

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 21, 2013

TO: Honorable John Carona, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB247 by Carona (Relating to the transfer of an ad valorem tax lien.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 351.003 of the Finance Code, regarding property tax lenders, to prohibit a lender from selling, transferring, assigning, or releasing rights related to a property tax loan to a person who is not licensed under Chapter 351 of the Finance Code.

The bill would amend Section 32.065 of the Tax Code to specify that the right to foreclose applies to a property tax lender or successor in interest who is licensed under Chapter 351 of the Finance Code. The bill would strike the right of a lender or successor in interest to foreclose a lien in the manner specified in Section 51.002 of the Property Code or Section 32.065 of the Tax Code after the lender or a successor in interest obtains a court order for foreclosure under Rule 736, Texas Rules of Civil Procedure. The bill would also strike language requiring a contract between a property owner and lender that is secured by priority lien to provide for a power of sale.

The bill would not affect taxable property values, tax rates, collection rates, or any other variable which might affect the revenues of units of local governments or the state.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, RB, SD, SJS