

A BILL TO BE ENTITLED

AN ACT

relating to certain restrictions and obligations in connection with establishing and using the appraised value of real property for taxation purposes; providing penalties.

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

ARTICLE 1. REAL PROPERTY CONVEYANCE REPORT

SECTION 1.01. The heading to Subchapter C, Chapter 22, Tax Code, is amended to read as follows:

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

SECTION 1.02. 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 comptroller
7 shall publicize, in a manner reasonably designed to come to the
8 attention of title insurance companies, attorneys, and property
9 owners, the requirements of this subchapter and the availability of
10 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 1.03. (a) As soon as practicable after the
23 effective date of this Act, but not later than January 1, 2008, the
24 comptroller of public accounts 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 article; 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 article.

4 (b) This article applies only to a conveyance of real
5 property that occurs on or after January 1, 2008.

6 SECTION 1.04. Sections 1.01 and 1.02 of this article take
7 effect January 1, 2008.

8 ARTICLE 2. LIMITATIONS ON APPRAISED VALUE OF RESIDENCE HOMESTEADS

9 SECTION 2.01. Section 23.23, Tax Code, is amended by
10 amending Subsection (a) and adding Subsections (g) and (h) to read
11 as follows:

12 (a) The appraised value of a residence homestead for a tax
13 year may not exceed the lesser of:

14 (1) the market value of the property; or

15 (2) the sum of:

16 (A) five [~~10~~] percent of the appraised value of
17 the property for the last year in which the property was appraised
18 for taxation times the number of years since the property was last
19 appraised;

20 (B) the appraised value of the property for the
21 last year in which the property was appraised; and

22 (C) the market value of all new improvements to
23 the property.

24 (g) The governing body of a taxing unit, in the manner
25 required by law for official action, may at any time determine that
26 the limitation provided by Subsection (a)(2) will not apply to the
27 taxation of residence homesteads by the taxing unit in a tax year

1 following the year in which the determination is made. If the
2 governing body of the taxing unit determines that the limitation
3 provided by Subsection (a)(2) will not apply to the taxation of
4 residence homesteads by the taxing unit, in the following and each
5 subsequent tax year, the appraised value of a residence homestead
6 for purposes of taxation by the taxing unit is the market value of
7 the property.

8 (h) Subsection (g) does not affect the appraised value of
9 property by a taxing unit other than the taxing unit whose governing
10 body makes the determination under that subsection. If the
11 governing body that makes a determination under Subsection (g) sets
12 the tax rate for more than one taxing unit, the determination does
13 not apply to a taxing unit other than the taxing unit whose
14 governing body makes the determination.

15 SECTION 2.02. This article takes effect January 1, 2008,
16 and applies only to the appraisal of a residence homestead for ad
17 valorem tax purposes for a tax year that begins on or after
18 January 1, 2008, but only if the constitutional amendment proposed
19 by the 80th Legislature, Regular Session, 2007, authorizing the
20 legislature to establish a lower limit on the maximum average
21 annual percentage increase in the appraised value of residence
22 homesteads for ad valorem tax purposes and to authorize the
23 governing body of a taxing unit to determine whether a limit on
24 residence homestead appraisal increases shall apply in the taxing
25 unit is approved by the voters. If that amendment is not approved
26 by the voters, this article has no effect.

1 ARTICLE 3. EFFECTIVE DATE

2 SECTION 3.01. Except as otherwise provided by this Act,
3 this Act takes effect September 1, 2007.