

By: Hill

H.B. No. 3583

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the composition, appointment, and training of the board  
3 of directors of an appraisal district and to the officers and  
4 conduct of an appraisal review board.

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

6 SECTION 1. Chapter 5, Tax Code, is amended by adding Section  
7 5.043 to read as follows:

8 Sec. 5.043. TRAINING OF APPRAISAL DISTRICT DIRECTORS. A  
9 member of the board of directors of an appraisal district,  
10 including a member who has served on the board in a previous term,  
11 may not act as a director until the member completes eight hours of  
12 education regarding the responsibilities of the board of directors  
13 in accordance with rules adopted by the comptroller. The rules must  
14 permit the board member to complete the required education after  
15 the member's term begins or during a reasonable period prescribed  
16 by the rules before the term begins.

17 SECTION 2. Section 6.03, Tax Code, is amended by amending  
18 Subsections (a), (b), (c), and (l) and adding Subsections (a-1) and  
19 (a-2) to read as follows:

20 (a) The appraisal district is governed by a board of  
21 directors. Except as otherwise provided by Section 6.031, five  
22 [Five] directors are appointed by the taxing units that participate  
23 in the district as provided by this section. Except as otherwise  
24 provided by this subsection, two directors are appointed by the

1 district judges with jurisdiction in the county for which the  
2 appraisal district is established. The [~~If the~~] county  
3 assessor-collector of the county for which the appraisal district  
4 is established is [~~not appointed to the board, the county~~  
5 ~~assessor-collector serves as~~] a [~~nonvoting~~] director unless the  
6 county assessor-collector is the chief appraiser for the appraisal  
7 district, in which case three directors are appointed by the  
8 district judges and the county assessor-collector is ineligible to  
9 serve as a director. [~~The county assessor-collector is ineligible~~  
10 ~~to serve if the board enters into a contract under Section 6.05(b)~~  
11 ~~or if the commissioners court of the county enters into a contract~~  
12 ~~under Section 6.24(b).~~]

13 (a-1) To be eligible to serve on the board of directors, an  
14 individual other than a county assessor-collector [~~serving as a~~  
15 ~~nonvoting director~~] must be a resident of the district and must have  
16 resided in the district for at least two years immediately  
17 preceding the date the individual takes office. An individual who  
18 is otherwise eligible to serve on the board is not ineligible  
19 because of membership on the governing body of a taxing unit. An  
20 employee of a taxing unit that participates in the district is not  
21 eligible to serve on the board unless the individual is also a  
22 member of the governing body or an elected official of a taxing unit  
23 that participates in the district.

24 (a-2) If more than one district judge has jurisdiction in  
25 the county for which the appraisal district is established, the  
26 district judges shall appoint each director the district judges are  
27 required to appoint under Subsection (a) at a special meeting held

1 for that purpose. If a majority of the judges cannot agree on the  
2 selection of a person for one or more positions on the board of  
3 directors, one of the judges shall certify that fact to the  
4 governor, who shall appoint another district judge to participate  
5 in a subsequent special meeting at which the additional district  
6 judge may vote with the other district judges to select a director  
7 to fill each of those positions.

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

11 (c) Members of the board of directors, other than a county  
12 assessor-collector and the members appointed by the district  
13 judges, [~~serving as a nonvoting director~~] are appointed by vote of  
14 the governing bodies of the municipalities [~~incorporated cities and~~  
15 ~~towns~~], the school districts, and, if entitled to vote, the  
16 conservation and reclamation districts that participate in the  
17 district and of the county. A governing body may cast all its votes  
18 for one candidate or distribute them among candidates for any  
19 number of directorships. Conservation and reclamation districts  
20 are not entitled to vote unless at least one conservation and  
21 reclamation district in the district delivers to the chief  
22 appraiser a written request to nominate and vote on the board of  
23 directors by June 1 of each odd-numbered year. On receipt of a  
24 request, the chief appraiser shall certify a list by June 15 of all  
25 eligible conservation and reclamation districts that are imposing  
26 taxes and that participate in the district.

27 (1) If a vacancy occurs on the board of directors in a

1 position appointed by the taxing units under this section [~~other~~  
2 ~~than a vacancy in the position held by a county assessor-collector~~  
3 ~~serving as a nonvoting director~~], each taxing unit that is entitled  
4 to vote by this section may nominate by resolution adopted by its  
5 governing body a candidate to fill the vacancy. The unit shall  
6 submit the name of its nominee to the chief appraiser within 45 days  
7 after notification from the board of directors of the existence of  
8 the vacancy, and the chief appraiser shall prepare and deliver to  
9 the board of directors within the next five days a list of the  
10 nominees. The board of directors shall elect by majority vote of  
11 its members one of the nominees to fill the vacancy. If a vacancy  
12 occurs in a position appointed by the district judges, the district  
13 judges entitled to participate in the appointment of a person to the  
14 position shall appoint a person to fill the vacancy.

15 SECTION 3. Sections 6.031(a), (b), and (e), Tax Code, are  
16 amended to read as follows:

17 (a) The board of directors of an appraisal district, by  
18 resolution adopted and delivered to each taxing unit participating  
19 in the district before August 15, may increase the number of members  
20 on the board of directors of the district appointed by the taxing  
21 units participating in the district to not more than 13, change the  
22 method or procedure for appointing the members appointed by the  
23 taxing units participating in the district, or both, unless the  
24 governing body of a taxing unit that is entitled to vote on the  
25 appointment of board members adopts a resolution opposing the  
26 change in the method or procedure for appointing those members, and  
27 files it with the board of directors before September 1. If a

1 change in the method or procedure for appointing those members is  
2 rejected, the board shall notify, in writing, each taxing unit  
3 participating in the district before September 15.

4 (b) The taxing units participating in an appraisal district  
5 may increase the number of members on the board of directors of the  
6 district appointed by the taxing units participating in the  
7 district to not more than 13 or may~~[7]~~ change the method or  
8 procedure for appointing the members appointed by the taxing units  
9 participating in the district, or both, if the governing bodies of  
10 three-fourths of the taxing units that are entitled to vote on the  
11 appointment of board members adopt resolutions providing for the  
12 change. However, a change under this subsection in the method or  
13 procedure for selecting members appointed by the taxing units  
14 participating in the district is not valid if it reduces the voting  
15 entitlement of one or more taxing units that do not adopt a  
16 resolution proposing it to less than a majority of the voting  
17 entitlement under Section 6.03 [~~of this code~~] or if it reduces the  
18 voting entitlement of any taxing unit that does not adopt a  
19 resolution proposing it to less than 50 percent of its voting  
20 entitlement under Section 6.03 [~~of this code~~] and if that taxing  
21 unit's allocation of the budget is not reduced to the same  
22 proportional percentage amount, or if it expands the types of  
23 taxing units that are entitled to vote on appointment of board  
24 members.

25 (e) A change in [~~membership or~~] selection of the board  
26 members appointed by the taxing units participating in the district  
27 made as provided by this section remains in effect until changed in

1 a manner provided by this section or rescinded by resolution of a  
2 majority of the governing bodies that are entitled to vote on  
3 appointment of board members under Section 6.03 [~~of this code~~].

4 SECTION 4. Section 6.033, Tax Code, is amended to read as  
5 follows:

6 Sec. 6.033. RECALL OF DIRECTOR APPOINTED BY TAXING UNITS  
7 PARTICIPATING IN APPRAISAL DISTRICT. (a) The governing body of a  
8 taxing unit may call for the recall of a member of the board of  
9 directors of an appraisal district appointed by the taxing units  
10 participating in the district under Section 6.03 [~~of this code~~] for  
11 whom the unit cast any of its votes in the appointment of the board.  
12 The call must be in the form of a resolution, be filed with the chief  
13 appraiser of the appraisal district, and state that the unit is  
14 calling for the recall of the member. If a resolution calling for  
15 the recall of a board member is filed under this subsection, the  
16 chief appraiser, not later than the 10th day after the date of  
17 filing, shall deliver a written notice of the filing of the  
18 resolution and the date of its filing to the presiding officer of  
19 the governing body of each taxing unit entitled to vote in the  
20 appointment of board members.

21 (b) On or before the 30th day after the date on which a  
22 resolution calling for the recall of a member of the board appointed  
23 by the taxing units participating in the district is filed, the  
24 governing body of a taxing unit that cast any of its votes in the  
25 appointment of the board for that member may vote to recall the  
26 member by resolution submitted to the chief appraiser. Each taxing  
27 unit is entitled to the same number of votes in the recall as it cast

1 for that member in the appointment of the board. The governing body  
2 of the taxing unit calling for the recall may cast its votes in  
3 favor of the recall in the same resolution in which it called for  
4 the recall.

5 (c) Not later than the 10th day after the last day provided  
6 by this section for voting in favor of the recall, the chief  
7 appraiser shall count the votes cast in favor of the recall. If the  
8 number of votes in favor of the recall equals or exceeds a majority  
9 of the votes cast for the member in the appointment of the board,  
10 the member appointed by the taxing units participating in the  
11 district is recalled and ceases to be a member of the board. The  
12 chief appraiser shall immediately notify in writing the presiding  
13 officer of the appraisal district board of directors and of the  
14 governing body of each taxing unit that voted in the recall election  
15 of the outcome of the recall election. If the presiding officer of  
16 the appraisal district board of directors is the member whose  
17 recall was voted on, the chief appraiser shall also notify the  
18 secretary of the appraisal district board of directors of the  
19 outcome of the recall election.

20 (d) If a vacancy occurs on the board of directors after the  
21 recall of a member of the board appointed by the taxing units  
22 participating in the district under this section, the taxing units  
23 that were entitled to vote in the recall election shall appoint a  
24 new board member. Each taxing unit is entitled to the same number  
25 of votes as it originally cast to appoint the recalled board member.  
26 Each taxing unit entitled to vote may nominate one candidate by  
27 resolution adopted by its governing body. The presiding officer of

1 the governing body of the unit shall submit the name of the unit's  
2 nominee to the chief appraiser on or before the 30th day after the  
3 date it receives notification from the chief appraiser of the  
4 result of the recall election. On or before the 15th day after the  
5 last day provided for a nomination to be submitted, the chief  
6 appraiser shall prepare a ballot, listing the candidates nominated  
7 alphabetically according to each candidate's surname, and shall  
8 deliver a copy of the ballot to the presiding officer of the  
9 governing body of each taxing unit that is entitled to vote. On or  
10 before the 15th day after the date on which a taxing unit's ballot  
11 is delivered, the governing body of the taxing unit shall determine  
12 its vote by resolution and submit it to the chief appraiser. On or  
13 before the 15th day after the last day on which a taxing unit may  
14 vote, the chief appraiser shall count the votes, declare the  
15 candidate who received the largest vote total appointed, and submit  
16 the results to the presiding officer of the governing body of the  
17 appraisal district and of each taxing unit in the district and to  
18 the candidates. The chief appraiser shall resolve a tie vote by any  
19 method of chance.

20 (e) If the members appointed by the taxing units  
21 participating in the district to the board of directors of an  
22 appraisal district are [~~is~~] appointed by a method or procedure  
23 adopted under Section 6.031 [~~of this code~~], the governing bodies of  
24 the taxing units that voted for or otherwise participated in the  
25 appointment of a member of the board may recall that member and  
26 appoint a new member to the vacancy by any method adopted by  
27 resolution of a majority of those governing bodies. If the



1 appointment was by election by the taxing units participating in  
2 the district, the method of recall and of appointing a new member to  
3 the vacancy is not valid unless it provides that each taxing unit is  
4 entitled to the same number of votes in the recall and in the  
5 appointment to fill the vacancy as it originally cast for the member  
6 being recalled.

7 SECTION 5. Section 6.034, Tax Code, is amended to read as  
8 follows:

9 Sec. 6.034. OPTIONAL STAGGERED TERMS FOR CERTAIN MEMBERS OF  
10 THE BOARD OF DIRECTORS. (a) The taxing units participating in an  
11 appraisal district may provide that the terms of the [~~appointed~~]  
12 members of the board of directors appointed by the taxing units  
13 participating in the district be staggered if the governing bodies  
14 of at least three-fourths of the taxing units that are entitled to  
15 vote on the appointment of board members adopt resolutions  
16 providing for the staggered terms. A change to staggered terms may  
17 be adopted only if the method or procedure for appointing board  
18 members appointed by the taxing units participating in the district  
19 is changed under Section 6.031 [~~of this code~~] to eliminate or have  
20 the effect of eliminating cumulative voting for board members as  
21 provided by Section 6.03 [~~of this code~~]. A change to staggered  
22 terms may be proposed concurrently with a change that eliminates or  
23 has the effect of eliminating cumulative voting.

24 (b) An official copy of a resolution providing for staggered  
25 terms adopted by the governing body of a taxing unit must be filed  
26 with the chief appraiser of the appraisal district after June 30 and  
27 before October 1 of a year in which board members are to be

1 appointed by the taxing units participating in the district, or the  
2 resolution is ineffective.

3 (c) Before October 5 of each year in which board members are  
4 to be appointed by the taxing units participating in the district,  
5 the chief appraiser shall determine whether a sufficient number of  
6 taxing units have filed valid resolutions proposing a change to  
7 staggered terms for the change to take effect. Before October 10  
8 the chief appraiser shall notify each taxing unit participating in  
9 the district of a change that is adopted under this section.

10 (d) A change to staggered terms made under this section  
11 becomes effective beginning on January 1 of the next even-numbered  
12 year after the chief appraiser determines that the change has been  
13 adopted. The members of the ~~[entire]~~ board of directors appointed  
14 by the taxing units participating in the district shall be  
15 appointed for that year without regard to the staggered terms. At  
16 the earliest practical date after January 1 of that year, the board  
17 shall determine by lot which of its members appointed by the taxing  
18 units participating in the district shall serve one-year terms and  
19 which shall serve two-year terms in order to implement the  
20 staggered terms. If the number ~~[board consists of an even number]~~  
21 of board members appointed by the taxing units participating in the  
22 district is an even number, one-half of those ~~[the]~~ members must be  
23 designated to serve one-year terms and one-half shall be designated  
24 to serve two-year terms. If the number ~~[board consists of an odd~~  
25 ~~number]~~ of board members appointed by the taxing units  
26 participating in the district is an odd number, the number of those  
27 members designated to serve two-year terms must exceed by one the

1 number of members designated to serve one-year terms.

2 (e) After the staggered terms have been implemented as  
3 provided by Subsection (d) [~~of this section~~], the appraisal  
4 district shall appoint annually for terms to begin on January 1 of  
5 each year a number of board members appointed by the taxing units  
6 participating in the district equal to the number of board members  
7 whose terms expire on that January 1, unless a change in the total  
8 number of board members appointed by the taxing units participating  
9 in the district is adopted under Section 6.031 [~~of this code~~] to  
10 take effect on that January 1.

11 (f) If a change in the number of directors appointed by the  
12 taxing units participating in the district is adopted under Section  
13 6.031 [~~of this code~~] in an appraisal district that has adopted  
14 staggered terms for board members appointed by the taxing units  
15 participating in the district, the change must specify how many  
16 members' terms are to begin in even-numbered years and how many  
17 members' terms are to begin in odd-numbered years. The change may  
18 not provide that the number of members whose terms are to begin in  
19 even-numbered years differs by more than one from the number of  
20 members whose terms are to begin in odd-numbered years.

21 (g) A change to staggered terms made as provided by this  
22 section may be rescinded by resolution of a majority of the  
23 governing bodies that are entitled to vote on appointment of board  
24 members under Section 6.03 [~~of this code~~]. To be effective, a  
25 resolution providing for the rescission must be adopted by the  
26 governing body and filed with the chief appraiser after June 30 and  
27 before October 1 of an odd-numbered year. If the required number of

1 resolutions are filed during that period, the chief appraiser shall  
2 notify each taxing unit participating in the district that the  
3 rescission is adopted. If the rescission is adopted, the terms of  
4 all members of the board appointed by the taxing units  
5 participating in the district serving at the time of the adoption  
6 expire on January 1 of the even-numbered year following the  
7 adoption, including terms of members who will have served only one  
8 year of a two-year term on that date. All of the members of the [~~The~~  
9 ~~entire~~] board of directors appointed by the taxing units  
10 participating in the district shall be appointed for two-year terms  
11 beginning on that date.

12 (h) If an appraisal district that has adopted staggered  
13 terms for the members of the board of directors appointed by the  
14 taxing units participating in the district adopts or rescinds a  
15 change in the method or procedure for appointing board members  
16 appointed by the taxing units participating in the district and the  
17 change or rescission results in a method of appointing board  
18 members by cumulative voting, the change or rescission has the same  
19 effect as a rescission of the change to staggered terms made under  
20 Subsection (g) [~~of this section~~].

21 (i) If a vacancy in a position appointed by the taxing units  
22 participating in the district occurs on the board of directors of an  
23 appraisal district that has adopted staggered terms for board  
24 members appointed by the taxing units participating in the  
25 district, the vacancy shall be filled by appointment by resolution  
26 of the governing body of the taxing unit that nominated the person  
27 whose departure from the board caused the vacancy, and the

1 procedure for filling a vacancy provided by Section 6.03 [~~of this~~  
2 ~~code~~] does not apply in that event.

3 SECTION 6. Section 6.41, Tax Code, is amended by adding  
4 Subsections (d-1) and (d-2) and amending Subsection (f) to read as  
5 follows:

6 (d-1) The chairman of the board and the secretary of the  
7 board may be appointed by resolution of a majority of the appraisal  
8 district board of directors. At least one member of the board of  
9 directors who was appointed by the district judges with  
10 jurisdiction in the county for which the appraisal district is  
11 established must vote in favor of the resolution, and the  
12 resolution must be adopted before the appraisal review board's  
13 first meeting in January. If the appraisal district board of  
14 directors does not appoint a chairman and a secretary in the manner  
15 provided by this subsection, the board shall elect a chairman and a  
16 secretary from among its members. The chairman and secretary of the  
17 board hold office for terms of one year beginning January 1. A  
18 vacancy in either position is filled for the unexpired portion of  
19 the term in the same manner as the person serving in that position  
20 when the vacancy occurred was appointed or elected.

21 (d-2) The district board of directors may establish written  
22 policies regarding the conduct of appraisal review board members by  
23 resolution of a majority of its members. At least one member of the  
24 board of directors who was appointed by the district judges with  
25 jurisdiction in the county for which the appraisal district is  
26 established must vote in favor of the resolution.

27 (f) A member of the board may be removed from the board by a

1 majority vote of the appraisal district board of directors. At  
2 least one member of the board of directors who was appointed by the  
3 district judges with jurisdiction in the county for which the  
4 appraisal district is established must vote in favor of removal of  
5 the member of the board. Grounds for removal are:

6 (1) a violation of Section 6.412, 6.413, 41.66(f), or  
7 41.69; [~~or~~]

8 (2) good cause relating to the attendance of members  
9 at called meetings of the board as established by written policy  
10 adopted by a majority of the appraisal district board of directors;  
11 or

12 (3) a violation of a policy adopted in accordance with  
13 Subsection (d-2).

14 SECTION 7. Section 6.42(a), Tax Code, is amended to read as  
15 follows:

16 (a) A majority of the appraisal review board constitutes a  
17 quorum. [~~The board shall elect a chairman and a secretary from its~~  
18 ~~members.~~]

19 SECTION 8. (a) The initial terms of the members of an  
20 appraisal district board of directors appointed by the district  
21 judges as provided by Section 6.03(a), Tax Code, as amended by this  
22 Act, begin January 1, 2008.

23 (b) If eligible, the county assessor-collector of the  
24 county for which the appraisal district is established begins  
25 serving as a voting member of the appraisal district board of  
26 directors as provided by Section 6.03(a), Tax Code, as amended by  
27 this Act, on January 1, 2008.

1 SECTION 9. This Act takes effect January 1, 2008.