

BILL ANALYSIS

Senate Research Center
79S30494 UM-D

S.B. 37
By: Wentworth
Finance
5/3/2006
As Filed

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, the purchase price of property is not required to be disclosed and appraisal districts must rely on the multiple listing service (MLS) and other, sometimes 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.

As proposed, S.B. 37 requires a purchaser or grantee 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 days after the date the deed is recorded in the county real property records in order to provide equity for all taxpayers and fulfill the constitutional requirement that all taxation is fair and equitable. The sales price disclosure report content is prescribed within the legislation and is to include 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, 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 real property to file a sales price disclosure report (report) with the chief appraiser of the appraisal district established for the county in which the property is located within 10 days of the deed being recorded in the county real property records, except as provided by Subsection (b).

(b) Sets forth certain circumstances in which this section does not apply to a sale or other transfer of real property.

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

Sec. 22.62. REPORT FORM. Sets forth the required content and form for a report filed under this subchapter. Requires the appraisal district to include instructions at the end of the form for the filing of the form by mail, hand delivery, or, if permitted by the chief appraiser, facsimile machine or other electronic means. Requires each appraisal district to prepare and make available report forms that conform to the requirements of this section. Provides that no additional information, except for instructions for the filing of the form, may be required to be included in a form.

Sec. 22.63. FILING AND RECEIPT OF REPORT. Authorizes a purchaser or grantee to file a report with a chief appraiser by mail, hand delivery, or, if permitted by the chief appraiser, facsimile machine or other electronic means. Requires the chief appraiser to provide to the purchaser or grantee a written acknowledgement of the receipt of the report, on receipt of the completed report. Requires the chief appraiser to mail the acknowledgement, if it is mailed, to the address provided in the report.

Sec. 22.64. PREPARATION OF REPORT; IMMUNITY FROM LIABILITY. Requires a report to be prepared by the purchaser or grantee of the property described in the report or by a person on behalf of those parties. Provides that a person who prepares a report on behalf of those parties 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 chapter. Sets forth approved actions of a court if it finds that this subchapter applies and that the person has failed to comply with its requirements.

Sec. 22.66. PUBLIC INFORMATION. Provides that a report filed with the chief appraiser under this subchapter is public information and is required to be made available on request for inspection and copying during normal business hours.

SECTION 3. Amends Section 23.013, Tax Code, to authorize the chief appraiser to use information contained in a 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 sales 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 no later than January 1, 2007.

(b) Makes application of this Act prospective to January 1, 2007.

SECTION 5. (a) Effective date: September 1, 2006, except as provided by Subsection (b).

(b) Effective date, Sections 1, 2, and 3 of this Act: January 1, 2007.