

By: Keough

H.B. No. 42

A BILL TO BE ENTITLED

AN ACT

relating to the selection of the board of directors of an appraisal district; authorizing the imposition of a fee.

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

SECTION 1. Section 5.12(b), Tax Code, is amended to read as follows:

(b) At the written request of the governing bodies of a majority of the taxing units participating in an appraisal district ~~[or of a majority of the taxing units entitled to vote on the appointment of appraisal district directors]~~, the comptroller shall audit the performance of the appraisal district. The governing bodies may request a general audit of the performance of the appraisal district or may request an audit of only one or more particular duties, practices, functions, departments, or other appraisal district matters.

SECTION 2. Section 5.13(h), Tax Code, is amended to read as follows:

(h) At any time after the request for an audit is made, the comptroller may discontinue the audit in whole or in part if requested to do so by:

(1) the governing bodies of a majority of the taxing units participating in the district, if the audit was requested by a majority of those units; or

(2) the taxpayers who requested the audit, ~~[the~~

1 ~~governing bodies of a majority of the taxing units entitled to vote~~
2 ~~on the appointment of appraisal district directors, if the audit~~
3 ~~was requested by a majority of those units, or~~

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

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

9 (a) The appraisal district is governed by a board of
10 directors. One director is elected from each of the four
11 commissioners precincts in the county for which the appraisal
12 district is established and one director is elected at large from
13 the county. The ~~[Five directors are appointed by the taxing units~~
14 ~~that participate in the district as provided by this section. If~~
15 ~~the county assessor-collector is not appointed to the board, the]~~
16 county assessor-collector serves as a nonvoting director. The
17 county assessor-collector is ineligible to serve if the board
18 enters into a contract under Section 6.05(b) or if the
19 commissioners court of the county enters into a contract under
20 Section 6.24(b). The directors other than the county
21 assessor-collector are elected at the general election for state
22 and county officers and serve two-year terms beginning on January 1
23 of odd-numbered years.

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

27 (1) be a resident of:

1 (A) the commissioners precinct from which the
2 office is elected, in the case of a director elected from a
3 commissioners precinct; or

4 (B) the county for which the appraisal district
5 is established, in the case of a director elected at large;
6 ~~[district]~~ and

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

16 (1) A ~~[If a]~~ vacancy ~~[occurs]~~ on the board of directors
17 other than a vacancy in the position held by the ~~[a]~~ county
18 assessor-collector is filled for the remainder of the unexpired
19 term by appointment by the commissioners court of the county for
20 which the appraisal district is established. A person appointed to
21 fill a vacancy on the board of directors must meet the
22 qualifications of the vacated position ~~[serving as a nonvoting~~
23 ~~director, each taxing unit that is entitled to vote by this section~~
24 ~~may nominate by resolution adopted by its governing body a~~
25 ~~candidate to fill the vacancy. The unit shall submit the name of~~
26 ~~its nominee to the chief appraiser within 45 days after~~
27 ~~notification from the board of directors of the existence of the~~

~~1 vacancy, and the chief appraiser shall prepare and deliver to the
2 board of directors within the next five days a list of the nominees.
3 The board of directors shall elect by majority vote of its members
4 one of the nominees to fill the vacancy].~~

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

16 SECTION 4. Subchapter A, Chapter 6, Tax Code, is amended by
17 adding Section 6.032 to read as follows:

18 Sec. 6.032. BALLOT PROCEDURES FOR ELECTED DIRECTORS; FILING
19 FEE. (a) Except as provided by this section, Chapter 144, Election
20 Code, applies to a candidate for an elective position on an
21 appraisal district board of directors.

22 (b) An application for a place on the ballot must be filed
23 with the county judge of the county in which the appraisal district
24 is established and be accompanied by a filing fee of \$250.

25 (c) A candidate's name may appear on the ballot only as an
26 independent candidate.

27 (d) A filing fee received under this section shall be

1 deposited in the county treasury to the credit of the county general
2 fund.

3 SECTION 5. Section 6.036(a), Tax Code, is amended to read as
4 follows:

5 (a) An individual is not eligible to be a candidate for, to
6 be appointed to, or to serve on the board of directors of an
7 appraisal district if the individual or a business entity in which
8 the individual has a substantial interest is a party to a contract
9 with:

10 (1) the appraisal district; or

11 (2) a taxing unit that participates in the appraisal
12 district, if the contract relates to the performance of an activity
13 governed by this title.

14 SECTION 6. Section 6.051(b), Tax Code, is amended to read as
15 follows:

16 (b) The acquisition or conveyance of real property or the
17 construction or renovation of a building or other improvement by an
18 appraisal district must be approved by the governing bodies of
19 three-fourths of the taxing units that participate in the district
20 [~~entitled to vote on the appointment of board members~~]. The board
21 of directors by resolution may propose a property transaction or
22 other action for which this subsection requires approval of the
23 taxing units. The chief appraiser shall notify the presiding
24 officer of each governing body entitled to vote on the approval of
25 the proposal by delivering a copy of the board's resolution,
26 together with information showing the costs of other available
27 alternatives to the proposal. On or before the 30th day after the

1 date the presiding officer receives notice of the proposal, the
2 governing body of a taxing unit by resolution may approve or
3 disapprove the proposal. If a governing body fails to act on or
4 before that 30th day or fails to file its resolution with the chief
5 appraiser on or before the 10th day after that 30th day, the
6 proposal is treated as if it were disapproved by the governing body.

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

9 (a) Each year the chief appraiser shall prepare a proposed
10 budget for the operations of the district for the following tax year
11 and shall submit copies to each taxing unit participating in the
12 district and to the district board of directors before June 15. The
13 chief appraiser [~~He~~] shall include in the budget a list showing each
14 proposed position, the proposed salary for the position, all
15 benefits proposed for the position, each proposed capital
16 expenditure, and an estimate of the amount of the budget that will
17 be allocated to each taxing unit. Each taxing unit that
18 participates in the district [~~entitled to vote on the appointment~~
19 ~~of board members~~] shall maintain a copy of the proposed budget for
20 public inspection at its principal administrative office.

21 (b) The board of directors shall hold a public hearing to
22 consider the budget. The secretary of the board shall deliver to
23 the presiding officer of the governing body of each taxing unit
24 participating in the district not later than the 10th day before the
25 date of the hearing a written notice of the date, time, and place
26 fixed for the hearing. The board shall complete its hearings, make
27 any amendments to the proposed budget it desires, and finally

1 approve a budget before September 15. If governing bodies of a
2 majority of the taxing units participating in the district
3 ~~[entitled to vote on the appointment of board members]~~ adopt
4 resolutions disapproving a budget and file them with the secretary
5 of the board within 30 days after its adoption, the budget does not
6 take effect, and the board shall adopt a new budget within 30 days
7 of the disapproval.

8 (i) The fiscal year of an appraisal district is the calendar
9 year unless the governing bodies of three-fourths of the taxing
10 units participating in the district ~~[entitled to vote on the~~
11 ~~appointment of board members]~~ adopt resolutions proposing a
12 different fiscal year and file them with the secretary of the board
13 not more than 12 and not less than eight months before the first day
14 of the fiscal year proposed by the resolutions. If the fiscal year
15 of an appraisal district is changed under this subsection, the
16 chief appraiser shall prepare a proposed budget for the fiscal year
17 as provided by Subsection (a) ~~[of this section]~~ before the 15th day
18 of the seventh month preceding the first day of the fiscal year
19 established by the change, and the board of directors shall adopt a
20 budget for the fiscal year as provided by Subsection (b) ~~[of this~~
21 ~~section]~~ before the 15th day of the fourth month preceding the first
22 day of the fiscal year established by the change. Unless the
23 appraisal district adopts a different method of allocation under
24 Section 6.061 ~~[of this code]~~, the allocation of the budget to each
25 taxing unit shall be calculated as provided by Subsection (d) ~~[of~~
26 ~~this section]~~ using the amount of property taxes imposed by each
27 participating taxing unit in the most recent tax year preceding the

1 fiscal year established by the change for which the necessary
2 information is available. Each taxing unit shall pay its
3 allocation as provided by Subsection (e) [~~of this section~~], except
4 that the first payment shall be made before the first day of the
5 fiscal year established by the change and subsequent payments shall
6 be made quarterly. In the year in which a change in the fiscal year
7 occurs, the budget that takes effect on January 1 of that year may
8 be amended as necessary as provided by Subsection (c) [~~of this~~
9 ~~section~~] in order to accomplish the change in fiscal years.

10 SECTION 8. Sections 6.061(b) and (e), Tax Code, are amended
11 to read as follows:

12 (b) The taxing units participating in an appraisal district
13 may adopt a different method of allocating the costs of operating
14 the district if the governing bodies of three-fourths of the taxing
15 units that participate in the district [~~are entitled to vote on the~~
16 ~~appointment of board members~~] adopt resolutions providing for the
17 other method. However, a change under this subsection is not valid
18 if it requires any taxing unit to pay a greater proportion of the
19 appraisal district's costs than the unit would pay under Section
20 6.06 [~~of this code~~] without the consent of the governing body of
21 that unit.

22 (e) A change in allocation of district costs made as
23 provided by this section remains in effect until changed in a manner
24 provided by this section or rescinded by resolution of a majority of
25 the governing bodies of the taxing units that participate in the
26 district [~~that are entitled to vote on appointment of board members~~
27 ~~under Section 6.03 of this code~~].

1 SECTION 9. Section 6.063(b), Tax Code, is amended to read as
2 follows:

3 (b) The report of the audit is a public record. A copy of
4 the report shall be delivered to the presiding officer of the
5 governing body of each taxing unit that participates in the
6 district [~~eligible to vote on the appointment of district~~
7 ~~directors~~], and a reasonable number of copies shall be available
8 for inspection at the appraisal office.

9 SECTION 10. Section 6.15(c), Tax Code, is amended to read as
10 follows:

11 (c) Subsections (a) and (b) do not apply to a routine
12 communication between the chief appraiser and the county
13 assessor-collector that relates to the administration of an
14 appraisal roll, including a communication made in connection with
15 the certification, correction, or collection of an account,
16 regardless of whether the county assessor-collector serves on [~~was~~
17 ~~appointed to~~] the board of directors of the appraisal district [~~or~~
18 ~~serves as a nonvoting director~~].

19 SECTION 11. Section 52.092, Election Code, is amended by
20 adding Subsection (k) to read as follows:

21 (k) The secretary of state shall prescribe procedures for
22 listing the office of appraisal district director on the ballot.

23 SECTION 12. The following provisions of the Tax Code are
24 repealed:

25 (1) Sections 6.03(b), (c), (d), (e), (f), (g), (h),
26 (i), (j), and (k);

27 (2) Section 6.031;

- 1 (3) Section 6.033;
- 2 (4) Section 6.034;
- 3 (5) Section 6.037; and
- 4 (6) Section 6.10.

5 SECTION 13. (a) Appraisal district directors shall be
6 elected as provided by Section 6.03, Tax Code, as amended by this
7 Act, beginning with the general election for state and county
8 officers conducted in 2018. Members then elected take office
9 January 1, 2019.

10 (b) The change in the manner of selection of appraisal
11 district directors made by this Act does not affect the selection of
12 directors who serve on the board before January 1, 2019.

13 (c) The term of an appraisal district director serving on
14 December 31, 2018, expires on January 1, 2019.

15 SECTION 14. (a) Except as otherwise provided by this
16 section, this Act takes effect January 1, 2019.

17 (b) This section and Sections 11 and 13 of this Act take
18 effect January 1, 2018.