

By: Metcalf

H.B. No. 160

A BILL TO BE ENTITLED

AN ACT

relating to the selection of the chief appraiser of an appraisal district; authorizing a fee.

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

SECTION 1. Section 1.15, Tax Code, is amended to read as follows:

Sec. 1.15. APPRAISERS FOR TAXING UNITS PROHIBITED. A taxing unit may not employ any person for the purpose of appraising property for taxation purposes [~~except to the extent necessary to perform a contract under Section 6.05(b) of this code~~].

SECTION 2. Sections 5.041(c), (e-1), (e-3), (f), and (g), Tax Code, are amended to read as follows:

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser of an appraisal district, an [~~or another~~] employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 per person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an

1 appraisal review board. The curricula and materials must include
2 information regarding:

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

5 (2) the appraisal of business personal property;

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

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

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

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

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

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

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

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

22 (11) a detailed explanation of each of the actions
23 described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,
24 41.42, and 41.43 so that members are fully aware of each of the
25 grounds on which a property appraisal can be appealed.

26 (e-3) The comptroller may contract with service providers
27 to assist with the duties imposed under Subsection (e-1), but the

1 course required by that subsection may not be provided by an
2 appraisal district, the chief appraiser of an appraisal district,
3 an [~~or another~~] employee of an appraisal district, a member of the
4 board of directors of an appraisal district, a member of an
5 appraisal review board, or a taxing unit. The comptroller may
6 assess a fee to recover a portion of the costs incurred for the
7 continuing education course, but the fee may not exceed \$50 for each
8 person trained.

9 (f) The comptroller may not advise a property owner, a
10 property owner's agent, [~~or~~] the chief appraiser of an appraisal
11 district, or an [~~another~~] employee of an appraisal district on a
12 matter that the comptroller knows is the subject of a protest to the
13 appraisal review board. The comptroller may provide advice to an
14 appraisal review board member as authorized by Subsection (a)(4) of
15 this section or Section 5.103 and may communicate with the chairman
16 of an appraisal review board or a taxpayer liaison officer
17 concerning a complaint filed under Section 6.052.

18 (g) Except during a hearing or other appraisal review board
19 proceeding and as provided by Subsection (h) and Section
20 6.411(c-1), the following persons may not communicate with a member
21 of an appraisal review board about a course provided under this
22 section or any matter presented or discussed during the course:

23 (1) the chief appraiser of the appraisal district for
24 which the appraisal review board is established;

25 (2) an [~~another~~] employee of the appraisal district
26 for which the appraisal review board is established;

27 (3) a member of the board of directors of the appraisal

1 district for which the appraisal review board is established;

2 (4) an officer or employee of a taxing unit that
3 participates in the appraisal district for which the appraisal
4 review board is established; and

5 (5) an attorney who represents or whose law firm
6 represents the appraisal district or a taxing unit that
7 participates in the appraisal district for which the appraisal
8 review board is established.

9 SECTION 3. Section 5.042, Tax Code, is amended by adding
10 Subsection (b-1) to read as follows:

11 (b-1) For purposes of removal under Chapter 87, Local
12 Government Code, "incompetency" in the case of a chief appraiser
13 includes the failure of the chief appraiser to complete, within the
14 period provided by Subsection (b) after the date the chief
15 appraiser is first elected or appointed, the course of training
16 required by Subsection (a).

17 SECTION 4. Sections 6.035(a), (b), and (d), Tax Code, are
18 amended to read as follows:

19 (a) An individual is ineligible to serve on an appraisal
20 district board of directors or [~~and is disqualified from~~
21 ~~employment~~] as chief appraiser if the individual:

22 (1) is related within the second degree by
23 consanguinity or affinity, as determined under Chapter 573,
24 Government Code, to an individual who is engaged in the business of
25 appraising property for compensation for use in proceedings under
26 this title or of representing property owners for compensation in
27 proceedings under this title in the appraisal district; or

1 (2) owns property on which delinquent taxes have been
2 owed to a taxing unit for more than 60 days after the date the
3 individual knew or should have known of the delinquency unless:

4 (A) the delinquent taxes and any penalties and
5 interest are being paid under an installment payment agreement
6 under Section 33.02; or

7 (B) a suit to collect the delinquent taxes is
8 deferred or abated under Section 33.06 or 33.065.

9 (b) A member of an appraisal district board of directors or
10 a chief appraiser commits an offense if the board member or chief
11 appraiser continues to hold office [~~or the chief appraiser remains~~
12 ~~employed~~] knowing that an individual related within the second
13 degree by consanguinity or affinity, as determined under Chapter
14 573, Government Code, to the board member or chief appraiser is
15 engaged in the business of appraising property for compensation for
16 use in proceedings under this title or of representing property
17 owners for compensation in proceedings under this title in the
18 appraisal district in which the member or chief appraiser serves
19 [~~or the chief appraiser is employed~~]. An offense under this
20 subsection is a Class B misdemeanor.

21 (d) An appraisal performed by a chief appraiser in a private
22 capacity or by an individual related within the second degree by
23 consanguinity or affinity, as determined under Chapter 573,
24 Government Code, to the chief appraiser may not be used as evidence
25 in a protest or challenge under Chapter 41 or an appeal under
26 Chapter 42 concerning property that is taxable in the appraisal
27 district in which the chief appraiser serves [~~is employed~~].

1 SECTION 5. The heading to Section 6.05, Tax Code, is amended
2 to read as follows:

3 Sec. 6.05. APPRAISAL OFFICE; CHIEF APPRAISER.

4 SECTION 6. Sections 6.05(b), (c), and (d), Tax Code, are
5 amended to read as follows:

6 (b) The board of directors of an appraisal district may
7 contract with an appraisal office in another district [~~or with a~~
8 ~~taxing unit in the district~~] to perform the duties of the appraisal
9 office for the district.

10 (c) The chief appraiser is the chief administrator of the
11 appraisal office. The [~~Except as provided by Section 6.0501, the~~]
12 chief appraiser is elected at the general election for state and
13 county officers by the voters of the county in which the appraisal
14 district is established. The chief appraiser serves a two-year
15 term beginning January 1 of each odd-numbered year. To be eligible
16 to serve as chief appraiser, an individual must be a resident of the
17 county in which the appraisal district is established and must have
18 resided in the county for at least four years preceding the date the
19 individual takes office [~~appointed by and serves at the pleasure of~~
20 ~~the appraisal district board of directors. If a taxing unit~~
21 ~~performs the duties of the appraisal office pursuant to a contract,~~
22 ~~the assessor for the unit is the chief appraiser. To be eligible to~~
23 ~~be appointed or serve as a chief appraiser, a person must be~~
24 ~~certified as a registered professional appraiser under Section~~
25 ~~1151.160, Occupations Code, possess an MAI professional~~
26 ~~designation from the Appraisal Institute, or possess an Assessment~~
27 ~~Administration Specialist (AAS), Certified Assessment Evaluator~~

1 ~~(CAE), or Residential Evaluation Specialist (RES) professional~~
2 ~~designation from the International Association of Assessing~~
3 ~~Officers. A person who is eligible to be appointed or serve as a~~
4 ~~chief appraiser by having a professional designation described by~~
5 ~~this subsection must become certified as a registered professional~~
6 ~~appraiser under Section 1151.160, Occupations Code, not later than~~
7 ~~the fifth anniversary of the date the person is appointed or begins~~
8 ~~to serve as chief appraiser. A chief appraiser who is not eligible~~
9 ~~to be appointed or serve as chief appraiser may not perform an~~
10 ~~action authorized or required by law to be performed by a chief~~
11 ~~appraiser, including the preparation, certification, or submission~~
12 ~~of any part of the appraisal roll. Not later than January 1 of each~~
13 ~~year, a chief appraiser shall notify the comptroller in writing~~
14 ~~that the chief appraiser is either eligible to be appointed or serve~~
15 ~~as the chief appraiser or not eligible to be appointed or serve as~~
16 ~~the chief appraiser].~~

17 (d) The [~~Except as provided by Section 6.0501, the~~] chief
18 appraiser is entitled to compensation as provided by the budget
19 adopted by the board of directors. The chief appraiser's
20 compensation may not be directly or indirectly linked to an
21 increase in the total market, appraised, or taxable value of
22 property in the appraisal district. The [~~Except as provided by~~
23 ~~Section 6.0501, the~~] chief appraiser may employ and compensate
24 professional, clerical, and other personnel as provided by the
25 budget, with the exception of a general counsel to the appraisal
26 district.

27 SECTION 7. Subchapter A, Chapter 6, Tax Code, is amended by

1 adding Section 6.0502 to read as follows:

2 Sec. 6.0502. BALLOT PROCEDURES FOR CHIEF APPRAISER; FILING
3 FEE. (a) Except as provided by this section, Chapter 144, Election
4 Code, applies to a candidate for the office of chief appraiser of an
5 appraisal district.

6 (b) An application for a place on the ballot must be filed
7 with the county judge of the county for which the appraisal district
8 is established and be accompanied by a filing fee of:

9 (1) \$1,250 for a county with a population of 200,000 or
10 more; or

11 (2) \$750 for a county with a population of less than
12 200,000.

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

15 (d) A filing fee received under this section shall be
16 deposited in the county treasury to the credit of the county general
17 fund.

18 SECTION 8. Sections 6.41(i) and (j), Tax Code, are amended
19 to read as follows:

20 (i) This subsection applies only to an appraisal district
21 described by Subsection (d-1). The [A] chief appraiser of the
22 appraisal district, an [or another] employee or agent of the
23 appraisal district, a member of the appraisal review board for the
24 appraisal district, a member of the board of directors of the
25 appraisal district, a property tax consultant, or an agent of a
26 property owner commits an offense if the person communicates with
27 the local administrative district judge regarding the appointment

1 of appraisal review board members. This subsection does not apply
2 to:

3 (1) a communication between a member of the appraisal
4 review board and the local administrative district judge regarding
5 the member's reappointment to the board;

6 (2) a communication between the taxpayer liaison
7 officer for the appraisal district and the local administrative
8 district judge in the course of the performance of the officer's
9 clerical duties so long as the officer does not offer an opinion or
10 comment regarding the appointment of appraisal review board
11 members;

12 (3) a communication between the [a] chief appraiser of
13 the appraisal district, an [or another] employee or agent of the
14 appraisal district, a member of the appraisal review board for the
15 appraisal district, or a member of the board of directors of the
16 appraisal district and the local administrative district judge
17 regarding information relating to or described by Subsection (d-1),
18 (d-5), or (f) of this section or Section [411.1296](#), Government Code;
19 or

20 (4) a communication between a property tax consultant
21 or a property owner or an agent of the property owner and the
22 taxpayer liaison officer for the appraisal district regarding
23 information relating to or described by Subsection (f). The
24 taxpayer liaison officer for the appraisal district shall report
25 the contents of the communication relating to or described by
26 Subsection (f) to the local administrative district judge.

27 (j) The [A] chief appraiser of an appraisal district or an

1 ~~[another]~~ employee or agent of an appraisal district commits an
2 offense if the person communicates with a member of the appraisal
3 review board for the appraisal district, a member of the board of
4 directors of the appraisal district, or, if the appraisal district
5 is an appraisal district described by Subsection (d-1), the local
6 administrative district judge regarding a ranking, scoring, or
7 reporting of the percentage by which the appraisal review board or a
8 panel of the board reduces the appraised value of property.

9 SECTION 9. Sections 6.411(a), (b), and (c-1), Tax Code, are
10 amended to read as follows:

11 (a) A member of an appraisal review board commits an offense
12 if the member communicates with the chief appraiser of, an ~~[or~~
13 ~~another]~~ employee of, or a member of the board of directors of the
14 appraisal district for which the appraisal review board is
15 established in violation of Section 41.66(f).

16 (b) The [A] chief appraiser of an appraisal district, an ~~[or~~
17 ~~another]~~ employee of an appraisal district, a member of a board of
18 directors of an appraisal district, or a property tax consultant or
19 attorney representing a party to a proceeding before the appraisal
20 review board commits an offense if the person communicates with a
21 member of the appraisal review board established for the appraisal
22 district with the intent to influence a decision by the member in
23 the member's capacity as a member of the appraisal review board.

24 (c-1) This section does not apply to communications with a
25 member of an appraisal review board by the chief appraiser of an
26 appraisal district, an ~~[or another]~~ employee of an appraisal
27 district, ~~[or]~~ a member of the board of directors of an appraisal

1 district, or a property tax consultant or attorney representing a
2 party to a proceeding before the appraisal review board:

3 (1) during a hearing on a protest or other proceeding
4 before the appraisal review board;

5 (2) that constitute social conversation;

6 (3) that are specifically limited to and involve
7 administrative, clerical, or logistical matters related to the
8 scheduling and operation of hearings, the processing of documents,
9 the issuance of orders, notices, and subpoenas, and the operation,
10 appointment, composition, or attendance at training of the
11 appraisal review board; or

12 (4) that are necessary and appropriate to enable the
13 board of directors of the appraisal district to determine whether
14 to appoint, reappoint, or remove a person as a member or the
15 chairman or secretary of the appraisal review board.

16 SECTION 10. Section 22.28(d), Tax Code, is amended to read
17 as follows:

18 (d) To help defray the costs of administering this chapter,
19 a collector who collects a penalty imposed under Subsection (a)
20 shall remit to the appraisal district of [~~that employs~~] the chief
21 appraiser who imposed the penalty an amount equal to five percent of
22 the penalty amount collected.

23 SECTION 11. Section 42.21(d), Tax Code, is amended to read
24 as follows:

25 (d) An appraisal district is served by service on the chief
26 appraiser at any time or by service on any other officer or an
27 employee of the appraisal district present at the appraisal office

1 at a time when the appraisal office is open for business with the
2 public. An appraisal review board is served by service on the
3 chairman of the appraisal review board. Citation of a party is
4 issued and served in the manner provided by law for civil suits
5 generally.

6 SECTION 12. Section 52.092, Election Code, is amended by
7 adding Subsection (h) to read as follows:

8 (h) The secretary of state shall prescribe procedures for
9 the listing of the office of chief appraiser of an appraisal
10 district on the ballot.

11 SECTION 13. Section 87.041(a), Local Government Code, is
12 amended to read as follows:

13 (a) The commissioners court of a county may fill a vacancy
14 in the office of:

- 15 (1) county judge;
- 16 (2) county clerk;
- 17 (3) district and county clerk;
- 18 (4) sheriff;
- 19 (5) county attorney;
- 20 (6) county treasurer;
- 21 (7) county surveyor;
- 22 (8) county tax assessor-collector;
- 23 (9) justice of the peace; ~~[or]~~
- 24 (10) constable; or
- 25 (11) chief appraiser.

26 SECTION 14. Section 1151.164, Occupations Code, is amended
27 to read as follows:

1 Sec. 1151.164. CHIEF APPRAISER TRAINING PROGRAM. (a) The
2 department shall implement a training program for newly elected or
3 appointed chief appraisers and shall prescribe the curriculum for
4 the training program as provided by this section.

5 (b) The training program must provide the chief appraiser
6 [~~appointee~~] with information regarding:

7 (1) this chapter;

8 (2) the programs operated by the department;

9 (3) the role and functions of the department;

10 (4) the rules of the commission, with an emphasis on
11 the rules that relate to ethical behavior;

12 (5) the role and functions of the chief appraiser, the
13 appraisal district board of directors, and the appraisal review
14 board;

15 (6) the importance of maintaining the independence of
16 an appraisal office from political pressure;

17 (7) the importance of prompt and courteous treatment
18 of the public;

19 (8) the finance and budgeting requirements for an
20 appraisal district, including appropriate controls to ensure that
21 expenditures are proper; and

22 (9) the requirements of:

23 (A) the open meetings law, Chapter [551](#),
24 Government Code;

25 (B) the public information law, Chapter [552](#),
26 Government Code;

27 (C) the administrative procedure law, Chapter

1 2001, Government Code;

2 (D) other laws relating to public officials,
3 including conflict-of-interest laws; and

4 (E) the standards of ethics imposed by the
5 Uniform Standards of Professional Appraisal Practice.

6 SECTION 15. Sections 5.042(c) and 6.0501, Tax Code, are
7 repealed.

8 SECTION 16. The first election required by Section 6.05(c),
9 Tax Code, as amended by this Act, shall be held to fill the term of
10 office of the chief appraiser that begins January 1, 2019. The
11 change in law made by this Act to Section 6.05, Tax Code, does not
12 affect the appointment by an appraisal district board of directors
13 of a person to serve as chief appraiser before the effective date of
14 this Act, and that person continues to serve at the pleasure of the
15 appraisal district board of directors as provided by the former law
16 until removed by the board of directors or until the person elected
17 to that position for the term that begins January 1, 2019, has
18 qualified for office. A vacancy in the office of chief appraiser
19 that occurs on or after the effective date of this Act is filled by
20 appointment by the commissioners court, as provided by Section
21 87.041(a), Local Government Code, as amended by this Act.

22 SECTION 17. This Act takes effect January 1, 2018.