

1-1 By: Parker S.B. No. 2173
 1-2 (In the Senate - Filed March 10, 2025; March 24, 2025, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 22, 2025, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0; April 22, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Middleton	X			
1-9 Cook	X			
1-10 Gutierrez	X			
1-11 Nichols	X			
1-12 Paxton	X			
1-13 West	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the effect of a tax certificate accompanying a transfer
 1-18 of certain property.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 31.08, Tax Code, is amended by amending
 1-21 Subsection (b) and adding Subsection (d) to read as follows:

1-22 (b) Except as provided by Subsections ~~[Subsection]~~ (c) and
 1-23 (d) ~~[of this section]~~, if a person transfers property accompanied
 1-24 by a tax certificate that erroneously indicates that no delinquent
 1-25 taxes, penalties, or interest are due a taxing unit on the property
 1-26 or that fails to include property because of its omission from an
 1-27 appraisal roll as described under Section 25.21, the taxing unit's
 1-28 tax lien on the property, including, if applicable, the tax lien
 1-29 securing the payment of any delinquent taxes, penalties, or
 1-30 interest that are subsequently determined to be due the taxing unit
 1-31 on the property because a residence homestead exemption was
 1-32 erroneously allowed for the property and was subsequently canceled,
 1-33 is extinguished and the purchaser of the property is absolved of
 1-34 liability to the taxing unit for delinquent taxes, penalties, or
 1-35 interest on the property or for taxes based on omitted property.
 1-36 The person who was liable for the tax for the year the tax was
 1-37 imposed or the property was omitted remains personally liable for
 1-38 the tax and for any penalties or interest.

1-39 (d) A tax certificate that accompanies a transfer of
 1-40 property and erroneously indicates that no delinquent taxes,
 1-41 penalties, or interest are due a taxing unit on the property because
 1-42 a residence homestead exemption was erroneously allowed for the
 1-43 property and was subsequently canceled does not extinguish the tax
 1-44 lien securing the payment of any delinquent taxes, penalties, or
 1-45 interest that are subsequently determined to be due the taxing unit
 1-46 on the property if the chief appraiser or the collector for a taxing
 1-47 unit determines that the transfer of the property occurred between:

1-48 (1) two individuals who are related within the first
 1-49 degree by consanguinity or affinity, as determined under Chapter
 1-50 573, Government Code;

1-51 (2) an employer and an employee;

1-52 (3) a parent company and a subsidiary of that parent
 1-53 company; or

1-54 (4) a trust and a beneficiary of that trust.

1-55 SECTION 2. The change in law made by this Act applies only
 1-56 to a tax certificate issued on or after the effective date of this
 1-57 Act. A tax certificate issued before the effective date of this Act
 1-58 is covered by the law in effect on the date of issuance, and the
 1-59 former law is continued in effect for that purpose.

1-60 SECTION 3. This Act takes effect September 1, 2025.

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