

BILL ANALYSIS

Senate Research Center
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H.B. 1010
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows two appraisal districts to appraise a single property if the property is within the jurisdiction of at least one of the taxing entities from each appraisal district. As a result, property owners are required to submit paperwork to both districts. There are inefficiencies which arise in the appraisal districts because of overlapping jurisdictions due to resources being used in appraising property that has already been assessed by a qualified employee of a central appraisal district. Currently, if different values are assigned by multiple appraisers from overlapping jurisdictions, an appeals process can be used to resolve the discrepancy, but most taxpayers are unaware of this means of resolving disparate appraisals.

H.B. 1010 requires the chief appraisers who are responsible for appraising the real property that is located partially inside the boundaries of more than one appraisal district to coordinate their appraisals of each portion of the property to the greatest extent practicable to ensure that to the greatest extent possible the property as a whole is appraised at its market value.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 6.02(a) and (b), Tax Code, as follows:

(a) Deletes existing text providing that this subsection applies except as otherwise provided by this section.

(b) Provides that this section does not preclude the board of directors of two or more adjoining appraisal districts from providing for the operation of a consolidated appraisal district by interlocal contract. Deletes existing text as it relates to a taxing unit that has boundaries extending into two or more counties and the process of choosing to participate in only one of the appraisal districts. Deletes existing text as it relates to the choice of a school district to participate in a single appraisal district and the instances when the choice applies to property annexed to the school district under Subsection C or G, Chapter 41, Education Code.

SECTION 2. Amends Section 25.17, Tax Code, as follows:

Sec. 25.17. New heading: PROPERTY OVERLAPPING TAXING UNIT OR APPRAISAL DISTRICT BOUNDARIES. (a) Creates this subsection from existing text.

(b) Requires the chief appraisers who are responsible for appraising real property that is located partially inside the boundaries of more than one appraisal district to coordinate the appraisal of each portion of the property to the greatest extent practicable to ensure that to the greatest extent possible the property as a whole is appraised at its market value.

SECTION 3. Amends Section 41.097(a), Education Code, as follows:

(a) Provides that the total amount required under Section 41.093 (Costs) for a district to purchase attendance credits under this subchapter for any school year is reduced by an amount which is calculated in a certain manner using the total costs, rather than costs, under Section 6.06 (Appraisal District Budget and Financing), Tax Code, for the appraisal district or districts, rather than central appraisal district, in which it participates.

SECTION 4. Amends Section 41.210(b), Education Code, to require the chief appraiser of the appraisal district in which the property is located, rather than the appraiser for the school district from which the property is detached, to send a written notice of the detachment and annexation to the owner of any property taxable in a different school district as a result of the detachment and annexation.

SECTION 5. Repealer: Section 13.007 (Boundary Changes Resulting in Appraisal District Changes), Education Code; Sections 6.02(c), (d), (e), (f), and (g), Tax Code (regarding a taxing unit which has boundaries extending into two or more counties); and Section 6.025 (Overlapping Appraisal District; Joint Procedures), Tax Code; and Section 6.03(m) (relating to a person who does not meet eligibility requirements to be appointed to the board of directors of the appraisal district if a school district participates in the appraisal district in which the only property of the school district located in the appraisal district is property annexed to the school district), Tax Code.

SECTION 6. (a) Makes application of the changes in law made by this Act, relating to the appraisal of property for ad valorem tax purposes, prospective to January 1, 2008.

(b) Provides that the term of each appraisal district director in an appraisal district described by Section 6.025, Tax Code, as that law existed immediately before September 1, 2007, serving a staggered term that but for this subsection would expire after January 1, 2008, expires on January 1, 2008. Requires the appraisal district board of directors to fill the vacant directorships as soon as practicable after January 1, 2008, as provided by Section 6.03(l) (relating to the nomination of a candidate if a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director), Tax Code.

(c) Entitles a taxing unit, notwithstanding Section 6.03 (Board of Directors), Tax Code, to vote in 2007 for appraisal district directors for terms beginning on January 1, 2008, in each district in which the taxing unit will participate in 2008 under the law as amended by this Act. Provides that the voting entitlement of each taxing unit entitled to vote for directors in 2007 is determined for each district by using a certain method of calculation.

(d) Provides that a taxing unit located in two or more counties is entitled to vote in the appraisal district established for each county in which it is located, but only the taxes imposed in 2006 in the county for which a district is established are used to calculate the 2007 voting entitlement in that district.

(e) Requires the chief appraiser of each district, not later than September 15, 2007, to revise the proposed 2008 budget for the district, if necessary, to account for the changes in law made by this Act, notwithstanding Section 6.06, Tax Code.

(f) Provides that, notwithstanding Section 6.06, Tax Code, for the 2008 tax year, each taxing unit participating in an appraisal district in 2008 is allocated a portion of the amount of the 2008 budget for the district equal to the proportion that the total dollar amount of property taxes imposed in the county for which the district is established by the unit for the 2007 tax year bears to the sum of the total dollar amount of property taxes imposed in the county by each participating unit for that year. Provides that if a taxing unit participates in two or more appraisal districts in 2008, only the 2007 taxes imposed in the county for which a district is established are used to calculate the unit's cost allocation for 2008 in that district.

SECTION 7. (a) Effective date, except as provided by Subsection (b): January 1, 2008.

(b) Provides that this section and Section 6 of this Act take effect September 1, 2007.