

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 270
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, all taxable property must be appraised at its market value unless the law provides for a different value. However, since the sales price of property is not required to be disclosed, appraisal districts must rely on the multiple listing service (MLS) and various 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 on the MLS or otherwise disclosed, preventing the property from being accurately valued and taxed.

C.S.S.B. 270 requires instruments conveying commercial property, multifamily residential property, or vacant land, except instruments conveying only mineral interests, to state the actual sales price of the property on the face of the conveyance document filed in the county property records, and creates a civil penalty for failure to do so.

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 Chapter 12, Property Code, by adding Section 12.0011, as follows:

Sec. 12.0011. MANDATORY SALES PRICE DISCLOSURE. (a) Defines "commercial property," "multifamily residential property," and "vacant land."

(b) Prohibits a person from filing for record or having recorded in the county clerk's office an instrument conveying commercial property, multifamily residential property, or vacant land under a contract for sale unless the instrument discloses the sales price of the property.

(c) Provides that the purchaser of any property for which an instrument is recorded in violation of Subsection (b) is liable to the state for a civil penalty for each violation in an amount equal to five percent of the sales price of the property.

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

(e) Provides that this section does not apply to an instrument conveying only a mineral interest in real property.

SECTION 2. Effective date: September 1, 2007.