

IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

IN THE MATTER OF:

CASE NO. 18-35672

OLD WESTMORELAND MINING,  
LLC

DEBTORS

CHAPTER 11

THE TEXAS TAXING JURISDICTIONS' OBJECTION TO THE REORGANIZED  
DEBTOR'S TWENTY-FIRST OMNIBUS (SUBSTANTIVE) OBJECTION TO CERTAIN  
PROOFS OF CLAIMS, RECLASSIFIED CLAIMS, MODIFIED CLAIMS, AND NO  
LIABILITY CONTRACT CLAIMS

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TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COME Buffalo Independent School District, Leon Independent School District, The County of Freestone, and the County of Leon (hereinafter referred to as the "Texas Taxing Jurisdictions") and file their Objection to the Reorganized Debtor's Twenty-First Omnibus (Substantive) Objection to Claims.

1. The Texas Taxing Jurisdictions are political subdivisions of the State of Texas. As of January 1, 2019, liability arose and a senior lien attached to the real and business personal property of the Debtors for the 2019 taxes.
2. These taxes are secured with a security interest that is superior to that of any other secured claim under the Texas Constitution, Article VIII, Section 15, and the Texas Property Tax Code, Section 32.01 and Section 32.05(b). Stanford v. Butler, 826 F.2d 353 (5th Cir. 1987), 11 USC § 506; Universal Seismic Associates, Inc., 288 F.3d 205 (5th Cir. 2002); In Re Winn's Stores, Inc.; 177 B.R. 253 (Bkcty W.D. Tex 1995). In addition, the lien is a lien *in solido* and attaches to all personal property of the debtors. Texas Property Tax Code Section 32.01(b).

3. The Reorganized Debtor incorrectly states that it does not have liability for the 2019 tax year because “the claimants are asserting claims for property taxes which will not be due until November of 2019 and May of 2020.”
4. As mentioned, liability arises on January 1 of each tax year. Here, the debtors owned real and business personal property as of January 1, 2019 for which taxes become due *October* of 2019. The assertion that the Debtors do not owe the taxes because they are not yet due is in direct contradiction to Texas Property Tax Code Section 32.01.
5. The Texas Taxing Jurisdictions object to the Twenty-First Omnibus Objection which seeks to disallow and expunge their claims on the basis that no such liability exists. Because such taxes were assessed as of January 1, the Debtor is therefore liable for the 2019 tax year.

WHEREFORE, the Texas Taxing Jurisdictions request this Court deny the disallowance and expungement of the Texas Taxing Jurisdictions’ claims unless and until all issues raised herein are resolved and grant the Texas Taxing Jurisdictions’ such other and further relief, at law or in equity, as is just.

Dated: June 25, 2019

Respectfully submitted,  
MCCREARY, VESELKA, BRAGG & ALLEN, P.C.

/s/Tara LeDay  
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Attorney for Texas Taxing Jurisdictions

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 25, 2019 a true and correct copy of the above Objection to the Debtors' 21<sup>st</sup> Omnibus Objection was served electronically through the Court's case filing system.

/s/Tara LeDay  
Tara LeDay