

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Villarreal, Flores, et al.

H.B. No. 2317

A BILL TO BE ENTITLED

AN ACT

relating to appraisal review board members.

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

SECTION 1. Section 5.041, Tax Code, is amended by amending Subsection (a) and adding Subsections (e-1), (e-2), and (e-3) to read as follows:

(a) The comptroller shall:

(1) approve curricula and provide materials for use in training and educating members of an appraisal review board; ~~and~~

(2) supervise a comprehensive course for training and education of appraisal review board members and issue certificates indicating course completion;

(3) make all materials for use in training and educating members of an appraisal review board freely available online;

(4) establish and maintain a toll-free telephone number that appraisal review board members may call for answers to technical questions relating to the duties and responsibilities of appraisal review board members and property appraisal issues; and

(5) provide, as feasible, online technological assistance to improve the operations of appraisal review boards and appraisal districts.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide

1 materials for use in a continuing education course for members of an  
2 appraisal review board. The curricula and materials must include  
3 information regarding:

4 (1) the cost, income, and market data comparison  
5 methods of appraising property;

6 (2) the appraisal of business personal property;

7 (3) the determination of capitalization rates for  
8 property appraisal purposes;

9 (4) the duties of an appraisal review board;

10 (5) the requirements regarding the independence of an  
11 appraisal review board from the board of directors and the chief  
12 appraiser and other employees of the appraisal district;

13 (6) the prohibitions against ex parte communications  
14 applicable to appraisal review board members;

15 (7) the Uniform Standards of Professional Appraisal  
16 Practice;

17 (8) the duty of the appraisal district to substantiate  
18 the district's determination of the value of property;

19 (9) the requirements regarding the equal and uniform  
20 appraisal of property;

21 (10) the right of a property owner to protest the  
22 appraisal of the property as provided by Chapter 41; and

23 (11) a detailed explanation of each of the actions  
24 described by Sections 41.41(a), 41.411, 41.412, 41.413, 41.42, and  
25 41.43 so that members are fully aware of each of the grounds on  
26 which a property appraisal can be appealed.

27 (e-2) As soon as practicable after the beginning of the

1 second year of an appraisal review board member's term of office,  
2 the member must successfully complete the course established under  
3 Subsection (e-1). A person who fails to timely complete the course  
4 established under Subsection (e-1) may not be reappointed to an  
5 additional term on the appraisal review board. If the person is  
6 reappointed to an additional term on the appraisal review board,  
7 the person must successfully complete the course established under  
8 Subsection (e-1) in each year the member continues to serve.

9 (e-3) The comptroller may contract with service providers  
10 to assist with the duties imposed under Subsection (e-1), but the  
11 course required by that subsection may not be provided by an  
12 appraisal district or a taxing unit. The comptroller may assess a  
13 fee to recover a portion of the costs incurred for the continuing  
14 education course, but the fee may not exceed \$50 for each person  
15 trained.

16 SECTION 2. Sections 6.41(d), (e), and (f), Tax Code, are  
17 amended to read as follows:

18 (d) Members of the board are appointed by resolution of a  
19 majority of the appraisal district board of directors, except that  
20 the members of the board for an appraisal district established in a  
21 county with a population of 300,000 or more are appointed by order  
22 or resolution of the commissioners court of the county. A vacancy  
23 on the board is filled in the same manner for the unexpired portion  
24 of the term.

25 (e) Members of the board hold office for terms of two years  
26 beginning January 1. The appraisal district board of directors by  
27 resolution shall provide for staggered terms, so that the terms of

1 as close to one-half of the members as possible expire each year.  
2 In making the initial or subsequent appointments, the board of  
3 directors or commissioners court, as applicable, shall designate  
4 those members who serve terms of one year as needed to comply with  
5 this subsection.

6 (f) A member of the board may be removed from the board by a  
7 majority vote of the appraisal district board of directors or by the  
8 commissioners court, as applicable. Grounds for removal are:

9 (1) a violation of Section 6.412, 6.413, 41.66(f), or  
10 41.69; or

11 (2) good cause relating to the attendance of members  
12 at called meetings of the board as established by written policy  
13 adopted by a majority of the appraisal district board of directors.

14 SECTION 3. 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 of directors of the appraisal district by  
18 resolution shall select [elect] a chairman and a secretary from  
19 among the [its] members of the appraisal review board. The board of  
20 directors of the appraisal district is encouraged to select as  
21 chairman of the appraisal review board a member of the appraisal  
22 review board, if any, who has a background in law and property  
23 appraisal.

24 SECTION 4. The change in law made by this Act to continuing  
25 education requirements under Section 5.041, Tax Code, applies only  
26 to a term of office that expires on or after the effective date of  
27 this Act.

1           SECTION 5. (a) As soon as practicable on or after January  
2 1, 2010, the commissioners court of each county with a population of  
3 300,000 or more shall in the manner provided by Section 6.41, Tax  
4 Code, as amended by this Act, appoint the members of the appraisal  
5 review board for the appraisal district established in the county.  
6 In making the initial appointments, the commissioners court shall  
7 designate those members who serve terms of one year as necessary to  
8 comply with Section 6.41(e), Tax Code, as amended by this Act.

9           (b) The term of a member of an appraisal review board  
10 established in a county with a population of 300,000 or more serving  
11 on December 31, 2009, expires on January 1, 2010.

12           SECTION 6. (a) Except as provided by Subsection (b) of this  
13 section, this Act takes effect September 1, 2009.

14           (b) Sections 6.41(d), (e), and (f), Tax Code, as amended by  
15 this Act, take effect January 1, 2010.

ADOPTED

MAY 13 2009

*Atty Gen*  
Secretary of the Senate

By: *Seliger*

H.B. No. 2317

Substitute the following for H.B. No. 2317:

By: *Seliger*

C.S. H.B. No. 2317

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16 (4) establish and maintain a toll-free telephone  
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18 technical questions relating to the duties and responsibilities of  
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20 (5) provide, as feasible, online technological  
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22 appraisal districts.

23 (e-1) In addition to the course established under  
24 Subsection (a), the comptroller shall approve curricula and provide

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2 appraisal review board. The curricula and materials must include  
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20 resolution shall select [~~elect~~] a chairman and a secretary from  
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22 directors of the appraisal district is encouraged to select as  
23 chairman of the appraisal review board a member of the appraisal  
24 review board, if any, who has a background in law and property  
25 appraisal.

26 SECTION 3. The change in law made by this Act to continuing  
27 education requirements under Section 5.041, Tax Code, applies only



1 to a term of office that expires on or after the effective date of  
2 this Act.

3 SECTION 4. This Act takes effect September 1, 2009.



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 13, 2009**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2317** by Villarreal (Relating to appraisal review board members.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Tax Code and require the Comptroller to supervise a comprehensive course for training Appraisal Review Board members, assist with training materials, assist with answering technical questions and providing technical assistance relating to duties and responsibilities of Appraisal Review Board members. It is assumed that any additional costs associated with implementation of the bill could be absorbed within existing state resources.

**Local Government Impact**

The bill would require appraisal review board (ARB) members to complete an additional course of instruction after the beginning of the member's second year as a board member. The Comptroller is required to develop and conduct the class, and can charge a fee not to exceed \$50 per attendee or board member. If the class is not available locally, the appraisal districts would be required to pay for travel and lodging expenses which could average about \$250, including hotel expenses. That amount would be expected to rise annually due to inflation and possibly from increases in the number of ARB members.

Each appraisal district has at least three members on its appraisal review board, although they can have more. The "Appraisal District Operations Report: 2006 and 2007 Data" by the Texas Comptroller of Public Accounts reported that in tax year 2006, CAD boards appointed 1,524 ARB members for an average of six members per CAD. Local taxing entities share in the expenses incurred by the appraisal districts for which funding is based on a formula related to the amount of property taxes each entity collects as a percentage of the total property taxes collected by all taxing entities in that district.

Though local governmental entities would incur costs associated with the required training, according to the Texas Association of Counties, those costs are not anticipated to be significant.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, MN, JM, TP



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 9, 2009**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2317** by Villarreal (Relating to appraisal review board members.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

This bill would amend the Tax Code and require the Comptroller to supervise a comprehensive course for training Appraisal Review Board members, assist with training materials, assist with answering technical questions and providing technical assistance relating to duties and responsibilities of Appraisal Review Board members. It is assumed that any additional costs associated with implementation of the bill could be absorbed within existing state resources.

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**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, JM, TP



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 6, 2009**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2317** by Villarreal (Relating to appraisal review board members.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

This bill would amend the Tax Code and require the Comptroller to supervise a comprehensive course for training Appraisal Review Board members, assist with training materials, assist with answering technical questions and providing technical assistance relating to duties and responsibilities of Appraisal Review Board members. It is assumed that any additional costs associated with implementation of the bill could be absorbed within existing state resources.

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**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, JM, TP





**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

April 14, 2009

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HB2317 by Villarreal (Relating to the qualifications and training of appraisal review board members.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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This bill would amend the Tax Code and require the Comptroller to supervise a comprehensive course for training Appraisal Review Board members. It is assumed that any additional costs associated with implementation of the bill could be absorbed within existing state resources.

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Though local governmental entities would incur costs associated with the required training, according to the Texas Association of Counties, those costs are not anticipated to be significant.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, JM, TP



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 31, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2317** by Villarreal (Relating to the qualifications and training of appraisal review board members.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

This bill would amend the Tax Code and require the Comptroller to supervise a comprehensive course for training Appraisal Review Board members. It is assumed that any additional costs associated with implementation of the bill could be absorbed within existing state resources.

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Though local governmental entities would incur costs associated with the required training, according to the Texas Association of Counties, those costs are not anticipated to be significant.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, JM, TP



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**TAX/FEE EQUITY NOTE**

**81ST LEGISLATIVE REGULAR SESSION**

**April 14, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2317** by Villarreal (Relating to the qualifications and training of appraisal review board members.), **Committee Report 1st House, Substituted**

Because the bill would not create or impact a state tax or fee, no comment from this office is required by the rules of the House as to the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

**Source Agencies:**

**LBB Staff:** JOB, MN



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**TAX/FEE EQUITY NOTE**

**81ST LEGISLATIVE REGULAR SESSION**

**March 31, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2317** by Villarreal (Relating to the qualifications and training of appraisal review board members.), **As Introduced**

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**LBB Staff:** JOB, MN

