

By: Williams

S.B. No. 26

A BILL TO BE ENTITLED

1 AN ACT

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 5.12(b), Tax Code, is amended to read as  
6 follows:

7 (b) At the written request of the governing bodies of a  
8 majority of all the taxing units participating in an appraisal  
9 district or of a majority of the group of taxing units composed of  
10 the municipalities, school districts, and county participating in  
11 the appraisal district [~~entitled to vote on the appointment of~~  
12 ~~appraisal district directors~~], the comptroller shall audit the  
13 performance of the appraisal district. The governing bodies may  
14 request a general audit of the performance of the appraisal  
15 district or may request an audit of only one or more particular  
16 duties, practices, functions, departments, or other appraisal  
17 district matters.

18 SECTION 2. Section 5.13(h), Tax Code, is amended to read as  
19 follows:

20 (h) At any time after the request for an audit is made, the  
21 comptroller may discontinue the audit in whole or in part if  
22 requested to do so by:

23 (1) the governing bodies of a majority of all the  
24 taxing units participating in the district, if the audit was

1 requested by a majority of those units;

2 (2) the governing bodies of a majority of the group of  
3 taxing units composed of the municipalities, school districts, and  
4 county participating in the appraisal district [~~entitled to vote on~~  
5 ~~the appointment of appraisal district directors~~], if the audit was  
6 requested by a majority of those units; or

7 (3) if the audit was requested under Section 5.12(c)  
8 [~~of this code~~], by the taxpayers who requested the audit.

9 SECTION 3. Section 6.03, Tax Code, is amended by amending  
10 Subsections (a) and (l) and adding Subsections (a-1) and (n) to read  
11 as follows:

12 (a) The appraisal district is governed by a board of five  
13 directors. One director is elected from each of the four  
14 commissioners precincts of the county for which the appraisal  
15 district is established. The county assessor-collector is a  
16 director by virtue of the person's office. The directors other than  
17 the county assessor-collector are elected at the general election  
18 for state and county officers and serve two-year terms beginning on  
19 January 1 of odd-numbered years. [~~Five directors are appointed by~~  
20 ~~the taxing units that participate in the district as provided by~~  
21 ~~this section. If the county assessor-collector is not appointed to~~  
22 ~~the board, the county assessor-collector serves as a nonvoting~~  
23 ~~director.~~] The county assessor-collector is ineligible to serve if  
24 the board enters into a contract under Section 6.05(b) or if the  
25 commissioners court of the county enters into a contract under  
26 Section 6.24(b). If the county assessor-collector is ineligible to  
27 serve, the appraisal district is governed by the four directors

1 electd from the commissioners precincts and a director appointed  
2 by the commissioners court of the county.

3 (a-1) To be eligible to serve on the board of directors, an  
4 individual other than the [a] county assessor-collector [~~servng as~~  
5 ~~a nonvoting director~~] must:

6 (1) be a resident of the precinct from which the office  
7 is elected; [~~district~~] and

8 (2) [~~must~~] have resided in the district for at least  
9 two years immediately preceding the date the individual takes  
10 office. [~~An individual who is otherwise eligible to serve on the~~  
11 ~~board is not ineligible because of membership on the governing body~~  
12 ~~of a taxing unit. An employee of a taxing unit that participates in~~  
13 ~~the district is not eligible to serve on the board unless the~~  
14 ~~individual is also a member of the governing body or an elected~~  
15 ~~official of a taxing unit that participates in the district.]~~

16 (1) A [~~If a~~] vacancy [~~occurs~~] on the board of directors  
17 other than a vacancy in the position held by the [a] county  
18 assessor-collector is filled for the remainder of the unexpired  
19 term by appointment by the commissioners court of the county for  
20 which the appraisal district is established [~~servng as a nonvoting~~  
21 ~~director, each taxing unit that is entitled to vote by this section~~  
22 ~~may nominate by resolution adopted by its governing body a~~  
23 ~~candidate to fill the vacancy. The unit shall submit the name of~~  
24 ~~its nominee to the chief appraiser within 45 days after~~  
25 ~~notification from the board of directors of the existence of the~~  
26 ~~vacancy, and the chief appraiser shall prepare and deliver to the~~  
27 ~~board of directors within the next five days a list of the nominees.~~

1 ~~The board of directors shall elect by majority vote of its members~~  
2 ~~one of the nominees to fill the vacancy].~~

3 (n) If as a result of a change in the boundaries of  
4 commissioners precincts an individual serving as a director no  
5 longer resides in the precinct from which the office is elected, the  
6 individual is not for that reason disqualified from office during  
7 the remainder of the term of office being served at the time the  
8 boundary change takes effect. If as a result of a change in the  
9 boundaries of commissioners precincts an individual elected as a  
10 director before the boundary change to a term that begins after the  
11 boundary change no longer resides in the precinct from which  
12 elected, the individual is not for that reason disqualified from  
13 serving the term to which elected.

14 SECTION 4. Section 6.036(a), Tax Code, is amended to read as  
15 follows:

16 (a) An individual is not eligible to be a candidate for, to  
17 be appointed to, or to serve on the board of directors of an  
18 appraisal district if the individual or a business entity in which  
19 the individual has a substantial interest is a party to a contract  
20 with:

- 21 (1) the appraisal district; or  
22 (2) a taxing unit that participates in the appraisal  
23 district, if the contract relates to the performance of an activity  
24 governed by this title.

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

27 (b) The acquisition or conveyance of real property or the

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

20 SECTION 6. Sections 6.06(a), (b), and (i), Tax Code, are  
21 amended to read as follows:

22 (a) Each year the chief appraiser shall prepare a proposed  
23 budget for the operations of the district for the following tax year  
24 and shall submit copies to each taxing unit participating in the  
25 district and to the district board of directors before June 15. The  
26 chief appraiser [~~He~~] shall include in the budget a list showing each  
27 proposed position, the proposed salary for the position, all

1 benefits proposed for the position, each proposed capital  
2 expenditure, and an estimate of the amount of the budget that will  
3 be allocated to each taxing unit. Each municipality, each school  
4 district, and the county participating in the appraisal district  
5 ~~[taxing unit entitled to vote on the appointment of board members]~~  
6 shall maintain a copy of the proposed budget for public inspection  
7 at its principal administrative office.

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

23 (i) The fiscal year of an appraisal district is the calendar  
24 year unless the governing bodies of three-fourths of the group of  
25 taxing units composed of the municipalities, school districts, and  
26 county participating in the appraisal district ~~[taxing units~~  
27 ~~entitled to vote on the appointment of board members]~~ adopt

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

27 SECTION 7. 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 group  
5 of taxing units composed of the municipalities, school districts,  
6 and county participating in the appraisal district [~~taxing units~~  
7 ~~that are entitled to vote on the appointment of board members~~] adopt  
8 resolutions providing for the other method. However, a change  
9 under this subsection is not valid if it requires any taxing unit to  
10 pay a greater proportion of the appraisal district's costs than the  
11 unit would pay under Section 6.06 [~~of this code~~] without the consent  
12 of the governing body of that unit.

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

20 SECTION 8. Section 6.063(b), Tax Code, is amended to read  
21 as follows:

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



1 the appraisal office.

2 SECTION 9. Section 52.092(d), Election Code, is amended to  
3 read as follows:

4 (d) District offices of the state government shall be listed  
5 in the following order:

- 6 (1) member, State Board of Education;
- 7 (2) state senator;
- 8 (3) state representative;
- 9 (4) chief justice, court of appeals;
- 10 (5) justice, court of appeals;
- 11 (6) district judge;
- 12 (7) criminal district judge;
- 13 (8) family district judge;
- 14 (9) district attorney;
- 15 (10) criminal district attorney;
- 16 (11) appraisal district director.

17 SECTION 10. Section 172.024, Election Code, is amended by  
18 adding Subsection (c) to read as follows:

19 (c) For the office of appraisal district director, the  
20 filing fee for a candidate for nomination in the general primary  
21 election is:

- 22 (1) county with a population of 200,000 or  
23 more . . . . . \$400
- 24 (2) county with a population under 200,000 . . . . . 200.

25 SECTION 11. The following provisions of the Tax Code are  
26 repealed:

- 27 (1) Sections 6.03(b)-(k) and (m);

- 1           (2) Section 6.031;
- 2           (3) Section 6.033;
- 3           (4) Section 6.034;
- 4           (5) Section 6.037; and
- 5           (6) Section 6.10.

6           SECTION 12. (a) Except as otherwise provided by this  
7 section, this Act takes effect January 1, 2007.

8           (b) This section and Sections 9 and 10 of this Act take  
9 effect September 1, 2005.

10          (c) Appraisal district directors shall be elected as  
11 provided by Section 6.03, Tax Code, as amended by this Act,  
12 beginning with the primary and general elections conducted in 2006.  
13 Members then elected take office January 1, 2007.

14          (d) The change in the manner of selection of appraisal  
15 district directors made by this Act does not affect the selection of  
16 directors who serve on the board before January 1, 2007.

17          (e) The term of an appraisal district director serving on  
18 December 31, 2006, expires on January 1, 2007.