

1-1 By: Madla, et al. S.B. No. 282
1-2 (In the Senate - Filed January 26, 2005; February 7, 2005,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 31, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 March 31, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 282 By: Madla

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to disclosure and use of sales price information for ad
1-11 valorem tax purposes.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The heading to Subchapter C, Chapter 22, Tax
1-14 Code, is amended to read as follows:

1-15 SUBCHAPTER C. ~~[OTHER]~~ REPORTS OF POLITICAL SUBDIVISION ACTIONS

1-16 SECTION 2. Chapter 22, Tax Code, is amended by adding
1-17 Subchapter D to read as follows:

1-18 SUBCHAPTER D. REPORT OF SALES PRICE

1-19 Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Except as
1-20 provided by Subsection (b), not later than the 10th day after the
1-21 date the deed is recorded in the county real property records, the
1-22 purchaser or grantee of real property under a recorded deed
1-23 conveying an interest in the real property shall file a sales price
1-24 disclosure report with the chief appraiser of the appraisal
1-25 district established for the county in which the property is
1-26 located.

1-27 (b) This section does not apply to a sale or other transfer
1-28 of real property if:

1-29 (1) the sale or other transfer is made:

1-30 (A) pursuant to a court order;

1-31 (B) to or from a trustee in bankruptcy;

1-32 (C) pursuant to a power of sale under a deed of
1-33 trust or other encumbrance secured by the property;

1-34 (D) by a deed in lieu of foreclosure;

1-35 (E) by one co-owner to one or more other
1-36 co-owners;

1-37 (F) to a spouse or to a person or persons in the
1-38 first degree of lineal consanguinity of one or more of the sellers
1-39 or grantors;

1-40 (G) to or from a governmental entity;

1-41 (H) pursuant to the power of eminent domain; or

1-42 (I) to a utility company and the real property is
1-43 an easement, license, or right-of-way; or

1-44 (2) the real property is a severed mineral interest.

1-45 (c) A sales price disclosure report must be signed by the
1-46 purchaser or grantee of the real property described in the report.

1-47 Sec. 22.62. REPORT FORM. (a) A sales price disclosure
1-48 report filed under this subchapter must read as follows, with the
1-49 appropriate information included in the blanks:

1-50 SALES PRICE DISCLOSURE REPORT

1-51 Section 22.61, Tax Code, requires a purchaser or grantee
1-52 under a deed to prepare this report, sign it, and file it with the
1-53 chief appraiser of the appraisal district established for the
1-54 county in which the property is located not later than the 10th day
1-55 after the date the deed is recorded. This report is not required to
1-56 be filed if the sale or transfer is made: (1) under a court order;
1-57 (2) to or from a trustee in bankruptcy; (3) under a deed of trust or
1-58 other encumbrance secured by the property; (4) by a deed in lieu of
1-59 foreclosure; (5) between co-owners; (6) between spouses or between
1-60 family members in the first degree of lineal consanguinity; (7) to
1-61 or from a governmental entity; (8) pursuant to the power of eminent
1-62 domain; or (9) to a utility company and the property is an easement,
1-63 license, or right-of-way. In addition, this report is not required

2-1 to be filed if the property being sold or transferred is a severed
2-2 mineral interest. Knowingly making a false statement on this form
2-3 is grounds for prosecution of a Class A misdemeanor or a state jail
2-4 felony under Section 37.10, Penal Code. The chief appraiser may not
2-5 use the information in this form as the sole basis on which to
2-6 increase the market value of the property.

2-7 Seller's or grantor's name: _____

2-8 Purchaser's or grantee's name: _____

2-9 Purchaser's or grantee's address: _____

2-10 Property description (as stated in deed): _____

2-11 Sales price of or other consideration paid for the property: _____

2-12 _____
2-13 The method used to finance the sales price or other
2-14 consideration was: none (cash sale) cash and third-party
2-15 financing cash and seller financing exchange of other
2-16 property other, describe: _____

2-17 Describe any unusual or extraordinary terms of the sale or
2-18 transfer that affected the amount of the sales price or other
2-19 consideration: _____

2-20 Provide any additional information relevant to the sale or
2-21 transfer, including: _____

2-22 (1) whether the sale or transfer involved property
2-23 other than real property and the type of property, whether tangible
2-24 or intangible, involved in the sale or transfer;

2-25 (2) whether the sale or transfer involved property
2-26 located in more than one appraisal district and, if so, the portion
2-27 of the sales price or other consideration allocated to the property
2-28 located in the appraisal district with which the report is filed;

2-29 (3) in the case of a sale, whether the sale is the sale
2-30 of an entire business or business unit; and

2-31 (4) any other facts or circumstances that affected the
2-32 sales price or other consideration (optional): _____

2-33 _____
2-34 To the best of my knowledge, this statement is true and
2-35 accurate.

2-36 Purchaser's or grantee's signature: _____

2-37 Date: _____

2-38 Return this form to: _____.

2-39 (b) The appraisal district shall include at the end of the
2-40 form instructions for the filing of the form by mail, hand delivery,
2-41 or, if permitted by the chief appraiser, facsimile machine or other
2-42 electronic means.

2-43 (c) Each appraisal district shall prepare and make
2-44 available sales price disclosure report forms that conform to the
2-45 requirements of this section. Except for instructions for the
2-46 filing of the form, no additional information may be required to be
2-47 included in a sales price disclosure report form.

2-48 Sec. 22.63. FILING AND RECEIPT OF REPORT. (a) A purchaser
2-49 or grantee may file a sales price disclosure report with a chief
2-50 appraiser by mail, hand delivery, or, if permitted by the chief
2-51 appraiser, facsimile machine or other electronic means.

2-52 (b) On receipt of the completed sales price disclosure
2-53 report, the chief appraiser shall provide to the purchaser or
2-54 grantee a written acknowledgement that the report has been
2-55 received. If the acknowledgement of receipt is mailed, the chief
2-56 appraiser shall mail it to the purchaser or grantee at the address
2-57 provided in the report.

2-58 Sec. 22.64. PREPARATION OF REPORT; IMMUNITY FROM LIABILITY.
2-59 (a) A sales price disclosure report must be prepared by the
2-60 purchaser or grantee of the property described in the report or by a
2-61 person on behalf of the purchaser or grantee.

2-62 (b) A person who prepares a sales price disclosure report on
2-63 behalf of a purchaser or grantee of the property described in the
2-64 report is not liable to any person for preparing the report or for
2-65 any unintentional error or omission in the report.

2-66 Sec. 22.65. ACTION TO COMPEL COMPLIANCE. The chief
2-67 appraiser may bring an action for an injunction to compel a person
2-68 to comply with the requirements of this subchapter. If the court
2-69 finds that this subchapter applies and that the person has failed to

3-1 fully comply with its requirements, the court:
3-2 (1) shall order the person to comply; and
3-3 (2) may assess costs and reasonable attorney's fees
3-4 against the person.

3-5 Sec. 22.66. PUBLIC INFORMATION. A sales price disclosure
3-6 report filed with the chief appraiser under this subchapter is a
3-7 public record and must be made available on request for inspection
3-8 and copying during normal business hours.

3-9 SECTION 3. Section 23.013, Tax Code, is amended to read as
3-10 follows:

3-11 Sec. 23.013. MARKET DATA COMPARISON METHOD OF APPRAISAL.
3-12 (a) If the chief appraiser uses the market data comparison method
3-13 of appraisal to determine the market value of real property, the
3-14 chief appraiser shall use comparable sales data and shall adjust
3-15 the comparable sales to the subject property.

3-16 (b) The chief appraiser may use information contained in a
3-17 sales price disclosure report filed under Subchapter D, Chapter 22,
3-18 in determining the market value of real property but may not
3-19 increase the market value of the real property described in the
3-20 report solely on the basis of the information contained in the
3-21 report.

3-22 SECTION 4. (a) As soon as practicable after the effective
3-23 date of this Act, but not later than January 1, 2006, each appraisal
3-24 district shall prepare and make available sales price disclosure
3-25 report forms as provided by Section 22.62, Tax Code, as added by
3-26 this Act.

3-27 (b) This Act applies only to a sale of real property that
3-28 occurs on or after January 1, 2006.

3-29 SECTION 5. (a) Except as provided by Subsection (b) of this
3-30 section, this Act takes effect September 1, 2005.

3-31 (b) Sections 1, 2, and 3 of this Act take effect January 1,
3-32 2006.

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