

By: Talarico

H.B. No. 3939

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a requirement that a purchaser of commercial real
3 property disclose the sales price of the property to the appraisal
4 district and to the use of that information by the appraisal
5 district; creating a criminal offense.

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

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

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

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

12 SUBCHAPTER D. REPORT OF SALES PRICE

13 Sec. 22.61. DEFINITION. In this subchapter, "commercial
14 real property" means real property that is held or used for the
15 production of income.

16 Sec. 22.62. SALES PRICE DISCLOSURE REPORT. (a) Except as
17 provided by Subsection (b), not later than the 10th day after the
18 date the deed is recorded in the county real property records, the
19 purchaser or grantee of commercial real property under a recorded
20 deed conveying an interest in the real property shall file a sales
21 price disclosure report with the chief appraiser of the appraisal
22 district established for the county in which the property is
23 located.

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

1 of commercial real property if:

2 (1) the sale or other transfer is made:

3 (A) under a court order;

4 (B) to or from a trustee in bankruptcy;

5 (C) under a power of sale under a deed of trust or
6 other encumbrance secured by the property;

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

8 (E) by one co-owner to one or more other
9 co-owners;

10 (F) to a spouse or to a person or persons in the
11 first degree of lineal consanguinity of one or more of the sellers
12 or grantors;

13 (G) to or from a governmental entity;

14 (H) through the use of eminent domain; or

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

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

18 (c) A sales price disclosure report must be signed by the
19 purchaser or grantee of the commercial real property described in
20 the report.

21 Sec. 22.63. REPORT FORM. (a) A sales price disclosure
22 report filed under this subchapter must read as follows, with the
23 appropriate information included in the blanks:

24 SALES PRICE DISCLOSURE REPORT

25 Section 22.62, Tax Code, requires a purchaser or grantee of
26 commercial real property under a deed to prepare this report, sign
27 it, and file it with the chief appraiser of the appraisal district

1 established for the county in which the property is located not
2 later than the 10th day after the date the deed is recorded. This
3 report is not required to be filed if the sale or transfer is made:
4 (1) under a court order; (2) to or from a trustee in bankruptcy; (3)
5 under a deed of trust or other encumbrance secured by the property;
6 (4) by a deed in lieu of foreclosure; (5) between co-owners; (6)
7 between spouses or between family members in the first degree of
8 lineal consanguinity; (7) to or from a governmental entity; (8)
9 through the use of eminent domain; or (9) to a utility company and
10 the property is an easement, license, or right-of-way. In addition,
11 this report is not required to be filed if the property being sold
12 or transferred is a severed mineral interest. Knowingly making a
13 false statement on this form is grounds for prosecution of a Class A
14 misdemeanor or a state jail felony under Section 37.10, Penal Code.
15 The chief appraiser may not use the information in this form as the
16 sole basis on which to increase the market value of the property.

17 Seller's or grantor's name: _____

18 Purchaser's or grantee's name: _____

19 Purchaser's or grantee's address: _____

20 Property description (as stated in deed): _____

21 Sales price of or other consideration paid for the property:

22 _____

23 The method used to finance the sales price or other
24 consideration was: none (cash sale) cash and third-party
25 financing cash and seller financing exchange of other property
26 other, describe: _____

27 Describe any unusual or extraordinary terms of the sale or

1 transfer that affected the amount of the sales price or other
2 consideration: _____

3 Provide any additional information relevant to the sale or
4 transfer, including:

5 (1) whether the sale or transfer involved property
6 other than real property and the type of property, whether tangible
7 or intangible, involved in the sale or transfer;

8 (2) whether the sale or transfer involved property
9 located in more than one county and, if so, the portion of the sales
10 price or other consideration allocated to the portion of the
11 property located in each county;

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

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

16 _____

17 To the best of my knowledge, this statement is true and
18 accurate.

19 Purchaser's or grantee's signature: _____

20 Date: _____

21 Return this form to: _____.

22 (b) The appraisal district shall include at the end of the
23 form instructions for the filing of the form by mail, hand delivery,
24 or, if permitted by the chief appraiser, electronic mail or other
25 electronic means.

26 (c) Each appraisal district shall prepare and make
27 available sales price disclosure report forms that conform to the

1 requirements of this section. Except for instructions for the
2 filing of the form, no additional information may be required to be
3 included in a sales price disclosure report form.

4 Sec. 22.64. FILING AND RECEIPT OF REPORT. (a) A purchaser
5 or grantee may file a sales price disclosure report with a chief
6 appraiser by mail, hand delivery, or, if permitted by the chief
7 appraiser, electronic mail or other electronic means.

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

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

15 (a) A sales price disclosure report must be prepared by the
16 purchaser or grantee of the property described in the report or by
17 another person on behalf of the purchaser or grantee.

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

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

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

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

3 Sec. 22.67. CONFIDENTIAL INFORMATION. (a) A sales price
4 disclosure report filed with a chief appraiser under this
5 subchapter is confidential and not open to public inspection. The
6 report and the information it contains may not be disclosed to
7 another person other than an employee of the appraisal district who
8 appraises property, except as provided by Subsection (b).

9 (b) Information that is confidential under Subsection (a)
10 may be disclosed:

11 (1) in a judicial or administrative proceeding under a
12 lawful subpoena;

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

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

20 (4) in a judicial or administrative proceeding related
21 to real property taxation:

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

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

26 (C) by the appraisal district for the purpose of
27 establishing a value of the property or of providing evidence of

1 comparable sales to appraise another property;

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

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

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

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

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

16 (1) discloses the report or information to a person
17 who is not authorized under this section to receive the report or
18 information; or

19 (2) permits the person to whom the report or
20 information is disclosed to view, read, or copy the report or
21 information.

22 (e) An offense under Subsection (d) is a Class B
23 misdemeanor.

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

27 (1) a purchaser, grantee, seller, or grantor of the

1 property described in the report; or

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

4 SECTION 3. Section 23.013, Tax Code, is amended by adding
5 Subsection (e) to read as follows:

6 (e) 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 commercial real property but may
9 not 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 section, but not later than January 1, 2022, each
14 appraisal district shall prepare and make available sales price
15 disclosure report forms as provided by Section 22.63, Tax Code, as
16 added by this Act.

17 (b) This section takes effect September 1, 2021.

18 SECTION 5. This Act applies only to a sale or other transfer
19 of commercial real property that occurs on or after January 1, 2020.

20 SECTION 6. Except as otherwise provided by this Act, this
21 Act takes effect January 1, 2022.