

A BILL TO BE ENTITLED

AN ACT

relating to disclosure and use of sales price information for ad
valorem tax purposes.

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. REPORT OF SALES PRICE

Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Except as
provided by Subsection (b), not later than the 10th day after the
date the deed is recorded in the county real property records, the
purchaser or grantee of real property under a recorded deed
conveying an interest in the real property shall 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) This section does not apply to a sale or other transfer
of real property if:

(1) the sale or other transfer is made:

(A) pursuant to a court order;

(B) to or from a trustee in bankruptcy;

(C) pursuant to a power of sale under a deed of

1 trust or other encumbrance secured by the property;

2 (D) by a deed in lieu of foreclosure;

3 (E) by one co-owner to one or more other
4 co-owners;

5 (F) to a spouse or to a person or persons in the
6 first degree of lineal consanguinity of one or more of the sellers
7 or grantors;

8 (G) to or from a governmental entity;

9 (H) pursuant to the power of eminent domain; or

10 (I) to a utility company and the real property is
11 an easement, license, or right-of-way; or

12 (2) the real property is a severed mineral interest.

13 (c) A sales price disclosure report must be signed by the
14 purchaser or grantee of the real property described in the report.

15 Sec. 22.62. REPORT FORM. (a) A sales price disclosure
16 report filed under this subchapter must read as follows, with the
17 appropriate information included in the blanks:

18 SALES PRICE DISCLOSURE REPORT

19 Section 22.61, Tax Code, requires a purchaser or grantee
20 under a deed to prepare this report, sign it, and file it with the
21 chief appraiser of the appraisal district established for the
22 county in which the property is located not later than the 10th day
23 after the date the deed is recorded. This report is not required to
24 be filed if the sale or transfer is made: (1) under a court order;
25 (2) to or from a trustee in bankruptcy; (3) under a deed of trust or
26 other encumbrance secured by the property; (4) by a deed in lieu of
27 foreclosure; (5) between co-owners; (6) between spouses or between

1 family members in the first degree of lineal consanguinity; (7) to
 2 or from a governmental entity; (8) pursuant to the power of eminent
 3 domain; or (9) to a utility company and the property is an easement,
 4 license, or right-of-way. In addition, this report is not required
 5 to be filed if the property being sold or transferred is a severed
 6 mineral interest. Knowingly making a false statement on this form
 7 is grounds for prosecution of a Class A misdemeanor or a state jail
 8 felony under Section 37.10, Penal Code. The chief appraiser may not
 9 use the information in this form as the sole basis on which to
 10 increase the market value of the property.

11 Seller's or grantor's name: _____

12 Purchaser's or grantee's name: _____

13 Purchaser's or grantee's address: _____

14 Property description (as stated in deed): _____

15 Sales price of or other consideration paid for the property:
 16 _____

17 The method used to finance the sales price or other
 18 consideration was: none (cash sale) cash and third-party
 19 financing cash and seller financing exchange of other
 20 property other, describe: _____

21 Describe any unusual or extraordinary terms of the sale or
 22 transfer that affected the amount of the sales price or other
 23 consideration: _____

24 Provide any additional information relevant to the sale or
 25 transfer, including:

26 (1) whether the sale or transfer involved property
 27 other than real property and the type of property, whether tangible

1 or intangible, involved in the sale or transfer;

2 (2) whether the sale or transfer involved property
3 located in more than one appraisal district and, if so, the portion
4 of the sales price or other consideration allocated to the property
5 located in the appraisal district with which the report is filed;

6 (3) in the case of a sale, whether the sale is the sale
7 of an entire business or business unit; and

8 (4) any other facts or circumstances that affected the
9 sales price or other consideration (optional):

10 _____

11 To the best of my knowledge, this statement is true and
12 accurate.

13 Purchaser's or grantee's signature: _____

14 Date: _____

15 Return this form to: _____.

16 (b) The appraisal district shall include at the end of the
17 form instructions for the filing of the form by mail, hand delivery,
18 or, if permitted by the chief appraiser, facsimile machine or other
19 electronic means.

20 (c) Each appraisal district shall prepare and make
21 available sales price disclosure report forms that conform to the
22 requirements of this section. Except for instructions for the
23 filing of the form, no additional information may be required to be
24 included in a sales price disclosure report form.

25 Sec. 22.63. FILING AND RECEIPT OF REPORT. (a) A purchaser
26 or grantee may file a sales price disclosure report with a chief
27 appraiser by mail, hand delivery, or, if permitted by the chief

1 appraiser, facsimile machine or other electronic means.

2 (b) On receipt of the completed sales price disclosure
3 report, the chief appraiser shall provide to the purchaser or
4 grantee a written acknowledgement that the report has been
5 received. If the acknowledgement of receipt is mailed, the chief
6 appraiser shall mail it to the purchaser or grantee at the address
7 provided in the report.

8 Sec. 22.64. PREPARATION OF REPORT; IMMUNITY FROM LIABILITY.

9 (a) A sales price disclosure report must be prepared by the
10 purchaser or grantee of the property described in the report or by a
11 person on behalf of the purchaser or grantee.

12 (b) A person who prepares a sales price disclosure report on
13 behalf of a purchaser or grantee of the property described in the
14 report is not liable to any person for preparing the report or for
15 any unintentional error or omission in the report.

16 Sec. 22.65. ACTION TO COMPEL COMPLIANCE. The chief
17 appraiser may bring an action for an injunction to compel a person
18 to comply with the requirements of this subchapter. If the court
19 finds that this subchapter applies and that the person has failed to
20 fully comply with its requirements, the court:

21 (1) shall order the person to comply; and

22 (2) may assess costs and reasonable attorney's fees
23 against the person.

24 Sec. 22.66. PUBLIC INFORMATION. A sales price disclosure
25 report filed with the chief appraiser under this subchapter is a
26 public record and must be made available on request for inspection
27 and copying during normal business hours.

1 SECTION 3. Section 23.013, Tax Code, is amended to read as
2 follows:

3 Sec. 23.013. MARKET DATA COMPARISON METHOD OF APPRAISAL.

4 (a) If the chief appraiser uses the market data comparison method
5 of appraisal to determine the market value of real property, the
6 chief appraiser shall use comparable sales data and shall adjust
7 the comparable sales to the subject property.

8 (b) The chief appraiser may use information contained in a
9 sales price disclosure report filed under Subchapter D, Chapter 22,
10 in determining the market value of real property but may not
11 increase the market value of the real property described in the
12 report solely on the basis of the information contained in the
13 report.

14 SECTION 4. (a) As soon as practicable after the effective
15 date of this Act, but not later than January 1, 2006, each appraisal
16 district shall prepare and make available sales price disclosure
17 report forms as provided by Section 22.62, Tax Code, as added by
18 this Act.

19 (b) This Act applies only to a sale of real property that
20 occurs on or after January 1, 2006.

21 SECTION 5. (a) Except as provided by Subsection (b) of this
22 section, this Act takes effect September 1, 2005.

23 (b) Sections 1, 2, and 3 of this Act take effect January 1,
24 2006.

1 COMMITTEE AMENDMENT NO. 1

2 Amend S.B. No. 282 in SECTION 2 of the bill, proposed
3 Subchapter D, Chapter 22, Tax Code (Senate engrossment, page 5,
4 lines 24-27), by striking proposed Section 22.66, Tax Code, and
5 substituting:

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

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

14 (1) in a judicial or administrative proceeding under a
15 lawful subpoena;

16 (2) to a purchaser, grantee, seller, or grantor named
17 in the report or in the deed to which the report applies or to a
18 representative of the purchaser, grantee, seller, or grantor under
19 a written authorization signed by the purchaser, grantee, seller,
20 or grantor;

21 (3) to the comptroller or to an assessor for a taxing
22 unit in which the property described in the report is located;

23 (4) in a judicial or administrative proceeding related
24 to real property taxation:

25 (A) to which the purchaser, grantee, seller, or
26 grantor is a party;

27 (B) to which an owner of the property described

1 in the report is a party; or

2 (C) by the appraisal district for the purpose of
3 establishing a value of the property or of providing evidence of
4 comparable sales 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
7 specific purchaser, grantee, seller, or grantor;

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

14 (c) Information that is disclosed under this section does
15 not lose its confidential character.

16 (d) A person, other than the purchaser, grantee, seller, or
17 grantor, who obtains a sales price disclosure report or information
18 from the report commits an offense if the person:

19 (1) discloses the report or information to a person
20 who is not authorized under this section to receive the report or
21 information; or

22 (2) permits such a person to view, read, or copy the
23 report or information.

24 (e) An offense under Subsection (d) is a Class B
25 misdemeanor.

26 (f) It is a defense to prosecution under Subsection (d) that
27 the person who received information contained in the sales price

1 disclosure report obtained the information from:

2 (1) a purchaser, grantee, seller, or grantor of the
3 property described in the report; or

4 (2) a document or record other than the sales price
5 disclosure report.

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7 COMMITTEE AMENDMENT NO. 2

8 Amend S.B. No. 282 as follows:

9 (1) In SECTION 2 of the bill, proposed Subchapter D, Chapter
10 22, Tax Code (Senate engrossment, page 1, between lines 10 and 11),
11 insert the following new section to proposed Subchapter D and
12 renumber subsequent sections of proposed Subchapter D accordingly:

13 Sec. 22.61. APPLICABILITY. (a) In this section,
14 "residential real property" means real property that is used
15 primarily for residential purposes and on which a structure used
16 for residential purposes is located, including a single-family
17 residence, a multifamily residence, or a mobile home. The term also
18 includes the residential portion, not to exceed 20 acres, of farm or
19 ranch property. The term does not include real property on which a
20 hotel, motel, or similar structure is located that is designed to
21 provide temporary lodging or accommodations.

22 (b) This subchapter applies only to residential real
23 property.

24 (2) In SECTION 2 of the bill, strike proposed Subsection
25 (b), Section 22.61, Tax Code (Senate engrossment, page 1, line 19
26 through page 2, line 12), and substitute:

27 (b) This section does not apply to a sale or other transfer

1 of real property if the sale or other transfer is made:

2 (1) pursuant to a court order;

3 (2) to or from a trustee in bankruptcy;

4 (3) pursuant to a power of sale under a deed of trust
5 or other encumbrance secured by the property;

6 (4) by a deed in lieu of foreclosure;

7 (5) by one co-owner to one or more other co-owners;

8 (6) to a spouse or to a person or persons in the first
9 degree of lineal consanguinity of one or more of the sellers or
10 grantors;

11 (7) to or from a governmental entity; or

12 (8) pursuant to the power of eminent domain.

13 (3) In SECTION 2 of the bill, in proposed Subsection (a),
14 Section 22.62, Tax Code (Senate engrossment, page 2, line 19,
15 strike "22.61" and substitute "22.62".

16 (4) In SECTION 2 of the bill, proposed Subsection (a),
17 Section 22.62, Tax Code (Senate engrossment, page 3, line 2),
18 between "entity;" and "(8)", insert "or".

19 (5) In SECTION 2 of the bill, proposed Subsection (a),
20 Section 22.62, Tax Code (Senate engrossment, page 3, lines 3-6,
21 strike "; or (9) to a utility company and the property is an
22 easement, license, or right-of-way. In addition, this report is
23 not required if the property being sold is a severed mineral
24 interest".

25 (6) In SECTION 2 of the bill, proposed Subsection (a),
26 Section 22.62, Tax Code (Senate engrossment, page 4, at the end of
27 line 5) add "and".

1 (7) In SECTION 2 of the bill, proposed Subsection (a),
2 Section 22.62, Tax Code (Senate engrossment, page 4, lines 6 and 7),
3 strike proposed Subdivision (3).

4 (8) In SECTION 2 of the bill, proposed Subsection (a),
5 Section 22.62, Tax Code (Senate engrossment, page 4, line 8, strike
6 "4", and substitute "3").

7 (9) In SECTION 3 of the bill, proposed Subsection (b),
8 Section 23.013, Tax Code (Senate engrossment, page 6, line 10),
9 between "real" and "property", insert "residential".

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