

By: Gattis

H.B. No. 2290

A BILL TO BE ENTITLED

AN ACT

relating to the administration of appraisal districts.

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

SECTION 1. Sections 5.12(d), (e), and (h), Tax Code, are amended to read as follows:

(d) A request for a performance audit of an appraisal district may not be made under Subsection ~~[(b) or]~~ (c) ~~[of this section]~~ if according to each of the two most recently published annual studies conducted by the comptroller under Section 5.10 ~~[of this code]~~:

(1) the overall median level of appraisal for all property in the district for which the comptroller determines a median level of appraisal is more than 0.90 and less than 1.10;

(2) the coefficient of dispersion around the overall median level of appraisal of the properties used to determine the overall median level of appraisal for all property in the district for which the comptroller determines a median level of appraisal is less than 0.15; and

(3) the difference between the highest and lowest median levels of appraisal in the district for the classes of property for which the comptroller determines a median level of appraisal is less than 0.20.

(e) A request for a performance audit of an appraisal district may not be made under Subsection ~~[(b) or]~~ (c) ~~[of this~~

1 ~~section]~~:

2 (1) during the two years immediately following the
3 publication of the second of two consecutive annual studies
4 according to which the comptroller is required to conduct an audit
5 of the district under Subsection (a) [~~of this section~~]; or

6 (2) during the year immediately following the date the
7 results of an audit of the district conducted by the comptroller
8 under Subsection (a) [~~of this section~~] are reported to the chief
9 appraiser of the district.

10 (h) In addition to the performance audits required by
11 Subsections (a) [~~, (b),~~] and (c) and the review of appraisal
12 standards required by Section 5.102, the comptroller may audit an
13 appraisal district to analyze the effectiveness and efficiency of
14 the policies, management, and operations of the appraisal district.
15 The results of the audit shall be delivered in a report that details
16 the comptroller's findings and recommendations for improvement to
17 the appraisal district's chief appraiser and board of directors and
18 the governing body of each taxing unit participating in the
19 appraisal district. The comptroller may require reimbursement by
20 the appraisal district for some or all of the costs of the audit,
21 not to exceed the actual costs associated with conducting the
22 audit.

23 SECTION 2. Sections 5.13(a) and (h), Tax Code, are amended
24 to read as follows:

25 (a) The comptroller shall complete an audit required by
26 Section 5.12(a) [~~of this code~~] within two years after the date of
27 the publication of the second of the two annual studies the results

1 of which required the audit to be conducted. The comptroller shall
 2 complete an audit requested under Section 5.12(c) [~~5.12(b) or (c)~~
 3 ~~of this code~~] as soon as practicable after the request is made.

4 (h) At any time after the request for an audit is made, the
 5 comptroller may discontinue the audit in whole or in part if
 6 requested to do so by the taxpayers who requested the audit under
 7 Section 5.12(c) [~~+~~

8 [~~(1) the governing bodies of a majority of the taxing~~
 9 ~~units participating in the district, if the audit was requested by a~~
 10 ~~majority of those units,~~

11 [~~(2) the governing bodies of a majority of the taxing~~
 12 ~~units entitled to vote on the appointment of appraisal district~~
 13 ~~directors, if the audit was requested by a majority of those units,~~

14 ~~or~~

15 [~~(3) if the audit was requested under Section 5.12(c)~~
 16 ~~of this code, by the taxpayers who requested the audit].~~

17 SECTION 3. Section 6.03, Tax Code, is amended by amending
 18 Subsections (a) and (l) and adding Subsections (a-1) and (m) to read
 19 as follows:

20 (a) The appraisal district is governed by a board of five
 21 directors. One director is elected from each of the four
 22 commissioners precincts of the county for which the appraisal
 23 district is established. The county assessor-collector is a
 24 director by virtue of the person's office. The directors other than
 25 the county assessor-collector are elected at the general election
 26 for state and county officers and serve two-year terms beginning on
 27 January 1 of odd-numbered years [~~Five directors are appointed by~~

1 ~~the taxing units that participate in the district as provided by~~
2 ~~this section. If the county assessor-collector is not appointed to~~
3 ~~the board, the county assessor-collector serves as a nonvoting~~
4 ~~director. The county assessor-collector is ineligible to serve if~~
5 ~~the board enters into a contract under Section 6.05(b) or if the~~
6 ~~commissioners court of the county enters into a contract under~~
7 ~~Section 6.24(b)].~~

8 (a-1) To be eligible to serve on the board of directors, an
9 individual other than the [~~a~~] county assessor-collector [~~serving as~~
10 ~~a nonvoting director~~] must:

11 (1) be a resident of the commissioners precinct from
12 which the office is elected; [~~district~~] and

13 (2) [~~must~~] have resided in the appraisal district for
14 at least two years immediately preceding the date the individual
15 takes office. [~~An individual who is otherwise eligible to serve on~~
16 ~~the board is not ineligible because of membership on the governing~~
17 ~~body of a taxing unit. An employee of a taxing unit that~~
18 ~~participates in the district is not eligible to serve on the board~~
19 ~~unless the individual is also a member of the governing body or an~~
20 ~~elected official of a taxing unit that participates in the~~
21 ~~district.~~]

22 (1) A [~~If a~~] vacancy [~~occurs~~] on the board of directors
23 other than a vacancy in the position held by the [~~a~~] county
24 assessor-collector is filled for the remainder of the unexpired
25 term by appointment by the commissioners court of the county for
26 which the appraisal district is established [~~serving as a nonvoting~~
27 ~~director, each taxing unit that is entitled to vote by this section~~

1 ~~may nominate by resolution adopted by its governing body a~~
2 ~~candidate to fill the vacancy. The unit shall submit the name of~~
3 ~~its nominee to the chief appraiser within 45 days after~~
4 ~~notification from the board of directors of the existence of the~~
5 ~~vacancy, and the chief appraiser shall prepare and deliver to the~~
6 ~~board of directors within the next five days a list of the nominees.~~
7 ~~The board of directors shall elect by majority vote of its members~~
8 ~~one of the nominees to fill the vacancy].~~

9 (m) If as a result of a change in the boundaries of a
10 commissioners precinct an individual serving as a director no
11 longer resides in the precinct from which the office is elected, the
12 individual is not for that reason disqualified from office during
13 the remainder of the term of office being served at the time the
14 boundary change takes effect. If as a result of a change in the
15 boundaries of a commissioners precinct an individual elected as a
16 director before the boundary change to a term that begins after the
17 boundary change no longer resides in the precinct from which
18 elected, the individual is not for that reason disqualified from
19 serving the term to which elected.

20 SECTION 4. Section 6.036(a), Tax Code, is amended to read as
21 follows:

22 (a) An individual is not eligible to be a candidate for the
23 office of appraisal district director ~~[appointed to]~~ or to serve on
24 the board of directors of an appraisal district if ~~[the individual~~
25 ~~or a business entity in which the individual has a substantial~~
26 ~~interest is a party to a contract with]:~~

27 (1) the individual or a business entity in which the

1 individual has a substantial interest is a party to a contract with
2 the appraisal district; ~~[or]~~

3 (2) the individual or a business entity in which the
4 individual has a substantial interest is a party to a contract with
5 a taxing unit that participates in the appraisal district, if the
6 contract relates to the performance of an activity governed by this
7 title; or

8 (3) the individual is an employee of a taxing unit.

9 SECTION 5. Sections 6.05(a) and (c), Tax Code, are amended
10 to read as follows:

11 (a) Each ~~[Except as authorized by Subsection (b) of this~~
12 ~~section, each]~~ appraisal district shall establish an appraisal
13 office. The appraisal office must be located in the county for
14 which the district is established. An appraisal district may
15 establish branch appraisal offices outside the county for which the
16 district is established.

17 (c) The chief appraiser is the chief administrator of the
18 appraisal office. The chief appraiser is appointed by and serves at
19 the pleasure of the appraisal district board of directors. ~~[If a~~
20 ~~taxing unit performs the duties of the appraisal office pursuant to~~
21 ~~a contract, the assessor for the unit is the chief appraiser.]~~

22 SECTION 6. Section 6.051(a), Tax Code, is amended to read as
23 follows:

24 (a) The board of directors of an appraisal district may:

25 (1) purchase or lease real property and may construct
26 improvements as necessary to establish and operate the appraisal
27 office or a branch appraisal office;

1 (2) acquire or convey real property; and

2 (3) construct or renovate a building or other
3 improvement.

4 SECTION 7. Sections 6.06(a), (b), (e), and (i), Tax Code,
5 are amended to read as follows:

6 (a) Each year the chief appraiser shall prepare a proposed
7 budget for the operations of the district for the following tax year
8 ~~[and shall submit copies to each taxing unit participating in the~~
9 ~~district and to the district board of directors before June 15].~~

10 The chief appraiser ~~[He]~~ shall include in the budget a list showing
11 each proposed position, the proposed salary for the position, all
12 benefits proposed for the position, each proposed capital
13 expenditure, and an estimate of the amount of the budget that will
14 be allocated to each taxing unit. ~~[Each taxing unit entitled to~~
15 ~~vote on the appointment of board members shall maintain a copy of~~
16 ~~the proposed budget for public inspection at its principal~~
17 ~~administrative office.]~~

18 (b) The board of directors shall hold a public hearing to
19 consider the budget. The secretary of the board shall deliver to
20 the presiding officer of the governing body of each taxing unit
21 participating in the district not later than the 10th day before the
22 date of the hearing a written notice of the date, time, and place
23 fixed for the hearing. The board shall complete its hearings, make
24 any amendments to the proposed budget it desires, and finally
25 approve a budget before September 15. ~~[If governing bodies of a~~
26 ~~majority of the taxing units entitled to vote on the appointment of~~
27 ~~board members adopt resolutions disapproving a budget and file them~~

1 ~~with the secretary of the board within 30 days after its adoption,~~
2 ~~the budget does not take effect, and the board shall adopt a new~~
3 ~~budget within 30 days of the disapproval.]~~

4 (e) Each [~~Unless the governing body of a unit and the chief~~
5 ~~appraiser agree to a different method of payment, each]~~ taxing unit
6 shall pay its allocation in four equal payments to be made at the
7 end of each calendar quarter, and the first payment shall be made
8 before January 1 of the year in which the budget takes effect. A
9 payment is delinquent if not paid on the date it is due. A
10 delinquent payment incurs a penalty of 5 percent of the amount of
11 the payment and accrues interest at an annual rate of 10 percent.
12 If the budget is amended, any change in the amount of a unit's
13 allocation is apportioned among the payments remaining.

14 (i) The fiscal year of an appraisal district is the calendar
15 year [~~unless the governing bodies of three-fourths of the taxing~~
16 ~~units entitled to vote on the appointment of board members adopt~~
17 ~~resolutions proposing a different fiscal year and file them with~~
18 ~~the secretary of the board not more than 12 and not less than eight~~
19 ~~months before the first day of the fiscal year proposed by the~~
20 ~~resolutions. If the fiscal year of an appraisal district is changed~~
21 ~~under this subsection, the chief appraiser shall prepare a proposed~~
22 ~~budget for the fiscal year as provided by Subsection (a) of this~~
23 ~~section before the 15th day of the seventh month preceding the first~~
24 ~~day of the fiscal year established by the change, and the board of~~
25 ~~directors shall adopt a budget for the fiscal year as provided by~~
26 ~~Subsection (b) of this section before the 15th day of the fourth~~
27 ~~month preceding the first day of the fiscal year established by the~~

1 ~~change. Unless the appraisal district adopts a different method of~~
2 ~~allocation under Section 6.061 of this code, the allocation of the~~
3 ~~budget to each taxing unit shall be calculated as provided by~~
4 ~~Subsection (d) of this section using the amount of property taxes~~
5 ~~imposed by each participating taxing unit in the most recent tax~~
6 ~~year preceding the fiscal year established by the change for which~~
7 ~~the necessary information is available. Each taxing unit shall pay~~
8 ~~its allocation as provided by Subsection (e) of this section,~~
9 ~~except that the first payment shall be made before the first day of~~
10 ~~the fiscal year established by the change and subsequent payments~~
11 ~~shall be made quarterly. In the year in which a change in the fiscal~~
12 ~~year occurs, the budget that takes effect on January 1 of that year~~
13 ~~may be amended as necessary as provided by Subsection (c) of this~~
14 ~~section in order to accomplish the change in fiscal years].~~

15 SECTION 8. Sections 6.061(a) and (e), Tax Code, are amended
16 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 after June 15 and before August 15, may prescribe a
20 different method of allocating the costs of operating the district
21 ~~[unless the governing body of any taxing unit that participates in~~
22 ~~the district adopts a resolution opposing the different method, and~~
23 ~~files it with the board of directors before September 1. If a board~~
24 ~~proposal is rejected, the board shall notify, in writing, each~~
25 ~~taxing unit participating in the district before September 15].~~

26 (e) A change in allocation of district costs made as
27 provided by this section remains in effect until changed in a manner

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

5 SECTION 9. Section 6.062(c), Tax Code, is amended to read as
6 follows:

7 (c) The notice must state that the appraisal district is
8 supported solely by payments from the local taxing units served by
9 the appraisal district. The notice must also contain the following
10 statement: "If approved by the appraisal district board of
11 directors at the public hearing, this proposed budget will take
12 effect automatically [~~unless disapproved by the governing bodies of~~
13 ~~the county, school districts, cities, and towns served by the~~
14 ~~appraisal district. A copy of the proposed budget is available for~~
15 ~~public inspection in the office of each of those governing~~
16 ~~bodies~~]."

17 SECTION 10. Section 6.063(b), Tax Code, is amended to read
18 as follows:

19 (b) The report of the audit is a public record. A [~~copy of~~
20 ~~the report shall be delivered to the presiding officer of the~~
21 ~~governing body of each taxing unit eligible to vote on the~~
22 ~~appointment of district directors, and a~~] reasonable number of
23 copies shall be available for inspection at the appraisal office.

24 SECTION 11. Section 52.092(d), Election Code, is amended
25 to read as follows:

26 (d) District offices of the state government shall be listed
27 in the following order:

- 1 (1) member, State Board of Education;
- 2 (2) state senator;
- 3 (3) state representative;
- 4 (4) chief justice, court of appeals;
- 5 (5) justice, court of appeals;
- 6 (6) district judge;
- 7 (7) criminal district judge;
- 8 (8) family district judge;
- 9 (9) district attorney;
- 10 (10) criminal district attorney;
- 11 (11) appraisal district director.

12 SECTION 12. Section 172.024, Election Code, is amended by
13 adding Subsection (c) to read as follows:

14 (c) For the office of appraisal district director, the
15 filing fee for a candidate for nomination in the general primary
16 election is \$250.

17 SECTION 13. The following provisions of the Tax Code are
18 repealed:

- 19 (1) Section 5.12(b);
- 20 (2) Sections 6.03(c), (d), (e), (f), (g), (h), (i),
21 (j), and (k);
- 22 (3) Section 6.031;
- 23 (4) Section 6.033;
- 24 (5) Section 6.034;
- 25 (6) Section 6.037;
- 26 (7) Section 6.05(b);
- 27 (8) Sections 6.061(b) and (d); and

1 (9) Section 6.10.

2 SECTION 14. (a) Appraisal district directors shall be
3 elected as provided by Section 6.03, Tax Code, as amended by this
4 Act, beginning with the primary and general elections conducted in
5 2010. Members then elected take office January 1, 2011.

6 (b) The change in the manner of selection of appraisal
7 district directors made by this Act does not affect the selection of
8 directors who serve on the board before January 1, 2011.

9 (c) The term of an appraisal district director serving on
10 December 31, 2010, expires on January 1, 2011.

11 SECTION 15. (a) Except as otherwise provided by this
12 section, this Act takes effect January 1, 2011.

13 (b) This section and Section 14 of this Act take effect
14 September 1, 2009.