

BILL ANALYSIS

Senate Research Center
79R914 MFC-D

S.B. 282
By: Madla et al.
IGR
2/14/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, property valued over \$250,000 sells with confidentiality (through contract language) and values are not routinely reported to multiple listings or to taxing authorities, thus, possibly placing the school funding/property tax burden on middle-income taxpayers.

As proposed, S.B. 282 provides for mandatory disclosure of all real estate transactions to provide local county appraisal districts (CAD's) the tools necessary to accomplish their mission of fairly and equitably assessing a market value property tax value.

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 the heading to Subchapter C, Chapter 22, Tax Code, to read as follows:

SUBCHAPTER C. REPORTS OF POLITICAL SUBDIVISION ACTIONS

SECTION 2. Amends Chapter 22, Tax Code, by adding Subchapter D, as follows:

SUBCHAPTER D. REPORT OF SALES PRICE

Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Requires the purchaser or grantee of real property under a recorded deed conveying an interest in the real property, except as provided by Subsection (b), not later than the third day after the date the deed is recorded in the county real property records, to file a sales price disclosure report with the chief appraiser of the appraisal district established for the county in which the property is located.

(b) Provides that this section does not apply to a sale or other transfer of real property if the sale or other transfer is made in a certain manner.

(c) Requires a sales price disclosure report to be signed by the purchaser or grantee of the real property described in the report.

Sec. 22.62. REPORT FORM. (a) Requires a sales price disclosure report filed under this subchapter to read in a specific manner. Sets forth pertinent information required to be included in the sales price disclosure report.

(b) Requires the appraisal district to include at the end of the form instructions for the filing of the form by mail, hand delivery, or, if permitted by the chief appraiser, facsimile machine or other electronic means.

(c) Requires each appraisal district to prepare and make available sales price disclosure report forms that conform to the requirements of this section. Provides that, except for instructions for the filing of the form, no additional information may be required to be included in a sales price disclosure report form.

Sec. 22.63. FILING AND RECEIPT OF REPORT. (a) Authorizes a purchaser or grantee to file a sales price disclosure report with a chief appraiser by mail, hand delivery, or, if permitted by the chief appraiser, facsimile machine or other electronic means.

(b) Requires the chief appraiser, on receipt of the completed sales price disclosure report, to provide to the purchaser or grantee a written acknowledgment that the report has been received. Requires the chief appraiser, if the acknowledgment of receipt is mailed, to mail it to the purchaser or grantee at the address provided in the report.

Sec. 22.64. CONFIDENTIAL INFORMATION. (a) Provides that a sales price disclosure report filed with a chief appraiser under this subchapter is confidential and not open to public inspection. Prohibits the report and the information it contains from being disclosed to another person other than an employee of the appraisal district who appraises property, except as provided by Subsection (b).

(b) Authorizes information that is confidential under Subsection (a) to be disclosed in a certain manner to certain entities.

(c) Provides that information that is disclosed under this section does not lose its confidential character.

(d) Provides that a person, other than the purchaser, grantee, seller, or grantor, who obtains a sales price disclosure report or information from the report commits an offense if the person takes certain actions.

(e) Provides that an offense under Subsection (d) is a Class B misdemeanor.

(f) Provides that it is a defense to prosecution under Subsection (d) that the person who received information contained in the sales price disclosure report obtained the information from certain sources.

Sec. 22.65. PREPARATION OF REPORT; IMMUNITY FROM LIABILITY. (a) Requires a sales price disclosure report to be prepared by the purchaser or grantee of the property described in the report by a title insurance company, lender, real estate agent, or attorney.

(b) Provides that a title insurance company, lender, real estate agent, or attorney who prepares a sales price disclosure report is not liable to any person for preparing the report or for any unintentional errors or omissions in the report.

Sec. 22.66. ACTION TO COMPEL COMPLIANCE. Authorizes the chief appraiser to bring an action for an injunction to compel a person to comply with the requirements of this subchapter. Provides that if the court finds that this subchapter applies and that the person has failed to fully comply with its requirements, the court is required to order the person to comply and is authorized to assess costs and reasonable attorney's fees against the person.

SECTION 3. Amends Section 23.013, Tax Code, as follows:

Sec. 23.013. MARKET DATA COMPARISON METHOD OF APPRAISAL. (a) Creates this subsection from existing text.

(b) Authorizes the chief appraiser to use information contained in a sales price disclosure report filed under Subchapter D, Chapter 22, in determining the market value of real property but prohibits the chief appraiser from increasing the market value of the real property described in the report solely on the basis of the information contained in the report.

SECTION 4. (a) Requires each appraisal district to prepare and make available sale price disclosure report forms as provided by Section 22.62, Tax Code, as added by this Act, as soon as practicable after the effective date of this Act, but not later than January 1, 2006.

(b) Makes application of this Act prospective to a sale of real property that occurs on or after January 1, 2006.

SECTION 5. (a) Effective date: September 1, 2005, except as provided by Subsection (b) of this section.

(b) Provides that Sections 1-3 of this Act take effect January 1, 2006.