

By: Villarreal

H.B. No. 399

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure report of sales price to local appraisal district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.001, Property Code, is amended by adding Subsections (e)-(g) to read as follows:

(e) An instrument conveying real property may not be recorded under Subsection (a) unless a certificate issued by the chief appraiser of the appraisal district established for the county in which the property is located stating that the sales price disclosure report required by Subchapter D, Chapter 22, Tax Code, has been filed with the chief appraiser is filed with the instrument of conveyance.

(f) Subsection (e) does not apply to an instrument conveying real property if the conveyance is made:

(1) pursuant to a court order or foreclosure sale;

(2) by a trustee in bankruptcy;

(3) by a mortgagor or a mortgagor's successor in interest to a mortgagee or by a trustor or a trustor's successor in interest to a beneficiary of a deed of trust;

(4) between spouses and results from:

(A) a decree of dissolution of marriage;

(B) a decree of legal separation; or

(C) a property settlement agreement incidental

1 to a decree described by Paragraph (A) or (B); or

2 (5) to or from any governmental entity.

3 (g) The chief appraiser of the appraisal district
4 established for the county in which the property is located and the
5 county clerk by written agreement may establish a procedure for the
6 electronic transfer to the county clerk of the certificate required
7 by Subsection (e). An instrument of conveyance may be recorded
8 under this section without an accompanying paper copy of the
9 certificate required by Subsection (e) if the certificate is
10 electronically transferred to the county clerk by the chief
11 appraiser under a procedure established under this subsection.

12 SECTION 2. The heading to Subchapter C, Chapter 22, Tax
13 Code, is amended to read as follows:

14 SUBCHAPTER C. [~~OTHER~~] REPORTS OF POLITICAL SUBDIVISION ACTIONS

15 SECTION 3. Chapter 22, Tax Code, is amended by adding
16 Subchapter D to read as follows:

17 SUBCHAPTER D. REPORT OF SALES PRICE

18 Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Except as
19 provided by Subsection (d), on the sale of real property the
20 purchaser of the property or a person acting on behalf of the
21 purchaser shall file a sales price disclosure report with the chief
22 appraiser of the appraisal district established for the county in
23 which the property is located.

24 (b) A sales price disclosure report may be filed by
25 facsimile.

26 (c) The sales price disclosure report may be filed with the
27 chief appraiser before the sale of the property closes. If any

1 information required by the sales price disclosure report changes
2 after the report is filed with the chief appraiser, the person who
3 prepared the original report shall prepare, sign, and file with the
4 chief appraiser a supplemental sales price disclosure report
5 updating the information that changed. The supplemental report
6 shall be filed not later than the third day after the date the sale
7 of the property closed.

8 (d) This section does not apply to a sale of real property if
9 the sale is made:

10 (1) pursuant to a court order or foreclosure sale;

11 (2) by a trustee in bankruptcy;

12 (3) by a mortgagor or a mortgagor's successor in
13 interest to a mortgagee or by a trustor or a trustor's successor in
14 interest to a beneficiary of a deed of trust;

15 (4) between spouses and results from:

16 (A) a decree of dissolution of marriage;

17 (B) a decree of legal separation; or

18 (C) a property settlement agreement incidental
19 to a decree described by Paragraph (A) or (B); or

20 (5) to or from any governmental entity.

21 Sec. 22.62. SIGNATURE REQUIRED. A sales price disclosure
22 report must be signed by the purchaser or by the person who prepares
23 the report.

24 Sec. 22.63. REPORT FORMS. (a) The comptroller shall
25 prescribe the form and content of a sales price disclosure report
26 filed under this subchapter. The comptroller shall ensure that
27 each form requires the person preparing the report to provide, at a

1 minimum:

2 (1) the seller's name and address;

3 (2) the purchaser's name and address;

4 (3) information necessary to identify the property and
5 to determine the property's location;

6 (4) the mailing address for tax notices concerning the
7 property;

8 (5) a description of the use of the property at the
9 time of sale;

10 (6) a statement of whether any personal property was
11 included in the sale and, if so, the estimated value of the personal
12 property;

13 (7) the method used to finance the sale;

14 (8) a statement of whether the property was offered
15 for sale to other potential purchasers;

16 (9) a statement of whether the purchaser holds title
17 to any adjoining property;

18 (10) the sales price of the property;

19 (11) the closing date of the sale; and

20 (12) the name and address of the person preparing the
21 report.

22 (b) A form may not require information not relevant to the
23 appraisal of property for tax purposes or to the assessment or
24 collection of property taxes.

25 (c) A person who prepares a sales price disclosure report
26 under this subchapter must:

27 (1) use the appropriate form prescribed by the

1 comptroller; and

2 (2) include all information required by the form.

3 Sec. 22.64. DELIVERY OF CERTIFICATE TO PURCHASER. (a)

4 Except as provided by Subsection (b), not later than the second day
5 after the date the sales price disclosure report is filed with the
6 chief appraiser, the chief appraiser shall provide to the purchaser
7 a certificate stating that the completed sales price disclosure
8 report has been filed.

9 (b) If the chief appraiser and the county clerk of the
10 county in which the property is located have entered into an
11 agreement under Section 12.001(g), Property Code, the chief
12 appraiser may electronically transfer the certificate to the county
13 clerk. A chief appraiser that elects to electronically transfer
14 the certificate shall:

15 (1) transfer the certificate not later than the second
16 day after the date the sales price disclosure report is filed; and

17 (2) notify the purchaser in writing that the
18 certificate has been filed with the county clerk.

19 Sec. 22.65. PUBLICIZING REQUIREMENTS. (a) The comptroller
20 shall publicize, in a manner reasonably designed to come to the
21 attention of title companies, attorneys, and property owners, the
22 requirements of this subchapter and of the availability of sales
23 price disclosure report forms.

24 (b) The Texas Real Estate Commission shall assist the
25 comptroller in publicizing the information required by Subsection
26 (a) to title companies and attorneys.

27 (c) A chief appraiser shall assist the comptroller in

1 publicizing the information required by Subsection (a) to property
2 owners in the county for which the appraisal district is
3 established.

4 Sec. 22.66. CONFIDENTIAL INFORMATION. (a) A sales price
5 disclosure report filed with a chief appraiser under this
6 subchapter is confidential and not open to public inspection. The
7 report and the information it contains about specific property or a
8 specific person may not be disclosed to another person other than an
9 employee of the appraisal office who appraises property except as
10 provided by Subsection (b).

11 (b) Information that is confidential under Subsection (a)
12 may be disclosed:

13 (1) in a judicial or administrative proceeding
14 pursuant to a lawful subpoena;

15 (2) to the person who filed the sales price disclosure
16 report, to the owner of the property described in the report, or to
17 a representative of the person who filed the report or the owner who
18 is authorized in writing to receive the information;

19 (3) to the comptroller and the comptroller's employees
20 authorized by the comptroller in writing to receive the information
21 or to an assessor or a chief appraiser if requested in writing;

22 (4) in a judicial or administrative proceeding
23 relating to property taxation:

24 (A) in which the person who filed the sales price
25 disclosure report is a party;

26 (B) in which the owner of the property described
27 in the report is a party;

1 (C) by the appraisal district for the purpose of
2 establishing the value of the property; or

3 (D) for the purpose of providing evidence of
4 comparable sales used to appraise another property;

5 (5) for statistical purposes if the information is
6 provided in a form that does not identify a specific property or a
7 specific property owner;

8 (6) if and to the extent the information is required to
9 be included in a public document or record that the appraisal office
10 is required to prepare or maintain; or

11 (7) to a taxing unit or its legal representative that
12 is engaged in the collection of delinquent taxes on the property
13 that is described in the report.

14 (c) A person, other than a person described by Subsection
15 (b)(2), who legally has access to a sales price disclosure report or
16 who legally obtains the information from a report made confidential
17 by this section commits an offense if the person knowingly:

18 (1) permits inspection of the confidential
19 information by a person not authorized by Subsection (b) to inspect
20 the information; or

21 (2) discloses the confidential information to a person
22 not authorized by Subsection (b) to receive the information.

23 (d) It is a defense to prosecution under Subsection (c) that
24 the person obtained the information from:

25 (1) a person described by Subsection (b)(2); or

26 (2) a record or document lawfully available to the
27 public.

1 (e) An offense under Subsection (c) is a Class B
2 misdemeanor.

3 Sec. 22.67. IMMUNITY FROM LIABILITY. A person who prepares
4 a sales price disclosure report in compliance with this subchapter
5 is not liable to any other person as a result of providing the
6 information required by this subchapter.

7 SECTION 4. This Act takes effect September 1, 2005.