

By: Pacheco

H.B. No. 2719

A BILL TO BE ENTITLED

AN ACT

relating to the election of the board of directors of an appraisal district.

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~~

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

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

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

(a) The appraisal district is governed by a board of five directors. Each director is elected at large by the voters of the county. The ~~[Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the]~~ county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). The directors other than the county assessor-collector are elected at the general election for state and county officers and serve two-year terms beginning on January 1 of odd-numbered years. Candidacy for an election under this section is governed by Chapter 144, Election Code. A filing fee is not required to become a candidate.

(a-1) To be eligible to serve on the board of directors, an individual other than the ~~[a]~~ county assessor-collector ~~[serving as a nonvoting director]~~ must be a resident of the county for which the appraisal district is established ~~[district]~~ and ~~[must]~~ have

resided in the appraisal district for at least two years immediately preceding the date the individual takes office. ~~[An individual who is otherwise eligible to serve on the board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.]~~

(1) A ~~[If a]~~ vacancy ~~[occurs]~~ on the board of directors other than a vacancy in the position held by the ~~[a]~~ county assessor-collector is filled for the remainder of the unexpired term by appointment by a majority of the remaining directors. A person appointed to fill a vacancy on the board of directors must meet the qualifications of the vacated position ~~[serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy].~~

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

(a) An individual is not eligible to be a candidate for, to be appointed to, or to serve on the board of directors of an

1 appraisal district if the individual or a business entity in which
2 the individual has a substantial interest is a party to a contract
3 with:

4 (1) the appraisal district; or

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

8 SECTION 5. Section 6.051(b), Tax Code, is amended to read as
9 follows:

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

SECTION 6. Sections 6.06(a), (b), and (i), Tax Code, are amended to read as follows:

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

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

of the disapproval.

(i) The fiscal year of an appraisal district is the calendar year unless the governing bodies of three-fourths of the taxing units participating in the district ~~[entitled to vote on the appointment of board members]~~ adopt resolutions proposing a different fiscal year and file them with the secretary of the board not more than 12 and not less than eight months before the first day of the fiscal year proposed by the resolutions. If the fiscal year of an appraisal district is changed under this subsection, the chief appraiser shall prepare a proposed budget for the fiscal year as provided by Subsection (a) ~~[of this section]~~ before the 15th day of the seventh month preceding the first day of the fiscal year established by the change, and the board of directors shall adopt a budget for the fiscal year as provided by Subsection (b) ~~[of this section]~~ before the 15th day of the fourth month preceding the first day of the fiscal year established by the change. Unless the appraisal district adopts a different method of allocation under Section 6.061 ~~[of this code]~~, the allocation of the budget to each taxing unit shall be calculated as provided by Subsection (d) of this section using the amount of property taxes imposed by each participating taxing unit in the most recent tax year preceding the fiscal year established by the change for which the necessary information is available. Each taxing unit shall pay its allocation as provided by Subsection (e) ~~[of this section]~~, except that the first payment shall be made before the first day of the fiscal year established by the change and subsequent payments shall be made quarterly. In the year in which a change in the fiscal year

occurs, the budget that takes effect on January 1 of that year may be amended as necessary as provided by Subsection (c) ~~[of this section]~~ in order to accomplish the change in fiscal years.

SECTION 7. Sections 6.061(b) and (e), Tax Code, are amended to read as follows:

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

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

SECTION 8. Section 6.063(b), Tax Code, is amended to read as follows:

(b) The report of the audit is a public record. A copy of the report shall be delivered to the presiding officer of the governing body of each taxing unit that participates in the district ~~[eligible to vote on the appointment of district~~

1 ~~directors]~~, and a reasonable number of copies shall be available
2 for inspection at the appraisal office.

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

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

13 SECTION 10. The following provisions of the Tax Code are
14 repealed:

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

17 (2) Section 6.031;

18 (3) Section 6.033;

19 (4) Section 6.034;

20 (5) Section 6.037; and

21 (6) Section 6.10.

22 SECTION 11. (a) Appraisal district directors shall be
23 elected as provided by Section 6.03, Tax Code, as amended by this
24 Act, beginning with the general election for state and county
25 officers conducted in 2020. Members then elected take office
26 January 1, 2021.

27 (b) The change in the manner of selection of appraisal

1 district directors made by this Act does not affect the selection of
2 directors who serve on the board before January 1, 2021.

3 (c) The term of an appraisal district director serving on
4 December 31, 2020, expires on January 1, 2021.

5 SECTION 12. (a) Except as otherwise provided by this
6 section, this Act takes effect January 1, 2021.

7 (b) This section and Section 11 of this Act take effect
8 September 1, 2019.