

By: Smith of Tarrant

H.B. No. 15

A BILL TO BE ENTITLED

AN ACT

relating to the transfer of the powers and duties of the comptroller of public accounts relating to state administration of the property tax system to the State Board on Property Valuation or the commissioner of the State Board on Property Valuation, as applicable.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 1, Tax Code, is amended by adding Subtitle G to read as follows:

SUBTITLE G. DETERMINATION OF SCHOOL DISTRICT PROPERTY VALUES

AND APPRAISAL DISTRICT ACCOUNTABILITY

CHAPTER 51. DETERMINATION OF SCHOOL DISTRICT PROPERTY VALUES AND

APPRAISAL DISTRICT ACCOUNTABILITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 51.01. PURPOSE. It is the policy of this state to ensure equity among taxpayers in the burden of school district taxes and among school districts in the distribution of state financial aid for public education. The purpose of this chapter is to promote that policy by providing for uniformity in local property appraisal practices and procedures and in the determination of property values for schools in order to distribute state funding equitably.

Sec. 51.02. DEFINITIONS. In this chapter:

(1) "Annual study" means a study conducted under

1 Section 51.21.

2 (2) "Eligible school district" means a school district
3 for which the commissioner has determined the following:

4 (A) in the most recent annual study, the local
5 value is invalid under Section 51.21(c) and does not exceed the
6 state value for the school district determined in the annual study;

7 (B) in the annual study for each of the two years
8 preceding the most recent annual study, the school district's local
9 value was valid under Section 51.21(c); and

10 (C) in the most recent annual study, the
11 aggregate local value of all of the categories of property sampled
12 by the commissioner is not less than 90 percent of the lower limit
13 of the margin of error as determined by the commissioner of the
14 aggregate value as determined by the commissioner of all of the
15 categories of property sampled by the commissioner.

16 (3) "Local value" means the market value of property
17 in a school district as determined by the appraisal district that
18 appraises property for the school district, less the total amounts
19 and values listed in Section 51.21(d) as determined by that
20 appraisal district.

21 (4) "Ratio study" means a study conducted under
22 Section 51.41.

23 (5) "State value" means the value of property in a
24 school district as determined in the annual study.

25 [Sections 51.03-51.20 reserved for expansion]

26 SUBCHAPTER B. DETERMINATION OF SCHOOL DISTRICT PROPERTY VALUES

27 Sec. 51.21. DETERMINATION OF SCHOOL DISTRICT PROPERTY

1 VALUES. (a) The commissioner shall conduct an annual study to
2 determine the total taxable value of all property in each school
3 district. The annual study shall determine the total taxable value
4 of all property and of each category of property in each school
5 district. The annual study shall also determine the productivity
6 value of all land designated as agricultural, open-space, or timber
7 land under Chapter 23. The commissioner shall make appropriate
8 adjustments in the study to account for actions taken under Chapter
9 41, Education Code.

10 (b) In conducting the annual study, the commissioner shall
11 determine the taxable value of property in each school district:

12 (1) using, if appropriate, samples selected through
13 generally accepted sampling techniques;

14 (2) according to generally accepted standard
15 valuation, statistical compilation, and analysis techniques;

16 (3) ensuring that different levels of appraisal on
17 sold and unsold property do not adversely affect the accuracy of the
18 study; and

19 (4) using current technology and techniques in
20 appraising commercial personal property.

21 (c) If after conducting the annual study the commissioner
22 determines that the local value for a school district is valid, the
23 local value is presumed to represent taxable value for the school
24 district. In the absence of that presumption, taxable value for a
25 school district is the state value for the school district
26 determined by the commissioner under Subsections (a) and (b) unless
27 the local value exceeds the state value, in which case the taxable

1 value for the school district is the district's local value. In
2 determining whether the local value for a school district is valid,
3 the commissioner shall use a margin of error that does not exceed
4 five percent unless the commissioner determines that the size of
5 the sample of properties necessary to make the determination makes
6 the use of such a margin of error not feasible, in which case the
7 commissioner may use a larger margin of error.

8 (d) For purposes of this section, "taxable value" means the
9 market value of all taxable property less:

10 (1) the total dollar amount of any residence homestead
11 exemptions lawfully granted under Section 11.13(b) or (c) in the
12 year that is the subject of the study for each school district;

13 (2) one-half of the total dollar amount of any
14 residence homestead exemptions granted under Section 11.13(n) in
15 the year that is the subject of the study for each school district;

16 (3) the total dollar amount of any exemptions granted
17 before May 31, 1993, within a reinvestment zone under agreements
18 authorized by Chapter 312;

19 (4) subject to Subsection (e), the total dollar amount
20 of any captured appraised value of property that:

21 (A) is within a reinvestment zone created on or
22 before May 31, 1999, or is proposed to be included within the
23 boundaries of a reinvestment zone as the boundaries of the zone and
24 the proposed portion of tax increment paid into the tax increment
25 fund by a school district are described in a written notification
26 provided by the municipality or the board of directors of the zone
27 to the governing bodies of the other taxing units in the manner

1 provided by Section 311.003(e) before May 31, 1999, and within the
2 boundaries of the zone as those boundaries existed on September 1,
3 1999, including subsequent improvements to the property regardless
4 of when made;

5 (B) generates taxes paid into a tax increment
6 fund created under Chapter 311 under a reinvestment zone financing
7 plan approved under Section 311.011(d) on or before September 1,
8 1999; and

9 (C) is eligible for tax increment financing under
10 Chapter 311;

11 (5) the total dollar amount of any exemptions granted
12 under Section 11.251;

13 (6) the difference between the commissioner's
14 determination of the market value and the productivity value of
15 land that qualifies for appraisal on the basis of its productive
16 capacity under Chapter 23;

17 (7) the portion of the appraised value of residence
18 homesteads of the elderly on which school district taxes are not
19 imposed in the year that is the subject of the study, calculated as
20 if the residence homesteads were appraised at the full value
21 required by law;

22 (8) a portion of the market value of property not
23 otherwise fully taxable by the district at market value because of:

24 (A) action required by statute or the
25 constitution of this state that, if the tax rate adopted by the
26 district is applied to it, produces an amount equal to the
27 difference between the tax that the district would have imposed on

1 the property if the property were fully taxable at market value and
2 the tax that the district is actually authorized to impose on the
3 property, if this subsection does not otherwise require that
4 portion to be deducted; or

5 (B) action taken by the district under Subchapter
6 B or C, Chapter 313;

7 (9) the market value of all tangible personal
8 property, other than manufactured homes, owned by a family or
9 individual and not held or used for the production of income;

10 (10) the appraised value of property for which the
11 collection of delinquent taxes is deferred under Section 33.06;

12 (11) the portion of the appraised value of property
13 for which the collection of delinquent taxes is deferred under
14 Section 33.065; and

15 (12) the amount by which the market value of a
16 residence homestead to which Section 23.23 applies exceeds the
17 appraised value of that property as calculated under that section.

18 (e) The total dollar amount deducted in each year as
19 required by Subsection (d)(4) in a reinvestment zone created after
20 January 1, 1999, may not exceed the captured appraised value
21 estimated for that year as required by Section 311.011(c)(8) in the
22 reinvestment zone financing plan approved under Section 311.011(d)
23 before September 1, 1999. The number of years for which the total
24 dollar amount may be deducted under Subsection (d)(4) shall for any
25 zone, including those created on or before January 1, 1999, be
26 limited to the duration of the zone as specified as required by
27 Section 311.011(c)(9) in the reinvestment zone financing plan

1 approved under Section 311.011(d) before September 1, 1999. The
2 total dollar amount deducted under Subsection (d)(4) for any zone,
3 including a zone created on or before January 1, 1999, may not be
4 increased by any reinvestment zone financing plan amendments that
5 occur after August 31, 1999. The total dollar amount deducted under
6 Subsection (d)(4) for any zone, including a zone created on or
7 before January 1, 1999, may not be increased by a change made after
8 August 31, 1999, in the portion of the tax increment retained by the
9 school district.

10 (f) The annual study shall determine the school district
11 values as of January 1 of each study year.

12 (g) If after conducting the annual study for the year 2003
13 or a subsequent year the commissioner determines that a school
14 district is an eligible school district, for that year and the
15 following year the taxable value for the school district is the
16 district's local value. Not later than the first anniversary of the
17 date of the determination that a school district is an eligible
18 school district, the commissioner shall complete an appraisal
19 standards review as provided by Section 51.42 of each appraisal
20 district that appraises property for the school district.

21 (g-1) If the commissioner determines in the annual study
22 conducted for the year 2002 that the taxable value for a school
23 district is the local value because the local value is invalid and
24 exceeds the state value, the commissioner of education shall
25 compute the amount by which the funding under Chapter 42, Education
26 Code, of the school district is reduced for the 2003-2004 school
27 year because of the use of local value rather than state value as

1 taxable value. The commissioner of education shall allocate an
2 amount equal to the amount of the reduction for that school year to
3 the school districts that receive funding under Chapter 42,
4 Education Code, whose taxable value for the applicable year is the
5 state value, and whose maintenance and operations tax rate for the
6 applicable year exceeds \$1.42 on the \$100 valuation of taxable
7 property. The allocation shall be made in proportion to the amount
8 of funding under Chapter 42, Education Code, that each of those
9 school districts would otherwise have received in that year. This
10 subsection expires September 30, 2004.

11 (h) The commissioner shall publish preliminary findings,
12 listing values by school district, before February 1 of the year
13 following the study year. Preliminary findings shall be delivered
14 to each school district and shall be certified to the commissioner
15 of education.

16 (i) For purposes of Section 42.2511, Education Code, the
17 commissioner shall certify to the commissioner of education:

18 (1) a final value for each school district computed on
19 a residence homestead exemption under Section 1-b(c), Article VIII,
20 Texas Constitution, of \$5,000; and

21 (2) a final value for each school district computed
22 on:

23 (A) a residence homestead exemption under
24 Section 1-b(c), Article VIII, Texas Constitution, of \$15,000; and

25 (B) the effect of the additional limitation on
26 tax increases under Section 1-b(d), Article VIII, Texas
27 Constitution.

1 (j) For purposes of Section 42.2522, Education Code, the
2 commissioner shall certify to the commissioner of education:

3 (1) a final value for each school district computed
4 without any deduction for residence homestead exemptions granted
5 under Section 11.13(n); and

6 (2) a final value for each school district computed
7 after deducting one-half the total dollar amount of residence
8 homestead exemptions granted under Section 11.13(n).

9 Sec. 51.22. ADMINISTRATIVE AND JUDICIAL REVIEW. (a) A
10 school district, or a property owner whose property is included in
11 the annual study and whose tax liability on the property is \$100,000
12 or more, may protest the commissioner's findings by filing a
13 petition with the commissioner. The petition must be filed not
14 later than the 40th day after the date on which the commissioner's
15 findings are certified to the commissioner of education and must
16 include specific pleadings stating the legal and appraisal issues
17 in dispute and the value claimed to be correct.

18 (b) On receipt of a petition, the commissioner shall hold a
19 hearing. The commissioner has the burden to prove the accuracy of
20 the findings. Until a final decision is made by the commissioner,
21 the taxable value of property in the district is determined, with
22 respect to the property subject to the protest, according to the
23 value of the property claimed by the school district or property
24 owner, except that the value to be used while a final decision is
25 pending may not be less than the value of the property as listed on
26 the school district's appraisal roll for the year of the study. If
27 after the hearing the commissioner concludes that the findings

1 should be changed, the commissioner shall order the appropriate
2 changes and shall certify the changes to the commissioner of
3 education. The commissioner shall complete all protest hearings
4 and certify all changes as necessary to comply with Chapter 42,
5 Education Code. A hearing conducted under this subsection is not a
6 contested case for purposes of Section 2001.003, Government Code.

7 (c) The commissioner shall adopt procedural rules governing
8 the conduct of protest hearings. The rules shall provide for each
9 protesting school district and property owner to:

10 (1) be informed of the requirements for submitting a
11 petition initiating a protest;

12 (2) receive adequate notice of a hearing;

13 (3) have an opportunity to present evidence and oral
14 argument; and

15 (4) be given notice by the commissioner of the
16 commissioner's decision on the hearing.

17 (d) A protesting school district may appeal a determination
18 of protest by the commissioner to a district court in Travis County
19 by filing a petition with the court. An appeal must be filed not
20 later than the 30th day after the date the school district receives
21 notice from the commissioner of the determination. Review is
22 conducted by the court sitting without a jury. The court shall
23 remand the determination to the commissioner if on review the court
24 discovers that substantial rights of the school district have been
25 prejudiced and that:

26 (1) the commissioner has acted arbitrarily and without
27 regard to the facts; or

1 (2) the determination of the commissioner is not
2 reasonably supported by substantial evidence introduced before the
3 court.

4 Sec. 51.23. AUDIT. (a) On request of a school district or
5 the commissioner of education, the commissioner may audit the total
6 taxable value of property in a school district and may revise the
7 annual study findings. The request for audit is limited to
8 corrections and changes in a school district's appraisal roll that
9 occurred after preliminary certification of the annual study
10 findings by the commissioner.

11 (b) Except as provided by Subsection (c), the request for
12 audit must be filed with the commissioner not later than the third
13 anniversary of the date of the final certification of the annual
14 study findings.

15 (c) The request for audit may be filed not later than the
16 first anniversary of the date the chief appraiser certifies a
17 change to the appraisal roll if:

18 (1) the chief appraiser corrects the appraisal roll
19 under Section 25.25 or 42.41; and

20 (2) the change results in a material reduction in the
21 total taxable value of property in the school district.

22 (d) The commissioner shall certify the findings of the audit
23 to the commissioner of education.

24 Sec. 51.24. CONFIDENTIALITY. (a) All information the
25 commissioner obtains from a person, other than a governmental
26 entity, under an assurance that the information will be kept
27 confidential, in the course of conducting the annual study is

1 confidential and may not be disclosed, except as provided by
2 Subsection (b).

3 (b) Information made confidential by this section may be
4 disclosed:

5 (1) in a judicial or administrative proceeding
6 pursuant to a lawful subpoena;

7 (2) to the person who gave the information to the
8 commissioner; or

9 (3) for statistical purposes if in a form that does not
10 identify specific property or a specific owner.

11 [Sections 51.25-51.40 reserved for expansion]

12 SUBCHAPTER C. DETERMINATION OF APPRAISAL DISTRICT ACCOUNTABILITY

13 Sec. 51.41. APPRAISAL DISTRICT RATIO STUDY. (a) The
14 commissioner shall conduct a study in each appraisal district for
15 each tax year to determine the degree of uniformity of and the
16 median level of appraisals by the appraisal district within each
17 major category of property for that tax year. In conducting the
18 study, the commissioner shall apply appropriate standard
19 statistical analysis techniques to data collected as part of the
20 annual study of school district property values required by Section
21 51.21.

22 (b) The commissioner shall publish a report of the findings
23 of the study, including the median level of appraisal for each major
24 category of property, the coefficient of dispersion around the
25 median level of appraisal for each major category of property, and
26 any other standard statistical measure that the commissioner
27 considers appropriate. A copy of the published report of the

1 commissioner shall be distributed to each member of the legislature
2 and to each appraisal district.

3 (c) In conducting a study under this section, the
4 commissioner or the commissioner's authorized representatives may
5 enter the premises of a business, trade, or profession and inspect
6 the property to determine the existence and market value of
7 property used for the production of income. An inspection under
8 this subsection must be made during normal business hours or at a
9 time mutually agreeable to the commissioner or the commissioner's
10 authorized representatives and the person in control of the
11 premises.

12 Sec. 51.42. APPRAISAL STANDARDS REVIEW. (a) The
13 commissioner shall review the appraisal standards, procedures, and
14 methodology used by each appraisal district that appraises property
15 for an eligible school district to determine compliance with
16 generally accepted appraisal standards and practices. The
17 commissioner by rule may establish procedures and standards for
18 conducting the review.

19 (b) In conducting the review, the commissioner is entitled
20 to access to all records and reports of the appraisal district and
21 to the assistance of the appraisal district's officers and
22 employees.

23 (c) If the review results in a finding that an appraisal
24 district is not in compliance with generally accepted appraisal
25 standards and practices, the commissioner shall deliver a report
26 that details the commissioner's findings and recommendations for
27 improvement to:

1 (1) the appraisal district's chief appraiser and board
2 of directors; and

3 (2) the superintendent and board of trustees of each
4 school district participating in the appraisal district.

5 (d) If the appraisal district fails to comply with the
6 recommendations in the report and the commissioner finds that the
7 board of directors of the appraisal district failed to take
8 remedial action before the first anniversary of the date the report
9 was issued, the commissioner shall notify the judge of each
10 district court in the county for which the appraisal district is
11 established, who shall appoint a board of conservators consisting
12 of five members to implement the recommendations. The board of
13 conservators shall exercise supervision and control over the
14 operations of the appraisal district until the commissioner
15 determines under Section 51.21 that in the same year the taxable
16 value of each school district for which the appraisal district
17 appraises property is the local value for the district. The
18 appraisal district shall bear the costs related to the supervision
19 and control of the district by the board of conservators.

20 Sec. 51.43. APPRAISAL DISTRICT PERFORMANCE AUDITS. (a)
21 The commissioner shall audit the performance of an appraisal
22 district if one or more of the following conditions exist according
23 to each of two consecutive ratio studies conducted under Section
24 51.41, regardless of whether the prescribed condition or conditions
25 that exist are the same for each of those studies:

26 (1) the overall median level of appraisal for all
27 property in the district for which the commissioner determines a

1 median level of appraisal is less than 0.75;

2 (2) the coefficient of dispersion around the overall
3 median level of appraisal of the properties used to determine the
4 overall median level of appraisal for all property in the district
5 for which the commissioner determines a median level of appraisal
6 is more than 0.30; or

7 (3) the difference between the median levels of
8 appraisal for any two classes of property in the district for which
9 the commissioner determines a median level of appraisal is more
10 than 0.45.

11 (b) At the written request of the governing bodies of a
12 majority of the taxing units participating in an appraisal district
13 or of a majority of the taxing units entitled to vote on the
14 appointment of appraisal district directors, the commissioner
15 shall audit the performance of the appraisal district. The
16 governing bodies may request a general audit of the performance of
17 the appraisal district or may request an audit of only one or more
18 specific duties, practices, functions, departments, or other
19 appraisal district matters.

20 (c) At the written request of the owners of not less than 10
21 percent of the number of accounts or parcels of property in an
22 appraisal district belonging to a single class of property, if the
23 class constitutes at least five percent of the appraised value of
24 taxable property within the district in the preceding year, or at
25 the written request of the owners of property representing not less
26 than 10 percent of the appraised value of all property in the
27 district belonging to a single class of property, if the class

1 constitutes at least five percent of the appraised value of taxable
2 property in the district in the preceding year, the commissioner
3 shall audit the performance of the appraisal district. The
4 property owners may request a general audit of the performance of
5 the appraisal district or may request an audit of only one or more
6 specific duties, practices, functions, departments, or other
7 appraisal district matters. A property owner may authorize an
8 agent to sign a request for an audit under this subsection on the
9 property owner's behalf. The commissioner may require a person
10 signing a request for an audit to provide proof that the person is
11 entitled to sign the request as a property owner or as the agent of a
12 property owner.

13 (d) A request for a performance audit of an appraisal
14 district may not be made under Subsection (b) or (c) if according to
15 each of the two most recently published ratio studies conducted by
16 the commissioner under Section 51.41:

17 (1) the overall median level of appraisal for all
18 property in the district for which the commissioner determines a
19 median level of appraisal is more than 0.90 and less than 1.10;

20 (2) the coefficient of dispersion around the overall
21 median level of appraisal of the properties used to determine the
22 overall median level of appraisal for all property in the district
23 for which the commissioner determines a median level of appraisal
24 is less than 0.15; and

25 (3) the difference between the highest and lowest
26 median levels of appraisal in the district for the classes of
27 property for which the commissioner determines a median level of

1 appraisal is less than 0.20.

2 (e) A request for a performance audit of an appraisal
3 district may not be made under Subsection (b) or (c):

4 (1) during the two years following the publication of
5 the second of two consecutive ratio studies according to which the
6 commissioner is required to conduct an audit of the district under
7 Subsection (a); or

8 (2) during the year immediately following the date the
9 results of an audit of the district conducted by the commissioner
10 under Subsection (a) are reported to the chief appraiser of the
11 district.

12 (f) For purposes of this section, "class of property" means
13 a major kind of property for which the commissioner determines a
14 median level of appraisal under Section 51.41.

15 (g) In addition to the performance audits required by
16 Subsections (a), (b), and (c) and the appraisal standards review
17 required by Section 51.42, the commissioner may audit an appraisal
18 district to analyze the effectiveness and efficiency of the
19 policies, management, and operations of the appraisal district.
20 The results of the audit shall be delivered in a report that details
21 the commissioner's findings and recommendations for improvement to
22 the appraisal district's chief appraiser and board of directors and
23 the governing body of each taxing unit participating in the
24 appraisal district. The commissioner may require reimbursement by
25 the appraisal district for some or all of the costs of the audit,
26 not to exceed the actual costs associated with conducting the
27 audit.

1 Sec. 51.44. ADMINISTRATION OF PERFORMANCE AUDITS. (a) The
2 commissioner shall complete an audit required by Section 51.43(a)
3 not later than the second anniversary of the date of the publication
4 of the second of the two ratio studies the results of which required
5 the audit to be conducted. The commissioner shall complete an audit
6 requested under Section 51.43(b) or (c) as soon as practicable
7 after the request is made. The commissioner shall complete an audit
8 conducted under Section 51.43(g) not later than the first
9 anniversary of the date that it is initiated by the commissioner.

10 (b) The commissioner may not audit the financial condition
11 of an appraisal district or a district's tax collections. If the
12 request is for an audit limited to one or more particular matters,
13 the commissioner's audit must be limited to those matters.

14 (c) The commissioner must approve the specific plan for the
15 performance audit of an appraisal district. Before approving an
16 audit plan, the commissioner must provide any interested person an
17 opportunity to appear before the commissioner and to comment on the
18 proposed plan. Not later than the 20th day before the date the
19 commissioner considers the plan for an appraisal district
20 performance audit, the commissioner must notify the presiding
21 officer of the appraisal district's board of directors that the
22 commissioner intends to consider the plan. The notice must include
23 the time, date, and location of the meeting to consider the plan.
24 Immediately after receiving the notice, the presiding officer shall
25 deliver a copy of the notice to the other members of the appraisal
26 district's board of directors.

27 (d) In conducting a general audit, the commissioner shall

1 consider and report on:

2 (1) the extent to which the district complies with
3 applicable law and generally accepted standards of appraisal or
4 other relevant practice;

5 (2) the uniformity and level of appraisal of major
6 kinds of property and the cause of any significant deviation from
7 ideal uniformity and equality of appraisal of major kinds of
8 property;

9 (3) duplication of effort and efficiency of operation;

10 (4) the general efficiency, quality of service, and
11 qualification of appraisal district personnel; and

12 (5) except as otherwise provided by Subsection (b),
13 any other matter included in the request for the audit.

14 (e) In conducting the audit, the commissioner is entitled to
15 have access at all times to the books, appraisal and other records,
16 reports, vouchers, and other information, confidential or not, of
17 the appraisal district. The commissioner may require the
18 assistance of appraisal district officers and employees that does
19 not interfere significantly with the ordinary functions of the
20 appraisal district. The commissioner may rely on any previous
21 analysis the commissioner has made relating to the appraisal
22 district if the previous analysis is useful or relevant to the
23 audit.

24 (f) The commissioner shall report the results of the audit
25 in writing to the governing body of each taxing unit that
26 participates in the appraisal district, to the chief appraiser, and
27 to the presiding officer of the appraisal district's board of

1 directors. If the audit was requested under Section 51.43(c), the
2 commissioner shall also provide a report to a representative of the
3 property owners who requested the audit.

4 (g) If the audit is required or requested under Section
5 51.43(a) or (b), the appraisal district shall reimburse the
6 commissioner for the costs incurred in conducting the audit and
7 making the commissioner's report of the audit. The costs shall be
8 allocated among the taxing units participating in the district in
9 the same manner as an operating expense of the district. If the
10 audit is requested under Section 51.43(c), the property owners who
11 requested the audit shall reimburse the commissioner for the costs
12 incurred in conducting the audit and making the report of the audit
13 and shall allocate the costs among those property owners in
14 proportion to the appraised value of each property owner's property
15 in the district or on any other basis agreed to by the property
16 owners. If the audit confirms that the median level of appraisal
17 for a class of property exceeds 1.10 or that the median level of
18 appraisal for a class of property varies at least 10 percent from
19 the overall median level of appraisal for all property in the
20 district for which the commissioner determines a median level of
21 appraisal, not later than the 90th day after the date a request is
22 made by the property owners for reimbursement the appraisal
23 district shall reimburse the property owners who requested the
24 audit for the amount paid to the commissioner for the costs incurred
25 in conducting the audit and making the report. Before conducting an
26 audit under Section 51.43(c), the commissioner may require the
27 requesting property owners to provide the commissioner with a bond,

1 deposit, or other financial security sufficient to cover the
2 projected costs of conducting the audit and making the report. For
3 purposes of this subsection, "costs" include expenses related to
4 salaries, professional fees, travel, reproduction or other
5 printing services, and consumable supplies that are directly
6 attributable to conducting the audit.

7 (h) At any time after the request for an audit is made, the
8 commissioner may discontinue the audit in whole or in part if
9 requested to do so by:

10 (1) the governing bodies of a majority of the taxing
11 units participating in the district, if the audit was requested by a
12 majority of those units;

13 (2) the governing bodies of a majority of the taxing
14 units entitled to vote on the appointment of appraisal district
15 directors, if the audit was requested by a majority of those units;
16 or

17 (3) if the audit was requested under Section 51.43(c),
18 by the property owners who requested the audit.

19 (i) The commissioner by rule may adopt procedures, audit
20 standards, and forms for the administration of performance audits.

21 Sec. 51.45. ADMINISTRATIVE PROVISIONS. (a) The
22 commissioner may inspect the records or other materials of an
23 appraisal district or taxing unit, including relevant records and
24 materials in the possession or control of a consultant, advisor, or
25 expert hired by the appraisal district or taxing unit, for the
26 purpose of conducting an annual study, ratio study, appraisal
27 standards review, or performance audit required or authorized by

1 this chapter.

2 (b) On request of the commissioner, the appraisal district
3 or administrative officer of the taxing unit shall produce the
4 records or other materials in the form and manner prescribed by the
5 commissioner.

6 (c) The commissioner shall prescribe a uniform record
7 system to be used by all appraisal districts for the purpose of
8 submitting data to be used in the annual study and ratio study. The
9 record system shall include a compilation of information concerning
10 sales of real property within the boundaries of the appraisal
11 district. The sales information maintained in the uniform record
12 system shall be submitted annually in a form prescribed by the
13 commissioner.

14 SECTION 2. If the constitutional amendment proposed by
15 H.J.R. No. 21, Acts of the 78th Legislature, Regular Session, 2003,
16 is approved by the voters, Section 51.21(d), Tax Code, as added by
17 this Act, is amended effective January 1, 2004, to read as follows:

18 (d) For purposes of this section, "taxable value" means the
19 market value of all taxable property less:

20 (1) the total dollar amount of any residence homestead
21 exemptions lawfully granted under Section 11.13(b) or (c) in the
22 year that is the subject of the study for each school district;

23 (2) one-half of the total dollar amount of any
24 residence homestead exemptions granted under Section 11.13(n) in
25 the year that is the subject of the study for each school district;

26 (3) the total dollar amount of any exemptions granted
27 before May 31, 1993, within a reinvestment zone under agreements

1 authorized by Chapter 312;

2 (4) subject to Subsection (e), the total dollar amount
3 of any captured appraised value of property that:

4 (A) is within a reinvestment zone created on or
5 before May 31, 1999, or is proposed to be included within the
6 boundaries of a reinvestment zone as the boundaries of the zone and
7 the proposed portion of tax increment paid into the tax increment
8 fund by a school district are described in a written notification
9 provided by the municipality or the board of directors of the zone
10 to the governing bodies of the other taxing units in the manner
11 provided by Section 311.003(e) before May 31, 1999, and within the
12 boundaries of the zone as those boundaries existed on September 1,
13 1999, including subsequent improvements to the property regardless
14 of when made;

15 (B) generates taxes paid into a tax increment
16 fund created under Chapter 311 under a reinvestment zone financing
17 plan approved under Section 311.011(d) on or before September 1,
18 1999; and

19 (C) is eligible for tax increment financing under
20 Chapter 311;

21 (5) the total dollar amount of any exemptions granted
22 under Section 11.251;

23 (6) the difference between the commissioner's
24 determination of the market value and the productivity value of
25 land that qualifies for appraisal on the basis of its productive
26 capacity under Chapter 23;

27 (7) the portion of the appraised value of residence

1 homesteads of individuals who receive a tax limitation under
2 Section 11.26 [~~the elderly~~] on which school district taxes are not
3 imposed in the year that is the subject of the study, calculated as
4 if the residence homesteads were appraised at the full value
5 required by law;

6 (8) a portion of the market value of property not
7 otherwise fully taxable by the district at market value because of:

8 (A) action required by statute or the
9 constitution of this state that, if the tax rate adopted by the
10 district is applied to it, produces an amount equal to the
11 difference between the tax that the district would have imposed on
12 the property if the property were fully taxable at market value and
13 the tax that the district is actually authorized to impose on the
14 property, if this subsection does not otherwise require that
15 portion to be deducted; or

16 (B) action taken by the district under Subchapter
17 B or C, Chapter 313;

18 (9) the market value of all tangible personal
19 property, other than manufactured homes, owned by a family or
20 individual and not held or used for the production of income;

21 (10) the appraised value of property for which the
22 collection of delinquent taxes is deferred under Section 33.06;

23 (11) the portion of the appraised value of property
24 for which the collection of delinquent taxes is deferred under
25 Section 33.065; and

26 (12) the amount by which the market value of a
27 residence homestead to which Section 23.23 applies exceeds the

1 appraised value of that property as calculated under that section.

2 SECTION 3. Section 13.051(c), Education Code, is amended to
3 read as follows:

4 (c) Territory that does not have residents may be detached
5 from a school district and annexed to another school district if:

6 (1) the total taxable value of the property in the
7 territory according to the most recent certified appraisal roll for
8 each school district is not greater than:

9 (A) five percent of the district's taxable value
10 of all property in that district as determined under Subchapter B,
11 Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code; and

12 (B) \$5,000 property value per student in average
13 daily attendance as determined under Section 42.005; and

14 (2) the school district from which the property will
15 be detached does not own any real property located in the territory.

16 SECTION 4. Section 13.231(b), Education Code, is amended to
17 read as follows:

18 (b) In this section, "taxable value" has the meaning
19 assigned by Section 51.21, Tax [~~403.302, Government~~] Code.

20 SECTION 5. Section 41.001(2), Education Code, is amended to
21 read as follows:

22 (2) "Wealth per student" means the taxable value of
23 property, as determined under Subchapter B, Chapter 51, Tax
24 [~~Subchapter M, Chapter 403, Government~~] Code, divided by the number
25 of students in weighted average daily attendance.

26 SECTION 6. Section 41.002(f), Education Code, is amended to
27 read as follows:

1 (f) For purposes of Subsection (e), a school district's
2 effective tax rate is determined by dividing the total amount of
3 taxes collected by the district for the applicable school year less
4 any amounts paid into a tax increment fund under Chapter 311, Tax
5 Code, by the quotient of the district's taxable value of property,
6 as determined under Subchapter B, Chapter 51, Tax [~~Subchapter M,
7 Chapter 403, Government~~] Code, divided by 100.

8 SECTION 7. Section 41.005, Education Code, is amended to
9 read as follows:

10 Sec. 41.005. [~~COMPTROLLER AND APPRAISAL DISTRICT~~]
11 COOPERATION. The chief appraiser of each appraisal district and
12 the commissioner of the State Board on Property Valuation
13 [~~comptroller~~] shall cooperate with the commissioner and school
14 districts in implementing this chapter.

15 SECTION 8. Section 41.202(a), Education Code, is amended to
16 read as follows:

17 (a) For purposes of this subchapter, the taxable value of an
18 individual parcel or other item of property and the total taxable
19 value of property in a school district resulting from the
20 detachment of property from or annexation of property to that
21 district is determined by applying the appraisal ratio for the
22 appropriate category of property determined under Subchapter B,
23 Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, for
24 the preceding tax year to the taxable value of the detached or
25 annexed property determined under Title 1, Tax Code, for the
26 preceding tax year.

27 SECTION 9. Section 42.106, Education Code, as amended by

1 Section 2, H.B. No. 1619, Acts of the 78th Legislature, Regular
2 Session, 2003, is amended to read as follows:

3 Sec. 42.106. ADJUSTED PROPERTY VALUE FOR DISTRICTS NOT
4 OFFERING ALL GRADE LEVELS. For purposes of this chapter, the
5 taxable value of property of a school district that contracts for
6 students residing in the district to be educated in another
7 district under Section 25.039(a) is adjusted by applying the
8 formula:

9
$$\text{ADPV} = \text{DPV} - (\text{TN}/.015)$$

10 where:

11 "ADPV" is the district's adjusted taxable value of property;

12 "DPV" is the taxable value of property in the district for the
13 preceding tax year determined under Subchapter B, Chapter 51, Tax
14 [~~Subchapter M, Chapter 403, Government~~] Code; and

15 "TN" is the total amount of tuition required to be paid by the
16 district under Section 25.039 for the school year for which the
17 adjustment is made, not to exceed the amount specified by
18 commissioner rule under Section 25.039(b).

19 SECTION 10. Section 42.2511, Education Code, is amended to
20 read as follows:

21 Sec. 42.2511. ADDITIONAL STATE AID FOR HOMESTEAD EXEMPTION.

22 (a) Notwithstanding any other provision of this chapter, a school
23 district is entitled to additional state aid to the extent that
24 state aid under this chapter based on the determination of the
25 school district's taxable value of property as provided under
26 Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403,~~
27 ~~Government~~] Code, does not fully compensate the district for ad

1 valorem tax revenue lost due to the increase in the homestead
2 exemption under Section 1-b(c), Article VIII, Texas Constitution,
3 as proposed by H.J.R. No. 4, 75th Legislature, Regular Session,
4 1997, and the additional limitation on tax increases under Section
5 1-b(d), Article VIII, Texas Constitution, as proposed by H.J.R. No.
6 4, 75th Legislature, Regular Session, 1997.

7 (b) The commissioner, using information provided by the
8 commissioner of the State Board on Property Valuation
9 ~~[comptroller]~~, shall compute the amount of additional state aid to
10 which a district is entitled under this section. A determination by
11 the commissioner under this section is final and may not be
12 appealed.

13 SECTION 11. Sections 42.252(a) and (c), Education Code, are
14 amended to read as follows:

15 (a) Each school district's share of the Foundation School
16 Program is determined by the following formula:

$$17 \quad \text{LFA} = \text{TR} \times \text{DPV}$$

18 where:

19 "LFA" is the school district's local share;

20 "TR" is a tax rate which for each hundred dollars of valuation
21 is an effective tax rate of \$0.86; and

22 "DPV" is the taxable value of property in the school district
23 for the preceding tax year determined under Subchapter B, Chapter
24 51, Tax ~~[Subchapter M, Chapter 403, Government]~~ Code.

25 (c) Appeals of district values shall be held pursuant to
26 Section 51.22, Tax ~~[403.303, Government]~~ Code.

27 SECTION 12. Sections 42.2522(a) and (d), Education Code,

1 are amended to read as follows:

2 (a) In any school year, the commissioner may not provide
3 funding under this chapter based on a school district's taxable
4 value of property computed in accordance with Section 51.21(d)(2),
5 Tax [~~403.302(d)(2), Government~~] Code, unless:

6 (1) funds are specifically appropriated for purposes
7 of this section; or

8 (2) the commissioner determines that the total amount
9 of state funds appropriated for purposes of the Foundation School
10 Program for the school year exceeds the amount of state funds
11 distributed to school districts in accordance with Section 42.253
12 based on the taxable values of property in school districts
13 computed in accordance with Section 51.21(d), Tax [~~403.302(d),~~
14 ~~Government~~] Code, without any deduction for residence homestead
15 exemptions granted under Section 11.13(n), Tax Code.

16 (d) If the commissioner determines that the amount of funds
17 available under Subsection (a)(1) or (2) does not at least equal the
18 total amount of state funding to which districts would be entitled
19 if state funding under this chapter were based on the taxable values
20 of property in school districts computed in accordance with Section
21 51.21(d)(2), Tax [~~403.302(d)(2), Government~~] Code, the
22 commissioner may, to the extent necessary, provide state funding
23 based on a uniform lesser fraction of the deduction under Section
24 51.21(d)(2), Tax [~~403.302(d)(2), Government~~] Code.

25 SECTION 13. Section 42.253(h), Education Code, is amended
26 to read as follows:

27 (h) If the legislature fails during the regular session to

1 enact the transfer and appropriation proposed under Subsection (f)
2 and there are not funds available under Subsection (j), the
3 commissioner shall reduce the total amount of state funds allocated
4 to each district by an amount determined by a method under which the
5 application of the same number of cents of increase in tax rate in
6 all districts applied to the taxable value of property of each
7 district, as determined under Subchapter B, Chapter 51, Tax
8 [~~Subchapter M, Chapter 403, Government~~] Code, results in a total
9 levy equal to the total reduction. The following fiscal year, a
10 district's entitlement under this section is increased by an amount
11 equal to the reduction made under this subsection.

12 SECTION 14. Section 42.254, Education Code, is amended to
13 read as follows:

14 Sec. 42.254. ESTIMATES REQUIRED. (a) Not later than
15 October 1 of each even-numbered year:

16 (1) the agency shall submit to the legislature an
17 estimate of the tax rate and student enrollment of each school
18 district for the following biennium; and

19 (2) the commissioner of the State Board on Property
20 Valuation [~~comptroller~~] shall submit to the legislature an estimate
21 of the total taxable value of all property in the state as
22 determined under Subchapter B, Chapter 51, Tax [~~Subchapter M,~~
23 ~~Chapter 403, Government~~] Code, for the following biennium.

24 (b) The agency and the commissioner of the State Board on
25 Property Valuation [~~comptroller~~] shall update the information
26 provided to the legislature under Subsection (a) not later than
27 March 1 of each odd-numbered year.

1 SECTION 15. Section 42.257(a), Education Code, is amended
2 to read as follows:

3 (a) If the final determination of an appeal under Chapter
4 42, Tax Code, results in a reduction in the taxable value of
5 property that exceeds five percent of the total taxable value of
6 property in the school district for the same tax year determined
7 under Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403,~~
8 ~~Government~~] Code, the commissioner shall request the commissioner
9 of the State Board on Property Valuation [~~comptroller~~] to adjust
10 the [~~its~~] taxable property value findings for that year consistent
11 with the final determination of the appraisal appeal.

12 SECTION 16. Section 42.302(a), Education Code, is amended
13 to read as follows:

14 (a) Each school district is guaranteed a specified amount
15 per weighted student in state and local funds for each cent of tax
16 effort over that required for the district's local fund assignment
17 up to the maximum level specified in this subchapter. The amount of
18 state support, subject only to the maximum amount under Section
19 42.303, is determined by the formula:

$$20 \text{ GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

21 where:

22 "GYA" is the guaranteed yield amount of state funds to be
23 allocated to the district;

24 "GL" is the dollar amount guaranteed level of state and local
25 funds per weighted student per cent of tax effort, which is \$27.14
26 or a greater amount for any year provided by appropriation;

27 "WADA" is the number of students in weighted average daily

1 attendance, which is calculated by dividing the sum of the school
2 district's allotments under Subchapters B and C, less any allotment
3 to the district for transportation, any allotment under Section
4 42.158, and 50 percent of the adjustment under Section 42.102, by
5 the basic allotment for the applicable year;

6 "DTR" is the district enrichment tax rate of the school
7 district, which is determined by subtracting the amounts specified
8 by Subsection (b) from the total amount of maintenance and
9 operations taxes collected by the school district for the
10 applicable school year and dividing the difference by the quotient
11 of the district's taxable value of property as determined under
12 Subchapter B, Chapter 51, Tax [~~Subchapter M, Chapter 403,~~
13 ~~Government~~] Code, or, if applicable, under Section 42.2521, divided
14 by 100; and

15 "LR" is the local revenue, which is determined by multiplying
16 "DTR" by the quotient of the district's taxable value of property as
17 determined under Subchapter B, Chapter 51, Tax [~~Subchapter M,~~
18 ~~Chapter 403, Government~~] Code, or, if applicable, under Section
19 42.2521, divided by 100.

20 SECTION 17. Section 46.003(a), Education Code, is amended
21 to read as follows:

22 (a) For each year, except as provided by Sections 46.005 and
23 46.006, a school district is guaranteed a specified amount per
24 student in state and local funds for each cent of tax effort, up to
25 the maximum rate under Subsection (b), to pay the principal of and
26 interest on eligible bonds issued to construct, acquire, renovate,
27 or improve an instructional facility. The amount of state support

1 is determined by the formula:

2
$$\text{FYA} = (\text{FYL} \times \text{ADA} \times \text{BTR} \times 100) - (\text{BTR} \times (\text{DPV}/100))$$

3 where:

4 "FYA" is the guaranteed facilities yield amount of state
5 funds allocated to the district for the year;

6 "FYL" is the dollar amount guaranteed level of state and
7 local funds per student per cent of tax effort, which is \$35 or a
8 greater amount for any year provided by appropriation;

9 "ADA" is the greater of the number of students in average
10 daily attendance, as determined under Section 42.005, in the
11 district or 400;

12 "BTR" is the district's bond tax rate for the current year,
13 which is determined by dividing the amount budgeted by the district
14 for payment of eligible bonds by the quotient of the district's
15 taxable value of property as determined under Subchapter B, Chapter
16 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, or, if
17 applicable, Section 42.2521, divided by 100; and

18 "DPV" is the district's taxable value of property as
19 determined under Subchapter B, Chapter 51, Tax [~~Subchapter M,~~
20 ~~Chapter 403, Government~~] Code, or, if applicable, Section 42.2521.

21 SECTION 18. Section 46.006(g), Education Code, is amended
22 to read as follows:

23 (g) In this section, "wealth per student" means a school
24 district's taxable value of property as determined under Subchapter
25 B, Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code,
26 or, if applicable, Section 42.2521, divided by the district's
27 average daily attendance as determined under Section 42.005.

1 SECTION 19. Section 46.032(a), Education Code, is amended
2 to read as follows:

3 (a) Each school district is guaranteed a specified amount
4 per student in state and local funds for each cent of tax effort to
5 pay the principal of and interest on eligible bonds. The amount of
6 state support, subject only to the maximum amount under Section
7 46.034, is determined by the formula:

$$8 \quad \text{EDA} = (\text{EDGL} \times \text{ADA} \times \text{EDTR} \times 100) - (\text{EDTR} \times (\text{DPV}/100))$$

9 where:

10 "EDA" is the amount of state funds to be allocated to the
11 district for assistance with existing debt;

12 "EDGL" is the dollar amount guaranteed level of state and
13 local funds per student per cent of tax effort, which is \$35 or a
14 greater amount for any year provided by appropriation;

15 "ADA" is the number of students in average daily attendance,
16 as determined under Section 42.005, in the district;

17 "EDTR" is the existing debt tax rate of the district, which is
18 determined by dividing the amount budgeted by the district for
19 payment of eligible bonds by the quotient of the district's taxable
20 value of property as determined under Subchapter B, Chapter 51, Tax
21 [~~Subchapter M, Chapter 403, Government~~] Code, or, if applicable,
22 under Section 42.2521, divided by 100; and

23 "DPV" is the district's taxable value of property as
24 determined under Subchapter B, Chapter 51, Tax [~~Subchapter M,~~
25 ~~Chapter 403, Government~~] Code, or, if applicable, under Section
26 42.2521.

27 SECTION 20. Sections 825.405(h) and (i), Government Code,

1 are amended to read as follows:

2 (h) This section does not apply to state contributions for
3 members employed by a school district in a school year if the
4 district's effective tax rate for maintenance and operation
5 revenues for the tax year that ended in the preceding school year
6 equals or exceeds 125 percent of the statewide average effective
7 tax rate for school district maintenance and operation revenues for
8 that tax year. For a tax year, the statewide average effective tax
9 rate for school district maintenance and operation revenues is the
10 tax rate that, if applied to the statewide total appraised value of
11 taxable property for every school district in the state determined
12 under Section 51.21, Tax Code [~~403.302~~], would produce an amount
13 equal to the statewide total amount of maintenance and operation
14 taxes imposed in the tax year for every school district in the
15 state.

16 (i) Not later than the seventh day after the final date the
17 commissioner of the State Board on Property Valuation [~~comptroller~~]
18 certifies to the commissioner of education changes to the property
19 value study conducted under Section 51.21, Tax Code [~~Subchapter M,~~
20 ~~Chapter 403~~], the commissioner of the State Board on Property
21 Valuation [~~comptroller~~] shall certify to the Teacher Retirement
22 System of Texas:

23 (1) the effective tax rate for school district
24 maintenance and operation revenues for each school district in the
25 state for the immediately preceding tax year; and

26 (2) the statewide average effective tax rate for
27 school district maintenance and operation revenues for the

1 immediately preceding tax year.

2 SECTION 21. Section 61.040, Health and Safety Code, is
3 amended to read as follows:

4 Sec. 61.040. TAX INFORMATION. (a) The commissioner of the
5 State Board on Property Valuation [~~comptroller~~] shall give the
6 department information relating to[+]

7 [~~(1)~~] the taxable value of property taxable by each
8 county and each county's applicable general revenue tax levy for
9 the relevant period.

10 (b) The comptroller shall give the department information
11 relating to[+and

12 [~~(2)~~] the amount of sales and use tax revenue received
13 by each county for the relevant period.

14 SECTION 22. Section 1151.1015, Occupations Code, as added
15 by Section 8, S.B. No. 276, Acts of the 78th Legislature, Regular
16 Session, 2003, is amended to read as follows:

17 Sec. 1151.1015. INTERAGENCY CONTRACT WITH STATE BOARD ON
18 PROPERTY VALUATION [~~COMPTROLLER~~]. (a) The board and the State
19 Board on Property Valuation [~~comptroller~~] shall provide under an
20 interagency contract for the State Board on Property Valuation
21 [~~comptroller~~] to provide administrative support to the board. The
22 contract must include terms for fees to be paid by the board to the
23 State Board on Property Valuation [~~comptroller~~] for services
24 provided under the contract.

25 (b) Under the interagency contract, the State Board on
26 Property Valuation [~~comptroller~~] shall provide to the board:

27 (1) information on the educational needs of and

1 opportunities for tax professionals;

2 (2) assistance with outreach efforts to inform
3 taxpayers of their rights and remedies;

4 (3) information on appraisal district enforcement
5 efforts; and

6 (4) assistance with administrative services,
7 including:

8 (A) payroll services;

9 (B) budgeting services;

10 (C) information technology support;

11 (D) human resources services; and

12 (E) other administrative services necessary for
13 the board to perform its powers and duties under this chapter.

14 SECTION 23. Section 1152.204(c), Occupations Code, as
15 amended by Section 12.012, S.B. No. 279, Acts of the 78th
16 Legislature, Regular Session, 2003, is amended to read as follows:

17 (c) The commission may recognize an educational program or
18 course:

19 (1) related to property tax consulting services; and

20 (2) offered or sponsored by a public provider or a
21 recognized private provider, including:

22 (A) the commissioner of the State Board on
23 Property Valuation [~~comptroller~~];

24 (B) the State Bar of Texas;

25 (C) the Texas Real Estate Commission;

26 (D) an institution of higher education that meets
27 program and accreditation standards comparable to those for public

1 institutions of higher education as determined by the Texas Higher
2 Education Coordinating Board; or

3 (E) a nonprofit and voluntary trade association,
4 institute, or organization:

5 (i) whose membership consists primarily of
6 persons who represent property owners in property tax or
7 transactional tax matters;

8 (ii) that has written experience and
9 examination requirements for membership or for granting
10 professional designation to its members; and

11 (iii) that subscribes to a code of
12 professional conduct or ethics.

13 SECTION 24. Section 1.04, Tax Code, is amended by amending
14 Subdivision (19) and adding Subdivision (20) to read as follows:

15 (19) "Commissioner" [~~"Comptroller"~~] means the
16 commissioner of the State Board on Property Valuation [~~Comptroller~~
17 ~~of Public Accounts of the State of Texas~~].

18 (20) "Board" means the State Board on Property
19 Valuation.

20 SECTION 25. Effective January 1, 2005, Sections 1.085(e),
21 (f), and (g), Tax Code, as added by Section 1, S.B. No. 340, Acts of
22 the 78th Legislature, Regular Session, 2003, are amended to read as
23 follows:

24 (e) The commissioner [~~comptroller~~] by rule:

25 (1) shall prescribe acceptable media, formats,
26 content, and methods for the electronic transmission of notices
27 required by Section 25.19; and

1 (2) may prescribe acceptable media, formats, content,
2 and methods for the electronic transmission of other notices,
3 renditions, and applications.

4 (f) In an agreement entered into under this section, a chief
5 appraiser may select the medium, format, content, and method to be
6 used by the appraisal district from among those prescribed by the
7 commissioner [~~comptroller~~] under Subsection (e).

8 (g) Notwithstanding Subsection (a), if a property owner
9 whose property is included in 25 or more accounts in the appraisal
10 records of the appraisal district requests the chief appraiser to
11 enter into an agreement for the delivery of the notice required by
12 Section 25.19 in an electronic format, the chief appraiser must
13 enter into an agreement under this section for that purpose and
14 shall deliver the notice in accordance with an electronic medium,
15 format, content, and method prescribed by the commissioner
16 [~~comptroller~~] under Subsection (e).

17 SECTION 26. Section 1.111(h), Tax Code, is amended to read
18 as follows:

19 (h) The commissioner [~~comptroller~~] shall prescribe forms
20 and adopt rules to facilitate compliance with this section. The
21 commissioner [~~comptroller~~] shall include on any form used for
22 designation of an agent for a single-family residential property in
23 which the property owner resides the following statement in
24 boldfaced type:

25 "In some cases, you may want to contact your appraisal
26 district or other local taxing units for free information and/or
27 forms concerning your case before designating an agent."

1 SECTION 27. Chapter 5, Tax Code, is amended by adding
2 Sections 5.01 and 5.02 to read as follows:

3 Sec. 5.01. STATE BOARD ON PROPERTY VALUATION. (a) The
4 State Board on Property Valuation is established. The board
5 consists of five members appointed by the governor.

6 (b) Members of the board hold office for terms of six years,
7 with the terms of one or two members expiring March 1 of each
8 odd-numbered year.

9 (c) To be eligible to serve on the board, a person must:

10 (1) have been a resident of this state for at least 10
11 years; and

12 (2) possess knowledge, skill, and experience in
13 property tax administration, property appraisal, or school
14 finance.

15 (d) A person is not eligible to serve as a member of the
16 board if the person or the person's spouse:

17 (1) is registered with or certified by the Board of Tax
18 Professional Examiners;

19 (2) is employed by or participates in the management
20 of a school district, an appraisal district, the office of an
21 assessor or collector, or a business entity or other organization
22 that is substantially and directly affected by the activities of
23 the board or that does substantial business with the board; or

24 (3) uses or receives a substantial amount of tangible
25 goods, services, or funds from the board, other than compensation
26 or reimbursement authorized by law for board membership,
27 attendance, or expenses.

1 (e) Appointments to the board shall be made without regard
2 to the race, color, disability, sex, religion, age, or national
3 origin of the appointees.

4 (f) The governor shall designate one of the members of the
5 board to serve as presiding officer of the board. The presiding
6 officer serves in that capacity for a term of two years expiring on
7 March 1 of an odd-numbered year.

8 (g) The board shall maintain its principal office in Austin.

9 (h) The board shall meet at least once in each calendar
10 quarter and shall meet at other times at the call of the presiding
11 officer or as provided by the rules of the board.

12 (i) The board is subject to the open meetings law, Chapter
13 551, Government Code, and the administrative procedure law, Chapter
14 2001, Government Code.

15 (j) A member of the board may not receive compensation for
16 service on the board but is entitled to reimbursement for actual and
17 necessary expenses incurred in performing functions as a board
18 member, subject to any applicable limitation on reimbursement
19 provided by the General Appropriations Act.

20 (k) It is a ground for removal from the board if a member:

21 (1) violates a prohibition established by Subsection
22 (d);

23 (2) cannot because of illness or disability discharge
24 the member's duties for a substantial part of the term for which the
25 member is appointed; or

26 (3) is absent from more than half of the regularly
27 scheduled board meetings that the member is eligible to attend

1 during a calendar year unless the absence is excused by majority
2 vote of the board.

3 Sec. 5.02. BOARD PERSONNEL AND OPERATIONS. (a) The board
4 shall employ the commissioner, who shall administer board policies
5 and perform all duties as provided by law.

6 (b) The commissioner shall employ and supervise
7 professional, clerical, and other personnel necessary to perform
8 all duties as required by law, board policy, and direction of the
9 board or commissioner.

10 (c) The commissioner shall provide to board staff, as often
11 as necessary, information regarding their qualifications for
12 employment under this chapter and their responsibilities under
13 applicable laws relating to standards of conduct for state
14 employees.

15 (d) The comptroller, by interagency contract, may provide
16 support to the board for payroll, human resources, computer
17 maintenance and technical assistance, printing and distribution of
18 publications, and similar administrative services.

19 SECTION 28. Section 5.03, Tax Code, is amended to read as
20 follows:

21 Sec. 5.03. POWERS AND DUTIES GENERALLY. (a) The board
22 [~~comptroller~~] shall adopt rules establishing minimum standards for
23 the administration and operation of an appraisal district. The
24 minimum standards may vary according to the number of parcels and
25 the kinds of property the district is responsible for appraising.

26 (b) The board [~~comptroller~~] may require from each district
27 engaged in appraising property for taxation an annual report on a

1 form prescribed by the commissioner [~~comptroller~~] on the
2 administration and operation of the appraisal office.

3 (c) The board [~~comptroller~~] may contract with consultants
4 to assist in performance of the duties imposed by this chapter.

5 (d) The board is responsible for ensuring that the
6 commissioner performs the duties required by law of the
7 commissioner.

8 (e) The board has the powers necessary to carry out its
9 powers and duties under this title.

10 (f) The board may:

11 (1) adopt rules necessary to carry out the board's
12 powers and duties under this title;

13 (2) sue and be sued;

14 (3) enter into contracts and other necessary
15 instruments;

16 (4) impose administrative fees and charges for the
17 costs of publications;

18 (5) purchase liability insurance covering the board
19 and employees and agents of the board; and

20 (6) establish other policies, procedures, and
21 eligibility criteria necessary to carry out the board's powers and
22 duties under this title.

23 SECTION 29. Section 5.04(a), Tax Code, is amended to read as
24 follows:

25 (a) The commissioner [~~comptroller~~] shall consult and
26 cooperate with the Board of Tax Professional Examiners or any
27 successor agency responsible for certifying tax professionals in

1 this state in setting standards for and approving curricula and
2 materials for use in training and educating appraisers and
3 assessor-collectors, and the commissioner [~~comptroller~~] may
4 cooperate with the board or with other public agencies, educational
5 institutions, or private organizations in sponsoring courses of
6 instruction and training programs.

7 SECTION 30. Sections 5.041(a), (c), (d), and (f), Tax Code,
8 are amended to read as follows:

9 (a) The board [~~comptroller~~] shall:

10 (1) approve curricula and provide materials for use in
11 training and educating members of an appraisal review board; and

12 (2) supervise a course for training and education of
13 appraisal review board members and issue certificates indicating
14 course completion.

15 (c) The board [~~comptroller~~] may contract with service
16 providers to assist with the duties imposed under Subsection (a),
17 but the course required may not be provided by an appraisal district
18 or a taxing unit. The board [~~comptroller~~] may assess a fee to
19 recover a portion of the costs incurred for the training course, but
20 the fee may not exceed \$50 per person trained.

21 (d) The course material for the course required under
22 Subsection (a) is the [~~comptroller's~~] Appraisal Review Board Manual
23 prepared by the commissioner in use on the effective date of this
24 section. The manual shall be updated regularly. It may be revised
25 on request, in writing, to the board [~~comptroller~~]. The revision
26 language must be approved on the unanimous agreement of a committee
27 selected by the board [~~comptroller~~] and representing, equally,

1 taxpayers and chief appraisers. The person requesting the revision
2 shall pay the costs of mediation if the board [~~comptroller~~]
3 determines that mediation is required.

4 (f) The commissioner [~~comptroller~~] may not advise a
5 property owner, a property owner's agent, an appraisal district, or
6 an appraisal review board on a matter that the commissioner
7 [~~comptroller~~] knows is the subject of a protest to the appraisal
8 review board.

9 SECTION 31. Sections 5.05(a), (b), and (c), Tax Code, are
10 amended to read as follows:

11 (a) The commissioner [~~comptroller~~] shall prepare and issue:

- 12 (1) a general appraisal manual;
- 13 (2) special appraisal manuals;
- 14 (3) cost, price, and depreciation schedules, with
15 provision for inserting local market index factors and with a
16 standard procedure for determining local market index factors;
- 17 (4) news and reference bulletins;
- 18 (5) annotated digests of all laws relating to property
19 taxation; and
- 20 (6) a handbook of all rules promulgated by the board or
21 commissioner [~~comptroller~~] relating to the property tax and its
22 administration.

23 (b) The commissioner [~~comptroller~~] shall revise or
24 supplement all materials periodically as necessary to keep them
25 current.

26 (c) The commissioner [~~comptroller~~] shall provide without
27 charge one copy of all materials to officials of local government

1 who are responsible for administering the property tax system. If a
2 local government official requests more than one copy, the
3 commissioner [~~comptroller~~] may charge a reasonable fee to offset
4 the costs of printing and distributing the materials. The
5 commissioner [~~comptroller~~] shall make the materials available to
6 members of the public but may charge a reasonable fee to offset the
7 costs of printing and distributing the materials.

8 SECTION 32. Sections 5.06, 5.07, 5.08, 5.09, 5.101, 5.14,
9 and 5.16, Tax Code, are amended to read as follows:

10 Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. (a) The
11 commissioner [~~comptroller~~] shall prepare and publish a pamphlet
12 explaining the remedies available to dissatisfied taxpayers and the
13 procedures to be followed in seeking remedial action. The
14 commissioner [~~comptroller~~] shall include in the pamphlet advice on
15 preparing and presenting a protest.

16 (b) The commissioner [~~comptroller~~] shall provide without
17 charge a reasonable number of copies of the pamphlet to any person
18 on request. The commissioner [~~comptroller~~] may charge a person who
19 requests multiple copies of the pamphlet a reasonable fee to offset
20 the costs of printing and distributing those copies. The
21 commissioner [~~comptroller~~] at its discretion shall determine the
22 number of copies that a person may receive without charge.

23 Sec. 5.07. PROPERTY TAX FORMS AND RECORDS SYSTEMS. (a) The
24 commissioner [~~comptroller~~] shall prescribe the contents of all
25 forms necessary for the administration of the property tax system
26 and on request shall furnish sufficient copies of model forms of
27 each type to the appropriate local officials. The commissioner

1 ~~[comptroller]~~ may require reimbursement for the costs of printing
2 and distributing the forms.

3 (b) The commissioner ~~[comptroller]~~ shall make the contents
4 of the forms uniform to the extent practicable but may prescribe or
5 approve additional or substitute forms for special circumstances.

6 (c) The commissioner ~~[comptroller]~~ shall also prescribe a
7 uniform record system to be used by all appraisal districts ~~[for the
8 purpose of submitting data to be used in the annual studies required
9 by Section 5.10 of this code and by Section 403.302, Government
10 Code. The record system shall include a compilation of information
11 concerning sales of real property within the boundaries of the
12 appraisal district. The sales information maintained in the
13 uniform record system shall be submitted annually in a form
14 prescribed by the comptroller].~~

15 Sec. 5.08. PROFESSIONAL AND TECHNICAL ASSISTANCE. (a) The
16 commissioner ~~[comptroller]~~ may provide professional and technical
17 assistance on request in appraising property, installing or
18 updating tax maps, purchasing equipment, developing recordkeeping
19 systems, or performing other appraisal activities. The
20 commissioner ~~[comptroller]~~ may also provide professional and
21 technical assistance on request to an appraisal review board. The
22 commissioner ~~[comptroller]~~ may require reimbursement for the costs
23 of providing the assistance.

24 (b) The commissioner ~~[comptroller]~~ may provide information
25 to and consult with persons actively engaged in appraising property
26 for tax purposes about any matter relating to property taxation
27 without charge.

1 Sec. 5.09. ANNUAL REPORTS. (a) The commissioner
2 ~~[comptroller]~~ shall publish an annual report of the operations of
3 the appraisal districts. The report shall include for each
4 appraisal district, each county, and each school district and may
5 include for other taxing units the total appraised values, assessed
6 values, and taxable values of taxable property by class of
7 property, the assessment ratio, and the tax rate.

8 (b) The commissioner ~~[comptroller]~~ shall deliver a copy of
9 each annual report published under Subsection (a) of this section
10 to the governor, the lieutenant governor, and each member of the
11 legislature.

12 Sec. 5.101. TECHNICAL ADVISORY COMMITTEE. (a) The board
13 ~~[comptroller]~~ shall appoint a technical advisory committee for the
14 purpose of providing professional and practical expertise to the
15 board ~~[comptroller]~~ and to review and comment on the methodology
16 used by the commissioner ~~[comptroller]~~ to conduct the annual
17 studies required by Section 51.21 and the ratio studies required by
18 Section 51.41 ~~[Section 5.10 of this code and by Section 403.302,~~
19 ~~Government Code]~~. A member of the committee serves at the will of
20 the board ~~[comptroller]~~.

21 (b) The committee shall:

22 (1) review the methodology used by the commissioner
23 ~~[comptroller]~~ to conduct the studies described in Subsection (a);

24 (2) make an annual report to the commissioner
25 ~~[comptroller]~~ that includes the committee's findings and
26 recommendations relating to the methodology used to conduct the
27 studies; and

1 (3) meet as often as necessary to perform its duties,
2 but not less often than semiannually.

3 (c) The board [~~comptroller~~] shall appoint the committee to
4 provide for a balanced representation of the general public and of
5 professionals affiliated with the entities affected by the studies.

6 (d) Each member of the committee must have expertise
7 sufficient to determine the accuracy of the [~~annual~~] studies and
8 the appropriateness of the methods used to develop the findings of
9 the studies.

10 (e) The board [~~comptroller~~] shall specify the committee's
11 purpose, powers, and duties and shall require the committee to
12 report to the board [~~comptroller~~] in a manner specified by the board
13 [~~comptroller~~] relating to the committee's activities and the
14 results of its work.

15 (f) A member of the committee may receive compensatory per
16 diem for serving on the committee and is entitled to reimbursement
17 for transportation expenses and the per diem meals and lodging
18 allowance as provided for the board [~~comptroller~~] and for
19 commission members in the General Appropriations Act.

20 (g) The commissioner [~~comptroller~~] shall make the
21 committee's annual report available to the public on request.

22 Sec. 5.14. PUBLIC ACCESS, INFORMATION, AND COMPLAINTS. (a)
23 The board [~~comptroller~~] shall develop and implement policies that
24 provide the public with a reasonable opportunity to submit
25 information on any property tax issue under the jurisdiction of the
26 board [~~comptroller~~].

27 (b) The board [~~comptroller~~] shall prepare and maintain a

1 written plan that describes how a person who does not speak English
2 or who has a physical, mental, or developmental disability may be
3 provided reasonable access to the board's [~~comptroller's~~] programs.

4 (c) The board [~~comptroller~~] shall prepare information of
5 public interest describing the property tax functions of the office
6 of the board [~~comptroller~~] and the board's [~~comptroller's~~]
7 procedures by which complaints are filed with and resolved by the
8 board [~~comptroller~~]. The board [~~comptroller~~] shall make the
9 information available to the public and appropriate state agencies.

10 (d) If a written complaint is filed with the board
11 [~~comptroller~~] that the board [~~comptroller~~] has authority to
12 resolve, the board [~~comptroller~~], at least quarterly and until
13 final disposition of the complaint, shall notify the parties to the
14 complaint of the status of the complaint unless notice would
15 jeopardize an undercover investigation.

16 (e) The board [~~comptroller~~] shall keep an information file
17 about each complaint filed with the board [~~comptroller~~] that the
18 board [~~comptroller~~] has authority to resolve.

19 Sec. 5.16. ADMINISTRATIVE PROVISIONS. (a) The
20 commissioner [~~comptroller~~] may inspect the records or other
21 materials of an appraisal office or taxing unit, including the
22 relevant records and materials in the possession or control of a
23 consultant, advisor, or expert hired by the appraisal office or
24 taxing unit, for the purpose of [↗

25 [~~(1)~~] establishing, reviewing, or evaluating the
26 value of or an appraisal of any property [↗, or

27 [~~(2) conducting a study, review, or audit required by~~

1 ~~Section 5.10 or 5.102 or by Section 403.302, Government Code].~~

2 (b) On request of the commissioner [~~comptroller~~], the chief
3 appraiser or administrative head of the taxing unit shall produce
4 the materials in the form and manner prescribed by the commissioner
5 [~~comptroller~~].

6 SECTION 33. Section 6.025(a), Tax Code, is amended to read
7 as follows:

8 (a) The chief appraisers of two or more appraisal districts
9 that have boundaries that include any part of the same territory
10 shall enter into a written understanding that, with respect to the
11 property located in the territory in which each of the districts has
12 appraisal jurisdiction:

13 (1) permits each appraiser to have access to and use
14 information appropriate to appraisals, including a record of an
15 exemption application, rendition, or other property owner report;

16 (2) eliminates differences in the information in
17 appraisal records of the districts, including information relating
18 to ownership of property, the description of property, and the
19 physical characteristics of property; and

20 (3) contains the form of a written advisory prescribed
21 by the commissioner [~~comptroller~~] informing the owners of property
22 that reports and other documents required of the owners must be
23 filed with or sent to each appraisal district and that the owners
24 should consider sending any other document relating to the property
25 to each appraisal district.

26 SECTION 34. Sections 6.28(b), (d), and (e), Tax Code, are
27 amended to read as follows:

1 (b) The bond for state taxes must be payable to the governor
2 and his successors in office in an amount equal to five percent of
3 the net state collections from motor vehicle sales and use taxes and
4 motor vehicle registration fees in the county during the year
5 ending August 31 preceding the date bond is given, except that the
6 amount of bond may not be less than \$2,500 or more than \$100,000. To
7 be effective, the bond must be approved by the commissioners court
8 of the county and the commissioner [~~state comptroller of public~~
9 ~~accounts~~].

10 (d) The commissioner [~~state comptroller of public accounts~~]
11 or the commissioners court of the county may require a new bond for
12 state taxes at any time. The commissioners court may require a new
13 bond for county taxes at any time. However, the total amount of
14 state bonds or county bonds required of an assessor-collector may
15 not exceed \$100,000 at one time. The commissioners court shall
16 suspend the assessor-collector from office and begin removal
17 proceedings if the assessor-collector [~~he~~] fails to give new bond
18 within a reasonable time after demand.

19 (e) The assessor-collector's official oath and bonds for
20 state and county taxes shall be recorded in the office of the county
21 clerk, and the county judge shall submit the bond for state taxes to
22 the commissioner [~~state comptroller of public accounts~~].

23 SECTION 35. Section 6.412(c), Tax Code, is amended to read
24 as follows:

25 (c) A person is ineligible to serve on the appraisal review
26 board if the person is a member of the board of directors, an
27 officer, or employee of the appraisal district, an employee of the

1 commissioner [~~comptroller~~], or a member of the governing body,
2 officer, or employee of a taxing unit.

3 SECTION 36. Section 11.11(b), Tax Code, is amended to read
4 as follows:

5 (b) Land owned by the Permanent University Fund is taxable
6 for county purposes. Any notice required by Section 25.19 of this
7 code shall be sent to the commissioner [~~comptroller~~], and the
8 commissioner [~~comptroller~~] shall appear in behalf of the state in
9 any protest or appeal relating to taxation of Permanent University
10 Fund land.

11 SECTION 37. Section 11.182(f), Tax Code, as added by
12 Chapter 842, Acts of the 77th Legislature, Regular Session, 2001,
13 is relettered and amended to read as follows:

14 (i) [~~(f)~~] If any property owned by an organization
15 receiving an exemption under this section has been acquired or sold
16 during the preceding year, such organization shall file by March 31
17 of the following year with the chief appraiser in the county in
18 which the relevant property is located, on a form promulgated by the
19 commissioner [~~comptroller of public accounts~~], a list of such
20 properties acquired or sold during the preceding year.

21 SECTION 38. Sections 11.252(c), (d), (i), and (j), Tax
22 Code, are amended to read as follows:

23 (c) The commissioner [~~comptroller~~] by rule shall establish
24 exemption application requirements and appropriate procedures to
25 determine whether a motor vehicle subject to a lease qualifies for
26 an exemption under Subsection (a).

27 (d) In connection with the requirements and procedures

1 under Subsection (c), the commissioner [~~comptroller~~] by rule shall
2 adopt a form to be completed by the lessee of a motor vehicle for
3 which the owner of the vehicle may apply for an exemption under
4 Subsection (a). The form shall require the lessee to provide the
5 lessee's name, address, and driver's license or personal
6 identification certificate number and to certify under oath that
7 the lessee does not hold the vehicle for the production of income
8 and that the vehicle is used primarily for activities that do not
9 involve the production of income. The commissioner [~~comptroller~~]
10 shall include on the form a notice of the penalties prescribed by
11 Section 37.10, Penal Code, for making a false statement on the form.

12 (i) In addition to the requirements of Subsections (c) and
13 (d), the commissioner [~~comptroller~~] by rule shall prescribe a
14 property report form to be completed by the lessor describing the
15 leased motor vehicles that the lessor owns. The property report
16 form shall require the lessor to list each leased vehicle the lessor
17 owns on January 1, to provide the year, make, model, and vehicle
18 identification number of each leased vehicle, and to provide the
19 name of the lessee, the address at which the vehicle is kept, and an
20 indication of whether the lessee has designated the vehicle as not
21 held for the production and not used for the production of income.

22 (j) The lessor shall provide the chief appraiser with the
23 completed property report form adopted by the commissioner
24 [~~comptroller~~] in the manner provided by Subchapter B, Chapter 22.

25 SECTION 39. Effective November 1, 2003, Section 11.26(e),
26 Tax Code, is amended to read as follows:

27 (e) For each school district in an appraisal district, the

1 chief appraiser shall determine the portion of the appraised value
2 of residence homesteads of the elderly on which school district
3 taxes are not imposed in a tax year because of the limitation on tax
4 increases imposed by this section. That portion is calculated by
5 determining the taxable value that, if multiplied by the tax rate
6 adopted by the school district for the tax year, would produce an
7 amount equal to the amount of tax that would have been imposed by
8 the school district on residence homesteads of the elderly if the
9 limitation on tax increases imposed by this section were not in
10 effect, but that was not imposed because of that limitation. The
11 chief appraiser shall determine that taxable value and certify it
12 to the commissioner [~~comptroller~~] as soon as practicable for each
13 tax year.

14 SECTION 40. If the constitutional amendment proposed by
15 H.J.R. No. 21, Acts of the 78th Legislature, Regular Session, 2003,
16 is approved by the voters, Section 11.26(e), Tax Code, as amended by
17 Section 2, H.B. No. 217, Acts of the 78th Legislature, Regular
18 Session, 2003, is amended effective January 1, 2004, to read as
19 follows:

20 (e) For each school district in an appraisal district, the
21 chief appraiser shall determine the portion of the appraised value
22 of residence homesteads of individuals on which school district
23 taxes are not imposed in a tax year because of the limitation on tax
24 increases imposed by this section. That portion is calculated by
25 determining the taxable value that, if multiplied by the tax rate
26 adopted by the school district for the tax year, would produce an
27 amount equal to the amount of tax that would have been imposed by

1 the school district on those residence homesteads if the limitation
2 on tax increases imposed by this section were not in effect, but
3 that was not imposed because of that limitation. The chief
4 appraiser shall determine that taxable value and certify it to the
5 commissioner [~~comptroller~~] as soon as practicable for each tax
6 year.

7 SECTION 41. Section 11.27(b), Tax Code, is amended to read
8 as follows:

9 (b) The commissioner [~~comptroller~~], with the assistance of
10 the Texas Energy and Natural Resources Advisory Council, or its
11 successor, shall develop guidelines to assist local officials in
12 the administration of this section.

13 SECTION 42. Section 11.43(f), Tax Code, is amended to read
14 as follows:

15 (f) The commissioner [~~comptroller~~], in prescribing the
16 contents of the application form for each kind of exemption, shall
17 ensure that the form requires an applicant to furnish the
18 information necessary to determine the validity of the exemption
19 claim. The form must require an applicant to provide the
20 applicant's name and driver's license number, personal
21 identification certificate number, or social security account
22 number. The commissioner [~~comptroller~~] shall include on the forms
23 a notice of the penalties prescribed by Section 37.10, Penal Code,
24 for making or filing an application containing a false statement.
25 The commissioner [~~comptroller~~] shall include, on application forms
26 for exemptions that do not have to be claimed annually, a statement
27 explaining that the application need not be made annually and that

1 if the exemption is allowed, the applicant has a duty to notify the
2 chief appraiser when the applicant's entitlement to the exemption
3 ends. In this subsection:

4 (1) "Driver's license" has the meaning assigned that
5 term by Section 521.001, Transportation Code.

6 (2) "Personal identification certificate" means a
7 certificate issued by the Department of Public Safety under
8 Subchapter E, Chapter 521, Transportation Code.

9 SECTION 43. Section 11.44(c), Tax Code, is amended to read
10 as follows:

11 (c) The commissioner [~~comptroller~~] shall prescribe by rule
12 the content of the explanation required by Subsection (a) [~~of this~~
13 ~~section~~], and shall require that each exemption application form be
14 printed and prepared:

15 (1) as a separate form from any other form; or

16 (2) on the front of the form if the form also provides
17 for other information.

18 SECTION 44. Section 11.48(b), Tax Code, as added by Section
19 1, H.B. No. 500, Acts of the 78th Legislature, Regular Session,
20 2003, is amended to read as follows:

21 (b) Information made confidential by this section may be
22 disclosed:

23 (1) in a judicial or administrative proceeding
24 pursuant to a lawful subpoena;

25 (2) to the person who filed the application or to the
26 person's representative authorized in writing to receive the
27 information;

1 (3) to the commissioner [~~comptroller~~] and the
2 commissioner's [~~comptroller's~~] employees authorized by the
3 commissioner [~~comptroller~~] in writing to receive the information or
4 to an assessor or a chief appraiser if requested in writing;

5 (4) in a judicial or administrative proceeding
6 relating to property taxation to which the person who filed the
7 application is a party; or

8 (5) if and to the extent the information is required to
9 be included in a public document or record that the appraisal office
10 is required by law to prepare or maintain.

11 SECTION 45. Section 21.03(b), Tax Code, is amended to read
12 as follows:

13 (b) The commissioner [~~comptroller~~] shall adopt rules:

14 (1) identifying the kinds of property subject to this
15 section; and

16 (2) establishing formulas for calculating the
17 proportion of total market value to be allocated to this state.

18 SECTION 46. Sections 21.031(e) and (f), Tax Code, are
19 amended to read as follows:

20 (e) To receive an allocation of value under this section, a
21 property owner must apply for the allocation on a form that
22 substantially complies with the form prescribed by the commissioner
23 [~~comptroller~~]. The application must be filed with the chief
24 appraiser for the district in which the property to which the
25 application applies is taxable before the approval of the appraisal
26 records by the appraisal review board as provided by Section 41.12
27 [~~of this code~~].

1 (f) The commissioner [~~comptroller~~] shall promulgate forms
2 and may adopt rules consistent with the provisions of this section.

3 SECTION 47. Section 22.21, Tax Code, is amended to read as
4 follows:

5 Sec. 22.21. PUBLICIZING REQUIREMENTS. Each year the
6 commissioner [~~comptroller~~] and each chief appraiser shall
7 publicize in a manner reasonably designed to notify all property
8 owners the requirements of the law relating to filing rendition
9 statements and property reports and of the availability of forms.

10 SECTION 48. Effective November 1, 2003, Sections 22.24(a),
11 (c), and (e), Tax Code, are amended to read as follows:

12 (a) A person required to render property or to file a report
13 as provided by this chapter shall use a form that substantially
14 complies with the appropriate form prescribed or approved by the
15 commissioner [~~comptroller~~].

16 (c) The commissioner [~~comptroller~~] may prescribe or approve
17 different forms for different kinds of property but shall ensure
18 that each form requires a property owner to furnish the information
19 necessary to identify the property and to determine its ownership,
20 taxability, and situs. A form may not require a property owner to
21 furnish information not relevant to the appraisal of property for
22 tax purposes or to the assessment or collection of property taxes.

23 (e) To be valid, a rendition or report must be sworn to
24 before an officer authorized by law to administer an oath. The
25 commissioner [~~comptroller~~] may not prescribe or approve a rendition
26 or report form unless the form provides for the person filing the
27 form to swear that the information provided in the rendition or

1 report is true and accurate to the best of the person's knowledge
2 and belief. This subsection does not apply to a rendition or report
3 filed by the property owner, an employee of the property owner, or
4 an employee of a property owner on behalf of an affiliated entity of
5 the property owner.

6 SECTION 49. Effective January 1, 2004, Section 22.24(c),
7 Tax Code, as amended by Section 7, S.B. No. 340, Acts of the 78th
8 Legislature, Regular Session, 2003, is amended to read as follows:

9 (c) The commissioner [~~comptroller~~] may prescribe or approve
10 different forms for different kinds of property but shall ensure
11 that each form requires a property owner to furnish the information
12 necessary to identify the property and to determine its ownership,
13 taxability, and situs. A form may not require but may permit a
14 property owner to furnish information not specifically required by
15 this chapter to be reported. In addition, a form prescribed or
16 approved under this subsection must contain the following statement
17 in bold type: "If you make a false statement on this form, you could
18 be found guilty of a Class A misdemeanor or a state jail felony
19 under Section 37.10, Penal Code."

20 SECTION 50. Sections 22.27(a), (b), and (d), Tax Code, are
21 amended to read as follows:

22 (a) Rendition statements, real and personal property
23 reports, attachments to those statements and reports, and other
24 information the owner of property provides to the appraisal office
25 in connection with the appraisal of the property, including income
26 and expense information related to a property filed with an
27 appraisal office and information voluntarily disclosed to an

1 appraisal office or the commissioner [~~comptroller~~] about real or
2 personal property sales prices after a promise it will be held
3 confidential, are confidential and not open to public inspection.
4 The statements and reports and the information they contain about
5 specific real or personal property or a specific real or personal
6 property owner and information voluntarily disclosed to an
7 appraisal office about real or personal property sales prices after
8 a promise it will be held confidential may not be disclosed to
9 anyone other than an employee of the appraisal office who appraises
10 property except as authorized by Subsection (b) [~~of this section~~].

11 (b) Information made confidential by this section may be
12 disclosed:

13 (1) in a judicial or administrative proceeding
14 pursuant to a lawful subpoena;

15 (2) to the person who filed the statement or report or
16 the owner of property subject to the statement, report, or
17 information or to a representative of either authorized in writing
18 to receive the information;

19 (3) to the commissioner [~~comptroller~~] and the
20 commissioner's [~~comptroller's~~] employees authorized by the
21 commissioner [~~comptroller~~] in writing to receive the information or
22 to an assessor or a chief appraiser if requested in writing;

23 (4) in a judicial or administrative proceeding
24 relating to property taxation to which the person who filed the
25 statement or report or the owner of the property that is a subject
26 of the statement, report, or information is a party;

27 (5) for statistical purposes if in a form that does not

1 identify specific property or a specific property owner;

2 (6) if and to the extent the information is required to
3 be included in a public document or record that the appraisal office
4 is required to prepare or maintain; or

5 (7) to a taxing unit or its legal representative that
6 is engaged in the collection of delinquent taxes on the property
7 that is the subject of the information.

8 (d) No person who directly or indirectly provides
9 information to the commissioner [~~comptroller~~] or appraisal office
10 about real or personal property sales prices, either as set forth in
11 Subsection (a) [~~of this section~~] under a promise of
12 confidentiality, or otherwise, shall be liable to any other person
13 as the result of providing such information.

14 SECTION 51. Section 23.121(a)(6), Tax Code, is amended to
15 read as follows:

16 (6) "Declaration" means the dealer's motor vehicle
17 inventory declaration form promulgated by the commissioner
18 [~~comptroller~~] as required by this section.

19 SECTION 52. Section 23.121(f), Tax Code, is amended to read
20 as follows:

21 (f) The commissioner [~~comptroller~~] shall promulgate a form
22 entitled Dealer's Motor Vehicle Inventory Declaration. Except as
23 provided by Section 23.122(1) [~~of this code~~], not later than
24 February 1 of each year, or, in the case of a dealer who was not in
25 business on January 1, not later than 30 days after commencement of
26 business, each dealer shall file a declaration with the chief
27 appraiser and file a copy with the collector. For purposes of this

1 subsection, a dealer is presumed to have commenced business on the
2 date of issuance to the dealer of a dealer's general distinguishing
3 number as provided by Chapter 503, Transportation Code.
4 Notwithstanding the presumption created by this subsection, a chief
5 appraiser may, at the chief appraiser's [~~his or her~~] sole
6 discretion, designate as the date on which a dealer commenced
7 business a date other than the date of issuance to the dealer of a
8 dealer's general distinguishing number. The declaration is
9 sufficient to comply with this subsection if it sets forth the
10 following information:

11 (1) the name and business address of each location at
12 which the dealer owner conducts business;

13 (2) each of the dealer's general distinguishing
14 numbers issued by the Texas Department of Transportation;

15 (3) a statement that the dealer owner is the owner of a
16 dealer's motor vehicle inventory; and

17 (4) the market value of the dealer's motor vehicle
18 inventory for the current tax year as computed under Section
19 23.121(b) [~~of this code~~].

20 SECTION 53. Section 23.122(a)(9), Tax Code, is amended to
21 read as follows:

22 (9) "Statement" means the Dealer's Motor Vehicle
23 Inventory Tax Statement filed on a form promulgated by the
24 commissioner [~~comptroller~~] as required by this section.

25 SECTION 54. Section 23.122(e), Tax Code, is amended to read
26 as follows:

27 (e) The commissioner [~~comptroller~~] shall promulgate a form

1 entitled a Dealer's Motor Vehicle Inventory Tax Statement. A
2 dealer shall complete the form with respect to each motor vehicle
3 sold. A dealer may use no other form for that purpose. The
4 statement may include the information the commissioner
5 [~~comptroller~~] deems appropriate but shall include at least the
6 following:

- 7 (1) a description of the motor vehicle sold;
 - 8 (2) the sales price of the motor vehicle;
 - 9 (3) the unit property tax of the motor vehicle if any;
- 10 and
- 11 (4) the reason no unit property tax is assigned if no
12 unit property tax is assigned.

13 SECTION 55. Section 23.123(c), Tax Code, is amended to read
14 as follows:

15 (c) Information made confidential by this section may be
16 disclosed:

- 17 (1) in a judicial or administrative proceeding
18 pursuant to a lawful subpoena;
- 19 (2) to the person who filed the declaration or
20 statement or to that person's representative authorized by the
21 person in writing to receive the information;
- 22 (3) to the commissioner [~~comptroller~~] or an employee
23 of the commissioner [~~comptroller~~] authorized by the commissioner
24 [~~comptroller~~] to receive the information;
- 25 (4) to a collector or chief appraiser;
- 26 (5) to a district attorney, criminal district attorney
27 or county attorney involved in the enforcement of a penalty imposed

1 pursuant to Section 23.121 or Section 23.122 [~~of this code~~];

2 (6) for statistical purposes if in a form that does not
3 identify specific property or a specific property owner;

4 (7) if and to the extent that the information is
5 required for inclusion in a public document or record that the
6 appraisal or collection office is required by law to prepare or
7 maintain; or

8 (8) to the Texas Department of Transportation for use
9 by that department in auditing compliance of its licensees with
10 appropriate provisions of applicable law.

11 SECTION 56. Section 23.124(a)(6), Tax Code, is amended to
12 read as follows:

13 (6) "Declaration" means the dealer's vessel and
14 outboard motor inventory declaration form promulgated by the
15 commissioner [~~comptroller~~] as required by this section.

16 SECTION 57. Section 23.124(f), Tax Code, is amended to read
17 as follows:

18 (f) The commissioner [~~comptroller~~] shall promulgate a form
19 entitled "Dealer's Vessel and Outboard Motor Inventory
20 Declaration." Except as provided by Section 23.125(1) [~~of this~~
21 ~~code~~], not later than February 1 of each year or, in the case of a
22 dealer who was not in business on January 1, not later than 30 days
23 after commencement of business, each dealer shall file a
24 declaration with the chief appraiser and file a copy with the
25 collector. The declaration is sufficient to comply with this
26 subsection if it sets forth the following information:

27 (1) the name and business address of each location at

1 which the dealer owner conducts business;

2 (2) each of the dealer's and manufacturer's numbers
3 issued by the Parks and Wildlife Department;

4 (3) a statement that the dealer owner is the owner of a
5 dealer's vessel and outboard motor inventory; and

6 (4) the market value of the dealer's vessel and
7 outboard motor inventory for the current tax year as computed under
8 Subsection (b) of this section.

9 SECTION 58. Section 23.1241(a)(4), Tax Code, is amended to
10 read as follows:

11 (4) "Declaration" means a dealer's heavy equipment
12 inventory declaration form adopted by the commissioner
13 [~~comptroller~~] under this section.

14 SECTION 59. Section 23.1241(f), Tax Code, is amended to
15 read as follows:

16 (f) The commissioner [~~comptroller~~] by rule shall adopt a
17 dealer's heavy equipment inventory declaration form. Except as
18 provided by Section 23.1242(k), not later than February 1 of each
19 year, or, in the case of a dealer who was not in business on January
20 1, not later than 30 days after commencement of business, each
21 dealer shall file a declaration with the chief appraiser and file a
22 copy with the collector. The declaration is sufficient to comply
23 with this subsection if it sets forth:

24 (1) the name and business address of each location at
25 which the declarant conducts business;

26 (2) a statement that the declarant is the owner of a
27 dealer's heavy equipment inventory; and

1 (3) the market value of the declarant's heavy
2 equipment inventory for the current tax year as computed under
3 Subsection (b).

4 SECTION 60. Section 23.1242(a)(3), Tax Code, is amended to
5 read as follows:

6 (3) "Statement" means the dealer's heavy equipment
7 inventory tax statement filed on a form adopted by the commissioner
8 [~~comptroller~~] under this section.

9 SECTION 61. Section 23.1242(e), Tax Code, is amended to
10 read as follows:

11 (e) The commissioner [~~comptroller~~] by rule shall adopt a
12 dealer's heavy equipment inventory tax statement form. A dealer
13 shall complete the form with respect to each item of heavy equipment
14 sold. A dealer may use no other form for that purpose. The
15 statement may include the information the commissioner
16 [~~comptroller~~] considers appropriate but shall include at least the
17 following:

18 (1) a description of the item of heavy equipment sold,
19 including any unique identification or serial number affixed to the
20 item by the manufacturer;

21 (2) the sales price of the item of heavy equipment;

22 (3) the unit property tax of the item of heavy
23 equipment, if any; and

24 (4) the reason no unit property tax is assigned if no
25 unit property tax is assigned.

26 SECTION 62. Section 23.125(a)(9), Tax Code, is amended to
27 read as follows:

1 (9) "Statement" means the dealer's vessel and outboard
2 motor inventory tax statement filed on a form promulgated by the
3 commissioner [~~comptroller~~] as required by this section.

4 SECTION 63. Section 23.125(e), Tax Code, is amended to read
5 as follows:

6 (e) The commissioner [~~comptroller~~] shall promulgate a form
7 entitled "Dealer's Vessel and Outboard Motor Inventory Tax
8 Statement." A dealer shall complete the form with respect to each
9 vessel and outboard motor sold. A dealer may use no other form for
10 that purpose. The statement may include the information the
11 commissioner [~~comptroller~~] deems appropriate but shall include at
12 least the following:

13 (1) a description of the vessel or outboard motor
14 sold;

15 (2) the sales price of the vessel or outboard motor;

16 (3) the unit property tax of the vessel or outboard
17 motor, if any; and

18 (4) the reason no unit property tax is assigned if no
19 unit property tax is assigned.

20 SECTION 64. Section 23.126(c), Tax Code, is amended to read
21 as follows:

22 (c) Information made confidential by this section may be
23 disclosed:

24 (1) in a judicial or administrative proceeding
25 pursuant to a lawful subpoena;

26 (2) to the person who filed the declaration or
27 statement or to that person's representative authorized by the

1 person in writing to receive the information;

2 (3) to the commissioner [~~comptroller~~] or an employee
3 of the commissioner [~~comptroller~~] authorized by the commissioner
4 [~~comptroller~~] to receive the information;

5 (4) to a collector or chief appraiser;

6 (5) to a district attorney, criminal district
7 attorney, or county attorney involved in the enforcement of a
8 penalty imposed pursuant to Section 23.124 or Section 23.125 [~~of~~
9 ~~this code~~];

10 (6) for statistical purposes if in a form that does not
11 identify specific property or a specific property owner; or

12 (7) if and to the extent that the information is
13 required for inclusion in a document or record that the appraisal or
14 collection office is required by law to prepare or maintain.

15 SECTION 65. Section 23.127(a)(3), Tax Code, is amended to
16 read as follows:

17 (3) "Declaration" means a retail manufactured housing
18 inventory declaration form adopted by the commissioner
19 [~~comptroller~~] under this section.

20 SECTION 66. Section 23.127(f), Tax Code, is amended to read
21 as follows:

22 (f) The commissioner [~~comptroller~~] by rule shall adopt a
23 form entitled "Retail Manufactured Housing Inventory Declaration."
24 Except as provided by Section 23.128(k), not later than February 1
25 of each year or, in the case of a retailer who was not in business on
26 January 1, not later than the 30th day after the date the retailer
27 commences business, each retailer shall file a declaration with the

1 chief appraiser and file a copy with the collector. The declaration
2 is sufficient to comply with this subsection if it sets forth the
3 following information:

4 (1) the name and business address of each location at
5 which the retailer conducts business;

6 (2) the retailer's license number issued by the
7 department;

8 (3) a statement that the retailer is the owner of a
9 retail manufactured housing inventory; and

10 (4) the market value of the retailer's manufactured
11 housing inventory for the current tax year as computed under
12 Subsection (b).

13 SECTION 67. Section 23.128(a)(4), Tax Code, is amended to
14 read as follows:

15 (4) "Statement" means the retail manufactured housing
16 inventory tax statement filed on a form adopted by the commissioner
17 [~~comptroller~~] under this section.

18 SECTION 68. Section 23.128(e), Tax Code, is amended to read
19 as follows:

20 (e) The commissioner [~~comptroller~~] by rule shall adopt a
21 form entitled "Retail Manufactured Housing Inventory Tax
22 Statement." A retailer shall complete the form with respect to each
23 unit of manufactured housing sold. A retailer may not use another
24 form for that purpose. The statement shall include:

25 (1) a description of the unit of manufactured housing
26 sold, including any unique identification or serial number affixed
27 to the unit by the manufacturer;

1 (2) the sales price of the unit of manufactured
2 housing;

3 (3) any unit property tax of the unit of manufactured
4 housing;

5 (4) the reason a unit property tax is not assigned if
6 that is the case; and

7 (5) any other information the commissioner
8 [~~comptroller~~] considers appropriate.

9 SECTION 69. Section 23.175(b), Tax Code, is amended to read
10 as follows:

11 (b) The commissioner [~~comptroller~~] by rule shall develop
12 and distribute to each appraisal office appraisal manuals that
13 specify methods and procedures to discount future income from the
14 sale of oil or gas from the interest to present value.

15 SECTION 70. Sections 23.41(b) and (e), Tax Code, are
16 amended to read as follows:

17 (b) The commissioner [~~comptroller~~] shall promulgate rules
18 specifying the methods to apply and the procedures to use in
19 appraising land designated for agricultural use.

20 (e) Improvements other than appurtenances to the land, the
21 mineral estate, and all land used for residential purposes and for
22 processing harvested agricultural products are appraised
23 separately at market value. Riparian water rights, private roads,
24 dams, reservoirs, water wells, and canals, ditches, terraces, and
25 similar reshaping of or additions to the soil for agricultural
26 purposes are appurtenances to the land, and the effect of each on
27 the value of the land for agricultural use shall be considered in

1 appraising the land. However, the commissioner [~~comptroller~~] shall
2 provide that in calculating average net income from land a
3 deduction from income be allowed for an appurtenance subject to
4 depreciation or depletion.

5 SECTION 71. Section 23.43(d), Tax Code, is amended to read
6 as follows:

7 (d) The commissioner [~~comptroller~~] in prescribing the
8 contents of the application forms shall ensure that each form
9 requires a claimant to furnish the information necessary to
10 determine the validity of the claim. The commissioner
11 [~~comptroller~~] shall require that the form permit a claimant who has
12 previously been allowed an agricultural designation to indicate
13 that previously reported information has not changed and to supply
14 only the eligibility information not previously reported.

15 SECTION 72. Section 23.45(b), Tax Code, is amended to read
16 as follows:

17 (b) Information made confidential by this section may be
18 disclosed:

19 (1) in a judicial or administrative proceeding
20 pursuant to a lawful subpoena;

21 (2) to the person who filed the application or to his
22 representative authorized in writing to receive the information;

23 (3) to the commissioner [~~comptroller~~] and his
24 employees authorized by him in writing to receive the information
25 or to an assessor or a chief appraiser if requested in writing;

26 (4) in a judicial or administrative proceeding
27 relating to property taxation to which the person who filed the

1 application is a party;

2 (5) for statistical purposes if in a form that does not
3 identify specific property or a specific property owner; or

4 (6) if and to the extent the information is required to
5 be included in a public document or record that the appraisal office
6 is required to prepare or maintain.

7 SECTION 73. Section 23.52(d), Tax Code, is amended to read
8 as follows:

9 (d) The commissioner [~~comptroller~~] by rule shall develop
10 and distribute to each appraisal office appraisal manuals setting
11 forth this method of appraising qualified open-space land, and each
12 appraisal office shall use the appraisal manuals in appraising
13 qualified open-space land. The commissioner [~~comptroller~~] by rule
14 shall develop and the appraisal office shall enforce procedures to
15 verify that land meets the conditions contained in Subdivision (1)
16 of Section 23.51 [~~of this code~~]. The rules, before taking effect,
17 must be approved by a majority vote of a committee comprised of the
18 following officials or their designees: the governor, the
19 comptroller, the attorney general, the agriculture commissioner,
20 and the Commissioner of the General Land Office.

21 SECTION 74. Section 23.521(a), Tax Code, is amended to read
22 as follows:

23 (a) The Parks and Wildlife Department, with the assistance
24 of the commissioner [~~comptroller~~], shall develop standards for
25 determining whether land qualifies under Section 23.51(7) for
26 appraisal under this subchapter. The commissioner [~~comptroller~~] by
27 rule shall adopt the standards developed by the Parks and Wildlife

1 Department and distribute those rules to each appraisal district.
2 On request of the Parks and Wildlife Department, the Texas
3 Agricultural Extension Service shall assist the department in
4 developing the standards.

5 SECTION 75. Sections 23.54(b) and (c), Tax Code, are
6 amended to read as follows:

7 (b) To be valid, the application must:

8 (1) be on a form provided by the appraisal office and
9 prescribed by the commissioner [~~comptroller~~]; and

10 (2) contain the information necessary to determine the
11 validity of the claim.

12 (c) The commissioner [~~comptroller~~] shall include on the
13 form a notice of the penalties prescribed by Section 37.10, Penal
14 Code, for making or filing an application containing a false
15 statement. The commissioner [~~comptroller~~], in prescribing the
16 contents of the application form, shall require that the form
17 permit a claimant who has previously been allowed appraisal under
18 this subchapter to indicate that previously reported information
19 has not changed and to supply only the eligibility information not
20 previously reported.

21 SECTION 76. Section 23.73(b), Tax Code, is amended to read
22 as follows:

23 (b) The commissioner [~~comptroller~~] by rule shall develop
24 and distribute to each appraisal office appraisal manuals setting
25 forth this method of appraising qualified timber land, and each
26 appraisal office shall use the appraisal manuals in appraising
27 qualified timber land. The commissioner [~~comptroller~~] by rule

1 shall develop and the appraisal office shall enforce procedures to
2 verify that land meets the conditions contained in Section 23.72
3 [~~of this code~~]. The rules, before taking effect, must be approved
4 by majority vote of a committee comprised of the following
5 officials or their designees: the governor, the comptroller, the
6 attorney general, the agriculture commissioner, and the
7 Commissioner of the General Land Office.

8 SECTION 77. Sections 23.75(b) and (c), Tax Code, are
9 amended to read as follows:

10 (b) To be valid, the application must:

11 (1) be on a form provided by the appraisal office and
12 prescribed by the commissioner [~~comptroller~~]; and

13 (2) contain the information necessary to determine the
14 validity of the claim.

15 (c) The commissioner [~~comptroller~~] shall include on the
16 form a notice of the penalties prescribed by Section 37.10, Penal
17 Code, for making or filing an application containing a false
18 statement. The commissioner [~~comptroller~~], in prescribing the
19 contents of the application form, shall require that the form
20 permit a claimant who has previously been allowed appraisal under
21 this subchapter to indicate that previously reported information
22 has not changed and to supply only the eligibility information not
23 previously reported.

24 SECTION 78. Section 23.83(e), Tax Code, is amended to read
25 as follows:

26 (e) The commissioner [~~comptroller~~] shall promulgate rules
27 specifying the methods to apply and the procedures to use in

1 appraising land under this subchapter.

2 SECTION 79. Section 23.84(f), Tax Code, is amended to read
3 as follows:

4 (f) The commissioner [~~comptroller~~] in prescribing the
5 contents of the application forms shall ensure that each form
6 requires a claimant to furnish the information necessary to
7 determine the validity of the claim and that the form requires the
8 claimant to state that the land for which the claimant [~~he~~] claims
9 appraisal under this subchapter will be used exclusively for
10 recreational, park, or scenic uses in the current year.

11 SECTION 80. Section 23.93(e), Tax Code, is amended to read
12 as follows:

13 (e) The commissioner [~~comptroller~~] shall promulgate rules
14 specifying the methods to apply and the procedures to use in
15 appraising property under this subchapter.

16 SECTION 81. Section 23.94(f), Tax Code, is amended to read
17 as follows:

18 (f) The commissioner [~~comptroller~~] in prescribing the
19 contents of the application forms shall ensure that each form
20 requires a claimant to furnish the information necessary to
21 determine the validity of the claim and that the form requires the
22 claimant to state that the airport property for which the claimant
23 [~~he~~] claims appraisal under this subchapter will be used
24 exclusively as public access airport property in the current year.

25 SECTION 82. Sections 23.9804(b), (c), and (d), Tax Code,
26 are amended to read as follows:

27 (b) To be valid, an application for appraisal under Section

1 23.9802(a) must:

2 (1) be on a form provided by the appraisal office and
3 prescribed by the commissioner [~~comptroller~~];

4 (2) provide evidence that the land qualifies for
5 designation as an aesthetic management zone, critical wildlife
6 habitat zone, or streamside management zone;

7 (3) specify the location of the proposed zone and the
8 quantity of land, in acres, in the proposed zone; and

9 (4) contain other information necessary to determine
10 the validity of the claim.

11 (c) To be valid, an application for appraisal under Section
12 23.9802(b) must:

13 (1) be on a form provided by the appraisal office and
14 prescribed by the commissioner [~~comptroller~~];

15 (2) provide evidence that the land on which the timber
16 was harvested was appraised under Subchapter E in the year in which
17 the timber was harvested;

18 (3) provide evidence that all of the land has been
19 regenerated in compliance with Section 23.9802(b)(2); and

20 (4) contain other information necessary to determine
21 the validity of the claim.

22 (d) The commissioner [~~comptroller~~] shall include on the
23 form a notice of the penalties prescribed by Section 37.10, Penal
24 Code, for making or filing an application containing a false
25 statement. The commissioner [~~comptroller~~], in prescribing the
26 contents of the application form, shall require that the form
27 permit a claimant who has previously been allowed appraisal under

1 this subchapter to indicate that the previously reported
2 information has not changed and to supply only the eligibility
3 information not previously reported.

4 SECTION 83. Section 24.32(c), Tax Code, is amended to read
5 as follows:

6 (c) A report required by this section must be on a form
7 prescribed by the commissioner [~~comptroller~~]. In prescribing the
8 form, the commissioner [~~comptroller~~] shall ensure that it requires
9 the information necessary to determine market value of rolling
10 stock used in this state.

11 SECTION 84. Section 24.34(b), Tax Code, is amended to read
12 as follows:

13 (b) The commissioner [~~comptroller~~] shall adopt rules
14 establishing formulas for interstate allocation of the value of
15 railroad rolling stock.

16 SECTION 85. Sections 24.36, 24.365, 24.37, and 24.38, Tax
17 Code, are amended to read as follows:

18 Sec. 24.36. CERTIFICATION TO COMMISSIONER [~~COMPTROLLER~~].
19 On approval of the appraised value of the rolling stock as provided
20 by Chapter 41 [~~of this code~~], the chief appraiser shall certify to
21 the commissioner [~~comptroller~~] the amount of market value allocated
22 to this state for each owner whose rolling stock is appraised in the
23 county and the name and business address of each owner.

24 Sec. 24.365. CORRECTION OF CERTIFIED AMOUNT. (a) A chief
25 appraiser who discovers that the chief appraiser's certification to
26 the commissioner [~~comptroller~~] of the amount of the market value of
27 rolling stock allocated to this state under Section 24.36 was

1 incomplete or incorrect shall immediately certify the correct
2 amount of that market value to the commissioner [~~comptroller~~].

3 (b) As soon as practicable after the commissioner
4 [~~comptroller~~] receives the correct certification from the chief
5 appraiser, the commissioner [~~comptroller~~] shall certify to the
6 county assessor-collector for each affected county the information
7 required by Section 24.38 as corrected.

8 Sec. 24.37. INTRASTATE APPORTIONMENT. The commissioner
9 [~~comptroller~~] shall apportion the appraised value of each owner's
10 rolling stock to each county in which the railroad using it operates
11 according to the ratio the mileage of road owned by the railroad in
12 the county bears to the total mileage of road the railroad owns in
13 this state.

14 Sec. 24.38. CERTIFICATION OF APPORTIONED VALUE. Before
15 August 1, the commissioner [~~comptroller~~] shall certify to the
16 county assessor-collector for each county in which a railroad
17 operates:

18 (1) the county's apportioned amount of the market
19 value of each owner's rolling stock; and

20 (2) the name and business address of each owner.

21 SECTION 86. Section 24.40(a), Tax Code, is amended to read
22 as follows:

23 (a) If a chief appraiser discovers that rolling stock used
24 in this state and subject to appraisal by the chief appraiser [~~him~~]
25 has not been appraised and apportioned to the counties in one of the
26 two preceding years, he shall appraise the property as of January 1
27 for each year it was omitted, submit the appraisal for review and

1 protest, and certify the approved value to the commissioner
2 [~~comptroller~~].

3 SECTION 87. Section 25.011(b), Tax Code, is amended to read
4 as follows:

5 (b) The record for each type of specially appraised property
6 must be maintained in a separate document for each 12-month period
7 beginning June 1. The document must include the name of at least one
8 owner of the property, the acreage of the property, and other
9 information sufficient to identify the property as required by the
10 commissioner [~~comptroller~~]. All entries in each document must be
11 kept in alphabetical order according to the last name of each owner
12 whose name is part of the record.

13 SECTION 88. Section 25.02(a), Tax Code, is amended to read
14 as follows:

15 (a) The appraisal records shall be in the form prescribed by
16 the commissioner [~~comptroller~~] and shall include:

17 (1) the name and address of the owner or, if the name
18 or address is unknown, a statement that it is unknown;

19 (2) real property;

20 (3) separately taxable estates or interests in real
21 property, including taxable possessory interests in exempt real
22 property;

23 (4) personal property;

24 (5) the appraised value of land and, if the land is
25 appraised as provided by Subchapter C, D, E, or H, Chapter 23, the
26 market value of the land;

27 (6) the appraised value of improvements to land;

1 (7) the appraised value of a separately taxable estate
2 or interest in land;

3 (8) the appraised value of personal property;

4 (9) the kind of any partial exemption the owner is
5 entitled to receive, whether the exemption applies to appraised or
6 assessed value, and, in the case of an exemption authorized by
7 Section 11.23, the amount of the exemption;

8 (10) the tax year to which the appraisal applies; and

9 (11) an identification of each taxing unit in which
10 the property is taxable.

11 SECTION 89. Section 25.025(b), Tax Code, is amended to read
12 as follows:

13 (b) Information in appraisal records under Section 25.02 is
14 confidential and is available only for the official use of the
15 appraisal district, this state, the commissioner [~~comptroller~~],
16 and taxing units and political subdivisions of this state if:

17 (1) the information identifies the home address of a
18 named individual to whom this section applies; and

19 (2) the individual chooses to restrict public access
20 to the information on the form prescribed for that purpose by the
21 commissioner [~~comptroller~~] under Section 5.07.

22 SECTION 90. Section 25.026(b), Tax Code, is amended to read
23 as follows:

24 (b) Information in appraisal records under Section 25.02 is
25 confidential and is available only for the official use of the
26 appraisal district, this state, the commissioner [~~comptroller~~],
27 and taxing units and political subdivisions of this state if the

1 information identifies the address of a family violence shelter
2 center or a sexual assault program.

3 SECTION 91. Section 25.03(b), Tax Code, is amended to read
4 as follows:

5 (b) The commissioner [~~comptroller~~] may adopt rules
6 establishing minimum standards for descriptions of property.

7 SECTION 92. Sections 25.19(i) and (j), Tax Code, are
8 amended to read as follows:

9 (i) Delivery with a notice required by Subsection (a) or (g)
10 of a copy of the pamphlet published by the commissioner
11 [~~comptroller~~] under Section 5.06 or a copy of the notice published
12 by the chief appraiser under Section 41.70 is sufficient to comply
13 with the requirement that the notice include the information
14 specified by Subsection (b)(7) or (g)(3), as applicable.

15 (j) The chief appraiser shall include with a notice required
16 by Subsection (a) or (g):

17 (1) a copy of a notice of protest form as prescribed by
18 the commissioner [~~comptroller~~] under Section 41.44(d); and

19 (2) instructions for completing and mailing the form
20 to the appraisal review board and requesting a hearing on the
21 protest.

22 SECTION 93. Section 25.23(b), Tax Code, is amended to read
23 as follows:

24 (b) Supplemental appraisal records shall be in the form
25 prescribed by the commissioner [~~comptroller~~] and shall include the
26 items required by Section 25.02 [~~of this code~~].

27 SECTION 94. Section 26.01(b), Tax Code, is amended to read

1 as follows:

2 (b) When a chief appraiser submits an appraisal roll for
3 county taxes to a county assessor-collector, the chief appraiser
4 also shall certify the appraisal district appraisal roll to the
5 commissioner [~~comptroller~~]. However, the commissioner
6 [~~comptroller~~] by rule may provide for submission of only a summary
7 of the appraisal roll. The chief appraiser shall certify the
8 district appraisal roll or the summary of that roll in the form and
9 manner prescribed by the commissioner's [~~comptroller's~~] rule.

10 SECTION 95. Section 26.04(e), Tax Code, is amended to read
11 as follows:

12 (e) By August 7 or as soon thereafter as practicable, the
13 designated officer or employee shall submit the rates to the
14 governing body. The designated officer or employee [~~He~~] shall
15 deliver by mail to each property owner in the unit or publish in a
16 newspaper in the form prescribed by the commissioner [~~comptroller~~]:

17 (1) the effective tax rate, the rollback tax rate, and
18 an explanation of how they were calculated;

19 (2) the estimated amount of interest and sinking fund
20 balances and the estimated amount of maintenance and operation or
21 general fund balances remaining at the end of the current fiscal
22 year that are not encumbered with or by corresponding existing debt
23 obligation;

24 (3) a schedule of the unit's debt obligations showing:

25 (A) the amount of principal and interest that
26 will be paid to service the unit's debts in the next year from
27 property tax revenue, including payments of lawfully incurred

1 contractual obligations providing security for the payment of the
2 principal of and interest on bonds and other evidences of
3 indebtedness issued on behalf of the unit by another political
4 subdivision and, if the unit is created under Section 52, Article
5 III, or Section 59, Article XVI, Texas Constitution, payments on
6 debts that the unit anticipates to incur in the next calendar year;

7 (B) the amount by which taxes imposed for debt
8 are to be increased because of the unit's anticipated collection
9 rate; and

10 (C) the total of the amounts listed in Paragraphs
11 (A)-(B), less any amount collected in excess of the previous year's
12 anticipated collections certified as provided in Subsection (b);

13 (4) the amount of additional sales and use tax revenue
14 anticipated in calculations under Section 26.041;

15 (5) a statement that the adoption of a tax rate equal
16 to the effective tax rate would result in an increase or decrease,
17 as applicable, in the amount of taxes imposed by the unit as
18 compared to last year's levy, and the amount of the increase or
19 decrease;

20 (6) in the year that a taxing unit calculates an
21 adjustment under Subsection (i) or (j), a schedule that includes
22 the following elements:

23 (A) the name of the unit discontinuing the
24 department, function, or activity;

25 (B) the amount of property tax revenue spent by
26 the unit listed under Paragraph (A) to operate the discontinued
27 department, function, or activity in the 12 months preceding the

1 month in which the calculations required by this chapter are made;
2 and

3 (C) the name of the unit that operates a distinct
4 department, function, or activity in all or a majority of the
5 territory of a taxing unit that has discontinued operating the
6 distinct department, function, or activity; and

7 (7) in the year following the year in which a taxing
8 unit raised its rollback rate as required by Subsection (j), a
9 schedule that includes the following elements:

10 (A) the amount of property tax revenue spent by
11 the unit to operate the department, function, or activity for which
12 the taxing unit raised the rollback rate as required by Subsection
13 (j) for the 12 months preceding the month in which the calculations
14 required by this chapter are made; and

15 (B) the amount published by the unit in the
16 preceding tax year under Subdivision (6)(B).

17 SECTION 96. Section 26.06(f), Tax Code, is amended to read
18 as follows:

19 (f) The commissioner [~~comptroller~~] by rule shall prescribe
20 the language and format to be used in the part of the notice
21 required by Subsection (b)(2). A notice under Subsection (b) is not
22 valid if it does not substantially conform to the language and
23 format prescribed by the commissioner [~~comptroller~~] under this
24 subsection.

25 SECTION 97. Section 31.01(c), Tax Code, is amended to read
26 as follows:

27 (c) The tax bill or a separate statement accompanying the

1 tax bill shall:

2 (1) identify the property subject to the tax;

3 (2) state the appraised value, assessed value, and
4 taxable value of the property;

5 (3) if the property is land appraised as provided by
6 Subchapter C, D, E, or H, Chapter 23, state the market value and the
7 taxable value for purposes of deferred or additional taxation as
8 provided by Section 23.46, 23.55, 23.76, or 23.9807, as applicable;

9 (4) state the assessment ratio for the unit;

10 (5) state the type and amount of any partial exemption
11 applicable to the property, indicating whether it applies to
12 appraised or assessed value;

13 (6) state the total tax rate for the unit;

14 (7) state the amount of tax due, the due date, and the
15 delinquency date;

16 (8) explain the payment option and discounts provided
17 by Sections 31.03 and 31.05, if available to the unit's taxpayers,
18 and state the date on which each of the discount periods provided by
19 Section 31.05 concludes, if the discounts are available;

20 (9) state the rates of penalty and interest imposed
21 for delinquent payment of the tax;

22 (10) include the name and telephone number of the
23 assessor for the unit and, if different, of the collector for the
24 unit; and

25 (11) include any other information required by the
26 commissioner [~~comptroller~~].

27 SECTION 98. Section 31.032(f), Tax Code, is amended to read

1 as follows:

2 (f) The commissioner [~~comptroller~~] shall adopt rules to
3 implement this section.

4 SECTION 99. Section 31.075(a), Tax Code, is amended to read
5 as follows:

6 (a) At the request of a property owner or a property owner's
7 agent, the collector for a taxing unit shall issue a receipt showing
8 the taxable value and the amount of tax imposed by the unit on the
9 property in one or more tax years for which the information is
10 requested, the tax rate for each of those tax years, and the amount
11 of tax paid in each of those years. The receipt must describe the
12 property in the manner prescribed by the commissioner
13 [~~comptroller~~].

14 SECTION 100. Section 31.11(c), Tax Code, is amended to read
15 as follows:

16 (c) An application for a refund must be made within three
17 years after the date of the payment or the taxpayer waives the right
18 to the refund. A taxpayer may apply for a refund by filing:

19 (1) an application on a form prescribed by the
20 commissioner [~~comptroller~~] by rule; or

21 (2) a written request that includes information
22 sufficient to enable the auditor for the taxing unit and, if
23 applicable, the governing body of the taxing unit to determine
24 whether the taxpayer is entitled to the refund.

25 SECTION 101. Section 33.43(e), Tax Code, is amended to read
26 as follows:

27 (e) The commissioner [~~comptroller~~] shall prepare forms for

1 petitions initiating suits to collect delinquent taxes. An
2 attorney representing a taxing unit may use the forms or develop a
3 ~~[his own]~~ form.

4 SECTION 102. Section 41.44(d), Tax Code, is amended to read
5 as follows:

6 (d) A notice of protest is sufficient if it identifies the
7 protesting property owner, including a person claiming an ownership
8 interest in the property even if that person is not listed on the
9 appraisal records as an owner of the property, identifies the
10 property that is the subject of the protest, and indicates apparent
11 dissatisfaction with some determination of the appraisal office.
12 The notice need not be on an official form, but the commissioner
13 ~~[comptroller]~~ shall prescribe a form that provides for more detail
14 about the nature of the protest. The form must permit a property
15 owner to include each property in the appraisal district that is the
16 subject of a protest. The commissioner ~~[comptroller]~~, each
17 appraisal office, and each appraisal review board shall make the
18 forms readily available and deliver one to a property owner on
19 request.

20 SECTION 103. Sections 41.45(k) and (l), Tax Code, are
21 amended to read as follows:

22 (k) The commissioner ~~[comptroller]~~ shall prescribe a
23 standard form for an affidavit offered under Subsection (b). Each
24 appraisal district shall make copies of the affidavit form
25 available to property owners without charge.

26 (l) A property owner is not required to use the affidavit
27 form prescribed by the commissioner ~~[comptroller]~~ when offering an

1 affidavit under Subsection (b).

2 SECTION 104. Section 41.461(a), Tax Code, is amended to
3 read as follows:

4 (a) At least 14 days before a hearing on a protest, the chief
5 appraiser shall:

6 (1) deliver a copy of the pamphlet prepared by the
7 commissioner [~~comptroller~~] under Section 5.06(a) to the property
8 owner initiating the protest if the owner is not represented by
9 another person [~~representing himself~~], or to an agent representing
10 the owner if requested by the agent;

11 (2) inform the property owner that the owner or the
12 agent of the owner may inspect and may obtain a copy of the data,
13 schedules, formulas, and all other information the chief appraiser
14 plans to introduce at the hearing to establish any matter at issue;
15 and

16 (3) deliver a copy of the hearing procedures
17 established by the appraisal review board under Section 41.66 to
18 the property owner.

19 SECTION 105. Sections 41.65 and 41.68, Tax Code, are
20 amended to read as follows:

21 Sec. 41.65. REQUEST FOR STATE ASSISTANCE. The appraisal
22 review board may request the commissioner [~~comptroller~~] to assist
23 in determining the accuracy of appraisals by the appraisal office
24 or to provide other professional assistance. The appraisal office
25 shall reimburse the costs of providing assistance if the
26 commissioner [~~comptroller~~] requests reimbursement.

27 Sec. 41.68. RECORD OF PROCEEDING. The appraisal review

1 board shall keep a record of its proceedings in the form and manner
2 prescribed by the commissioner [~~comptroller~~].

3 SECTION 106. Section 41.70(a), Tax Code, is amended to read
4 as follows:

5 (a) On or after May 1 but not later than May 15, the chief
6 appraiser shall publish notice of the manner in which a protest
7 under this chapter may be brought by a property owner. The notice
8 must describe how to initiate a protest and must describe the
9 deadlines for filing a protest. The notice must also describe the
10 manner in which an order of the appraisal review board may be
11 appealed. The commissioner [~~comptroller~~] by rule shall adopt
12 minimum standards for the form and content of the notice required by
13 this section.

14 SECTION 107. Sections 42.01, 42.03, and 42.05, Tax Code,
15 are amended to read as follows:

16 Sec. 42.01. RIGHT OF APPEAL BY PROPERTY OWNER. A property
17 owner is entitled to appeal:

18 (1) an order of the appraisal review board
19 determining:

20 (A) a protest by the property owner as provided
21 by Subchapter C of Chapter 41; or

22 (B) a determination of an appraisal review board
23 on a motion filed under Section 25.25; or

24 (2) an order of the commissioner [~~comptroller~~] issued
25 as provided by Subchapter B, Chapter 24, apportioning among the
26 counties the appraised value of railroad rolling stock owned by the
27 property owner.

1 Sec. 42.03. RIGHT OF APPEAL BY COUNTY. A county may appeal
2 the order of the commissioner [~~comptroller~~] issued as provided by
3 Subchapter B, Chapter 24 of this code apportioning among the
4 counties the appraised value of railroad rolling stock.

5 Sec. 42.05. COMMISSIONER [~~COMPTROLLER~~] AS PARTY. The
6 commissioner [~~comptroller~~] is an opposing party in an appeal by:

7 (1) a property owner of an order of the commissioner
8 [~~comptroller~~] determining a protest of the appraisal, interstate
9 allocation, or intrastate apportionment of transportation business
10 intangibles; or

11 (2) a county or a property owner of an order of the
12 commissioner [~~comptroller~~] apportioning among the counties the
13 appraised value of railroad rolling stock.

14 SECTION 108. Sections 42.06(a), (b), and (c), Tax Code, are
15 amended to read as follows:

16 (a) To exercise the party's right to appeal an order of an
17 appraisal review board, a party other than a property owner must
18 file written notice of appeal within 15 days after the date the
19 party receives the notice required by Section 41.47 or, in the case
20 of a taxing unit, by Section 41.07 that the order appealed has been
21 issued. To exercise the right to appeal an order of the
22 commissioner [~~comptroller~~], a party other than a property owner
23 must file written notice of appeal within 15 days after the date the
24 party receives the commissioner's [~~comptroller's~~] order. A
25 property owner is not required to file a notice of appeal under this
26 section.

27 (b) A party required to file a notice of appeal under this

1 section other than a chief appraiser who appeals an order of an
2 appraisal review board shall file the notice with the chief
3 appraiser of the appraisal district for which the appraisal review
4 board is established. A chief appraiser who appeals an order of an
5 appraisal review board shall file the notice with the appraisal
6 review board. A party who appeals an order of the commissioner
7 [~~comptroller~~] shall file the notice with the commissioner
8 [~~comptroller~~].

9 (c) If the chief appraiser, a taxing unit, or a county
10 appeals, the chief appraiser, if the appeal is of an order of the
11 appraisal review board, or the commissioner [~~comptroller~~], if the
12 appeal is of an order of the commissioner [~~comptroller~~], shall
13 deliver a copy of the notice to the property owner whose property is
14 involved in the appeal within 10 days after the date the notice is
15 filed.

16 SECTION 109. Section 42.21(b), Tax Code, is amended to read
17 as follows:

18 (b) A petition for review brought under Section 42.02 must
19 be brought against the owner of the property involved in the appeal.
20 A petition for review brought under Section 42.031 must be brought
21 against the appraisal district and against the owner of the
22 property involved in the appeal. A petition for review brought
23 under Subdivision (2) or (3) of Section 42.01 or under Section 42.03
24 must be brought against the commissioner [~~comptroller~~]. Any other
25 petition for review under this chapter must be brought against the
26 appraisal district. A petition for review is not required to be
27 brought against the appraisal review board, but may be brought

1 against the appraisal review board in addition to any other
2 required party, if appropriate.

3 SECTION 110. Section 42.22, Tax Code, as amended by
4 Chapters 667 and 1033, Acts of the 73rd Legislature, Regular
5 Session, 1993, is reenacted and amended to read as follows:

6 Sec. 42.22. VENUE. (a) Except as provided by Subsections
7 (b) and (c), and by Section 42.221, venue is in the county in which
8 the appraisal review board that issued the order appealed is
9 located.

10 (b) Venue of an action brought under Section 42.01(1) is in
11 the county in which the property is located or in the county in
12 which the appraisal review board that issued the order is located.

13 (c) Venue is in Travis County if the order appealed was
14 issued by the commissioner [~~comptroller~~].

15 SECTION 111. Section 42.23(b), Tax Code, is amended to read
16 as follows:

17 (b) The court may not admit in evidence the fact of prior
18 action by the appraisal review board or commissioner [~~comptroller~~],
19 except to the extent necessary to establish its jurisdiction.

20 SECTION 112. Section 42.26(c), Tax Code, is amended to read
21 as follows:

22 (c) For purposes of establishing the median level of
23 appraisal under Subsection (a)(1), the median level of appraisal in
24 the appraisal district as determined by the commissioner
25 [~~comptroller~~] under Section 51.41 [~~5.10~~] is admissible as evidence
26 of the median level of appraisal of a reasonable and representative
27 sample of properties in the appraisal district for the year of the

1 commissioner's [~~comptroller's~~] determination, subject to the Texas
2 Rules of Evidence and the Texas Rules of Civil Procedure.

3 SECTION 113. Sections 42.28 and 43.01, Tax Code, are
4 amended to read as follows:

5 Sec. 42.28. APPEAL OF DISTRICT COURT JUDGMENT. A party may
6 appeal the final judgment of the district court as provided by law
7 for appeal of civil suits generally, except that an appeal bond is
8 not required of the chief appraiser, the county, the commissioner
9 [~~comptroller~~], or the commissioners court of a county.

10 Sec. 43.01. AUTHORITY TO BRING SUIT. A taxing unit may sue
11 the appraisal district that appraises property for the unit to
12 compel the appraisal district to comply with the provisions of this
13 title, rules of the commissioner [~~comptroller~~], or other applicable
14 law.

15 SECTION 114. Section 313.022(b), Tax Code, is amended to
16 read as follows:

17 (b) For purposes of determining the required minimum amount
18 of a qualified investment under Section 313.021(2)(A)(iv)(a), and
19 the minimum amount of a limitation on appraised value under Section
20 313.027(b), school districts to which this subchapter applies are
21 categorized according to the taxable value of property in the
22 district for the preceding tax year determined under Subchapter B,
23 Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, as
24 follows:

25	CATEGORY	TAXABLE VALUE OF PROPERTY
26	I	\$10 billion or more
27	II	\$1 billion or more but less than \$10 billion

- 1 III \$500 million or more but less than \$1 billion
- 2 IV \$100 million or more but less than \$500 million
- 3 V less than \$100 million

4 SECTION 115. Section 313.052, Tax Code, is amended to read
5 as follows:

6 Sec. 313.052. CATEGORIZATION OF SCHOOL DISTRICTS. For
7 purposes of determining the required minimum amount of a qualified
8 investment under Section 313.021(2)(A)(iv)(a) and the minimum
9 amount of a limitation on appraised value under this subchapter,
10 school districts to which this subchapter applies are categorized
11 according to the taxable value of industrial property in the
12 district for the preceding tax year determined under Subchapter B,
13 Chapter 51, Tax [~~Subchapter M, Chapter 403, Government~~] Code, as
14 follows:

15	CATEGORY	TAXABLE VALUE OF INDUSTRIAL PROPERTY
16	I	\$200 million or more
17	II	\$90 million or more but less than \$200 million
18	III	\$1 million or more but less than \$90 million
19	IV	\$100,000 or more but less than \$1 million
20	V	less than \$100,000

21 SECTION 116. Sections 39.901(a), (b), (c), and (e),
22 Utilities Code, are amended to read as follows:

23 (a) Not later than August 31 each year, the commissioner of
24 the State Board on Property Valuation [~~comptroller~~] shall certify
25 to the Texas Education Agency the statewide net loss in electric
26 generating facility property value attributable to electric
27 utility restructuring. In calculating the statewide net loss in

1 electric generating facility property value, the commissioner of
2 the State Board on Property Valuation [~~comptroller~~] shall:

3 (1) subtract current year electric generating
4 facility appraisal roll values, as defined by Section 25.24, Tax
5 Code, from 1999 electric generating facility appraised values in
6 each school district;

7 (2) sum the resulting property value losses (positive
8 differences);

9 (3) sum the resulting property value gains (negative
10 differences); and

11 (4) subtract the absolute value of the property value
12 gains, subject to the limitation in Section 39.9011, from the
13 absolute value of the property value losses to calculate a
14 statewide net loss.

15 (b) The Texas Education Agency shall determine the amount
16 necessary to compensate the state for the statewide net loss
17 certified under Subsection (a) by multiplying the statewide net
18 loss by the average adopted property tax rate of the school
19 districts that had losses, weighted by the value losses in each
20 school district, and dividing the result by 100 and shall notify the
21 commission of the amount necessary to compensate the state for the
22 reduction. The commissioner of the State Board on Property
23 Valuation [~~comptroller~~] shall provide the Texas Education Agency
24 the electric generating facility value losses in each school
25 district used in Subsection (a)(2) for use in calculating the
26 weighted average property tax rate.

27 (c) The amounts determined by the commissioner of the State

1 Board on Property Valuation [~~comptroller~~] and the Texas Education
2 Agency under this section, for the purposes of this section, are
3 final and may not be appealed.

4 (e) The commissioner of education and the commissioner of
5 the State Board on Property Valuation [~~comptroller~~] shall adopt
6 rules necessary to implement this section, including rules
7 providing for public input.

8 SECTION 117. The following laws are repealed:

- 9 (1) Sections 5.10, 5.102, 5.12, and 5.13, Tax Code;
10 (2) Subchapter M, Chapter 403, Government Code; and
11 (3) S.B. No. 1833, Acts of the 78th Legislature,
12 Regular Session, 2003.

13 SECTION 118. (a) As soon as practicable on or after the
14 effective date of this Act, the governor shall appoint the members
15 of the State Board on Property Valuation. The initial members
16 appointed shall draw lots so that one member's term expires March 1,
17 2005, two members' terms expire March 1, 2007, and two members'
18 terms expire March 1, 2009. The board shall employ a commissioner
19 as soon as practicable after a majority of the members of the board
20 qualify for office.

21 (b) The comptroller of public accounts and the commissioner
22 of the State Board on Property Valuation shall coordinate the
23 transfer of all aspects and functions of the comptroller relating
24 to state administration of the property tax system to the board or
25 commissioner, as applicable. The transfer shall be accomplished as
26 soon as practicable but not later than the 45th day after the date
27 the board employs the initial commissioner.

1 (c) The transfer required by Subsection (b) of this section
2 includes all assets, obligations, and liabilities of any kind
3 relating to state administration of the property tax system,
4 including all contracts, leases, real or personal property,
5 personnel, furniture, computers and other equipment, files, and
6 related materials used by the comptroller for that purpose.

7 (d) All appropriations made to the comptroller for the
8 operation of the property tax division, as well as the personnel
9 assigned to the division, are transferred to the State Board on
10 Property Valuation, except for the appropriations for support
11 services provided by other divisions of the comptroller's office.
12 Notwithstanding Section 5.02(d), Tax Code, as added by this Act,
13 until the end of the state fiscal biennium that begins September 1,
14 2003, the comptroller, by interagency contract, shall continue to
15 provide support to the State Board on Property Valuation for
16 payroll, human resources, computer maintenance and technical
17 assistance, printing and distribution of publications created by
18 the board, and similar administrative services currently provided.

19 (e) All forms, rules, and procedures relating to state
20 administration of the property tax system adopted by the
21 comptroller or administratively transferred to the comptroller and
22 in effect on the effective date of this Act remain in effect on or
23 after that date as if adopted by the State Board on Property
24 Valuation or the commissioner of the State Board on Property
25 Valuation, as applicable, until amended, repealed, withdrawn, or
26 otherwise superseded by the board or commissioner.

27 (f) In any protest, appeal, or other administrative or

1 judicial action in which the comptroller is a party on the effective
2 date of this Act in connection with a duty or function transferred
3 from the comptroller to the State Board on Property Valuation or the
4 commissioner of the State Board on Property Valuation, as
5 applicable, by this Act, the board or commissioner is substituted
6 for the comptroller on the effective date of this Act.

7 (g) A reference in law to the comptroller in connection with
8 state administration of the property tax system means the State
9 Board on Property Valuation or the commissioner of the State Board
10 on Property Valuation, as applicable.

11 SECTION 119. Except as otherwise provided by this Act, this
12 Act takes effect November 1, 2003.