

By: Burkett

H.B. No. 348

A BILL TO BE ENTITLED

AN ACT

relating to the administration of appraisal districts; authorizing  
a fee.

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

SECTION 1. Section 5.103(b), Tax Code, is amended to read as  
follows:

(b) The model hearing procedures shall address:

- (1) the statutory duties of an appraisal review board;
- (2) the process for conducting a hearing;
- (3) the scheduling of hearings;
- (4) the postponement of hearings;
- (5) the notices required under this title;
- (6) the determination of good cause under Section 41.44(b);
- (7) the determination of good cause under Sections 41.45(e) and (e-1);
- (8) a party's right to offer evidence and argument;
- (9) a party's right to examine or cross-examine witnesses or other parties;
- (10) a party's right to appear by an agent;
- (11) the prohibition of an appraisal review board's consideration of information not provided at a hearing;
- (12) ex parte and other prohibited communications;
- (13) the exclusion of evidence at a hearing as

1 required by Section 41.67(d);

2 (14) the postponement of a hearing as required by  
3 Section 41.66(h);

4 (15) conflicts of interest; and

5 (16) [~~the process for the administration of~~  
6 ~~applications for membership on an appraisal review board; and~~

7 [~~(17)~~] any other matter related to fair and efficient  
8 appraisal review board hearings.

9 SECTION 2. Section 5.12(b), Tax Code, is amended to read as  
10 follows:

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

20 SECTION 3. Section 5.13(h), Tax Code, is amended to read as  
21 follows:

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

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

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

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

7           SECTION 4. Section 6.03, Tax Code, is amended by amending  
8 Subsections (a) and (l) and adding Subsections (a-1), (a-2), (a-3),  
9 and (m) to read as follows:

10           (a) The appraisal district is governed by a board of five or  
11 seven directors, as provided by Subsections (a-1) and (a-2).

12           (a-1) This subsection applies to an appraisal district  
13 established in a county with a population of less than 200,000. The  
14 appraisal district is governed by a board of five directors. One  
15 director is elected from each of the four commissioners precincts  
16 of the county for which the appraisal district is established. The  
17 county assessor-collector is a director by virtue of the person's  
18 office. The directors other than the county assessor-collector are  
19 elected at the general election for state and county officers and  
20 serve two-year terms beginning on January 1 of odd-numbered years.

21 [~~Five directors are appointed by the taxing units that participate~~  
22 ~~in the district as provided by this section. If the county~~  
23 ~~assessor-collector is not appointed to the board, the county~~  
24 ~~assessor-collector serves as a nonvoting director.] The county~~

25 assessor-collector is ineligible to serve if the board enters into  
26 a contract under Section 6.05(b) or if the commissioners court of  
27 the county enters into a contract under Section 6.24(b). If the

1 county assessor-collector is ineligible to serve, the appraisal  
2 district is governed by the four directors elected from the  
3 commissioners precincts and a director elected from the county at  
4 large. The director elected from the county at large is elected at  
5 the same election and serves the same term of office as the four  
6 directors elected from the commissioners precincts.

7 (a-2) This subsection applies to an appraisal district  
8 established in a county with a population of 200,000 or more. The  
9 appraisal district is governed by a board of seven directors. One  
10 director is elected from each of the four commissioners precincts  
11 of the county for which the appraisal district is established and  
12 two directors are elected from the county at large. The county  
13 assessor-collector is a director by virtue of the person's office.  
14 The directors other than the county assessor-collector are elected  
15 at the general election for state and county officers and serve  
16 two-year terms beginning on January 1 of odd-numbered years. 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). If the county assessor-collector is ineligible to  
21 serve, the appraisal district is governed by the four directors  
22 elected from the commissioners precincts and three directors  
23 elected from the county at large in the manner provided by this  
24 subsection.

25 (a-3) To be eligible to serve on the board of directors, an  
26 individual other than the [a] county assessor-collector [serving as  
27 a nonvoting director] must:

1           (1) be a resident of:

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

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

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

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

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

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

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

19 (a) An individual is not eligible to be a candidate for, to  
20 be appointed to, or to serve on the board of directors of an  
21 appraisal district if the individual or a business entity in which  
22 the individual has a substantial interest is a party to a contract  
23 with:

- 24 (1) the appraisal district; or  
25 (2) a taxing unit that participates in the appraisal  
26 district, if the contract relates to the performance of an activity  
27 governed by this title.

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

3 (b) The acquisition or conveyance of real property or the  
4 construction or renovation of a building or other improvement by an  
5 appraisal district must be approved by the governing bodies of  
6 three-fourths of the taxing units that participate in the district  
7 [~~entitled to vote on the appointment of board members~~]. The board  
8 of directors by resolution may propose a property transaction or  
9 other action for which this subsection requires approval of the  
10 taxing units. The chief appraiser shall notify the presiding  
11 officer of each governing body entitled to vote on the approval of  
12 the proposal by delivering a copy of the board's resolution,  
13 together with information showing the costs of other available  
14 alternatives to the proposal. On or before the 30th day after the  
15 date the presiding officer receives notice of the proposal, the  
16 governing body of a taxing unit by resolution may approve or  
17 disapprove the proposal. If a governing body fails to act on or  
18 before that 30th day or fails to file its resolution with the chief  
19 appraiser on or before the 10th day after that 30th day, the  
20 proposal is treated as if it were disapproved by the governing body.

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

23 (a) Each year the chief appraiser shall prepare a proposed  
24 budget for the operations of the district for the following tax year  
25 and shall submit copies to each taxing unit participating in the  
26 district and to the district board of directors before June 15. The  
27 chief appraiser [~~He~~] shall include in the budget a list showing each

1 proposed position, the proposed salary for the position, all  
2 benefits proposed for the position, each proposed capital  
3 expenditure, and an estimate of the amount of the budget that will  
4 be allocated to each taxing unit. Each taxing unit that  
5 participates in the district [~~entitled to vote on the appointment~~  
6 ~~of board members~~] shall maintain a copy of the proposed budget for  
7 public inspection at its principal administrative office.

8 (b) The board of directors shall hold a public hearing to  
9 consider the budget. The secretary of the board shall deliver to  
10 the presiding officer of the governing body of each taxing unit  
11 participating in the district not later than the 10th day before the  
12 date of the hearing a written notice of the date, time, and place  
13 fixed for the hearing. The board shall complete its hearings, make  
14 any amendments to the proposed budget it desires, and finally  
15 approve a budget before September 15. If governing bodies of a  
16 majority of the taxing units participating in the district  
17 [~~entitled to vote on the appointment of board members~~] adopt  
18 resolutions disapproving a budget and file them with the secretary  
19 of the board within 30 days after its adoption, the budget does not  
20 take effect, and the board shall adopt a new budget within 30 days  
21 of the disapproval.

22 (i) The fiscal year of an appraisal district is the calendar  
23 year unless the governing bodies of three-fourths of the taxing  
24 units participating in the district [~~entitled to vote on the~~  
25 ~~appointment of board members~~] adopt resolutions proposing a  
26 different fiscal year and file them with the secretary of the board  
27 not more than 12 and not less than eight months before the first day



1 of the fiscal year proposed by the resolutions. If the fiscal year  
2 of an appraisal district is changed under this subsection, the  
3 chief appraiser shall prepare a proposed budget for the fiscal year  
4 as provided by Subsection (a) [~~of this section~~] before the 15th day  
5 of the seventh month preceding the first day of the fiscal year  
6 established by the change, and the board of directors shall adopt a  
7 budget for the fiscal year as provided by Subsection (b) [~~of this~~  
8 ~~section~~] before the 15th day of the fourth month preceding the first  
9 day of the fiscal year established by the change. Unless the  
10 appraisal district adopts a different method of allocation under  
11 Section 6.061 [~~of this code~~], the allocation of the budget to each  
12 taxing unit shall be calculated as provided by Subsection (d) [~~of~~  
13 ~~this section~~] using the amount of property taxes imposed by each  
14 participating taxing unit in the most recent tax year preceding the  
15 fiscal year established by the change for which the necessary  
16 information is available. Each taxing unit shall pay its  
17 allocation as provided by Subsection (e) [~~of this section~~], except  
18 that the first payment shall be made before the first day of the  
19 fiscal year established by the change and subsequent payments shall  
20 be made quarterly. In the year in which a change in the fiscal year  
21 occurs, the budget that takes effect on January 1 of that year may  
22 be amended as necessary as provided by Subsection (c) [~~of this~~  
23 ~~section~~] in order to accomplish the change in fiscal years.

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

26 (b) The taxing units participating in an appraisal district  
27 may adopt a different method of allocating the costs of operating

1 the district if the governing bodies of three-fourths of the taxing  
2 units that participate in the district [~~are entitled to vote on the~~  
3 ~~appointment of board members~~] adopt resolutions providing for the  
4 other method. However, a change under this subsection is not valid  
5 if it requires any taxing unit to pay a greater proportion of the  
6 appraisal district's costs than the unit would pay under Section  
7 6.06 [~~of this code~~] without the consent of the governing body of  
8 that unit.

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

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

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

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

25 (c) Subsections (a) and (b) do not apply to a routine  
26 communication between the chief appraiser and the county  
27 assessor-collector that relates to the administration of an

1 appraisal roll, including a communication made in connection with  
2 the certification, correction, or collection of an account,  
3 regardless of whether the county assessor-collector serves on [~~was~~  
4 ~~appointed to~~] the board of directors of the appraisal district [~~or~~  
5 ~~serves as a nonvoting director~~].

6 SECTION 11. Sections 6.41(b), (d), (d-1), (e), (f), (j),  
7 and (k), Tax Code, are amended to read as follows:

8 (b) The board consists of three members. The [~~However, the~~  
9 district board of directors by resolution of a majority of its  
10 members may increase the size of the appraisal review board to the  
11 number of members the board of directors considers appropriate,  
12 subject to Subsection (d-1)].

13 (d) Except as provided by Subsection (d-1), members of the  
14 board are appointed by resolution of a majority of the appraisal  
15 district board of directors. A vacancy on the board is filled [~~in~~  
16 ~~the same manner~~] for the unexpired portion of the term in the same  
17 manner as the original appointment.

18 (d-1) If the district board of directors increases the size  
19 of the appraisal review board under Subsection (b), each director  
20 is entitled to appoint an equal number of members to the expanded  
21 appraisal review board. [~~In a county with a population of 120,000~~  
22 ~~or more the members of the board are appointed by the local~~  
23 ~~administrative district judge under Subchapter D, Chapter 74,~~  
24 ~~Government Code, in the county in which the appraisal district is~~  
25 ~~established. All applications submitted to the appraisal district~~  
26 ~~or to the appraisal review board from persons seeking appointment~~  
27 ~~as a member of the appraisal review board shall be delivered to the~~

1 ~~local administrative district judge. The appraisal district may~~  
2 ~~provide the local administrative district judge with information~~  
3 ~~regarding whether an applicant for appointment to or a member of the~~  
4 ~~board owes any delinquent ad valorem taxes to a taxing unit~~  
5 ~~participating in the appraisal district.]~~

6 (e) Members of the board hold office for terms of two years  
7 beginning January 1. The appraisal district board of directors by  
8 resolution shall provide for staggered terms, so that the terms of  
9 as close to one-half of the members as possible expire each year.  
10 In making the initial or subsequent appointments, the board of  
11 directors [~~or the local administrative district judge or the~~  
12 ~~judge's designee~~] shall designate those members who serve terms of  
13 one year as needed to comply with this subsection.

14 (f) A member of the appraisal review board may be removed  
15 from the board by a majority vote of the appraisal district board of  
16 directors, or by the member of the appraisal district board of  
17 directors [~~local administrative district judge or the judge's~~  
18 ~~designee~~], as applicable, that appointed the member. Grounds for  
19 removal are:

20 (1) a violation of Section [6.412](#), [6.413](#), [41.66\(f\)](#), or  
21 [41.69](#);

22 (2) good cause relating to the attendance of members  
23 at called meetings of the board as established by written policy  
24 adopted by a majority of the appraisal district board of directors;  
25 or

26 (3) clear and convincing evidence of repeated bias or  
27 misconduct.

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

10 (k) An offense under Subsection [~~(i) or~~] (j) is a Class A  
11 misdemeanor.

12 SECTION 12. Section 6.414(b), Tax Code, is amended to read  
13 as follows:

14 (b) An auxiliary board member is appointed by resolution of  
15 a majority of the appraisal district board of directors [~~in the same~~  
16 ~~manner and~~] for the same term as an appraisal review board member  
17 under Section 6.41 and is subject to the same eligibility  
18 requirements and restrictions as a board member under Sections  
19 6.41, 6.411, 6.412, and 6.413.

20 SECTION 13. Section 41.45, Tax Code, is amended by adding  
21 Subsection (b-4) to read as follows:

22 (b-4) At all times during a hearing on a protest, an  
23 appraisal review board member conducting the hearing must be able  
24 to be identified by either an identification badge or a nameplate.  
25 The badge or nameplate must be of sufficient size to be visible and  
26 must clearly state:

27 (1) the first and last name of the appraisal review

1 board member; and

2 (2) if applicable, the first and last name of the  
3 appraisal district director who appointed the appraisal review  
4 member to the board.

5 SECTION 14. Section 172.024(a), Election Code, is amended  
6 to read as follows:

7 (a) The filing fee for a candidate for nomination in the  
8 general primary election is as follows:

9 (1) United States senator . . . . . \$5,000

10 (2) office elected statewide, except United States  
11 senator . . . . . 3,750

12 (3) United States representative . . . . . 3,125

13 (4) state senator . . . . . 1,250

14 (5) state representative . . . . . 750

15 (6) member, State Board of Education . . . . . 300

16 (7) chief justice or justice, court of appeals, other  
17 than a justice specified by Subdivision (8) . . . . . 1,875

18 (8) chief justice or justice of a court of appeals that  
19 serves a court of appeals district in which a county with a  
20 population of more than one million is wholly or partly  
21 situated . . . . . 2,500

22 (9) district judge or judge specified by Section  
23 52.092(d) for which this schedule does not otherwise prescribe a  
24 fee . . . . . 1,500

25 (10) district or criminal district judge of a court in  
26 a judicial district wholly contained in a county with a population  
27 of more than 1.5 million . . . . . 2,500

1	(11) judge, statutory county court, other than a judge	
2	specified by Subdivision (12) . . . . .	1,500
3	(12) judge of a statutory county court in a county with	
4	a population of more than 1.5 million . . . . .	2,500
5	(13) district attorney, criminal district attorney,	
6	or county attorney performing the duties of a district	
7	attorney . . . . .	1,250
8	(14) county commissioner, district clerk, county	
9	clerk, sheriff, county tax assessor-collector, county treasurer,	
10	or judge, constitutional county court:	
11	(A) county with a population of 200,000 or	
12	more . . . . .	1,250
13	(B) county with a population of under	
14	200,000 . . . . .	750
15	(15) justice of the peace or constable:	
16	(A) county with a population of 200,000 or	
17	more . . . . .	1,000
18	(B) county with a population of under	
19	200,000 . . . . .	375
20	(16) county surveyor . . . . .	75
21	(17) office of the county government for which this	
22	schedule does not otherwise prescribe a fee . . . . .	750
23	<u>(18) appraisal district director:</u>	
24	<u>(A) county with a population of 200,000 or</u>	
25	<u>more . . . . .</u>	<u>1,250</u>
26	<u>(B) county with a population of under</u>	
27	<u>200,000 . . . . .</u>	<u>750</u>

1 SECTION 15. The following provisions of the Tax Code are  
2 repealed:

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

5 (2) Section 6.031;

6 (3) Section 6.033;

7 (4) Section 6.034;

8 (5) Section 6.037;

9 (6) Section 6.052(f);

10 (7) Section 6.10; and

11 (8) Sections 6.41(d-2), (d-3), (d-4), (d-5), (d-6),  
12 (d-7), (d-8), (d-9), and (i).

13 SECTION 16. (a) Appraisal district directors shall be  
14 elected as provided by Section 6.03, Tax Code, as amended by this  
15 Act, beginning with the primary and general elections conducted in  
16 2018. Members then elected take office January 1, 2019.

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

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

22 SECTION 17. (a) The change in the manner of selection of  
23 appraisal review board members made by Section 6.41, Tax Code, as  
24 amended by this Act, does not affect the selection of members who  
25 serve on the board before January 1, 2019.

26 (b) The term of an appraisal review board member serving on  
27 December 31, 2018, expires on January 1, 2019.



1           (c) Auxiliary members may be appointed under Section 6.414,  
2 Tax Code, as amended by this Act, by the elected appraisal review  
3 board members on or after January 1, 2019.

4           (d) The change in the manner of selection of auxiliary  
5 members made by Section 6.414, Tax Code, as amended by this Act,  
6 does not affect the selection of auxiliary members who serve before  
7 January 1, 2019.

8           (e) The term of an auxiliary member serving on December 31,  
9 2018, expires on January 1, 2019.

10          SECTION 18. The repeal by this Act of Section 6.41(i), Tax  
11 Code, and the change in law made by this Act to Section 6.41(j), Tax  
12 Code, do not apply to an offense committed under either of those  
13 subsections before January 1, 2019. An offense committed before  
14 January 1, 2019, is governed by the applicable subsection as it  
15 existed on the date the offense was committed, and the former law is  
16 continued in effect for that purpose. For purposes of this section,  
17 an offense was committed before January 1, 2019, if any element of  
18 the offense occurred before that date.

19          SECTION 19. (a) Except as otherwise provided by this  
20 section, this Act takes effect January 1, 2019.

21          (b) This section and Sections 14, 16, and 17 of this Act take  
22 effect December 1, 2017.