

BILL ANALYSIS

Senate Research Center
76R 5414 SMJ-D

S.B. 969
By: Lindsay
Intergovernmental Relations
3/25/1999
As Filed

DIGEST

Currently, the county clerk must interpret the name of parties to index documents filed and recorded in the real property records. Some documents are complex and difficult to interpret, which causes inaccuracies in indexing. S.B. 969 would require the filer to clearly identify the grantors and grantees of any document filed in real property records, and would require the filer to provide information on a recorder's index information page. S.B. 969 also would exempt a federal tax lien, release of a federal tax lien, state tax lien, release of a state tax lien, and a standard financing statement.

PURPOSE

As proposed, S.B. 969 reduces indexing errors, which reduce the liability of a county.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 191.007(b), Local Government Code, to require a page to be a single sheet, and to be printed in type no smaller than 10-point type, rather than eight-point, and be suitable for reproducing a readable record by electronic imaging process used in the office of the county clerk.

SECTION 2. Amends Chapter 191, Local Government Code, by adding Section 191.0075, as follows:

Sec. 191.0075. ADDITIONAL SPECIFICATIONS FOR REAL PROPERTY RECORDS; FEE FOR NONCOMPLIANCE. Defines "grantor" and "grantee." Sets forth provisions of the first page of an instrument presented to a county clerk for recording in the Official Public Records of Real Property. Requires the person presenting the instrument to pay the penalty filing fee provided by Subsection (h), and from attaching a cover sheet to the instrument, if an instrument presented for recording does not comply with the requirements of Subsection (b), and the instrument is a deed, deed of trust, mortgage, release, assignment, water district notice, notice of restrictions, easement, option, or lease. Sets forth requirements for an instrument presented for recording that does not comply. Prohibits the county clerk from charging the additional page fee prescribed by Section 118.011(a)(2) for recording the cover sheet. Provides that an error in the cover sheet or recorder's index information or the failure of the cover sheet or recorder's index information to comply with this section does not affect the validity or enforceability of, or notice imparted by, the instrument. Authorizes the county clerk to use the information required by this section to generate a grantor-grantee index. Requires the validity or enforceability of, or notice imparted by, the instrument to be determined by the instrument. Requires the county clerk to charge a penalty filing fee of \$1 for each page, not to exceed \$5, if the instrument does not comply with Subsection (b). Provides that a federal tax lien, release of a federal tax lien, state tax lien, release of a state tax lien, and standard financing statement are exempt from the requirements of this section.

SECTION 3. Effective date: January 1, 2000.

SECTION 4. Emergency clause.