

By: Howard of Travis, Elkins, Villarreal

H.B. No. 1010

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the appraisal for ad valorem tax purposes of property  
3 located in more than one appraisal district and to the boundaries of  
4 an appraisal district.

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

6 SECTION 1. Sections 6.02(a) and (b), Tax Code, are amended  
7 to read as follows:

8 (a) The ~~[Except as otherwise provided by this section, the]~~  
9 appraisal district's boundaries are the same as the county's  
10 boundaries.

11 (b) This section does not preclude the board of directors of  
12 two or more adjoining appraisal districts from providing for the  
13 operation of a consolidated appraisal district by interlocal  
14 contract ~~[A taxing unit that has boundaries extending into two or~~  
15 ~~more counties may choose to participate in only one of the appraisal~~  
16 ~~districts. In that event, the boundaries of the district chosen~~  
17 ~~extend outside the county to the extent of the unit's boundaries.~~  
18 ~~To be effective, the choice must be approved by resolution of the~~  
19 ~~board of directors of the district chosen. The choice of a school~~  
20 ~~district to participate in a single appraisal district does not~~  
21 ~~apply to property annexed to the school district under Subchapter C~~  
22 ~~or G, Chapter 41, Education Code, unless:~~

23 ~~[(1) the school district taxes property other than~~  
24 ~~property annexed to the district under Subchapter C or G, Chapter~~

1 ~~41, Education Code, in the same county as the annexed property, or~~  
2 ~~[(2) the annexed property is contiguous to property in~~  
3 ~~the school district other than property annexed to the district~~  
4 ~~under Subchapter C or G, Chapter 41, Education Code].~~

5 SECTION 2. Section 25.17, Tax Code, is amended to read as  
6 follows:

7 Sec. 25.17. PROPERTY OVERLAPPING TAXING UNIT OR APPRAISAL  
8 DISTRICT BOUNDARIES. (a) If real property is located partially  
9 outside and partially inside a taxing unit's boundaries, the  
10 portion inside the unit's boundaries shall be listed separately  
11 from the remaining portion.

12 (b) If real property is located partially inside the  
13 boundaries of more than one appraisal district, the chief  
14 appraisers who are responsible for appraising the property shall to  
15 the greatest extent practicable coordinate their appraisals of each  
16 portion of the property to ensure to the greatest extent possible  
17 that the property as a whole is appraised at its market value.

18 SECTION 3. Section 41.097(a), Education Code, is amended to  
19 read as follows:

20 (a) The total amount required under Section 41.093 for a  
21 district to purchase attendance credits under this subchapter for  
22 any school year is reduced by an amount equal to the product of the  
23 district's total costs under Section 6.06, Tax Code, for the  
24 [~~central~~] appraisal district or districts in which it participates  
25 multiplied by a percentage that is computed by dividing the total  
26 amount required under Section 41.093 by the total amount of taxes  
27 imposed in the district for that year less any amounts paid into a

1 tax increment fund under Chapter 311, Tax Code.

2 SECTION 4. Section 41.210(b), Education Code, is amended to  
3 read as follows:

4 (b) As soon as practicable after the detachment and  
5 annexation of property, the chief appraiser of the appraisal  
6 district in which the property is located [~~for the school district~~  
7 ~~from which the property is detached~~] shall send a written notice of  
8 the detachment and annexation to the owner of any property taxable  
9 in a different school district as a result of the detachment and  
10 annexation. The notice must include the name of the school district  
11 by which the property is taxable after the detachment and  
12 annexation.

13 SECTION 5. The following statutes are repealed:

- 14 (1) Section 13.007, Education Code;  
15 (2) Sections 6.02(c), (d), (e), (f), and (g), Tax  
16 Code;  
17 (3) Section 6.025, Tax Code; and  
18 (4) Section 6.03(m), Tax Code.

19 SECTION 6. (a) The changes in law made by this Act relating  
20 to the appraisal of property for ad valorem tax purposes apply only  
21 to the appraisal of property for a tax year that begins on or after  
22 January 1, 2008.

23 (b) The term of each appraisal district director in an  
24 appraisal district described by Section 6.025, Tax Code, as that  
25 law existed immediately before September 1, 2007, serving a  
26 staggered term that but for this subsection would expire after  
27 January 1, 2008, expires on January 1, 2008. The appraisal district

1 board of directors shall fill the vacant directorships as soon as  
2 practicable after January 1, 2008, as provided by Section 6.03(1),  
3 Tax Code.

4 (c) Notwithstanding Section 6.03, Tax Code, a taxing unit is  
5 entitled to vote in 2007 for appraisal district directors for terms  
6 beginning on January 1, 2008, in each appraisal district in which  
7 the taxing unit will participate in 2008 under the law as amended by  
8 this Act. The voting entitlement of each taxing unit entitled to  
9 vote for directors in 2007 is determined for each appraisal  
10 district by:

11 (1) dividing the total dollar amount of property  
12 taxes imposed by the taxing unit for the 2006 tax year in the county  
13 for which the appraisal district is established by the sum of all  
14 the total dollar amounts of property taxes imposed in that county  
15 for that year by each taxing unit that is entitled to vote for  
16 directors of that appraisal district under this subsection in 2007;

17 (2) multiplying the quotient by 1,000;

18 (3) rounding the product to the nearest whole number;

19 and

20 (4) multiplying the result by the number of  
21 directorships to be filled.

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

27 (e) Notwithstanding Section 6.06, Tax Code, not later than

1 September 15, 2007, the chief appraiser of each appraisal district  
2 shall revise the proposed 2008 budget for the district, if  
3 necessary, to account for the changes in law made by this Act.

4 (f) Notwithstanding Section 6.06, Tax Code, for the 2008 tax  
5 year, each taxing unit participating in an appraisal district in  
6 2008 is allocated a portion of the amount of the 2008 budget for the  
7 district equal to the proportion that the total dollar amount of  
8 property taxes imposed in the county for which the district is  
9 established by the unit for the 2007 tax year bears to the sum of the  
10 total dollar amount of property taxes imposed in the county by each  
11 participating unit for that year. If a taxing unit participates in  
12 two or more appraisal districts in 2008, only the 2007 taxes imposed  
13 in the county for which a district is established are used to  
14 calculate the unit's cost allocations for 2008 in that district.

15 SECTION 7. (a) Except as provided by Subsection (b) of this  
16 section, this Act takes effect January 1, 2008.

17 (b) This section and Section 6 of this Act take effect  
18 September 1, 2007.