

By: Callegari

H.B. No. 128

A BILL TO BE ENTITLED

AN ACT

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

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

5 SECTION 1. Section 5.12(b), Tax Code, is amended to read as
6 follows:

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

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

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

21 (1) the governing bodies of a majority of the taxing
22 units participating in the district, if the audit was requested by a
23 majority of those units; or

24 (2) ~~[the governing bodies of a majority of the taxing~~

1 ~~units entitled to vote on the appointment of appraisal district~~
2 ~~directors, if the audit was requested by a majority of those units,~~
3 ~~or~~

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

6 SECTION 3. Section 6.02(c), Tax Code, is amended to read as
7 follows:

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 ~~[A taxing unit that has withdrawn from an~~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

16 SECTION 4. Section 6.03, Tax Code, is amended to read as
17 follows:

18 Sec. 6.03. BOARD OF DIRECTORS. (a) The appraisal district
19 is governed by a board of five directors. Directors are elected at
20 large from the county for which the appraisal district is
21 established at the general election for state and county officers
22 ~~[Five directors are appointed by the taxing units that participate~~
23 ~~in the district as provided by this section. If the county~~
24 ~~assessor-collector is not appointed to the board, the county~~
25 ~~assessor-collector serves as a nonvoting director. The county~~
26 ~~assessor-collector is ineligible to serve if the board enters into~~
27 ~~a contract under Section 6.05(b) or if the commissioners court of~~

1 ~~the county enters into a contract under Section 6.24(b)]. To be~~
2 eligible to serve on the board of directors, an individual [~~other~~
3 ~~than a county assessor-collector serving as a nonvoting director]~~
4 must be a resident of the district and must have resided in the
5 district for at least two years immediately preceding the date the
6 individual takes office. [~~An individual who is otherwise eligible~~
7 ~~to serve on the board is not ineligible because of membership on the~~
8 ~~governing body of a taxing unit. An employee of a taxing unit that~~
9 ~~participates in the district is not eligible to serve on the board~~
10 ~~unless the individual is also a member of the governing body or an~~
11 ~~elected official of a taxing unit that participates in the~~
12 ~~district.]~~

13 (b) Members of the board of directors [~~other than a county~~
14 ~~assessor-collector serving as a nonvoting director]~~ serve two-year
15 terms beginning on January 1 of odd-numbered [~~even-numbered~~] years.

16 (c) [~~Members of the board of directors other than a county~~
17 ~~assessor-collector serving as a nonvoting director are appointed by~~
18 ~~vote of the governing bodies of the incorporated cities and towns,~~
19 ~~the school districts, and, if entitled to vote, the conservation~~
20 ~~and reclamation districts that participate in the district and of~~
21 ~~the county. A governing body may cast all its votes for one~~
22 ~~candidate or distribute them among candidates for any number of~~
23 ~~directorships. Conservation and reclamation districts are not~~
24 ~~entitled to vote unless at least one conservation and reclamation~~
25 ~~district in the district delivers to the chief appraiser a written~~
26 ~~request to nominate and vote on the board of directors by June 1 of~~
27 ~~each odd-numbered year. On receipt of a request, the chief~~

1 ~~appraiser shall certify a list by June 15 of all eligible~~
2 ~~conservation and reclamation districts that are imposing taxes and~~
3 ~~that participate in the district.~~

4 ~~[(d) The voting entitlement of a taxing unit that is~~
5 ~~entitled to vote for directors is determined by dividing the total~~
6 ~~dollar amount of property taxes imposed in the district by the~~
7 ~~taxing unit for the preceding tax year by the sum of the total~~
8 ~~dollar amount of property taxes imposed in the district for that~~
9 ~~year by each taxing unit that is entitled to vote, by multiplying~~
10 ~~the quotient by 1,000, and by rounding the product to the nearest~~
11 ~~whole number. That number is multiplied by the number of~~
12 ~~directorships to be filled. A taxing unit participating in two or~~
13 ~~more districts is entitled to vote in each district in which it~~
14 ~~participates, but only the taxes imposed in a district are used to~~
15 ~~calculate voting entitlement in that district.~~

16 ~~[(c) The chief appraiser shall calculate the number of votes~~
17 ~~to which each taxing unit other than a conservation and reclamation~~
18 ~~district is entitled and shall deliver written notice to each of~~
19 ~~those units of its voting entitlement before October 1 of each~~
20 ~~odd-numbered year. The chief appraiser shall deliver the notice:~~

21 ~~[(1) to the county judge and each commissioner of the~~
22 ~~county served by the appraisal district,~~

23 ~~[(2) to the presiding officer of the governing body of~~
24 ~~each city or town participating in the appraisal district, to the~~
25 ~~city manager of each city or town having a city manager, and to the~~
26 ~~city secretary or clerk, if there is one, of each city or town that~~
27 ~~does not have a city manager, and~~

1 ~~[(3) to the presiding officer of the governing body of~~
2 ~~each school district participating in the district and to the~~
3 ~~superintendent of those school districts.~~

4 ~~[(f) The chief appraiser shall calculate the number of votes~~
5 ~~to which each conservation and reclamation district entitled to~~
6 ~~vote for district directors is entitled and shall deliver written~~
7 ~~notice to the presiding officer of each conservation and~~
8 ~~reclamation district of its voting entitlement and right to~~
9 ~~nominate a person to serve as a director of the district before July~~
10 ~~1 of each odd-numbered year.~~

11 ~~[(g) Each taxing unit other than a conservation and~~
12 ~~reclamation district that is entitled to vote may nominate by~~
13 ~~resolution adopted by its governing body one candidate for each~~
14 ~~position to be filled on the board of directors. The presiding~~
15 ~~officer of the governing body of the unit shall submit the names of~~
16 ~~the unit's nominees to the chief appraiser before October 15.~~

17 ~~[(h) Each conservation and reclamation district entitled to~~
18 ~~vote may nominate by resolution adopted by its governing body one~~
19 ~~candidate for the district's board of directors. The presiding~~
20 ~~officer of the conservation and reclamation district's governing~~
21 ~~body shall submit the name of the district's nominee to the chief~~
22 ~~appraiser before July 15 of each odd-numbered year. Before August~~
23 ~~1, the chief appraiser shall prepare a nominating ballot, listing~~
24 ~~all the nominees of conservation and reclamation districts~~
25 ~~alphabetically by surname, and shall deliver a copy of the~~
26 ~~nominating ballot to the presiding officer of the board of~~
27 ~~directors of each district. The board of directors of each district~~

1 ~~shall determine its vote by resolution and submit it to the chief~~
2 ~~appraiser before August 15. The nominee on the ballot with the most~~
3 ~~votes is the nominee of the conservation and reclamation districts~~
4 ~~in the appraisal district if the nominee received more than 10~~
5 ~~percent of the votes entitled to be cast by all of the conservation~~
6 ~~and reclamation districts in the appraisal district, and shall be~~
7 ~~named on the ballot with the candidates nominated by the other~~
8 ~~taxing units. The chief appraiser shall resolve a tie vote by any~~
9 ~~method of chance.~~

10 ~~[(i) If no nominee of the conservation and reclamation~~
11 ~~districts receives more than 10 percent of the votes entitled to be~~
12 ~~cast under Subsection (h), the chief appraiser, before September 1,~~
13 ~~shall notify the presiding officer of the board of directors of each~~
14 ~~conservation and reclamation district of the failure to select a~~
15 ~~nominee. Each conservation and reclamation district may submit a~~
16 ~~nominee by September 15 to the chief appraiser as provided by~~
17 ~~Subsection (h). The chief appraiser shall submit a second~~
18 ~~nominating ballot by October 1 to the conservation and reclamation~~
19 ~~districts as provided by Subsection (h). The conservation and~~
20 ~~reclamation districts shall submit their votes for nomination~~
21 ~~before October 15 as provided by Subsection (h). The nominee on the~~
22 ~~second nominating ballot with the most votes is the nominee of the~~
23 ~~conservation and reclamation districts in the appraisal district~~
24 ~~and shall be named on the ballot with the candidates nominated by~~
25 ~~the other taxing units. The chief appraiser shall resolve a tie~~
26 ~~vote by any method of chance.~~

27 ~~[(j) Before October 30, the chief appraiser shall prepare a~~

1 ~~ballot, listing the candidates whose names were timely submitted~~
2 ~~under Subsections (g) and, if applicable, (h) or (i) alphabetically~~
3 ~~according to the first letter in each candidate's surname, and~~
4 ~~shall deliver a copy of the ballot to the presiding officer of the~~
5 ~~governing body of each taxing unit that is entitled to vote.~~

6 ~~[(k) The governing body of each taxing unit entitled to vote~~
7 ~~shall determine its vote by resolution and submit it to the chief~~
8 ~~appraiser before December 15. The chief appraiser shall count the~~
9 ~~votes, declare the five candidates who receive the largest~~
10 ~~cumulative vote totals elected, and submit the results before~~
11 ~~December 31 to the governing body of each taxing unit in the~~
12 ~~district and to the candidates. For purposes of determining the~~
13 ~~number of votes received by the candidates, the candidate receiving~~
14 ~~the most votes of the conservation and reclamation districts is~~
15 ~~considered to have received all of the votes cast by conservation~~
16 ~~and reclamation districts and the other candidates are considered~~
17 ~~not to have received any votes of the conservation and reclamation~~
18 ~~districts. The chief appraiser shall resolve a tie vote by any~~
19 ~~method of chance.~~

20 ~~[(1)]~~ If a vacancy occurs on the board of directors, the
21 commissioners court of the county shall appoint a qualified
22 resident of the county ~~[other than a vacancy in the position held by~~
23 ~~a county assessor-collector serving as a nonvoting director, each~~
24 ~~taxing unit that is entitled to vote by this section may nominate by~~
25 ~~resolution adopted by its governing body a candidate]~~ to fill the
26 vacancy. A person appointed to fill a vacancy serves for the
27 remainder of the unexpired term. ~~[The unit shall submit the name of~~

1 ~~its nominee to the chief appraiser within 45 days after~~
2 ~~notification from the board of directors of the existence of the~~
3 ~~vacancy, and the chief appraiser shall prepare and deliver to the~~
4 ~~board of directors within the next five days a list of the nominees.~~
5 ~~The board of directors shall elect by majority vote of its members~~
6 ~~one of the nominees to fill the vacancy.~~

7 ~~[(m) If a school district participates in an appraisal~~
8 ~~district in which the only property of the school district located~~
9 ~~in the appraisal district is property annexed to the school~~
10 ~~district under Subchapter C or G, Chapter 41, Education Code, an~~
11 ~~individual who does not meet the residency requirements of~~
12 ~~Subsection (a) is eligible to be appointed to the board of directors~~
13 ~~of the appraisal district if:~~

14 ~~[(1) the individual is a resident of the school~~
15 ~~district; and~~

16 ~~[(2) the individual is nominated as a candidate for~~
17 ~~the board of directors by the school district or, if the taxing~~
18 ~~units have adopted a change in the method of appointing board~~
19 ~~members that does not require a nomination, the school district~~
20 ~~appoints or participates in the appointment of the individual.]~~

21 SECTION 5. The heading to Section 6.031, Tax Code, is
22 amended to read as follows:

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

25 SECTION 6. Sections 6.031(a), (b), and (c), Tax Code, are
26 amended to read as follows:

27 (a) Except as provided by this section, Chapter 144,

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

12 (b) An application for a place on the ballot must be filed
13 with the county judge of the county for which the appraisal district
14 is established and be accompanied by either a filing fee of \$200 or
15 a petition that contains at least 25 signatures of registered
16 voters of the county. A candidate's name may appear on the ballot
17 only as an independent. [~~The taxing units participating in an~~
18 ~~appraisal district may increase the number of members on the board~~
19 ~~of directors of the district to not more than 13, change the method~~
20 ~~or procedure for appointing the members, or both, if the governing~~
21 ~~bodies of three-fourths of the taxing units that are entitled to~~
22 ~~vote on the appointment of board members adopt resolutions~~
23 ~~providing for the change. However, a change under this subsection~~
24 ~~is not valid if it reduces the voting entitlement of one or more~~
25 ~~taxing units that do not adopt a resolution proposing it to less~~
26 ~~than a majority of the voting entitlement under Section 6.03 of this~~
27 ~~code or if it reduces the voting entitlement of any taxing unit that~~

1 ~~does not adopt a resolution proposing it to less than 50 percent of~~
2 ~~its voting entitlement under Section 6.03 of this code and if that~~
3 ~~taxing unit's allocation of the budget is not reduced to the same~~
4 ~~proportional percentage amount, or if it expands the types of~~
5 ~~taxing units that are entitled to vote on appointment of board~~
6 ~~members.]~~

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

13 SECTION 7. Section 6.036(a), Tax Code, is amended to read as
14 follows:

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

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

24 SECTION 8. Section 6.051(b), Tax Code, is amended to read as
25 follows:

26 (b) The acquisition or conveyance of real property or the
27 construction or renovation of a building or other improvement by an

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

17 SECTION 9. Sections 6.06(a), (b), and (i), Tax Code, are
18 amended to read as follows:

19 (a) Each year the chief appraiser shall prepare a proposed
20 budget for the operations of the district for the following tax year
21 and shall submit copies to each taxing unit participating in the
22 district and to the district board of directors before June 15. The
23 chief appraiser [~~He~~] shall include in the budget a list showing each
24 proposed position, the proposed salary for the position, all
25 benefits proposed for the position, each proposed capital
26 expenditure, and an estimate of the amount of the budget that will
27 be allocated to each taxing unit. Each taxing unit that

1 participates in the district [~~entitled to vote on the appointment~~
2 ~~of board members~~] shall maintain a copy of the proposed budget for
3 public inspection at its principal administrative office.

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

18 (i) The fiscal year of an appraisal district is the calendar
19 year unless the governing bodies of three-fourths of the taxing
20 units participating in the district [~~entitled to vote on the~~
21 ~~appointment of board members~~] adopt resolutions proposing a
22 different fiscal year and file them with the secretary of the board
23 not more than 12 and not less than eight months before the first day
24 of the fiscal year proposed by the resolutions. If the fiscal year
25 of an appraisal district is changed under this subsection, the
26 chief appraiser shall prepare a proposed budget for the fiscal year
27 as provided by Subsection (a) [~~of this section~~] before the 15th day

1 of the seventh month preceding the first day of the fiscal year
2 established by the change, and the board of directors shall adopt a
3 budget for the fiscal year as provided by Subsection (b) [~~of this~~
4 ~~section~~] before the 15th day of the fourth month preceding the first
5 day of the fiscal year established by the change. Unless the
6 appraisal district adopts a different method of allocation under
7 Section 6.061 [~~of this code~~], the allocation of the budget to each
8 taxing unit shall be calculated as provided by Subsection (d) [~~of~~
9 ~~this section~~] using the amount of property taxes imposed by each
10 participating taxing unit in the most recent tax year preceding the
11 fiscal year established by the change for which the necessary
12 information is available. Each taxing unit shall pay its
13 allocation as provided by Subsection (e) [~~of this section~~], except
14 that the first payment shall be made before the first day of the
15 fiscal year established by the change and subsequent payments shall
16 be made quarterly. In the year in which a change in the fiscal year
17 occurs, the budget that takes effect on January 1 of that year may
18 be amended as necessary as provided by Subsection (c) [~~of this~~
19 ~~section~~] in order to accomplish the change in fiscal years.

20 SECTION 10. Sections 6.061(b) and (e), Tax Code, are
21 amended to read as follows:

22 (b) The taxing units participating in an appraisal district
23 may adopt a different method of allocating the costs of operating
24 the district if the governing bodies of three-fourths of the taxing
25 units that participate in the district [~~are entitled to vote on the~~
26 ~~appointment of board members~~] adopt resolutions providing for the
27 other method. However, a change under this subsection is not valid

1 if it requires any taxing unit to pay a greater proportion of the
2 appraisal district's costs than the unit would pay under Section
3 6.06 [~~of this code~~] without the consent of the governing body of
4 that unit.

5 (e) A change in allocation of district costs made as
6 provided by this section remains in effect until changed in a manner
7 provided by this section or rescinded by resolution of a majority of
8 the governing bodies of the taxing units that participate in the
9 district [~~are entitled to vote on appointment of board members~~
10 ~~under Section 6.03 of this code~~].

11 SECTION 11. Section 6.063(b), Tax Code, is amended to read
12 as follows:

13 (b) The report of the audit is a public record. A copy of
14 the report shall be delivered to the presiding officer of the
15 governing body of each taxing unit that participates in the
16 appraisal district [~~eligible to vote on the appointment of district~~
17 ~~directors~~], and a reasonable number of copies shall be available
18 for inspection at the appraisal office.

19 SECTION 12. Section 52.092, Election Code, is amended by
20 adding Subsection (k) to read as follows:

21 (k) The secretary of state shall prescribe procedures for
22 the listing of the office of appraisal district director on the
23 ballot.

24 SECTION 13. Sections 6.031(d), (e), (f), and (g), 6.033,
25 6.034, 6.037, and 6.10, Tax Code, are repealed.

26 SECTION 14. Appraisal district directors shall be elected
27 as provided by Section 6.03, Tax Code, as amended by this Act,

1 beginning with the general election for state and county officers
2 conducted in 2008. Members then elected take office January 1,
3 2009.

4 SECTION 15. (a) The change in law made by this Act does not
5 affect the selection of appraisal district directors appointed
6 before January 1, 2009, by the taxing units participating in the
7 district.

8 (b) The term of an appraisal district director serving on
9 December 31, 2008, expires on January 1, 2009.

10 SECTION 16. (a) Except as provided by Subsection (b) of
11 this section, this Act takes effect January 1, 2009.

12 (b) This section and Sections 12, 14, and 15 of this Act take
13 effect September 1, 2006.