

By: Farrar

H.B. No. 1875

A BILL TO BE ENTITLED

AN ACT

1
2 relating to requiring the disclosure of the sales price of real
3 property to local appraisal districts and to filing an instrument
4 of conveyance; providing criminal penalties.

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

6 SECTION 1. Section 12.001(b), Property Code, is amended to
7 read as follows:

8 (b) An instrument conveying real property may not be
9 recorded unless:

10 (1) the instrument [~~it~~] is signed and acknowledged or
11 sworn to by the grantor in the presence of two or more credible
12 subscribing witnesses or acknowledged or sworn to before and
13 certified by an officer authorized to take acknowledgements or
14 oaths, as applicable; and

15 (2) if applicable, a certificate required by Section
16 12.0011 is presented for filing with the instrument.

17 SECTION 2. Chapter 12, Property Code, is amended by adding
18 Section 12.0011 to read as follows:

19 Sec. 12.0011. CERTIFICATE OF SALES PRICE DISCLOSURE REPORT
20 REQUIRED IN CERTAIN CIRCUMSTANCES. (a) Except as provided by this
21 section, an instrument conveying real property may not be recorded
22 under Section 12.001 unless a certificate issued under Section
23 22.64, Tax Code, verifying that the sales price disclosure report
24 was filed with each chief appraiser of the appraisal district in

1 which the property is located, is presented for filing with the
2 instrument of conveyance.

3 (b) Subsection (a) does not apply to an instrument conveying
4 real property:

5 (1) under a court order or foreclosure sale;

6 (2) by a trustee in bankruptcy; or

7 (3) to a spouse that results from:

8 (A) a decree of dissolution of marriage;

9 (B) a decree of legal separation; or

10 (C) a property settlement agreement incidental
11 to a decree described by Paragraph (A) or (B).

12 (c) A county clerk and a chief appraiser of an appraisal
13 district established for that county may by written agreement
14 establish a procedure for the electronic transfer to the county
15 clerk of a certificate required by this section. An instrument of
16 conveyance may be recorded under this section without presenting
17 for filing a copy of the certificate as required by Subsection (a)
18 if the certificate is electronically transferred to the county
19 clerk by the chief appraiser under a procedure established under
20 this subsection.

21 SECTION 3. The heading to Subchapter C, Chapter 22, Tax
22 Code, is amended to read as follows:

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

24 SECTION 4. Chapter 22, Tax Code, is amended by adding
25 Subchapter D to read as follows:

26 SUBCHAPTER D. REPORT OF SALES PRICE

27 Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Except as

1 provided by Subsection (d), a purchaser of real property or a person
2 acting on behalf of the purchaser shall file a sales price
3 disclosure report with each chief appraiser of an appraisal
4 district established for each county in which the property is
5 located.

6 (b) A sales price disclosure report may be filed by
7 facsimile.

8 (c) The sales price disclosure report may be filed before
9 the documents conveying the property are executed. If any
10 information required by the sales price disclosure report changes
11 after the report is filed with the chief appraiser, not later than
12 the third day after the date the sale of the property closed, the
13 person who prepared the original report shall prepare, sign, and
14 file with the chief appraiser a supplemental sales price disclosure
15 report correcting the information.

16 (d) This section does not apply to a sale of real property:

17 (1) under a court order or foreclosure sale;

18 (2) by a trustee in bankruptcy; or

19 (3) to a spouse that results from:

20 (A) a decree of dissolution of marriage;

21 (B) a decree of legal separation; or

22 (C) a property settlement agreement incidental
23 to a decree described by Paragraph (A) or (B).

24 Sec. 22.62. SIGNATURE REQUIRED. The purchaser or the
25 person who prepares a sales price disclosure report must sign the
26 report.

27 Sec. 22.63. REPORT FORMS. (a) The comptroller by rule

1 shall prescribe the form and content of a sales price disclosure
2 report filed under this subchapter.

3 (b) A form prescribed under this section, at a minimum, must
4 require the person preparing the report to provide:

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

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

7 (3) information necessary to identify the property and
8 determine the property's location;

9 (4) the mailing address for property tax notices;

10 (5) a description of the use of the property at the
11 time of sale;

12 (6) a statement indicating whether any personal
13 property was included in the sale and the estimated value of the
14 personal property, if applicable;

15 (7) the method used to finance the sale, if
16 applicable;

17 (8) a statement indicating whether the property was
18 offered for sale to other potential purchasers;

19 (9) a statement indicating whether the purchaser holds
20 title to any adjoining property;

21 (10) the sales price of the property;

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

23 (12) the name and address of the person preparing the
24 report.

25 (c) A form prescribed under this section may not require a
26 person to provide information that is irrelevant to the appraisal
27 of property for tax purposes or to the assessment or collection of

1 property taxes.

2 (d) A person who prepares a sales price disclosure report
3 under this subchapter must:

4 (1) use the form prescribed by the comptroller under
5 this section; and

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

7 Sec. 22.64. CERTIFICATE OF SALES PRICE DISCLOSURE REPORT.

8 (a) Except as provided by Subsection (c), not later than the second
9 day after the date the sales price disclosure report is filed with
10 the chief appraiser, the chief appraiser shall provide to the
11 purchaser a certificate verifying that a completed sales price
12 disclosure report has been filed.

13 (b) The comptroller by rule shall prescribe the form and
14 content of the certificate required by this section.

15 (c) If the chief appraiser and the county clerk of a county
16 in which the property is located have entered into an agreement
17 under Section 12.0011(c), Property Code, the chief appraiser may
18 electronically transfer the certificate to the county clerk. A
19 chief appraiser that elects to electronically transfer the
20 certificate shall:

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

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

25 Sec. 22.65. PUBLICIZING REQUIREMENTS. (a) The comptroller
26 shall publicize the requirements of this subchapter in a manner
27 reasonably designed to notify title companies, attorneys, and

1 property owners of the requirements of this subchapter and the
2 availability of sales price disclosure report forms.

3 (b) The Texas Real Estate Commission shall assist the
4 comptroller in publicizing the information under this section to
5 title companies and attorneys.

6 (c) The chief appraiser of each appraisal district shall
7 assist the comptroller in publicizing the information under this
8 section to property owners in the county for which that appraisal
9 district is located.

10 Sec. 22.66. SUMMARY REPORT. (a) The chief appraiser of
11 each appraisal district shall compile a report that summarizes the
12 relevant data contained in the sales price disclosure reports for
13 the appraisal district.

14 (b) The comptroller by rule shall prescribe the form and
15 content of the summary report.

16 (c) A summary report under this section may not refer to a
17 specific property, specific property owner, or other specific
18 person.

19 Sec. 22.67. CONFIDENTIAL INFORMATION. (a) Except as
20 provided by Subsection (b), a sales price disclosure report filed
21 with a chief appraiser under this subchapter is confidential and
22 not subject to public disclosure, including the information the
23 report contains about specific property or a specific person.

24 (b) Information that is confidential under Subsection (a)
25 may be disclosed:

26 (1) to the person who files the sales price disclosure
27 report, the owner of the property described in the report, or a

1 person authorized in writing to receive the information by the
2 person who files the report or the owner of the property;

3 (2) to the comptroller or an employee of the
4 comptroller authorized by the comptroller in writing to receive the
5 information;

6 (3) to a chief appraiser or assessor if requested in
7 writing;

8 (4) to an employee of the appraisal office responsible
9 for appraising the property that is the subject of a report;

10 (5) in a judicial or administrative proceeding
11 pursuant to a lawful subpoena;

12 (6) in a judicial or administrative proceeding
13 relating to property taxation in which:

14 (A) the person who filed the sales price
15 disclosure report is a party;

16 (B) the owner of the property described in the
17 report is a party;

18 (C) the appraisal district filed the proceeding
19 for the purpose of establishing the value of the property; or

20 (D) the purpose of the proceeding is to provide
21 evidence of comparable sales used to appraise another property;

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

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

1 (9) to a taxing unit or its legal representative that
2 is engaged in the collection of delinquent taxes on the property
3 that is described in the report.

4 Sec. 22.68. CRIMINAL OFFENSE. (a) A person, other than a
5 person described by Section 22.67(b)(1), who legally has access to
6 a sales price disclosure report or who legally obtains the
7 information from a report made confidential under that section
8 commits an offense if the person knowingly:

9 (1) permits a person to inspect the confidential
10 information if the person is not authorized by Section 22.67(b) to
11 inspect the information; or

12 (2) discloses the confidential information to a person
13 who is not authorized under Section 22.67(b) to receive the
14 information.

15 (b) It is a defense to prosecution under this section that
16 the person obtained the information from:

17 (1) a person described by Section 22.67(b)(1); or

18 (2) a record or document lawfully available to the
19 public.

20 (c) An offense under this section is a Class B misdemeanor.

21 Sec. 22.69. IMMUNITY FROM LIABILITY. A person who prepares
22 a sales price disclosure report as required by this subchapter is
23 not liable to any other person as the result of providing the
24 information.

25 SECTION 5. (a) Not later than December 1, 2005, the
26 comptroller shall adopt rules prescribing the form and content of:

27 (1) the sales price disclosure report, as required by

1 Section 22.63, Tax Code, as added by this Act;

2 (2) the certificate verifying that a sales price
3 disclosure report has been filed, as required by Section 22.64, Tax
4 Code, as added by this Act; and

5 (3) the summary report, as required by Section 22.66,
6 Tax Code, as added by this Act.

7 (b) The change in law made by this Act applies only to real
8 property purchased under an agreement entered into on or after
9 January 1, 2006.

10 SECTION 6. This Act takes effect September 1, 2005.