

## **BILL ANALYSIS**

Senate Research Center  
79R3155 MFC-D

S.B. 243  
By: Wentworth  
Intergovernmental Relations  
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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, because the purchase price of property is not required to be disclosed, appraisal districts must rely on the multiple listing service (MLS) and other often unreliable sources of information regarding the value of the 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. 243 would require a transferee of real property to file a real property conveyance report with the chief appraiser of the appraiser district in which the property is located within 10 business days after the closing date. The conveyance report, the form and content of which is to be prescribed by the comptroller, would 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, 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. REAL PROPERTY CONVEYANCE REPORT**

Sec. 22.61. REAL PROPERTY CONVEYANCE REPORT REQUIRED. (a) Requires, not later than the 10th business day after the date of closing on the conveyance of real property, the transferee or person acting on behalf of the transferee, to file a real property conveyance report (report) as provided by this subchapter disclosing information regarding the conveyance of the property.

(b) Provides that Subsection (a) does not apply to a conveyance under certain circumstances.

Sec. 22.62. CIVIL PENALTY. (a) Provides that a transferee of a single-family residential property who fails to file a report is liable to the state for a civil penalty in the amount of \$1,000 for each violation.

(b) Provides that a transferee of any property other than a single-family residential property who fails to file a report is liable to the state for a civil penalty for each violation in an amount equal to five percent of the appraised value of each property for the tax year of the report.

(c) Authorizes the attorney general or the county or district attorney for the county in which the property is located to bring suit to recover a penalty.

(d) Provides that if there are two or more transferees, each transferee is responsible for filing the report until at least one transferee files a report, and that each transferee is separately liable for a civil penalty if a report of conveyance is not filed.

Sec. 22.63. PLACE OF FILING. Requires a report to be filed with the chief appraiser of the appraisal district established for the county in which the property covered by the report is located.

Sec. 22.64. SIGNATURE REQUIRED. Requires that a report be signed by transferee who files the report.

Sec. 22.65. REPORT FORMS. (a) Requires the comptroller to prescribe the form and content of a report. Authorizes the comptroller to prescribe different report forms for different kinds of properties and requires the comptroller to ensure that each form requires the person filing the report to provide certain information.

(b) Prohibits a form from requiring information not relevant to the appraisal of the property for tax purposes or to the assessment or collection of property taxes.

(c) Requires a person who files a report to use the appropriate form prescribed by the comptroller and to include all information required by the form.

Sec. 22.66. PUBLICIZING REQUIREMENTS. (a) Requires the comptroller to publicize, in a manner reasonably designed to come to the attention of the title insurance companies, attorneys, and property owners, the requirements of this subchapter and of the availability of report forms.

(b) Requires the Texas Real Estate Commission to assist the comptroller in publicizing the information required by Subsection (a) to title insurance companies and attorneys.

(c) Requires a chief appraiser to assist the comptroller in publicizing the information required by Subsection (a) to property owners in the county for which the appraisal district is established.

Sec. 22.67. PROVISION OF INFORMATION TO COMPTROLLER. Requires an appraisal district to provide information from reports to the comptroller in a manner and at the time required by the comptroller.

SECTION 3. (a) Requires the comptroller, as soon as practicable after the effective date of this Act, but not later than January 1, 2006, to take certain actions.

(b) Makes application of this Act prospective to January 1, 2006.

SECTION 4. (a) Effective date: September 1, 2005, except as provided by Subsection (b) of this section.

(b) Provides that Sections 1 and 2 of this Act take effect January 1, 2006.