

BILL ANALYSIS

Senate Research Center
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H.B. 4429
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Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As part of anti-colonia regulatory measures, Chapter 232, Local Government Code, enacted sales prohibitions for residential property without adequate water and sewer services. Section 232.0315, Local Government Code, created an exception to this policy, authorizing counties to sell residential property when the sale is conducted as a result of a tax delinquency. This section allows counties to enforce their tax obligations without being burdened with the financial responsibility of installing water and sewer services prior to selling property. This section also establishes procedures and notices that must be followed by counties when selling property pursuant to certain provisions of the Tax Code, Texas Rules of Civil Procedure, and the Civil Practices and Remedies Code. What's more, subsection 232.0315(d) specifically renders a sale void when it is conducted in violation of these requirements.

Recently, some counties have reported that non-county taxing entities unintentionally have failed to comply with this Local Government Code provision, inadvertently resulting in voided property sales. Accordingly, H.B. 4429 intends to help prevent this oversight.

H.B. 4429 would add references to Section 232.0315, Local Government Code, in applicable provisions of the Tax Code to make clear that this section applies to non-county taxing entities. This would serve as a reminder to these entities of their obligations under the Local Government Code and decrease the likelihood of property sales ultimately being voided.

H.B. 4429 amends current law relating to notice of water and wastewater requirements for the foreclosure sale of residential properties by certain political subdivisions.

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 Sections 232.0315(a) and (b), Local Government Code, as follows:

- (a) Provides that Section 232.0315 (Notice of Water and Wastewater Requirements by Counties) applies only to a political subdivision, rather than county, that sells certain real property.
- (b) Requires a political subdivision to include in the public notice of sale of the property and the deed conveying the property a statement substantially similar to a certain form. Sets forth the required language of the statement. Makes a conforming change.

SECTION 2. Amends Section 34.01(e), Tax Code, as follows:

- (e) Requires that a notice of sale under Subsection (c) (relating to a written notice of sale for real property seized or sold under certain conditions) substantially comply with this subsection. Requires that the notice include:
 - (1) makes no changes to this subdivision;
 - (2) and (3) makes nonsubstantive changes to these subdivisions;

(4) the statement required by Section 232.0315, Local Government Code, if the real property subject to the sale is located in a county subject to Chapter 232 (County Regulation of Subdivisions) of that code and is presumed to be for residential use under Section 232.022 (Applicability) of that code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2021.