

By: Wentworth

S.B. No. 243

A BILL TO BE ENTITLED

AN ACT

relating to requiring disclosure of certain information about the conveyance of real property, including the purchase price of the property, for use in appraising property for taxation; providing penalties.

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

SECTION 1. The heading to Subchapter C, Chapter 22, Tax Code, is amended to read as follows:

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

SECTION 2. Chapter 22, Tax Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. REAL PROPERTY CONVEYANCE REPORT

Sec. 22.61. REAL PROPERTY CONVEYANCE REPORT REQUIRED. (a) Not later than the 10th business day after the date of closing on the conveyance of real property, the transferee or a person acting on behalf of a transferee shall file a real property conveyance report as provided by this subchapter disclosing information regarding the conveyance of the property.

(b) Subsection (a) does not apply to a conveyance:

(1) that is ordered by a court;

(2) made pursuant to a judicial or nonjudicial foreclosure;

(3) by a trustee in bankruptcy;

(4) by a mortgagor or successor in interest to a

1 mortgagee;

2 (5) by a trustor or successor in interest to a  
3 beneficiary of a deed of trust;

4 (6) by a fiduciary in the course of the administration  
5 of a decedent's estate, guardianship, conservatorship, or trust;

6 (7) between owners of joint or undivided interests in  
7 the property;

8 (8) between spouses or former spouses, including as a  
9 result of a decree of dissolution of marriage, legal separation, or  
10 property settlement agreement; or

11 (9) to or from a governmental entity.

12 Sec. 22.62. CIVIL PENALTY. (a) A transferee of a  
13 single-family residential property who fails to file a report as  
14 required by this subchapter is liable to the state for a civil  
15 penalty in the amount of \$1,000 for each violation.

16 (b) A transferee of any property other than a single-family  
17 residential property who fails to file a report as required by this  
18 subchapter is liable to the state for a civil penalty for each  
19 violation in an amount equal to five percent of the appraised value  
20 of the property for the tax year of the report.

21 (c) The attorney general or the county or district attorney  
22 for the county in which the property is located may bring suit to  
23 recover a penalty under this section.

24 (d) If there are two or more transferees, each transferee is  
25 responsible for filing the report until at least one transferee  
26 files a report, and each transferee is separately liable for a civil  
27 penalty if a report for the conveyance is not filed as required by

1 this subchapter.

2 Sec. 22.63. PLACE OF FILING. A real property conveyance  
3 report required by this subchapter must be filed with the chief  
4 appraiser of the appraisal district established for the county in  
5 which the property covered by the report is located.

6 Sec. 22.64. SIGNATURE REQUIRED. A real property conveyance  
7 report must be signed by the transferee who files the report.

8 Sec. 22.65. REPORT FORMS. (a) The comptroller shall  
9 prescribe the form and content of a real property conveyance report  
10 filed under this subchapter. The comptroller may prescribe  
11 different report forms for different kinds of property and shall  
12 ensure that each form requires the person filing the report to  
13 provide:

14 (1) the transferor's name and address;

15 (2) the transferee's name and address;

16 (3) information necessary to identify the property and  
17 to determine its location;

18 (4) the address to which tax notices concerning the  
19 property should be mailed;

20 (5) the value of any personal property included in the  
21 conveyance;

22 (6) the purchase price of the property;

23 (7) the date the transaction was closed; and

24 (8) the name and address of the person preparing the  
25 report.

26 (b) A form may not require information not relevant to the  
27 appraisal of the property for tax purposes or to the assessment or

1 collection of property taxes.

2 (c) A person who files a report under this subchapter must:

3 (1) use the appropriate form prescribed by the  
4 comptroller; and

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

6 Sec. 22.66. PUBLICIZING REQUIREMENTS. (a) The  
7 comptroller shall publicize, in a manner reasonably designed to  
8 come to the attention of title insurance companies, attorneys, and  
9 property owners, the requirements of this subchapter and of the  
10 availability of real property conveyance report forms.

11 (b) The Texas Real Estate Commission shall assist the  
12 comptroller in publicizing the information required by Subsection  
13 (a) to title insurance companies and attorneys.

14 (c) A chief appraiser shall assist the comptroller in  
15 publicizing the information required by Subsection (a) to property  
16 owners in the county for which the appraisal district is  
17 established.

18 Sec. 22.67. PROVISION OF INFORMATION TO COMPTROLLER. An  
19 appraisal district shall provide information from real property  
20 conveyance reports to the comptroller in the manner and at the time  
21 required by the comptroller.

22 SECTION 3. (a) As soon as practicable after the effective  
23 date of this Act, but not later than January 1, 2006, the  
24 comptroller shall:

25 (1) prescribe or approve real property conveyance  
26 report forms as provided by Section 22.65, Tax Code, as added by  
27 this Act; and

1                   (2) begin to publicize the requirements of Subchapter  
2 D, Chapter 22, Tax Code, as required by Section 22.66, Tax Code, as  
3 added by this Act.

4                   (b) This Act applies only to a conveyance of real property  
5 that occurs on or after January 1, 2006.

6                   SECTION 4. (a) Except as provided by Subsection (b) of this  
7 section, this Act takes effect September 1, 2005.

8                   (b) Sections 1 and 2 of this Act take effect January 1, 2006.