CHRIS ROSS, MEMBER 158TH LEGISLATIVE DISTRICT

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House of Representatives

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MEMBER

POLICY COMMITTEE
LOCAL GOVERNMENT COMMISSION

To:

All House Members

From:

Rep. Chris Ross OL

Date:

June 17, 2011

Subject:

Proposed Legislation - Real Estate Tax Sale Reform

In the next couple of weeks, I plan to introduce legislation that will reform our antiquated, inefficient tax foreclosure laws. The current laws contain confusing provisions dating from the 1920s, allow properties to continue in delinquency for as long as ten years, and discourage responsible developers from investing in property repairs or improvements.

The bill adds a chapter to Title 53, commonly called the Local Government Code, to provide tax delinquent owners, who work out and maintain hardship payment agreements with the taxing authority, the opportunity to pay what they owe and not lose their homes. Additionally, it will create a simple judicial tax foreclosure process resulting in a single sale as ordered by the court. The new process will be completed in a shorter timeframe and will produce properties with clear title for responsible tax payers to purchase.

Specifically, the bill:

- Authorizes creation of hardship payment programs whereby eligible, low-income owneroccupants pay delinquent taxes according to an agreement with the tax collector;
- Requires improved notice to owners, occupants and interested parties to fully protect their constitutional rights;
- Reduces the timeframe between the point of delinquency and the eventual sale;
- Eliminates post-sale right of redemption.

Finally, this bill approaches the problem by changing outmoded state laws and cumbersome practices rather than requiring additional spending of limited state and local dollars. My bill is another tool that local governments will have to redevelop their communities into viable, sustainable places in which people want to live and work.

If you have any questions about the bill, please contact Christine Goldbeck, Executive Director, Urban Affairs Committee, cgoldbec@pahousegop.com or phone: 787-7977.

If you wish to cosponsor this legislation, please email Rita Markle, <u>rmarkle@pahousegop.com</u> or call 783-1574.

CR/dlm