

BILL ANALYSIS

H.B. 3491
By: Otto
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The two hundred fifty-three (253) Central Appraisal Districts (CAD) in Texas are responsible for appraising property for the purpose of ad valorem property tax assessment on behalf of the local taxing entities within their district. The Texas Property Tax Code is the primary source of law and guidance for the Texas property tax system.

Currently, the board of directors of the CAD are put in place by each taxing entity, giving the perception the taxing entities have control of the appraised values.

HB 3491 helps address this perception by changing the makeup of the CAD board to require that at least two members have no affiliation to a taxing entity in the district, and applies a "modified" term limit to their service.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 6.03, Tax Code, by amending Subsections (a), (a-1), (a-2), (a-3), (a-4), (a-5), (c) and (1).

(a) changes the number subsection references to reflect copy changes.

(a-1) states that at least two positions on the CAD board of directors must each be held by an individual who is not an officer or employee of a taxing unit in the district, or a former employee who draws a pension from a taxing unit in the district. If after the selection of the five members to the board, two people do not qualify under this subsection, the taxing units shall jointly appoint the necessary number of additional directors who are qualified under this section. It makes clear that any vacancy in a position for which a member is appointed under this subsection is filled in the same manner as the original appointment.

(a-2), (a-3), and (a-4) break out what was previously a much longer paragraph into smaller paragraphs and renumbers appropriately.

(a-5) adds new language that establishes a "modified" term limit for members of the board by stating that once a board member has served for all or part of three consecutive terms on the board, that person is ineligible to serve on the board for the length of one term.

(c) excludes a member appointed under Subsection (a-1) to be appointed as the other members of board are appointed.

(1) if a vacancy occurs on the board of directors, a member appointed under Subsection (a-1) is not subject to the same requirements to fill a vacancy as the other members serving on the board.

SECTION 2: States the change in law made by this Act does not affect the right of a person serving on the board of directors of a CAD on the effective date of this Act to complete their term on the board.

SECTION 3. States the effective date of this Act is September 1, 2007.

EFFECTIVE DATE

September 1, 2007.