

TESTIMONY ON HB 1271
HOUSE JUDICIARY COMMITTEE
JANUARY 29, 2025
PAUL HOUDEK, GRAFTON CITY ASSESSOR

Chairman Klemin and members of the House Judiciary Committee, my name is Paul Houdek, and I am a City Assessor for the City of Grafton. I am reaching out to you today in **support of HB 1271**. This bill will help your local assessors and real estate appraisers track local real estate market sales. Like many local assessors in our state, I work in a small rural market. Each usable real estate sale is important to help assessment officials establish benchmarks for market value in our jurisdictions. In the recent past we have seen more and more deeds using a quit claim deed rather than a warranty deed to transfer ownership from one party to another. In a small market, we need all the market data that we can get. What we are finding is some attorneys or closing agents are using a quit claim deed rather than a warranty deed simply as a means of not having to disclose a sale price for the transaction. **Under current law, with the use of a warranty deed, the sale price must be disclosed. If you transfer title with a quit claim deed, the sale price does not need to be disclosed. This bill would simply make it a requirement to disclose the sale price under both a warranty deed and a quit claim deed when using the quit claim deed for anything other than simple “title cleanup”.** When this information is not disclosed it becomes more difficult for assessors to complete our mandated State Sales Ratio Study. Simply put, we cannot do our jobs without this critical information.

There is certainly a time and a place for the use of a quit claim deed. Transactions that include family members or business partners needing to “clean up the title” of a property are examples of a good use for a quit claim deed where the disclosure of the sale price would remain unnecessary because these are not market transactions. This bill does not change the requirement for these types of transactions.

One closing company or one attorney who does a lot of the real estate transactions in a small jurisdiction could potentially affect the results of the State Sales Ratio Study of any given jurisdiction by filing quit claim deeds and not reporting the sale price of any of the transactions with which they are involved.

Please support HB 1271 and help us get the precious information that we need to do our jobs.

Thank you!!

Respectfully,

Paul Houdek

Grafton City Assessor