

By: Madla, et al.

S.B. No. 282

A BILL TO BE ENTITLED

AN ACT

relating to disclosure and use of sales price information for ad
valorem tax purposes; creating an offense.

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 third 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 the sale or other transfer is made:

(1) pursuant to a court order;

(2) to or from a trustee in bankruptcy;

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

1 (4) by a deed in lieu of foreclosure;
2 (5) by one co-owner to one or more other co-owners; or
3 (6) to a spouse or to a person or persons in the first
4 degree of lineal consanguinity of one or more of the sellers or
5 grantors.

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

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

11 SALES PRICE DISCLOSURE REPORT

12 Section 22.61, Tax Code, requires a purchaser or grantee
13 under a deed to prepare this report, sign it, and file it with the
14 chief appraiser of the appraisal district established for the
15 county in which the property is located not later than the third day
16 after the date the deed is recorded. This report is not required to
17 be filed if the sale or transfer is made: (1) under a court order;
18 (2) to or from a trustee in bankruptcy; (3) under a deed of trust or
19 other encumbrance secured by the property; (4) by a deed in lieu of
20 foreclosure; (5) between co-owners; or (6) between spouses or
21 between family members in the first degree of lineal consanguinity.
22 Knowingly making a false statement on this form is grounds for
23 prosecution of a Class A misdemeanor or a state jail felony under
24 Section 37.10, Penal Code. The chief appraiser may not use the
25 information in this form as the sole basis on which to increase the
26 market value of the property.

27 Seller's or grantor's name: _____

1 Purchaser's or grantee's name: _____

2 Purchaser's or grantee's address: _____

3 Property description (as stated in deed): _____

4 Sales price or other consideration paid for the property:
5 _____

6 The method used to finance the sales price or consideration
7 was: none (cash sale) cash and third-party financing cash
8 and seller financing exchange of other property other,
9 describe: _____

10 Describe any unusual or extraordinary terms of the sale or
11 transfer that affected the amount of the sales price or
12 consideration: _____

13 To the best of my knowledge, this statement is true and
14 accurate.

15 Purchaser's or grantee's signature: _____

16 Date: _____

17 Return this form to: _____.

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

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

27 Sec. 22.63. FILING AND RECEIPT OF REPORT. (a) A purchaser

1 or grantee may file a sales price disclosure report with a chief
2 appraiser by mail, hand delivery, or, if permitted by the chief
3 appraiser, facsimile machine or other electronic means.

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

10 Sec. 22.64. CONFIDENTIAL INFORMATION. (a) A sales price
11 disclosure report filed with a chief appraiser under this
12 subchapter is confidential and not open to public inspection. The
13 report and the information it contains may not be disclosed to
14 another person other than an employee of the appraisal district who
15 appraises property, except as provided by Subsection (b).

16 (b) Information that is confidential under Subsection (a)
17 may be disclosed:

18 (1) in a judicial or administrative proceeding under a
19 lawful subpoena;

20 (2) to a purchaser, grantee, seller, or grantor named
21 in the report or in the deed to which the report applies or to a
22 representative of the purchaser, grantee, seller, or grantor under
23 a written authorization signed by the purchaser, grantee, seller,
24 or grantor;

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

27 (4) in a judicial or administrative proceeding related

1 to real property taxation:

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

4 (B) to which an owner of the property described
5 in the report is a party; or

6 (C) by the appraisal district for the purpose of
7 establishing a value of the property or of providing evidence of
8 comparable sales to appraise another property;

9 (5) for statistical purposes if the information is
10 provided in a form that does not identify a specific property or
11 specific purchaser, grantee, seller, or grantor;

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

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

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

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

23 (1) discloses the report or information to a person
24 who is not authorized under this section to receive the report or
25 information; or

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

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

3 (f) It is a defense to prosecution under Subsection (d) that
4 the person who received information contained in the sales price
5 disclosure report obtained the information from:

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

8 (2) a document or record other than the sales price
9 disclosure report.

10 Sec. 22.65. PREPARATION OF REPORT; IMMUNITY FROM LIABILITY.

11 (a) A sales price disclosure report must be prepared by the
12 purchaser or grantee of the property described in the report or by a
13 title insurance company, lender, real estate agent, or attorney.

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

18 Sec. 22.66. ACTION TO COMPEL COMPLIANCE. The chief
19 appraiser may bring an action for an injunction to compel a person
20 to comply with the requirements of this subchapter. If the court
21 finds that this subchapter applies and that the person has failed to
22 fully comply with its requirements, the court:

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

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

26 SECTION 3. Section 23.013, Tax Code, is amended to read as
27 follows:

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

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

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

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

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

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

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