

1-1 By: Howard of Travis, Elkins, Villarreal H.B. No. 1010
1-2 (Senate Sponsor - Janek)
1-3 (In the Senate - Received from the House March 29, 2007;
1-4 April 3, 2007, read first time and referred to Committee on
1-5 Finance; May 14, 2007, reported favorably by the following vote:
1-6 Yeas 13, Nays 0; May 14, 2007, sent to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the appraisal for ad valorem tax purposes of property
1-10 located in more than one appraisal district and to the boundaries of
1-11 an appraisal district.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Sections 6.02(a) and (b), Tax Code, are amended
1-14 to read as follows:

1-15 (a) ~~The [Except as otherwise provided by this section, the]~~
1-16 appraisal district's boundaries are the same as the county's
1-17 boundaries.

1-18 (b) This section does not preclude the board of directors of
1-19 two or more adjoining appraisal districts from providing for the
1-20 operation of a consolidated appraisal district by interlocal
1-21 contract [A taxing unit that has boundaries extending into two or
1-22 more counties may choose to participate in only one of the appraisal
1-23 districts. In that event, the boundaries of the district chosen
1-24 extend outside the county to the extent of the unit's boundaries.
1-25 To be effective, the choice must be approved by resolution of the
1-26 board of directors of the district chosen. The choice of a school
1-27 district to participate in a single appraisal district does not
1-28 apply to property annexed to the school district under Subchapter C
1-29 or G, Chapter 41, Education Code, unless:

1-30 ~~[(1) the school district taxes property other than~~
1-31 ~~property annexed to the district under Subchapter C or G, Chapter~~
1-32 ~~41, Education Code, in the same county as the annexed property; or~~

1-33 ~~[(2) the annexed property is contiguous to property in~~
1-34 ~~the school district other than property annexed to the district~~
1-35 ~~under Subchapter C or G, Chapter 41, Education Code].~~

1-36 SECTION 2. Section 25.17, Tax Code, is amended to read as
1-37 follows:

1-38 Sec. 25.17. PROPERTY OVERLAPPING TAXING UNIT OR APPRAISAL
1-39 DISTRICT BOUNDARIES. (a) If real property is located partially
1-40 outside and partially inside a taxing unit's boundaries, the
1-41 portion inside the unit's boundaries shall be listed separately
1-42 from the remaining portion.

1-43 (b) If real property is located partially inside the
1-44 boundaries of more than one appraisal district, the chief
1-45 appraisers who are responsible for appraising the property shall to
1-46 the greatest extent practicable coordinate their appraisals of each
1-47 portion of the property to ensure to the greatest extent possible
1-48 that the property as a whole is appraised at its market value.

1-49 SECTION 3. Section 41.097(a), Education Code, is amended to
1-50 read as follows:

1-51 (a) The total amount required under Section 41.093 for a
1-52 district to purchase attendance credits under this subchapter for
1-53 any school year is reduced by an amount equal to the product of the
1-54 district's total costs under Section 6.06, Tax Code, for the
1-55 ~~[central]~~ appraisal district or districts in which it participates
1-56 multiplied by a percentage that is computed by dividing the total
1-57 amount required under Section 41.093 by the total amount of taxes
1-58 imposed in the district for that year less any amounts paid into a
1-59 tax increment fund under Chapter 311, Tax Code.

1-60 SECTION 4. Section 41.210(b), Education Code, is amended to
1-61 read as follows:

1-62 (b) As soon as practicable after the detachment and
1-63 annexation of property, the chief appraiser of the appraisal
1-64 district in which the property is located ~~[for the school district~~

2-1 ~~from which the property is detached]~~ shall send a written notice of
2-2 the detachment and annexation to the owner of any property taxable
2-3 in a different school district as a result of the detachment and
2-4 annexation. The notice must include the name of the school district
2-5 by which the property is taxable after the detachment and
2-6 annexation.

2-7 SECTION 5. The following statutes are repealed:

- 2-8 (1) Section 13.007, Education Code;
- 2-9 (2) Sections 6.02(c), (d), (e), (f), and (g), Tax
2-10 Code;
- 2-11 (3) Section 6.025, Tax Code; and
- 2-12 (4) Section 6.03(m), Tax Code.

2-13 SECTION 6. (a) The changes in law made by this Act relating
2-14 to the appraisal of property for ad valorem tax purposes apply only
2-15 to the appraisal of property for a tax year that begins on or after
2-16 January 1, 2008.

2-17 (b) The term of each appraisal district director in an
2-18 appraisal district described by Section 6.025, Tax Code, as that
2-19 law existed immediately before September 1, 2007, serving a
2-20 staggered term that but for this subsection would expire after
2-21 January 1, 2008, expires on January 1, 2008. The appraisal district
2-22 board of directors shall fill the vacant directorships as soon as
2-23 practicable after January 1, 2008, as provided by Section 6.03(1),
2-24 Tax Code.

2-25 (c) Notwithstanding Section 6.03, Tax Code, a taxing unit is
2-26 entitled to vote in 2007 for appraisal district directors for terms
2-27 beginning on January 1, 2008, in each appraisal district in which
2-28 the taxing unit will participate in 2008 under the law as amended by
2-29 this Act. The voting entitlement of each taxing unit entitled to
2-30 vote for directors in 2007 is determined for each appraisal
2-31 district by:

- 2-32 (1) dividing the total dollar amount of property
2-33 taxes imposed by the taxing unit for the 2006 tax year in the county
2-34 for which the appraisal district is established by the sum of all
2-35 the total dollar amounts of property taxes imposed in that county
2-36 for that year by each taxing unit that is entitled to vote for
2-37 directors of that appraisal district under this subsection in 2007;
- 2-38 (2) multiplying the quotient by 1,000;
- 2-39 (3) rounding the product to the nearest whole number;

2-40 and

- 2-41 (4) multiplying the result by the number of
2-42 directorships to be filled.

2-43 (d) A taxing unit located in two or more counties is
2-44 entitled to vote in the appraisal district established for each
2-45 county in which it is located, but only the taxes imposed in 2006 in
2-46 the county for which a district is established are used to calculate
2-47 the 2007 voting entitlement in that district.

2-48 (e) Notwithstanding Section 6.06, Tax Code, not later than
2-49 September 15, 2007, the chief appraiser of each appraisal district
2-50 shall revise the proposed 2008 budget for the district, if
2-51 necessary, to account for the changes in law made by this Act.

2-52 (f) Notwithstanding Section 6.06, Tax Code, for the 2008 tax
2-53 year, each taxing unit participating in an appraisal district in
2-54 2008 is allocated a portion of the amount of the 2008 budget for the
2-55 district equal to the proportion that the total dollar amount of
2-56 property taxes imposed in the county for which the district is
2-57 established by the unit for the 2007 tax year bears to the sum of the
2-58 total dollar amount of property taxes imposed in the county by each
2-59 participating unit for that year. If a taxing unit participates in
2-60 two or more appraisal districts in 2008, only the 2007 taxes imposed
2-61 in the county for which a district is established are used to
2-62 calculate the unit's cost allocations for 2008 in that district.

2-63 SECTION 7. (a) Except as provided by Subsection (b) of this
2-64 section, this Act takes effect January 1, 2008.

2-65 (b) This section and Section 6 of this Act take effect
2-66 September 1, 2007.

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