

BILL ANALYSIS

Senate Research Center
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S.B. 382
By: Carona
Intergovernmental Organizations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Local Government Code precludes a county from making a payment to a person providing services to a county if that person owes a debt to the county. However, the term "debt" is defined to include "delinquent taxes," but does not specify whether it refers to all delinquent tax debts or only those that have been reduced to a judgment by a court of law. A 2007 Attorney General Opinion interpreted current law to require that a tax debt be reduced to a final judgment to meet the definition of "delinquent taxes" under this portion of the statute. Based on this interpretation, counties are required to make payments to vendors that have tax delinquencies until the county is able to file suit and obtain a judgment.

S.B. 382 amends Sections 154.025 and 154.045 of the Local Government Code, which apply to counties with populations below 190,000 and above 190,000, respectively, to clarify that the term "debt" includes "delinquent taxes, whether or not the taxes have been reduced to judgment." This change will not impact a person who pays assessed taxes on time and then files a protest since, in that circumstance, taxes are paid in advance of the judgment and not considered delinquent. This change affects all counties in the state, allowing them to withhold payments to vendors with tax delinquencies.

As proposed, S.B. 382 amends current law relating to the disbursement of county funds to a person owing delinquent property taxes.

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 154.025(a), Local Government Code, to redefine "debt" in this section to include delinquent property taxes whether reduced to judgment or not.

SECTION 2. Amends Section 154.045(a), Local Government Code, to redefine "debt" in this section to include delinquent property taxes whether reduced to judgment or not.

SECTION 3. Provides that the changes in law made by this Act apply only to debt for which a notice of indebtedness is filed under Section 154.025(b) (relating to prohibiting a warrant from being drawn on a county fund in favor of a person until certain conditions are fulfilled) or 154.045(b) (relating to prohibiting a warrant from being drawn on a county fund in favor of a person until certain conditions are fulfilled), Local Government Code, on or after the effective date of this Act. Provides that debt for which notice of indebtedness is filed before the effective date of this Act is governed by the law in effect when the notice was filed, and the former law is continued in effect for that purpose.

SECTION 4. Effective date: upon passage or September 1, 2013.