

By: Villarreal

H. B. No. 133

A BILL TO BE ENTITLED

# 1 AN ACT

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

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

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

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

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

SUBCHAPTER D. REPORT OF SALES PRICE

11                   Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Except as  
12                   provided by Subsection (b), not later than the 10th day after the  
13                   date the deed is recorded in the county real property records, the  
14                   purchaser or grantee of real property under a recorded deed  
15                   conveying an interest in the real property shall file a sales price  
16                   disclosure report with the chief appraiser of the appraisal  
17                   district established for the county in which the property is  
18                   located.

19                   (b) This section does not apply to a sale or other transfer  
20                   of real property if:

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

22 (A) pursuant to a court order;

23 (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 county and, if so, the portion of the sales  
4       price or other consideration allocated to the portion of the  
5       property located in each county;  
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  
11      another 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, 2008, 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 or other transfer of real  
20 property that occurs on or after January 1, 2008.

21 SECTION 5. (a) Except as provided by Subsection (b) of this  
22 section, this Act takes effect September 1, 2007.

23 (b) Sections 1-3 of this Act take effect January 1, 2008.