

By: Wilson

H.B. No. 2120

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the appraisal of property for ad valorem taxation by the  
3 Comptroller of Public Accounts.

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

5 SECTION 1. Section 1.10, Tax Code, is amended to read as  
6 follows:

7 Sec. 1.10. ROLLS IN ELECTRONIC DATA-PROCESSING RECORDS.  
8 The appraisal roll for an appraisal office [~~district~~] and the  
9 appraisal roll or the tax roll for the unit may be retained in  
10 electronic data-processing equipment. However, a physical  
11 document for each must be prepared and made readily available to the  
12 public.

13 SECTION 2. Sections 1.111(c), (f), (g), and (h), Tax Code,  
14 are amended to read as follows:

15 (c) The designation of an agent under this section remains  
16 in effect until revoked in a written revocation filed with the  
17 appraisal office [~~district~~] by the property owner. A designation  
18 may be made to expire according to its own terms but is still  
19 subject to prior revocation by the property owner.

20 (f) A property owner in writing filed with the appraisal  
21 office [~~district~~] may direct the appraisal office [~~district~~],  
22 appraisal review board, and each taxing unit participating in the  
23 appraisal office [~~district~~] to deliver all notices, tax bills,  
24 orders, and other communications relating to one or more specified

1 items of the owner's property to a specified person instead of to  
2 the property owner. The instrument must clearly identify the  
3 person by name and give the person's address to which all notices,  
4 tax bills, orders, and other communications are to be delivered.  
5 The property owner may but is not required to designate the person's  
6 agent for other tax matters designated under Subsection (a) as the  
7 person to receive all notices, tax bills, orders, and other  
8 communications. The designation of an agent for other tax matters  
9 under Subsection (a) may also provide that the agent is the person  
10 to whom notices, tax bills, orders, and other communications are to  
11 be delivered under this subsection.

12 (g) An appraisal office [~~district~~], appraisal review board,  
13 or taxing unit may not require a person to designate an agent to  
14 represent the person in a property tax matter other than as provided  
15 by this section.

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

21 "In some cases, you may want to contact your appraisal office  
22 [~~district~~] or other local taxing units for free information and/or  
23 forms concerning your case before designating an agent."

24 SECTION 3. Sections 1.12(a) and (d), Tax Code, are amended  
25 to read as follows:

26 (a) For purposes of this title, the median level of  
27 appraisal is the median appraisal ratio of a reasonable and

1 representative sample of properties in the territory of an  
2 appraisal office [~~district~~] or, for purposes of Section 41.43 or  
3 42.26, of a sample of properties specified by that section.

4 (d) For purposes of this section, the appraisal ratio of a  
5 homestead to which Section 23.23 applies is the ratio of the  
6 property's market value as determined by the appraisal office  
7 [~~district~~] or appraisal review board, as applicable, to the market  
8 value of the property according to law. The appraisal ratio is not  
9 calculated according to the appraised value of the property as  
10 limited by Section 23.23.

11 SECTION 4. Sections 5.03(a) and (b), Tax Code, are amended  
12 to read as follows:

13 (a) The comptroller shall adopt rules establishing minimum  
14 standards for the administration and operation of an appraisal  
15 office [~~district~~]. The minimum standards may vary according to the  
16 number of parcels and the kinds of property the appraisal office  
17 [~~district~~] is responsible for appraising.

18 (b) The comptroller may require from each appraisal office  
19 [~~district engaged in appraising property for taxation~~] an annual  
20 report on a form prescribed by the comptroller on the  
21 administration and operation of the appraisal office.

22 SECTION 5. Section 5.04(b), Tax Code, is amended to read as  
23 follows:

24 (b) An appraisal office [~~district~~] shall reimburse an  
25 employee of the appraisal office for all actual and necessary  
26 expenses, tuition and other fees, and costs of materials incurred  
27 in attending, with approval of the chief appraiser, a course or

1 training program sponsored or approved by the Board of Tax  
2 Professional Examiners.

3 SECTION 6. Sections 5.041(b), (c), and (f), Tax Code, are  
4 amended to read as follows:

5 (b) A member of the appraisal review board established for  
6 an appraisal office [~~district~~] must complete the course established  
7 under Subsection (a). A member of the appraisal review board may  
8 not participate in a hearing conducted by the board unless the  
9 person has completed the course established under Subsection (a)  
10 and received a certificate of course completion.

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

17 (f) The comptroller may not advise a property owner, a  
18 property owner's agent, an appraisal office [~~district~~], or an  
19 appraisal review board on a matter that the comptroller knows is the  
20 subject of a protest to the appraisal review board.

21 SECTION 7. Section 5.09(a), Tax Code, is amended to read as  
22 follows:

23 (a) The comptroller shall publish an annual report of the  
24 operations of the appraisal offices [~~districts~~]. The report shall  
25 include for each appraisal office [~~district~~], each county, and each  
26 school district and may include for other taxing units the total  
27 appraised values, assessed values, and taxable values of taxable

1 property by class of property, the assessment ratio, and the tax  
2 rate.

3 SECTION 8. Sections 5.10(a) and (b), Tax Code, are amended  
4 to read as follows:

5 (a) The comptroller shall conduct an annual study in each  
6 appraisal office [~~district~~] to determine the degree of uniformity  
7 of and the median level of appraisals by the appraisal office  
8 [~~district~~] within each major category of property. The comptroller  
9 shall publish a report of the findings of the study, including in  
10 the report the median levels of appraisal for each major category of  
11 property, the coefficient of dispersion around the median level of  
12 appraisal for each major category of property, and any other  
13 standard statistical measures that the comptroller considers  
14 appropriate. In conducting the study, the comptroller shall apply  
15 appropriate standard statistical analysis techniques to data  
16 collected as part of the annual study of school district taxable  
17 values required by Section 403.302, Government Code.

18 (b) The published findings of a ratio study conducted by the  
19 comptroller shall be distributed to all members of the legislature  
20 and to all appraisal offices [~~districts~~].

21 SECTION 9. Section 5.102, Tax Code, is amended to read as  
22 follows:

23 Sec. 5.102. REVIEW OF APPRAISAL STANDARDS. (a) The  
24 comptroller shall review the appraisal standards, procedures, and  
25 methodology used by each appraisal office [~~district~~] to determine  
26 compliance with generally accepted appraisal standards and  
27 practices.

1 (b) If the review results in a finding that an appraisal  
2 office [~~district~~] is not in compliance with generally accepted  
3 appraisal standards and practices, the comptroller shall deliver a  
4 report that details the comptroller's findings and recommendations  
5 for improvement to the appraisal office's [~~district's~~] chief  
6 appraiser [~~and board of directors~~].

7 (c) If noncompliance with generally accepted appraisal  
8 standards and practices is found in two consecutive reviews and if  
9 an affected appraisal office's [~~district's~~] chief appraiser fails  
10 [~~and board of directors fail~~] to take effective remedial action as  
11 determined by the comptroller, the comptroller may appoint a  
12 special master who may exercise supervision and control over the  
13 operations of the office [~~district~~] until full compliance with  
14 generally accepted appraisal standards and practices is achieved.  
15 The appraisal office [~~district~~] shall bear the costs related to the  
16 master's supervision and control.

17 SECTION 10. Section 5.12, Tax Code, is amended to read as  
18 follows:

19 Sec. 5.12. PERFORMANCE AUDIT OF APPRAISAL OFFICE  
20 [~~DISTRICT~~]. (a) The comptroller shall audit the performance of an  
21 appraisal office [~~district~~] if one or more of the following  
22 conditions exist according to each of two consecutive annual  
23 studies conducted by the comptroller under Section 5.10 [~~of this~~  
24 ~~code~~], 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 county for which the appraisal office is

1 established [~~district~~] for which the comptroller determines a  
2 median level of appraisal is less than 0.75;

3 (2) the coefficient of dispersion around the overall  
4 median level of appraisal of the properties used to determine the  
5 overall median level of appraisal for all property in the county for  
6 which the appraisal office is established [~~district~~] for which the  
7 comptroller determines a median level of appraisal exceeds 0.30;  
8 or

9 (3) the difference between the median levels of  
10 appraisal for any two classes of property in the county for which  
11 the appraisal office is established [~~district~~] for which the  
12 comptroller determines a median level of appraisal is more than  
13 0.45.

14 (b) At the written request of the governing bodies of a  
15 majority of the taxing units participating in an appraisal office  
16 [~~district or of a majority of the taxing units entitled to vote on~~  
17 ~~the appointment of appraisal district directors~~], the comptroller  
18 shall audit the performance of the appraisal office [~~district~~].  
19 The governing bodies may request a general audit of the performance  
20 of the appraisal office [~~district~~] or may request an audit of only  
21 one or more particular duties, practices, functions, departments,  
22 or other appraisal office [~~district~~] matters.

23 (c) At the written request of the owners of not less than 10  
24 percent of the number of accounts or parcels of property in an  
25 appraisal office [~~district~~] belonging to a single class of  
26 property, if the class constitutes at least five percent of the  
27 appraised value of taxable property within the county for which the

1 appraisal office is established [~~district~~] in the preceding year,  
2 or at the written request of the owners of property representing not  
3 less than 10 percent of the appraised value of all property in the  
4 county [~~district~~] belonging to a single class of property, if the  
5 class constitutes at least five percent of the appraised value of  
6 taxable property in the office [~~district~~] in the preceding year,  
7 the comptroller shall audit the performance of the appraisal office  
8 [~~district~~]. The property owners may request a general audit of the  
9 performance of the appraisal office [~~district~~] or may request an  
10 audit of only one or more particular duties, practices, functions,  
11 departments, or other appraisal office [~~district~~] matters. A  
12 property owner may authorize an agent to sign a request for an audit  
13 under this subsection on the property owner's behalf. The  
14 comptroller may require a person signing a request for an audit to  
15 provide proof that the person is entitled to sign the request as a  
16 property owner or as the agent of a property owner.

17 (d) A request for a performance audit of an appraisal office  
18 [~~district~~] may not be made under Subsection (b) or (c) [~~of this~~  
19 ~~section~~] if according to each of the two most recently published  
20 annual studies conducted by the comptroller under Section 5.10 of  
21 this code:

22 (1) the overall median level of appraisal for all  
23 property in the county for which the appraisal office is  
24 established [~~district~~] for which the comptroller determines a  
25 median level of appraisal is more than 0.90 and less than 1.10;

26 (2) the coefficient of dispersion around the overall  
27 median level of appraisal of the properties used to determine the



1 overall median level of appraisal for all property in the county  
2 [~~district~~] for which the comptroller determines a median level of  
3 appraisal is less than 0.15; and

4 (3) the difference between the highest and lowest  
5 median levels of appraisal in the county [~~district~~] for the classes  
6 of property for which the comptroller determines a median level of  
7 appraisal is less than 0.20.

8 (e) A request for a performance audit of an appraisal office  
9 [~~district~~] may not be made under Subsection (b) or (c) [~~of this~~  
10 ~~section~~]:

11 (1) during the two years immediately following the  
12 publication of the second of two consecutive annual studies  
13 according to which the comptroller is required to conduct an audit  
14 of the office [~~district~~] under Subsection (a) [~~of this section~~]; or

15 (2) during the year immediately following the date the  
16 results of an audit of the office [~~district~~] conducted by the  
17 comptroller under Subsection (a) [~~of this section~~] are reported to  
18 the chief appraiser of the office [~~district~~].

19 (f) For purposes of this section, "class of property" means  
20 a major kind of property for which the comptroller determines a  
21 median level of appraisal under Section 5.10 [~~of this code~~].

22 (g) The results of an annual study conducted by the  
23 comptroller for a tax year before 1989 may not be considered for  
24 purposes of determining whether an audit is required under  
25 Subsection (a) [~~of this section~~].

26 SECTION 11. SECTION 5.13, Tax Code, is amended to read as  
27 follows:

1           Sec. 5.13. ADMINISTRATION OF PERFORMANCE AUDITS. (a) The  
2    comptroller shall complete an audit required by Section 5.12(a) [~~of~~  
3    ~~this code~~] within two years after the date of the publication of the  
4    second of the two annual studies the results of which required the  
5    audit to be conducted. The comptroller shall complete an audit  
6    requested under Section 5.12(b) or (c) [~~of this code~~] as soon as  
7    practicable after the request is made.

8           (b) The comptroller may not audit the financial condition of  
9    an appraisal office [~~district or a district's tax collections~~]. If  
10   the request is for an audit limited to one or more particular  
11   matters, the comptroller's audit must be limited to those matters.

12          (c) The comptroller must approve the specific plan for the  
13   performance audit of an appraisal office [~~district~~]. Before  
14   approving an audit plan, the comptroller must provide any  
15   interested person an opportunity to appear before the comptroller  
16   and to comment on the proposed plan. Not later than the 20th day  
17   before the date the comptroller considers the plan for an appraisal  
18   office [~~district~~] performance audit, the comptroller must notify  
19   the presiding officer of the governing body of each taxing unit for  
20   which the appraisal office appraises property [~~appraisal district~~  
21   ~~board of directors~~] that the comptroller intends to consider the  
22   plan. The notice must include the time, date, and place of the  
23   meeting to consider the plan. [~~Immediately after receiving the~~  
24   ~~notice, the presiding officer shall deliver a copy of the notice to~~  
25   ~~the other members of the appraisal district board of directors.~~]

26          (d) In conducting a general audit, the comptroller shall  
27   consider and report on:

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

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

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

9           (4) the general efficiency, quality of service, and  
10 qualification of appraisal office [~~district~~] personnel; and

11           (5) except as otherwise provided by Subsection (b) [~~of~~  
12 ~~this section~~], any other matter included in the request for the  
13 audit.

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

24           (f) The comptroller shall report the results of its audit in  
25 writing to the governing body of each taxing unit that participates  
26 in the appraisal office and [~~district~~], to the chief appraiser[  
27 ~~and to the presiding officer of the appraisal district board of~~

1 ~~directors~~]. If the audit was requested under Section 5.12(c) [~~of~~  
2 ~~this code~~], the comptroller shall also provide a report to a  
3 representative of the property owners who requested the audit.

4 (g) If the audit is required or requested under Section  
5 5.12(a) or (b) [~~of this code~~], the appraisal office [~~district~~]  
6 shall reimburse the comptroller for the costs incurred in  
7 conducting the audit and making its report of the audit. The costs  
8 shall be allocated among the taxing units participating in the  
9 office [~~district~~] in the same manner as an operating expense of the  
10 office [~~district~~]. If the audit is requested under Section 5.12(c)  
11 [~~of this code~~], the property owners who requested the audit shall  
12 reimburse the comptroller for the costs incurred in conducting the  
13 audit and making its report of the audit and shall allocate the  
14 costs among those property owners in proportion to the appraised  
15 value of each property owner's property in the county in which the  
16 appraisal office is established [~~district~~] or on such other basis  
17 as the property owners may agree. If the audit confirms that the  
18 median level of appraisal for a class of property exceeds 1.10 or  
19 that the median level of appraisal for a class of property varies at  
20 least 10 percent from the overall median level of appraisal for all  
21 property appraised by [~~in~~] the office [~~district~~] for which the  
22 comptroller determines a median level of appraisal, within 90 days  
23 after the date a request is made by the property owners for  
24 reimbursement the appraisal office [~~district~~] shall reimburse the  
25 property owners who requested the audit for the amount paid to the  
26 comptroller for the costs incurred in conducting the audit and  
27 making the report. Before conducting an audit under Section

1 5.12(c), the comptroller may require the requesting taxing units or  
2 property owners to provide the comptroller with a bond, deposit, or  
3 other financial security sufficient to cover the expected costs of  
4 conducting the audit and making the report. For purposes of this  
5 subsection, "costs" include expenses related to salaries,  
6 professional fees, travel, reproduction or other printing  
7 services, and consumable supplies that are directly attributable to  
8 conducting the audit.

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

12 (1) the governing bodies of a majority of the taxing  
13 units participating in the office [~~district~~], if the audit was  
14 requested by a majority of those units; or

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

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

21 (i) The comptroller by rule may adopt procedures, audit  
22 standards, and forms for the administration of the performance  
23 audits.

24 SECTION 12. The heading to Subchapter A, Chapter 6, Tax  
25 Code, is amended to read as follows:

26 SUBCHAPTER A. APPRAISAL OFFICES [~~DISTRICTS~~]

27 SECTION 13. Section 6.01, Tax Code, is amended to read as

1 follows:

2           Sec. 6.01. COUNTY APPRAISAL OFFICE; CHIEF APPRAISER  
3 ~~[DISTRICTS ESTABLISHED]~~. (a) The comptroller shall operate an  
4 ~~[An]~~ appraisal office ~~[district is established]~~ in each county.

5           (b) The appraisal office ~~[district]~~ is responsible for  
6 appraising property in the county ~~[district]~~ for ad valorem tax  
7 purposes of each taxing unit that imposes ad valorem taxes on  
8 property in the county ~~[district]~~.

9           (c) For purposes of this title, each taxing unit with  
10 territory in the county is considered to participate in the  
11 appraisal office established for that county ~~[An appraisal district~~  
12 ~~is a political subdivision of the state]~~.

13           SECTION 14. Section 6.035, Tax Code, is amended to read as  
14 follows:

15           Sec. 6.035. RESTRICTIONS ON ELIGIBILITY AND CONDUCT OF  
16 ~~[BOARD MEMBERS AND]~~ CHIEF APPRAISERS AND THEIR RELATIVES. (a) An  
17 individual is ~~[ineligible to serve on an appraisal district board~~  
18 ~~of directors and is]~~ disqualified from employment as chief  
19 appraiser if the individual:

20           (1) is related within the second degree by  
21 consanguinity or affinity, as determined under Chapter 573,  
22 Government Code, to an individual who is engaged in the business of  
23 appraising property for compensation for use in proceedings under  
24 this title or of representing property owners for compensation in  
25 proceedings under this title in the appraisal office ~~[district]~~; or

26           (2) owns property on which delinquent taxes have been  
27 owed to a taxing unit for more than 60 days after the date the

1 individual knew or should have known of the delinquency unless:

2 (A) the delinquent taxes and any penalties and  
3 interest are being paid under an installment payment agreement  
4 under Section 33.02; or

5 (B) a suit to collect the delinquent taxes is  
6 deferred or abated under Section 33.06 or 33.065.

7 (b) A ~~[member of an appraisal district board of directors or~~  
8 ~~a]~~ chief appraiser commits an offense if the ~~[board member~~  
9 ~~continues to hold office or the]~~ chief appraiser remains employed  
10 knowing that an individual related within the second degree by  
11 consanguinity or affinity, as determined under Chapter 573,  
12 Government Code, to the ~~[board member or]~~ chief appraiser is  
13 engaged in the business of appraising property for compensation for  
14 use in proceedings under this title or of representing property  
15 owners for compensation in proceedings under this title in the  
16 appraisal office ~~[district]~~ in which the ~~[member serves or the]~~  
17 chief appraiser is employed. An offense under this subsection is a  
18 Class B misdemeanor.

19 (c) A chief appraiser commits an offense if the chief  
20 appraiser refers a person, whether gratuitously or for  
21 compensation, to another person for the purpose of obtaining an  
22 appraisal of property, whether or not the appraisal is for ad  
23 valorem tax purposes. An offense under this subsection is a Class B  
24 misdemeanor.

25 (d) An appraisal performed by a chief appraiser in a private  
26 capacity or by an individual related within the second degree by  
27 consanguinity or affinity, as determined under Chapter 573,

1 Government Code, to the chief appraiser may not be used as evidence  
2 in a protest or challenge under Chapter 41 or an appeal under  
3 Chapter 42 concerning property that is taxable in the appraisal  
4 office [~~district~~] in which the chief appraiser is employed.

5 SECTION 15. Section 6.05, Tax Code, is amended to read as  
6 follows:

7 Sec. 6.05. CHIEF APPRAISER; APPRAISAL OFFICE STAFF. (a)  
8 [~~Except as authorized by Subsection (b) of this section, each~~  
9 ~~appraisal district shall establish an appraisal office. The~~  
10 ~~appraisal office must be located in the county for which the~~  
11 ~~district is established. An appraisal district may establish~~  
12 ~~branch appraisal offices outside the county for which the district~~  
13 ~~is established.~~

14 [~~(b) The board of directors of an appraisal district may~~  
15 ~~contract with an appraisal office in another district or with a~~  
16 ~~taxing unit in the district to perform the duties of the appraisal~~  
17 ~~office for the district.~~

18 [~~(c)~~] The chief appraiser is the chief administrator of the  
19 appraisal office. The chief appraiser is appointed by and serves at  
20 the pleasure of the comptroller [~~appraisal district board of~~  
21 ~~directors. If a taxing unit performs the duties of the appraisal~~  
22 ~~office pursuant to a contract, the assessor for the unit is the~~  
23 ~~chief appraiser~~].

24 (b) [~~(d)~~] The chief appraiser is entitled to compensation  
25 as provided by the budget proposed by the chief appraiser and  
26 approved by the comptroller [~~adopted by the board of directors~~].  
27 The chief appraiser [~~He~~] may employ and compensate professional,



1 clerical, and other personnel for the appraisal office as provided  
2 by the budget.

3 (c) [~~(e)~~] The chief appraiser may delegate authority to  
4 [~~his~~] employees of the appraisal office.

5 (d) [~~(f)~~] The chief appraiser may not employ any individual  
6 related to the comptroller [~~a member of the board of directors~~]  
7 within the second degree by affinity or within the third degree by  
8 consanguinity, as determined under Chapter 573, Government Code. A  
9 person commits an offense if the person intentionally or knowingly  
10 violates this subsection. An offense under this subsection is a  
11 misdemeanor punishable by a fine of not less than \$100 or more than  
12 \$1,000.

13 (e) [~~(g)~~] The chief appraiser is an officer [~~of the~~  
14 ~~appraisal district~~] for purposes of the nepotism law, Chapter 573,  
15 Government Code. An appraisal office [~~district~~] may not employ or  
16 contract with an individual or the spouse of an individual who is  
17 related to the chief appraiser within the first degree by  
18 consanguinity or affinity, as determined under Chapter 573,  
19 Government Code.

20 (f) [~~(h)~~] The comptroller shall [~~board of directors of an~~  
21 ~~appraisal district by resolution may~~] prescribe that specified  
22 actions of the chief appraiser relating to the finances or  
23 administration of the appraisal office [~~district~~] are subject to  
24 the approval of the comptroller [~~board~~].

25 SECTION 16. Section 6.051, Tax Code, is amended to read as  
26 follows:

27 Sec. 6.051. OWNERSHIP OR LEASE OF REAL PROPERTY. (a) The

1 comptroller [~~board of directors of an appraisal district~~] may  
2 purchase or lease real property and may construct improvements as  
3 necessary to establish and operate the appraisal office or a branch  
4 appraisal office in the county for which the appraisal office  
5 appraises property.

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 entitled to vote on the~~  
10 ~~appointment of board members. The board of directors by resolution~~  
11 ~~may propose a property transaction or other action for which this~~  
12 ~~subsection requires approval of the taxing units. The chief~~  
13 ~~appraiser shall notify the presiding officer of each governing body~~  
14 ~~entitled to vote on the approval of the proposal by delivering a~~  
15 ~~copy of the board's resolution, together with information showing~~  
16 ~~the costs of other available alternatives to the proposal. On or~~  
17 ~~before the 30th day after the date the presiding officer receives~~  
18 ~~notice of the proposal, the governing body of a taxing unit by~~  
19 ~~resolution may approve or disapprove the proposal. If a governing~~  
20 ~~body fails to act on or before that 30th day or fails to file its~~  
21 ~~resolution with the chief appraiser on or before the 10th day after~~  
22 ~~that 30th day, the proposal is treated as if it were disapproved by~~  
23 ~~the governing body.~~

24 [(e)] The comptroller [~~board of directors~~] may convey real  
25 property of the appraisal office [~~owned by the district, and the~~  
26 ~~proceeds shall be credited to each taxing unit that participates in~~  
27 ~~the district in proportion to the unit's allocation of the~~

1 ~~appraisal district budget in the year in which the transaction~~  
2 ~~occurs. A conveyance must be approved as provided by Subsection (b)~~  
3 ~~of this section, and any proceeds shall be apportioned by an~~  
4 ~~amendment to the annual budget made as provided by Subsection (c) of~~  
5 ~~Section 6.06 of this code].~~

6 ~~[(d) An acquisition of real property by an appraisal~~  
7 ~~district before January 1, 1988, may be validated before March 1,~~  
8 ~~1988, in the manner provided by Subsection (b) of this section for~~  
9 ~~the acquisition of real property.]~~

10 SECTION 17. Section 6.052(a), Tax Code, is amended to read  
11 as follows:

12 (a) For ~~[The board of directors for]~~ an appraisal office  
13 established ~~[district created]~~ for a county with a population of  
14 more than 125,000 the comptroller shall appoint a taxpayer liaison  
15 officer who shall serve at the pleasure of the comptroller ~~[board]~~.  
16 The taxpayer liaison officer shall administer the public access  
17 functions required by Sections 6.04(d), (e), and (f), and is  
18 responsible for resolving disputes not involving matters that may  
19 be protested under Section 41.41.

20 SECTION 18. Section 6.06, Tax Code, is amended to read as  
21 follows:

22 Sec. 6.06. ~~[APPRAISAL DISTRICT]~~ BUDGET AND FINANCING. (a)  
23 Each year the chief appraiser shall prepare a proposed budget for  
24 the operations of the appraisal office ~~[district]~~ for the following  
25 tax year and shall submit copies to the comptroller and to each  
26 taxing unit for which the office appraises property ~~[participating~~  
27 ~~in the district and to the district board of directors before June~~

15]. The chief appraiser [~~He~~] shall include in the budget a list showing each proposed position, the proposed salary for the position, all benefits proposed for the position, each proposed capital expenditure, and an estimate of the amount of the budget that will be allocated to each taxing unit. Each taxing unit entitled to vote on the appointment of board members shall maintain a copy of the proposed budget for public inspection at its principal administrative office.

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

(c) The chief appraiser [~~board~~] may amend the approved budget at any time, but the chief appraiser [~~secretary of the board~~] must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit participating in

1 the office [~~district~~] not later than the 30th day before the date  
2 the chief appraiser [~~board~~] acts on it.

3 (d) Each taxing unit for which the office appraises property  
4 [~~participating in the district~~] is allocated a portion of the  
5 amount of the budget equal to the proportion that the total dollar  
6 amount of property taxes imposed in the county for which the  
7 appraisal office is established [~~district~~] by the unit for the tax  
8 year in which the budget proposal is prepared bears to the sum of  
9 the total dollar amount of property taxes imposed in the county  
10 [~~district~~] by each participating unit for that year. If a taxing  
11 unit participates in two or more appraisal offices [~~districts~~],  
12 only the taxes imposed in the appropriate county [~~a district~~] are  
13 used to calculate the unit's cost allocations in that office  
14 [~~district~~]. If the number of real property parcels in a taxing unit  
15 is less than 5 percent of the total number of real property parcels  
16 in the county [~~district~~] and the taxing unit imposes in excess of 25  
17 percent of the total amount of the property taxes imposed in the  
18 county [~~district~~] by all of the participating taxing units for a  
19 year, the unit's allocation may not exceed a percentage of the  
20 appraisal office's [~~district's~~] budget equal to three times the  
21 unit's percentage of the total number of real property parcels  
22 appraised by the appraisal office [~~district~~].

23 (e) Unless the governing body of a unit and the chief  
24 appraiser agree to a different method of payment, each taxing unit  
25 shall pay its allocation in four equal payments to be made at the  
26 end of each calendar quarter, and the first payment shall be made  
27 before January 1 of the year in which the budget takes effect. A

1 payment is delinquent if not paid on the date it is due. A  
2 delinquent payment incurs a penalty of 5 percent of the amount of  
3 the payment and accrues interest at an annual rate of 10 percent.  
4 If the budget is amended, any change in the amount of a unit's  
5 allocation is apportioned among the payments remaining.

6 (f) Payments shall be made to a depository designated by the  
7 chief appraiser [~~district board of directors~~]. The office's  
8 [~~district's~~] funds may be disbursed only by a written check, draft,  
9 or order signed by the [~~chairman and secretary of the board or, if~~  
10 ~~authorized by resolution of the board, by the~~] chief appraiser.

11 (g) If a taxing unit decides not to impose taxes for any tax  
12 year, the unit is not liable for any of the costs of operating the  
13 appraisal office [~~district~~] in that year, and those costs are  
14 allocated among the other taxing units as if that unit had not  
15 imposed taxes in the year used to calculate allocations. However,  
16 if that unit has made any payments, it is not entitled to a refund.

17 (h) If a newly formed taxing unit or a taxing unit that did  
18 not impose taxes in the preceding year imposes taxes in any tax  
19 year, that unit is allocated a portion of the amount budgeted to  
20 operate the appraisal office [~~district~~] as if it had imposed taxes  
21 in the preceding year, except that the amount of taxes the unit  
22 imposes in the current year is used to calculate its allocation.  
23 Before the amount of taxes to be imposed for the current year is  
24 known, the allocation may be based on an estimate to which the chief  
25 appraiser [~~district board of directors~~] and the governing body of  
26 the unit agree, and the payments made after that amount is known  
27 shall be adjusted to reflect the amount imposed. The payments of a

1 newly formed taxing unit that has no source of funds are postponed  
2 until the unit has received adequate tax or other revenues.

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

1 ~~shall be made quarterly. In the year in which a change in the fiscal~~  
2 ~~year occurs, the budget that takes effect on January 1 of that year~~  
3 ~~may be amended as necessary as provided by Subsection (c) of this~~  
4 ~~section in order to accomplish the change in fiscal years].~~

5 (j) If the total amount of the payments made or due to be  
6 made by the taxing units participating in an appraisal office  
7 [~~district~~] exceeds the amount actually spent or obligated to be  
8 spent during the fiscal year for which the payments were made, the  
9 chief appraiser shall credit the excess amount against each taxing  
10 unit's allocated payments for the following year in proportion to  
11 the amount of each unit's budget allocation for the fiscal year for  
12 which the payments were made. If a taxing unit that paid its  
13 allocated amount is not allocated a portion of the office's  
14 [~~district's~~] budget for the following fiscal year, the chief  
15 appraiser shall refund to the taxing unit its proportionate share  
16 of the excess funds not later than the 150th day after the end of the  
17 fiscal year for which the payments were made.

18 SECTION 19. Sections 6.062(a) and (c), Tax Code, are  
19 amended to read as follows:

20 (a) Not later than the 10th day before the date of the public  
21 hearing at which the chief appraiser [~~board of directors~~] considers  
22 the appraisal office [~~district~~] budget, the chief appraiser shall  
23 give notice of the public hearing by publishing the notice in a  
24 newspaper having general circulation in the county for which the  
25 appraisal office [~~district~~] is established. The notice may not be  
26 smaller than one-quarter page of a standard-size or tabloid-size  
27 newspaper and may not be published in the part of the paper in which



1 legal notices and classified advertisements appear.

2 (c) The notice must state that the appraisal office  
3 [~~district~~] is supported solely by payments from the local taxing  
4 units served by the appraisal office [~~district~~]. The notice must  
5 also contain the following statement: "If approved by the chief  
6 appraiser [~~appraisal district board of directors~~] at the public  
7 hearing, this proposed budget will take effect automatically unless  
8 disapproved by the governing bodies of the county, school  
9 districts, cities, and towns served by the appraisal office  
10 [~~district~~]. A copy of the proposed budget is available for public  
11 inspection in the office of each of those governing bodies."

12 SECTION 20. Section 6.09, Tax Code, is amended to read as  
13 follows:

14 Sec. 6.09. DESIGNATION OF OFFICE [~~DISTRICT~~] DEPOSITORY.

15 (a) The appraisal office [~~district~~] depository must be a banking  
16 corporation incorporated under the laws of this state or the United  
17 States or a savings and loan association in this state whose  
18 deposits are insured by the Federal Savings and Loan Insurance  
19 Corporation.

20 (b) The comptroller [~~appraisal district board of directors~~]  
21 shall designate as the office [~~district~~] depository the financial  
22 institution or institutions that offer the most favorable terms and  
23 conditions for the handling of the office's [~~district's~~] funds.

24 (c) The comptroller [~~board~~] shall solicit bids to be  
25 designated as depository for the office [~~district~~] at least once in  
26 each two-year period.

27 (d) To the extent that funds in the depository are not

1 insured by the Federal Deposit Insurance Corporation or the Federal  
2 Savings and Loan Insurance Corporation, they shall be secured in  
3 the manner provided by law for the security of funds of counties.

4 SECTION 21. Sections 6.12(a), (b), (c), (e), and (g), Tax  
5 Code, are amended to read as follows:

6 (a) The comptroller [~~chief appraiser of each appraisal~~  
7 ~~district~~] shall appoint[, ~~with the advice and consent of the board~~  
8 ~~of directors,~~] an agricultural advisory board for each appraisal  
9 office composed of three or more members as determined by the  
10 comptroller [~~board~~].

11 (b) One of the agricultural advisory board members must be a  
12 representative of the county agricultural stabilization and  
13 conservation service, and the remainder of the members must be  
14 landowners of the county for which the appraisal office is  
15 established [~~district~~] whose land qualifies for appraisal under  
16 Subchapter C, D, E, or H, Chapter 23, and who have been residents of  
17 the county [~~district~~] for at least five years.

18 (c) Members of the board serve for staggered terms of two  
19 years. In making the initial appointments of members of the  
20 agricultural advisory board the comptroller [~~chief appraiser~~]  
21 shall appoint for a term of one year one-half of the members, or if  
22 the number of members is an odd number, one fewer than a majority of  
23 the membership.

24 (e) An employee or officer of an appraisal office [~~district~~]  
25 may not be appointed and may not serve as a member of the  
26 agricultural advisory board.

27 (g) The board shall advise the chief appraiser on the

1 valuation and use of land that may be designated for agricultural  
2 use or that may be open space agricultural or timber land within the  
3 county for which the appraisal office is established [~~district~~].

4 SECTION 22. Sections 6.24(a), (b), and (c), Tax Code, are  
5 amended to read as follows:

6 (a) The governing body of a taxing unit other than a county  
7 may contract as provided by the Interlocal Cooperation Act with the  
8 governing body of another unit [~~or with the board of directors of an~~  
9 ~~appraisal district~~] for the other unit [~~or the district~~] to perform  
10 duties relating to the assessment or collection of taxes.

11 (b) The commissioners court with the approval of the county  
12 assessor-collector may contract as provided by the Interlocal  
13 Cooperation Act with the governing body of another taxing unit in  
14 the county [~~or with the board of directors of the appraisal~~  
15 ~~district~~] for the other unit [~~or the district~~] to perform duties  
16 relating to the assessment or collection of taxes for the county.  
17 If a county contracts to have its taxes assessed and collected by  
18 another taxing unit [~~or by the appraisal district~~], except as  
19 provided by Subsection (c), the contract shall require the other  
20 unit [~~or the district~~] to assess and collect all taxes the county is  
21 required to assess and collect.

22 (c) A contract entered into under Subsection (b) may exclude  
23 from the taxes the other unit [~~or the district~~] is required to  
24 assess and collect taxes the county is required to assess and  
25 collect under one or more of the following provisions:

26 (1) Section 23.121;

27 (2) Section 23.122;

- 1 (3) Section 23.124;
- 2 (4) Section 23.1241;
- 3 (5) Section 23.1242;
- 4 (6) Section 23.125;
- 5 (7) Section 23.127; or
- 6 (8) Section 23.128.

7 SECTION 23. Section 6.26, Tax Code, is amended to read as  
8 follows:

9 Sec. 6.26. ELECTION TO CONSOLIDATE ASSESSING AND COLLECTING  
10 FUNCTIONS. (a) ~~[The qualified voters residing in an appraisal~~  
11 ~~district by petition submitted to the county clerk of the county~~  
12 ~~principally served by the appraisal district may require that an~~  
13 ~~election be held to determine whether or not to require the~~  
14 ~~appraisal district, the county assessor-collector, or a specified~~  
15 ~~taxing unit within the appraisal district to assess, collect, or~~  
16 ~~assess and collect property taxes on property appraised by the~~  
17 ~~district for all taxing units.~~

18 ~~[(b)]~~ The qualified voters of a taxing unit that assesses,  
19 collects, or assesses and collects its own property taxes by  
20 petition submitted to the governing body of the taxing unit may  
21 require that an election be held to determine whether or not to  
22 require the ~~[appraisal district,~~ the county assessor-collector~~]~~  
23 or another taxing unit that is assessing and collecting property  
24 taxes to assess, collect, or assess and collect the unit's property  
25 taxes.

26 (b) ~~[(c)]~~ A petition is valid if:

- 27 (1) it states that it is intended to require an

1 election in the [~~appraisal district or~~] taxing unit on the question  
2 of consolidation of assessing or collecting functions or both;

3 (2) it states the functions to be consolidated and  
4 identifies the entity or office that will be required to perform the  
5 functions; and

6 (3) it is signed by a number of qualified voters equal  
7 to at least 10 percent of the number of qualified voters, according  
8 to the most recent official list of qualified voters, residing in  
9 the [~~appraisal district, if the petition is authorized by~~  
10 ~~Subsection (a) of this section, or in the~~] taxing unit, [~~if the~~  
11 ~~petition is authorized by Subsection (b) of this section,~~] or by  
12 10,000 qualified voters, whichever number is less.

13 (c) [~~(d)~~] Not later than the 10th day after the day the  
14 petition is submitted, the [~~commissioners court, if the petition is~~  
15 ~~authorized by Subsection (a) of this section, or the~~] governing  
16 body of the taxing unit [~~, if the petition is authorized by~~  
17 ~~Subsection (b) of this section,~~] shall determine whether the  
18 petition is valid and pass a resolution stating its finding. The  
19 signature of a person may not be counted for purposes of validating  
20 the petition under Subsection (b)(3) [~~(c)(3)~~] of this section if:

21 (1) the person does not enter beside the person's [~~his~~]  
22 signature at the time of the person's [~~his~~] signing the date on  
23 which the person [~~he~~] signs the petition; or

24 (2) the person signs the petition more than 30 days  
25 before the date on which the petition is submitted to the [~~county~~  
26 ~~clerk or the~~] governing body.

27 (d) [~~(e)~~] If [~~the commissioners court or~~] the governing

1 body finds that the petition is valid, it shall order that an  
 2 election be held [~~in the district or taxing unit~~] on the next  
 3 uniform election date prescribed by the Texas Election Code that is  
 4 more than 60 days after the last day on which it could have acted to  
 5 approve or disapprove the petition. At the election, the ballots  
 6 shall be prepared to permit voting for or against the proposition:  
 7 "Requiring the (name of entity or office) to (assess, collect, or  
 8 assess and collect, as applicable) property taxes for (all taxing  
 9 units in [~~the appraisal district for~~] \_\_\_\_\_ county or name  
 10 of taxing unit or units, as applicable)."

11 (e) [~~(f)~~] If a majority of the qualified voters voting on  
 12 the question in the election favor the proposition, the entity or  
 13 office named by the ballot shall perform the functions named by the  
 14 ballot beginning with the next time property taxes are assessed or  
 15 collected, as applicable, that is more than 90 days after the date  
 16 of the election. If the governing bodies [~~(and appraisal district  
 17 board of directors when the district is involved)~~] agree, a  
 18 function may be consolidated when performance of the function  
 19 begins in less than 90 days after the date of the election.

20 (f) [~~(g)~~] A taxing unit shall pay the actual cost of  
 21 performance of the functions to the office or entity that performs  
 22 functions for it pursuant to an election as provided by this  
 23 section.

24 (g) [~~(h)~~] If a taxing unit is required by election pursuant  
 25 to [~~Subsection (b) of~~] this section to assess, collect, or assess  
 26 and collect property taxes for another taxing unit, it also shall  
 27 perform the functions for all taxing units for which the other unit

1 previously performed those functions pursuant to law or  
2 intergovernmental contract.

3 (h) [~~(i)~~] If functions are consolidated by an election, a  
4 taxing unit may not terminate the consolidation within two years  
5 after the date of the consolidation.

6 (i) [~~(j)~~ ~~An appraisal district may not be required by an~~  
7 ~~election to assess, collect, or assess and collect taxes on~~  
8 ~~property outside the district's boundaries.~~] A taxing unit may not  
9 be required by an election to assess, collect, or assess and collect  
10 taxes on property outside the county [~~boundaries~~] of the appraisal  
11 office [~~district~~] that appraises property for the unit.

12 SECTION 24. Section 6.29(b), Tax Code, is amended to read as  
13 follows:

14 (b) A taxing unit whose taxes are collected by the collector  
15 for another taxing unit, by an officer or employee of another taxing  
16 unit [~~or of an appraisal district~~], or by any other person other  
17 than the unit's own collector may require that collector, officer,  
18 employee, or other person to give bond conditioned on the faithful  
19 performance of his duties. To be effective, the bond must be made  
20 payable to and must be approved by and paid for by the governing  
21 body of the unit requiring bond in an amount determined by the  
22 governing body. The governing body may prescribe additional  
23 requirements for the bond.

24 SECTION 25. Section 6.41, Tax Code, is amended to read as  
25 follows:

26 Sec. 6.41. APPRAISAL REVIEW BOARD. (a) The appraisal  
27 review board is established for each appraisal office [~~district~~].

1 (b) The board consists of three members. However, the chief  
2 appraiser [~~district board of directors by resolution of a majority~~  
3 ~~of its members~~] may increase the size of the appraisal review board  
4 to not more than nine members or, in an appraisal office [~~a~~  
5 ~~district~~] established for a county with a population of at least  
6 250,000, to not more than 40 members or, in an appraisal office [~~a~~  
7 ~~district~~] established for a county with a population of at least  
8 500,000, to not more than 75 members.

9 (c) To be eligible to serve on the board, an individual must  
10 be a resident of the county for which the appraisal office is  
11 established [~~district~~] and must have resided in the county  
12 [~~district~~] for at least two years.

13 (d) Members of the board are appointed by the chief  
14 appraiser [~~resolution of a majority of the appraisal district board~~  
15 ~~of directors~~]. A vacancy on the board is filled in the same manner  
16 for the unexpired portion of the term.

17 (e) Members of the board hold office for terms of two years  
18 beginning January 1. The chief appraiser [~~appraisal district board~~  
19 ~~of directors by resolution~~] shall provide for staggered terms, so  
20 that the terms of as close to one-half of the members as possible  
21 expire each year. In making the initial or subsequent  
22 appointments, the chief appraiser [~~board of directors~~] shall  
23 designate those members who serve terms of one year as needed to  
24 comply with this subsection.

25 (f) A member of the board may be removed from the board by  
26 the chief appraiser or the comptroller [~~a majority vote of the~~  
27 ~~appraisal district board of directors~~]. Grounds for removal are:



1 (1) a violation of Section 6.412, 6.413, 41.66(f), or  
2 41.69; or

3 (2) good cause relating to the attendance of members  
4 at called meetings of the board as established by written policy  
5 adopted by [~~a majority of~~] the chief appraiser or the comptroller  
6 [~~appraisal district board of directors~~].

7 SECTION 26. Sections 6.412(a)-(e), Tax Code, are amended to  
8 read as follows:

9 (a) An individual is ineligible to serve on an appraisal  
10 review board if the individual:

11 (1) is related within the second degree by  
12 consanguinity or affinity, as determined under Chapter 573,  
13 Government Code, to an individual who is engaged in the business of  
14 appraising property for compensation for use in proceedings under  
15 this title or of representing property owners for compensation in  
16 proceedings under this title in the appraisal office [~~district~~] for  
17 which the appraisal review board is established; or

18 (2) owns property on which delinquent taxes have been  
19 owed to a taxing unit for more than 60 days after the date the  
20 individual knew or should have known of the delinquency unless:

21 (A) the delinquent taxes and any penalties and  
22 interest are being paid under an installment payment agreement  
23 under Section 33.02; or

24 (B) a suit to collect the delinquent taxes is  
25 deferred or abated under Section 33.06 or 33.065.

26 (b) A member of an appraisal review board commits an offense  
27 if the board member continues to hold office knowing that an

1 individual related within the second degree by consanguinity or  
2 affinity, as determined under Chapter 573, Government Code, to the  
3 board member is engaged in the business of appraising property for  
4 compensation for use in proceedings under this title or of  
5 representing property owners for compensation in proceedings under  
6 this title in the appraisal office [~~district~~] for which the  
7 appraisal review board is established. An offense under this  
8 subsection is a Class B misdemeanor.

9 (c) A person is ineligible to serve on the appraisal review  
10 board if the person is [~~a member of the board of directors,~~] an  
11 officer[~~7~~] or employee of the appraisal office [~~district~~], an  
12 employee of the comptroller, or a member of the governing body,  
13 officer, or employee of a taxing unit.

14 (d) A person is ineligible to serve on the appraisal review  
15 board of an appraisal office [~~district~~] established for a county  
16 having a population of more than 100,000:

17 (1) if the person:

18 (A) has served for all or part of three previous  
19 terms as a board member or auxiliary board member on the appraisal  
20 review board; or

21 (B) is a former [~~member of the board of~~  
22 ~~directors,~~] officer[~~7~~] or employee of the appraisal office  
23 [~~district~~]; or

24 (2) if the person served as a member of the governing  
25 body or officer of a taxing unit for which the appraisal office  
26 [~~district~~] appraises property, until the fourth anniversary of the  
27 date the person ceased to be a member or officer; or

1           (3) if the person has ever appeared before the  
2 appraisal review board for compensation.

3           (e) In an appraisal office [~~district~~] established for a  
4 county having a population of 100,000 or less, a person who has  
5 served for all or part of three consecutive terms as a board member  
6 or auxiliary board member on the appraisal review board is  
7 ineligible to serve on the appraisal review board during a term that  
8 begins on the next January 1 following the third of those  
9 consecutive terms.

10           SECTION 27. Sections 6.413(a), (b), and (c), Tax Code, are  
11 amended to read as follows:

12           (a) An individual is not eligible to be appointed to or to  
13 serve on the appraisal review board established for an appraisal  
14 office [~~district~~] if the individual or a business entity in which  
15 the individual has a substantial interest is a party to a contract  
16 with the appraisal office [~~district~~] or with a taxing unit that  
17 participates in the appraisal office [~~district~~].

18           (b) The comptroller [~~An appraisal district~~] may not enter  
19 into a contract with a member of the appraisal review board  
20 established for the appraisal office [~~district~~] or with a business  
21 entity in which a member of the appraisal review board has a  
22 substantial interest.

23           (c) A taxing unit may not enter into a contract with a member  
24 of the appraisal review board established for an appraisal office  
25 [~~district~~] in which the taxing unit participates or with a business  
26 entity in which a member of the appraisal review board has a  
27 substantial interest.

1 SECTION 28. Section 6.42(c), Tax Code, is amended to read as  
2 follows:

3 (c) Members of the board are entitled to per diem set by the  
4 comptroller [~~appraisal district budget~~] for each day the board  
5 meets and to reimbursement for actual and necessary expenses  
6 incurred in the performance of board functions as provided by the  
7 comptroller [~~district budget~~].

8 SECTION 29. Section 6.43, Tax Code, is amended to read as  
9 follows:

10 Sec. 6.43. PERSONNEL. The appraisal review board may  
11 employ legal counsel as provided by the comptroller [~~district  
12 budget or use the services of the county attorney~~] and may use the  
13 staff of the appraisal office for clerical assistance.

14 SECTION 30. Section 11.14(d), Tax Code, is amended to read  
15 as follows:

16 (d) The [~~central~~] appraisal office established [~~district~~]  
17 for the county shall determine the cost of appraising tangible  
18 personal property required by a taxing unit under the provisions of  
19 Subsection (c) and shall assess those costs to the taxing unit or  
20 taxing units which provide for the taxation of tangible personal  
21 property.

22 SECTION 31. Section 11.182(g), Tax Code, is amended to read  
23 as follows:

24 (g) To receive an exemption under Subsection (b) or (f), an  
25 organization must annually have an audit prepared by an independent  
26 auditor. The audit must include a detailed report on the  
27 organization's sources and uses of funds. A copy of the audit must

1 be delivered to the Texas Department of Housing and Community  
2 Affairs and to the chief appraiser of the appraisal office  
3 [~~district~~] in which the property subject to the exemption is  
4 located.

5 SECTION 32. Section 11.252(e), Tax Code, is amended to read  
6 as follows:

7 (e) The owner of a motor vehicle that is subject to a lease  
8 shall maintain the form completed by the lessee of the vehicle and  
9 make the form available for inspection and copying by the chief  
10 appraiser of the applicable appraisal office [~~district~~] at all  
11 reasonable times. If the owner does not maintain a completed form  
12 relating to the vehicle, the owner:

13 (1) must render the vehicle for taxation in the  
14 applicable rendition statement or property report filed by the  
15 owner under Chapter 22; and

16 (2) may not file an application for an exemption under  
17 Subsection (a) for the vehicle.

18 SECTION 33. Sections 11.26(e) and (h), Tax Code, are  
19 amended to read as follows:

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

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

7 (h) An individual who receives a limitation on tax increases  
8 under this section, including a surviving spouse who receives a  
9 limitation under Subsection (i), and who subsequently qualifies a  
10 different residence homestead for an exemption under Section 11.13,  
11 or an agent of the individual, is entitled to receive from the chief  
12 appraiser of the appraisal office established for the county  
13 [~~district~~] in which the former homestead was located a written  
14 certificate providing the information necessary to determine  
15 whether the individual may qualify for a limitation on the  
16 subsequently qualified homestead under Subsection (g) and to  
17 calculate the amount of taxes the school district may impose on the  
18 subsequently qualified homestead.

19 SECTION 34. Section 11.31(d), Tax Code, is amended to read  
20 as follows:

21 (d) Following submission of the information required by  
22 Subsection (c), the executive director of the Texas Natural  
23 Resource Conservation Commission shall determine if the facility,  
24 device, or method is used wholly or partly as a facility, device, or  
25 method for the control of air, water, or land pollution. As soon as  
26 practicable, the executive director shall send notice by regular  
27 mail to the chief appraiser of the appraisal office established

1 ~~[district]~~ for the county in which the property is located that the  
2 person has applied for a determination under this subsection. The  
3 executive director shall issue a letter to the person stating the  
4 executive director's determination of whether the facility,  
5 device, or method is used wholly or partly to control pollution and,  
6 if applicable, the proportion of the property that is pollution  
7 control property. The executive director shall send a copy of the  
8 letter by regular mail to the chief appraiser of the appraisal  
9 office ~~[district]~~ for the county in which the property is located.

10 SECTION 35. Section 11.43(a), Tax Code, is amended to read  
11 as follows:

12 (a) To receive an exemption, a person claiming the  
13 exemption, other than an exemption authorized by Section 11.11,  
14 11.12, 11.14, 11.145, 11.146, 11.15, 11.16, 11.161, or 11.25 ~~[of~~  
15 ~~this code]~~, must apply for the exemption. To apply for an  
16 exemption, a person must file an exemption application form with  
17 the chief appraiser for the ~~[each]~~ appraisal office established for  
18 the county ~~[district]~~ in which the property subject to the claimed  
19 exemption has situs.

20 SECTION 36. Section 11.436(c), Tax Code, is amended to read  
21 as follows:

22 (c) To facilitate the financing associated with the  
23 acquisition of a property, an organization, before acquiring the  
24 property, may request from the chief appraiser of the appraisal  
25 office ~~[district]~~ established for the county in which the property  
26 is located a preliminary determination of whether the property  
27 would qualify for an exemption under Section 11.182 if acquired by

1 the organization. The request must include the information that  
2 would be included in an application for an exemption for the  
3 property under Section 11.182. Not later than the 21st day after  
4 the date a request is submitted under this subsection, the chief  
5 appraiser shall issue a written preliminary determination for the  
6 property included in the request. A preliminary determination does  
7 not affect the granting of an exemption under Section 11.182.

8 SECTION 37. Section 11.44(b), Tax Code, is amended to read  
9 as follows:

10 (b) Each year the chief appraiser for each appraisal office  
11 [~~district~~] shall publicize, in a manner reasonably designed to  
12 notify all residents of the county for which the appraisal office is  
13 established [~~district~~], the requirements of Section 11.43 [~~of this~~  
14 ~~code~~] and the availability of application forms.

15 SECTION 38. Section 11.46, Tax Code, is amended to read as  
16 follows:

17 Sec. 11.46. COMPILATION OF PARTIAL EXEMPTIONS. Each year  
18 the chief appraiser shall compile and make available to the public a  
19 list showing for each taxing unit in the county for which the  
20 appraisal office is established [~~district~~] the number of each kind  
21 of partial exemption allowed in that tax year and the total assessed  
22 value of each taxing unit that is exempted by each kind of partial  
23 exemption.

24 SECTION 39. Section 21.031(e), Tax Code, is amended to read  
25 as follows:

26 (e) To receive an allocation of value under this section, a  
27 property owner must apply for the allocation on a form that



1 substantially complies with the form prescribed by the comptroller.  
2 The application must be filed with the chief appraiser of the  
3 appraisal office established for the county [~~district~~] in which the  
4 property to which the application applies is taxable before the  
5 approval of the appraisal records by the appraisal review board as  
6 provided by Section 41.12 [~~of this code~~].

7 SECTION 40. Section 22.07(a), Tax Code, is amended to read  
8 as follows:

9 (a) The chief appraiser or the chief appraiser's [~~his~~]  
10 authorized representative may enter the premises of a business,  
11 trade, or profession and inspect the property to determine the  
12 existence and market value of tangible personal property used for  
13 the production of income and having a taxable situs in the county  
14 for which the appraisal office is established [~~district~~].

15 SECTION 41. Section 22.25, Tax Code, is amended to read as  
16 follows:

17 Sec. 22.25. PLACE AND MANNER OF FILING. A rendition  
18 statement or property report required or authorized by this chapter  
19 must be filed with the chief appraiser of the appraisal office  
20 established for the county [~~district~~] in which the property listed  
21 in the statement or report is taxable.

22 SECTION 42. Sections 22.41(a), (b), and (c), Tax Code, are  
23 amended to read as follows:

24 (a) At the request of the chief appraiser of an appraisal  
25 office established for the county [~~district~~] in which a political  
26 subdivision of this state has territory, the governing body of the  
27 political subdivision shall deliver a written report to the chief

1 appraiser describing each of the following actions taken by the  
2 governing body in the preceding period specified in the request:

- 3 (1) a zoning action;
- 4 (2) an action that directly restricts the use of real  
5 property or a class of real property specified by the action or that  
6 exempts real property or a class of real property specified by the  
7 action from an existing restriction on the use of the property; or
- 8 (3) an action that grants the owner or custodian of  
9 real property specified by the action the right or authority to make  
10 a change or improvement to the property.

11 (b) The report is not required to include an action that  
12 does not apply to real property appraised by [~~in~~] the appraisal  
13 office [~~district~~] whose chief appraiser requested the report.

14 (c) The chief appraiser in the request for a report shall  
15 specify the period to be covered by the report. The governing body  
16 is not required to include in the report an action included in a  
17 previous report made to the chief appraiser of the same appraisal  
18 office [~~district~~]. The governing body must deliver the report to  
19 the chief appraiser not later than the 30th day after the date of  
20 the request, unless the chief appraiser specifies or agrees to a  
21 later date.

22 SECTION 43. Section 23.01(b), Tax Code, is amended to read  
23 as follows:

24 (b) The market value of property shall be determined by the  
25 application of generally accepted appraisal methods and  
26 techniques. If the appraisal office [~~district~~] determines the  
27 appraised value of a property using mass appraisal standards, the

1 mass appraisal standards must comply with the Uniform Standards of  
2 Professional Appraisal Practice. The same or similar appraisal  
3 methods and techniques shall be used in appraising the same or  
4 similar kinds of property. However, each property shall be  
5 appraised based upon the individual characteristics that affect the  
6 property's market value.

7 SECTION 44. Section 23.02(c), Tax Code, is amended to read  
8 as follows:

9 (c) A taxing unit that authorizes a reappraisal under this  
10 section must pay the appraisal office [~~district~~] all the costs of  
11 making the reappraisal. If two or more taxing units provide for the  
12 reappraisal in the same territory, each shall share the costs of the  
13 reappraisal in that territory in the proportion the total dollar  
14 amount of taxes imposed in that territory in the preceding year  
15 bears to the total dollar amount of taxes all units providing for  
16 reappraisal of that territory imposed in the preceding year.

17 SECTION 45. Section 23.03, Tax Code, is amended to read as  
18 follows:

19 Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES  
20 SUBJECT TO LIMITATION ON APPRAISED VALUE. Each year the chief  
21 appraiser shall compile and send to the Texas Department of  
22 Economic Development a list of properties in the county for which  
23 the appraisal office is established [~~district~~] that in that tax  
24 year:

- 25 (1) have a market value of \$100 million or more; or  
26 (2) are subject to a limitation on appraised value  
27 under Chapter 313.

1 SECTION 46. Section 23.121(a)(1), Tax Code, is amended to  
2 read as follows:

3 (1) "Chief appraiser" means the chief appraiser of  
4 [~~for~~] the appraisal office established for the county [~~district~~] in  
5 which a dealer's motor vehicle inventory is located.

6 SECTION 47. Section 23.124(a)(1), Tax Code, is amended to  
7 read as follows:

8 (1) "Chief appraiser" means the chief appraiser of  
9 [~~for~~] the appraisal office established for the county [~~district~~] in  
10 which a dealer's vessel and outboard motor inventory is located.

11 SECTION 48. Section 23.127(a)(1), Tax Code, is amended to  
12 read as follows:

13 (1) "Chief appraiser" means the chief appraiser of  
14 [~~for~~] the appraisal office established for the county [~~district~~] in  
15 which a retailer's retail manufactured housing inventory is  
16 located.

17 SECTION 49. Sections 23.19(b), (c), and (e), Tax Code, are  
18 amended to read as follows:

19 (b) If an appraisal office [~~district~~] receives a written  
20 request for the appraisal of real property and improvements of a  
21 cooperative housing corporation according to the separate  
22 interests of the corporation's stockholders, the chief appraiser  
23 shall separately appraise the interests described by Subsection (d)  
24 [~~of this section~~] if the conditions required by Subsections (e) and  
25 (f) [~~of this section~~] have been met. Separate appraisal under this  
26 section is for the purposes of administration of tax exemptions,  
27 determination of applicable limitations of taxes under Section

1 11.26 [~~of this code~~], and apportionment by a cooperative housing  
2 corporation of property taxes among its stockholders but is not the  
3 basis for determining value on which a tax is imposed under this  
4 title. A stockholder whose interest is separately appraised under  
5 this section may protest and appeal the appraised value in the  
6 manner provided by this title for protest and appeal of the  
7 appraised value of other property.

8 (c) An appraisal under this section applies to the tax year  
9 in which a request is made under this section only if the request is  
10 received by the appraisal office [~~district~~] before March 1. After  
11 the first separate appraisal of interests of stockholders of a  
12 cooperative housing corporation under this section, separate  
13 appraisals of interests of stockholders of the corporation shall be  
14 made in subsequent years without further request. A request may not  
15 be rescinded after the first separate appraisal has been made, and a  
16 request is binding on future owners and stockholders of the  
17 corporation.

18 (e) A separate appraisal of interests under this section may  
19 not be made unless:

20 (1) the person making the request files a resolution  
21 of the board of directors of the corporation certifying that the  
22 stockholders of the corporation have approved the request in the  
23 manner provided by the corporate articles of incorporation or  
24 bylaws for approval of matters affecting the corporation generally;  
25 and

26 (2) a diagrammatic floor plan of the improvements and  
27 a survey plot map of the land showing the location of the

1 improvements on the land have been filed with the appraisal office  
2 [~~district~~].

3 SECTION 50. Section 23.20(c), Tax Code, is amended to read  
4 as follows:

5 (c) A waiver under this section is effective for 25  
6 consecutive tax years beginning on the first tax year in which the  
7 waiver is effective without regard to whether the property is  
8 subject to appraisal under Subchapter C, D, E, F, or G [~~of this~~  
9 ~~chapter~~]. To be effective in the year in which the waiver is  
10 executed, it must be filed before May 1 of that year with the chief  
11 appraiser of the appraisal office established for the county  
12 [~~district~~] in which the property is located, unless for good cause  
13 shown the chief appraiser extends the filing deadline for not more  
14 than 60 days. An application filed after the year's deadline takes  
15 effect in the next tax year.

16 SECTION 51. Sections 23.43(a) and (f), Tax Code, are  
17 amended to read as follows:

18 (a) An individual claiming the right to have the  
19 individual's [~~his~~] land designated for agricultural use must apply  
20 for the designation each year the individual [~~he~~] claims it.  
21 Application for the designation is made by filing a sworn  
22 application form with the chief appraiser for the appraisal office  
23 established for the county [~~district~~] in which the land is located.

24 (f) Each year the chief appraiser for each appraisal office  
25 [~~district~~] shall publicize, in a manner reasonably designed to  
26 notify all residents of the applicable county [~~district~~], the  
27 requirements of this section and the availability of application

1 forms.

2 SECTION 52. Section 23.51(3), Tax Code, is amended to read  
3 as follows:

4 (3) "Category" means the value classification of land  
5 considering the agricultural use to which the land is principally  
6 devoted. Categories of land may include but are not limited to  
7 irrigated cropland, dry cropland, improved pasture, native  
8 pasture, orchard, and waste and may be further divided according to  
9 soil type, soil capability, irrigation, general topography,  
10 geographical factors, and other factors which influence the  
11 productive capacity of the category. The chief appraiser shall  
12 obtain information from the Texas Agriculture Extension Service,  
13 Soil Conservation Service, and other recognized agricultural  
14 sources for the purposes of determining the categories of  
15 production existing in the county for which the appraisal office is  
16 established [~~district~~].

17 SECTION 53. Section 23.521(a), Tax Code, is amended to read  
18 as follows:

19 (a) The Parks and Wildlife Department, with the assistance  
20 of the comptroller, shall develop standards for determining whether  
21 land qualifies under Section 23.51(7) for appraisal under this  
22 subchapter. The comptroller by rule shall adopt the standards  
23 developed by the Parks and Wildlife Department and distribute those  
24 rules to each appraisal office [~~district~~]. On request of the Parks  
25 and Wildlife Department, the Texas Agricultural Extension Service  
26 shall assist the department in developing the standards.

27 SECTION 54. Section 23.54(g), Tax Code, is amended to read

1 as follows:

2 (g) Each year the chief appraiser [~~for each appraisal~~  
3 ~~district~~] shall publicize, in a manner reasonably designed to  
4 notify all residents of the county for which the appraisal office is  
5 established [~~district~~], the requirements of this section and the  
6 availability of application forms.

7 SECTION 55. Section 23.75(g), Tax Code, is amended to read  
8 as follows:

9 (g) Each year the chief appraiser [~~for each appraisal~~  
10 ~~district~~] shall publicize, in a manner reasonably designed to  
11 notify all residents of the county for which the appraisal office is  
12 established [~~district~~], the requirements of this section and the  
13 availability of application forms.

14 SECTION 56. Section 23.84(a), Tax Code, is amended to read  
15 as follows:

16 (a) A person claiming the right to have the person's [~~his~~]  
17 land appraised under this subchapter must apply for the right the  
18 first year the person [~~he~~] claims it. Application for appraisal  
19 under this chapter is made by filing a sworn application form with  
20 the chief appraiser for the appraisal office established for the  
21 county [~~district~~] in which the land is located.

22 SECTION 57. Section 23.94(a), Tax Code, is amended to read  
23 as follows:

24 (a) A person claiming the right to have the person's [~~his~~]  
25 airport property appraised under this subchapter must apply for the  
26 right the first year the person [~~he~~] claims it. Application for  
27 appraisal under this subchapter is made by filing a sworn



1 application form with the chief appraiser for the ~~[each]~~ appraisal  
2 office established for each county ~~[district]~~ in which the land is  
3 located.

4 SECTION 58. Section 23.9804(h), Tax Code, is amended to  
5 read as follows:

6 (h) Each year the chief appraiser for each appraisal office  
7 ~~[district]~~ shall publicize, in a manner reasonably designed to  
8 notify all residents of the county for which the appraisal office is  
9 established ~~[district]~~, the requirements of this section and the  
10 availability of application forms.

11 SECTION 59. Section 25.01, Tax Code, is amended to read as  
12 follows:

13 Sec. 25.01. PREPARATION OF APPRAISAL RECORDS. ~~[(a)]~~ By May  
14 15 or as soon thereafter as practicable, the chief appraiser shall  
15 prepare appraisal records listing all property that is taxable in  
16 the county for which the appraisal office is established ~~[district]~~  
17 and stating the appraised value of each.

18 ~~[(b) The chief appraiser with the approval of the board of~~  
19 ~~directors of the district may contract with a private appraisal~~  
20 ~~firm to perform appraisal services for the district, subject to his~~  
21 ~~approval. A contract for private appraisal services is void if the~~  
22 ~~amount of compensation to be paid the private appraisal firm is~~  
23 ~~contingent on the amount of or increase in appraised, assessed, or~~  
24 ~~taxable value of property appraised by the appraisal firm.~~

25 ~~[(c) A contract for appraisal services for an appraisal~~  
26 ~~district is invalid if it does not provide that copies of the~~  
27 ~~appraisal, together with supporting data, must be made available to~~

1 ~~the appraisal district and such appraisals and supporting data~~  
2 ~~shall be public records. "Supporting data" shall not be construed~~  
3 ~~to include personal notes, correspondence, working papers, thought~~  
4 ~~processes, or any other matters of a privileged or proprietary~~  
5 ~~nature.]~~

6 SECTION 60. Section 25.011(a), Tax Code, is amended to read  
7 as follows:

8 (a) The chief appraiser for each appraisal office  
9 ~~[district]~~ shall prepare and maintain a record of property  
10 specially appraised under Chapter 23 ~~[of this code]~~ and subject, in  
11 the future, to additional taxation for change in use or status.

12 SECTION 61. Section 25.025(b), Tax Code, is amended to read  
13 as follows:

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

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

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

23 SECTION 62. Section 25.026(b), Tax Code, is amended to read  
24 as follows:

25 (b) Information in appraisal records under Section 25.02 is  
26 confidential and is available only for the official use of the  
27 appraisal office ~~[district]~~, this state, the comptroller, and

1 taxing units and political subdivisions of this state if the  
2 information identifies the address of a family violence shelter  
3 center or a sexual assault program.

4 SECTION 63. Section 25.12(c), Tax Code, as added by Chapter  
5 796, Acts of the 71st Legislature, Regular Session, 1989, is  
6 amended to read as follows:

7 (c) If a written request for joint taxation has been filed  
8 under Subsection (b), the notice of appraised value provided for by  
9 Section 25.19 for the owners included in the request for joint  
10 taxation shall be delivered to the operator, owner, or owners of the  
11 mineral interest in whose name the mineral interest is designated  
12 for joint taxation. The chief appraiser is not required to deliver  
13 a separate notice of appraised value to each owner included in the  
14 request for joint taxation. However, the chief appraiser shall  
15 deliver a separate notice of appraised value to an owner of an  
16 interest in the property who before May 1 files a written request to  
17 receive a separate notice of appraised value with the chief  
18 appraiser on a form provided by the appraisal office [~~district~~] for  
19 that purpose. The request is effective for each subsequent year  
20 until revoked by the owner or until the owner no longer owns an  
21 interest in the property.

22 SECTION 64. Sections 25.18(b) and (c), Tax Code, are  
23 amended to read as follows:

24 (b) The plan shall provide for reappraisal of all real  
25 property in the county for which the appraisal office is  
26 established [~~district~~] at least once every three years.

27 (c) A taxing unit by resolution adopted by its governing

1 body may require the appraisal office to appraise all property  
2 within the unit or to identify and appraise newly annexed territory  
3 and new improvements in the unit as of a date specified in the  
4 resolution. On or before the deadline requested by the taxing unit,  
5 which deadline may not be less than 30 days after the date the  
6 resolution is delivered to the appraisal office, the chief  
7 appraiser shall complete the appraisal and deliver to the unit an  
8 estimate of the total appraised value of property taxable by the  
9 unit as of the date specified in such resolution. The unit must pay  
10 the appraisal office [~~district~~] for the cost of making the  
11 appraisal. The chief appraiser shall provide sufficient personnel  
12 to make the appraisals required by this subsection on or before the  
13 deadline requested by the taxing unit. An appraisal made pursuant  
14 to this subsection may not be used by a taxing unit as the basis for  
15 the imposition of taxes.

16 SECTION 65. Sections 25.19(b) and (e), Tax Code, are  
17 amended to read as follows:

18 (b) The chief appraiser shall separate real from personal  
19 property and include in the notice for each:

20 (1) a list of the taxing units in which the property is  
21 taxable;

22 (2) the appraised value of the property in the  
23 preceding year;

24 (3) the taxable value of the property in the preceding  
25 year for each taxing unit taxing the property;

26 (4) the appraised value of the property for the  
27 current year and the kind and amount of each partial exemption, if

1 any, approved for the current year;

2 (5) if the appraised value is greater than it was in  
3 the preceding year:

4 (A) the effective tax rate that would be  
5 announced pursuant to Chapter 26 if the total values being  
6 submitted to the appraisal review board were to be approved by the  
7 board with an explanation that that rate would raise the same amount  
8 of revenue from property taxed in the preceding year as the unit  
9 raised for those purposes in the preceding year;

10 (B) the amount of tax that would be imposed on the  
11 property on the basis of the rate described by Paragraph (A); and

12 (C) a statement that the governing body of the  
13 unit may not adopt a rate that will increase tax revenues for  
14 operating purposes from properties taxed in the preceding year  
15 without publishing notice in a newspaper that it is considering a  
16 tax increase and holding a hearing for taxpayers to discuss the tax  
17 increase;

18 (6) in italic typeface, the following statement: "The  
19 Texas Legislature does not set the amount of your local taxes. Your  
20 property tax burden is decided by your locally elected officials,  
21 and all inquiries concerning your taxes should be directed to those  
22 officials";

23 (7) a detailed explanation of the time and procedure  
24 for protesting the value;

25 (8) the date and place the appraisal review board will  
26 begin hearing protests; and

27 (9) a brief explanation that the governing body of

1 each taxing unit decides whether or not taxes on the property will  
2 increase and the appraisal office [~~district~~] only determines the  
3 value of the property.

4 (e) The chief appraiser, with the approval of the  
5 comptroller [~~appraisal district board of directors~~], may dispense  
6 with the notice required by Subsection (a)(1) if the amount of  
7 increase in appraised value is \$1,000 or less.

8 SECTION 66. Section 25.195(a), Tax Code, is amended to read  
9 as follows:

10 (a) After the chief appraiser has submitted the appraisal  
11 records to the appraisal review board as provided by Section  
12 25.22(a), a property owner or the owner's designated agent is  
13 entitled to inspect and copy the appraisal records relating to  
14 property of the property owner, together with supporting data,  
15 schedules, and, except as provided by Subsection (b), any other  
16 material or information held by the chief appraiser [~~or required by~~  
17 ~~Section 25.01(c) to be provided to the appraisal district under a~~  
18 ~~contract for appraisal services~~], including material or  
19 information obtained under Section 22.27, that is obtained or used  
20 in making appraisals for the appraisal records relating to that  
21 property.

22 SECTION 67. Section 25.20, Tax Code, is amended to read as  
23 follows:

24 Sec. 25.20. ACCESS BY TAXING UNITS. The chief appraiser  
25 shall give the assessor for a taxing unit in the county for which  
26 the appraisal office is established [~~district~~] reasonable access to  
27 the appraisal records at any time.

1 SECTION 68. Section 25.22(b), Tax Code, is amended to read  
2 as follows:

3 (b) The chief appraiser shall make and subscribe an  
4 affidavit on the submission substantially as follows:

5 "I, \_\_\_\_\_, (Chief Appraiser) for \_\_\_\_\_ solemnly  
6 swear that I have made or caused to be made a diligent inquiry to  
7 ascertain all property in the county for which the appraisal office  
8 was established [~~district~~] subject to appraisal by me and that I  
9 have included in the records all property that I am aware of at an  
10 appraised value determined as required by law."

11 SECTION 69. Section 25.23(e), Tax Code, is amended to read  
12 as follows:

13 (e) The chief appraiser shall add supplemental appraisal  
14 records, as changed by the appraisal review board and approved by  
15 that board, to the appraisal roll for the appraisal office  
16 [~~district~~] and certify the addition to the taxing units.

17 SECTION 70. Section 25.24, Tax Code, is amended to read as  
18 follows:

19 Sec. 25.24. APPRAISAL ROLL. The appraisal records, as  
20 changed by order of the appraisal review board and approved by that  
21 board, constitute the appraisal roll for the appraisal office  
22 [~~district~~].

23 SECTION 71. Sections 25.25(b) and (d), Tax Code, are  
24 amended to read as follows:

25 (b) The chief appraiser may change the appraisal roll at any  
26 time to correct a name or address, a determination of ownership, a  
27 description of property, multiple appraisals of a property, or a

1 clerical error or other inaccuracy as prescribed by board rule that  
2 does not increase the amount of tax liability. Before the 10th day  
3 after the end of each calendar quarter, the chief appraiser shall  
4 submit to the appraisal review board and to the comptroller [~~board~~  
5 ~~of directors of the appraisal district~~] a written report of each  
6 change made under this subsection that decreases the tax liability  
7 of the owner of the property. The report must include:

- 8 (1) a description of each property; and  
9 (2) the name of the owner of that property.

10 (d) At any time prior to the date the taxes become  
11 delinquent, a property owner or the chief appraiser may file a  
12 motion with the appraisal review board to change the appraisal roll  
13 to correct an error that resulted in an incorrect appraised value  
14 for the owner's property. However, the error may not be corrected  
15 unless it resulted in an appraised value that exceeds by more than  
16 one-third the correct appraised value. If the appraisal roll is  
17 changed under this subsection, the property owner must pay to each  
18 affected taxing unit a late-correction penalty equal to 10 percent  
19 of the amount of taxes as calculated on the basis of the corrected  
20 appraised value. The roll may not be changed under this subsection  
21 if:

22 (1) the property was the subject of a protest brought  
23 by the property owner under Chapter 41, a hearing on the protest was  
24 conducted in which the property owner offered evidence or argument,  
25 and the appraisal review board made a determination of the protest  
26 on the merits; or

- 27 (2) the appraised value of the property was



1 established as a result of a written agreement between the property  
2 owner or the owner's agent and the appraisal office [~~district~~].

3 SECTION 72. Section 26.01, Tax Code, is amended to read as  
4 follows:

5 Sec. 26.01. SUBMISSION OF ROLLS TO TAXING UNITS. (a) By  
6 July 25, the chief appraiser shall prepare and certify to the  
7 assessor for each taxing unit having territory [~~participating~~] in  
8 the county for which the appraisal office is established [~~district~~]  
9 that part of the appraisal roll for the appraisal office [~~district~~]  
10 that lists the property taxable by the unit. The part certified to  
11 the assessor is the appraisal roll for the unit. The chief  
12 appraiser shall consult with the assessor for each taxing unit and  
13 notify each unit in writing by April 1 of the form in which the roll  
14 will be provided to each unit.

15 (b) When a chief appraiser submits an appraisal roll for  
16 county taxes to a county assessor-collector, the chief appraiser  
17 also shall certify the appraisal office [~~district~~] appraisal roll  
18 to the comptroller. However, the comptroller by rule may provide  
19 for submission of only a summary of the appraisal roll. The chief  
20 appraiser shall certify the [~~district~~] appraisal roll or the  
21 summary of that roll in the form and manner prescribed by the  
22 comptroller's rule.

23 (c) The chief appraiser shall prepare and certify to the  
24 assessor for each taxing unit a listing of those properties which  
25 are taxable by that unit but which are under protest and therefore  
26 not included on the appraisal roll approved by the appraisal review  
27 board and certified by the chief appraiser. This listing shall

1 include the appraised market value, productivity value (if  
2 applicable), and taxable value as determined by the appraisal  
3 office [~~district~~] and shall also include the market value, taxable  
4 value, and productivity value (if applicable) as claimed by the  
5 property owner filing the protest if available. If the property  
6 owner does not claim a value and the appraised value of the property  
7 in the current year is equal to or less than its value in the  
8 preceding year, the listing shall include a reasonable estimate of  
9 the market value, taxable value, and productivity value (if  
10 applicable) that would be assigned to the property if the  
11 taxpayer's claim is upheld. If the property owner does not claim a  
12 value and the appraised value of the property is higher than its  
13 appraised value in the preceding year, the listing shall include  
14 the appraised market value, productivity value (if applicable) and  
15 taxable value of the property in the preceding year, except that if  
16 there is a reasonable likelihood that the appraisal review board  
17 will approve a lower appraised value for the property than its  
18 appraised value in the preceding year, the chief appraiser shall  
19 make a reasonable estimate of the taxable value that would be  
20 assigned to the property if the property owner's claim is upheld.  
21 The taxing unit shall use the lower value for calculations as  
22 prescribed in Sections 26.04 and 26.041 of this code.

23 (d) The chief appraiser shall prepare and certify to the  
24 assessor for each taxing unit a list of those properties of which  
25 the chief appraiser has knowledge that are reasonably likely to be  
26 taxable by that unit but that are not included on the appraisal roll  
27 certified to the assessor under Subsection (a) or included on the

1 listing certified to the assessor under Subsection (c). The chief  
2 appraiser shall include on the list for each property the market  
3 value, appraised value, and kind and amount of any partial  
4 exemptions as determined by the appraisal office [~~district~~] for the  
5 preceding year and a reasonable estimate of the market value,  
6 appraised value, and kind and amount of any partial exemptions for  
7 the current year. Until the property is added to the appraisal  
8 roll, the assessor for the taxing unit shall include each property  
9 on the list in the calculations prescribed by Sections 26.04 and  
10 26.041, and for that purpose shall use the lower market value,  
11 appraised value, or taxable value, as appropriate, included on or  
12 computed using the information included on the list for the  
13 property.

14 (e) By June 7, the chief appraiser shall prepare and certify  
15 to the assessor for each school district participating in the  
16 appraisal office [~~district~~] an estimate of the taxable value of  
17 school district property. The chief appraiser shall assist each  
18 school district in determining values of school district property  
19 for the school district's budgetary purposes.

20 SECTION 73. Section 26.14(b), Tax Code, is amended to read  
21 as follows:

22 (b) If a taxing unit annexes territory during a tax year  
23 that was located in another taxing unit of like kind on January 1,  
24 each unit shall impose taxes on property located within its  
25 boundaries on the date the appraisal review board approves the  
26 appraisal roll for the appraisal office [~~district~~]. The chief  
27 appraiser shall prepare and deliver an appraisal roll for each unit

1 in accordance with the requirements of this subsection.

2 SECTION 74. Section 31.01(h), Tax Code, is amended to read  
3 as follows:

4 (h) An assessor who assesses taxes for more than one taxing  
5 unit may prepare and deliver separate bills for the taxes of a  
6 taxing unit that does not adopt a tax rate for the year before the  
7 60th day after the date the chief appraiser certifies the appraisal  
8 roll for the unit under Section 26.01 of this code or, if the taxing  
9 unit participates in more than one appraisal office [~~district~~],  
10 before the 60th day after the date it receives a certified appraisal  
11 roll from any of the appraisal offices [~~districts~~] in which it  
12 participates. If separate tax bills are prepared and delivered  
13 under this subsection, the taxing unit or taxing units that failed  
14 to adopt the tax rate before the prescribed deadline must pay the  
15 additional costs incurred in preparing and mailing the separate  
16 bills in addition to any other compensation required or agreed to be  
17 paid for the appraisal services rendered.

18 SECTION 75. Section 31.02(d), Tax Code, is amended to read  
19 as follows:

20 (d) A person eligible under Subsection (b) or any co-owner  
21 of property that is owned by an eligible person may notify the  
22 county tax assessor or collector or [~~central~~] appraisal office  
23 [~~district~~] for the county in which the property is located of the  
24 person's eligibility for exemption under Subsection (b). The  
25 county tax assessor or collector or [~~central~~] appraisal office  
26 [~~district~~] shall provide the forms necessary for those individuals  
27 giving notice under this subsection. If the notice is timely given,

1 a taxing unit in the county may not bring suit for delinquent taxes  
2 for the tax year in which the notice is given. Failure to file a  
3 notice does not affect eligibility for the waiver of penalties and  
4 interest.

5 SECTION 76. Section 31.10(d), Tax Code, is amended to read  
6 as follows:

7 (d) If the taxes of a taxing unit are collected by the  
8 collector or other officer or employee of another taxing unit [~~or by~~  
9 ~~an appraisal district~~] as provided by the law creating or  
10 authorizing creation of the unit or as the result of an election  
11 held under Section 6.26 of this code, the entity that collects the  
12 taxes shall deposit the taxes in the unit's depository daily,  
13 unless the governing body of that unit by official action provides  
14 that those deposits may be made less often than daily.

15 SECTION 77. Sections 32.03(c), (d), (g), and (h), Tax Code,  
16 are amended to read as follows:

17 (c) A bona fide purchaser for value or the holder of a lien  
18 recorded on a manufactured home document of title is not required to  
19 pay any taxes imposed on the manufactured home in a tax year that  
20 begins on or after January 1, 2001, or penalties or interest on  
21 those taxes, if the chief appraiser of the appraisal office  
22 [~~district~~] established for the county in which the manufactured  
23 home is located, in connection with an application for a permit to  
24 transport the manufactured home under Section 623.093(d),  
25 Transportation Code, has issued a written statement that no unpaid  
26 taxes have been reported on the manufactured home due any taxing  
27 unit for which the appraisal office [~~district~~] appraises property.

1           (d) On request of any person, a chief appraiser shall issue  
2 a written statement as to whether the chief appraiser has received  
3 notice of any taxes on a manufactured home located in the county for  
4 which the appraisal office was established [~~district~~] due any  
5 taxing unit for which the appraisal office [~~district~~] appraises  
6 property. A request for the issuance of a statement by the chief  
7 appraiser under this subsection must:

8           (1) be in writing and signed by the person requesting  
9 the statement;

10           (2) identify the location of the manufactured home  
11 sufficiently for the chief appraiser to determine whether the  
12 manufactured home is listed on the current appraisal roll; and

13           (3) specify the address where the chief appraiser  
14 should send the statement.

15           (g) If the chief appraiser receives the appropriate  
16 information from the collector for a taxing unit indicating that  
17 there are unpaid taxes due that taxing unit on the manufactured  
18 home, the chief appraiser shall include in the statement issued  
19 under Subsection (d) the amount of taxes due that taxing unit and  
20 the name and address of the collector for that taxing unit. If the  
21 chief appraiser does not receive information from the collector for  
22 any taxing unit to which the chief appraiser sent a request under  
23 Subsection (e) before the chief appraiser issues the statement  
24 required by Subsection (d), the chief appraiser shall state in the  
25 written statement that the chief appraiser has not received notice  
26 of any taxes on the manufactured home due the taxing units for which  
27 the appraisal office [~~district~~] appraises property.

1           (h) To cover the costs to the appraisal office [~~district~~]  
2 associated with the issuance of written statements under this  
3 section, a chief appraiser may charge the person requesting a  
4 statement a fee not to exceed \$10 for each statement requested.

5           SECTION 78. Sections 33.011(a), (b), (c), and (f), Tax  
6 Code, are amended to read as follows:

7           (a) The governing body of a taxing unit:

8                   (1) shall waive penalties and interest on a delinquent  
9 tax if an act or omission of an officer, employee, or agent of the  
10 taxing unit or the appraisal office [~~district~~] in which the taxing  
11 unit participates caused or resulted in the taxpayer's failure to  
12 pay the tax before delinquency and if the tax is paid not later than  
13 the third anniversary of the date the taxpayer knows or should know  
14 of the delinquency; and

15                   (2) may waive penalties and provide for the waiver of  
16 interest on a delinquent tax if the property for which the tax is  
17 owed is acquired by a religious organization that qualifies the  
18 property for exemption under Section 11.20 before the first  
19 anniversary of the date the religious organization acquires the  
20 property.

21           (b) If a tax bill is returned undelivered to the taxing unit  
22 by the United States Postal Service, the governing body of the  
23 taxing unit shall waive penalties and interest if:

24                   (1) the taxing unit does not send another tax bill on  
25 the property in question at least 21 days before the delinquency  
26 date to the current mailing address furnished by the property owner  
27 and the property owner establishes that a current mailing address

1 was furnished to the appraisal office [~~district~~] by the property  
2 owner for the tax bill before September 1 of the year in which the  
3 tax is assessed; or

4 (2) the tax bill was returned because of an act or  
5 omission of an officer, employee, or agent of the taxing unit or the  
6 appraisal office [~~district~~] in which the taxing unit participates  
7 and the taxing unit or appraisal office [~~district~~] did not send  
8 another tax bill on the property in question at least 21 days before  
9 the delinquency date to the proper mailing address.

10 (c) For the purposes of this section, a property owner is  
11 considered to have furnished a current mailing address to the  
12 taxing unit or to the appraisal office [~~district~~] if the current  
13 address is expressly communicated to the appraisal office  
14 [~~district~~] in writing or if the appraisal office [~~district~~]  
15 received a copy of a recorded instrument transferring ownership of  
16 real property and the current mailing address of the new owner is  
17 included in the instrument or in accompanying communications or  
18 letters of transmittal.

19 (f) A property owner is not entitled to relief under  
20 Subsection (b) [~~of this section~~] if the property owner or the  
21 owner's agent furnished an incorrect mailing address to the  
22 appraisal office [~~district~~] or the taxing unit or to an employee or  
23 agent of the office [~~district~~] or unit.

24 SECTION 79. Sections 33.06(b), (c), and (e), Tax Code, are  
25 amended to read as follows:

26 (b) To obtain a deferral, an individual must file with the  
27 chief appraiser for the appraisal office established for the county



1 ~~[district]~~ in which the property is located an affidavit stating  
2 the facts required to be established by Subsection (a) ~~[of this~~  
3 ~~section]~~. The chief appraiser shall notify each taxing unit for  
4 which the office appraises property ~~[participating in the district]~~  
5 of the filing. After an affidavit is filed under this subsection, a  
6 taxing unit may not file suit to collect delinquent taxes on the  
7 property until the individual no longer owns and occupies the  
8 property as a residence homestead.

9 (c) To obtain an abatement, the individual must file in the  
10 court in which suit is pending an affidavit stating the facts  
11 required to be established by Subsection (a) ~~[of this section]~~. If  
12 no controverting affidavit is filed by the taxing unit filing suit  
13 or if, after a hearing, the court finds the individual is entitled  
14 to the deferral, the court shall abate the suit until the individual  
15 no longer owns and occupies the property as a residence homestead.  
16 The clerk of the court shall deliver a copy of the judgment abating  
17 the suit to the chief appraiser of each appraisal office ~~[district]~~  
18 that appraises the property.

19 (e) Each year the chief appraiser for each appraisal office  
20 ~~[district]~~ shall publicize in a manner reasonably designed to  
21 notify all residents of the ~~[district or]~~ county of the provisions  
22 of this section and, specifically, the method by which eligible  
23 persons may obtain a deferral or abatement.

24 SECTION 80. Sections 33.065(c), (d), and (h), Tax Code, are  
25 amended to read as follows:

26 (c) To obtain a deferral, an individual must file with the  
27 chief appraiser for the appraisal office established for the county

1 [~~district~~] in which the property is located an affidavit stating  
2 the facts required to be established by Subsection (a). The chief  
3 appraiser shall notify each taxing unit for which the office  
4 appraises property [~~participating in the district~~] of the filing.  
5 After an affidavit is filed under this subsection, a taxing unit may  
6 not file suit to collect delinquent taxes on the property for which  
7 collection is deferred until the individual no longer owns and  
8 occupies the property as a residence homestead.

9 (d) To obtain an abatement, the individual must file in the  
10 court in which the delinquent tax suit is pending an affidavit  
11 stating the facts required to be established by Subsection (a). If  
12 the taxing unit that filed the suit does not file a controverting  
13 affidavit or if, after a hearing, the court finds the individual is  
14 entitled to the deferral, the court shall abate the suit until the  
15 individual no longer owns and occupies the property as the  
16 individual's residence homestead. The clerk of the court shall  
17 deliver a copy of the judgment abating the suit to the chief  
18 appraiser of each appraisal office [~~district~~] that appraises the  
19 property.

20 (h) Each year the chief appraiser for each appraisal office  
21 [~~district~~] shall publicize in a manner reasonably designed to  
22 notify all residents of the county for which the appraisal office  
23 [~~district~~] is established of the provisions of this section and,  
24 specifically, the method by which an eligible person may obtain a  
25 deferral.

26 SECTION 81. Sections 33.07(a) and (d), Tax Code, are  
27 amended to read as follows:

1           (a) A taxing unit [~~or appraisal district~~] may provide, in  
2 the manner required by law for official action by the body, that  
3 taxes that become delinquent on or after February 1 of a year but  
4 not later than May 1 of that year and that remain delinquent on July  
5 1 of the year in which they become delinquent incur an additional  
6 penalty to defray costs of collection, if the unit [~~or district~~] or  
7 another unit that collects taxes for the unit has contracted with an  
8 attorney pursuant to Section 6.30. The amount of the penalty may  
9 not exceed the amount of the compensation specified in the contract  
10 with the attorney to be paid in connection with the collection of  
11 the delinquent taxes.

12           (d) If a taxing unit [~~or appraisal district~~] provides for a  
13 penalty under this section, the collector shall deliver a notice of  
14 delinquency and of the penalty to the property owner at least 30 and  
15 not more than 60 days before July 1.

16           SECTION 82. Sections 33.08(a), (b), (c), and (e), Tax Code,  
17 are amended to read as follows:

18           (a) This section applies to a taxing unit [~~or appraisal~~  
19 ~~district~~] only if:

20               (1) the governing body of the taxing unit [~~or~~  
21 ~~appraisal district~~] has imposed the additional penalty for  
22 collection costs under Section 33.07; and

23               (2) the taxing unit [~~or appraisal district,~~] or  
24 another taxing unit that collects taxes for the unit, has entered  
25 into a contract with an attorney under Section 6.30 for the  
26 collection of the unit's delinquent taxes.

27           (b) The governing body of the taxing unit [~~or appraisal~~

1 ~~district~~], in the manner required by law for official action, may  
2 provide that taxes that become delinquent on or after June 1 under  
3 Section 26.07(f), 26.15(e), 31.03, 31.031, 31.032, or 31.04 incur  
4 an additional penalty to defray costs of collection. The amount of  
5 the penalty may not exceed the amount of the compensation specified  
6 in the applicable contract with an attorney under Section 6.30 to be  
7 paid in connection with the collection of the delinquent taxes.

8 (c) After the taxes become delinquent, the collector for a  
9 taxing unit [~~or appraisal district~~] that has provided for the  
10 additional penalty under this section shall send a notice of the  
11 delinquency and the penalty to the property owner. The penalty is  
12 incurred on the first day of the first month that begins at least 21  
13 days after the date the notice is sent.

14 (e) A taxing unit [~~or appraisal district~~] that imposes the  
15 additional penalty under this section may not recover attorney's  
16 fees in a suit to collect delinquent taxes subject to the penalty.

17 SECTION 83. Section 41.03(a), Tax Code, is amended to read  
18 as follows:

19 (a) A taxing unit is entitled to challenge before the  
20 appraisal review board:

21 (1) the level of appraisals of any category of  
22 property in the county for which the appraisal office is  
23 established [~~district or in any territory in the district~~], but not  
24 the appraised value of a single taxpayer's property;

25 (2) an exclusion of property from the appraisal  
26 records;

27 (3) a grant in whole or in part of a partial exemption;

1           (4) a determination that land qualifies for appraisal  
2 as provided by Subchapter C, D, E, or H, Chapter 23; or

3           (5) failure to identify the taxing unit as one in which  
4 a particular property is taxable.

5           SECTION 84. Section 41.41, Tax Code, is amended to read as  
6 follows:

7           Sec. 41.41. RIGHT OF PROTEST. (a) A property owner is  
8 entitled to protest before the appraisal review board the following  
9 actions:

10           (1) determination of the appraised value of the  
11 owner's property or, in the case of land appraised as provided by  
12 Subchapter C, D, E, or H, Chapter 23, determination of its appraised  
13 or market value;

14           (2) unequal appraisal of the owner's property;

15           (3) inclusion of the owner's property on the appraisal  
16 records;

17           (4) denial to the property owner in whole or in part of  
18 a partial exemption;

19           (5) determination that the owner's land does not  
20 qualify for appraisal as provided by Subchapter C, D, E, or H,  
21 Chapter 23;

22           (6) identification of the taxing units in which the  
23 owner's property is taxable in the case of the appraisal office's  
24 [~~district's~~] appraisal roll;

25           (7) determination that the property owner is the owner  
26 of property;

27           (8) a determination that a change in use of land

1 appraised under Subchapter C, D, E, or H, Chapter 23, has occurred;  
2 or

3 (9) any other action of the chief appraiser, appraisal  
4 office [~~district~~], or appraisal review board that applies to and  
5 adversely affects the property owner.

6 (b) Each year the chief appraiser for each appraisal office  
7 [~~district~~] shall publicize in a manner reasonably designed to  
8 notify all residents of the county for which the appraisal office  
9 was established [~~district~~]:

10 (1) the provisions of this section; and

11 (2) the method by which a property owner may protest an  
12 action before the appraisal review board.

13 SECTION 85. Section 41.42, Tax Code, is amended to read as  
14 follows:

15 Sec. 41.42. PROTEST OF SITUS. A protest against the  
16 inclusion of property on the appraisal records for an appraisal  
17 office [~~district~~] on the ground that the property does not have  
18 taxable situs in the county for which the appraisal office was  
19 established [~~that district~~] shall be determined in favor of the  
20 protesting party if the party [~~he~~] establishes that the property is  
21 subject to appraisal by another appraisal office [~~district~~] or that  
22 the property is not taxable in this state. The chief appraiser of  
23 an appraisal office [~~a district~~] in which the property owner  
24 prevails in a protest of situs shall notify the appraisal office of  
25 the county [~~district~~] in which the property owner has established  
26 situs.

27 SECTION 86. Sections 41.43(a) and (b), Tax Code, are

1 amended to read as follows:

2 (a) In a protest authorized by Section 41.41(1) or (2), the  
3 appraisal office [~~district~~] has the burden of establishing the  
4 value of the property by a preponderance of the evidence presented  
5 at the hearing. If the appraisal office [~~district~~] fails to meet  
6 that standard, the protest shall be determined in favor of the  
7 property owner.

8 (b) A protest on the ground of unequal appraisal of property  
9 shall be determined in favor of the protesting party unless the  
10 appraisal office [~~district~~] establishes that the appraisal ratio of  
11 the property is not greater than the median level of appraisal of:

12 (1) a reasonable and representative sample of other  
13 properties in the county for which the appraisal office was  
14 established [~~district~~];

15 (2) a sample of properties in the county for which the  
16 appraisal office was established [~~district~~] consisting of a  
17 reasonable number of other properties similarly situated to, or of  
18 the same general kind or character as, the property subject to the  
19 protest; or

20 (3) a reasonable number of comparable properties  
21 appropriately adjusted.

22 SECTION 87. Section 41.44(d), Tax Code, is amended to read  
23 as follows:

24 (d) A notice of protest is sufficient if it identifies the  
25 protesting property owner, including a person claiming an ownership  
26 interest in the property even if that person is not listed on the  
27 appraisal records as an owner of the property, identifies the

1 property that is the subject of the protest, and indicates apparent  
2 dissatisfaction with some determination of the appraisal office.  
3 The notice need not be on an official form, but the comptroller  
4 shall prescribe a form that provides for more detail about the  
5 nature of the protest. The form must permit a property owner to  
6 include each property in the county for which the appraisal office  
7 is established [~~district~~] that is the subject of a protest. The  
8 comptroller, each appraisal office, and each appraisal review board  
9 shall make the forms readily available and deliver one to a property  
10 owner on request.

11 SECTION 88. Sections 41.45(g), (j), and (k), Tax Code, are  
12 amended to read as follows:

13 (g) In addition to the grounds for a postponement under  
14 Subsection (e), the board shall postpone the hearing to a later date  
15 if:

16 (1) the owner of the property or the owner's agent is  
17 also scheduled to appear at a hearing on a protest filed with the  
18 appraisal review board of another appraisal office [~~district~~];

19 (2) the hearing before the other appraisal review  
20 board is scheduled to occur on the same date as the hearing set by  
21 the appraisal review board from which the postponement is sought;

22 (3) the notice of hearing delivered to the property  
23 owner or the owner's agent by the other appraisal review board bears  
24 an earlier postmark than the notice of hearing delivered by the  
25 board from which the postponement is sought or, if the date of the  
26 postmark is identical, the property owner or agent has not  
27 requested a postponement of the other hearing; and



1           (4) the property owner or the owner's agent includes  
2 with the request for a postponement a copy of the notice of hearing  
3 delivered to the property owner or the owner's agent by the other  
4 appraisal review board.

5           (j) A statement from the property owner that specifies the  
6 determination or other action of the chief appraiser, appraisal  
7 office [~~district~~], or appraisal review board relating to the  
8 subject property from which the property owner seeks relief  
9 constitutes sufficient argument under Subsection (i).

10           (k) The comptroller shall prescribe a standard form for an  
11 affidavit offered under Subsection (b). Each appraisal office  
12 [~~district~~] shall make copies of the affidavit form available to  
13 property owners without charge.

14           SECTION 89. Sections 41.455(a) and (b), Tax Code, are  
15 amended to read as follows:

16           (a) If a property owner files protests relating to a pooled  
17 or unitized mineral interest that is being produced at one or more  
18 production sites located in a single county with the appraisal  
19 review boards of more than one appraisal office [~~district~~], the  
20 appraisal review board for the appraisal office [~~district~~]  
21 established for the county in which the production site or sites are  
22 located must determine the protest filed with that board and make  
23 its decision before another appraisal review board may hold a  
24 hearing to determine the protest filed with that other board.

25           (b) If a property owner files protests relating to a pooled  
26 or unitized mineral interest that is being produced at two or more  
27 production sites located in more than one county with the appraisal

1 review boards of more than one appraisal office [~~district~~] and at  
2 least two-thirds of the surface area of the mineral interest is  
3 located in the county for which one of the appraisal offices  
4 [~~districts~~] is established, the appraisal review board for that  
5 appraisal office [~~district~~] must determine the protest filed with  
6 that board and make its decision before another appraisal review  
7 board may hold a hearing to determine the protest filed with that  
8 other board.

9 SECTION 90. Section 41.61(a), Tax Code, is amended to read  
10 as follows:

11 (a) If reasonably necessary in the course of a protest  
12 provided by this chapter, the appraisal review board on its own  
13 motion or at the written request of a party to the protest, may  
14 subpoena witnesses or books, records, or other documents of the  
15 property owner or appraisal office [~~district~~] that relate to the  
16 protest.

17 SECTION 91. Sections 41.66(e) and (g), Tax Code, are  
18 amended to read as follows:

19 (e) The appraisal review board may not consider any  
20 appraisal office [~~district~~] information on a protest that was not  
21 presented to the appraisal review board during the protest hearing.

22 (g) At the beginning of a hearing on a protest, each member  
23 of the appraisal review board hearing the protest must sign an  
24 affidavit stating that the board member has not communicated with  
25 another person in violation of Subsection (f). If a board member  
26 has communicated with another person in violation of Subsection  
27 (f), the member must be recused from the proceeding and may not

1 hear, deliberate on, or vote on the determination of the protest.  
2 The comptroller [~~board of directors of the appraisal district~~]  
3 shall adopt and implement a policy concerning the temporary  
4 replacement of an appraisal review board member who has  
5 communicated with another person in violation of Subsection (f).

6 SECTION 92. Section 41.70(b), Tax Code, is amended to read  
7 as follows:

8 (b) The chief appraiser shall publish the notice in a  
9 newspaper having general circulation in the county for which the  
10 appraisal office [~~district~~] is established. The notice may not be  
11 smaller than one-quarter page of a standard-size or tabloid-size  
12 newspaper, and may not be published in the part of the paper in  
13 which legal notices and classified advertisements appear.

14 SECTION 93. Section 42.02, Tax Code, is amended to read as  
15 follows:

16 Sec. 42.02. RIGHT OF APPEAL BY CHIEF APPRAISER. On written  
17 approval of the comptroller [~~board of directors of the appraisal~~  
18 ~~district~~], the chief appraiser is entitled to appeal an order of the  
19 appraisal review board determining:

20 (1) a taxpayer protest as provided by Subchapter C,  
21 Chapter 41; or

22 (2) a taxpayer's motion to change the appraisal roll  
23 filed under Section 25.25.

24 SECTION 94. Section 42.06(b), Tax Code, is amended to read  
25 as follows:

26 (b) A party required to file a notice of appeal under this  
27 section other than a chief appraiser who appeals an order of an

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

7 SECTION 95. Sections 42.21(b) and (d), Tax Code, are  
8 amended to read as follows:

9 (b) A petition for review brought under Section 42.02 must  
10 be brought against the owner of the property involved in the appeal.  
11 A petition for review brought under Section 42.031 must be brought  
12 against the appraisal office [~~district~~] and against the owner of  
13 the property involved in the appeal. A petition for review brought  
14 under Subdivision (2) or (3) of Section 42.01 or under Section 42.03  
15 must be brought against the comptroller. Any other petition for  
16 review under this chapter must be brought against the appraisal  
17 office [~~district~~]. A petition for review is not required to be  
18 brought against the appraisal review board, but may be brought  
19 against the appraisal review board in addition to any other  
20 required party, if appropriate.

21 (d) An appraisal office [~~district~~] is served by service on  
22 the chief appraiser at any time or by service on any other officer  
23 or employee of the appraisal office [~~district~~] present at the  
24 appraisal office at a time when the appraisal office is open for  
25 business with the public. An appraisal review board is served by  
26 service on the chairman of the appraisal review board. Citation of  
27 a party is issued and served in the manner provided by law for civil

1 suits generally.

2 SECTION 96. Sections 42.221(a) and (c)-(g), Tax Code, are  
3 amended to read as follows:

4 (a) The owner of an oil or gas pipeline or electric  
5 transmission or distribution line that runs through more than one  
6 county and is appraised by more than one appraisal office  
7 [~~district~~] may appeal an order of an appraisal review board  
8 relating to the pipeline or electric line, to property attached to  
9 or connected with the pipeline or electric line, or to an easement  
10 or other real property on which the pipeline or electric line is  
11 located to the district court of any county in which a portion of  
12 the pipeline or electric line is located if the order relating to  
13 that portion of the pipeline or electric line is appealed.

14 (c) If only one appeal by the owner of an oil or gas pipeline  
15 or electric line is pending before the court in an appeal from the  
16 decision of an appraisal review board of an appraisal office  
17 [~~district~~] other than the appraisal office [~~district~~] for that  
18 county, any party to the suit may, not earlier than the 30th day  
19 before and not later than the 10th day before the date set for the  
20 hearing, make a motion to transfer the suit to a district court of  
21 the county in which the appraisal review board from which the appeal  
22 is taken is located. In the absence of a showing that further  
23 appeals under this section will be filed, the court shall transfer  
24 the suit.

25 (d) When the owner files the first petition for review under  
26 this section for a pipeline or electric line for a tax year, the  
27 owner shall include with the petition a list of each appraisal

1 office [~~district~~] in which the pipeline or electric line is  
2 appraised for taxation in that tax year.

3 (e) The court shall consolidate all the appeals for a tax  
4 year relating to a single pipeline or electric line for which a  
5 petition for review is filed with the court and may consolidate  
6 other appeals relating to other pipelines or electric lines of the  
7 same owner if the pipelines or electric lines are located in one or  
8 more of the counties on the list required by Subsection (d). Except  
9 as provided by this subsection, on the motion of the pipeline or  
10 electric line owner the court shall grant a continuance to provide  
11 the owner with an opportunity to include in the proceeding appeals  
12 of appraisal review board orders from additional appraisal offices  
13 [~~districts~~]. The court may not grant a continuance to include an  
14 appeal of an appraisal review board order that relates to the  
15 pipeline or electric line in that tax year after the time for filing  
16 a petition for review of that order has expired.

17 (f) This section does not affect the property owner's right  
18 to file a petition for review of an individual appraisal office's  
19 [~~district's~~] order relating to a pipeline or electric line in the  
20 district court in the county in which the appraisal review board is  
21 located.

22 (g) On a joint motion or the separate motions of at least 60  
23 percent of the appraisal offices [~~districts~~] that are defendants in  
24 a consolidated suit filed before the 45th day after the date on  
25 which the property owner's petitions for review of the appraisal  
26 review board orders relating to a pipeline or electric line for that  
27 tax year must be filed, the court shall transfer the suit to a

1 district court of the county named in the motion or motions if that  
2 county is one in which one of the appraisal review boards from which  
3 an appeal was taken is located.

4 SECTION 97. Section 42.225(b), Tax Code, is amended to read  
5 as follows:

6 (b) On motion by the property owner, the court shall order  
7 the parties to an appeal of an appraisal review board order under  
8 this chapter to submit to binding arbitration if the appraisal  
9 office [~~district~~] joins in the motion or consents to the  
10 arbitration. A binding arbitration award under this subsection is  
11 binding and enforceable in the same manner as a contract  
12 obligation.

13 SECTION 98. Sections 42.26(a) and (c), Tax Code, are  
14 amended to read as follows:

15 (a) The district court shall grant relief on the ground that  
16 a property is appraised unequally if the appraisal ratio of the  
17 property exceeds by at least 10 percent the median level of  
18 appraisal of:

19 (1) a reasonable and representative sample of other  
20 properties in the county for which the appraisal office is  
21 established [~~district~~]; or

22 (2) a sample of properties in the county for which the  
23 appraisal office is established [~~district~~] consisting of a  
24 reasonable number of other properties similarly situated to, or of  
25 the same general kind or character as, the property subject to the  
26 appeal.

27 (c) For purposes of establishing the median level of

1 appraisal under Subsection (a)(1), the median level of appraisal in  
2 the county for which the appraisal office is established [~~district~~]  
3 as determined by the comptroller under Section 5.10 is admissible  
4 as evidence of the median level of appraisal of a reasonable and  
5 representative sample of properties in that county [~~the appraisal~~  
6 ~~district~~] for the year of the comptroller's determination, subject  
7 to the Texas Rules of Evidence and the Texas Rules of Civil  
8 Procedure.

9 SECTION 99. Section 43.01, Tax Code, is amended to read as  
10 follows:

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

16 SECTION 100. Section 43.02, Tax Code, is amended to read as  
17 follows:

18 Sec. 43.02. VENUE. Venue is in the county for [~~in~~] which  
19 the appraisal office [~~district~~] is established.

20 SECTION 101. Section 312.005(a), Tax Code, is amended to  
21 read as follows:

22 (a) The comptroller shall maintain a central registry of  
23 reinvestment zones designated under this chapter and of ad valorem  
24 tax abatement agreements executed under this chapter. The chief  
25 appraiser of each appraisal office [~~district~~] that appraises  
26 property for a taxing unit that has designated a reinvestment zone  
27 or executed a tax abatement agreement under this chapter shall



1 deliver to the comptroller before July 1 of the year following the  
2 year in which the zone is designated or the agreement is executed a  
3 report providing the following information:

4 (1) for a reinvestment zone, a general description of  
5 the zone, including its size, the types of property located in it,  
6 its duration, and the guidelines and criteria established for the  
7 reinvestment zone under Section 312.002, including subsequent  
8 amendments and modifications of the guidelines or criteria;

9 (2) a copy of each tax abatement agreement to which a  
10 taxing unit that participates in the appraisal office [~~district~~] is  
11 a party; and

12 (3) any other information required by the comptroller  
13 to administer this section and Subchapter F, Chapter 111.

14 SECTION 102. Section 312.211(c), Tax Code, is amended to  
15 read as follows:

16 (c) A property owner may not receive a tax abatement under  
17 this section for the first tax year covered by the agreement unless  
18 the property owner includes with the application for an exemption  
19 under Section 11.28 filed with the chief appraiser of the appraisal  
20 office [~~district~~] in which the property has situs a copy of the  
21 certificate of completion for the property.

22 SECTION 103. Sections 403.302(c) and (i), Government Code,  
23 are amended to read as follows:

24 (c) If the comptroller determines in the annual study that  
25 the market value of property in a school district as determined by  
26 the appraisal office [~~district~~] that appraises property for the  
27 school district, less the total of the amounts and values listed in

1 Subsection (d) as determined by that appraisal office [~~district~~],  
2 is valid, the market value of property in the school district as  
3 determined by the appraisal office [~~district~~] that appraises  
4 property for the school district, less the total of the amounts and  
5 values listed in Subsection (d) as determined by that appraisal  
6 office [~~district~~], is presumed to represent taxable value. In the  
7 absence of such a presumption, taxable value is the value  
8 determined by the comptroller under Subsection (a).

9 (i) If the comptroller determines in the annual study that  
10 the market value of property in a school district as determined by  
11 the appraisal office [~~district~~] that appraises property for the  
12 school district, less the total of the amounts and values listed in  
13 Subsection (d) as determined by that appraisal office [~~district~~],  
14 is valid, the comptroller, in determining the taxable value of  
15 property in the school district under Subsection (d), shall for  
16 purposes of Subsection (d)(12) subtract from the market value as  
17 determined by the appraisal office [~~district~~] of residence  
18 homesteads to which Section 23.23, Tax Code, applies the amount by  
19 which that amount exceeds the appraised value of those properties  
20 as calculated by the appraisal office [~~district~~] under Section  
21 23.23, Tax Code. If the comptroller determines in the annual study  
22 that the market value of property in a school district as determined  
23 by the appraisal office [~~district~~] that appraises property for the  
24 school district, less the total of the amounts and values listed in  
25 Subsection (d) as determined by that appraisal office [~~district~~],  
26 is not valid, the comptroller, in determining the taxable value of  
27 property in the school district under Subsection (d), shall for

1 purposes of Subsection (d)(12) subtract from the market value as  
2 estimated by the comptroller of residence homesteads to which  
3 Section 23.23, Tax Code, applies the amount by which that amount  
4 exceeds the appraised value of those properties as calculated by  
5 the appraisal office [~~district~~] under Section 23.23, Tax Code.

6 SECTION 104. (a) A reference in a law other than the Tax  
7 Code to an appraisal district means the appraisal office  
8 established for a county.

9 (b) A reference in law to the chief appraiser of an  
10 appraisal district or to the board or directors of an appraisal  
11 district means the chief appraiser of an appraisal office.

12 SECTION 105. (a) Sections 6.02, 6.025, 6.03, 6.031, 6.033,  
13 6.034, 6.036, 6.037, 6.04, 6.061, 6.063, 6.10, 6.11, 6.13, and  
14 6.14, Tax Code, are repealed.

15 (b) Sections 25.195(c), (d), and (e), Tax Code, are  
16 repealed.

17 SECTION 106. (a) This Act takes effect September 1, 2004.

18 (b) On the effective date of this Act:

19 (1) each appraisal district and appraisal district  
20 board of directors is abolished;

21 (2) all personnel, property, records, and funds of an  
22 appraisal district are transferred to the Comptroller of Public  
23 Accounts for the benefit of the appraisal office for the county for  
24 which the appraisal district was established; and

25 (3) the comptroller is substituted for an appraisal  
26 district in any pending action, including a protest or challenge  
27 before an appraisal review board or an appeal or other action in a

1 court.

2 (c) On the effective date of this Act, all unpaid debts  
3 incurred by an appraisal district become debts of this state.

4 (d) This Act does not affect the term of a member of an  
5 appraisal review board serving on the effective date of this Act.