTION 1.

Requires the court clerk to send by certified mail a written notice to the former owner of the

property, that states the amount of the excess proceeds; informs the former owner of that owner's rights to claim the excess proceeds; includes a copy or complete text of this section and Section 34.04; and regardless of the amount, keep the excess proceeds paid into court for two years, rather than seven years after the sale. Makes conforming changes.

SECTION 3.

Requires the clerk of a court to mail the notice after the effective date of this Act, if on the effective date of this Act the clerk of a court is retaining excess proceeds. Prohibits the clerk of a court from distributing those proceeds before the second anniversary of the date the notice is mailed. Provides that a claim for the proceeds made on or before that second anniversary is considered to have been made within the period provided by Section 34.03(b), Tax Code.