

BILL ANALYSIS

Senate Research Center

S.B. 898
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Intergovernmental Relations
3/24/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 898 amends Sections 31.08 and 32.07 of the Tax Code to provide that a property tax lien is extinguished and a purchaser of property is absolved of liability if a tax certificate erroneously fails to include taxes for property attributable to the property parcel and omitted from the appraisal roll for any one of the five preceding years for real property and for one of the two preceding years for personal property.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.08(b), Tax Code, to provide that except as provided by Subsection (c) of this section, if a person transfers property accompanied by a tax certificate that erroneously indicates, rather than a tax certificate showing, that no delinquent taxes, penalties, or interest are due a taxing unit on a property or that fails to include property because of its omission from an appraisal roll as described under Section 25.21 (Omitted Property), Tax Code, the unit's tax lien on the property is extinguished and the purchaser of the property is absolved of liability to the unit for delinquent taxes, penalties, or interest on the property or for taxes based on omitted property. Provides that the person who was liable for the tax for the year the tax was imposed or the property was omitted remains personally liable for the tax, and for any penalties or interest. Makes conforming changes.

SECTION 2. Amends Section 32.07(a), Tax Code, to provide that, except as provided by Subsections (b) and (c) of this section, property taxes are the personal obligation of the person who owns or acquires the property on January 1 of the year for which the tax is imposed or would have been imposed had property not been omitted as described under Section 25.21.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2005.