

## **BILL ANALYSIS**

Senate Research Center  
79R11144 MFC-F

C.S.S.B. 282  
By: Madla et al.  
Intergovernmental Relations  
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Committee Report (Substituted)

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, all taxable property must be appraised at its market value unless the law provides for a different value. However, because the purchase price of property is not required to be disclosed, appraisal districts must rely on the multiple listing service (MLS) and various other, often unreliable, sources of information regarding the value of property. The tax burden has been shifted to owners of moderately-priced residential property because the purchase price of commercial and high-end residential property is not listed in MLS or otherwise disclosed, preventing the property from being accurately valued and taxed.

C.S.S.B. 282, in order to provide equity for all taxpayers and fulfill the constitutional requirement that all taxation is fair and equitable, requires a transference of real property to file a sales price disclosure report with the chief appraiser of the appraisal district in which the property is located within ten business days after the closing date. The sales price disclosure report content is prescribed within the legislation and includes the price of the property and other relevant information.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Subchapter C, Chapter 22, Tax Code, to read as follows:

#### **SUBCHAPTER C. REPORTS OF POLITICAL SUBDIVISION ACTIONS**

SECTION 2. Amends Chapter 22, Tax Code, by adding Subchapter D, as follows:

#### **SUBCHAPTER D. REPORT OF SALES PRICE**

Sec. 22.61. SALES PRICE DISCLOSURE REPORT. (a) Requires the purchaser or grantee of real property under a recorded deed conveying an interest in the real property, except as provided by Subsection (b), not later than the tenth day after the date the deed is recorded in the county real property records, to 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) Provides that this section does not apply to a sale or other transfer of real property if the sale or other transfer is made in a certain manner or the real property is a severed mineral interest.

(c) Requires a sales price disclosure report to be signed by the purchaser or grantee of the real property described in the report.

Sec. 22.62. REPORT FORM. (a) Requires a sales price disclosure report filed under this subchapter to read in a specific manner. Sets forth specific text of and pertinent information required to be included in the sales price disclosure report.

(b) Requires the appraisal district to include at the end of the form instructions for the filing of the form by mail, hand delivery, or, if permitted by the chief appraiser, facsimile machine or other electronic means.

(c) Requires each appraisal district to prepare and make available sales price disclosure report forms that conform to the requirements of this section. Provides that, except for instructions for the filing of the form, no additional information may be required to be included in a sales price disclosure report form.

Sec. 22.63. **FILING AND RECEIPT OF REPORT.** (a) Authorizes a purchaser or grantee to file a sales price disclosure report with a chief appraiser by mail, hand delivery, or, if permitted by the chief appraiser, facsimile machine or other electronic means.

(b) Requires the chief appraiser, on receipt of the completed sales price disclosure report, to provide to the purchaser or grantee a written acknowledgment that the report has been received. Requires the chief appraiser, if the acknowledgment of receipt is mailed, to mail it to the purchaser or grantee at the address provided in the report.

Sec. 22.64. **PREPARATION OF REPORT; IMMUNITY FROM LIABILITY.** (a) Requires a sales price disclosure report to be prepared by the purchaser or grantee of the property described in the report or by a person on behalf of the purchaser or grantee.

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

Sec. 22.65. **ACTION TO COMPEL COMPLIANCE.** Authorizes the chief appraiser to bring an action for an injunction to compel a person to comply with the requirements of this subchapter. Provides that if the court finds that this subchapter applies and that the person has failed to fully comply with its requirements, the court is required to order the person to comply and is authorized to assess costs and reasonable attorney's fees against the person.

Sec. 22.66. **PUBLIC INFORMATION.** Provides that a sales price disclosure report filed with the chief appraiser under this subchapter is a public record and must be made available on request for inspection and copying during normal business hours.

SECTION 3. Amends Section 23.013, Tax Code, as follows:

Sec. 23.013. **MARKET DATA COMPARISON METHOD OF APPRAISAL.** (a) Creates this subsection from existing text.

(b) Authorizes the chief appraiser to use information contained in a sales price disclosure report filed under Subchapter D, Chapter 22, in determining the market value of real property but prohibits the chief appraiser from increasing the market value of the real property described in the report solely on the basis of the information contained in the report.

SECTION 4. (a) Requires each appraisal district to prepare and make available sale price disclosure report forms as provided by Section 22.62, Tax Code, as added by this Act, as soon as practicable after the effective date of this Act, but not later than January 1, 2006.

(b) Makes application of this Act prospective to a sale of real property that occurs on or after January 1, 2006.

SECTION 5. (a) Effective date: September 1, 2005, except as provided by Subsection (b) of this section.

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