

By: Ellis

H.B. No. 56

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the selection of the board of directors of an appraisal
3 district.

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

5 SECTION 1. Section 6.02(c), Tax Code, is amended to read as
6 follows:

7 (c) A taxing unit that has chosen to participate in a single
8 appraisal district under Subsection (b) [~~of this section~~] may
9 revoke that choice and, if permitted to do so by Subsection (b),
10 choose to participate in a single appraisal district other than the
11 one previously chosen. [~~A taxing unit that has withdrawn from an
12 appraisal district under this subsection and chosen to participate
13 in another single appraisal district may not under this subsection
14 withdraw from that district.~~]

15 SECTION 2. Section 6.03, Tax Code, is amended by amending
16 Subsections (a)-(c) and (1) and adding Subsection (a-1) to read as
17 follows:

18 (a) The appraisal district is governed by a board of five
19 directors elected at the general election on the first Tuesday
20 after the first Monday in November of even-numbered years.

21 (a-1) One director shall be elected at large by the voters
22 of the county for which the appraisal district is established, and
23 one director shall be elected from each county commissioners
24 precinct of that county by the voters of that precinct. To be

1 eligible to be a candidate for or to serve as the director
2 representing the county at large, a person must be a registered
3 voter of the county. Except as provided by Subsection (c), to be
4 eligible to be a candidate for or to serve as the director
5 representing a county commissioners precinct, a person must be a
6 registered voter of that precinct. A person shall indicate on the
7 application for a place on the ballot the precinct that the person
8 seeks to represent or that the person seeks to represent the county
9 at large. [~~Five directors are appointed by the taxing units that~~
10 ~~participate in the district as provided by this section. If the~~
11 ~~county assessor-collector is not appointed to the board, the county~~
12 ~~assessor-collector serves as a nonvoting director. The county~~
13 ~~assessor-collector is ineligible to serve if the board enters into~~
14 ~~a contract under Section 6.05(b) or if the commissioners court of~~
15 ~~the county enters into a contract under Section 6.24(b). To be~~
16 ~~eligible to serve on the board of directors, an individual other~~
17 ~~than a county assessor-collector serving as a nonvoting director~~
18 ~~must be a resident of the district and must have resided in the~~
19 ~~district for at least two years immediately preceding the date the~~
20 ~~individual takes office. An individual who is otherwise eligible~~
21 ~~to serve on the board is not ineligible because of membership on the~~
22 ~~governing body of a taxing unit. An employee of a taxing unit that~~
23 ~~participates in the district is not eligible to serve on the board~~
24 ~~unless the individual is also a member of the governing body or an~~
25 ~~elected official of a taxing unit that participates in the~~
26 ~~district.]~~

27 (b) Members of the board of directors [~~other than a county~~

1 ~~assessor-collector serving as a nonvoting director]~~ serve two-year
2 terms beginning on January 1 of each odd-numbered year
3 ~~[even-numbered years]~~.

4 (c) When the boundaries of the county commissioners
5 precincts are changed under Section 18, Article V, Texas
6 Constitution, a director representing a precinct who is in office
7 on the effective date of the change, or who before the effective
8 date of the change is elected or appointed to a term of office
9 beginning on or after the effective date of the change, is entitled
10 to serve the term or the remainder of the term in the precinct to
11 which the person was elected or appointed even though the change in
12 boundaries places the person's residence outside the precinct for
13 which the person was elected or appointed. [~~Members of the board of~~
14 ~~directors other than a county assessor-collector serving as a~~
15 ~~nonvoting director are appointed by vote of the governing bodies of~~
16 ~~the incorporated cities and towns, the school districts, and, if~~
17 ~~entitled to vote, the conservation and reclamation districts that~~
18 ~~participate in the district and of the county. A governing body may~~
19 ~~cast all its votes for one candidate or distribute them among~~
20 ~~candidates for any number of directorships. Conservation and~~
21 ~~reclamation districts are not entitled to vote unless at least one~~
22 ~~conservation and reclamation district in the district delivers to~~
23 ~~the chief appraiser a written request to nominate and vote on the~~
24 ~~board of directors by June 1 of each odd-numbered year. On receipt~~
25 ~~of a request, the chief appraiser shall certify a list by June 15 of~~
26 ~~all eligible conservation and reclamation districts that are~~
27 ~~imposing taxes and that participate in the district.]~~

1 (1) If a vacancy occurs on the board of directors in the
2 position of a director representing a county commissioners
3 precinct, the county commissioner representing the same precinct
4 shall appoint a qualified resident of the precinct to fill the
5 vacancy. If a vacancy occurs in the position of the director
6 representing the county at large, the county judge shall appoint a
7 qualified resident of the county to fill the vacancy. A person
8 appointed to fill a vacancy serves the remainder of the unexpired
9 term [~~other than a vacancy in the position held by a county~~
10 ~~assessor-collector serving as a nonvoting director, each taxing~~
11 ~~unit that is entitled to vote by this section may nominate by~~
12 ~~resolution adopted by its governing body a candidate to fill the~~
13 ~~vacancy. The unit shall submit the name of its nominee to the chief~~
14 ~~appraiser within 45 days after notification from the board of~~
15 ~~directors of the existence of the vacancy, and the chief appraiser~~
16 ~~shall prepare and deliver to the board of directors within the next~~
17 ~~five days a list of the nominees. The board of directors shall~~
18 ~~elect by majority vote of its members one of the nominees to fill~~
19 ~~the vacancy].~~

20 SECTION 3. The heading to Section 6.031, Tax Code, is
21 amended to read as follows:

22 Sec. 6.031. BALLOT PROCEDURES; FILING FEE [~~CHANGES IN BOARD~~
23 ~~MEMBERSHIP OR SELECTION~~].

24 SECTION 4. Sections 6.031(a)-(c), Tax Code, are amended to
25 read as follows:

26 (a) Except as provided by this section, Chapter 144,
27 Election Code, applies to a candidate for the office [~~The board of~~

1 ~~directors]~~ of member of an appraisal district [~~, by resolution~~
2 ~~adopted and delivered to each taxing unit participating in the~~
3 ~~district before August 15, may increase the number of members on~~
4 ~~the]~~ board of directors [~~of the district to not more than 13, change~~
5 ~~the method or procedure for appointing the members, or both, unless~~
6 ~~the governing body of a taxing unit that is entitled to vote on the~~
7 ~~appointment of board members adopts a resolution opposing the~~
8 ~~change, and files it with the board of directors before September 1.~~
9 ~~If a change is rejected, the board shall notify, in writing, each~~
10 ~~taxing unit participating in the district before September 15].~~

11 (b) An application for a place on the ballot must be filed
12 with the county judge of the county for which the appraisal district
13 is established and be accompanied by either:

14 (1) a filing fee of:

15 (A) \$1,000 in a county with a population of
16 200,000 or more; or

17 (B) \$375 in a county with a population of less
18 than 200,000; or

19 (2) a petition that contains at least the lesser of the
20 following number of signatures of registered voters of the county:

21 (A) 500; or

22 (B) five percent of the total vote received in
23 the county by all candidates for governor in the most recent
24 gubernatorial general election, unless that number is less than 25,
25 in which case the required number of signatures is the lesser of:

26 (i) 25; or

27 (ii) 10 percent of that total vote [The

1 ~~taxing units participating in an appraisal district may increase~~
2 ~~the number of members on the board of directors of the district to~~
3 ~~not more than 13, change the method or procedure for appointing the~~
4 ~~members, or both, if the governing bodies of three-fourths of the~~
5 ~~taxing units that are entitled to vote on the appointment of board~~
6 ~~members adopt resolutions providing for the change. However, a~~
7 ~~change under this subsection is not valid if it reduces the voting~~
8 ~~entitlement of one or more taxing units that do not adopt a~~
9 ~~resolution proposing it to less than a majority of the voting~~
10 ~~entitlement under Section 6.03 of this code or if it reduces the~~
11 ~~voting entitlement of any taxing unit that does not adopt a~~
12 ~~resolution proposing it to less than 50 percent of its voting~~
13 ~~entitlement under Section 6.03 of this code and if that taxing~~
14 ~~unit's allocation of the budget is not reduced to the same~~
15 ~~proportional percentage amount, or if it expands the types of~~
16 ~~taxing units that are entitled to vote on appointment of board~~
17 ~~members].~~

18 (c) A filing fee received [~~An official copy of a resolution~~]
19 ~~under this section shall be deposited in the county treasury to the~~
20 ~~credit of the county general fund~~ [~~must be filed with the chief~~
21 ~~appraiser of the appraisal district after June 30 and before~~
22 ~~October 1 of a year in which board members are appointed or the~~
23 ~~resolution is ineffective].~~

24 SECTION 5. Section 6.036(a), Tax Code, is amended to read as
25 follows:

26 (a) An individual is not eligible to be a candidate for
27 [~~appointed to~~] or to serve on the board of directors of an appraisal

1 district if the individual or a business entity in which the
2 individual has a substantial interest is a party to a contract with:

- 3 (1) the appraisal district; or
4 (2) a taxing unit that participates in the appraisal
5 district, if the contract relates to the performance of an activity
6 governed by this title.

7 SECTION 6. Section 6.037, Tax Code, is amended to read as
8 follows:

9 Sec. 6.037. PARTICIPATION OF CONSERVATION AND RECLAMATION
10 DISTRICTS IN APPRAISAL DISTRICT MATTERS. [~~In this title, a~~
11 ~~reference to the taxing units entitled to vote on the appointment of~~
12 ~~appraisal district board members includes the conservation and~~
13 ~~reclamation districts participating in the appraisal district,~~
14 ~~without regard to whether the conservation and reclamation~~
15 ~~districts are currently entitled to do so under Section 6.03(c).]~~

16 In a provision of this title [~~other than Section 6.03 or 6.031~~] that
17 grants authority to a majority or other number of the taxing units
18 participating in an appraisal district [~~entitled to vote on the~~
19 ~~appointment of appraisal district directors~~], including the
20 authority to disapprove [~~disapproval of~~] the appraisal district
21 budget under Section 6.06 [~~and the disapproval of appraisal~~
22 ~~district board actions under Section 6.10~~], the conservation and
23 reclamation districts participating in the appraisal district are
24 given the vote or authority of one taxing unit. That vote or
25 authority is considered exercised only if a majority of the
26 conservation and reclamation districts take the same action to
27 exercise that vote or authority. Otherwise, the conservation and

1 reclamation districts are treated in the same manner as a single
2 taxing unit that is entitled to act but does not take any action on
3 the matter.

4 SECTION 7. Section 6.051(b), Tax Code, is amended to read as
5 follows:

6 (b) The acquisition or conveyance of real property or the
7 construction or renovation of a building or other improvement by an
8 appraisal district must be approved by the governing bodies of
9 three-fourths of the taxing units participating in the district
10 [~~entitled to vote on the appointment of board members~~]. The board
11 of directors by resolution may propose a property transaction or
12 other action for which this subsection requires approval of the
13 taxing units. The chief appraiser shall notify the presiding
14 officer of each governing body entitled to vote on the approval of
15 the proposal by delivering a copy of the board's resolution,
16 together with information showing the costs of other available
17 alternatives to the proposal. On or before the 30th day after the
18 date the presiding officer receives notice of the proposal, the
19 governing body of a taxing unit by resolution may approve or
20 disapprove the proposal. If a governing body fails to act on or
21 before that 30th day or fails to file its resolution with the chief
22 appraiser on or before the 10th day after that 30th day, the
23 proposal is treated as if it were disapproved by the governing body.

24 SECTION 8. Sections 6.06(a), (b), and (i), Tax Code, are
25 amended to read as follows:

26 (a) Each year the chief appraiser shall prepare a proposed
27 budget for the operations of the district for the following tax year

1 and shall submit copies to each taxing unit participating in the
2 district and to the district board of directors before June 15. The
3 chief appraiser [~~He~~] shall include in the budget a list showing each
4 proposed position, the proposed salary for the position, all
5 benefits proposed for the position, each proposed capital
6 expenditure, and an estimate of the amount of the budget that will
7 be allocated to each taxing unit. Each taxing unit participating in
8 the district [~~entitled to vote on the appointment of board members~~]
9 shall maintain a copy of the proposed budget for public inspection
10 at its principal administrative office.

11 (b) The board of directors shall hold a public hearing to
12 consider the budget. The secretary of the board shall deliver to
13 the presiding officer of the governing body of each taxing unit
14 participating in the district not later than the 10th day before the
15 date of the hearing a written notice of the date, time, and place
16 fixed for the hearing. The board shall complete its hearings, make
17 any amendments to the proposed budget it desires, and finally
18 approve a budget before September 15. If governing bodies of a
19 majority of the taxing units participating in the district
20 [~~entitled to vote on the appointment of board members~~] adopt
21 resolutions disapproving a budget and file them with the secretary
22 of the board within 30 days after its adoption, the budget does not
23 take effect, and the board shall adopt a new budget within 30 days
24 of the disapproval.

25 (i) The fiscal year of an appraisal district is the calendar
26 year unless the governing bodies of three-fourths of the taxing
27 units participating in the district [~~entitled to vote on the~~

1 ~~appointment of board members]~~ adopt resolutions proposing a
2 different fiscal year and file them with the secretary of the board
3 not more than 12 and not less than eight months before the first day
4 of the fiscal year proposed by the resolutions. If the fiscal year
5 of an appraisal district is changed under this subsection, the
6 chief appraiser shall prepare a proposed budget for the fiscal year
7 as provided by Subsection (a) [~~of this section~~] before the 15th day
8 of the seventh month preceding the first day of the fiscal year
9 established by the change, and the board of directors shall adopt a
10 budget for the fiscal year as provided by Subsection (b) [~~of this~~
11 ~~section~~] before the 15th day of the fourth month preceding the first
12 day of the fiscal year established by the change. Unless the
13 appraisal district adopts a different method of allocation under
14 Section 6.061 [~~of this code~~], the allocation of the budget to each
15 taxing unit shall be calculated as provided by Subsection (d) [~~of~~
16 ~~this section~~] using the amount of property taxes imposed by each
17 participating taxing unit in the most recent tax year preceding the
18 fiscal year established by the change for which the necessary
19 information is available. Each taxing unit shall pay its
20 allocation as provided by Subsection (e) [~~of this section~~], except
21 that the first payment shall be made before the first day of the
22 fiscal year established by the change and subsequent payments shall
23 be made quarterly. In the year in which a change in the fiscal year
24 occurs, the budget that takes effect on January 1 of that year may
25 be amended as necessary as provided by Subsection (c) [~~of this~~
26 ~~section~~] in order to accomplish the change in fiscal years.

27 SECTION 9. Sections 6.061(b) and (e), Tax Code, are amended

1 to read as follows:

2 (b) The taxing units participating in an appraisal district
3 may adopt a different method of allocating the costs of operating
4 the district if the governing bodies of three-fourths of the taxing
5 units that participate in the district [~~are entitled to vote on the~~
6 ~~appointment of board members~~] adopt resolutions providing for the
7 other method. However, a change under this subsection is not valid
8 if it requires any taxing unit to pay a greater proportion of the
9 appraisal district's costs than the unit would pay under Section
10 6.06 [~~of this code~~] without the consent of the governing body of
11 that unit.

12 (e) A change in allocation of district costs made as
13 provided by this section remains in effect until changed in a manner
14 provided by this section or rescinded by resolution of a majority of
15 the governing bodies of the taxing units participating in the
16 district [~~that are entitled to vote on appointment of board members~~
17 ~~under Section 6.03 of this code~~].

18 SECTION 10. Section 6.063(b), Tax Code, is amended to read
19 as follows:

20 (b) The report of the audit is a public record. A copy of
21 the report shall be delivered to the presiding officer of the
22 governing body of each taxing unit participating in the district
23 [~~eligible to vote on the appointment of district directors~~], and a
24 reasonable number of copies shall be available for inspection at
25 the appraisal office.

26 SECTION 11. Section 52.092, Election Code, is amended by
27 adding Subsection (k) to read as follows:

1 (k) The secretary of state shall prescribe procedures for
2 the listing of the office of appraisal district director on the
3 ballot.

4 SECTION 12. The following sections of the Tax Code are
5 repealed:

- 6 (1) Sections 6.03(d)-(k) and (m);
- 7 (2) Sections 6.031(d)-(g);
- 8 (3) Section 6.033;
- 9 (4) Section 6.034; and
- 10 (5) Section 6.10.

11 SECTION 13. (a) Except as otherwise provided by this
12 section, this Act takes effect January 1, 2005.

13 (b) Sections 3, 4, 11, and 14 of this Act take effect
14 September 1, 2004.

15 SECTION 14. (a) Appraisal district directors shall be
16 elected as provided by Section 6.03, Tax Code, as amended by this
17 Act, beginning with the general election conducted in November
18 2004. Members then elected take office January 1, 2005.

19 (b) The change in manner of selection of appraisal district
20 directors made by this Act does not affect the selection of
21 directors who serve on the board before January 1, 2005.

22 (c) The term of an appraisal district director serving on
23 December 31, 2004, expires on January 1, 2005.