

By: Hill

H.B. No. 3583

Substitute the following for H.B. No. 3583:

By: Creighton

C.S.H.B. No. 3583

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the composition and appointment of the board of
3 directors of an appraisal district and to training for board
4 members.

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 ~~servng 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. (a) The initial terms of the members of an
4 appraisal district board of directors appointed by the district
5 judges as provided by Section 6.03(a), Tax Code, as amended by this
6 Act, begin January 1, 2008.

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

12 SECTION 7. This Act takes effect January 1, 2008.